TTC SUGAR



COMPREHENSIVE TRANSFORMATION

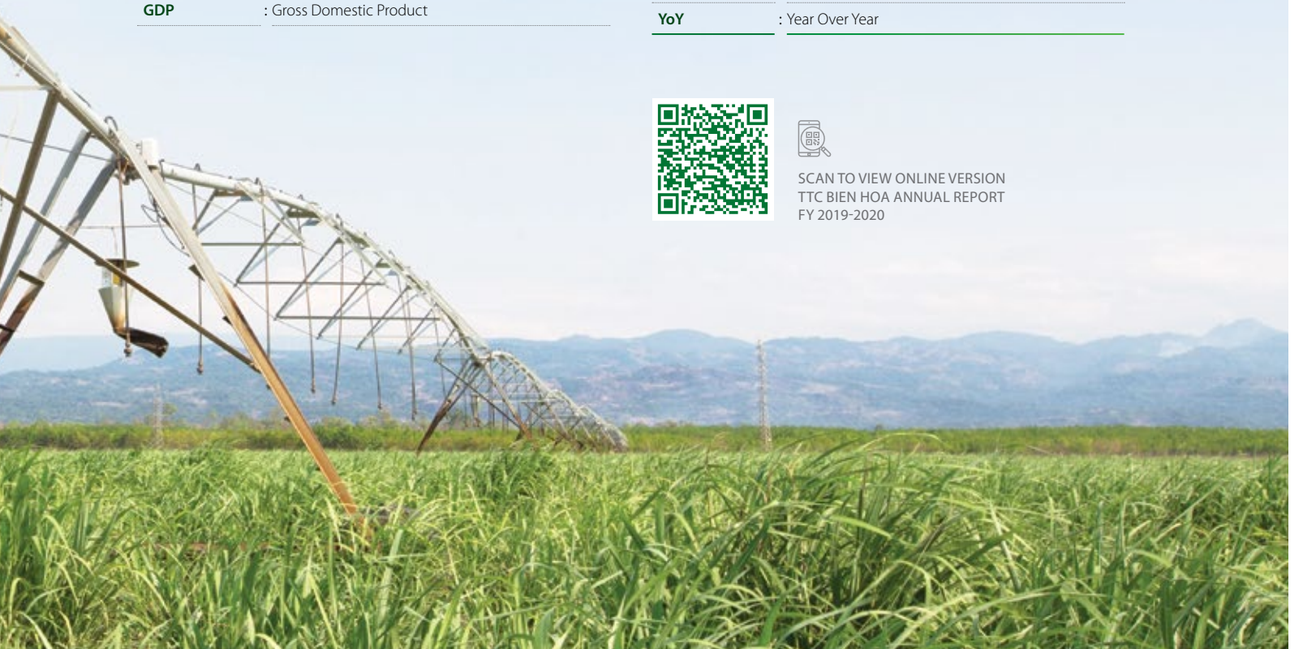
FOR GLOBAL REACH

FY 2019-2020 ANNUAL REPORT

ABBREVIATIONS

AGM	: Annual General Meeting of Shareholders
AR	: Annual report
ATIGA	: ASEAN Trade in Goods Agreement
ASEAN	: Association of Southeast Asian Nations
BOD	: Board of Directors
BOM	: Board of Management
B2B	: Business to Business
B2C	: Business to Customer
COD	: Chemical Oxygen Demand
CCS	: Commercial Cane Sugar
Co., Ltd.	: Company Limited
CAGR	: Compounded Annual Growth rate
CG	: Corporate Governance
CEO	: Chief Executive Officer
CIT	: Corporate Income Tax
EBIT	: Earnings before interest, taxes
EBITDA	: Earnings before interest, taxes, depreciation and amortization
ESOP	: Employee Stock Ownership Plan
ERP	: Enterprise Resource Planning
FS	: Financial report
FY	: Fiscal Year
FDA	: Food and Drug Administration
FDI	: Foreign Direct Investment
FOL	: Foreign Ownership Limit
GMS	: General Meeting of Shareholders
GT	: General Trade
GRI	: Global Reporting Initiative
GDP	: Gross Domestic Product
HOSE	: Ho Chi Minh Stock Exchange
HORECA	: Hotel, Restaurant and Catering
HR	: Human Resources
IA	: Internal Audit
IFRS	: International Financial Reporting Standards
ISO	: International Organization for Standardization
JSC	: Joint Stock Company
M&A	: Mergers & Acquisitions
MT	: Modern Trade
MNC	: Multinational Corporation
OECD	: Organization for Economic Cooperation and Development
P/E	: Price-to-Earnings Ratio
PAT	: Profit After Tax
PBT	: Profit Before Tax
RE	Refined Extra
RS	Refined Standard
R&D	Research & Development
ROA	Return On Average Assets
ROE	Return On Average Equity
SME	Small and Medium-sized Enterprise
TTC Bien Hoa/ SBT/ Company	Thanh Thanh Cong – Bien Hoa Joint Stock Company
TCD	Tons of Cane per Day
UN	United Nations
USDA	United States Department of Agriculture
VAS	Vietnam Accounting Standards
VSSA	Vietnam Sugarcane and Sugar Association
YoY	: Year Over Year

SCAN TO VIEW ONLINE VERSION
TTC BIEN HOA ANNUAL REPORT
FY 2019-2020



Contents

TTC BIEN HOA ANNUAL REPORT
FISCAL YEAR 2019 - 2020



Abbreviations 02
Vision - Mission - Core value 04
Commitment to the truthfulness and fairness of FY 2019-2020 annual report 06

MESSAGE FROM BOD

Message from BOD Chairwoman 10
Message from the Chief Executive Officer 12
Significant numbers in FY 2019-2020 14
Financial highlights from FY 2015-2016 to FY 2019-2020 16
Significant events in FY 2019-2020 18
Sugarcane Value Chain and R&D activities 22
TTC Bien Hoa's diversified product portfolio 28
Distribution channel 42
Company profile 44
The historical development of the Company 46
Systems and networks 48

CORPORATE GOVERNANCE

Corporate governance towards international standards 56
Code of conduct 60
Introduction of the Board of Directors 62
The Board of Directors' report 64
Appropriate stategy, driving force to reach international level 72
Report from Independent Board of Directors' members 78
Audit Committee's report 82
Reports from other Committees under the Board of Directors 90
Risk management 94
Legal compliance 100
Capital market activities 106
Investor relations activities 112
Sugar industry overview 118
Corporate governance practices based on Asean Scorecard and Corporate Governance code of best practices for public companies in Vietnam 124

OPERATION THROUGHOUT THE YEAR

136 Introduction of the Board of Management
138 Operation throughout the year
144 A pioneering operating model
147 Investment updates and progress of key projects
149 Investment in improving technology and operational efficiency
154 Effective supply chain management
160 Activities of subsidiaries and associates
162 Quality assurance and customers' feedback on product quality
168 Farmers - On every step to development
172 Responses of the Farmers and Farm's Managers
176 Human resources and training
179 Employee's testimonials

SUSTAINABLE DEVELOPMENT REPORT

182 17 Sustainable development goals of United Nation
185 Stakeholders' engagement
192 Economic topic
198 Environmental topic
209 Social topic

FINANCIAL STATEMENTS

222 Consolidated financial statements for the year ended 30 June 2020
284 Separate financial statements for the year ended 30 June 2020
290 Contact information for Stakeholders

VISION - MISSION
CORE VALUE



VISION

To become Indochina's leading solution provider of traceable and sustainable agricultural products.



MISSION

To build advanced and sustainable agriculture that provides energy and nutrients of natural origin, non-GMO.





COMMITMENT TO THE TRUTHFULNESS AND FAIRNESS OF FY 2019-2020 ANNUAL REPORT

With a view to modern, Green clean, and sustainable agriculture

The Company paid great attention to the development of Organic products and made a strong investment in the rooftop solar system, with more of them being built in warehouses, factories, and offices. The investment was made in accordance with the guideline of the Government, designed to make the most out of renewable energy sources, minimize environmental pollution, and bring added value to society. This way would help serve TTC Bien Hoa's goal of becoming the leading solution provider in traceable and sustainable agriculture products across Indochina. The Company also focused on reforming the internal management processes and was committed to seeing it through.



Covid-19 pandemic made TTC Bien Hoa realize the crucial importance of introducing technology to all stages of production. The transition has been carried out under the unflagging guidance of the BOD and BOM, which aims to help the Company survive, adapt, and thrive as the pace of digital transformation accelerates.

According to the roles and functions of the Internal audit department, we commit:

ANNUAL REPORT

- The contents presented in the FY 2019-2020 Annual Report fully satisfy the current requirements of information disclosure. The content is also geared towards best practices and standards recognized by international organizations namely: IIRC Integrated Report, ASEAN Corporate Governance Scorecard, OCED Principles of Corporate Governance, GRI Standards for Sustainability Reporting.
- All financial information and data presented in the FY 2019-2020 Annual Report are consistent with the 2019-2020 FS audited by Ernst & Young Vietnam Co., Ltd.
- FY 2019-2020 Annual Report presents a true and fair view of business activities, project investments, and financial situation in FY 2019-2020, reflecting the Company's determination to ensure transparency and protect the interests of Shareholders, Investors, and Stakeholders.

SUSTAINABLE DEVELOPMENT REPORT

- Following the consolidated set of GRI Sustainability Reporting Standards (2016), Internal Audit concludes that TTC Bien Hoa's Sustainable Development Report presents a true and fair view of the development strategy, which was built in the best interests of the Company, Shareholders, Stakeholders and towards the goals of effective management, customer-centric products, farmers' companion, and social responsibility.
- The system developed by the BOM is effective in monitoring and ensuring the indicators in the Sustainable Development Report are appropriate. The Sustainable Development Report was prepared under the guidance and training of the Global Reporting Initiative - GRI Vietnam.
- The Sustainable Development Report is fairly presented on the key aspects and effectively represents the collaboration among Stakeholders as well as three main indicators, namely Economy, Environment, and Society. The report displays the Company's determination to ensure transparency and protect the interests of Shareholders, Investors, and Stakeholders.

Huynh Thanh Nhan
Head of
Internal Audit Department



MESSAGE FROM BOD

10 Message from BOD Chairwoman
12 Message from the Chief Executive Officer
14 Significant numbers in FY 2019-2020
16 Financial highlights from FY 2015-2016 to FY 2019-2020
18 Significant events in FY 2019-2020
22 Sugarcane Value Chain and R&D activities
28 TTC Bien Hoa's diversified product portfolio
42 Distribution channel
44 Company profile
46 The historical development of the Company
48 Systems and networks

MESSAGE FROM BOD CHAIRWOMAN

In the context that difficult is more than favourable, with several positive achievements for TTC Bien Hoa in adapting and seeking solutions to solidify, develop and preserve the prestige of the brand **"Bien Hoa Sugar"** built over half a century.



Dear esteemed Shareholders, Investors, Customers, Farmers, and Partners,

FY 2019-2020 is an unforgettable year of the Vietnam Sugar Industry in general and TTC Bien Hoa in particular, as from January 1st, 2020, Vietnam has officially implemented the ASEAN Trade in Goods Agreement-ATIGA commitments. This is also the year the Company suffered prolonged impact and pressure during the lowest point in a cycle of the global Sugar industry, with Sugar prices fluctuating due to force majeure events. The historic, far-reaching Covid-19 pandemic exerted its detrimental impact on various aspects of the Company's business activities.

With the endless efforts by the BOM and staff under BOD's sound strategies, FY 2019-2020 concluded with several positive achievements for TTC Bien Hoa in adapting and seeking solutions to solidify, develop and preserve the prestige of the brand "Bien Hoa Sugar" built over half a century.

For the first time ever, in FY 2019-2020, TTC Bien Hoa reached then exceeded the production of 1 million tons of Sugar, increasing its domestic market share to 46% from 42% of the previous FY. This achievement marked the successful BOD's expansion strategy. Meanwhile, 1 million tons of Sugar was a proud step on the journey to "Bring Clean Sugar to every home" with a view to ensuring consumers' health and safety.

TTC Bien Hoa currently owns a large material area of nearly 64,000 hectares in 3 countries - Vietnam, Laos, and Cambodia - and expects to expand to 70,000 hectares going forward. Due to unfavorable weather in some areas in the previous year, the average sugarcane productivity was not as high as expected. However, effective farming practices helped the average CCS maintain its positive growth, reaching 10.25, fulfilling 105% of the plan. The area of raw materials in Laos continued to be invested to cover the area of organic sugarcane, producing organic Sugar at international quality standards recognized by prestigious organizations. This contribute meaningfully to sustainable agriculture for TTC Bien Hoa in particular and Vietnam in general. This is considered the Company's strategic step to enhance Vietnam's Sugar industry's competitive advantage on the world Sugar market.

As a pioneering exporter to 24 countries, including markets that demand high quality such as US, Europe, Korea, Singapore, etc. TTC Bien Hoa has been competing with global giants to introduce its wide range of high-quality, customer-centric products to major markets. In Vietnam, Bien Hoa Sugar brand continues to win consumer trust and recognition, reflected through "2020 High-quality Vietnamese goods - Voted by consumers" award in June 2020. Previously, in Kantar Worldpanel's Annual Report on Brand Footprint in 2020, TTC Bien Hoa was honored in Top 5 most chosen brands in 4 big cities (Ho Chi Minh City, Ha Noi, Da Nang, and Can Tho). In 2020, TTC Bien Hoa has been listed in Forbes Vietnam's Top 50 brands for 2 years in a row.

> "THE PRINCIPAL GOAL OF TTC BIEN HOA IS TO HELP FARMERS ACHIEVE SUCCESS AND ENRICH THEIR LIVES THROUGH THE DEVELOPMENT AND POTENTIAL OF SUGARCANE"



The results of the TTC Bien Hoa effort last year included VND17,956 billion in total assets, VND12,889 billion in net revenue which exceeded expectations, and VND363 billion in after-tax profit. TTC Bien Hoa also confirmed its position as one of Vietnam's leading sugarcane corporations, continuing to be listed in HOSE's VN30 Index Basket. SBT is also chosen to be named in the list of established investment funds such as VNM ETF, DB XTRACKER FTSE VIETNAM SWAP UCITS ETF, iShares MSCI Frontier 100 ETF, VFMVN30 ETF, etc., which hold nearly 18 million SBT shares.

With the goal of "Becoming the Indochina's leading solution provider of traceable and sustainable agricultural products", and increasing market share to 50% in FY 2020-2021, TTC Bien Hoa is geared towards the exploitation and completion of the Sugarcane value chain, aiming to provide the market with the Green energy solutions from Clean production. We are committed to transforming traditional agricultural models into organic farming, and providing intensive agricultural solutions for sustainable development. The upcoming FY is expected to witness breakthrough development, kicking off TTC Bien Hoa's 5-year period of 2021-2025.

After the pandemic, we realized that global consumer and business practice have changed. More than ever, every aspect of life in general and in the business sector in particular recognized the power of digitization and technology. Therefore, SBT identified FY 2020-2021 as a transformation period from repetitive and stereotypical thinking to digitalized professional thinking. The "Transform SBT" digital transformation project has officially been kicked off as an important roadmap to help TTC Bien Hoa create the environment and tools for its staff to develop, approach new knowledge and create new value. This project is expected to become the Company's effective tool to realize strategic goals, to be ready and confident to step into the international arena.

On behalf of the Board of Directors, I would like to express the warmest appreciation to the Board of Management and staff for their effort and dedication to the Company's sustainable development. At the same time, I am extremely grateful for the trust and companionship of our esteemed Shareholders, Investors, Farmers, Customers, and Partners. The upcoming FY 2020-2021 is expected to come with pressure and challenges to TTC Bien Hoa, to Vietnam's sugarcane industry, and to the global economy, given the complicated developments of Covid-19. However, with clear strategic directions, close connection to the community and society, all of which were achieved by a dedicated team through a hard and responsible journey, I have all the faith in the breakthrough development, with which new heights can be reached in FY 2020-2021 and subsequent years.

Sincerely,



Huynh Bich Ngoc
Chairwoman of the Board of Directors of TTC Bien Hoa

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



With over 50 years of experience, BOD's strategic direction and meticulous preparation by BOM and staff, TTC Bien Hoa turned challenges into triumphs, taking advantage of the integration period, being competitive, and gradually transforming itself into the regional market conqueror.

NET REVENUE IN FY 2019-2020

12,889 VND BILLION

72+ SUGAR PRODUCTS

EXPORT MARKETS **24** COUNTRIES

EXPORTED **200,000** TONS OF LIQUID SUGAR

Dear valued Shareholders, Investors, Farmers, Customers, and Partners,

Vietnam's Sugar industry experienced a year of dramatic fluctuations in the industry cycle, coupled with challenges from ATIGA and tremendous impacts from the Covid-19. Nevertheless, with over 50 years of experience, BOD's strategic direction and meticulous preparation by BOM and staff, TTC Bien Hoa turned challenges into triumphs, taking advantage of the integration period, being competitive, and gradually transforming itself into the regional market conqueror.

FY 2019-2020 was characterized by a bright note, with Sugar output being over 1 million tons, or a 41% YoY growth, exceeding the Company's revenue and profit expectations. In particular, our net revenue reached VND12,889 billion, or an 19% YoY increase, exceeding the plan by 18%. Profit before tax reached over VND512 billion, or a 21% YoY surge, exceeding the plan by 19%. Profit after tax reached VND363 billion, or 40% YoY surge. At the same time, the Company maintained effective cost control, tracking closely and completing BOD-assigned goals.

Covid-19 is an unprecedented global crisis affecting all countries, industries, and most if not all businesses. Vietnam and TTC Bien Hoa could also feel the pandemic's profound impact. Yet, thanks to the government's radical and drastic measures, Vietnam was recognized internationally as one of the most successful anti-pandemic stories. At TTC Bien Hoa, the impact of the outbreak in the second half of FY 2019-2020 was assessed from a different, more positive perspective, in the same way the international integration to ATIGA. ATIGA was considered an opportunity for TTC Bien Hoa to accelerate the transformation and make more successful, intensified adaptation in all activities.

The Company's current operating and business model are gradually transformed from traditional manufacturing to servitization to provide customers with Sugar products and energy solutions to ensure abundant, clean supply for the young, dynamic local and regional markets. TTC Bien Hoa outlined a roadmap to build market segments, core products, and a diverse distribution network with the industry's leading R&D experts. Consequently, the Company is well-positioned to accompany customer's development. Successful penetration into the toughest beet Sugar markets, including Europe, America amongst others set TTC Bien Hoa apart as a globally-acclaimed Vietnamese Sugar brand. This was also TTC Bien Hoa's most powerful message to declare war on illegal, low-quality Sugar. TTC Bien Hoa branded products are now available in over 70,300 retail stores, 5,200 supermarkets, convenience stores, 3,500 retail outlets, and 4 reputable Vietnam's e-commerce platforms.

In the last FY, TTC Bien Hoa continued its extensive search for strategic partners from major financial institutions to sustain its capital restructuring and shift its capital structure towards sustainability. In June 2020, Korean strategic Investors - Cape Yeollim Core Trend Global Fund 1 (Coretrend) officially disbursed VND172 billion to TTC Bien Hoa via convertible bonds without collaterals. This was great significance as foreign investors had been inclined to withdraw or postpone their new investments in an effort to minimize Covid-19 risks. Moreover, this investment was made without any requirement on collateral, which was evidently the investors' profound trust in and appreciation of Vietnam's Sugar industry prospects, as well as in TTC Bien Hoa's long-term development plan. A number of capital-raising deals from Korean-based investors are expected to follow this deal. In September 2019, the Company successfully mobilized in the vicinity of VND650 billion by issuing convertible bonds to the strategic investor DEG, an investment fund owned by the German Federal Government.

TTC Bien Hoa completed the 3-year medium-term development plan in FY 2019-2020 and began implementing the 5-year plan of 2021-2025, starting in this year. FY 2020-2021 is a substantial year for TTC Bien Hoa to accelerate a radical digital transformation roadmap towards its goals of becoming a market leader in smart farming at home and abroad. Thanks to the initiative, adaptability, and relentless efforts of the staff and BOM, we believe our 5-year plan to conquer the regional market has made its mark, and we are about to reap the sweet fruits of our hard work. On behalf of the board, I would like to extend my gratefulness to our valued Shareholders, Investors, Customers, Farmers, and Partners for your generous support over the years. From this moment on, I look forward to having your continued support, and witnessing a foreseeable future when TTC Bien Hoa, a representative of Vietnam's agriculture sector, emerges as a major player on the global market.

Nguyen Thanh Ngu
Chief Executive Officer

SIGNIFICANT NUMBERS IN FY 2019-2020



~ 64,000 Ha RAW MATERIAL AREAS IN 3 COUNTRIES VIETNAM, LAOS, AND CAMBODIA

NET REVENUE
Up 19% year-over-year
12,889
BILLION VND

46%
THE LEADER IN VIETNAM'S SUGAR INDUSTRY
Up 10% year-over-year

CONSUMPTION OUTPUT
Up 41% year-over-year
1.1 MILLION TONS OF SUGAR

24 EXPORT MARKETS

63 SUGAR PRODUCTS

9
SUGAR BY-PRODUCTS

6
ORGANIC SUGAR PRODUCTS MEET EU AND USDA (THE USA) STANDARDS

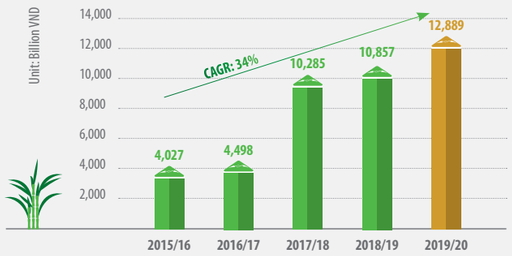
TOP 50
LEADING BRANDS ANNOUNCED BY FORBES VIETNAM

VN30 THE ONLY SUGAR STOCK IN THE INDEX BASKET

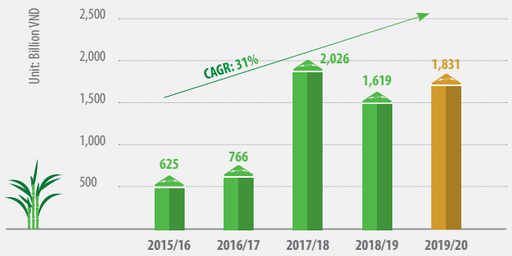
FINANCIAL HIGHLIGHTS FROM FY 2015-2016 TO FY 2019-2020

PROFITABILITY INDICATORS

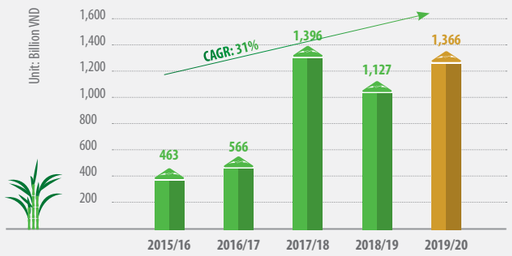
NET REVENUE



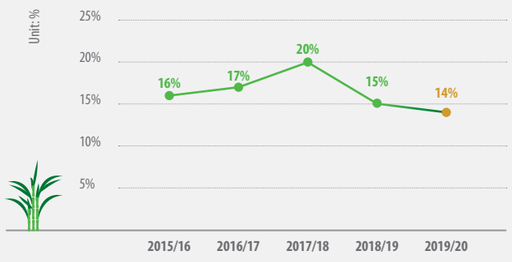
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION - EBITDA



EARNINGS BEFORE INTEREST, TAXES - EBIT

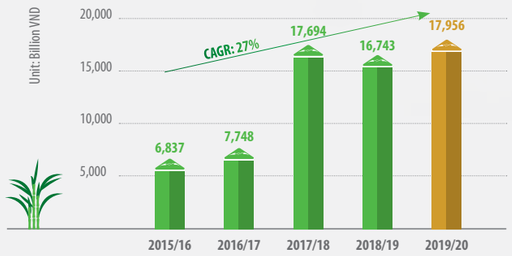


EBITDA MARGIN

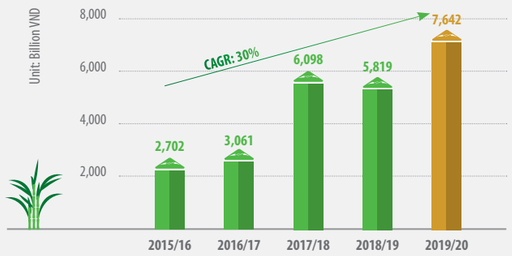


ASSETS AND CAPITAL SOURCES

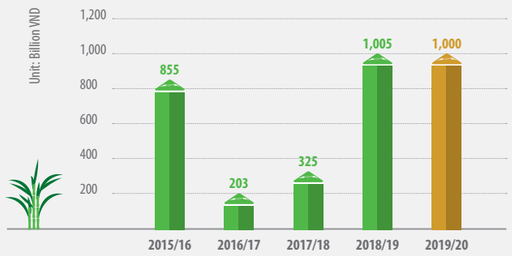
TOTAL ASSETS



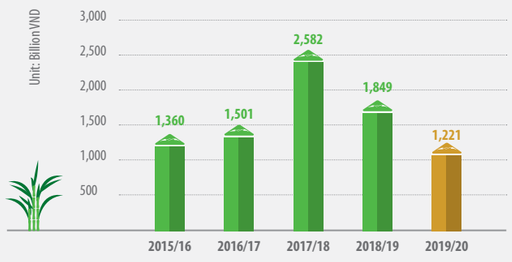
OWNER'S EQUITY



CASH AND CASH EQUIVALENTS



LONG-TERM LOANS AND FINANCE LEASE OBLIGATIONS



Source: Audited Consolidated FS from FY 2015-2016 to FY 2019-2020

FINANCIAL SUMMARY FROM FY 2015-2016 TO FY 2019-2020

BASIC FINANCIAL INDICATOR	Unit	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Liquidity ratios						
Current ratio	Times	1.5	1.4	1.1	1.1	1.1
Quick ratio	Times	1.0	0.8	0.7	0.8	0.9
Leverage ratios						
Interest Bearing Debt/Total assets	Times	0.57	0.56	0.58	0.55	0.46
Interest Bearing Debt/Owner's equity	Times	1.44	1.42	1.69	1.57	1.07
Efficiency ratios						
Asset turnover ratio	Times	0.79	0.62	0.81	0.63	0.74
Inventory turnover period	Days	111	152	121	123	85
Profitability ratios						
EBITDA margin	%	16	17	20	15	14
EBIT margin	%	11	13	14	10	11
Gross profit margin	%	15	13	13	8	11

BALANCE SHEET Unit: Billion VND	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	Increase/ Decrease YoY	CAGR 2015-2016 to 2019-2020
Current assets	**4,216**	**4,415**	**9,813**	**9,794**	**10,031**	**2%**	**24%**
Cash and cash equivalents	856	203	325	1,005	1,000	0%	4%
Short-term investments	46	112	614	768	899	17%	110%
Current accounts receivables	1,931	2,068	4,715	5,036	5,447	8%	30%
Inventories	1,333	1,958	3,972	2,781	2,529	-9%	17%
Other current assets	50	74	187	204	156	-24%	33%
Non-current assets	**2,620**	**3,333**	**7,881**	**6,949**	**7,925**	**14%**	**32%**
Long-term receivables	194	247	544	146	102	-30%	-15%
Fixed assets	1,555	1,442	4,698	4,352	4,180	-4%	28%
Investment properties	-	131	181	157	592	277%	0%
Long-term assets in progress	125	79	134	679	341	-50%	29%
Long-term investments	686	1,373	637	125	1,246	897%	16%
Other long-term assets	60	61	1,687	1,490	1,464	-2%	122%
Total assets	**6,836**	**7,748**	**17,694**	**16,743**	**17,956**	**7%**	**27%**
Liabilities	**4,134**	**4,687**	**11,596**	**10,924**	**10,314**	**-6%**	**26%**
Current liabilities	2,775	3,164	8,902	8,966	8,808	-2%	33%
Short-term loans	2,520	2,850	7,703	7,284	6,990	-4%	29%
Non-current liabilities	1,359	1,523	2,694	1,958	1,506	-23%	3%
Long-term loans	1,359	1,501	2,582	1,849	1,221	-34%	-3%
Owner's equity	**2,702**	**3,061**	**6,098**	**5,819**	**7,642**	**31%**	**30%**
Total Liabilities and Owners' equity	**6,836**	**7,748**	**17,694**	**16,743**	**17,956**	**7%**	**27%**

PROFIT AND LOSS Unit: Billion VND	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	Increase/ Decrease YoY	CAGR 2015-2016 to 2019-2020
Net revenue	**4,027**	**4,498**	**10,285**	**10,857**	**12,889**	**19%**	**34%**
Gross profit	605	556	1,326	872	1,455	67%	25%
Net operating profit	304	301	539	319	522	64%	14%
Profit before tax	310	310	682	422	512	21%	13%
Profit after tax	**294**	**287**	**545**	**259**	**363**	**40%**	**5%**
EBIT	463	566	1,396	1,127	1,366	21%	31%
EBITDA	625	766	2,026	1,619	1,831	13%	31%

Source: Audited Consolidated FS from FY 2015-2016 to FY 2019-2020

SIGNIFICANT EVENTS IN FY 2019-2020

JULY 2019

LAUNCHING TTC SUGAR SHOP



TTC Sugar Shop *at TTC World - Valley of Love*

TTC Sugar Shop is a souvenir shop, themed "Sweet souvenirs". The first shop is at TTC World - Valley of Love, Da Lat city. As a combination of craftsmanship and love for Sugar, the shop displays and sells souvenirs that relate to TTC Bien Hoa's Sugar products.

AUGUST 2019

ANNUAL REVIEW MEETING FY 2018-2019



Annual Review Meeting FY 2018-2019

TTC Bien Hoa held an Annual Meeting Review to set tasks and plans for FY 2019-2020. The Meeting reviewed the last year's outcomes, achievements, and shortcomings. On this basis, TTC Bien Hoa's leaders set out strategies and action plans for the next fiscal year in order to achieve expected objectives.

SEPTEMBER 2019

SIGNING CEREMONY FOR STRATEGIC COOPERATION BETWEEN TTC BIEN HOA AND DEG



Signing ceremony of strategic cooperation between TTC Bien Hoa and DEG

The signing ceremony of strategic cooperation between TTC Bien Hoa and DEG - Investment fund owned by the German Government took place on September 26th, 2019. DEG disclosed its purchase of VND650 billion worth of 21.6 million convertible preferred SBT stock and became one of TTC Bien Hoa's strategic shareholders.

19TH INTERNATIONAL AGRICULTURE TRADE FAIR AT TAY NINH AND HA NOI



The 19th International Agriculture Trade Fair in Tay Ninh and Ha Noi

Throughout the 50-year journey, TTC Bien Hoa has always honored its promise to bring "Clean Sugar to every home", demonstrated by its effort to introduce high-quality products at affordable prices to meet customers' demand for diversity. At the 19th International Agriculture Trade Fair, TTC Bien Hoa pulled together its finest products to promote its brand recognition to consumers.

OCTOBER 2019

LEADERS OF TTC BIEN HOA WORKED WITH LEADERS OF ATTAPEU PROVINCE, LAOS





TTC Bien Hoa's leaders in the sugarcane field at Attapeu Province, Laos

At the beginning of October 2019, TTC Bien Hoa's leaders visited Attapeu province of Lao People's Democratic Republic. TTC Bien Hoa's leaders and the provincial leaders shared their opinions and committed to reinforcing strategic cooperation plans. TTC Bien Hoa's leaders provided guidance and high expectations for the sustainable development of TTC Attapeu in the following year, believing that Organic Sugar products would support the socio-economic development of Attapeu province.

TTC Bien Hoa's leaders also paid a visit to TTC Attapeu's emloyees, offering words of encouragement and advice before the beginning of the next harvest and growing season. The meeting was an opportunity for all to learn about other's experiences and to be well-prepared for a bumper crop in 2019-2020.

NOVEMBER 2019

TOP 10 BEST ANNUAL REPORT IN 2019 LARGE-CAP GROUP



TTC Bien Hoa's leader received the Top 10 Annual Report Award

In recent years, TTC Bien Hoa has always been in the Large-Cap group's 10 best Annual reports. Especially in FY 2018-2019, the Company ranked 2nd in top 10, reflecting the increasing relevance of the Company's Annual reports. The Company not only seeks to meet regulations, but also aligns its business with internationally recognized best practices.

SIGNING CEREMONY OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN TTC BIEN HOA AND CORETREND, AN INVESTMENT FUND FROM SOUTH KOREA



Mrs. Huynh Bich Ngoc - TTC Bien Hoa's Chairwoman of the BOD at the signing ceremony of the MoU, South Korea

Mrs. Huynh Bich Ngoc, Chairwoman of TTC Bien Hoa, accompanied Prime Minister Nguyen Xuan Phuc on his visit to South Korea last November. During the visit, she signed an MoU with representatives of Coretrend. The Prime Minister also attended the signing ceremony.

DECEMBER 12 2019

50 YEARS FOR THE *sweet of love*



50th anniversary of TTC Bien Hoa

TTC Bien Hoa celebrated its 50th anniversary on December 15th, 2019, marked by a series of activities to express TTC Bien Hoa's gratitude to customers, strategic partners, and employees for their support and patronage over the years. As a Sugar industry leader, TTC Bien Hoa perceived the anniversary as a significant moment for leaders to communicate strategies and visions to partners and employees before ATIGA took effect on January 1st, 2020.

SUSTAINABLE ENTERPRISE 2019 AWARD



TTC Bien Hoa's leader received the Sustainable Enterprise 2019 Award

On November 26th, 2019, TTC Bien Hoa won the Sustainable Enterprise 2019 Award by the Vietnam Chamber of Commerce and Industry (VCCI). The Company has received this award for the third consecutive year, meaning the Company's continuous efforts to create a sustainable production chain has borne fruit.

JANUARY 1 2020

TTC BIEN HOA AND CORETREND (SOUTH KOREA) PROMOTED A COOPERATION PLAN



TTC Bien Hoa met Coretrend Investment Fund

Coretrend's representatives paid a visit after the MoU signing with TTC Bien Hoa leadership in November 2019. Farm and factory tours and site visits helped South Korea's investment fund gain deeper insights into the operating situation and growth strategies of Vietnam's largest Sugar company.

MARCH 3 2020

TTC BIEN HOA COOPERATED WITH "GIANT" DOLE ASIA HOLDING IN A NEW PROJECT



Leaders of TTC Bien Hoa and Dole Asia Holding at the signing ceremony of the cooperation contract

After months of thorough investigation and testing, on March 17th, 2020, TTC Bien Hoa and Dole Asia Holding PTE. LTD. signed a cooperation contract in which Dole would transfer technology and underwrite the South America banana growing project taking place on 156 ha in Thanh Long farm of TTC Bien Hoa - Dong Nai Co., Ltd.

APRIL 4 2020

A BOUNTIFUL CRUSHING SEASON AT TTC GIA LAI



TTCS Gia Lai's factory

TTCS Gia Lai's crushing season 2019-2020 ended with flying colors. The quantity of crushed sugarcane reached over 515 thousand tons of raw sugarcane, exceeded of 101% the plan set out. Sugar productivity at TTCS Gia Lai marked an average of 61 tons/ha, increasing about 8 tons/ha, up 13% yoy.

TTC BIEN HOA OFFICIALLY BECAME THE SOLE DISTRIBUTOR OF JOHN DEERE'S AGRICULTURAL MACHINERY IN VIETNAM



John Deere's agricultural motorcycles at TTC Bien Hoa's farm

After years as a strategic partner, TTC Bien Hoa is currently Vietnam's sole distributor of John Deere's tractors and agricultural machinery. John Deere is an US leading agricultural machinery and equipment provider built on a 200-year quality legacy. John Deere's tractors and harvesters always warrant a bountiful harvest.

JUNE 6 2020

VIETNAMESE HIGH-QUALITY GOODS AWARD



Mrs. Huynh Bich Ngoc - TTC Bien Hoa's Chairwoman of the BOD at the award ceremony "2020 Vietnamese High-quality Goods"

On June 12th, 2020, TTC Bien Hoa and TTC Bien Hoa - Dong Nai Co., Ltd. won "2020 Vietnamese High-quality Goods" voted by consumers.

This is one of the most prestigious and meaningful awards to TTC Bien Hoa and TTC Bien Hoa - Dong Nai, as it acknowledges the dedication with which both companies have applied themselves to the tasks of doing research and providing customers with high-quality and healthy products.

SERIES OF 30 SEMINARS WITH THE PARTICIPATION OF OVER 1,000 FARMERS



Farmers guidance workshop in Tay Ninh

In June 2020, TTC Bien Hoa launched the "Accompanying TTC Sugar to boost Vietnamese sugarcane" campaign and organized a range of activities in 4 major sugarcane fields, including Tay Ninh, Gia Lai, Ninh Hoa, and Phan Rang.

The campaign held 30 seminars attracting over 1,000 farmers. Some of the seminars included seminars on deep plowing and drip irrigation; seminars on agricultural extension models, seminars on technology transfer - single bud planting techniques and moisturizing gel in root cane care, seminars on growing sugarcanes in holes, etc.

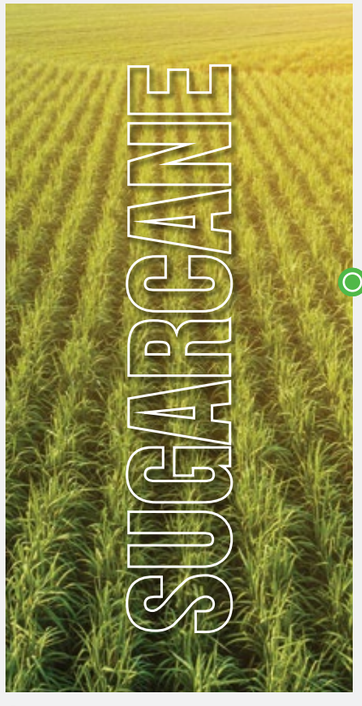
Initial achievements inspired TTC Bien Hoa to continue its campaign until September 2020.

SUGARCANE VALUE CHAIN AND R&D ACTIVITIES

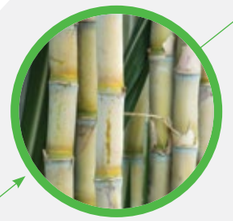
In recent years, Vietnam's Sugar industry has always been in an agonizing dilemma struck by the industry's cycle, or lower sugarcane and Sugar prices - the cause of farmers' shift in their choices of crops. TTC Bien Hoa soon realized that going forward, the old-fashioned sugarcane processing method was no longer a good fit, as Vietnam's Sugar industry faced pressure from ATIGA and competition from regional and international suppliers. Thus, over the past few years, TTC Bien Hoa has worked hard to innovate products, increase sugarcane refining technology adoption, and maximize the value chain of sugarcane. This aims to produce high-quality, low-cost products, enhance domestic and international competitiveness, as well as enable farmers to have a steady income and continue to accompany the Company.

Sugarcane has a wide range of application, besides its main products Sugar, sugarcane is also a direct or indirect raw material of a number of industries, for example, wine, paper, plywood, pharmaceuticals, electricity generated by bagasse; animal feed, fertilizers produced by sugarcane's leaves and tops, filter cake and boiler's ash; biofuel, alcohol, acetone solvents, yeast, citric acid, lactic and glycerin (all of these chemicals uses molasses as raw materials), etc. Sugarcane's By-products, if fully exploited, can be worth 3-4 times higher than the main product Sugar. As a Vietnamese leading Sugar company in market share and product portfolio, TTC Bien Hoa has invested in a multitude of projects to increase the proportion of By-products, diversify the Sugarcane value chain and improve the Company's profit margins.

Sugarcane value chain



Current value chain
Developing value chain
Future value chain

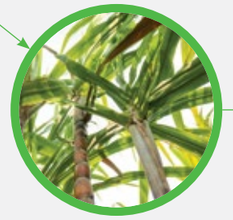

SUGARCANE STALKS


TTC SUGAR


SUGARCANE JUICE


SUGARCANE WAX

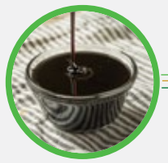

SUGARCANE WAX


SUGARCANE LEAVES AND TOPS

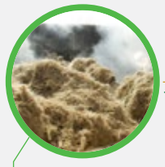

LIQUID SUGAR


SUGAR


SUGARCANE FLAVORED BOTTLE WATER


MOLASSES


PRESSMUD, ASH


BAGASSE


BIOMAS POWER


CARAMEL


BIOGAS


FERMENTED PRODUCT


MICROBIAL FERTILIZER


WAX

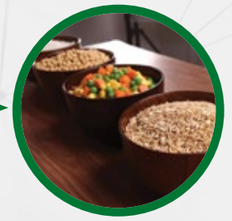

EDIBLE MUSHROOM


ANIMAL FEED


MSG


TORULA YEAST


ALCOHOLIC, BIOFUEL


NUTRITIOUS FOOD


PAPER, POLYWOOD

SUGARCANE VALUE CHAIN AND R&D ACTIVITIES (continued)

THE PRODUCTS IN THE SUGARCANE VALUE CHAIN ARE CURRENTLY ENGAGED IN R&D





1 DOMESTIC LIQUID SUGAR



Information: Develop domestic liquid Sugar which has variance in types besides exported Sugar.

Progress: The product is already produced and distributed to customers.

2 POWDERED SUGAR



Information: Powdered Sugar is made by grinding granulated Sugar, offering customers convenience by helping them minimize intermediate pre-processing steps.

Progress: The product is being produced and currently in the sales pitch to customers.

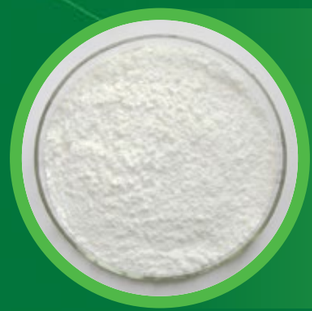
3 CANNED SUGARCANE JUCIE



Information: Canned sugarcane juice helps diversify products from sugarcane, adding a new highlight to the natural drink product line.

Progress: The project is being implemented, expected to be put into production in March 2021.

4 POLICOSANOL



Information: Policosanol from sugarcane wax has great health benefits, helping lower LDL cholesterol, increase HDL cholesterol, and prevent atherosclerosis.

Progress: The project is being implemented. The Company is cooperating with foreign partners and Vietnam's scientific institutes to refine the product in accordance with pharmaceutical regulations.

5 FLAVORED LIQUID SUGAR



Information: Develop flavored liquid Sugar to serve general trading and Horeca channels.

Progress: The product is in R&D.

6 MICROBIAL FERTILIZER



Information: Develop high-quality microbial fertilizers and organic microbial fertilizer.

Progress: The products are in collaborative research.

7 DIET SUGAR, POLYOLS



Information: Develop diet Sugar and polyols, helping diversify TTC Bien Hoa's products.

Progress: The products are in collaborative research.

SUGARCANE VALUE CHAIN AND R&D ACTIVITIES (continued)

PRODUCT IMPROVEMENTS TO MEET THE SPECIFIC NEEDS OF CUSTOMERS IN FY 2019-2020

In FY 2019-2020, with the goals of converting traditional manufacturing to servitization in order to always have solutions for customers on hand, TTC Bien Hoa promoted R&D, continued the introduction of new product lines, high-tech products, and more convenient packaging methods. This helped TTC Bien Hoa adapt to unique consumer needs. The Company's latest product lines have partly streamlined customers' businesses by simplifying intermediate pre-processing steps and reducing costs in labors, storage, production, etc.





LIQUID SUGAR

Consumer liquid Sugar 5l bottle

Add packaging options to meet the diverse needs of customers.



STANDARD WHITE SUGAR

Kim Cuong Do white Sugar 50kg and 12kg bag

A product line with large-sized grains, meeting the diverse needs of customers.



PREMIUM WHITE SUGAR

Co Ba clean Sugar 1kg bag

A quality product line at affordable prices, used to replace smuggled Sugar or unbranded Sugar.



RAW SUGAR

Brown Sugar 50kg bag

A raw Sugar product line suitable for beekeeping and honey processing businesses.



ORGANIC SUGAR

400g Organic paper bag

A high-class paper bags with natural flavors and an environmentally friendly feature.



SECONDARY BY-PRODUCTS

Bep Xua caramel

A product line produced from natural molasses, suitable for cooking.



EXPORTED LIQUID SUGAR

Exported liquid Sugar 24 tons

A product line with quality packaging which helps reduce production costs, provide convenience and minimize plastic waste.

TTC BIEN HOA'S DIVERSIFIED PRODUCT PORTFOLIO



63 SUGAR PRODUCTS

- **6** Organic Sugar
- **6** Rock Sugar
- **8** Gold Sugar
- **4** Functional Sugar
- **3** Liquid Sugar
- **19** RE Sugar
- **17** RS Sugar

9 SUGAR BY-PRODUCTS

2 PRIMARY BY-PRODUCTS

- Bottle water Miaqua
- Bagasse

7 SECONDARY BY-PRODUCTS

- Commercial Electricity
- Molasses
- Caramel
- 4 Microbial fertilizer

A. SUGAR PRODUCT

ORGANIC SUGAR TTC ATTAPEU/TTC BIEN HOA/TSU



Packaging:
- 1-ton bag
- 25kg bag
- 500g pack
- 400g paper bag

Product:
- Gold Sugar
- Brown Sugar

Product advantages:
- Organic Sugar meets USDA and European standards;
- Clean product lines, production process from sugarcane planting to sales complies with strict international organic regulations.

ROCK SUGAR

PURE ROCK SUGAR BIEN HOA PRO/TSU DIAMOND



Packaging:
- 50kg bag
- 12kg bag
- 500g pack, 400g jar

Product:
- White Sugar
- Gold Sugar

Product advantages:
- Large-sized grains meet customer preferences
- Providing a smooth, delicate sweetness to edible bird's nest drink, cooling drink, stewed Chinese medicine, sweet soup, etc.

NATURAL ROCK SUGAR BIEN HOA PRO



Packaging:
- 500g pack

Product:
- White Sugar
- Gold Sugar

Product advantages:
- Handcrafted product, having large-sized grains that meet customer preferences;
- Providing a smooth, delicate sweetness to edible bird's nest drink, cooling drink, stewed Chinese medicine, sweet soup, etc.

TTC BIEN HOA'S DIVERSIFIED PRODUCT PORTFOLIO (continued)

A. SUGAR PRODUCT

GOLD SUGAR

NATURAL GOLD SUGAR BIEN HOA GOLD/MIMOSA/TTC SUGAR/CO BA



Packaging:
- 1-ton bag
- 50kg bag
- 25kg paper bag
- 1kg pack (20-pack bag)

Product advantages:
- Traditional product line, preserving natural flavors of sugarcane;
- High-quality product, undergoing strict control process according to FSSC 22000 standard.

"NU HOANG" DARK BROWN SUGAR



Packaging:
- 1kg pack (20-pack bag)

Product advantages:
- Having nice colors and no flavorings;
- Preserving the natural flavors and nutrient contents of the molasses.

RAW BROWN SUGAR



Packaging:
- 50kg bag

Product advantages:
- Raw Sugar product line is suitable for beekeeping and honey processing businesses.

FUNCTIONAL SUGAR

BAKING SUGAR BIEN HOA PRO



Packaging:
- 1kg pack (20-pack bag)

Product advantages:
- Having fine grains and no clumps;
- Being suitable for baking.

EXTRA REFINED SUGAR FORTIFIED VITAMIN A BIEN HOA VALUE



Packaging:
- 1kg pack (20-pack bag)

Product advantages:
- Vitamin A supplements.

GOLD MINERAL SUGAR BIEN HOA PURE



Packaging:
- 1kg pack (20-pack bag)

Product advantages:
- Being fortified with trace elements including potassium, calcium, magnesium, and iron;
- Adding trace elements to daily diets.

DIET SUGAR BIEN HOA LIGHT



Packaging:
- 5g packet (250g box)

Product advantages:
- Sweetener for people who go on a diet;
- Having healthy ingredients, thus helping manage hyperglycemia.

TTC BIEN HOA'S DIVERSIFIED PRODUCT PORTFOLIO (continued)

A. SUGAR PRODUCT

LIQUID SUGAR

CONSUMER LIQUID SUGAR BIEN HOA SYRUP



Packaging:
- 250ml bottle
- 500ml bottle
- 5l bottle

Product advantages:
- Providing convenience for consumers while cooking and drink making;
- Having natural sweetness.

EXPORTED LIQUID SUGAR



Packaging:
- Flexibag 18m^3 ~ 24 tons

Product advantages:
- Sugar content is stable, the product is easy to process and use;
- Providing convenience for corporate customers and helps them reduce costs in labor, storage, production, etc.;
- Meeting advanced requirements of green production and automation.

DOMESTIC LIQUID SUGAR MIMOSA



Packaging:
- Flexibag 18m^3 ~ 24 tons
- Flexibag 24m^3 ~ 32 tons
- IBC tank 1m^3 ~ 1,3 tons

Product advantages:
- Sugar content is stable, the product is easy to process and use;
- Having a wide range of colors such as 100 IU, 70 IU, 45 IU, and packaging methods, meeting the diverse needs of customers;
- Providing convenience for corporate customers and helps them reduce costs in labor, storage, production, etc.;
- Meeting advanced requirements of green production and automation;
- TTC Bien Hoa offers support and consulting services.

RE SUGAR

EXTRA PREMIUM RE SUGAR BIEN HOA PURE/MIMOSA/TTC SUGAR



Packaging:
- 50kg bag
- 0.5kg pack/1kg pack (40-pack bag/20 pack bag)

Product advantages:
- High-end product in RE Sugar product line, having low color and high quality;
- Meeting the strictest demands of the pharmaceutical and beverage industry according to international standards.

SPECIAL RE SUGAR BIEN HOA PURE/MIMOSA/STICKSU/BIEN HOA JOY



Packaging:
- 50kg bag
- 25kg bag
- 6g stick/8g stick (50-stick bag)

Product advantages:
- High-quality product, meeting the strictest requirements of international beverage companies;
- Being convenient for the customers to use.

TTC BIEN HOA'S DIVERSIFIED PRODUCT PORTFOLIO (continued)

A. SUGAR PRODUCT

RE SUGAR

PREMIUM RE SUGAR BIEN HOA PURE/MIMOSA



Packaging:
- 1-ton bag
- 50kg bag
- 25kg bag
- 12kg bag
- 0.5kg pack/1kg pack (40-pack bag/20-pack bag)
- 800g jar

Product advantages:
- High-quality RE product for customers who require high quality and medium color value;
- Having diverse packaging specifications.

EXPORTED RE SUGAR BIEN HOA PURE/BIEN HOA DOMIN



Packaging:
- 50kg bag
- 12kg bag

Product advantages:
- The standards meet the international requirements;
- Could be used in various industries.

STANDARD SUGAR BIEN HOA PURE/MIMOSA



Packaging:
- 1-ton bag
- 50kg bag
- 0.5kg pack/1kg pack (40-pack bag/20-pack bag)

Product advantages:
- Standard-quality RE Sugar;
- Having competitive prices, meeting the demands of customers who require high control standards but do not mind the color.

CASTER SUGAR BIEN HOA PURE/MIMOSA



Packaging:
- 50kg bag

Product advantages:
- Standard-quality RE Sugar;
- Having competitive prices, meeting the demands of customers who require high control standards but do not mind the color.

TTC BIEN HOA'S DIVERSIFIED PRODUCT PORTFOLIO (continued)

A. SUGAR PRODUCT

RS SUGAR

EXTRA WHITE SUGAR BIEN HOA DAILY/MIMOSA



Packaging:
- 50kg bag
- 12kg bag

Product advantages:
- Meeting customers's demand for quality (equivalent to RE) and color;
- Competitive price, established brand.

PREMIUM WHITE SUGAR BIEN HOA DAILY/MIMOSA/TSU



Packaging:
- 50kg bag
- 25kg bag
- 12kg bag
- 0.5kg pack/1kg pack (40-pack bag/20-pack bag)

Product advantages:
- RS product with high-quality requirements;
- Competitive price, established brand.

STANDARD WHITE SUGAR
TTC NINH HOA/TTC PHAN RANG/TTC GIA LAI/SEC/BIEN HOA SAVING/BIEN HOA SUGAR





Packaging:
- 50kg bag
- 12kg bag
- 0.5kg pack/1kg pack (40-pack bag/20-pack bag)

Product advantages:
- RS product with high-quality requirements;
- Having normal-sized grains and large-sized grains, meeting the diverse needs of customers;
- Competitive price, established brand.

TTC BIEN HOA'S DIVERSIFIED PRODUCT PORTFOLIO (continued)

A. SUGAR PRODUCT

RS SUGAR

WHITE SUGAR TTC PHAN RANG/TTC GIA LAI/BIEN HOA SAVING



Packaging:
- 50kg bag
- 12kg bag

Product advantages:
- RS product with high-quality requirements;
- Having normal-sized grains and large-sized grains, meeting the diverse needs of customers;
- Competitive price, established brand.

EXPORTED SUGAR BIEN HOA DOMIN



Packaging:
- 0.5kg pack/1kg pack (40-pack bag/20-pack bag)

Product advantages:
- The standard meets the international requirements;
- Being suitable for customers who have interests in origin and brand reputation.

B. PRIMARY BY-PRODUCTS

SUGARCANE-FLAVORED BOTTLED WATER MIAQUA



Packaging:
- 500ml bottle (24 bottle/box)
- 350ml bottle (24 bottle/box)

Product advantages:
- Modern, closed-loop production process;
- No preservatives, the taste is absolutely natural and delicate;
- Preserving the natural flavors of sugarcane without using additives during the extraction process.

BAGASSE



Product information:
- By-product after juice extraction process
- Fuel source for boilers at sugarcane factories
- Raw material for production of mushrooms, paper pulp, plywood, animal feed, etc.
- Raw material for production of activated carbon preparations, microbial fertilizers, etc.

Uses:
- Input material for the production of the Company's By-products.

TTC BIEN HOA'S DIVERSIFIED PRODUCT PORTFOLIO (continued)

C. SECONDARY BY-PRODUCTS

COMMERCIAL ELECTRICITY



Product information:
- Electricity is generated from the boiler turbin after the bagasse burning process;
- Electricity is partly used in the Company's activities, the remaining will be sold to the national grid;
- Renewable energy source from biomass fuel, helping reduce fossil fuel reliance and protect the environment;
- This type of energy will help address electricity shortage problems occurring when the dry season affects adversely hydropower production.

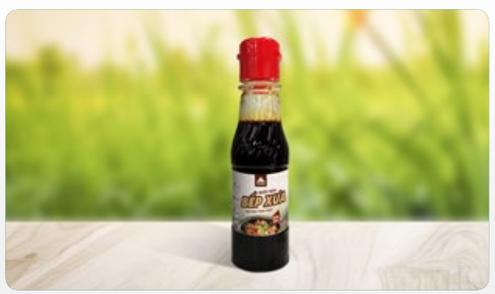
Uses:
- Internal consumption;
- Selling to the national grid.

MOLASSES



Product information:
- By-product from Sugar production;
- Main components include sacarose, glucose, fructose, proteins and minerals;
- Nutrient source for fermentation process in the production of alcohol, MSG, animal feed, nutritional yeast, etc.;
- TTC Bien Hoa has promoted R&D to enhance molasses value, making it suitable for processing, cooking, baking, etc.

"BEP XUA" CARAMEL



Packaging:
- 210g bottle (48 bottle/box)

Product advantages:
- Natural molasses, ensuring food hygiene and safety requirements;
- Underscoring the unique flavor of natural molasses without the inclusion of any harmful colorants;
- Could be used in seasoning to enhance the colors of the dishes.

C. SECONDARY BY-PRODUCTS

ORGANIC MICROBIAL FERTILIZER

As a stickler to the "Community-led local development" approach, in 2018, TTC Bien Hoa decided to build an organic microbial fertilizer factory with a capacity of 34,000 tons. The capacity is planned to be expanded to 70,000 tons in the next 3 years to meet the demand of farmers for clean fertilizer. This type of fertilizer is expected to help change the old farming habits of Vietnamese farmers, thereby reducing the negative impact of chemical fertilizers and pesticides on producers and consumers, increasing productivity and quality of Vietnamese agricultural products, thereby reducing costs and improving profitability for farmers.

TTC Bien Hoa's organic microbial fertilizers are generated from Sugar industry's waste such as ash, pressmud, coarse sludge, and suitable for:
- Industrial crops: sugarcane, coffee plant, rubber plant, pepper, tea, peanut, soybean, etc.
- Food crops: rice, corn, cassava, etc.
- Vegetables: leafy greens, tomato, cabbage, kohlrabi, etc.
- Fruit trees.

Packaging: 40kg bag

ORGANIC MICROBIAL FERTILIZER MIXA



Product advantages:
- Increasing soil organic matter, soil quality and soil fertility;
- Increasing yield and quality of crops, especially commercial cane sugar (CCS) level for sugarcane and carbohydrate content for cassava, etc.;
- Helping plants absorb nutrients, grow faster and develop disease resistance.

ORGANIC FERTILIZER BELA



Product advantages:
- Increasing soil organic matter, soil quality and soil fertility;
- Adding beneficial soil microorganisms, strengthening plant disease resistance, and ensuring high and stable productivity.

ORGANIC MICROBIAL FERTILIZER FITOHOOCMON 30



Product advantages:
- Increasing soil organic matter, soil quality and soil fertility;
- Adding beneficial soil microorganisms, strengthening plant disease resistance, and ensuring high and stable productivit;
- Stabilizing and increasing crop yield;
- Producing antibodies and phytohormones that plants need to grow.

ORGANIC MICROBIAL FERTILIZER FITOHOOCMON 42



Product advantages:
- Increasing soil organic matter, soil quality and soil fertility;
- Adding beneficial soil microorganisms, strengthening plant disease resistance, and ensuring high and stable productivity;
- Providing essential nutrients for the growth and development of plants, helping plants grow more shoots and branches, as well as produce more fruits with firm seeds;
- Helping plants to be more resistant to diseases, pests in changing climate conditions.

DISTRIBUTION CHANNEL

B2B

821+

CUSTOMERS
Up **13%** compared to last year

MNC - MULTINATIONAL CORPORATION

60% MARKET SHARE
21 CUSTOMERS

SME - SMALL AND MEDIUM ENTERPRISE

20% MARKET SHARE
800+ CUSTOMERS

Beverage:

Food:

Confectionery:

Whipping milk:

Pharmaceutical:

TRADING

195

CUSTOMERS
Up **170%** compared to last year

4 DISTRIBUTORS LEVEL 1

TTC Trading JSC

Duc Thuan Import Export Trading Co., Ltd.

An Xuan Phat Service and Trading Production Co., Ltd.

Phan Dang Khoa

NEARLY 191 DISTRIBUTORS OF LEVEL 2, 3, 4 ACROSS THE COUNTRY



B2C

190

PARTNERS (~ **79,000** POINTS OF SALES)
Up **18%** compared to last year

GENERAL TRADE

10% MARKET SHARE
125 partners (distributors)
& **70,300 points of sales** (retail store).

MODERN TRADE

70% MARKET SHARE
61 partners & 5,200 points of sales
(supermarkets and convenience stores).

KEY ACCOUNT

4% MARKET SHARE
3,500 points of sales.

E-COMMERCE

4 partners
(Listing products on
Sendo, Tiki, Lazada and VNPay).



EXPORT

24

COUNTRIES
Up **14%** compared to last year

1 COUNTRY

NORTH AMERICA

The US.

12 COUNTRIES

EUROPE

Belgium, Bulgaria, Czech Republic, Malta, France, Italy, Netherlands, Germany, Ireland, Romania, Croatia, Spain.

6 COUNTRIES

ASIA

Cambodia, Korea, Indonesia, the Philippines, Singapore, China.

5 COUNTRIES

PACIFIC ISLANDS

Nauru, Papua New Guinea, Samoa, Solomon, Tahiti.



COMPANY PROFILE

GENERAL INFORMATION

Company name	: **CONG TY CO PHAN THANH THANH CONG - BIEN HOA**
English name	: **THANH THANH CONG - BIEN HOA JOINT STOCK COMPANY**
Abbreviation	: **TTC-BH**
Business Registration Certificate	: No. 3900244389 granted by the Department of Planning and Investment of Tay Ninh Province, 9th amendment on October 28th, 2019
Legal representative	: Mrs. Huynh Bich Ngoc - Title: Chairwoman of the BOD
Tax code	: 3900244389
Address	: Tan Hung Commune, Tan Chau District, Tay Ninh Province, Vietnam
Tel	: (0276) 3753 250
Website	: http://www.ttcsugar.com.vn



INFORMATION FOR SHAREHOLDERS AND INVESTORS



TICKER

SBT

STOCK EXCHANGE

HSX

NUMBER OF LISTED SHARES

586,740,552 SHARES

NUMBER OF OUTSTANDING SHARES

608,351,885 SHARES

CHARTER CAPITAL (VND)

6,083,518,850,000

OWNER'S EQUITY (VND)

7,642,301,360,410

MAIN BUSINESS LINES

1. VSIC code 1072 (main)
   Manufacture of Sugar
   Detail: Manufacture of Sugar
2. VSIC code 0114
   Growing of sugarcane
3. VSIC code 1079
   Manufacture of other food products not elsewhere classified
   Detail: Manufacture, trading of products using Sugar or By-products, waste products from Sugar production
4. VSIC code 3511
   Generation of electricity
5. VSIC code 1104
   Manufacture of non-alcoholic beverages, mineral water
6. VSIC code 4653
   Wholesale of agricultural machinery, equipment, and accessories
7. VSIC code 0121
   Growing of fruit trees
8. VSIC code 7490
   Other professional, scientific, and technological activities not elsewhere classified
   Detail: Technical and technological consulting services in sugarcane production

THE HISTORICAL DEVELOPMENT OF THE COMPANY

Thanh Thanh Cong Bien Hoa JSC
was formerly a joint venture between Bourbon Group,
Sugarcane Union II and Tay Ninh Sugarcane Union





1995
- Date of establishment: July 15th, 1995
- Investment capital: USD95 million
- Legal capital: USD28.5 million
- Factories equipped with modern machinery and equipment as well as state-of-the-art technology: Refined Sugar is the main product, complying with European standards
- Crushing capacity: 8,000 TCD

1998
- Investment capital: USD111 million
- Legal capital: USD39.5 million

1999
- Sugarcane Union II transferred all of its legal capital contribution to Bourbon Group

2000
- Tay Ninh Sugarcane Union transferred its capital contribution to Bourbon Group
- 100% foreign-invested enterprise

2007
- Transforming into a joint stock company
- Charter capital: VND1,419 billion

2008
- Listing 44,824,172 of SBT shares on Ho Chi Minh City Stock Exchange (HOSE)
- Accounting for 31.58% of the total outstanding shares
- Charter capital: VND1,419 billion

2009
- Ground-breaking of Bourbon An Hoa Industrial Park - the first Eco-Industrial Zone in Vietnam
- Charter capital: VND1,419 billion



2010
- Bourbon Group divested and transferred its stake to Vietnamese partners
- Thanh Thanh Cong Investment JSC became a major shareholder, with the stake of 24.5% of total outstanding shares
- Charter capital: VND1,419 billion

2012
- Increasing crushing capacity: 9,800 TCD
- Completing the Affinage Project - Raw Sugar dissolution mill
- Charter capital: VND1,419 billion

2013
- Issuing 6,574,200 shares under the employee stock ownership plan (ESOP) - Changing the Company's name to Thanh Thanh Cong Tay Ninh Sugarcane JSC
- Charter capital: VND1,485 billion

2015
- Merging with Gia Lai Thermoelectricity JSC
- The largest Sugar enterprise listed on Vietnam stock market
- Charter capital: VND1,856 billion

2016
- The first time being in VN30 Index basket
- Issuing VND1,000 billion bond: Stabilizing cash flows, restructuring finance system, improving capital utilization
- Issuing more than 9.1 million shares under the employee stock ownership plan (ESOP)
- Charter capital: VND1,947 billion



2017
- Contributing capital into TTC Attapeu Sugarcane Co., Ltd
- Completing the M&A transaction with Bien Hoa Sugar JSC
- Changing the Company's name to Thanh Thanh Cong - Bien Hoa JSC
- Completing centralized management of all TTC Group's Sugar business units
- Charter capital: VND2,532 billion

2018
- Enhancing corporate governance practices according to international standards and best practices
- Becoming the first Vietnam Sugar producer exported products to the US, besides China, Sri Lanka, Myanmar, Singapore, Kenya,…
- Completing the repurchase of 61,600,900 treasury shares
- Permitted to lift the foreign room limit to 100%
- HOSE: Being in the Top 20 of Sustainable Development Index (VNSI)
- Charter capital: VND5,570 billion

2019
- Cooperating with ED&F Man: Exporting Sugar products to Europe
- Forming a strategic partnership with DEG: European strategic investor
- Signing contract with BIDV: Expanding material areas at Cambodia
- Forming a strategic partnership with OCB: Helping farmers receive loans
- Charter capital: VND5,867 billion

2020

RAW MATERIAL AREAS (3 INDOCHINA COUNTRIES)
~64,000 Ha

EXPORT MARKETS **24** COUNTRIES

72+ SUGAR PRODUCTS AVAILABLE IN THE MARKET

VN30 CONTINUE TO BE THE ONLY SUGAR COMPANY

9 ETFS AND INDEXES
17.9 MILLION OF SHARES

ISSUING **21,611,333**
CONVERTIBLE PREFERRED STOCKS TO DEG - INVESTMENT FUND OF THE GERMAN GOVERNMENT

COMPLETING THE SALES OF
61,600,900 TREASURY SHARES

ISSUING 172 CONVERTIBLE BONDS EQUIVALENT TO **172** BILLION VND
TO CORETREND - KOREAN STRATEGIC INVESTOR

CHARTER CAPITAL: **6,084** BILLION VND

TOTAL ASSETS: **17,956** BILLION VND

NET REVENUE: **12,889** BILLION VND

SYSTEMS AND NETWORKS

TOTAL RAW MATERIAL AREAS (3 INDOCHINA COUNTRIES)

63,827 HA

INCLUDING

29,935 HA CONTRACTED RAW MATERIAL AREAS + **33,892** HA OWNED RAW MATERIAL AREAS



RAW MATERIAL AREA NETWORK

AS OF JUNE 30TH, 2020

No.	Country	Factory	Province/ city	Contracted raw material areas (ha)	Owned raw material areas (ha)	Total (ha)
1	Vietnam	TTCS	Tay Ninh	8,500	6,500	15,000
2		TTCS Gia Lai	Gia Lai	9,000	350	9,350
3		Bien Hoa - Ninh Hoa	Khanh Hoa	9,485	515	10,000
4		Bien Hoa - Phan Rang	Ninh Thuan	1,800	-	1,800
5	Laos	TTC Attapeu	Attapeu	1,150	10,527	11,677
6	Cambodia*	-	-	-	16,000	16,000
	Total		**6 locations**	**29,935**	**33,892**	**63,827**

** TTC Bien Hoa has the right to manage and exploit the raw material area in Cambodia*

FACTORY NETWORK

No.	Factory	Location	Refining capacity	Production capacity (tons of sugar/day)	Main product	Refining time	By-products
1	TTCS	Tay Ninh	Raw and sugarcane Sugar	1,000	Refined Sugar	Seasonal	Cogeneration of electricity, Molasses, Pressmud, Bagasse
2	Bien Hoa - Ninh Hoa	Khanh Hoa		600	Refined Sugar, Liquid Sugar	300 days	
3	Bien Hoa -Tri An	Dong Nai		250	Refined Sugar	Seasonal	Molasses, Pressmud
4	Bien Hoa - Dong Nai	Dong Nai	Raw sugar	400	Refined Sugar	Year-around	Molasses, Pressmud
5	TTC - Attapeu	Laos	Sugarcane	750	Organic Sugar, Brown Sugar	Seasonal	Cogeneration of electricity, Molasses, Pressmud
6	TTCS Gia Lai	Gia Lai	-	600	White Sugar, Raw Sugar		Cogeneration of electricity, Molasses, Pressmud
7	Bien Hoa - Tay Ninh	Tay Ninh	Sugarcane	400	Raw Sugar		Molasses, Pressmud
8	Bien Hoa - Phan Rang	Ninh Thuan	Sugarcane	150	White Sugar, Brown Sugar, Raw Sugar		Molasses, Pressmud, Bagasse
9	Nuoc Trong - Tay Ninh	Tay Ninh	Sugarcane	100	White Sugar		Molasses, Pressmud

9

REFINERIES

TOTAL PRODUCTION CAPACITY

4,250

TONS OF SUGAR/DAY

TOTAL CRUSHING CAPACITY

37,500

TONS OF SUGARCANE/DAY



SYSTEMS AND NETWORKS (continued)

FINISHED PRODUCT WAREHOUSES

43 WAREHOUSES, WITH STORAGE CAPACITY:

281,705 TONS

MATERIAL WAREHOUSES

4 WAREHOUSES, WITH STORAGE CAPACITY:

64,500 TONS



FINISHED PRODUCT WAREHOUSES

11 Locations **Quantity: 43 warehouses** **Area: 121,425 m²** **Storage capacity: 281,705 tons**	**Dong Nai** Quantity: 16 Area: 44,598 m² Storage capacity: 77,580 tons	**Tay Ninh** Quantity: 10 Area: 32,286 m² Storage capacity: 95,800 tons	**Gia Lai** Quantity: 3 Area: 12,380 m² Storage capacity: 38,000 tons
Ninh Hoa Số lượng kho: 3 Area: 12,300 m² Storage capacity: 23,000 tons	**Laos** Quantity: 3 Area: 8,460 m² Storage capacity: 19,000 tons	**Binh Duong** Quantity: 1 Area: 6,731 m² Storage capacity: 19,000 tons	**Ho Chi Minh City** Quantity: 2 Area: 370 m² Storage capacity: 225 tons
Phan Rang Quantity: 1 Area: 1,600 m² Storage capacity: 4,000 tons	**Hanoi** Quantity: 1 Area: 100 m² Storage capacity: 50 tons	**Can Tho** Quantity: 2 Area: 2,500 m² Storage capacity: 5,000 tons	**Da Nang** Quantity: 1 Area: 100 m² Storage capacity: 50 tons

MATERIAL WAREHOUSE

3 Locations **Quantity: 4 kho** **Area: 10,910 m²** **Storage capacity: 64,500 tons**	**Tay Ninh** Quantity: 2 Area: 4,410 m² Storage capacity: 25,500 tons	**Dong Nai** Quantity: 1 Area: 4,500 m² Storage capacity: 27,000 tons	**Ninh Hoa** Quantity: 1 Area: 2,000 m² Storage capacity: 12,000 tons



SUGARCANE RESEARCH AND DEVELOPMENT CENTER

Head Office
No. 99, Binh Hoa Hamlet, Thai Binh Commune, Chau Thanh District, Tay Ninh Province
02763 712 975

Branch in Gia Lai
444 Tran Hung Dao Street, Cheo Reo Ward, Ayun Pa Town, Gia Lai Province
0899 520 617

Branch in Ninh Hoa
Km 16, Lam Son Hamlet, Ninh Sim Commune, Ninh Hoa District, Khanh Hoa Province
0683 850 485

Branch in Phan Rang
National Road 27A, La Vang Hamlet, Quang Son Commune, Ninh Son District, Ninh Thuan Province
0683 850 485

3S CENTER: SALES - SERVICE - SPARE PART

(SALES - WARRANTY, REPAIR - GENUINE PARTS)



3S Center in Gia Lai
442A Tran Hung Dao Street, Ayunpa Town, Gia Lai Province
0901 937 555

3S Center in Ninh Hoa
Lam Son Hamlet, Ninh Sim Commune, Ninh Hoa Dist., Khanh Hoa Province
0866 194 198

3S Center in Tay Ninh
561A Tran Phu Street, Tan Phuoc Hamlet, Tan Binh Commune, Tay Ninh City
0866 194 198

3S Center in An Giang
361/16 Tran Hung Dao Street, My Phuoc Ward, Long Xuyen City, An Giang Province
02966 263 232

3S Center in Nghe An
No.312, Tan Phu Quarter, Hoa Hieu Ward, Thai Hoa Commune, Nghe An Province
0938 789 981



DISTRIBUTOR OF JOHN DEERE AGRICULTURAL MECHANICAL EQUIPMENT

Distributor in An Giang

No. 57 National Road 91, An Chau Town,
Chau Thanh District, An Giang Province
0913 979 080

Distributor in Soc Trang

No. 49 National Highway 1, Hamlet 2, Ward 7,
Soc Trang City, Soc Trang Province
02993 612 476

SHOWROOM



Ta Cu Tourist Area

Phan Thiet City 0947 311 123



Love Valley Tourist Area

Da Lat City 0816 025 593

BRANCHES

Thanh Thanh Cong - Bien Hoa JSC - Can Tho Branch

177B Nguyen Van Cu Stret, An Hoa Ward,
Ninh Kieu District, Can Tho City
02923 644 499

Thanh Thanh Cong - Bien Hoa JSC - TTCS Factory

Lot 2, Tan Loi Hamlet, Tan Hung Commune,
Tan Chau District, Tay Ninh Province
02763 753 250

Thanh Thanh Cong - Bien Hoa JSC - Da Nang Branch

169 Nguyen Huu Tho Street, Hoa Thuan Tay Ward,
Hai Chau District, Da Nang City
02363 726 568

Thanh Thanh Cong - Bien Hoa JSC - Long An Branch

Lot K3, Tan Kim Industrial Park, Tan Phuoc Hamlet,
Tan Kim Commune, Can Giuoc District, Long An Province
02763 753 250



FROM NATIONAL STANDARDS TO INTERNATIONAL PRACTICES

CORPORATE GOVERNANCE

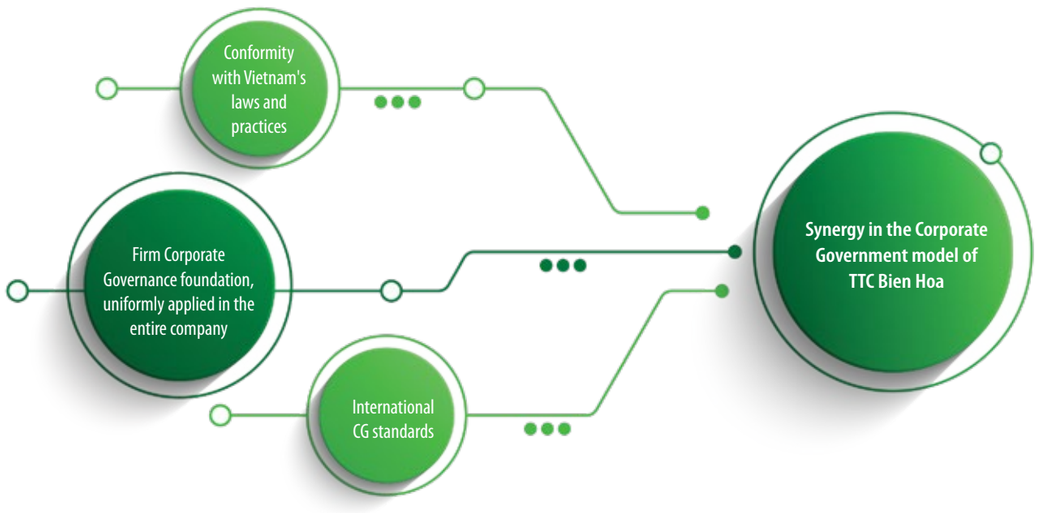
56 Corporate governance towards international standards
60 Code of conduct
62 Introduction of the Board of Directors
64 The Board of Directors' report
72 Appropriate stategy, driving force to reach international level
78 Report from Independent Board of Directors' members
82 Audit Committee's report
90 Reports from other Committees under the Board of Directors
94 Risk management
100 Legal compliance
106 Capital market activities
112 Investor relations activities
118 Sugar industry overview
124 Corporate governance practices based on Asean Scorecard and Corporate Governance code of best practices for public companies in Vietnam

CORPORATE GOVERNANCE TOWARDS INTERNATIONAL STANDARDS



On the journey to international integration, besides legal compliance, corporate governance at TTC Bien Hoa is also the area that the BOD improves progressively. In the recent difficult time, the BOD has integrated and applied the international standards and best practices into the entire system in a manner compatible with Vietnam's operating context and Sugarcane business.

The BOD delegates responsibilities and accompanying benefits to the BOD's members and BOM with clarity, ensuring successful involvement of the BOD in strategy formulation and management oversight as well as BOD's accountability to the company and shareholders. The ultimate goal is to create opportunities for the Company to access and optimize the capital market, especially to develop international capital sources.



CG Codes that TTC Bien Hoa currently uses as references

G20/OECD Principles of Corporate Governance (2015)	Decree No.71/2017/ND-CP regarding guidelines on Corporate Governance of Public Companies (2017)	Circular No.75/2017/TT-BTC (2017)	ASEAN Corporate Governance Scorecard (2017-2018)	Vietnam Corporate Governance Code of Best Practices for public companies (2019)
▸ Ensuring the basis for an effective Corporate Governance framework ▸ Rights and equitable treatment of shareholders and key ownership functions ▸ Institutional Investors, stock market and other intermediaries ▸ Roles of stakeholders in Corporate Governance ▸ Information disclosure and transparency ▸ Responsibilities of the BOD	▸ Ensuring a reasonable Governance stucture ▸ Improving the operational efficiency of BOD ▸ Ensuring the rights of shareholders and stakeholders ▸ Ensuring equitable treatment of shareholders ▸ Disclosure all transparency in all activities of the Company manner	▸ Model Company charter ▸ Model internal regulations on Corporate Governance	▸ Rights of shareholders ▸ Equitable treatment of shareholders ▸ Roles of stakeholders ▸ Information disclosure and transparency ▸ Responsibilities of the BOD	▸ Responsibilities of the Board of Directors ▸ Control environment ▸ Information disclosure and transparency ▸ Rights of shareholders ▸ Relations with stakeholders

Source: TTC Bien Hoa

Geared at building a "balanced" BOD aligned with the principle "Establishing a competent and professional BOD" of the CG Code of Best practices, TTC Bien Hoa has always worked hard to achieve diversity in gender, age, expertise, skills, experience, and leadership qualities. According to the Company's policies, the BOD's operations must be regulated by the voting principles, under which each BOD member shall have one vote, except on issues that member has related benefits. On that basis, the BOD's activities shall be carried out based on a more in-depth and detailed but still comprehensive perspective.

THE DIVERSITY IN THE TTC BIEN HOA'S BOD STRUCTURE



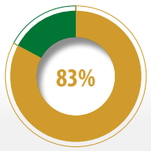
BOD members are non-executive members



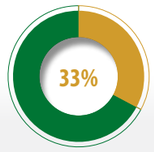
BOD members are not concurrently the BOD member of more than 5 other companies



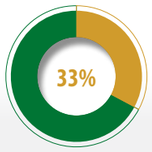
BOD members having more than 15 years experience in the Sugar industry



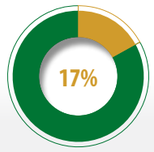
BOD members holding Master and Bachelor degree or higher



BOD members are female



BOD members are independent members



BOD members are foreigners

CORPORATE GOVERNANCE
TOWARDS INTERNATIONAL STANDARDS (continued)

17 UN Sustainable Development Goals and 17 National Sustainable Development Goals to 2030, all emphasize Gender equality and empowerment of women and girls. Studies show that a gender-diverse BOD with the presence of female leaders shall drive business performance and corporate sustainability.

The fact that 33% of the BOD structure are female, including Chairwoman and Vice Chairwoman, provides a testament to TTC Bien Hoa's efforts to steadily meet international standards. The proportion at TTC Bien Hoa even outperforms the global average (15%) and Vietnam (18%), according to Deloitte's study.



TTC Bien Hoa harbors a vision that is to build a sustainable development business, and to guide the Company to become an agricultural leader in Vietnam, and furthermore, in Indochina. Therefore, all TTC Bien Hoa's activities are geared towards long-term growth and community-society's development, contributing to the completion of the shared goal "Enterprise stays at the heart of sustainable development and national competitiveness enhancement goals".

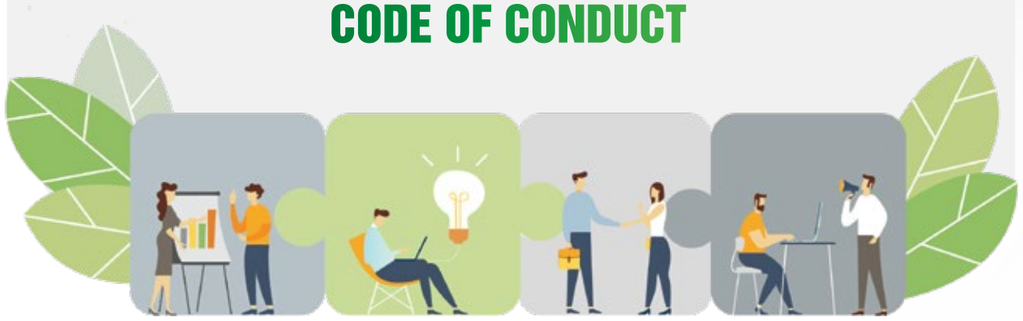
FY 2019-2020 stamped TTC Bien Hoa's efforts to actively improve its governance capacity, fulfill its commitments to the environment and society, as well as meet the strict standards of strategic investors from developed economies.

The organizational chart following the modern CG model applied in TTC Bien Hoa



Source: TTC Bien Hoa

CODE OF CONDUCT



Corporate culture refers to one of the core values that has a significant impact on the competitiveness and sustainable growth of the corporate, particularly at the current stage of the industry 4.0 development. Digital transformation is forcing companies to improve access to information, to gain a better understanding of the information given, and to provide information to customers and stakeholders in a more professional manner. TTC Bien Hoa always endeavors to develop corporate culture and see it as the guide of sustainable and stable development.

At the beginning of FY 2018-2019, with the consultancy of International Finance Corporation (IFC) - member of the World Bank, the BOD of TTC Bien Hoa officially issued the Code of conduct which applies to all employees and of which the implementation and compliance are supervised by the Human Resources and Internal Audit Department. After 2 years of implementation, it comes to the TTC Bien Hoa's perception that the Code of Conduct is an effective measure for the creation of a distinctive corporate culture, as well as for the building of a workable system that helps connect Company with

Indeed, the Code of conduct gives invaluable support in developing good practices within the Company and in reducing the governance gap between the Company and other major companies in the area. The Code of Conduct is structured and applied in a manner consistent with the specific operations of the Company, the applicable law as well as the ethical and cultural standards of the Company and of society at large.

TTC SUGAR

1. Shareholders/ Investors
2. Farmers/ Suppliers
3. Customers
4. Employees
5. State agencies/ Community-Society

strictly and reasonably

Message from Leaders

In each Code of conduct, the corporate culture has manifested itself as a cornerstone for creating personal brands and Company brands, as well as for building trust with customers, partners, shareholders, investors, and most importantly, those who are always supportive and loyal to TTC Bien Hoa. BOM encourages employees to continuously develop and prove their self-worth through performance and at the same time, to consistently uphold standards in daily conduct and to contribute ideas via internal channels. These practices would facilitate the Company's development towards the path defined in the Vision and Mission of the Company.

Reviews of HR Department

The Code of conduct engenders the moral pillar of the whole Company, providing employees with means to apply ethical principles to their way of working, interacting with colleagues, and exchanging ideas. The Code of conduct offers a framework for managing human resources and improving employees' professionalism in both behaviors and working styles, thereby helping define the Company's own culture. At TTC Bien Hoa, the working environment is becoming more dynamic than ever, characterized by the recruitment of more young people. The management positions of the Company are also filled by young, talented, modern-minded people who often place work success above all else. TTC Bien Hoa insists that all employees must be treated fairly and all of their opinions must be listened closely and responded properly.

Evaluations of Internal Audit Department

The Code of conduct has been explicitly and comprehensively communicated to the whole Company. Besides being applied within the Company, the Code of conduct is also disseminated to TTC Bien Hoa's partners, suppliers, customers, farmers, and stakeholders. This ensures that all related party transactions are conducted in compliance with the values and principles upheld by the Company.

In FY 2019-2020, the Company issued the regulations on grievance mechanisms based on the Code of conduct to protect the rights and obligations of stakeholders

- Regulations on grievance mechanisms were posted on the bulletin board of the Company and the localities where the Company's representative offices, factories, farms, materials areas, etc. operate. The feedback boxes were installed outside the gate of the factories and warehouses of TTC Bien Hoa, enabling employees and stakeholders to send feedback and file complaints.
- The Company also set up more communication channels including "Hotline", "Electronic feedback box", etc. The Head of the Internal Audit Department was responsible for obtaining all the information. In FY 2019-2020, the Company did not find any violation of the Code of conduct.



INTRODUCTION OF THE BOARD OF DIRECTORS



Mrs. **HUYNH BICH NGOC**
Chairwoman of the Board

Year of birth: 1962
Time of appointment as Chairwoman of the BOD: October 2019
Ownership of voting shares at the Company:
67,551,864 shares, accounting for 11.10%
Qualifications: Business Administration
Positions at other organizations (except parent company and subsidiaries):
- Vice Chairwoman of the BOD cum CEO Thanh Thanh Cong Investment JSC
- Vice Chairwoman of the BOD, Tin Nghia Corporation JSC
- Chairwoman of the BOD, Toan Hai Van JSC

Employment history

- **2019 - Present:** Chairwoman of the BOD, Thanh Thanh Cong - Bien Hoa JSC
- **2012 - Present:** Vice Chairwoman of the BOD cum CEO of Thanh Thanh Cong Investment JSC
- **2018 - Present:** Vice Chairwoman of the BOD, Tin Nghia Corporation JSC
- **2015 - Present:** Chairwoman of the BOD, Toan Hai Van JSC
- **2010 - 2012:** Chairwoman of the BOD, Bien Hoa Sugar JSC, formerly known as Bourbon Tay Ninh JSC
- **2007 - 2019:** Permanent Vice Chairwoman, Sai Gon Thuong Tin Real Estate JSC
- **1981 - 2012:** Chairwoman of the BOD, Thanh Thanh Cong Production Trading JSC

Outstanding achievements

With more than 40 years contributing to the Sugar industry, Mrs. Huynh Bich Ngoc is one of the most prominent people who have great merit in making TTC Bien Hoa become the leading Sugar company in Vietnam and has a certain position in the international market. TTC Bien Hoa was incorporated in the early 1980 as an establishment for alcohol and agricultural product production and trading. From 1981 to 2012, Mrs. Ngoc was responsible for a variety of important positions in TTC Bien Hoa. In October 2019, Mrs. Ngoc decided to return to lead TTC Bien Hoa as the chairwoman of BOD, supporting the Company overcome difficult periods of the Sugar industry's cycle and ATIGA challenges when ATIGA officially took effect on January 1st, 2020

Some of her outstanding achievements in FY 2019-2020:

- Directing the implementation of agricultural extension programs, helping farmers stick, develop and gain profitability under the motto "accompanying farmers in sugarcane planting";
- Guiding the Company to develop hi-tech agricultural research center, reinforcing factory capabilities, minimizing production costs, and creating clean and quality products;
- Not only in the sugarcane industry but as the Vice Chairwoman and CEO of Thanh Thanh Cong Investment JSC, with extensive experience in a wide range of industries (energy, real estate, tourism, education), she also helped SBT to diversify its portfolio and maximize profits;

She is the emblem of successful businesswomen, inspiring many generations of female leaders. In September 2019, Kyungnam University, South Korea awarded her "Honorary Doctor" degree - the most prestigious title recognizing the entrepreneur's dedication to the business operation and community.



Mr. **PHAM HONG DUONG**
Permanent Vice Chairman of the Board

Year of birth: 1974
Time of appointment as Permanent Vice Chairman of the BOD: October 2019
Ownership of voting shares at the Company:
3,740,597 shares, accounting for 0.61%
Qualifications:
- Post-graduate student in Agricultural Economics, Kasetsart University, Thailand
- Master of Production Management, University of Applied Sciences Ludwigshafen, Federal Republic of Germany
- Chemical Engineer - University of Technology HCMC

Positions in the industry:
- Member of International Society of Sugar Cane Technologists (ISSCT)
- Member of ASEAN Sugar Alliance (ASA)

Positions at other organizations (except parent company and subsidiaries): None

Employment history

- **2019 - Present:** Permanent Vice Chairman of the BOD, Thanh Thanh Cong - Bien Hoa JSC
- **2017 - 2019:** Chairman of the BOD, Thanh Thanh Cong - Bien Hoa JSC
- **2015 - 2017:** Chairman of the BOD, Thanh Thanh Cong - Tay Ninh Sugar JSC
- **2014 - 2015:** BOD Member, Gia Lai Cane Sugar - Thermoelectricity JSC
- **2013 - 2015:** BOD Member, Thanh Thanh Cong Packing Production Trading JSC
- **2012 - 2015:** BOD Member, Bien Hoa Sugar JSC
- **2011 - 2012:** Deputy Technical Director, Bourbon Tay Ninh JSC
- **2009 - 2011:** Factory Director, Bourbon Tay Ninh JSC

Outstanding achievements

With over 20 years of experience in the Sugar industry, Mr. Duong has made great contributions to the success of TTC Bien Hoa by these timely and appropriate strategies and orientations. He is known as one of the leading experts in Vietnam's Sugar industry.

He held many important titles in TTC Bien Hoa's Sugar industry member units before becoming the Company's Vice Chairman. As an educated chemical engineer, he has a good technical background and 4 years at Bourbon Tay Ninh JSC as Deputy CEO in engineering (2011-2012) and Factory Director (2009-2011).

Some of his outstanding achievements in FY 2019-2020:

- Leading many successful projects in capacity building and Sugar refining technology, specifically renovating the 60-ton boiler at Bien Hoa - Ninh Hoa Co., Ltd;
- Leading the project to integrate rooftop solar and renewable energy into Sugar and By-product production across TTC Bien Hoa factories and farms. The capacity reached 10MWp in FY 2019-2020 and is expected to increase to 22MWp in FY 2020-2021;
- Providing guidance on TTC Bien Hoa's short-term and long-term development in 4 key areas: (1) increase market share; (2) reduce costs; (3) develop by-products; (4) invest in hi-tech agricultural products.



Mrs. **DANG HUYNH UC MY**
Vice Chairwoman of the Board

Year of birth: 1981
Time of appointment as Vice Chairwoman of the BOD: October 2019
Ownership of voting shares at the Company:
98,394,826 shares, accounting for 16.17%
Qualifications:
- Master of Business Administration, Preston University, New Zealand
- Professional CEO Certificate, PACE
- Certificate of Corporate governance - specialized training program - OPM Harvard Business School

Positions at other organizations (except parent company and subsidiaries):
- Chairwoman cum CEO, Ben Tre Import Export Corporation (Betrimex)

Employment history

- **2019 - Present:** Vice Chairwoman of the BOD, Thanh Thanh Cong - Bien Hoa JSC
- **2017 - 2019:** BOD Member, Thanh Thanh Cong - Bien Hoa JSC
- **2015 - 2017:** BOD Member, Thanh Thanh Cong - Tay Ninh Sugar JSC
- **2012 - 2015:** Chairwoman of the BOD, Thanh Thanh Cong - Tay Ninh JSC
- **2009 - 2012:** CEO, Thanh Thanh Cong Investment JSC
- **2007 - 2009:** Permanent Deputy CEO, Thanh Thanh Cong Production - Trading JSC
- **2006 - 2007:** Deputy Executive Director, Thanh Thanh Cong Production - Trading JSC

Outstanding achievements

Resolving to make TTC Bien Hoa become one of Vietnam's leading smart agriculture companies, Mrs. My soon directed various projects to transform business models, improve processes, digitize operations through ERP software equipped with smart analysis reporting systems, and ensure strict compliance with risk management processes.

Establishing Global Mind Commodities Pte Ltd ('GMC') - TTC Bien Hoa's subsidiary and directly runs the company in Singapore. She is responsible for GMC's strategic channels and commercial activities, assisting TTC Bien Hoa to be proactive in keeping up with the global Sugar market.

Some of her outstanding achievements in FY 2019-2020:

- Sailing TTC Bien Hoa brand to top Vietnam and international markets. In FY 2019-2020, total Sugar consumption reached 1 million tons for the first time;
- Guiding capital-market development. She represented the capital-raising arm and reached an agreement with DEG, a foreign strategic investor with a total contract value of almost VND650 billion;
- Deploying the successful issuance of unsecured bond package with Coretrend investment fund, South Korea with total value of VND172 billion.



Mr. **HOANG MANH TIEN**
Member of the Board

Year of birth: 1962
Time of appointment as Member of the BOD: July 2019
Ownership of voting shares at the Company:
1,000,000 shares, accounting for 0.16%
Qualifications:
- Bachelor of Laws - General University of Ho Chi Minh City

Positions at other organizations (except parent company and subsidiaries):
- Independent BOD Member, Thanh Thanh Cong Hospitality JSC
- Head of Supervisory Board, Thanh Binh Tourist JSC

Employment history

- **2019 - Present:** Independent BOD Member cum Chief of the Audit Committee, Thanh Thanh Cong - Bien Hoa JSC
- **2015 - Present:** Independent BOD Member, Thanh Thanh Cong Hospitality JSC
- **2015 - Present:** Chief of Supervisory Board, Ta Cu Tourist JSC and Thanh Binh Tourist JSC
- **2013 - 2014:** Chief of Audit Department, National Citizen Commercial Joint Stock Bank
- **2012 - 2013:** Deputy CEO in charge of Supervision and Support, Sacombank Thuong Tin Commercial Joint Stock Bank
- **2012 - 2013:** BOD Member, Lanexang Securities Public Company, Lao P.D.R
- **1996 - 2012:** Holding many important positions at Sacombank, including Head of Internal Control Department, Chief of office of the BOD cum CEO, etc.

Outcoming achievements

He has more than 20 years of experience in internal control and supervision. He used to hold various important titles at Sacombank, for example, Deputy CEO in charge of Supervision and Support, Supervision Director, Head of Internal Control Department, etc.

Some of his outstanding achievements in FY 2019-2020:

- Reviewing and improving internal audit system including compliance audit, performance audit, and FS audit at TTC Bien Hoa in FY 2019-2020;
- Directing and organizing implement the review of material issues, advising the BOD on risk management strategies, assisting the Company in risk control, especially risks occurring in domestic and foreign investment, supporting the goal of the Company for a sustainable future.



Mr. **HENRY CHUNG**
Member of the Board

Year of birth: 1974
Time of appointment as Member of the BOD: October 2016
Ownership of voting shares at the Company:
397,632, accounting for 0.11%
Qualifications:
- Bachelor of Economics
- Bachelor of Finance

Positions at other organizations (except parent company and subsidiaries): None

Employment history

- **2017 - Present:** Independent BOD Member, Thanh Thanh Cong - Bien Hoa JSC
- **2016 - 2017:** BOD Member, Thanh Thanh Cong - Tay Ninh JSC
- **2015 - 2017:** BOD Member, Bien Hoa Sugar JSC

Outcoming achievements

With over 20 years of experience in the finance and sugarcane industry, he managed to provide the BOD with advice and assistance in responding and handling issues regarding conflicts of interests and related party transactions that occurred in FY 2019-2020. He ensured that FS was true and fair, and proposed risk management practices for the Company's international development activities based on the experience gained from working in US-based international organizations.

Some of his outstanding achievements in FY 2019-2020:

- Ensuring the effectiveness and accountability of the BOM through independent monitoring of operating activities;
- Fulfill his role as the Member of the HR Committee by advising on senior management development strategies towards sustainable standards.



Mr. **VO TONG XUAN**
Member of the Board

Year of birth: 1940
Time of appointment as Member of the BOD: October 2019
Ownership of voting shares at the Company:
0 shares, accounting for 0%
Qualifications:
- Ph.D. in Agronomy

Positions at other organizations (except parent company and subsidiaries):
- Acting principal of Nam Can Tho University

Employment history

- **2019 - Present:** BOD Member, Thanh Thanh Cong - Bien Hoa JSC
- **2015 - 2016:** BOD Member, Bien Hoa Sugar JSC
- **2015 - 2016:** Chairman of the BOD, Thanh Thanh Cong Sugarcane Research and Development Center
- **2010 - 2015:** Agricultural Advisor, BOD Member, Thanh Thanh Cong - Tay Ninh JSC
- **2010 - 2013:** Principal of Tan Tao University
- **2000 - 2008:** Principal of An Giang University
- **1971 - 1999:** Head of Department, Associate Dean of Agriculture, Vice Principal of Can Tho University

Outcoming achievements

As a Ph.D. in Agronomy, he has made a large number of contributions to Vietnam's Agriculture. He also has more than 10 years of operating in the sugarcane industry.

As a leading agricultural scientist in Vietnam, he has won a number of honorary awards, for example, Professor of Agronomy (1980), Hero of Labor (1985), First Class Labor Medal (1986), Merited Teacher (1990), People's teacher (1999), etc.

He has achieved global recognition: Canada's Certificate of Recognition for his "Dedication and Contribution to the World of Sciences" (1995), France's 'Chevalier de l'Ordre du Mérite Agricole Medal' (1996), Japan's Nikkei Asia Prize for Regional Growth (2002), Australia's ASTD Derek Tribe Award (2005), Certificate of Merit by Ministry of Foreign Affairs of Japan (2019), etc.

Some of his outstanding achievements in FY 2019-2020:

- Advising the BOD on agricultural solutions aiming to increase sugarcane productivity and CCS, and realize the goals of sustainable development and profit maximization.

THE BOARD OF DIRECTORS' REPORT

In FY 2019-2020, TTC Bien Hoa's BOD fulfilled its leading role in resolving the Sugar industry's challenges at the time ASEAN Trade in Goods Agreement - ATIGA came into force, or throughout the time the Company had to find ways to handle Covid-19 pandemic. At all times, the BOD still ensured that the Company complied with the prescribed regulations for the effective operation of the management system, which includes Charter, CG code, operational regulations of the BOD and the Committees; as well as with the Code of conduct. This helped the BOD complete the AGM-approved resolutions to the best of its ability. The BOD has shown solidarity and made every endeavor to maintain TTC Bien Hoa's brand identity and to navigate the Company towards sustainable growth and development, international recognition along with digital transformation acceleration. These goals were made to support the 5-year strategy for the 2021-2025 period.



Structure of the BOD of TTC Bien Hoa as of June 30th, 2020:	**Mrs. HUYNH BICH NGOC** *Vice Chairwoman of the BOD*	**Mr. PHAM HONG DUONG** *Permanent Vice Chairman of the BOD*	**Mrs. DANG HUYNH UC MY** *Vice Chairwoman of the BOD*	**Mr. HOANG MANH TIEN** *Independent BOD member*	**Mr. HENRY CHUNG** *Independent BOD member*	**Mr. VO TONG XUAN** *BOD member*	**Mrs. DINH THI NGOC THAO** *Company's secretary*
Service time	July 1st, 2019 - June 30th, 2020	July 1st, 2019 - June 30th, 2020	July 1st, 2019 - June 30th, 2020	July 1st, 2019 - June 30th, 2020	July 1st, 2019 - June 30th, 2020	October 14th, 2019 - June 30th, 2020	July 1st, 2019 - June 30th, 2020
Owned share as of June 30th, 2020 (Number of shares, %age)	67,551,864 11.10%	3,740,597 0.61%	98,394,826 16.17%	1,000,000 0.16%	397,632 0.07%	0 0.00%	0 0.00%
Responsibilities	• Legal representative • First spokesperson • Head of the Strategy Committee	• Second spokesperson • Deputy Head of the Strategy Committee • Responsible for advising the BOD on sales and market expansion strategies	• Head of the HR Committee • Member of the Strategy Committee • Responsible for advising the BOD on strategies of finance and information technology	• Head of the Audit Committee • Responsible for risk management	• Member of the Audit Committee • Member of the HR Committee • Responsible for advising on CG	• Member of the Strategy Committee • Responsible for advising on agricultural development	• Responsible for connecting CG activities
Activities in FY 2019-2020	• Disclose official information to the public • Develop medium and long-term development strategies • Lead M&A activities, in FY 2019-2020, the Company attracted more than VND820 billion from foreign investors • Lead the transformation of management model by area in order to improve production efficiency and leverage the synergies of all organizational resources	• Help build and advise the development strategies of the Company and its subsidiaries • Monitor the entire implementation of the 2018-2021 strategy • Head of the Investment department of By-product sales projects, directly providing expertise to the liquid Sugar export project • Head of the Crisis Management Committee (to handle crisis caused by Covid-19) since March 10th, 2020, working closely with the team to provide timely instructions to the Company, factories, and farms, ensure frictionless operation amid the Covid-19 pandemic	• Help build and advise the development strategies of the Company and its subsidiaries • Develop, improve and supervise the implementation of the CG model in accordance with international standards and good practices • Establish relations with shareholders and investors, contribute to international capital market strategies • Manage contributed capital and operations of subsidiaries and associates • Advise on developing the consulting project of transformation and implementation of Oracle Cloud ERP	• Supervise and provide independent opinions on CG activities of the BOD • Manage and control the financial activities of the Company • Organize and supervise the Audit Committee's activities • Manage project schedule and supervise the organization of the Project Management Board • Supervise risk management throughout the Company	• Supervise CG activities of the Company • Advise the BOD on strategies for planning and training successor and senior personnel • Develop personnel resource structure, remuneration and compensation policies to senior management	• Advise the BOD on the development of raw material areas and farming techniques • Advise the BOD on the development of organic sugarcane at Laos and the formulation of the project schedule	• Develop work plans for the BOD • Improve the Company's procedures and activities, maintain communication between administrative departments • Act as point of contact for stakeholders and help address CG issues
Monthly Remuneration	VND70 million	VND110 million	VND120 million	VND70 million	VND70 million	VND70 million	VND20 million

THE BOARD OF DIRECTORS' REPORT (continued)

For 3 times in July and September of FY 2019-2020, the Company collected shareholders' written opinions for the approval of 3 resolutions. In October 2019, the Company held the AGM to seek approval of 12 resolutions. With a total of 15 resolutions covering 23 material issues, the Company resolved to complete 100 % of resolutions as committed to its shareholders and investors.

No.	Resolution	Approved contents	Implementation
I	**First collection of shareholders' written opinions - July 2019**		
1	The resolution was approved by collecting the shareholders' written opinions	▸ Board resignation letter of Mr. See Beow Tean (Mr. See Beow Tean left the position as an independent BOD member) ▸ Board resignation letter of Mr. Le Ngoc Thong (Mr. Le Ngoc Thong left the position as a BOD member) ▸ Appointment of a new independent BOD member to replace the resigned BOD member ▸ Appointment of a new BOD member to replace the resigned BOD member	Completed
II	**Second collection of shareholders' written opinions - July 2019**		
1	The resolution was approved by collecting the shareholders' written opinions	▸ List of nominees for the position of BOD member and independent BOD member of the term 2019-2024 ▸ Result of the election of BOD member and independent BOD member	Completed
III	**Third collection of shareholders' written opinions - September 2019**		
1	The resolution was approved by collecting the shareholders' written opinions	▸ Proposal to amend and supplement the Company's charter ▸ Proposal to supplement business lines ▸ Repurchase of convertible preferred shares ▸ Issuance of convertible bonds ▸ Board resignation letter of Mrs. Nguyen Thuy Van (Mrs. Nguyen Thuy Van left the position as an independent BOD member)	Completed
IV	**Annual General Meeting of shareholders for FY 2018-2019 - October 2019**		
1	FY 2018-2019 Audited Financial Statement	▸ FY 2018-2019 Separate FS ▸ FY 2018-2019 Consolidated FS	Completed
2	Report on FY 2018-2019 activities and FY 2019-2020 plans by the BOD	▸ Complete key targets of FY 2018-2019 ▸ Execute activities for FY 2019-2020	
3	Report on FY 2018-2019 business performance by the BOM	▸ Sugar consumption: 749 thousand tons ▸ Net revenue: VND10,857 billion ▸ PBT: VND422 billion	
4	Report on FY 2018-2019's activities and FY 2019-2020 plans by the Audit Committee	▸ The Audit Committee fully discharged its roles and responsibilities specified in the Company's charter ▸ The Audit Committee continues to ensure effective organization of internal audit, the fairness and truthfulness of the reports	
5	Power of attorney on the selection of an independent auditor for FY 2019-2020 FS	▸ Among the auditing firms accepted by the Ministry of Finance and the SSC	
6	Policy on the signing of the contracts and transactions	▸ Sign contracts and transactions ▸ Grant loans or guarantees	
7	Election of new BOD member	▸ Number of needed member: 1 member ▸ Term: 5 years	
8	Election of new independent BOD member	▸ BOD Member - Mr. Vo Tong Xuan	
9	Remuneration of the BOD in FY 2019-2020	▸ VND6 billion	
10	Profit distribution plan for FY 2018-2019	▸ Compensation and Welfare fund: 5% PAT ▸ Budget for BOD activities in FY 2018-2019: VND10 billion ▸ Dividends in FY 2018-2019: 5% in cash	Approved the plan to pay 5% cash dividend for FY 2018-2019 on October 7th, 2020
11	Business plan and Profit distribution plan for FY 2019-2020	▸ Consolidated revenue: VND10,903 billion ▸ PBT: VND430 billion	▸ Consolidated net revenue: VND12,889 billion, exceeding 18% of the plan ▸ PBT: VND512 billion, 19% higher than target
		▸ Development fund: 5% PAT ▸ Community fund: 2% PAT ▸ Compensation and Welfare fund: 5% PAT ▸ Budget for BOD activities in FY 2019-2020: VND10 billion ▸ Dividends in FY 2019-2020: 4 - 6%	Under implementation
12	Issuance of shares under the Company's selection program for employees	▸ Expected increase in capital: VND304 billion, equivalent to 5% of charter capital ▸ Offering price: VND10,000 per share ▸ Expected time: in FY 2019-2020	Under implementation

By holding online and face-to-face ordinary and extraordinary meetings, the BOD and Committees under the BOD managed to execute issues approved by the AGM and promptly supported the BOM in responding to fluctuations in the macro economy and the whole industry. In FY 2019-2020, the BOD and its Committees conducted 97 meetings, 88 of which, or 91 % by the BOD; 4 of which, or 4 % by the Audit Committee; 3 of which, or 3 % by the Strategy Committee; and 2 of which, or 2 % by the HR Committee. Regarding BOD-held meetings, 5/6 members participated 100%, the other member attended only 62 % as he was appointed half way into the year.

Details of meeting attendance of the BOD and the Committees

No.	Full name	Title	Number of meetings: The Board of Directors	Audit Committee	Strategy Committee	HR Committee	Reason for absence	Training course
1	Mrs. Huynh Bich Ngoc	▸ Chairwoman of the BOD ▸ Head of the Strategy Committee	88/88	NA	3/3	NA	Full participation	1. Mindful Leadership Program (*) 2. Managing Strategic Change (**) 3. Overview of ERP and digital transformation (***)
2	Mr. Pham Hong Duong	▸ Permanent Vice Chairman of the BOD ▸ Deputy Head of the Strategy Committee	88/88	NA	3/3	NA	Full participation	
3	Mrs. Dang Huynh Uc My	▸ Vice Chairwoman of the BOD ▸ Head of the HR Committee	88/88	NA	3/3	2/2	Full participation	
4	Mr. Hoang Manh Tien	▸ Independent BOD member ▸ Head of the Audit Committee	88/88	4/4	NA	NA	Full participation	1. Managing Strategic Change (**) 2. Overview of ERP and digital transformation (***)
5	Mr. Henry Chung	▸ Independent BOD member ▸ Member of the Audit Committee ▸ Member of the HR Committee	88/88	4/4	NA	2/2	Full participation	Overseas residence
6	Mr. Vo Tong Xuan	▸ BOD member ▸ Member of the Strategy Committee	64/88	NA	3/3	NA	Being elected to the board in October 2020	Overview of ERP and digital transformation (***)

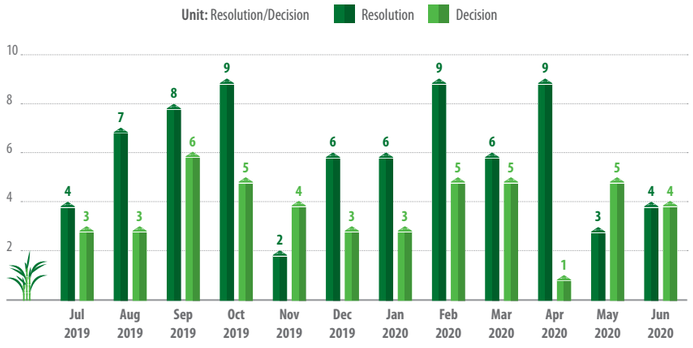
(*): Pace - October 23th - 24th, 2019 - Aim to develop 3 core qualities of the mind, namely Mindfulness, Self-Awareness and Empathy
(**): Crestcom Leader Vietnam - May 30th, 2020 - Tools to manage strategy changes, confront challenges and seize opportunities in new markets
(***): Internal training - June 30th, 2020 - Benefits of transformation, SBT's transformation

Source: TTC Bien Hoa

THE BOARD OF DIRECTORS' REPORT (continued)

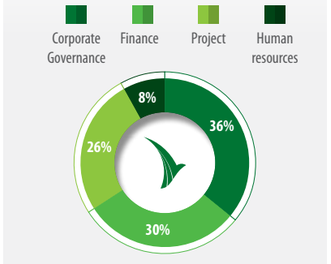
BOD's meetings approved the issuance of 73 Resolutions and 47 Decisions of which 43 Resolutions/Decisions were related to CG, 36 Finance, 31 Project, and 10 Human resources. All BOD's decisions were made upon careful consideration, in compliance with the law, in an objective and transparent manner based on the rights, obligations, and responsibilities of each member specified in the regulation, and in the best interests of the shareholders, investors, and stakeholders.

Number of Resolutions and Decisions by the BOD in FY 2019-2020



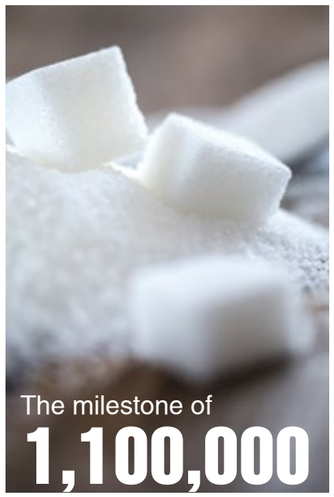
Source: TTC Bien Hoa

Structure of Resolutions and Decisions by the BOD in FY 2019-2020 by contents



Source: TTC Bien Hoa

EVALUATION OF THE BOARD OF DIRECTORS' PERFORMANCE



Tons in FY 2019-2020 proved, amid the global pandemic, that the BOD still managed to succeed in guiding the 2018-2021 strategy in the right direction.

FY 2019-2020 was a year of turbulence, from difficulties that the Company had been well-prepared for such as ATIGA to unexpected challenges such as Covid-19. However, with each member having considerable business acumen and assertiveness, BOD promptly activated many Resolutions and Decisions, helping the BOD achieve targets set at the beginning of the year and accelerate the 2018-2021 strategy.

Upon international integration, the BOD made a number of decisions to restructure the operation model and rearrange the organization structure according to the Company's planned organization chart. This aimed to improve the employee's expertise. Two BOD Vice Chairman were designated to lead 2 Restructuring Committees and tasked with increasing market share, expanding business activities, and applying the area management model in the second half of FY 2019-2020 to escalate business output.

The milestone of 1.1 million tons in FY 2019-2020 proved, amid the global pandemic, that the BOD still managed to succeed in guiding the 2018-2021 strategy on the right direction. This was the result of diligent preparation and leadership visionary, coupled with the determination to stay faithful to the defined goals. In order to identify risks, accept challenges and get prepared for adverse situations, the BOD promoted the research and development of risk management policies in line with international best practices, and ensured risk management was performed during operation. The risk management system, developed in consultation with E&Y, is expected to be widely adopted in FY 2020-2021.

In FY 2019-2020, the participation of new BOD members with years of expertise and experience provided excellent encouragement not only to the Company but also to shareholders, investors, and partners, as it proved the Company's determination to follow through the goal of regional penetration and sustainable integration. All BOD members are proactive in sharing information and providing in-depth analytical assessments based on their level of authority, as well as always perform their duties with the highest degree of care and responsibility.



EVALUATION OF THE AUDIT COMMITTEE'S PERFORMANCE

In FY 2019-2020, the Audit Committee fulfilled its role of monitoring and controlling the Company's activities in an independent and transparent manner, of overseeing compliance with the law and the Company's regulation of the entire system. The Audit Committee, therefore, was able to provide a reasonable basis for identifying risks that might occur in this FY and subsequent years, and simultaneously to alarm the BOD in good time.

Notably, in the past year, the Audit Committee also assisted the BOD in ERM projects and supported E&Y consulting unit to draft and verify material risks, and ensure that the Responsibility Assignment matrix follows Vietnam's laws and international standards. ERM program is projected to be released in the first months of FY 2020-2021. This project shall serve as a compass for audit activities after pre-audit and improve the efficiency of all the lines of defense.

EVALUATION OF THE STRATEGY COMMITTEE'S PERFORMANCE

In FY 2019-2020, the Strategy Committee actualized all assigned tasks regarding advising the BOD on the establishment of an area management model. The model aims to streamline management and optimize human resources in agricultural activities and production. This year, the Strategy Committee welcomed 2 new members, Mrs. Huynh Bich Ngoc and Mr. Vo Tong Xuan, who have had years of experience in the sugarcane industry. The timely contribution of the 2 experienced members had a far-reaching impact on all TTC Bien Hoa's activities, from agriculture to production and sales.

The Strategy Committee fulfilled its supervising role and made timely decisions to transform SBT in a time that ATIGA and Covid-19 exerted its impact. Amid the pandemic, there was always one member from the Strategy Committee who directly monitored and handled crises, in order to make sure the Company's activities are in line with its long-term strategies.

In FY 2019-2020, TTC Bien Hoa continued the services of 2 departments - Department of Investment of By-product Sales Projects and Department of Social - Environmental Sustainability. Especially, the Department of Investment of By-product Sales Projects managed to launch the trial project of growing bananas in Thanh Long farm with Dole Asia Holding; as well as kept testing and calculating for the products to be launched and commercialized in the coming year. This project represents a new product category for SBT in the next phase of 2021-2025.

The Department of Social - Environmental Sustainability continued to overview environmental and social action plans as guided by DEG - German-based strategic shareholders. The Department paid special attention to building relationships and assisting local communities in preserving indigenous culture. The Department also finalized the environmental protection system, demonstrated in the organic sugarcane growing model of TTC Attapeu. The raw material areas in TTC Attapeu grew over 150% from FY 20118-2019 to FY 2019-2020.

EVALUATION OF THE HR COMMITTEE'S PERFORMANCE

The HR Committee led by Mrs. Dang Huynh Uc My - Vice Chairwoman of the BOD successfully streamlined the organization structure after the M&A and finished the HR plans under the restructuring program. At the same time, the HR Committee managed to advise the BOD on the appointment of senior management who shall help the Company outline the development path after ATIGA; carried out an area management system to delegate power and allow flexibility to member units; and leveraged the regional synergies, especially the capability of skillful employees who have an extensive understanding of local culture and customs.

Also, the HR Committee implemented a corporate health assessment in terms of employee satisfaction. All employees in all departments evaluated all facets of TTC Bien Hoa's activities. The assessment was used to adjust the governance and management method in line with the model of restructuring committees. The adjustment was carried out in the last 6 months of FY 2019-2020 and yielded promising results, for example, the production system kept pace with material source change. Last year's sales results, revenues, and profits proved that the transformation was indeed effective and that was the right decision to make.

EVALUATION OF THE BOARD OF MANAGEMENT'S PERFORMANCE

In the last FY, under BOD's leadership, the BOM managed to adapt its management activities and complete all the assigned targets while facing uncertainties in Vietnam's and global Sugar industry.



In fact, in order for strategies to be effectively oversaw and implemented, the BOD decided to establish a project management board for each activity, including the Board responsible for organic production and high-tech sugarcane growing area project at Bien Hoa - Tay Ninh and Nuoc Trong factories, the Board responsible for RE Sugar refining reoperation at Bien Hoa - Tri An factory, the Board responsible for managing and exploiting farmland in Southeast region, etc. Each project management board regularly operated, continuously updated the information and progress, and evaluated the results to help the BOD make informed and timely decisions in the best interests of the Company.

Believing in the overall strategic goal of the Company as a whole, the BOM came up with various clever solutions to transform core product lines. Among them, the emphasis was on producing liquid Sugar to serve domestic and international markets, and making the most of the distribution system and brand name to surpass imported liquid Sugar.

Objectives and achievements of the BOM in FY 2019-2020

1. Implement general strategies: increase revenue, reduce costs and restructure finance

- Consolidated net revenue and PBT in FY 2019-2020 reached VND**12,889** billion and VND**512** billion, up 19% and 21% YoY, exceeding 18% and 19% of the year plan
- Market share increased from **42%** to **46%**
- Gross profit reached VND**1,455** billion, up 67% YoY; gross margin achieved 11%, up 41% YoY
- Sugar consumption reached **1.1** million tons, up 41%
- The ratio of selling expense, general and administrative expense on net revenue was well-controlled, down **6%** and **28%** YoY respectively
- The Oracle Cloud ERP was implemented to optimize the supply chain and enhance the efficiency of financial management
- Implemented the plan of issuing bonds and using capital generated from preferred stock offering.

2. Promote R&D and maximize sugarcane value chain in order to meet the increasingly diverse needs of consumers

- Products that help simplify intermediary pre-processing stages for consumers
- Products that symbolize the "Green-Clean-Healthy" criterion: Organic Sugar, Diet Sugar, Sugar Fortified Vitamin and Mineral, etc.
- Products that have high quality and competitive prices, encouraging consumers to use traceable products, addressing the issues of smuggled Sugar and unbranded Sugar packets
- **7** new products released in FY 2019-2020
- **7** products of which production plans are being formulated and tested.

3. Implement key investment projects and update technologies in order to enhance revenue, profit and optimize production costs

- Liquid Sugar production project with about **170,000 tons** of production output in FY 2019-2020
- Rooftop solar power project with a total installed capacity of 13MWp, increasing the total installed solar power capacity of TTC Bien Hoa to **22MWp**
- Investment in the solutions to renovate boiler, cutting blade, dry sand separation system, organic Sugar production line, Bigbag packaging system, etc.

4. Create a legal corridor to ensure the management is sound, transparent, clear, and compliant with the Company's rules and regulations

- Complete the responsibility assignment tasks and normative document system
- Develop and issue succession planning of senior management
- Encourage and develop training courses to enhance the qualifications and capacity of the employees
- Build remuneration policies to promptly reward and encourage employees.

Income, service time, and training courses of the BOM and other financial leaders

No.	Full name	Tittle	Income		Date of appointment	Training courses
			Salary	Bonus		
A	**BOARD OF MANAGEMENT**					
1	Mr. Nguyen Thanh Ngu	CEO	66%	34%	November 2014	1. Mindful Leadership Program (*) 2. Strategic change management (**) 3. Overview of ERP and digital transformation (***)
2	Mrs. Doan Vu Uyen Duyen	Permanent Deputy CEO	64%	36%	February 2020	
3	Mrs. Duong Thi To Chau	Deputy CEO	62%	38%	October 2014	
4	Mr. Le Quang Hai	Deputy CEO	63%	37%	December 2017	
B	**OTHER FINANCIAL LEADERS**					
1	Mrs. Nguyen Thi Phuong Thao	CFO	63%	37%	February 2020	1. Mindful Leadership Program (*) 2. Financial Reporting Seminar – Numbers can talk (****) 3. Overview of ERP and digital transformation (***)
2	Mr. Le Phat Tin	Chief Accountant	66%	34%	January 2015	

(*): Pace - October 23th - 24th, 2019 - Aim to develop 3 core qualities of the mind, namely Mindfulness, Self-Awareness and Empathy
(**): Crestcom Leader Vietnam - May 30th, 2020 - Tools to manage strategy changes, confront challenges and seize opportunities in new markets
(***): Internal training - June 30th, 2020 - Benefits of transformation, SBT's transformation
(****): Deloitte - May 12th, 2020 - Financial ratios - Beauty in frigid numbers

APPROPRIATE STRATEGY, DRIVING FORCE TO REACH INTERNATIONAL LEVEL

The FY 2019-2020 is a special year of TTC Bien Hoa, marked by 3 events of great impact including:

(1) The global Sugar industry was struck by a period of difficulties;

(2) Vietnam officially joined ASEAN Trade in Goods Agreement (ATIGA), and

(3) Covid-19 pandemic.

While each event bore different difficulties, SBT has steadily overcome each and every obstacle, thanks to the right and reasonable strategy of the Leaders for the period 2018-2021 and the constant efforts of the employees. In the last FY, business results exceeded the expectations, inspiring TTC Bien Hoa to aim even higher in the future.

From FY 2020-2021, the Company's business orientation is to become

"THE leading SOLUTION PROVIDER IN TRACEABLE AND SUSTAINABLE AGRICULTURE PRODUCTS ACROSS INDOCHINA"

in order to meet the increasingly diverse needs of individual and corporate customers. This is a long journey that requires synchronous development of all departments and functions in the Company.





1.
Give priority to the development of Organic agriculture and Organic raw material areas



2.
Upgrade Sugar products and offer energy solutions from sugarcane



3.
Transform into a international import-export trading house



4.
Develop an intensive supply chain management process aligned to the new business model



5.
Restructure consumer distribution system to capitalize on the synergy



6.
Speed up the timeline of digital transformation

APPROPRIATE STRATEGY, DRIVING FORCE TO REACH INTERNATIONAL LEVEL (continued)

1. GIVE PRIORITY TO THE DEVELOPMENT OF ORGANIC AGRICULTURE AND ORGANIC RAW MATERIAL AREAS



In recent years, TTC Bien Hoa has begun to develop raw material areas by converting industrial farming to organic farming and establishing a synchronous production management system. This helps to preserve and strengthen the health of the agro-ecosystem in a variety of areas, including biodiversity, biological life cycles, and biological productivity.

The use of organic products has become a global consumer trend. Organic products are healthy and environmentally sound as well as imperative to the formation of sustainable agricultural production. In Vietnam, consumers, producers, and enterprises are starting to take notice of organic products as the demand for food safety and environmental protection escalates rapidly.

At TTC Bien Hoa, the Agriculture Division merged Mechanical Business Center and TTC Agricultural Development JSC into a single unit specializing in intensive agricultural solutions. This unit will test solutions on large-scale farms to verify the effectiveness of the methods and create farm models to introduce environmentally-friendly farming to local farmers. The farming staff of the Company is all working hard to improve expertise and promote agricultural extension, while at the same time, cooperating with the localities to transfer mechanization technology and introduce safe biological preparations to farmers. In FY 2020-2021, the sugarcane productivity is expected to soar from an average of 55-60 tons/ha in FY 2019-2020 to 65-70 tons/ha, and the Central highlands region will soon recover productivity with the aid of anti-drought measures. Among them are deep plowing, intercropping of legumes, and spreading of sugarcane leaves on the soil (to minimize the evaporation rate from water surface),…

The Company will continue to support the development of organic material areas in Laos and Cambodia to move the mission forwards and become the top 5 world's leading Organic Sugar producers. The Company will apply the case study of TTC Attapeu to new areas. In reality, the restructuring of resource-intensive agriculture at the TTC Attapeu factory in Laos has proved to be successful as the organic sugarcane area here doubled after 12 months of intensive cultivation and care. The total output of Organic Sugar from this area is expected to reach ~ 42,000 tons in FY 2020-2021, 3 times higher than that of FY 2019-2020. From FY 2024-2025 onwards, the sugarcane is projected to be grown in the entire TTCA's planted area of over 10,000 ha with a total output of ~ 800,000 tons of Organic sugarcane and ~ 100,000 tons of Organic Sugar, 76% higher than that of FY 2019-2020.

2. UPGRADE SUGAR PRODUCTS AND OFFER ENERGY SOLUTIONS FROM SUGARCANE



Taking pride in clean raw material areas and more than 50 years of experience in manufacturing, TTC Bien Hoa seeks to provide customers with energy solutions. This aspect, which takes a methodical and specialized approach to R&D activities, is expected to create competitiveness for TTC Bien Hoa at the time of global integration and help the Company meet the increasingly diverse demands of Partners.

- **From the FY 2020-2021, R&D activities will be geared towards energy solutions** instead of production processes and technology as before. The solutions will cover the entire spectrum of the supply chain, providing Customers and Partners with convenience and cost savings in food and beverage production. Customers and Partners can expect a wide range of products that help simplify the production process. Among them are Liquid Sugar for the beverage industry, Premix Sugar, Powdered Sugar, and Rock Sugar for the confectionery industry. This year, R&D activities for the Powdered Sugar will be paid extra attention for the product to be promptly released and received customer's feedback.
- **Promote the localization of Liquid Sugar** with a goal of more than 60,000 tons of Liquid Sugar will be produced and supplied to B2B Customers in the FY 2020-2021.
- **Continue to invest in R&D activities to introduce new By-products** in this FY, one of which will be Canned Sugarcane Juice. A part of product processing will be outsourced to Betrimex company in the 2nd quarter and the product is expected to be available in the market in the 4th quarter of FY 2020-2021.

APPROPRIATE STRATEGY, DRIVING FORCE TO REACH INTERNATIONAL LEVEL (continued)

3. TRANSFORM INTO A INTERNATIONAL IMPORT-EXPORT TRADING HOUSE



In order to achieve a good investment rate and maximize gains for Shareholders and the Company, besides the core manufacturing which is sugarcane, TTC Bien Hoa decided to restructure the portfolio, investing in the businesses, sectors, and markets that the Company sees as attractive and suitable to the Company's strategy.

Global Mind Commodities Trading Pte. Ltd (GMC), since becoming SBT's subsidiary in the 3rd quarter of FY 2019-2020, is currently engaged in all import and export activities of the Company. In order to win the title of a "Trading House".

GMC is committed to 3 main responsibilities:

- Act as TTC Bien Hoa's representative to boost export sales to the market that stays at the heart of the FY 2020-2021's strategy - China, thereby expanding export structure, adding the retail and consumer products to the list of export varieties, in addition of Liquid Sugar, which generated significant revenue in the last FY.
- Tap into the domestic market to target Customers who want to purchase a large quantity of the product. Make use of home advantage on warehouses, after-sales services and customer support.
- Find new export markets for TTC Bien Hoa's Organic products, fully optimizing the tariff incentives awarded to TTC Attapeu. TTC Attapeu, known for favorable raw material areas and increased production capacity, embodies the main supplier of the Company's Organic Sugar.

4. DEVELOP AN INTENSIVE SUPPLY CHAIN MANAGEMENT PROCESS ALIGNED TO THE NEW BUSINESS MODEL



It is well known that the supply chain is an integral part of business activities today. Business needs effective supply chain management to be able to gain competitive advantages, obtain a major foothold in the market, expand the strategies, and stay ahead of the curve. Supply chain management encompasses all the activities within the business, from planning, sourcing, procurement, finished product manufacturing, logistics management to collaboration with partners, suppliers, intermediaries, service providers, and customers.

Supply chain management is also a strategic objective of TTC Bien Hoa in FY 2020-2021 and will be developed in tandem with the new business model of the Company. TTC Bien Hoa - Dong Nai has been selected to implement the pilot program for the warehouse solution and 3PL (third-party logistics) model in this FY. In the 3PL program, TTC Bien Hoa - Dong Nai will work hand-in-hand with a logistics provider who has extensive experience in import-export and distribution. The solution is expected to help reduce logistics costs by at least 5%.

According to the 5-year strategy for the period 2021-2025, besides the implementation of the 3PL model, TTC Bien Hoa will also conduct research, survey, and evaluation of the 4PL (fourth-party logistics) model. The Company may therefore be ready for the application at the time business begins to expand to the North and North Central region.

5. RESTRUCTURE CONSUMER DISTRIBUTION SYSTEM TO CAPITALIZE ON THE SYNERGY



The Company will continue to seek strategic partners whose philosophy and product characteristics are commensurate with those of TTC Bien Hoa, with a view to rallying distribution capabilities and optimizing selling costs for both parties. General trade particularly stands out as a potential channel for the task. The Company will also cooperate with partners to develop primary By-products into kitchen products, for example, coconut milk, sugarcane-flavored bottled water, etc.

6. SPEED UP THE TIMELINE OF DIGITAL TRANSFORMATION



In order to become one of the leading companies in smart agriculture in Vietnam in FY 2020-2021, TTC Bien Hoa speedily transformed the business model, improved the process, digitalized business activities with ERP software providing a smart reporting system, and strictly followed risk management processes.

The Company is currently working to set up a standardized risk management process tailored to good practices of the industry. The process will be characterized by a governance structure that matches the Company's strategy, a capable team of specialists, and an effective design that helps enhance performance. The Company also cooperated with leading consulting firms to support the transformation. Notably, in August 2020, the Company entered into a contract with KPMG to seek consultation on the transition and implementation of the Oracle Fusion Cloud system. This helps the Company to optimize the supply chain and improve the efficiency of financial management, providing a springboard for the Company's mission to become the top agricultural company in Vietnam and the region. Oracle Cloud ERP will be integrated into TTC Bien Hoa's existing systems to form a fully integrated supply chain system. This digital transformation project will be executed simultaneously in all 20 units of TTC Bien Hoa in Vietnam, Singapore, Laos, and Cambodia, as well as in all activities involved in international trade, agriculture, manufacturing, distribution, storage, and each specific customer.

REPORT FROM INDEPENDENT BOARD OF DIRECTORS' MEMBERS



The BOD not only strived to increase company size and enhance productivity, but also continuously developed governance structure for best practices in global governance. This aimed to improve the company's accountability and integrity in relations with the Shareholders, Investors, and Stakeholders.



Mr. Hoang Manh Tien

Independent BOD Member
Time of appointment: July 2019

Head of Audit Committee
Time of appointment: October 2019



Mr. Henry Chung

Independent BOD Member
Time of appointment: October 2016

Audit Committee Member
Time of appointment: May 2018

Permanent Deputy Head of HR Committee
Time of appointment: May 2018

In FY 2019-2020, the number of independent BOD members was 2 of 6, or more than 33%. This satisfied the Vietnam Corporate Governance Code of best practices, released in August 2019. In addition to the appointment of Mr Hoang Manh Tien as the BOD's second independent member in July 2019, TTC Bien Hoa also ensured that members involved in the governance framework had the requisite qualifications and experience, that means no BOD member or group of members could intervene in the BOD's decision-making process.

Besides working as an independent BOD member, Mr. Hoang Manh Tien also holds the position of Head of Audit Committee. He had a strong role in leading the organization toward international best practices and principles on corporate governance, compliance, internal control, and auditing transparently and effectively. Independent BOD members all have over 15 years of management and operations experience in finance, retail banking, accounting, auditing and have been in the BOD for over a year. Both independent members have the requisite skills and experience to participate in boardroom discussions, exercise the highest degree of responsibility, and make a positive contribution when leading and supporting the Audit Committee.

MAIN ACTIVITIES OF INDEPENDENT BOD MEMBERS IN FY 2019-2020

In the last FY, independent BOD members managed to demonstrate independence and ensure more objective decision-making and monitoring activities, thereby building trust with Shareholders and attracting new Investors, especially Foreign investors.

Independent members also ensured the BOD made decisions in an objective manner, particularly in the conflicts of interest situations. Independent members effectively and objectively supervised BOM's activities, balanced and prevented conflicts of interest, as well as contributed to protecting the legitimate interests of shareholders, notably minority shareholders. With respect to the roles and responsibilities of the independent members identified in the BOD's charter, the following were the activities in the field of corporate governance, supervision, internal control, and auditing performed by independent members:

- Assist the BOD in ensuring the effectiveness and transparency of corporate governance by handling issues that arose in CG. This was achieved by overseeing, reviewing, amending, finalizing, and issuing a system of CG documents in line with the business model of the Company; improving CG based on the lasted CG Code for organizational and operational regulations of BOD; as well as ensuring implementation of each CG aspect, from functions, forms to Code of Conduct;
- Guide and supervise the coordination between the BOD, BOM, and Internal Audit (IA) for the implementation of the GMS and BOD resolutions: overseeing the projects to ensure the schedule compliance and proper allocation of resources;
- Oversee the process of information disclosure: monitoring and ensuring the financial and non-financial information posted on the Company's website, posts, notifications to shareholders and investment was disclosed in compliance with the law;
- Advice on conflicts of interest and related-party transactions, thereby helping protect the interests of minority shareholders, as well as complete the regulations and policies on related-party transactions which were released in September 2019;
- Supervise the preparation of FS: ensure FS was prepared under accounting standards and Vietnamese regulations, along with timely and transparent disclosure of information;
- Supervise independent audit service: ensure the service was independent, free from any significant conflicts of interest, and in line with requirements on scope, object, method, timeline and quality.

EVALUATIONS ON THE ACTIVITIES OF THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT IN FY 2019-2020

At the time that Vietnam Sugar industry had officially participated in ATIGA and policies had been changed in certain aspects, the Board of Directors adopted a proactive and flexible approach while guiding company strategies in order to ensure the Company developed towards its objectives:

88
IMPLEMENTED MEETINGS

73
ISSUED RESOLUTIONS

47
ISSUED DECISIONS

- The BOD organized all required regular meetings to resolve material issues within their scope; regularly managed and oversaw the implementation of the resolutions of the GMS and BOD;
  - Organize 88 meetings, issue 73 resolutions and 47 decisions to guide business activities in the right direction.
  - Implement the resolution of the GMS.
- The BOD embodied a high level of responsibility and transparency in governance activities, fully complied with applicable regulations and internationally recognized best practices;
- The BOD members implemented and oversaw the implementation of mid-term strategies and plans within their scope;
- The BOD supervised the Company's operations, the BOM's activities, the business plan, and the annual budget, as well as assigned tasks to the BOM in management order.

The BOM made great efforts to manage and implement the strategies and plans assigned by the GMS and BOD, successfully achieving all the targets set for FY 2019-2020.

NET REVENUE
12,889
BILLION VND
OVER **18%** PLAN

PROFIT BEFORE TAX
512
BILLION VND
OVER **19%** PLAN

- Generate revenues and profits higher than projected, according to 2019-2020 FS audited by Ernst & Young Vietnam Co., Ltd (EY Vietnam):
  - Net revenue reached VND12,889 billion, 18% higher than planned
  - Pre-tax profit was VND512 billion, 19% higher than expected
- Accomplish the BOD 's tasks in agriculture, manufacturing and sales;
- Stably function and progressively reduce labor costs, transportation costs, inventories, overhaul and maintenance costs,… thereby enhancing the Company's efficiency;
- Research on new technologies to improve recovery quality, reduce chemical consumption and the amount of inappropriate products;
- In collaboration with EY Vietnam, the BOM took steps to strengthen managers' capacity to monitor risks, complete risk management policies and procedures, and enhance the efficiency of the Risk management team.



Irrigation system in Tay Ninh raw material area

BUSINESS ORIENTATION FOR FY 2020-2021

Post-ATIGA pressures Vietnam's Sugar Enterprises in general, and TTC Bien Hoa in particular, but it also provides opportunities for any company that knows how to play its strengths. In order to realize this, independent members of the BOD begin to build plans for key operating targets in FY 2020-2021 and strategies for the Company's development in 2021-2025 period, to prove its position as supervisors and controllers. This also helps them continue to develop a scenario-specific roadmap and policy framework for a great boost to the Company's growth and great assurance to shareholders and investors' benefits.

1. Continued to work with the BOD and BOM to promote fair and timely decision-making without resulting in conflicts of interest between stakeholders; strike a balance between various shareholders;
2. Continued to propose appropriate guidelines and internal audit solutions to enable the third line of business defense; mitigate risks and provide risk management as a prerequisite in all activities.
3. Supported BOM develop risk management practices.



AUDIT COMMITTEE'S REPORT

AUDIT COMMITTEE'S MEMBERS

From FY 2017-2018, the Audit Committee was established and operated directly under the BOD as part of a continuous effort to strengthen the CG system towards international practices. After 2 years of implementation, the Audit Committee succeeded in fulfilling its supervisory and monitoring duties, fostering independence and transparency in operations of the Company, thereby rapidly identifying potential threats to alert BOD.

Audit Committee in FY 2019-2020 comprises 2 members with experience in corporate governance. The Audit Committee Leader has years of experience in audit and risk management. The other is an economics and finance specialist, along with an international career.



1. Mr. HOANG MANH TIEN

Independent BOD member
Head of the Audit Committee

Time of appointment: October 2019
Ownership rate: 0.16%

Roles and responsibilities

- Develop action plans for Audit Committee;
- Lead Audit Committee to discharge its roles and responsibilities;
- Guide internal Audit Committee's activities;
- Propose to organize extraordinary BOD meetings in order to handle the cases of violations by regulatory legal and Charter's Company.

2. Mr. HENRY CHUNG

Non-executive independent BOD member
Member

Time of appointment: May 2018
Ownership rate: 0%

Roles and responsibilities

- Perform duties and tasks as assigned by the Head of Audit Committee;
- - Assume responsibilities before the law, to the GMS, and BOD in ensuring accurate and reliable operating data and records.

AUDIT COMMITTEE'S INDEPENDENCE

- The Audit Committee relies on its own knowledge and expertise to discharge its duties, ensuring that any personal or professional relationship remains impartiality;
- Members of the Audit Committee have no conflict of interest that could compromise members' ability to perform work independently and objectively;
- The Audit Committee has full authority to review any issues in all TTC Bien Hoa (and affiliated companies) operates, to access all information, to request active cooperation from BOM and to request the participation of any BOD and BOM member in the Audit Committee meetings;
- The Audit Committee has sufficient resources and powers to perform the Audit Committee's functions and ensure that an efficient system of Internal control is developed and maintained, enabling compliance by TTC Bien Hoa with legislation and applicable internal regulations.



AUDIT COMMITTEE'S ACTIVITIES IN FY 2019-2020

In the last FY, the Audit Committee aided BOD readily and efficiently in overseeing risk management, financial reporting, independent supervision, and corporate governance.

The Audit Committee's independent supervisory and monitoring operations helped TTC Bien Hoa increase performance, mitigate fraud, improve compliance, and preserve credibility in policy to stakeholders, including shareholders and investors.

In FY 2019-2020, following shifts in working practices, the Audit Committee was required to track before, after and after each quarterly reporting cycle. This aimed to establish a continuous monitoring mechanism to strengthen the internal control system and to avoid risks occurring in all various areas of operations.

Audit Committee's performance in FY 2019-2020

SUPERVISING ACTIVITIES OF THE COMPANY, BOD, AND BOM

Activities

- Supervise the activities of BOD in accordance with the Resolution of the GMS;
- Supervise the activities of the BOM in accordance with the Resolution of the BOD;
- Attend all meetings of the BOD;
- Supervise the compliance of the Company with the Charter, Internal Regulations, and applicable law;
- Advise, supervise and improve the CG system in accordance with international;
- Practices, for examples Vietnam CG Code of best practices, ASEAN Scorecard, OECD principles of CG;
- Document of all the services used between the Company, member companies with the TTC Group, ensure transparency in relations with investors;

Outcomes

- Timely inform of pressing issues and potential risks occurring at the Company and provide opinions;
- The Resolutions of the GMS and BOD were properly and fully implemented;
- The Company's activities complied with the applicable law and internal regulations ;
- Strengthen commitment to CG standards through the commitment of the BOD, Code of conduct, and CG Practice;
- Improve the performance of the BOD through increasing the number of the independent BOD member; defining and emphasizing the obligations of each member according to the assignment of responsibilities;
- Strengthen the role of BOD in ensuring the accountability of the BOM.

AUDIT COMMITTEE'S REPORT (continued)

VERIFYING FS AND REVIEWING INFORMATION DISCLOSURE PROCESS

Activities

- Verify semi-annual and annual FS Review quarterly and semi-annual FS;
- Ensure information disclosure process comply with Circular 155/2015/TT-BTC providing guidelines for information disclosure on the securities market, and information disclosure requirements of Ho Chi Minh Stock Exchange.

Outcomes

- Ensure information is transparent and accurate before disclosure to shareholders, investors, customers and partners;
- FS was true and fair, compliant with existing accounting standards and schemes, regularly applying accounting policies, completely reporting relevant details in FS;
- The quarterly FS was reviewed by the Audit Committee to improve the reliability of the report prior to publication;
- No material and unreasonable errors were found in accounting estimates (provisions, goodwill clause, etc.);
- The Audit Committee reviewed and analyzed a range of opinions presented by the Independent Auditor on Internal Control and concluded that the opinions had no substantial impact on FS preparation and release. The Audit Committee negotiated progress with the BOM (with other stakeholders, if any);
- No unusual record of the related-party transaction was found;
- No violation of information disclosure was found.

MONITORING, MAINTAINING, AND OPTIMIZING INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM

Activities

- Review current regulations of the Company;
- Supervise Internal Audit activities;
- Evaluate the compliance and effectiveness of the Internal Control system implementation;
- Advise and propose solutions to improve control points, ensure effective operations and prevent risks;
- Support the Enterprise Risk Management project (ERM project);

Outcomes

- Business processes were issued, updated, communicated, and managed by specialized departments. The Internal Audit showed that the compliance with the current processes to be implemented tends to be more positive than the previous FY;
- Monitoring, strengthen control to promptly identify and seize opportunities, optimize operational efficiency, set clear roles and responsibilities for a comprehensive risk management process, build procedures to provide information on how to identify, analyze, evaluate, handle and avoid risks;
- Ensure the efficiency and effectiveness of the Internal Control system, improve the efficiency of the CG activities;
- The Company is working to complete the organizational structure for corporation risk management based on the foundation of "3 rounds of protection" in accordance with international standards and practice with the consultation with Ernst & Young Vietnam Co., Ltd. The Company commits to provide adequate resources to the risk management process (the second line of defense) with sufficient resources;
- Employees started to realize and exercise their responsibility for complying with Internal Controls and Risk Management, especially through the tests, there are assessments of Internal Control system and compliance for affiliated departments/divisions other;
- Finish ERM project: the portfolio of strategic and material risks, detailed list of business risks, and risk management handbook were all completed.



SUPERVISING INTERNAL AUDIT ACTIVITIES

Activities

- Be functionally dependent and is under the independent supervision of the Audit Committee;
- Approve and supervise the implementation of the annual auditing plan, review the operational regulations and internal audit methods;
- Monitor the Network Security program, fully establish the information security system, set up role-based access control.

Outcomes

- Internal audit operated effectively and closely to the international standards and best practices;
- The coordination between CEO and Audit Committee in the functional management of Internal Audit helps Internal Audit to promote well its role , ensuring enforcement and supporting units in internal control and risk management before, during and after tasks;
- Switching from compliance auditing to consulting units in risk management and internal control produced good results which are worth continuing;
- FY 2019-2020 Internal Audit plan was completed within available resources and expected timeline;
- Internal Audit results indicated audited units complied with processes and had a more positive attitude compared to last year;
- Units responded positively to the internal audit's recommendation and implemented accordingly in a timely and concentrated manner, visualized through specific plans;
- In 2019-2020, the Audit Committee performed a thorough Internal Audit feature review. Results showed that the internal audit effectively completed audit assignments and plans (although Covid-19 's effects were felt at several levels). Given the results and recommendations of internal audit, units, branches, departments, factories, farms, etc. increased their sense of responsibility in compliance with business process management and voiced their ideas for improving process quality and productivity of the Company;
- Internal Audit was recommended to oversee and review the System Management Department's Network security program and a robust security framework should be considered periodically forcing users to change passwords;
- The System Management Department oversaw the system access. It was to ensure system access and viewing capacity when errors occur were established around roles and privileges;
- To propose that the Management System Department only agree to modify data on the system when receiving requests from competent authorities.

SUPERVISING INDEPENDENT AUDIT SERVICE

Activities

- Provide advice and consultation on the selection of the audit firm, ensuring the chosen auditor has the expertise, remain independent while performing audit, and be adhere to ethical standards of services;
- Monitor independent audit, work with an audit firm to gain insight into audit results, review FS, and auditor's opinion letter.

Outcomes

- FS auditing maintained its independence and objectivity;
- Audit productivity boosted shareholders' and investors' confidence and strengthened brand reputation and image;
- Information was transparent and reliable for users;
- Each independent auditor nominee underwent a detailed qualification review to ensure that the auditor was independent and had no affiliation or financial interest with the Company and/or member companies;
- Audit firm's credibility and expertise was regarded to ensure they could manage the scale and scope of the Company and/or member companies.

SUPERVISING RELATED-PARTY TRANSACTION

Activities

- Regularly review the related-party transactions;
- Evaluate and ensure full reporting of information pertaining to related-party transactions.

Outcomes

- Transactions were transparent, governed by market prices, applicable law, Company's charter, and related-party transaction regulations;
- Fair transactions were maintained, no stakeholder received special treatment.

Source: TTC Bien Hoa



TTC Bien Hoa 's employees

AUDIT COMMITTEE'S MEETINGS

The Audit Committee held 4 official meetings as recorded in FY 2019-2020 minutes. The Audit Committee operated normally despite Covid-19. Members actively switched to other channels (i.e. emails, phones, or social networks) to promptly solve problems that happened suddenly.

DATE OF MEETING	CONTENTS
Jul. 12th 2019	• Evaluate the implementation of AGM's FY 2018-2019 resolution and BOD's Q4 FY 2018-2019 resolution; • Evaluate business operation in Q4, FY 2018-2019; • Evaluate and comment on related-party transactions; • Discuss internal audit activities in Q4 FY 2018-2019 and action plans for FY 2019-2020.
Oct. 11th 2019	• Evaluate the implementation of the AGM's resolution and BOD's Q1 FY 2019-2020 resolution; • Evaluate business operation in Q1, FY 2019-2020; • Evaluate and comment on related-party transactions; • Prepare resources needed for enterprise risk management (ERM), in order to meet the target corporate governance towards advanced standards and practices, apply risk-based strategies, and improve the efficiency of the internal control system; • Discuss Internal Audit activities in Q1 FY 2019-2020 and next quarter's main focus.
Feb. 28th 2020	• Evaluate business operation in Q2, FY 2019-2020; • Evaluate business operation in January and February 2020 (2 months after ATIGA participation); • Advice on the establishment of a Crisis Management Committee (in the wake of Covid-19 pandemic), assist units/departments in developing preparedness plans for a pandemic; • Provide guidance on how to further handle reports, audit minutes of subordinate units/departments; • Review the current status of enterprise risk management project (ERM).
Apr. 21st 2020	• Evaluate business operation in Q3, FY 2019-2020; • Discuss the impact of extraordinary visits in accordance with the BOD's guidance; • Discuss the internal audit's report for Q3, FY 2019-2020.

TRAINING COURSE

Audit Committee's members attended training and self-training courses as follows:

1. **Courses on CG codes of best practices** (Organized by IFC and SSC)
2. **Courses on Internal Audit and Risk Management** (Organized by consulting firms)
3. **Courses on updated tax and accounting standards**

LIST OF INDEPENDENT AUDITORS IN THE LAST 5 FISCAL YEARS

FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Ernst & Young Vietnam Co., Ltd.	Ernst & Young Vietnam Co., Ltd.	Ernst & Young Vietnam Co., Ltd.	Ernst & Young Vietnam Co., Ltd.	Ernst & Young Vietnam Co., Ltd.

Auditor's opinion: True and fair

PLAN FOR FY 2020-2021

Objectives

- Continue to supervise effectively the Internal Audit activities on behalf of BOD;
- Maintain fairness in financial statement;
- Strengthen the roles and responsibilities of direct managers when it's come to mistakes made by their employees;
- Improve the efficiency and independence of Internal Audit activities;
- Focus on human resource development, to improve staff's capacity and performance.

Solutions

Activity	Details
Human resources	▸ Ensure there is enough staff to carry out Internal Audit function in line with regional management guidance; ▸ Increase internal training, self-training (internal, outside) courses to update industry insights and supervisory capabilities.
Improvement of internal control	▸ Review and monitor the adequacy and effectiveness of the Internal Control system; supervise the issuance and implementation of internal regulations; assess compliance and effectiveness of control points in regulations and processes; ▸ Review and evaluate the effectiveness of the risk management system (including environmental and social risks, network security, fraud control strategies, and policies, etc.); ▸ Advise the BOD on the Internal Control system to help enhance effectiveness, minimize risks and maximize benefits; ▸ Develop step by step a classification of non-compliance, require adjustment if needed, and at the same time propose sanctions, even the non-compliance practiced by management level; ▸ Based on an assessment of risk management activities, (i) develop an internal audit plan and focus attention to highly susceptible units or material ones; (ii) increase the frequency of inspections for above units, facilitated by a specific assessment and/or proposed sanctions, in order to ensure compliance with regulations and maintain the effectiveness of the internal control system; (iii) revise internal audit program, especially in the part involved risk analysis and assessment, evaluate the capacity of the middle management; ▸ Resolutely and forcefully propose sanctions for non-compliance and repeated violations to ensure the compliance of internal control system is respected and recommendations are revised properly to minimize risks; ▸ Enhance communication with the Risk Management department to promptly support units in risk management, strengthen their roles as advisors to the BOD, BOM, and other departments; ▸ Increase extraordinary and area-specific inspections, focus inspection on tasks and activities susceptible to risks, for example, agricultural investment, production, debt management, inventory management, cash management, warehouse, environment, etc. Area-specific inspection is expected to help ensure the quality of each audit.
Review of financial statement and information disclosure	▸ Monitor FS preparation to ensure compliance with current accounting standards and regimes; ▸ Verify FS before publication; ▸ Oversee information disclosure process; ▸ Maintain an effective communication channel with independent audit, monitor audit quality, promptly update audit report on FS.
Corporate Governance	▸ Assist the BOD in ensuring corporate governance consistently complies with applicable law and Company's charter; ▸ Strive to match CG codes of best practices.
Supervision of related-party transaction	▸ Regularly supervise and review related-party transactions, ensuring compliance with applicable law, Company's charter, and related-party transaction regulations; ▸ Analyze and evaluate related-party transactions to test its correlation with market prices and identify transactions that need BOD or shareholders' approval.
Relationship with the Board of Managements	▸ Build and maintain a positive relationship with BOM through regular meetings and conversations; ▸ Ensure the Audit Committee informs BOM of all insights regarding important decisions and/or material issues.

REPORTS FROM OTHER COMMITTEES UNDER THE BOARD OF DIRECTORS



In order to enhance efficiency and make decisions quickly on the principle of accountability and prudence, TTC Bien Hoa have established a Strategy Committee and an HR Committee, alongside the Audit Committee. On an annual basis, the Board of Directors implemented performance assessment of the committees by means of self-evaluation, and then held meetings for comprehensive end-of-year reviews per committee and the BOD itself. Accurate, honest, complete, and objective per member performance review is carried out by the BOD.

STRATEGY COMMITTEE

Introduction of the Strategy Committee

The Strategy Committee consists of 4 members, with the Head of the Committee being the BOD Chairwoman, the Deputy Head of the Committee and 2 other members are all non-executive BOD members.

No.	Full name	Position in the BOD	Position in the Strategy Committee	Time of appointment	Duties and responsibilities
1	Mrs. Huynh Bich Ngoc	Chairwoman	Head	Nov. 2019	Being responsible for overall strategies
2	Mr. Pham Hong Duong	Permanent Vice Chairman	Deputy Head	Nov. 2019	Being responsible for production technology innovation and R&D
3	Mrs. Dang Huynh Uc My	Vice Chairwoman	Member	Nov. 2019	Being responsible for global market development and global investment
4	Mr. Vo Tong Xuan	Member	Member	Nov. 2019	Being responsible for trends and agricultural improvements

Duties and responsibilities

- Approve visions, missions, and long-term objectives;
- Propose effective management plans for achieving long-term strategic objectives;
- Orientate sustainable development strategies;
- Supervise the formulation, implementation, and deployment of strategies;
- Develop strategies for relations with relevant parties;
- Build CG reporting systems.

Activities in FY 2019-2020

- In FY 2019-2020, the Strategy Committee has completed the 3-year strategy for the 2018-2020 period with satisfactory fulfilment, when Sugar consumption surpassed 1 million tons and the Company made a stronger mark in its target markets;
- Monitor and supervise the implementation of M&A options;
- Regarding capital raising activities, the Company successfully mobilized VND650 billion from the foreign strategic investor DEG and the issued of an unsecured bonds worth VND172 billion to Core Trend Investment Co., Ltd.

Meetings in FY 2019-2020

No.	Date of meeting	Contents
1	September 19th, 2019	Meeting to discuss M&A options for international trade in the integration context in 2020
2	November 13th, 2019	Meeting to discuss the area governance model
3	February 11th, 2020	Meeting to discuss options in attracting foreign capital in the form of convertible bonds

Plans for FY 2020-2021

To implement the 5-year goal for the 2021-2025 period with a focus on "Digitalization", "In-depth agriculture" and "New products", under the leadership of the BOD.

To build the process of financial management and capital allocation in order to stabilize the financial strength and growth momentum of the Company. In particular:

- To develop strategic capital planning, and select appropriate investments (M&A);
- To review investment plan into strategic partners, and manage the investment portfolios based on risk management policies;
- To assume the main responsibility for drafting and proposing the business strategies to the BOD.

HR COMMITTEE

Introduction of the HR Committee

The HR Committee consists of 2 members, with the Head of the Committee being the Vice Chairwoman of the BOD and the member being the independent BOD member.

No.	Full name	Position in the BOD	Position in the HR Committee	Time of appointment	Duties and responsibilities
1	Mrs. Dang Huynh Uc My	Vice Chairwoman	Head	December 2019	Being responsible for the Strategy of HR management.
2	Mr. Henry Chung	Independent member	Member	December 2019	Being responsible for remuneration and compensation policy.

Duties and responsibilities

- Propose criteria and processes for the quality and competence assessment of BOD members, BOM members, and Senior managers;
- Develop training programs for BOD members, BOM members, and Senior managers;
- Advise the BOD on each unit's personnel structure and prepare a succession planning of senior management;
- Support in framing compensation policy to maintain and ensure the effective activities of BOD and BOM members.

Activities in FY 2019-2020

- Offer valuable input on the personnel structure of the BOD and key positions, upon the integration trend as well as the Company's development strategy;
- Build a BOD recruitment process for use within the BOD and for key positions, on the basis of fairness and transparency and in compliance with the law. The independence of each BOD member is also the subject of the annual review;
- Develop policies on salary, bonus, remuneration, and discipline applied to both BOD and BOM members. As per the annual plan, review and re-evaluate salary, bonus, remuneration, and disciplinary sanctions applied to both BOD and BOM members, before BOD presents its policies to the AGM.

Meetings in FY 2019-2020

No.	Date of meeting	Contents
1	January 22nd, 2020	Meeting to discuss the personnel plan with the area governance model
2	March 16th, 2020	Meeting to discuss the Project-based Assignment framework

Plans for FY 2020-2021

To assist the BOD in developing HR strategies for the 2021-2025 period. The HR strategies for the new phase is to focus on "Digitalization", "In-depth agriculture" and "New products", in order to build a culture of ownership, enhance performance and maintain the pioneer role in the industry.

To develop senior-level HR strategies, and proceed with succession plans to ensure successors are well-prepared to assume the Company's strategies and development orientation.

To develop HR deployment and training strategy to fit into the organizational structure and development orientation of the Company, simultaneously to enrich the workplace culture with professionalism and inclusiveness, tailored to attracting and retaining talents.



RISK MANAGEMENT



Sugarcane farm in Tay Ninh

TTC Bien Hoa aims to become a top agricultural company not only in Vietnam but also reaching across regional and international markets, facilitated by diversified, outstanding product value chain, along with an extensive distribution network. To achieve this goal, the first step is to create internal core values, with a solid base enabling sustainable development of the Company. Risk management is currently the priority at TTC Bien Hoa, and considered as the guide for sustainable development.



RISK MANAGEMENT POLICY

TTC Bien Hoa always aims to fulfill its commitments to generate higher value for stakeholders through sustainable profit growth, top market position, and always achieve the GMS's revenue plans. However, to accomplish these objectives, the Company will not compromise its integrity, core values, and reputation as well as endanger the consumer's health and safety, product quality risk, and legal risk.

TTC Bien Hoa always has preparations by contingency plans, response measures and comprehensive risk assessments.

THE RISK MANAGEMENT STRUCTURE AT TTC BIEN HOA



Source: TTC Bien Hoa

4-LAYER RISK MANAGEMENT SYSTEM



1 Risk establish

Including:
Board of Directors

Roles and responsibilities

- Approve risk structure and policies;
- Track and review risk management structure effectiveness;
- Offer instructions, approve risk tolerance and risk appetite statement;
- Develop a measure of risk;
- Provide risk assessments and risk mitigation strategies.

2 Risk manage

Including:
Risk management department and Coordinator team

Roles and responsibilities

- Review risk assessment results of risk owner;
- Coordinate efforts to implement risk management activities;
- Cultivate a risk-aware culture;
- Decide on risk management guidelines.

3 Risk enforce

Including:
Risk owner

Roles and responsibilities

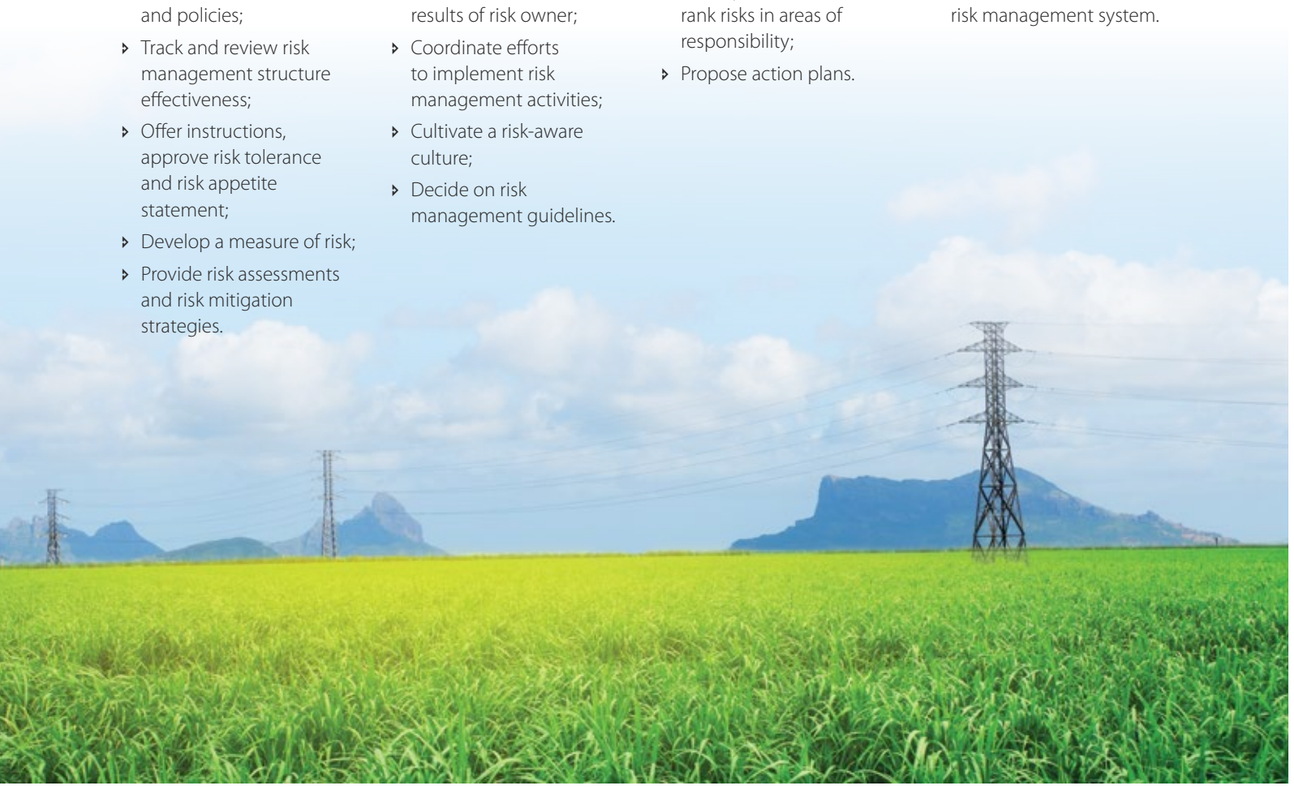
- Identify, assess and rank risks in areas of responsibility;
- Propose action plans.

4 Risk guarantee

Including:
Audit Committee and Internal Audit Department

Roles and responsibilities

- Monitor and evaluate the risk management system.



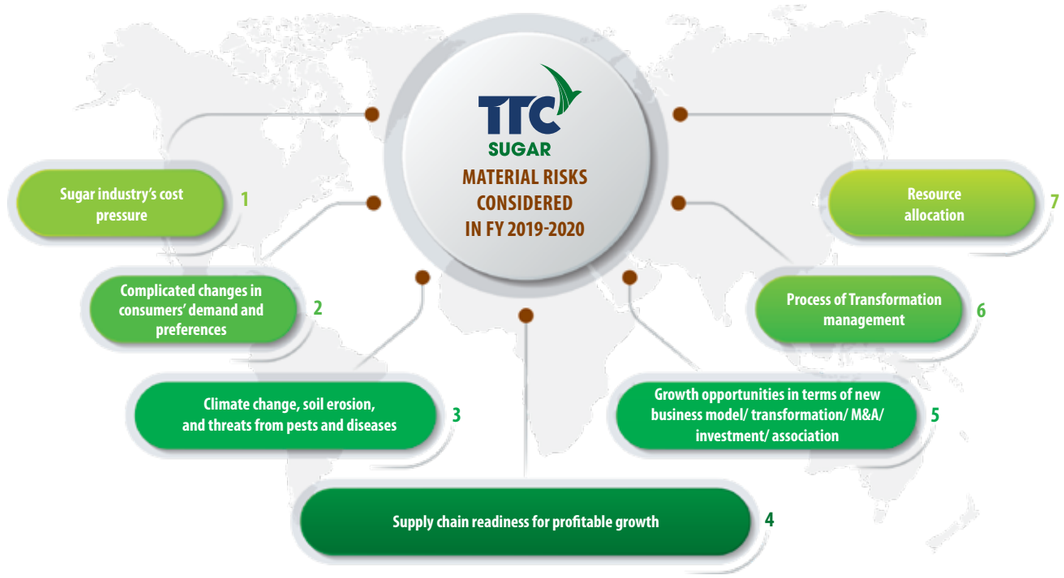
RISK MANAGEMENT ACTIVITIES IN FY 2019-2020

In 2019-2020, TTC Bien Hoa built a risk management system with the consulting from Ernst & Young Co., Ltd. Last FY's main activities include:

1. Review and agree on risk management viewpoints (risk appetite declaration, risk measurement) and define strategic risk portfolio;
2. Develop risk management capability through practical training organized by Ernst & Young Co., Ltd;
3. Complete strategies and procedures for risk management, define risk management methods and techniques and risk warning indicator (KRIs);
4. Improve risk management capacity for teams and coordinators.

MATERIAL RISKS IN FY 2019-2020

TTC Bien Hoa incorporates risk management processes in almost all of the Company's operations, e.g., strategy creation, execution, agriculture, production, sales, human resources, finance, crisis management, etc. Risk monitoring and evaluation are routinely performed. A number of primary risk areas for FY 2019-2020 are as follows:



RISK MANAGEMENT (continued)

Material risks considered in FY 2019-2020
From key risk portfolio of TTC Bien Hoa

RISK	RISK INTERPRETATION	CONTROL MEASURE
1. Sugar industry's cost pressure	The Company has yet to identify and implement cost optimization initiatives for the Sugar segment, amid rising cost and competitive price pressure.	▸ Develop a business model and organizational structure in line with strategic goals; ▸ Develop and apply new technologies to farming and input processing; ▸ Implement enterprise resource planning (ERP).
2. Complicated changes in consumers' demand and preferences	Changes in international and Vietnamese consumers' demand become complicated.	▸ Develop R&D strategies and plans, and improve R&D capacity; ▸ Adopt technologies to enhance product traceability and ensure supply chain transparency.
3. Climate change, soil erosion, and threats from pests and diseases	Climate change, soil erosion, and threats from pests and diseases (uncontrollable risks) affect Sugar production and increase risk control costs.	▸ Research and develop agricultural techniques, bio-products, and varieties to prevent risks and work out solutions for optimal yield.
4. Supply chain readiness for profitable growth	The supply chain is not ready to achieve profit targets set in the core businesses.	▸ Restructure supply chain - purchase - logistics model for business activities transformation; ▸ Develop end-to-end processes and contingency plans; ▸ Implement enterprise resource planning (ERP).
5. Growth opportunities in terms of new business model/ transformation/ M&A/ investment/ association	The Company has yet to conduct a thorough analysis, to identify and compare growth opportunities in terms of new business models, transformation, M&A, investment, or association.	▸ Restructure financial governance model: • Develop tax planning consistent with the goals of the business model and ensure optimal tax benefits; • Develop financial management processes.
6. Process of Transformation management	The Company has not yet to implement an adequate Transformation management process, hindering the attainment of desired value from transformation initiatives.	▸ Establish the structure and organization of the Transformation management process: establish the Transformation management Board; build, training, and implement transfer management across all levels.
7. Resource allocation	The Company has failed to organize and manage resources in an effective manner, impeding the Company from achieving strategic and business objectives.	▸ Develop human resource management framework, especially human resource strategies and plans, and performance management system; ▸ Implement enterprise resource planning (ERP); ▸ Standardize end-to-end processes and develop a responsibility assignment matrix (RACI matrix).

Source: TTC Bien Hoa



Warehouse of finished Sugar products

Last year, all businesses had a rough ride. In the case of TTC Bien Hoa, the Company had a difficult time with the industry cycle and ATIGA participation. Covid-19 had far-reaching implications for all facets of the economy. No single nation nor industry managed to escape global crisis grasp, sparked by the Covid-19 pandemic.

Half the world's population was affected by lockdown and social distancing regulations. The Covid-19 pandemic has become a traumatic screening for businesses in almost every sector. Thanks to effective risk management processes and contingency plans, which helped the Company ensure a timely response to the pandemic, the business was able to retain momentum in growth.

RISK MANAGEMENT PLANS FOR FY 2020-2021

- **Continue to improve the risk management system in accordance with international practices and international standards ISO 31000:2018 and management requirements of TTC Bien Hoa;**
- **Track unit / department execution of BOD-approved action plans for handling strategic risks, based on consultant findings;**
- **Identify and synthesize risk from units to update organizational risk profiles and supervise the implementation of risk management action plans;**
- **Establish and organize training on risk management processes and operations-related crisis management processes;**
- **Integrate risk management into key operations, such as project investment, R&D and crisis management.**

LEGAL COMPLIANCE



THE IMPORTANCE OF LEGAL REGULATIONS IN THE COMPANY'S OPERATIONS

At TTC Bien Hoa, we believe legal compliance is imperative to ensure transparency and fairness in relations with Shareholders/Investors, Employees, Customers and State agencies, to fulfill sustainable development goals and to maximize profit.

FY 2019-2020, Vietnam's sugarcane industry facing many difficulties and challenges with legal changes and pandemic outbreaks, TTC Bien Hoa also affected. On November 13th, 2019, the Ministry of Industry and Trade issued Circular No.23/2019/TT-BCT on removing tariff quotas on ASEAN-imported Sugar. According to the Circular, Vietnam removes tariffs on Sugar products under the ATIGA Agreement from January 1st, 2020 and ensures import duties are 5% or lower. This will create ways for other ASEAN (mainly Thailand) Sugar products to penetrate. Imported Sugar often costs less than domestic Sugar, challenging Vietnam's Sugarcane industry. On March 31st, 2020, the Prime Minister issued Directive No.16/CT-TTg on urgent COVID-19 prevention and control measures. From 0:00 on April 1st, 2020, the social distance was imposed, affecting most economic activities, international and domestic trade, Vietnamese companies are therefore severely affected.

CHALLENGES, OPPORTUNITIES, AND LEGAL COMPLIANCE

When difficulties and challenges entered full force, businesses had to find ways to adapt and survive. TTC Bien Hoa chose the path to sustainable development and compliance. Whether it is about external or internal relationships, or plans to achieve development goals, the Company takes into consideration the importance of legal compliance.

ATIGA stipulates that Vietnam must remove the tariff quota on Sugar, ensure low import duties, and facilitate the penetration of imported Sugar sold at a price lower than domestic Sugar. In this case, TTC Bien Hoa is confident as "Solution provider of traceable and sustainable agricultural products, generating energy and producing organic and non-GMO products at affordable prices."

When the social distancing order came into effect to contain Covid-19, TTC Bien Hoa decided not to let the order delay the Company's activities and overall goals. As the leading sugarcane manufacturers, TTC Bien Hoa has timely outlined responses to the pandemic, such as (1) Strengthening corporate governance by developing a lean business system and reducing costs; (2) Maintaining stable manufacturing and optimal capacity, ensuring that the operation of factories complies with social distancing regulations on transport, delivery, shipping, and reception, among others.

THE GOVERNMENT'S SUPPORT POLICIES

The timely introduction of new mechanisms, support policies, and incentives by the Government has helped the Company greatly in its long-standing battle against industry challenges. Especially in the last year, the Government support was more meaningful when there were several hindrances to the development of the domestic Sugar industry in general and TTC Bien Hoa in particular. These involved ATIGA agreement, smuggled Sugar, trade fraud, and especially, competition with high-fructose corn Sugar (HFSC) and Thailand's low-price Sugar.

Pursuant to Law on Foreign Trade Management which came into force from January 1st, 2018, and Decree No.69/2018/NĐ-CP on Guidelines for the Law on Foreign Trade Management, on June 29th, 2020, the Ministry of Industry and Trade issued Decision No.1715/QĐ-BCT concerning the execution of an investigation into the application of anti-dumping measures on several liquid Sugar products extracted from corn starch and originating from China and South Korea. According to the investigation results and if needed, the Ministry of Industry and Trade shall impose temporary anti-dumping measures to prevent dumping from continuing to cause significant damage to the domestic Sugar industry. TTC Bien Hoa considers this policy is favorable to its strategy of developing domestic liquid Sugar products.



On June 8th, 2020, the National Assembly approved the EU-Vietnam Free Trade Agreement (EVFTA), which took effect on August 1st, 2020. According to EVFTA, the European Union (EU) commits to giving tariff preference to the quota of 100 thousand tons of Vietnam's Sugar products. This preferential policy opens opportunities for Vietnam's Sugar producers to expand their export and for TTC Bien Hoa to introduce the Company's strategic products to the EU market, the market is known for its favor to clean Sugar and organic Sugar.

LEGAL CHANGES IN FY 2019-2020

In FY 2019-2020, the Government issued and amended a number of laws that affected greatly the Company's activities. The highlight is that the Government expanded the number of policies that benefit the businesses impacted by Covid-19, providing several advantages for the Company.

LEGAL COMPLIANCE (continued)

A number of legal regulations with direct impact on TTC Bien Hoa's operation in FY 2019-2020

No.	Document	Purpose	Date of entry into force	Related industry	Content with direct impact on TTC Bien Hoa
1.	Law on Amendments to Law on Construction No. 62/2020/QH14 by 14th National Assembly dated June 17th, 2020	Amend and supplement a number of articles of the Law on Construction 2014	January 1st, 2021	Construction	Shorten the time to grant a construction permit to 20 days in the case of the work construction permit, including a term construction permit, modified construction permit, and relocation permit.
2.	Law on Securities No. 54/2019/QH14 by 14th National Assembly dated November 26th, 2019	Amend and supplement a number of articles of the Law on Securities 2006 (amended and supplemented in 2010)	January 1st, 2021	Securities, corporate governance of listed companies	Supplement regulations, conditions, and procedures for issuing shares transparent and convenient for enterprises in capital raising.
3.	Law on Labor No. 45/2019/QH14 by 14th National Assembly dated November 20th, 2019	Amend and supplement a number of articles of the Law on Labor 2012	January 1st, 2021	Labor	Clarify and solidify regulations on labor relations, contract terms, and forms, labor regime (working time, break time, etc.) Accordingly, employers shall actively review and gauge the labor management in line with the industry's particularities and legal provisions.
4.	Law on Enterprise No. 59/2020/QH14, by 14th National Assembly dated June 17th, 2020	Amend and supplement a number of articles of the Law on Enterprise 2014	January 1st, 2021	Enterprise	Add regulations on depository certificates without voting rights. This is seen as a tool to mobilize capital for JSC, not as a kind of share. This is a new legal channel to attract foreign investors to the companies that limit ownership foreign investors.
5.	Law on Investment No. 61/2020/QH14 by 14th National Assembly dated June 17th, 2020	Amend and supplement a number of articles of the Law on Investment 2014	January 1st, 2021	Investment	Simplify procedures for domestic and overseas investment, helping businesses save time and reduce costs.
6.	Circular No. 81/2020/NĐ-CP by the Government dated July 9th, 2020	Amend and supplement a number of articles of Decree No. 163/2018/NĐ-CP dated December 4th, 2018 on the issuance of corporate bonds	September 1st, 2020	Bond issuance	Modify bond issuance conditions and documents, reduce the time of information disclosure prior to bond issuance, from 10 working days to 03 working days. Thereby, clarifying legal procedures for business to raise capital in the form of bond issuance with ease.
7.	Resolution No. 107/2020/QH14 on the extension of the time limit for agricultural land use tax exemption, prescribed in Resolution No. 55/2010/QH12 by National Assembly dated November 24th, 2010 on agricultural land use tax exemption, amended and supplemented by the Resolution No. 28/2016/QH14 by National Assembly dated November 11st, 2016	Extend the time limit for agricultural land use tax exemption	January 1st, 2021	Tax	Extend the time limit of the agricultural land use tax exemption until the end of December 31st, 2025, easing cost pressure on enterprises, especially production agricultural enterprises like TTC Bien Hoa.
8.	Circular No. 05/2019/TT-BKHCN providing details to Decree No. 43/2017/NĐ-CP on good labels	Provide detailed guidance to the implementation of Decree No. 43/2017/NĐ-CP, replacing Circular No. 09/2007/TT-BKHCN providing details to Decree No. 89/2006/NĐ-CP on good labels	January 1st, 2021	Good labels, product packaging	Decree No. 43/2017/NĐ-CP took effect from June 1st, 2017, but there were no guiding documents yet. The effect of Circular No. 05/2019/TT-BKHCN will make legal compliance with good labels more specific and applicable.
9.	Circular No. 01/2020/TT-NHNN by State Bank of Vietnam dated March 13th, 2020	Circular on rescheduling of credit institutions, foreign bank branches on debt rescheduling, exemption or reduction of interest and fees, retention of debt category to assist borrowers affected by Covid-19 pandemic	March 13th, 2020	Credit	Require credit institutions and foreign bank branches to reschedule the debt payment term; to exempt or reduce fees; and to retain debt category if the Company is verified that it is affected by the Covid-19 pandemic. This helps the impacted businesses to surpass difficulties due to Covid-19.
10.	Circular No. 41/2020/NĐ-CP by the Government dated April 8th, 2020	Circular on the extension of time limit for tax payment and land rental payment	April 8th, 2020	Tax	Extend the time limit for value-added tax, corporate income tax, personal income tax, and land rental according to Decree No. 41/2020/NĐ-CP, helping the impacted businesses to surpass difficulties due to COVID-19.
11.	Decision No. 08/2020/QĐ-TTg by the Prime Minister dated March 5th, 2020	Amend and supplement a number of articles of Decision No. 24/2014/QĐ-TTg by the Prime Minister dated March 24th, 2014 on the support mechanism for the development of biomass power project in Vietnam	April 25th, 2020	Energy	FIT price for the co-thermal-power project (one of the thermal power projects of the company) at the delivery point would be VND1,634 per/kWh, equivalent to US7.03 cents per/kWh. The original price was VND1,220 per/kWh, equivalent to US5.8 cents per/kWh.

ENFORCEMENT AND COMPLIANCE WITH DOMESTIC LAW

In FY 2019-2020, stemming from the determination to consolidate the entire risk management system, legal enforcement and compliance in the Company shifted positively both in planning and execution.



At TTC Bien Hoa, the term "Legal compliance" is understood in a broader sense. The Company not only complies with the relevant legal framework but also complies with the internal regulatory system of the Company issued by each level of authority. Legal compliance of each unit in the Company is evaluated through 3 criteria: (1) Prompt update; (2) Effective adoption; (3) No violation of the law.

Legal risk management is a complex process and needs constant review and improvement. Therefore, the Company always focuses on updating the process, evaluating the impact of legal changes, reviewing the internal regulation documents to ensure the regulation reflects the situation and business activities of the Company in each period of time.

INTERNATIONAL TREATY

In order to expand export and go global, understanding Free Trade Agreements (FTAs) is a must. It not only puts TTC Bien Hoa in a position to seize any opportunities that come its way and make appropriate decisions but also helps the Company to leverage all preferential policies that aim to assist FTA member countries in exporting products to potential markets.

LEGAL COMPLIANCE (continued)

In addition to the EVFTA Free Trade Agreement, as of July 2020, Vietnam also joined other Free Trade Agreements - both bilateral and multilateral, specifically:

COUNTRY	AGREEMENT	HS CODE	DUTIES		ROADMAP TO REDUCE
			In-quota	Non-quota	
NEW ZEALAND	The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), signed on March 9th, 2019	Sugar containing added flavoring or coloring matters.	0%	No quota applied	Since the date the Agreement with New Zealand entered into force.
		Fructose and fructose syrup, containing in the dry state more than 50% by weight of fructose, excluding invert Sugar.	0%		
	The ASEAN - Australia - New Zealand Free Trade Area (AANZFTA), signed on February 27th, 2009, entered into force on January 1st, 2010	Cane Sugar	0%	No quota applied	
		Sugar containing added flavoring or coloring matters.	0%		
		Others	0%		
		Fructose and fructose syrup, containing in the dry state more than 50% by weight of fructose, excluding invert Sugar.	0%		
KOREA	Vietnam – Korea Free Trade Area (VKFTA), signed on May 5th, 2015, entered into force December 20th, 2015	Sugar containing added flavoring or coloring matters.	30%	No quota applied	Duties on goods remained at the base rate before January 1st, 2016, and should be reduced not less than 20% of the VKFTA's applied MFN tariff not later than January 1st, 2016. MFN - Most Favored Nation tariff applied in Korea since January 1st, 2015. If the reduced customs duty rate in this section is higher than the base rate, the base rate shall be applied and remain thereafter.
		Others	30%		
		Fructose	8%		The duties should be eliminated in 3 equal annual stages from the base rate beginning on the date the Agreement enters into force, and such goods should be free of duty, effective on January 1st of the 3rd year.
		Fructose syrup	0%		
CANADA	The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), signed on March 9th, 2019	Others	USD30.86 per ton	No quota applied	6 years since the date the Agreement with Japan entered into force, the duties shall be eliminated; and exempted on January 1st of the 6th year.
		Others	USD30.86 per ton		
		Fructose and other fructose syrup, containing in the dry state over 50% by weight of fructose, excluding inverted Sugar	3.5%		11 years since the date the Agreement with Japan entered into force, the duties shall be eliminated; and exempted on January 1st of the 11th year.
CHINA	ASEAN-China Free Trade Area (ACFTA), signed in November 2004, entered into force in July 2005	Sugar	15%	1.95 million tons per year	
			95%	>1.95 million tons per year	May 22nd, 2017 - December 31st, 2017
			90%		2018
			85%		2019
		Raw cane Sugar	50%	Non-quota	The Ministry of Commerce of China announced that, from May 22nd, 2017, they would add a tax rate of 45%, 40% and 30% to non-quota Sugar as a measure to protect domestically produced Sugar. After May 22nd, 2019, China would remove the trade defense tax rate, setting the tax rate back to the committed 50% non-quota.
		Other types of Sugar containing added flavoring or coloring matters	15%	In-quota	

COUNTRY	AGREEMENT	HS CODE	DUTIES		ROADMAP TO REDUCE
			In-quota	Non-quota	
JAPAN	The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), signed on March 9th, 2019	Sugar containing added flavoring or coloring matters.	0%	Over 500 tons: JPY106.20 per kg	Goods shall be duty-free when: for the first year, the import volume of the goods does not exceed the quota quantity (500 tons); for the second year and every subsequent year, the quota remains at 500 tons and the goods are imported with certificate of product testing and development which certifies the originating goods meet criteria and conditions set out in the laws and regulations of Japan. When the quantity of goods is in excess of the quota quantity, the import tax shall be determined in accordance with the staging category MFN at the time of import.
		Fructose containing added flavoring or coloring matter (containing in the dry state more than 50% by weight of fructose, excluding invert Sugar)	29.8% or JPY23 per kg (whichever is greater)	No quota applied	11 years since the date the Agreement with Japan entered into force, the duties shall be eliminated; and exempted on April 1st of the 11th year.
		Fructose containing added Sugar (containing in the dry state more than 50% by weight of fructose, excluding invert Sugar)	85.7% or JPY60.90 per kg (whichever is greater)	No quota applied	Since January 1st, 2010
AUSTRALIA	The ASEAN - Australia - New Zealand Free Trade Area (AANZFTA), signed on February 27th, 2009, entered into force on January 1st, 2010	Raw cane Sugar	0%	No quota applied	Tax exemption for goods would be applied since the date of entry into force of the Agreement for Australia
		Other types of Sugar containing added flavoring or coloring matters			
		Fructose and fructose syrup, containing in the dry state over 50% by weight of fructose, excluding inverted Sugar			
	The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), signed on March 9th, 2019	Raw cane Sugar	0%	No quota applied	Duties exemption for goods shall be applied since the date of the Agreement with Australia entered into force.
		Other types of Sugar containing added flavoring or coloring matters			
		Fructose and fructose syrup, containing in the dry state over 50% by weight of fructose, excluding inverted Sugar	5%		Since the year 1: 0%

Source: TTC Bien Hoa complied

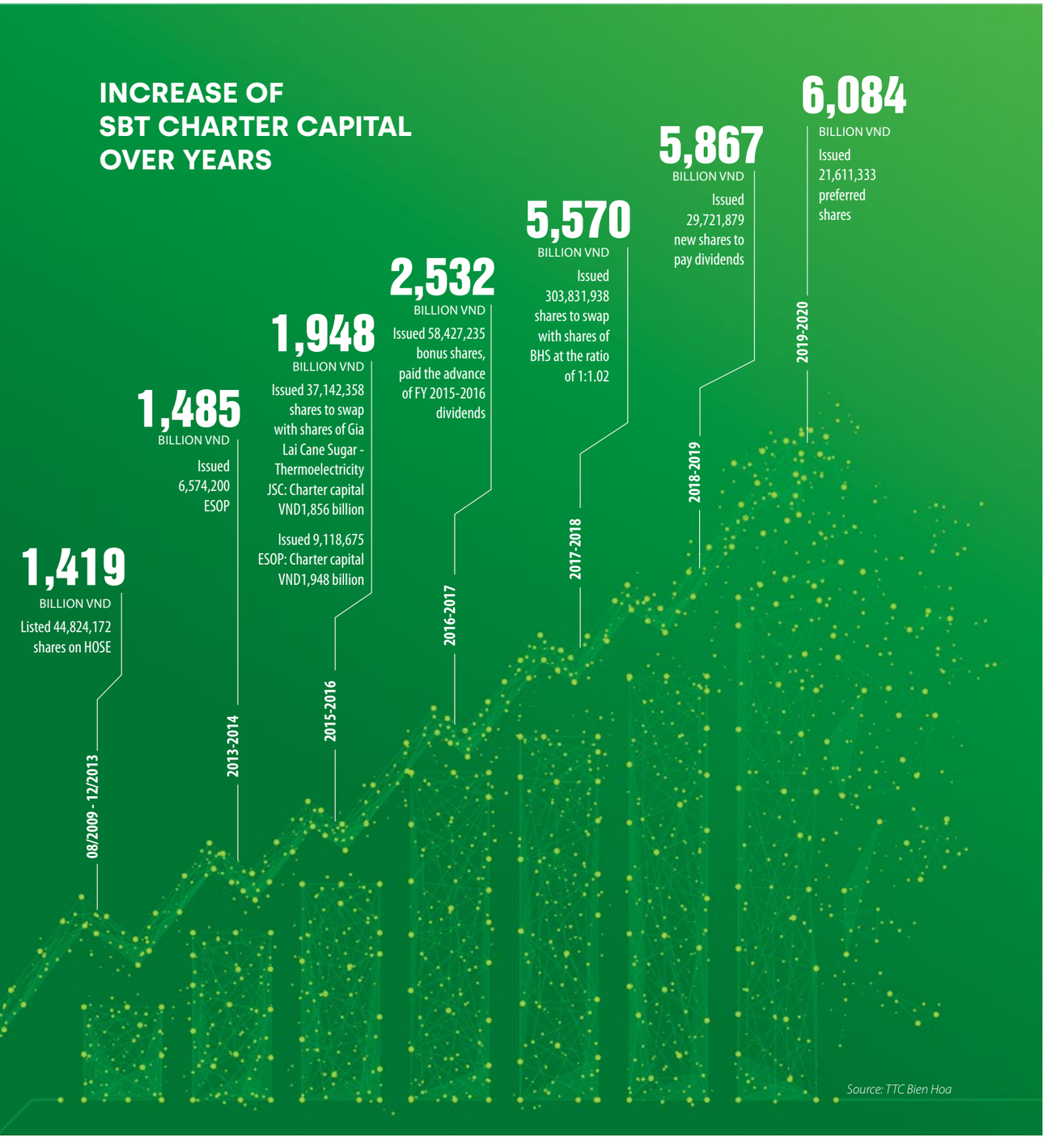
LEGAL COMPLIANCE PLAN IN FY 2020-2021

TTC Bien Hoa is proud to be one of the pioneering companies to apply "digital" in the operation of the Company. Obviously there will be challenges and difficulties during digital transformation, and legal concerns that would be at the core. TTC Bien Hoa's leaders always guide the Company towards modernization, but with sustainability and legal compliance. Especially, policies on labor, intellectual property, and information technology regulations, etc. are areas would be affected when international integration and corporate digitalization. Being modern, sustainable and law-abiding is the goal many industries pursue, and TTC Bien Hoa places these as the top priorities for FY 2020-2021 plans.

In addition, the Company continues to (1) comply with the laws and regulations, in particular with the laws that affect the Company's operations; (2) analyze new articles of law that take effect from the beginning of 2021 so as to best utilize them for the Company; (3) formulate strategies that address legal issues to support risk management (including legal risks) and ensure the middle-term and long-term goals are met.

CAPITAL MARKET ACTIVITIES

INCREASE OF SBT CHARTER CAPITAL OVER YEARS



Source: TTC Bien Hoa

VIETNAM'S CAPITAL MARKET ACTIVITIES AND TTC BIEN HOA'S ACHIEVEMENTS

FY 2019-2020 saw some positive changes in Vietnam's capital market in the second half of 2019. These changes brought about an increase in scale, improvement in quality, and efficiency while greatly facilitating the mobilization of investment resources for economic development.



A report from the Ministry of Finance reveals that, by the end of 2019, the mobilization of capital from various channels led to an increase of 10.2% in social investment capital, compared to 2018. In the first half of 2020, however, the unexpected outbreak of Covid-19 sent markets around the world into chaos. On June 29th, 2020, a press conference was held by the General Statistics Office of Vietnam to publish the socio-economic statistics in the second quarter and the first 6 months of 2020. As reported, the gross domestic product (GDP) in the first 6 months of the year stood at the record low growth of 1.8%. In the Vietnamese stock market, in particular, the total capital mobilization was reported to be VND107,000 billion, 29% lower compared to the same period last year. By and large, in the first half of 2020, foreign investors' net sales were recorded at over VND17,000 billion worth of shares and fund certificates while only net purchased over VND1,000 billion worth of bonds.

The prevailing trend of the Vietnamese capital market also had a significant impact on the capital mobilization of TTC Bien Hoa in FY 2019-2020, at a special time when Vietnam's Sugar industry officially participated in the ATIGA on January 1st, 2020. As one of the leading agricultural companies in Vietnam, TTC Bien Hoa set international market penetration as its ambitious goal to greater success in the current context of the market economy. Becoming a member of ATIGA, which was previously regarded as a challenge, is now an opportunity thanks to the broad vision of the BOD. With its right attitude and meticulous preparation over the years, TTC Bien Hoa marked FY 2019-2020 as a significant milestone that brought about a remarkable transformation. Through capital retention activities, the Company continued diversifying capital mobilization channels, restructuring the portfolio,

THE COMPANY'S TOTAL DEBT AS OF JUNE 30TH, 2020 DROPPED BY

10%

EQUIVALENT TO VND922 BILLION

establishing strategic cooperation with local and foreign banks to restructure debts, increasing equity ratio and EBITDA/Revenue ratio, all of which aimed at building a strong and sustainable financial structure.

The outcomes of TTC Bien Hoa's restructuring financial ratios after FY 2019-2020 were relatively positive. As a result of the capital restructuring plan towards a more optimal solution, the Company's liabilities dropped by VND611 billion, or 6%. In particular, short-term loans decreased 4%, equivalent to VND295 billion, and long-term loans plunged 34%, equivalent to VND627 billion. The Company's total debt as of June 30th, 2020 dropped by 10%, equivalent to VND922 billion. As a result, the Debt/Equity ratio and Debt/Total assets ratio reached 1.1 and 0.5 times, respectively, i.e. fell 32% and 16%, respectively, compared to the beginning of the FY. The solvency ratios were kept at safe levels to limit risks and warrant working capital for business operations. The Current ratio increased by 4% to 1.1 times, the Quick ratio rose by 9% to nearly 0.9.

INCREASED PRESENCE IN INTERNATIONAL CAPITAL MARKETS

In the international capital markets, TTC Bien Hoa had a momentous year of impressive capital mobilization.

THE PROCEEDS FROM THE SHARE OFFERING TO DEG - DEUTSCHE INVESTITIONS OF

649

BILLION VND

SEPTEMBER 23RD, 2020

TTC BIEN HOA MAINTAINED PROACTIVE INTERACTIONS WITH ITS INVESTORS AS WELL AS MANAGED TO ISSUE CONVERTIBLE BONDS IN THE FORM OF THE PRIVATE PLACEMENT TO THE KOREAN-BASED INVESTOR CAPE YEOLLIM CORETREND GLOBAL FUND 1 WITH A TOTAL VALUE OF

172

BILLION VND

JUNE 17TH, 2020



In the international capital markets, TTC Bien Hoa had a momentous year of impressive capital mobilization. At the beginning of FY 2019-2020, on September 23rd, 2020, TTC Bien Hoa launched a report on the result of its private offering to DEG - Deutsche Investitions, one of the established EU financial institutions and owned by the German government, with 21,611,333 shares, accounting for 3.55% of ownership. The proceeds from the share offering of VND649 billion raised the charter capital of the Company to VND6,084 billion. The proceeds from this private placement were used by SBT to make a strategic investment in TTC Attapeu in order to mechanize and boost Organic Sugar production.

Since the turn of 2020, due to the Covid-19 pandemic, investors' concerns about the instabilities of the business environment have had a negative impact on a significant number of international capital raisings in the Vietnamese market. In response to the universal situation of the capital market, TTC Bien Hoa maintained proactive interactions with its investors as well as managed to issue convertible bonds in the form of the private placement to the Korean-based investor Cape Yeollim Coretrend Global Fund 1 with a total value of VND172 billion, as announced on June 17th, 2020. This capital mobilization activity was done through an unsecured bond, which proved the trust of partners in TTC Bien Hoa as well as their high valuation of the Company's capacity and potential in the years to come. This deal is expected to be a flying start for a series of capital raisings from Korean investors in the immediate future.

REPORTED THE RESULTS OF THE TREASURY STOCKS TRANSACTION, EARNING OVER

1,100

BILLION VND

In the local market, TTC Bien Hoa continued to secure its position as a market leader since it repeatedly remained in the VN30 basket.

On October 7th, 2019, TTC Bien Hoa reported the results of the treasury stocks transaction with the number of 61,600,900 shares at the average transaction price of VND18,500/share, earning over VND1,100 billion. These proceeds were used to boost business activities.

EXPANSION OF PORTFOLIO IN POTENTIAL SECTORS

Following the direction of portfolio restructuring from the previous FY, in the FY 2019-2020, in addition to the core manufacturing of sugarcane, TTC Bien Hoa promoted the restructuring of its portfolio by investing in potential units and sectors in line with the Company's development strategy. These activities ensured a high investment rate and maximize benefits for shareholders and the Company.

Accordingly, the Company purchased over 7,649,319 shares of Gia Lai Electrical Joint Stock Company (GEC, GEG-HOSE code), increasing the number of ownership to 13,907,000 shares, equivalent to 6.82% of equity. GEC is known as an energy developer with a diverse portfolio of hydropower, solar power, rooftop solar power, and wind power.





The Vinh Dam Complex project in the Dam Bay area, Phu Quoc, Kien Giang

TTC Bien Hoa considers the fact that land fund in the future will be increasingly scarce while the demand for land will steadily grow, industrial parks will mostly be filled. Pressure from a competitive environment as well as the need to diversify portfolios to minimize risks will result in numerous multinational companies relocating their factories to Southeast Asian countries, including Vietnam. Vietnam is currently a major competitor in the race to attract FDI thanks to its enormous potential, considerable competitive advantages, macroeconomic stability, good support from the Government, and a hard-working and cheap labor force. What is more, Vietnam is also a member of a number of Free Trade Agreements such as EVFTA, CPTPP, and so on, from which foreign businesses will greatly benefit when investing in the country. TTC Bien Hoa thereby sets a high valuation of the strong growth potential and future profitability of businesses that are the current owners of real estates such as office buildings or industrial parks. Thus, in the past FY, the Company purchased shares of Tan Dinh Import Export Joint Stock Company (Tadimex) with the number of 2,082,900 shares, equivalent to 41.56% of capital, which made Tadimex a successful affiliate of TTC Bien Hoa. Furthermore, TTC Bien Hoa and its member companies purchased shares of Toan Hai Van Joint Stock Company with a number of 16,455,166 shares, equivalent to 16.46% of capital. Established in 2009, Toan Hai Van Joint Stock Company has recently entered the final stage of the Vinh Dam Complex project in the Dam Bay area, Phu Quoc, Kien Giang province with a total planning area of 147.64 hectares. This project is considered as a key complex and industrial - handicrafts cluster of Phu Quoc. Dam Bay is divided into 2 main categories with 110 hectares of port storage and 180 hectares of resort property development project of "Ocean Lotus Island". It is expected that the project can serve the needs of freight transport between Phu Quoc Island and the mainland as well as islands in the region.

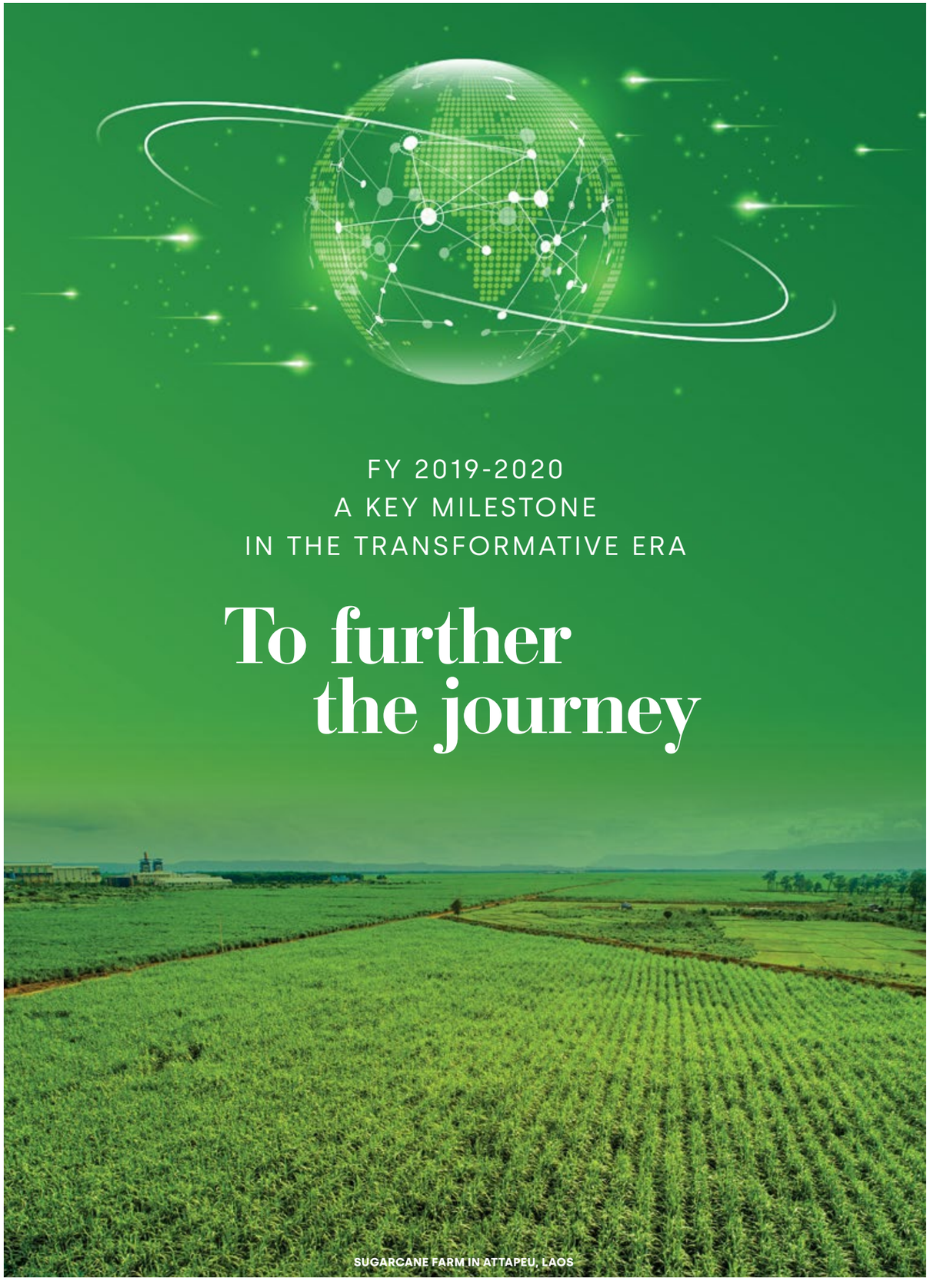


PROMOTION OF STRATEGIC COOPERATION WITH LOCAL AND FOREIGN FINANCIAL INSTITUTIONS

Facing the negative impacts and challenges of the industry cycle and competition with imported Sugar when ATIGA came into effect, TTC Bien Hoa was well-prepared with a fair amount of solutions to improve efficiency and optimize the cost of capital. Up till now, TTC Bien Hoa has always been a reliable partner with high credit ratings and attracted local and foreign credit institutions. In FY 2019-2020, the Company continued to maintain and expand credit relationships with more than 25 local and foreign credit institutions. At the same time, with positive business outcomes as well as great growth potential, all of the banks continued to increase credit limits for TTC Bien Hoa in order to address the Company's capital needs.

Still, the Company continued to cement the relationships and promote comprehensive cooperations with top joint-stock commercial banks in Vietnam so as to reap greater mutual benefits. As a result, the Company can build a secure capital foundation and solid financial structure to maintain sustainable development for the future.





FY 2019-2020
A KEY MILESTONE
IN THE TRANSFORMATIVE ERA

To further the journey

SUGARCANE FARM IN ATTAPEU, LAOS

INVESTOR RELATIONS ACTIVITIES

SHAREHOLDER STRUCTURE IN FY 2019-2020

By June 30th, 2020, TTC Bien Hoa had 3 major shareholders held more than 5% of share capital, accounted for 54.9% of charter capital. These included 1 organization, and 2 individuals:

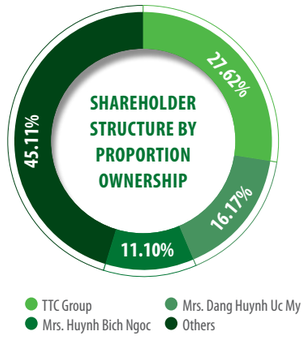
1.
THANH THANH CONG INVESTMENT JSC
holding
168,021,963
shares, equivalent to
27.62%

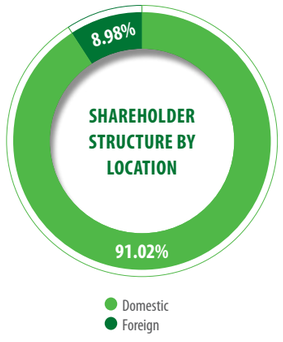
2.
MRS. DANG HUYNH UC MY
BOD's Vice Chairwoman
holding
98,394,826
shares, equivalent to
16.17%

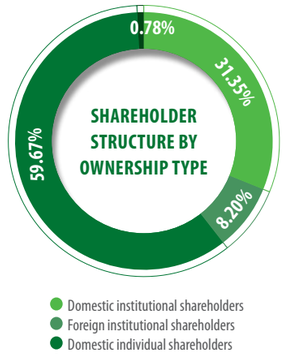
3.
MRS. HUYNH BICH NGOC
BOD's Chairwoman
holding
67,551,864
shares, equivalent to
11.10%



The business issued 21,611,333 convertible preferred stock to German state-owned DEG, an established financial institution. This investment was disbursed in September 2019, raising SBT's charter capital to over VND6,084 billion, up 3.7%.







SBT's shareholder structure as of June 30th, 2020

No.	Shareholder structure by proportion ownership	Number of shares	Ownership	Number of shareholders	
				Individual	Organization
I	**Major shareholder holding 5% or more of share capital**	**333,968,653**	**54.90%**	**2**	**1**
1	Domestic	333,968,653	54.90%	2	1
2	Foreign	-	-	-	-
II	**Shareholders holding 1% - 5% of share capital**	**83,449,874**	**13.72%**	**4**	**3**
1	Domestic	50,929,290	8.37%	4	1
2	Foreign	32,520,584	5.35%	-	2
III	**Shareholders holding under 1% of share capital**	**190,933,358**	**31.38%**	**10,734**	**119**
1	Domestic	168,853,061	27.75%	10,448	71
2	Foreign	22,080,297	3.63%	286	48
	TOTAL	**608,351,885**	**100%**	**10,740**	**123**

SBT share transactions of internal persons and their related parties in period July 1st, 2019 - June 30th, 2020

No.	Trader	Title	Ownership as of July 1st, 2019 (*)		Ownership as of June 30th, 2020 (**)		Reason for change	Note
			Number of shares	Percentage	Number of shares	Percentage		
INTERNAL PERSONS								
1	Mrs. Huynh Bich Ngoc	Chairwoman of the BOD	15,551,864	2.65%	67,551,864	11.10%	Net buying	-
2	Mr. Pham Hong Duong	Permanent Vice Chairman of the BOD	2,740,597	0.47%	3,740,597	0.61%	Net buying	-
3	Mrs. Dang Huynh Uc My	Vice Chairwoman of the BOD	68,394,826	11.66%	98,394,826	16.17%	Net buying	-
4	Mr. Hoang Manh Tien	Independent Member of the BOD	0	0.00%	1,000,000	0.16%	Net buying	
5	Mr. Nguyen Thanh Ngu	CEO	3,372,241	0.57%	4,372,241	0.72%	Net buying	-
6	Mrs. Doan Vu Uyen Duyen	Permanent Deputy CEO	0	0.00%	500,000	0.08%	Net buying	
7	Ms. Duong Thi To Chau	Deputy CEO	89,395	0.02%	589,395	0.10%	Net buying	
8	Mr. Huynh Van Phap	Sales Director	193,053	0.03%	693,053	0.11%	Net buying	
9	Mr. Le Duc Ton	Factory Director	283,316	0.05%	163,316	0.03%	Net selling	
10	Mrs. Nguyen Thuy Van	Member of the BOD	1,382,154	0.24%	0	0.00%	Net selling	Resigned 19/8/2019
11	Mr. Nguyen Quoc Viet	Deputy CEO	1,761,298	0.30%	65	0.00%	Net selling	Resigned 22/7/2019
12	Mr. Nguyen Ba Chu	Deputy CEO	110,240	0.02%	0	0.00%	Net selling	Resigned 11/12/2019
13	Mr. Tran Quoc Thao	Deputy CEO	1,218,934	0.21%	4	0.00%	Net selling	Resigned 3/2/2020
RELATED PARTIES								
14	Mr. Dang Van Thanh	Husband of Mrs. Huynh Bich Ngoc - Chairwoman of the BOD	0	0.00%	9,997,000	1.64%	Net buying	-
15	Mr. Trang Thanh Phong	Brother of Public Relations Director	56,512	0.01%	2	0.00%	Net selling	-
	Total		**95,044,190**	**16.23%**	**186,502,863**	**30.72%**		

SBT share transactions of Major shareholder in period July 1st, 2019 - June 30th, 2020

No.	Trader	Ownership as of July 1st, 2019 (*)		Ownership as of June 30th, 2020 (**)		Reason for change	Status
		Number of shares	Percentage	Number of shares	Percentage		
1	Mrs. Huynh Bich Ngoc	15,551,864	2.65%	67,551,864	11.10%	Net buying	Have become major shareholder since September 2019
2	Mrs. Dang Huynh Uc My	68,394,826	11.66%	98,394,826	16.17%	Net buying	Major shareholder
	Total	**83,946,690**	**14.31%**	**165,946,690**	**27.28%**		

(*) Total number of shares as of July 1st, 2019: 586,740,552 shares
(**) Total number of shares as of June 30th, 2020: 608,351,885 shares

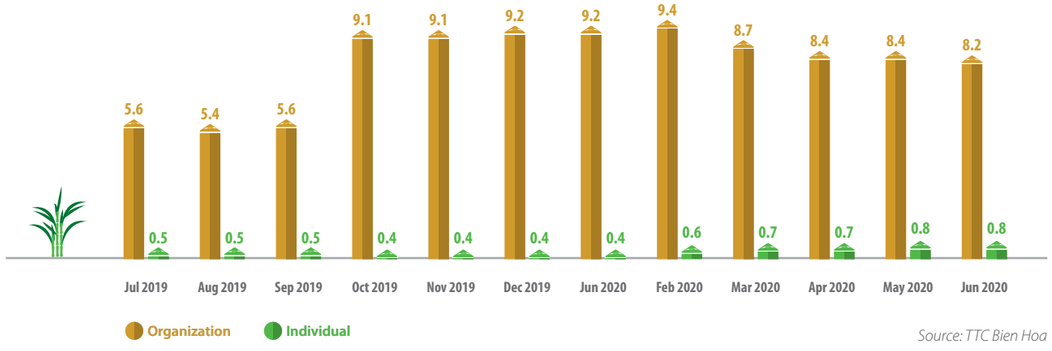
Source: TTC Bien Hoa

SBT WAS IN 9 PRESTIGIOUS ETFS AND INDEXES

As of June 30th, 2020, domestic shareholders owned up to 91.02% while foreign shareholders owned the remaining 8.98%. Compared to last year's figures of 93.17% and 6.83% respectively, the rise in international shareholding underscored the enhanced confidence in SBT in FY 2019-2020. This year was highlighted by strategic shareholder DEG's investment, which accounted for 3.55% of total shares after issuance.

The investment was made as a convertible preferred stock with a one-year restriction on shares transfer. The preferred dividend period should last 6.5 years, with a fixed annual dividend of 5.5%. Then after, payment would depend on the SBT-DEG agreement. Not all preferred stocks include voting rights, but can be converted into common stocks upon SBT-DEG agreement. The conversion price is VND30,000 per share, 84% higher than SBT's market price at the time of issuance. This international investment proved the prospects of the Sugar industry and SBT's widely-recognized growth.

A steady increase in foreign investors' ownership in the period July 1st, 2019 - June 30th, 2020



Source: TTC Bien Hoa

The HOSE-selected VN30 Index Basket contains Vietnam's top 30 large-cap and liquid stocks for market capitalization and liquidity. After 2 review periods of the basket in July 2019 and January 2020, in which new shares of market focus were added, SBT proudly remained as the only agricultural company. SBT met all the stringent screening criteria of VN30 including:

(1) Market capitalization being among the top 50 companies listed on HOSE (VND7,833 billion as of June 30th, 2020);

(2) High and stable liquidity with an average trading volume of 2.6 million shares per session;

(3) Free-float rates reaching 40%, be greater than 10% as required by HOSE;

(4) Share turnover ratio being always equal and higher than 0.05%.



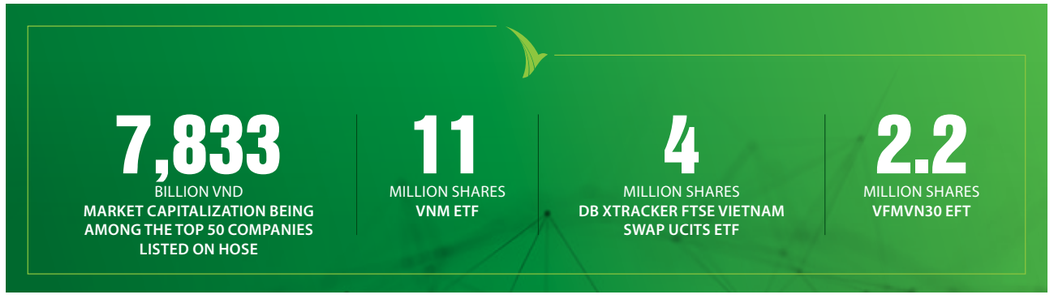


As of June 30th, 2020, SBT was also on the list of 9 globally recognised ETFs with 17.9 million shares in total ownership. Notably, VNM ETF with 11 million shares, DB XTRACKER FTSE VIETNAM SWAP UCITS ETF with nearly 4 million shares, and VFMVN30 ETF with 2.2 million shares.

SBT ownership of ETFs and Indexes as of June 30th, 2020

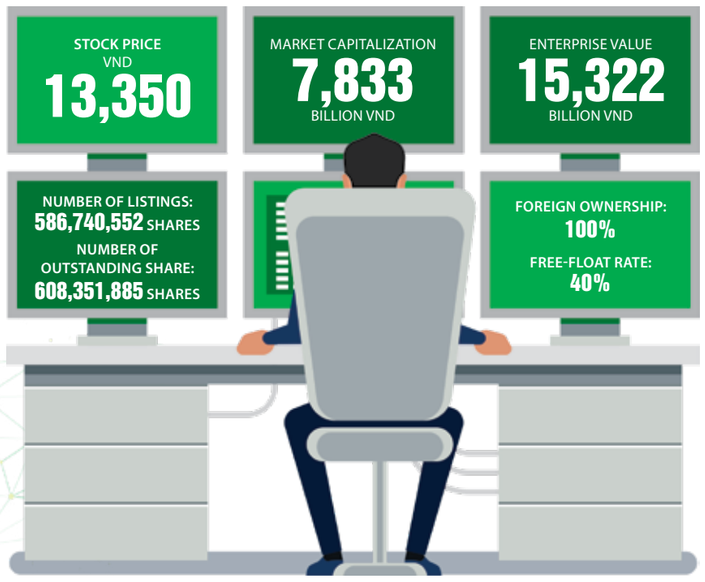
No.	ETFs/ INDEX	Number of shares	Percentage
1	VNM ETF - MVIS VN Index	10,909,251	1.79%
2	VFMVN30 ETF FUND	2,265,288	0.37 %
3	DB XTRACKER FTSE VN SWAP UCITS ETF	3,980,020	0.65%
4	iShares MSCI Frontier 100 ETF	697,328	0.11%
5	SSIAM VNX50 ETF FUND	50,299	0.01%
6	FTSE VN Index	Being of the Index	
7	FTSE VN All-Share Index		
8	MSCI Frontier Market 100		
9	MSCI VN Small Cap Index (USD)		
10	VN30		
11	VN100		
	Total	**17,902,186**	**2.94%**

Source: Bloomberg, TTC Bien Hoa collected



SBT'S STOCK PRICE AND LIQUIDITY IN FY 2019-2020

As of June 30th, 2020



SBT stock trading statistics from July 1st, 2019 to June 30th, 2020

	Last 23 days	3 months	6 months	12 months
Average daily trading volume (share)	2,698,257	2,767,378	2,563,282	2,558,965
Average daily trading value (Billion VND)	40.7	40.6	42.2	44.0
Stock price				
Highest price (VND)	16,200	16,200	22,100	22,100
Lowest price (VND)	13,350	12,700	11,900	11,900
Average closing price (VND)	14,993	14,546	16,393	17,054

Source: TTC Bien Hoa

The stock exchange is known as an economy barometer, therefore, when the Covid-19 pandemic broke out worldwide, global stock markets have recorded rapid and strong declines. In only one week of March 2020 (9/3/2020 - 16/3/2020), the US stock market saw the biggest decline since the stock market crash in 1987, and regulators had to stop trading on the exchange 3 times. On March 12th, 2020, 10 non-American countries had to trigger a trading halt. The Philippines became the first nation to close its financial markets in response to the pandemic on March 17th, 2020. Vietnam could not drift out of the picture, Vietnamese stock market endured numerous turbulent trading sessions in the first 6 months of 2020. In March, as the Covid-19 pandemic started to unfold nationwide, continuous sharp declines hit the market. The VN-Index fell approximately 5.2% and 6.1% respectively on March 12th, 2020 and March 23rd, 2020. The general index plunged to 6.3% on March 9th, 2020, the largest fall since 2002. Bottom line, in March alone, VN-Index plummeted nearly 25%, becoming the biggest monthly record decline. Also in the grip of the pandemic, SBT stock dropped to its 52-week low on March 25th, 2020, reaching VND11,900 per share. In the desperate situation where stock price continued to decline further the intrinsic value, SBT leaders agreed to purchase a total of 4.5 million shares, specifically, Mr. Pham Hong Duong - BOD 's Permanent Vice Chairman, Mr. Nguyen Thanh Ngu - CEO and Mr. Hoang Manh Tien - Independent BOD member bought 3 million shares in total; Mrs. Doan Vu Uyen Duyen - Permanent Deputy CEO, Mrs. Duong Thi To Chau - Deputy CEO and Mr. Huynh Van Phap - Sales Director bought 1.5 million shares in total. In May 2020, Mr. Dang Van Thanh - Chairman of TTC Group, the relevant person, purchased nearly 10 million shares, bringing the total amount of SBT shares purchased by the BOD and related parties to 14.5 million shares, equal to nearly VND180 billion. As of June 30th, 2020, SBT stock's price began to get back on track with VND13,350 per share, up 12.2% from the low record since the pandemic. Currently, SBT stock remains one of the Sugar industry's most liquid stocks, with over 2.5 million shares exchanged annually, equivalent to a trading volume of around VND44 billion per session.

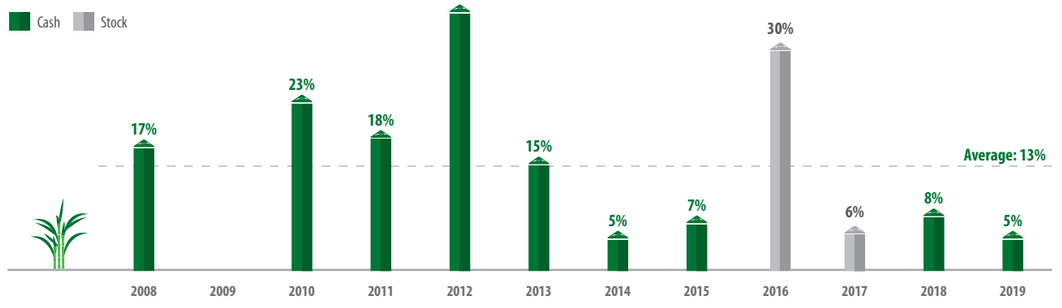
Liquidity of SBT and Peers in the period July 1st, 2019 - June 30th, 2020

No.	Company	Stock code	Stock exchange	Trading volume (shares)	Trading value (Billion VND)
1	Thanh Thanh Cong Bien Hoa JSC	SBT	HSX	2,558,965	44.03
2	Quang Ngai Sugar JSC	QNS	Upcom	409,536	12.33
3	Lam Son Sugar JSC	LSS	HSX	41,550	0.26
4	Son La Sugar JSC	SLS	HNX	6,856	0.38
5	Kon Tum Sugar JSC	KTS	HNX	853	0.02

Source: Vietstock, TTC Bien Hoa collected

ENSURING DIVIDEND POLICY FOR SHAREHOLDERS AND INVESTORS

Continuously since being listed in 2008, TTC Bien Hoa has always complied with its commitment on the policy of paying dividends to shareholders and investors in both forms of cash and stocks. On October 7th, 2020, SBT approved payment plan of 5% cash dividend for FY 2018-2019 with more than VND293 billion and the expected payment time is November 30th, 2020, thereby fulfill the dividend obligations to shareholders.



Source: TTC Bien Hoa collected

EXPECTED FINANCIAL CALENDAR FOR FY 2020-2021

July 2020
Q4 FY 2019-2020 Separate and Consolidated FS
Interpretation of Q4 FY 2019- 2020 FS
FY 2019-2020 Corporate governance report

September 2020
FY 2019-2020 Separate and Consolidated Audited FS

October 2020
FY 2019-2020 Annual report
Q1 FY 2020-2021 Separate and Consolidated FS
Interpretation of Q1 FY 2020-2021 FS
FY 2019-2020 AGM

November 2020
Investor newsletter for Q1 FY 2020-2021

January 2021
Q2 FY 2020-2021 Separate and Consolidated FS
Interpretation of Q2 FY 2020-2021 FS
FY 2020-2021 Semi-annual Corporate governance report

February 2021
Roadshow to potential investors, VIP shareholders and analysts
FY 2020-2021 Semi-annual Separate and Consolidated FS for review
Investor newsletter for Q2 FY 2020-2021

March 2021
Investor day
- Vietnam Access Day - VCSC

April 2021
Q3 FY 2020-2021 Separate and Consolidated FS
Interpretation of Q3 FY 2020-2021 FS

May 2021
Investor day - Citi-SSI Vietnam C-Suite Corporate Day - SSI and Citi Group
Investor newsletter for Q3 FY 2020-2021

June 2021
Investor day
- HSC Emerging Vietnam - HSC

SUGAR INDUSTRY OVERVIEW



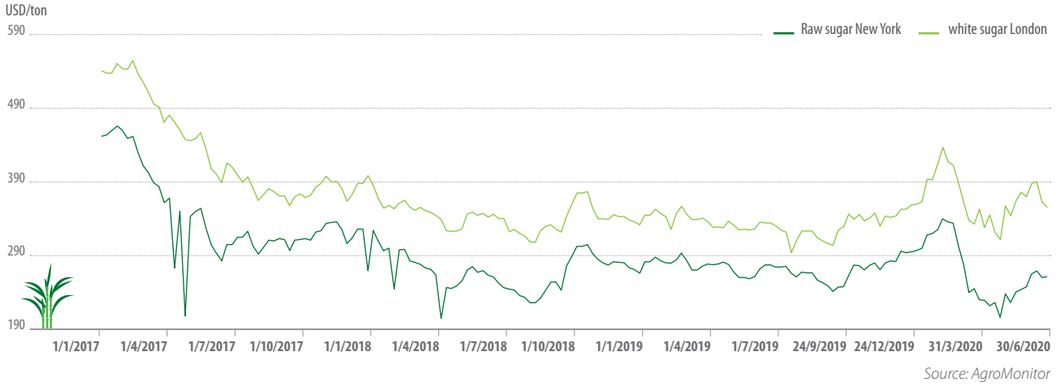


FY 2019-2020 witnessed huge fluctuations in global Sugar prices and many unexpected events, affecting both the Sugar industry, and with it, Sugar manufacturers.

After the peak at nearly 16 cents/lb in February 2020, the global Sugar price decreased in the next 3 months and hit its lowest point since September 2019 due to concerns about demand decline in the wake of the Covid-19 pandemic. There are also concerns about increased supply since crude oil prices fell to their 18-year lowest level. Entering April 2020, Sugar prices showed signs of recovery and continued to rise again in May and June 2020, the main driving forces for Sugar prices increase were:

1. Crude oil prices recovered more than 160% from the bottom of April 2020. Sugar prices often tag along with oil prices. Because when oil prices rise, Sugar mills tend to increase ethanol production, reducing the amount of sugarcane used to produce Sugar;
2. Lockdown started to ease in some countries, leading to an increase in fuel demand and Sugar demand;
3. A number of experts and large organizations forecast the global Sugar market would suffer supply shortage in FY 2020-2021.

Weekly price fluctuation of white Sugar and raw Sugar in New York and London from January 2017 to June 2020



Source: AgroMonitor

GLOBAL SUGAR PRODUCTION IN FY 2019-2020 IS EXPECTED TO REACH

166.8

MILLION TONS

GLOBAL SUGAR CONSUMPTION IN FY 2019-2020 IS FORECAST TO INCREASE BY

2.2

MILLION TONS
1.3% YEAR ON YEAR

According to the report of ISO-International Sugar Organization in May 2020, the global Sugar supply-demand balance in FY 2019-2020 would suffer a deficit of about 9.3 million tons, compared with the surplus of 1.7 million tons a year before. This would be the largest deficit in 11 years. Global Sugar production in FY 2019-2020 is expected to reach 166.8 million tons, 7.7 million tons decreased, equivalent to a YoY reduction of 4.4%, due to the output decline in Thailand and Mexico. Also, according to ISO, global Sugar consumption in FY 2019-2020 is forecast to increase by 2.2 million, or 1.3% year on year.

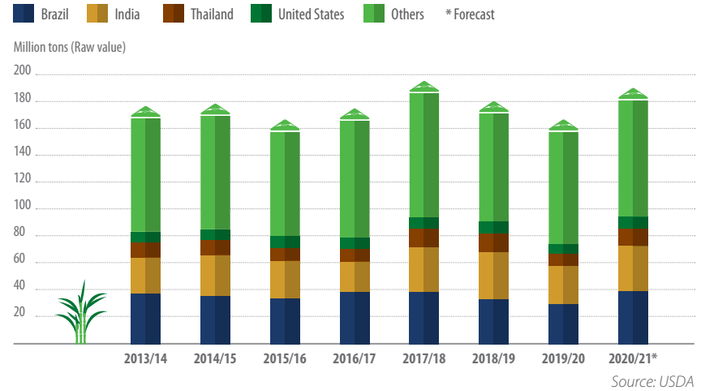
Balance of global Sugar supply - demand in the crop year 2018-2019 vs. the crop year 2019-2020 (Million tons)

Criteria	FY 2018-2019	FY 2019-2020	Increase/Decrease (+/-)	
			Quantity	Percentage
Production	174.5	166.8	-7.7	-4.4%
Consumption	173.9	176.1	2.2	1.3%
Shortage/Surplus	0.6	-9.3		

Source: ISO, May 2020

Regarding the global Sugar production in FY 2020-2021, the US Department of Agriculture - USDA - forecasts up 22 million tons to 188 million tons (raw value) due to higher production in Brazil, India, and Thailand. USDA also believes that global Sugar consumption in the 2020-2021 crop year will also rise to a new record due to growth in markets such as India and Southeast Asia.

Global Sugar production and some major countries' production from FY 2013-2014 to FY 2019-2020 and forecast for FY 2020-2021



Source: USDA

According to OECD-FAO forecast, the global Sugar supply will reach 205 million tons by 2027 with a compound annual growth rate of ~1.5 % between 2018 and 2027. Production in Thailand, Brazil, and India is expected to be the main driving force behind the global Sugar supply, while Sugar demand will come from Asia, Africa, and China.

Since the beginning of June 2020, heavy rains and severe floods have extended a negative impact on the socio-economic development and production activities in China's southern provinces, the area that produces 80% of Sugar for this country. Sugar trade flows in the 2018-2027 period might shift as a result of changes in Sugar production and consumption policies of several major producers. Sugar exports will be concentrated in Brazil, Thailand, Australia, and the EU, while Sugar imports are projected to be more distributed. China, Indonesia, along with other Asian and African countries, are expected to be the leading importers.



VIETNAM SUGAR INDUSTRY

OPPORTUNITIES AND CHALLENGES FROM ATIGA INTEGRATION

The crop year 2019-2020 marks the double effects on Vietnam's Sugar industry. The domestic Sugar business struggled with challenges from ATIGA and pressures from COVID-19 - an unprecedented event that exerted a seismic impact on all industries. According to the latest report of the Vietnam Sugarcane and Sugar Association (VSSA) on FY 2019-2020 production, released in July 2020, the industry failed to achieve the plans set out at the beginning of the crop year due to reduction in area and productivity. The output of pressed sugarcane decreased by nearly 40% from 12.2 million tons in FY 2018-2019 to 7.5 million tons in FY 2019-2020. Sugar production plummeted by 36%, from ~1.2 million tons in FY 2018-2019 to ~0.8 million tons in FY 2019-2020. In the crop year 2019-2020, the industry also witnessed a record low number of factories operating in the last 20 years since 2000, when 10/36 factories announced their shutdown.

Statistics of Production output in the crop year 2019-2020 vs. the crop year 2018-2019

Criteria	FY 2018-2019	FY 2019-2020	Change
Sugarcane production (million tons)	12,202	7,517	-4,685
Sugar production (million tons)	1,173	769	404
Number of factories	36	26	-10

Source: Agromonitor

Since Q1 2020, the Sugar demand for industrial production in Vietnam has decreased significantly as food and beverage businesses are waiting for the import of low-priced Sugar after ATIGA. Besides, as social distancing inflicts broader effects, households and small businesses (markets, schools, restaurants, coffee shops, etc.) had no choice but to reduce Sugar consumption. In FY 2020-2021, Sugar consumption in Vietnam is expected to gain, once the pandemic is brought under control, and F&B companies return to service in preparation for public holidays such as Mid-Autumn Festival, Lunar New Year, etc.

Vietnam's Sugar industry still possesses many growth opportunities as Vietnam has a young age structure with a median age of 31, and the fastest urbanization rate in ASEAN.

By 2035, Vietnam is expected to have 54 million urban citizens, or 50 % of the total population, 21 million people in the 20s - a potential source of labor, and the proportion of urban population increases 60 % by 2050 from 36% in 2017. These factors will drive the demand for F&B products such as confectionery, beverage, milk, ice cream, etc. with Sugar playing the role of the main ingredient. According to Deloitte's report, F&B revenue is forecast to reach USD40 billion in 2021 from USD27 billion in 2017. Along with that, Sugar consumption per capita in Vietnam is currently only 17.5kg per year, much lower than other ASEAN countries, for example, the Philippines (23.5kg), Indonesia (24.6kg), Thailand (43.4kg), and Malaysia (57.9 kg). According to PwC forecast, Sugar consumption per capita in Vietnam will rise to about 26kg per year by 2026.



One-ton organic sugar product bag exported to Europe

Vietnam F&B Industry Outlook



Source: Deloitte, TTC Bien Hoa

Sugar supply and demand in Vietnam have a forward-backward correlation. Since FY 2013-2014, Sugar production has decreased, while consumption has continued to rise. Over the next few years, Vietnam might need an additional 1-1.5 million tons of Sugar to serve the demand from individuals and the F&B industry.

SUGAR INDUSTRY OVERVIEW (continued)

GOVERNMENT'S SUPPORT AND GROWTH POTENTIAL

In order for the industry to survive, develop, and enhance competitiveness in global integration, especially after ATIGA, the Government has increased the number of supporting policies for the domestic Sugar industry.

MAIN ACTIVITIES	DETAILS
Increase of biomass power prices	On March 5th, 2020, the Prime Minister issued Decision no. 8/2020/QĐ-TTg to amend and supplement some articles of Decision no. 24/2014/QĐ-TTg dated March 24th, 2014, on a support mechanism for the development of biomass power projects in Vietnam, including amendments to the electricity price regulation for biomass power projects. In particular, regarding biomass electricity in the cogeneration project, the FIT price at the delivery point is VND1,634 per kWh, equivalent to 7.03 cent per kWh. The original price was VND1,220 per kWh, equivalent to 5.8 cents per kWh.
Execution of an investigation into the application of anti-dumping measures on several liquid Sugar products extracted from corn starch and originating from China and South Korea	On June 29th, 2020, the Ministry of Industry and Trade issued Decision no. 1715/QĐ-BCT concerning the execution of an investigation into the application of anti-dumping measures on several liquid Sugar products extracted from corn starch and originating from China and South Korea. According to the investigation results and if needed, the Ministry of Industry and Trade shall impose temporary anti-dumping measures to prevent dumping from deterring the domestic Sugar industry.
Implementation of solutions to develop Vietnam's Sugar industry in the new context	On July 14th, 2020, the Prime Minister issued Directive no. 28/CT-TTg on the implementation of solutions to develop the Sugar industry. Some key activities were: ▸ Allocate provisions to research in new sugarcane varieties and support the 3-level sugarcane variety project in key sugarcane production areas; ▸ Promote mechanization and irrigation in concentrated sugarcane areas; research to diversify products from sugarcane and By-products; ▸ Research the proposal of adding sugarcane to the group of crops that is eligible for disaster insurance; ▸ Research and propose management measures to adapt Sugar import and export business to the new setting; ▸ Strengthen market management, inspect, prevent and strictly handle acts of smuggling, commercial fraud, and acts of abetting smuggling in Sugar and sweeteners production and trading; ▸ Continue to guide credit institutions to make capital and credit more accessible to Sugar producers and merchants.
Tax incentives when exporting to the EU market	On August 1st, 2020, the EU Vietnam Free Trade Agreement (EVFTA) officially took effect. According to EVFTA, the European Union (EU) will grant tariff preference to the quota of 100 thousand tons of Vietnam's Sugar products.

In terms of the general economic situation, despite suffering many negative impacts from the COVID-19 pandemic, with effective and transparent pandemic prevention measures, Vietnam is the one country that has responded well to the pandemic, with economic indicators getting back on track. According to World Bank (WB) leaders, Vietnam would ensure the position as 5th fastest-growing economy in the world by 2020. World Bank Acting Country Director for Vietnam Stefanie Stallmeister forecast that Vietnam would continue to remain one of the most dynamic emerging countries in the world. GDP growth is expected to reach 2.8% in 2020 and to rebound to 6.7% by 2021. In its latest report on Asia's frontier market, HSBC also appreciated and expressed its optimism about Vietnam's economy in 2020. In particular, the global institution believed that Vietnam's economy was showing signs of stabilization in the right direction. On that basis, HSBC forecast Vietnam's economy would grow 3% in 2020, thus becoming the only ASEAN country with positive growth. The global bank also stated that Vietnam's 2021 growth rate might be in the vicinity of 8.5%.

TTC BIEN HOA ENDEAVORS TO TAKE ADVANTAGE OF THE INTEGRATION OPPORTUNITIES TO GO REGIONAL

The EVFTA officially took effect from August 1st, 2020, under which, for Sugar, the European Union commits to giving preferential import tax on Vietnam's Sugar products. This preferential policy shall open up new opportunities to Vietnam's Sugar producers to expand their exports, and to TTC Bien Hoa to introduce our strategic products to the EU markets, known for its preference in clean and Organic Sugar.

The Organic Sugar market is endowed with potential. According to Market Research Future & Absolute Market Insights, global demand for Organic Sugar was witnessing a 31% growth between 2010 and 2014. In 2017, the Organic Sugar industry generated more than USD784 million and was forecast to achieve nearly USD1.4 billion by 2022 with a compound annual growth rate of 16% in the period of 2017-2022. USDA estimates the EU's Sugar import volume in the 2020-2021 crop year could be 2.1 million tons, or 11.3 % of the regional Sugar consumption.

To make the best use of this enormous market potential, TTC Bien Hoa has made careful preparation and engaged in the Organic Sugar segment in the last 3 years. At the same time, the Company has invested in Organic Sugar areas and production, to create specialized products appealing to consumers, to bring an attractive profit margin to the Company, and to facilitate access to the global markets traditionally dominated by Sugar giants such as Brazil, Thailand, and India. This was a strategic step taken by TTC Bien Hoa to improve the domestic Sugar industry's competitiveness, in line with the vision of becoming the leading solution provider of sustainable and traceable agricultural products in Indochina as a whole.

ORGANIC SUGAR PRODUCTION PROCESS FOLLOWING INTERNATIONAL STANDARDS AT TTC BIEN HOA

Cultivation and production comply with USDA/NOP, EU Organic (EU834/2007, EU889/2008)

1 SEEDBED & SOIL PREPARATIONS

- Ensure Non-GMO and organic sugarcane seedlings
- Use organic and microbiological fertilizers

2 SUGARCANE CARE

- No unacceptable chemical and inorganic fertilizers
- Intercrop with beans, promote biodiversity
- No herbicides or manual weeding
- Use natural enemies and light traps to manage pests

3 PRODUCTION

- Management system complies with ISO 9001-2015, FSSC 22000

ASSESSMENT OF CORPORATE GOVERNANCE PRACTICES IN FISCAL YEAR 2019-2020 BASED ON CORPORATE GOVERNANCE CODE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM

TTC Bien Hoa quickly realized that improving CG practices would encourage shareholders and investors to increase trust, thereby helping the Company to attract stable and sustainable investment capital.

From FY 2017-2018, TTC Bien Hoa began reviewing its CG activities based on Asean Scorecard. TTC Bien Hoa made an impressive jump in standard adoption after 3 years, steadily closer to achieving strong corporate governance in line with international best practices.

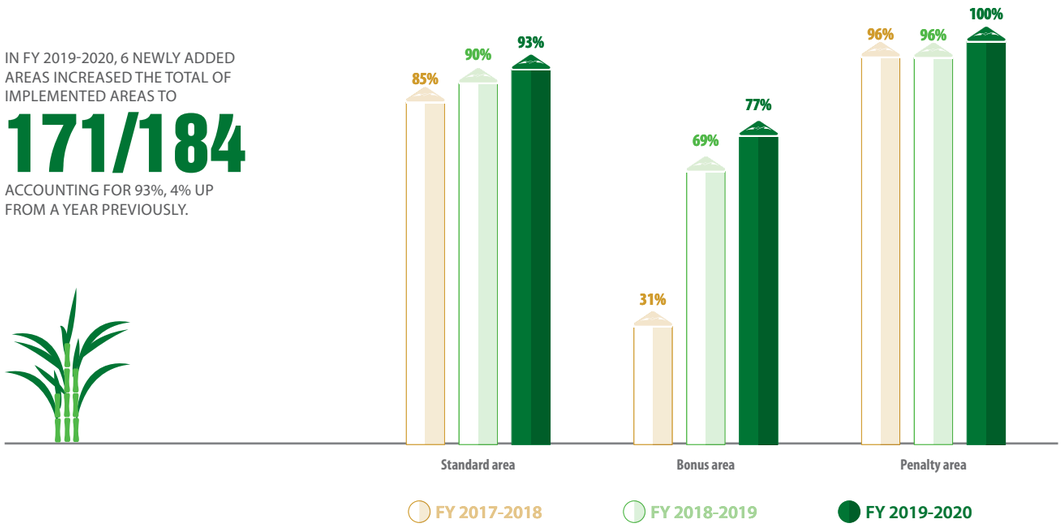
In FY 2019-2020, 6 newly added areas increased the total of implemented areas to 171/184, accounting for 93%, 4% up from a year previously. Specifically, a 32/32 compliance ratio was significantly improvement in "Disclosure and Transparency." The Company has also met 25/25 penalty areas. In this FY, the Company may fulfill its unmet objectives, in the short term (< 1 year) or mid-term (1-3 years), thus removing "long-term pending plan" and "unresolved bottlenecks."

Asean Scorecard compliance

IN FY 2019-2020, 6 NEWLY ADDED AREAS INCREASED THE TOTAL OF IMPLEMENTED AREAS TO

171/184

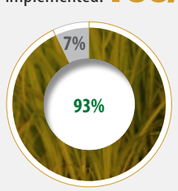
ACCOUNTING FOR 93%, 4% UP FROM A YEAR PREVIOUSLY.



ASEAN SCORECARD FY 2019-2020

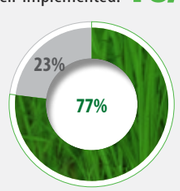
Level 1

146 Standard areas Well-implemented: **136/146**



Level 2

13 Bonus areas Well-implemented: **10/13**



25 Penalty areas Well-implemented: **25/25**



Source: TTC Bien Hoa

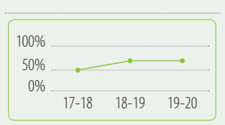
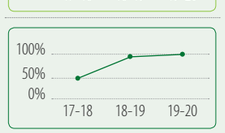
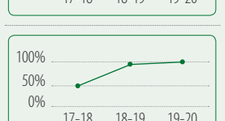
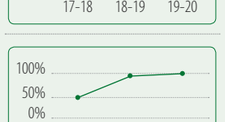
ASEAN CORPORATE GOVERNANCE

IMPROVEMENT ON IMPLEMENTATION OF 32 AREAS IN ASEAN SCORECARD IN FY 2019-2020

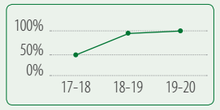
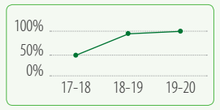
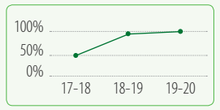
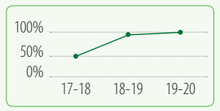
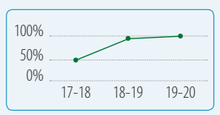
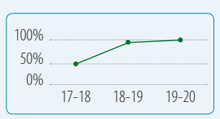
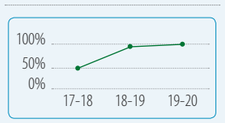
Implementation progress:	☑ Well-implemented: (>=70%)	☑ Fairly-implemented: (31%-69%)
Improvement timeline:	Short-term: < 1 year	Middle-term: 1 - 3 year

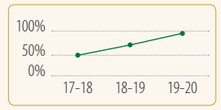
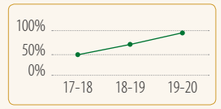
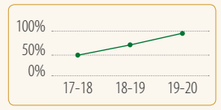
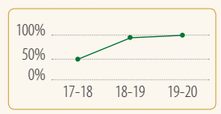
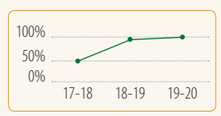
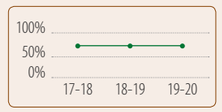
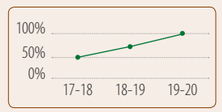
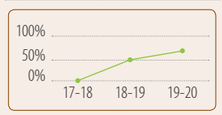
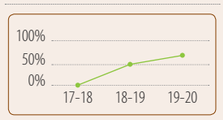
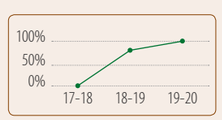
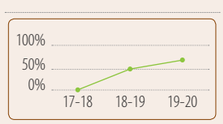
A: Rights of Shareholders, **B:** Equitable treatment of Shareholders,
C: Role of Stakeholders, **D:** Disclosure and transparency,
E: Responsibilities of the Board, **(B):** Bonus areas, **(P):** Penalty areas

STANDARD AREAS

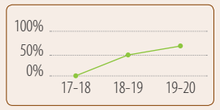
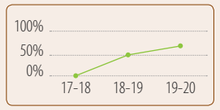
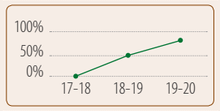
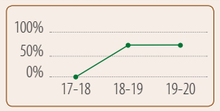
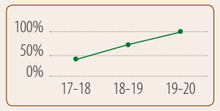
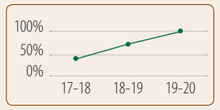
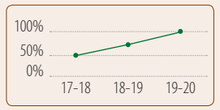
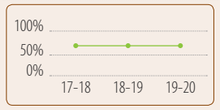
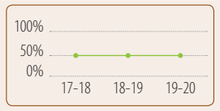
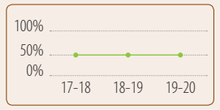
	Area	Implementation progress	Improvement timeline: Short-term	Improvement timeline: Middle-term	Rationale
	A. RIGHTS OF SHAREHOLDERS				
A.1.1	Does the Company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the Company has offered a Scrip dividend, did the Company pay the dividend within 60 days?		☑		• Stock dividend payout ratio was 6% in FY 2016-2017 • Cash dividend payout ratio was 8% in FY 2017-2018 • Cash dividend payout ratio was 5% in FY 2018-2019 (The dividend payment plan has been approved on October 7th, 2020)
A.3.8	Does the Company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?			☑	• Minutes of FY 2016-2017 AGM: 2/6 BOD and BOM members attended the AGM • Minutes of FY 2017-2018 AGM: 3/6 BOD and BOM members attended the AGM • Minutes of FY 2018-2019 AGM: 3/6 BOD and BOM members attended the AGM
A.3.11	Does the Company disclose that it has appointed an independent party to count and/or validate the votes at the AGM?			☑	• Code of CG, Article 7 • Collected written opinions of shareholders: appointed independent shareholders to oversee the votes
A.3.13	Does the Company provide at least 21 days notice for all AGMs and EGMs?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		• FY 2016-2017 AGM: followed Circular 155, providing 10-day notice • FY 2017-2018 AGM to date: notice is provided exactly 21 days prior to AGMs and EGMs
A.3.14	Does the Company provide the rationale and explanation for each agenda item which require Shareholder's approval in notice of AGM/circulars and/or the accompanying statement?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		• FY 2017-2018 AGM to date: rationale and explanation for proposals are provided in detail information
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the Company appoint an independent party to evaluate the fairness of the transaction price?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		• All mergers and acquisitions were carried out legally • FY 2018-2019 to date: mergers and acquisitions of the Company are subject to the evaluation of reputable financial institutions (i.e. E&Y, Deloitte, etc.)

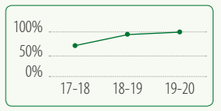
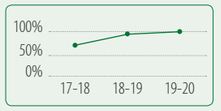
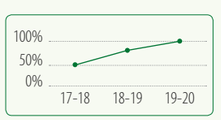
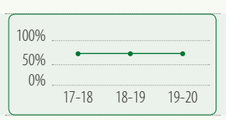
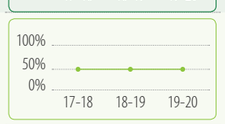
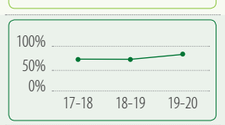
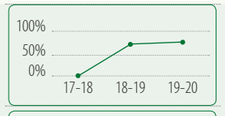
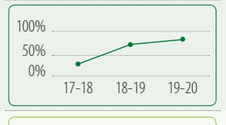
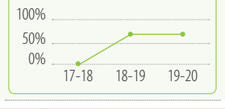
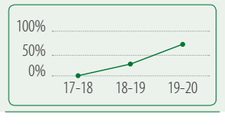
ASSESSMENT OF CORPORATE GOVERNANCE PRACTICES IN FISCAL YEAR 2019-2020 BASED ON CORPORATE GOVERNANCE CODE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM (continued)

	Area	Implementation progress	Improvement timeline: Short-term	Improvement timeline: Middle-term	Rationale
A.5.1	Does the Company disclose its practices to encourage shareholders to engage with the Company beyond AGM?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		FY 2017-2018 to date: the Company increasingly discloses its practices to encourage shareholders to engage with the Company beyond AGM: › Roadshow to target potential investors, VIP shareholders › Calendar of events, information updated weekly, monthly, quarterly, etc.
B. EQUITABLE TREATMENT OF SHAREHOLDERS					
B.2.1	Does each resolution in the most recent AGM deal with only one item; that is, there is no bundling of several items into the same resolution?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› FY 2016-2017 AGM: submissions and resolutions of each issue were bundled into one resolution › FY 2017-2018 AGM to date: each submission has its own resolution
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?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› FY 2016-2017 AGM: documents were not translated into English › FY 2017-2018 AGM to date: documents are translated into English and published on the same date as the Vietnamese version
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?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› FY 2016-2017: the Supervisory Board carried the task in accordance with applicable law › FY 2017-2018 to date: according to organizational and operational regulations of Audit Committee dated July 3rd, 2018, Audit Committee comprising independent BOD members is responsible for the task
C. ROLE OF STAKEHOLDERS					
C.1.2	Does the Company disclose a policy and practices that address supplier/contractor selection procedures?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› Bid evaluation process *(internal use)* › Code of Conduct - Article 4: Commitments to consumers, customers and suppliers › FY 2017-2018 to FY 2019-2020 annual report: "Stakeholders engagement"
C.1.5	Does the Company disclose a policy and practices that address the company's anti-corruption programmes and procedures?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› Code of Conduct - Article 16: Employees are obliged to comply with applicable law, including the law on anti-corruption › FY 2017-2018 to FY 2019-2020 annual report: "Code of Conduct"
C.1.6	Does the Company disclose a policy and practices that address how creditors' rights are safeguarded?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› Code of Conduct - Article 5: Commitments to partners, customers and shareholders › FY 2017-2018 to FY 2019-2020 Annual report: "Code of Conduct"
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 behaviour and provide contact details via the Company's website or annual report		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› Code of Conduct - Article 15: Employees are required to report honestly, fully, clearly and accurately alleged illegal or unethical behaviour › FY 2017-2018 to FY 2019-2020 Annual report: "Code of Conduct" › Regulations on grievance mechanism was issued in FY 2019-2020

	Area	Implementation progress	Improvement timeline: Short-term	Improvement timeline: Middle-term	Rationale
D. DISCLOSURE AND TRANSPARENCY					
D.1.2	Does the Company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?		☑		Disclosure of the shareholdings of major shareholders, BOD members and BOM was increasingly closer to completion: › Information was disclosed in compliance with Circular 155 › CG report was produced every 6 months › FY 2018-2019 to FY 2019-2020: Annual report was prepared in accordance with "Asean Scorecard"
D.1.3	Does the Company disclose the direct and indirect (deemed) shareholdings of directors/commissioners?		☑		
D.1.4	Does the Company disclose the direct and indirect (deemed) shareholdings of senior management?		☑		
D.1.5	Does the Company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› FS: Notes to FS › FY 2017-2018 to FY 2019-2020 Annual report: "Activities of subsidiaries and associates"
D.3.2	Does the Company disclose the name, relationship, nature and value for each material RPTs?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› FS: Notes to FS › FY 2017-2018 Annual report: "The BOD's report and CG activities; Capital market and Investor relations activities" › FY 2018-2019 to FY 2019-2020 Annual report: "Stakeholders engagement" › CG report was produced every 6 months
E. RESPONSIBILITIES OF THE BOARD					
E.2.4	Do independent directors/commissioners make up at least 50% of the board of			☑	› FY 2017-2018: 2/6 BOD members were independent, accounting for 34% › FY 2018-2019: 2/6 BOD members were independent, accounting for 34% › FY 2019-2020: 2/6 BOD members were independent, accounting for 34%
E.2.6	Has the Company set a max limit of 5 board seats that an individual independent/ non-executive director/ commissioner may hold simultaneously?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› Article 13.2, Code of CG issued in 2017: BOD member of the Company could simultaneously hold the position as BOD member of another company › Article 12.1 Code of CG issued in 2018: from August 1st, 2019, BOD member of the Company is not allowed to work as BOD member of another company for more than five (05) years
E.2.9	Is the Nominating Committee composed of a majority of independent directors/commissioners?			☑	› FY 2017-2018 and FY 2018-2019: 1/4 of the total members of HR Committee (Nominating Committee) was independent BOD member › FY 2019-2020: 1/3 of the total members of HR Committee member was independent BOD member
E.2.10	Is the chairman of the Nominating Committee an independent director/commissioner?			☑	› FY 2017-2018 and FY 2018-2019: Head of HR Committee was the Chairman of the BOD - non-executive BOD member › FY 2019-2020: Head of HR Committee was Permanent Vice Chairman of the BOD
E.2.11	Does the Company disclose the terms of reference/ governance structure/charter of the Nominating Committee?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		› FY 2017-2018 Annual report: "Reports from Committees under the BOD" › FY 2018-2019 to FY 2019-2020 Annual report: "Reports from Committees under the BOD" › Organizational and operational regulations of HR Committee
E.2.13	Does the Company have a Remuneration Committee?			☑	› FY 2017-2018 to date: HR Committee simultaneously serves as Remuneration Committee

ASSESSMENT OF CORPORATE GOVERNANCE PRACTICES IN FISCAL YEAR 2019-2020 BASED ON CORPORATE GOVERNANCE CODE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM (continued)

	Area	Implementation progress	Improvement timeline: Short-term	Improvement timeline: Middle-term	Rationale
E.2.14	Is the Remuneration Committee comprised of a majority of independent directors/commissioners?			☑	FY 2017-2018 to date: 1/4 of the total members of HR cum Remuneration Committee is independent BOD member
E.2.15	Is the Chairman of the Remuneration Committee an independent director/commissioner?			☑	FY 2017-2018 to date: Head of HR cum Remuneration Committee is Permanent Vice Chairman of the BOD - non-executive BOD member
E.2.16	Does the Company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?			☑	FY 2017-2018 to FY 2019-2020 Annual report: "Reports from Committees under the BOD"
E.2.20	Is the Chairman of the Audit Committee an independent director/commissioner?		☑		FY 2019-2020: Head of Audit Committee was independent BOD member
E.2.22	Does at least one of the independent directors/ commissioners of the committee have accounting expertise (accounting qualification or experience)?		☑		Audit Committee: independent BOD members have economic expertise and years of experience in financial management and supervision
E.3.6	Are board papers for BOD/commissioners meetings provided to the board at least 5 business days in advance of the board meeting?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		FY 2016-2017: at least 2 days prior to the meeting FY 2017-2018 to date: Charter, Article 28: at least 5 days prior to the meeting, at least 2 days prior to extraordinary meeting
E.3.8	Is the Company secretary trained in legal, accountancy or Company secretarial practices and has kept abreast on relevant developments?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		FY 2017-2018: the Company secretary used to hold the position of CFO Charter, Article 33.2 and Code of CG - Article 22.2: the Company secretary has well-equipped legal knowledge
E.3.21	Does the Company disclose the key risks to which the Company is materially exposed to (i.e. financial, operational including IT, environmental, social and economic)?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		FY 2017-2018 Annual report: "Audit Committee's report, Legal compliance" FY 2018-2019 to FY 2019-2020 Annual report: "Risk management"
E.4.2	Is the Chairman an independent director/commissioner?			☑	The Chairman of the BOD is a non-executive BOD member but not an independent BOD member
E.4.5	If the Chairman is not independent, has the board appointed a lead independent director and has his/her role been defined?			☑	The non-executive Chairman of the BOD did define the roles and responsibilities of BOD members, but has yet to appoint a member to be Lead of independent BOD member
E.5.1	Does the Company have orientation programs for new directors/commissioners?			☑	Programs were organized in the meetings of BOD

	Area	Implementation progress	Improvement timeline: Short-term	Improvement timeline: Middle-term	Rationale
BONUS AREAS					
A.1.1	Does the Company practice secure electronic voting in absentia at the GMS?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		Code of CG, Article 7 FY 2017-2018 AGM to date: shareholders can appoint a proxy to attend the AGM
B.1.1	Does the Company release its notice of AGM, as announced to the Exchange, at least 28 days before the date of the meetings?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		Circular 155: AGMs and EGMs were notified 10 days in advance FY 2017-2018 AGM to date: 30 days in advance
C.1.1	Does the Company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?		100% completion, the Company would continue to maintain and improve the implementation beyond the standard		Annual report was prepared according to International Integrated Reporting Council's standards CG report was prepared under Asean Scorecard Sustainable development report was prepared under GRI standard
D.1.1	Are the audited annual FS released within 60 days from the financial year end?			☑	FY 2016-2017 Audited FS: released within 84 days FY 2017-2018 Audited FS to date: released within 90 days according to Circular 155
E.1.1	Does the Company have at least one female independent directors/commissioners			☑	2/6 independent BOD members are male 2/6 non-executive BOD members are female
E.1.2	Does the Company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?			☑	FY 2017-2018 Annual report: "Code of CG , The BOD's report, CG activities" FY 2018-2019 and FY 2019-2020 Annual report "Code of CG, The BOD's report"
E.2.1	Is the Nominating Committee composed entirely of independent board of directors/commissioners?			☑	FY 2017-2018: 1/4 was independent BOD member, 3/4 were non-executive BOD member FY 2018-2019 and FY 2019-2020: 1/3 was independent BOD member, 2/3 were non-executive BOD member
E.3.1	Does the Company use professional search firms or other external sources of candidates when searching for candidates to the boards of directors/commissioners?		☑		Candidates for BOD member position were searched through Vietnam Institute of Directors established by HOSE
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 and 2018-2019 Annual report: "The BOD's report, CG activities" FY 2019-2020 Annual report: "The BOD's report" and "Pioneering operating model"
E.6.1	Does the Company have a separate board level Risk Committee?			☑	Audit Committee simultaneously serves as Risk management
PENALTY AREAS					
A.5.1	Does pyramid ownership and/or cross holding structure exist?		☑		The presence has decreased significantly year after year. Currently, the Company does not have a cross holding structure

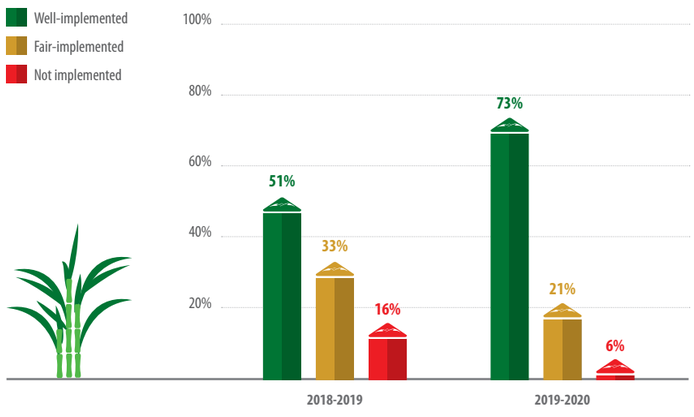
ASSESSMENT OF CORPORATE GOVERNANCE PRACTICES IN FISCAL YEAR 2019-2020 BASED ON CORPORATE GOVERNANCE CODE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM (continued)

TTC BIEN HOA WELL IMPLEMENTED 37/51 PRINCIPLES, ACCOUNTING 73%, 42% HIGHER THAN THE LAST FY



In FY 2019-2020, TTC Bien Hoa continued to evaluate its CG practices based on Corporate Governance code of best practices for public companies in Vietnam, published by State Securities Commission of Vietnam (SSC) and International Finance Corporation (IFC) in August 2019. In general, the Company improved compliance with standards. TTC Bien Hoa well implemented 37/51 principles, accounting 73%, 42% higher than the last FY; and fairly implemented 11 principles, or 21%, reflecting 35% better than last FY. The Company hasn't implemented only 3 principles yet, or 6%, improving performance rate by 63% compared with FY 2018-2019.

Standard compliance



Source TTC Bien Hoa

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

	Principle	FY 2018-2019	FY 2019-2020	Implementation
1.	**ESTABLISHING CLEAR ROLES, RESPONSIBILITIES AND COMMITMENTS OF THE BOARD OF DIRECTORS**			
1.1	**The Board should clearly define and disclose the full scope of its roles, responsibilities and accountabilities.**	☑	☑	
1.2	**Board members should fully understand their fiduciary duties to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders, while taking into account the interest of the Company's relevant stakeholders.**	☑	☑	› Well implemented all standards of principles 1.1, 1.2, 1.3
1.3	**Together with senior management, the Board should promote a good corporate governance culture within the Company and monitor its effectiveness at all time.**	☑	☑	
2.	**ESTABLISHING A COMPETENT AND PROFESSIONAL BOARD OF DIRECTORS**			
2.1	**Collectively, the Board should possess a diversified and broad range of views, expertise, skills, and competencies, sufficient to provide effective stewardship and oversight of the Company.**			
5	The Board, with assistance of Nomination Committee, should select and recommend director nominees for election by shareholders. The Nomination Committee of the Board should oversee the development and implementation of the formal board nomination process. The Board should disclose the process in appointing new directors, and the criteria used to select new directors.	☑	☑	› Charter, Code of CG , Organizational and operational regulations of HR Committee › FY 2018-2019 and FY 2019-2020 Annual report: "Corporate governance activities"
6	All shareholders should have the opportunity to nominate candidates to the Board of Directors. The shareholders owning at least 5 (five) % of company's shares should be provided with a right to propose nominees. The shareholders owning less than 5 (five) % of company's voting shares should be provided with the opportunity to propose nominees. The deadlines for nominee director proposals, procedures for considering them and including into the agenda should be determined in the Board charter.	☑	☑	› Charter requires 10%, however shareholders/minority shareholders are allowed to add up their shares to increase their shareholdings to 10%, thereby earning the right to propose candidates to the BOD.
7	An odd number of Board members between 5-7 is recommended. This number may vary according to the company's industry, size, complexity, as well as where it is in its life cycle, and whether what committees need to be created.	☑	☑	› As required by Charter, BOD must have between 3-11 members. › BOD currently has 6 members.
3.	**ENSURING EFFECTIVE BOARD LEADERSHIP AND INDEPENDENCE**			
3.1	**Once elected, all board members have a responsibility to the Company, regardless of the shareholders, shareholder group, administrator or stakeholder who appointed them to the position.**	☑	☑	› Well implemented all standards of principles 3.1 and 3.2
3.2	**To promote independent judgment by all board members and the integrity of the governance system, boards should have at least 1/3 independent directors.**	☑	☑	
3.3	**The Board should ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.**			
4	All companies should have at least one independent director who have financial expertise and experience to participate and lead the Audit Committee.	☑	☑	› 1/2 of the total independent BOD members has financial expertise.
3.5	**The Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer (CEO) are held by one person**			
3	A suggested mechanism is the appointment of a strong "lead director" among the independent directors and it is also recommended that boards are comprised of majority of independent directors where the Chairman is not independent.	☒	☒	› The Company has yet to designate the lead director among 2 independent BOD members.
4	This lead director has sufficient authority to lead the Board in cases where the remaining directors (including the dual Chairman-CEO) have clear conflicts of interest.	☑	☑	› The BOD's Chairman - non-executive BOD member will lead the Board
4.	**ESTABLISHING COMMITTEES UNDER THE BOARD OF DIRECTORS**			
4.1	**The Board should set up an Audit Committee and ensure that it has adequate resources and authorities. The Audit Committee should ensure that proper internal controls are maintained and the Company is in compliance with all relevant laws and regulations**	☑	☑	› Well implemented all standards of principles 4.1
4.2	**The Board should establish a competent Risk Management Committee to ensure that the risks inherent to the Company's business activities are properly managed**			
1	The Board should establish Risk Management Committee with at least 3 non-executive directors, the majority of whom, including the committee chairman, should be independent.	☒	☒	› The Company has yet to establish a Risk Committee, Audit Committee are in charge of the tasks.
2	The Board should adopt a Risk Management Committee charter which should be made publicly available via the Company's website.	☒	☒	
4.3	**The Board should establish corporate governance, Nomination and Remuneration Committee to strengthen the effectiveness of Company's corporate governance framework and ensure that the Company's nomination and remuneration policies and practices support the successful appointment, development, and retention of directors and managers**			
1	The Board should establish Corporate governance, Nomination and Remuneration (CGNR) Committee which should be composed of at least 3 qualified non-executive directors, the majority of whom, including the committee chairman, should be independent.	☑	☑	› The Company has yet to establish CGNR committee, HR Committee are in charge of the tasks

ASSESSMENT OF CORPORATE GOVERNANCE PRACTICES IN FISCAL YEAR 2019-2020 BASED ON CORPORATE GOVERNANCE CODE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM (continued)

	Principle	FY 2018-2019	FY 2019-2020	Implementation
5.	**ENSURING EFFECTIVE PERFORMANCE FOR THE BOARD OF DIRECTORS**			
5.1	**The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every 3 years, the assessment should be supported by an external facilitator**	☑	☑	› Well implemented all standards of principles 5.1
5.2	**The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, and its committees. Such a system should allow for a feedback mechanism from the shareholders**			
1	Disclosure of the criteria, process and collective results of the assessment ensures transparency and allows shareholders and stakeholders to determine if the directors are performing their responsibilities to the Company	☑	☑	› Organizational and operational regulations of BOD and HR Committee
3	In establishing the criteria, attention is given to the values, principles and skills required for the Company. Normally, the Corporate Governance Nomination and Remuneration Committee oversees the evaluation process.	☑	☑	› FY 2018-2019 and FY 2019-2020 Annual report: "Corporate governance"
5.3	**When proposing director remuneration to the shareholders' meeting for approval, the board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and Company performance, and provide incentives for the board to lead the Company in meeting its objectives, both in the short and long term**			
1	The board's remuneration committee (see Principle 4.3) with the majority of its members and the chairman being independent directors is responsible for setting the remuneration policy.	☑	☑	
3	Shareholders must approve the board remuneration structure, including level and pay components (both cash-based and non-cash compensation). The board should consider the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and attendance fee) and remuneration paid according to the Company's performance (such as bonus and rewards).The remuneration should reflect the values that the Company creates for shareholders taking a long-term perspective on the Company performance, and the pay level should not be too high so as to avoid the board excessively focusing on the Company's short-term results.	☑	☑	› Organizational and operational regulations of BOD and HR Committee › FY 2018-2019 and FY 2019-2020 Annual report: "Corporate governance"
6.	**ESTABLISHING AND MAINTAINING AN ETHICAL CORPORATE CULTURE**			
6.3	**The Board of Directors is the focal point of and collectively bears accountability for the governance of the Company, its long-term success and the delivery of sustainable value to its stakeholders. The Board should set the role model for management and employees of the Company to follow**	☑	☑	› Well implemented all standards of principles 6.3
7.	**ESTABLISHING A SOUND RISK MANAGEMENT AND CONTROL ENVIRONMENT**			
7.1	**The Board of Directors should ensure integration of strategy, risk and control, and oversee the effectiveness of Company's internal control system**			
3	Audit and Risk Committees should ensure that the management team is equipped with the mechanisms and internal controls to identify, assess, and mitigate risks, with a view to keeping them at levels in line with the Company's risk appetite. The internal control system should have forward-looking and pro-active perspectives in an attempt to anticipate potential risks. Committees should organize face-to-face meetings with the executive team to understand the most pressing internal control issues.	☒	☑	› Organizational and operational regulations of BOD and Audit Committee › FY 2018-2019 and FY 2019-2020 Annual report: "Corporate governance, Risk management"- › Audit Committee are supervising Risk Management
7.2	**The Board of Directors should establish an Internal Audit function that provides objective assurance and consulting activity designed to add value and improve an organization's operations**			
4	Audit committee should receive results of the annual risk assessment, internal audit reports, results of quality assessment and improvement plan of the internal audit department, updates on key audit issues, extensions on audit resolutions; and provide necessary guidance.	☑	☑	› Organizational and operational regulations of Audit Committee › Internal Audit regulations › FY 2019-2020 Annual report: "Audit Committee's report"
7.3	**The Board should establish a compliance function as a second line of defense with the necessary standing and authority**			
3	The Head of Compliance should advise senior management and the Board on the applicable laws, rules and standards, including keeping informed on developments in the area; educate staff on compliance issues; identify, document, assess, measure, monitor and report the compliance risks associated with the Company's business activities.	☑	☑	› FY 2018-2019Annual report: "Corporate governance, Legal compliance" › FY 2019-2020 Annual report: "Risk management" › FY 2019-2020: the Company established Risk Management Department

	Principle	FY 2018-2019	FY 2019-2020	Implementation
7.4	**The Board should oversee the Company's enterprise-wide risk management and ensure the risk management activities help the Company in making better and risk-informed strategic decisions, and managing risks within the Company's risk appetite**			
3	The Board should develop and publish a risk management policy with clear risk management framework and structure. This framework should incorporate a "three lines of defense" concept, where management is the first line of defense, risk management and compliance functions are the second line of defense, and Internal Audit is the third line of defense.	☑	☑	› FY 2018-2019 and FY 2019-2020 Annual report: "Corporate governance, Risk management"
4	Board with an aim to encourage prudent risk taking should ensure that executive remuneration packages aligned with the long-term interest of the shareholders and are adjusted for all types of risks (E.g. operational risks, reputational risks). Organizations can employ risk-adjustment measures such as deferral of payment, longer performance periods etc. when designing their remuneration framework.	☑	☑	› Organizational and operational regulations of HR Committee › FY 2018-2019 Annual report: Corporate governance, Risk management"
5	The Company should appoint a Chief Risk Officer (CRO) to head its risk management function. The CRO should have direct access to the Board and/or Risk/Audit Committee.	☑	☑	› FY 2018-2019 Annual report: Corporate governance, Risk management" › FY 2019-2020: the Company appointed Head of Risk Management Department
6	The CRO is responsible and accountable for the execution of the risk management policy and development of risk management strategies.	☑	☑	› FY 2018-2019 Annual report: Corporate governance, Risk management" › FY 2019-2020: Head of Risk Management Department were in charge of the tasks
7.5	**The Board should ensure that foundation and framework for a cyber-resilient Company are properly established**			
1	The Board should have the necessary capacity to understand cybersecurity risks and the related legal implications. If necessary, the Board should seek independent cybersecurity expertise to have discussions on this topic.	☒	☑	
2	Cybersecurity risk should be dealt as part of the Company's enterprise-wide risk management rather than a separate issue. Adequate time should be given to the cybersecurity on board agenda to ensure satisfactory cyber protection.	☒	☑	› FY 2018-2019 Annual report: Corporate governance" › FY 2019-2020 Annual report: "IT pioneering operating model, Audit Committee's report"
3	The Board should approve the Company's strategy on identification and mitigation of cyber risks including the transfer of risks through insurance.	☒	☑	
4	The Board should seek annual reports from the internal auditors on the Company's cybersecurity program.	☒	☑	
8.	**STRENGTHENING COMPANY DISCLOSURE PRACTICES**			
8.1	**The Board should establish the guidelines and procedures for disclosure of information to shareholders and other stakeholders and oversee their enforcement**	☑	☑	
8.2	**To promote an effective cost-efficient access to relevant information, the Board should ensure easy and nondiscriminatory access to disclosed information using diverse tools of communication.**	☑	☑	› Well implemented all standards of principles 8.1 and 8.2
9.	**ESTABLISHING A FRAMEWORK FOR EFFECTIVE EXERCISE OF SHAREHOLDER RIGHTS**			
9.4	**All shareholders shall be treated equally**			
4	The Company shall establish and publish on its website an effective complaints policy and mechanism which enable shareholders and others to register their complaint, have it investigated and acted upon.	☑	☑	› FY 2018-2019 and FY 2019-2020 Annual report: "Capital market and investor relations activities, Contact information" › Website: Investor relations - Investor relations activities - Contact › Regulations on grievance mechanism issued in FY 2019-2020
10.	**BUILDING EFFECTIVE STAKEHOLDER ENGAGEMENT**			
10.1	**The Board should ensure establishing rules for stakeholder protection and engagement.**	☑	☑	› Well implemented all standards of principles 10.1



OPERATION THROUGHOUT THE YEAR

136 Introduction of the Board of Management
138 Operation throughout the year
144 A pioneering operating model
147 Investment updates and progress of key projects
149 Investment in improving technology and operational efficiency
154 Effective supply chain management
160 Activities of subsidiaries and associates
162 Quality assurance and customers' feedback on product quality
168 Farmers - On every step to development
172 Responses of the Farmers and Farm's Managers
176 Human resources and training
179 Employee's testimonials

INTRODUCTION OF THE BOARD OF MANAGEMENT



Mr. **NGUYEN THANH NGU**
CEO

Year of birth: 1987
Time of appointment as CEO: November 2014
Ownership of voting shares at the Company: 4,372,241 shares, accounting for 0.72%

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

Positions at other organizations (except parent company and subsidiaries):
- Chairman of the BOD, Tay Ninh Sugar JSC
- Vice Chairman of the BOD, Tay Ninh Tapioca JSC
- Vice Chairman of the Board of Members, Tapioca Vietnam Co., Ltd.

Employment history

- **2014 - Present:** CEO, Thanh Thanh Cong - Bien Hoa JSC
- **2014 - 2017:** CEO, Thanh Thanh Cong - Tay Ninh JSC
- **2016 - 2018:** Chairman of the BOD, Nuoc Trong Rubber JSC
- **2014 - 2014:** CEO, Gia Lai Sugarcane Thermoelectricity JSC
- **2013 - 2014:** Permanent Deputy CEO, Ninh Hoa Sugar JSC

Outstanding achievements

Over 10 years of experience in the sugarcane industry has made Mr. Ngu as one of the most prominent names in the generation of enthusiastic young leaders who promote the spirit "innovate to integrate" at TTC Bien Hoa. In 2017, he was appointed as CEO of TTC Bien Hoa and has made timely and sound decisions that match each stage of market contexts, step-by-step navigating TTC Bien Hoa to overcome market challenges and gain advantages over the competitors as well as achieve the BOD-assigned tasks.

Besides sugarcane, he also has more than 7 years of experience in a variety of industries including thermal power, rubber, and foodstuffs. His know-how has helped TTC Bien Hoa diversify its investment portfolio by investing in potential units and industries that match the Company's strategy.

Some of his outstanding achievements in FY 2019-2020:

- Running the Company in a proactive and agile manner, making appropriate plans and decisions to respond to ATIGA. In FY 2019-2020, he and the Board of Management achieved all the assigned tasks. Among them are, Sugar consumption exceeded 1 million tons for the first time, net revenue reached VND12,889 billion (up 19% YoY and 18% higher than the target set by AGM), profit before tax reached VND512 billion (up 21% YoY and 19% higher than the target), profit after tax went to VND363 billion (a surge of 40% YoY);
- Carrying out various measures to promptly respond to force majeure factors caused by COVID-19, and offer solutions to help the Company survive and develop towards the path set by the BOD.



Mrs. **DOAN VU UYEN DUYEN**
Permanent deputy CEO

Year of birth: 1987
Time of appointment as Deputy CEO: February 2020
Ownership of voting shares at the Company: 500,000 shares, accounting for 0.08%

Qualifications:
- Bachelor of Economics and Accounting - University of Greenwich, London UK
- Master of International Business and Technology Management - Asian Institute of Technology, Thailand

Positions at other organizations (except parent company and subsidiaries):
- None

Employment history

- **2020 - Present:** Permanent Deputy CEO, Thanh Thanh Cong - Bien Hoa JSC
- **2018 - 2020:** CFO, Thanh Thanh Cong - Bien Hoa JSC
- **2018 - 2018:** Senior Executive Assistant in finance to Chairman of the BOD, Thanh Thanh Cong - Bien Hoa JSC
- **2017 - 2018:** Finance Business Partner, Thanh Thanh Cong Education JSC
- **2014 - 2017:** Financial Controller, Hella Vietnam Co., Ltd.
- **2012 - 2014:** Senior Financial Analyst, Thang Long Fund Management JSC

Outstanding achievements

She joined TTC Bien Hoa after many years at major financial institutions such as Thang Long Fund Management JSC, Hella Vietnam Co., Ltd., etc. As Permanent Deputy CFO, she has used her nearly 10 years of experience in the industry to help TTC Bien Hoa build a healthy financial position and be ready to break into the international market.

Some of her outstanding achievements in FY 2019-2020:

- Managing operations, controlling cost, and developing budget plans based on the optimal structure of industry best practices. In FY 2019-2020, corporate management costs reduced by 15%, VND66 billion lower than the last year;
- Building processes and streamlining TTC Bien Hoa's operations after merging Bien Hoa Sugar JSC, completing and standardizing FS system according to international standards (IFRS);
- Participating in training talents to ensure stable operation of the Company and developing a team of successors to make sure they are ready for international integration;
- Participating in capital mobilization plan, assisting the BOD in evaluating and negotiating with foreign strategic Investor DEG who agreed to invest nearly VND650 billion, and Coretrend who invested VND172 billion by unsecured bond.



Mrs. **DUONG THI TO CHAU**
Deputy CEO

Year of birth: 1973
Time of appointment as Deputy CEO: October 2014
Ownership of voting shares at the Company: 589,395 shares, accounting for 0.10%

Qualifications:
- Bachelor of Foreign Trade Economics, University of Economics HCMC
- Institute of Potential Leaders (IPL) Program - PACE

Positions at other organizations (except parent company and subsidiaries):
- None

Employment history

- **2017 - Present:** Deputy CEO, Thanh Thanh Cong - Bien Hoa JSC
- **2015 - 2017:** Sales Director, Bien Hoa Sugar JSC
- **2013 - 2014:** Commerce Director, Thanh Thanh Cong - Tay Ninh JSC
- **2010 - 2013:** Commerce Director, Tay Ninh Bourbon JSC
- **2004 - 2010:** Sales and Marketing Manager, NIVL JSC
- **1997 - 2003:** Sales and Marketing Manager, Nagarjuna International Co., Ltd
- **1996 - 1997:** Supervisor of Import-Export Department, NIKE Vietnam Co., Ltd

Outstanding achievements

Mrs. Chau has more than 20 years of experience in the sugarcane industry, holding many senior management positions in various Sugar-related companies since 1997. In 2010, she joined TTC Bien Hoa as Deputy CEO in Sales. She has made extensive contributions to building an effective customer system and expanding market share, especially in the export channel. After M&A, she and her team has skillfully exploited the consolidated strength of both companies, Bien Hoa Sugar JSC and TTC Bien Hoa, by applying different strategies to each factory and customer channel. She has also focused on after-sales services and customer care to boost brand reputation and win a lion's share of the market.

Some of her outstanding achievements in FY 2019-2020:

- Building a robust MNC channel for the Company; establishing long-term cooperation relationships with many companies such as Pepsi, Cocacola, Nestle, etc.; carrying out a successful investment plan to develop after-sales services and customer care in order to increase brand reputation, boost sales, and market share;
- Developing plans to promote specialized services in order to precisely meet the needs of B2B customers.



Mr. **LE QUANG HAI**
Deputy CEO

Year of birth: 1964
Time of appointment as Deputy CEO: December 2017
Ownership of voting shares at the Company: 634,293 shares, accounting for 0.10%

Qualifications: Food Chemistry Engineer, Da Nang University of Technology

Positions at other organizations (except parent company and subsidiaries):
- None

Employment history

- **2017 - Present:** Deputy CEO, Thanh Thanh Cong - Bien Hoa JSC
- **2015 - 2016:** Member of the BOD, Thanh Thanh Cong - Tay Ninh JSC
- **2014 - 2015:** Deputy CEO in Production Technique, Thanh Thanh Cong - Tay Ninh JSC
- **2013 - 2014:** Deputy CEO in 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 a food chemistry engineer, Mr. Hai has more than 30 years of experience in production engineering management, especially in refining Sugar factories. He has contributed his expertise and experience to technical improvement projects as well as more than 100 projects of all kinds of the Company.

Some of his outstanding achievements in FY 2019-2020:

- Being responsible for rotating staff between technical, production, testing, maintenance, thermal power divisions to help them gain more skills and experiences;
- Collaborating with his colleagues in the technical and technology division to conduct research into a number of consulting solutions such as steam and water saving system, liquid Sugar production techniques, rooftop solar performance improvement, inappropriate product reduction, etc. at TTC Bien Hoa's factories;
- Verifying maintenance and repair norms to guide factories in developing maintenance plans in line with production, issue production management documents to ensure the management and supervision of production could be effectively and systematically performed in FY 2019-2020.

OPERATION THROUGHOUT THE YEAR

Despite a year packed with countless challenges and difficulties surfaced by industry and general economy, TTC Bien Hoa's constant efforts, active innovation, and close leader-employee relationships have resulted in remarkable achievements. In FY 2019-2020, TTC Bien Hoa managed to make the most of the opportunities and prided itself on fantastic business results. 1.1 million tons of Sugar consumption placed TTC Bien Hoa's market share on the rise to 46% from 42% in the last year. This led to VND12,889 billion of consolidated net revenue, up 19% equivalent to increase VND2,000 billion YoY, 18% higher than the target.



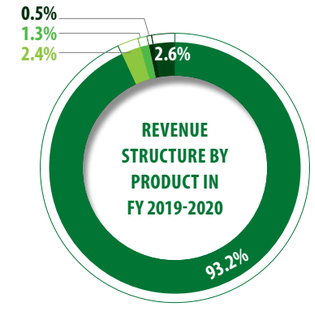
TTC Bien Hoa Sugar factory

Simultaneously, the positive change seen in the capital structure brightened last year's financial situation when the debt witnessed a decline of VND922 billion, and the owner's equity increased by VND1,823 billion. After ATIGA, Vietnam's Sugar industry has to compete directly with imported Sugar from several countries such as Thailand, which is accompanied by a subsidy policy. In that difficult period, TTC Bien Hoa still recorded good growth in domestic market share, expansion in export markets, good control in raw material areas and costs as well as increased diversification in revenue sources.

THE POSITIVE CHANGE SEEN IN THE CAPITAL STRUCTURE BRIGHTENED LAST YEAR'S FINANCIAL SITUATION

THE DEBT WITNESSED A DECLINE OF	THE OWNER'S EQUITY INCREASED
10%	32%
AS OF JUNE 30TH, 2020	AS OF JUNE 30TH, 2020

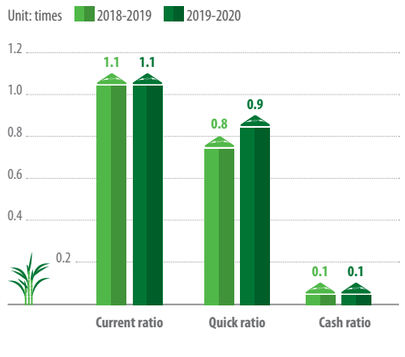
In FY 2019-2020, Sugar remained the Company's core product and main source of revenue. Sugar generated VND12,003 billion, up 27% YoY, and comprised 93% of net revenue. In Vietnam, TTC Bien Hoa is currently the company that owns the highest and most diversified number of Sugar products, 72. It includes 19 RE Sugar products, 17 RS Sugar products, 8 Gold Sugar products, 6 Rock Sugar products, 4 Functional Sugar products, 6 Organic Sugar products, and 3 Liquid Sugar products, ensuring the satisfaction of every group of customers on key channels, from B2B, B2C to export and trade channel, each of which has very diversified and unique Sugar needs. Following the long-term strategies aimed at diversifying the sugarcane value chain and mitigating revenue risk in the event of global Sugar prices fluctuating, TTC Bien Hoa has been producing 9 Sugar By-products, including sugarcane-flavored bottled water Miaqua, bagasse, electricity, molasses, and 4 microbial fertilizers. The highlights of the year were molasses and electricity, with sales of VND311 billion and VND167 billion, respectively.



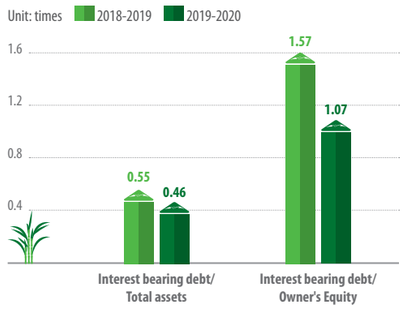
Source: 2019-2020 Audited Consolidated FS, TTC Bien Hoa

Notably in FY 2019-2020, while Sugar consumption rose by 41%, selling expenses/net revenue ratio remained under control and reached 3.5%, slightly lower than the previous FY's ratio of 3.7%. General & administrative expenses/net revenue ratio declined by 26% YoY to only 3%. These cost-reduction efforts would lay the basis for the Company's competitiveness when it comes to the competition with other regional businesses after ATIGA.

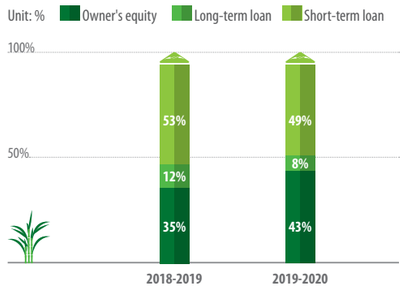
Liquidity ratio



Capital structure



Capital source structure



Source: TTC Bien Hoa

As of June 30th, 2020, the total assets of the Company amounted to VND17,956 billion, an increase of 7% compared to the beginning of the year, primarily due to short-term and long-term financial investments. It accurately reflects the Company's desired direction, which is financial system restructuring, to diversify revenue streams and take advantage of TTC Bien Hoa's available resources.

Inventory was well managed as this indicator remained at VND2,529 billion, a decrease of 9%, or VND252 billion, compared to the beginning of the year. Inventory only accounted for 14% of total assets as the result of an appropriate inventory optimization policy. Receivables from customers fell by VND671 billion compared to FY 2018-2019, thereby average receivables day and average age of inventory were also reduced.

Solvency ratios were also kept at a safe level to limit risks and ensure working capital for business operations, in which the current ratios increased by 4% to 1.1 times, and quick ratios escalated by 9% to 0.9 times.

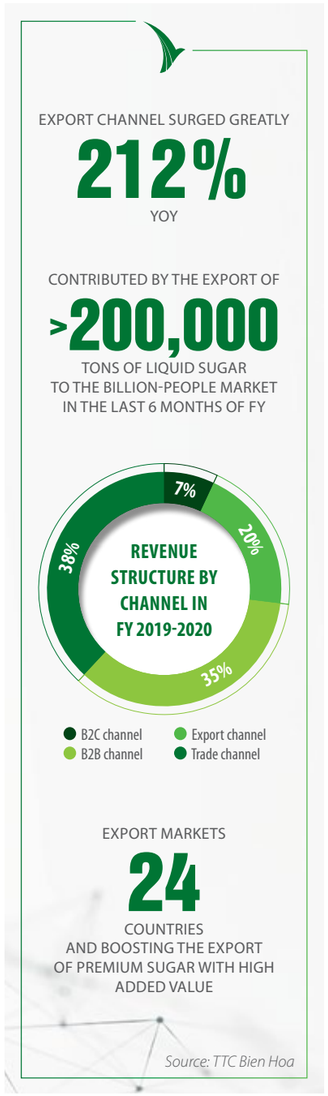


In FY 2019-2020, with the roadmap for optimal capital restructuring ahead, the Company accelerated financial restructuring by reducing its debt. In particular, the Company's debt plummeted VND922 billion, or down 10%, as the result of a reduction of VND295 billion in short-term loan and VND627 billion in long-term loan. The debt/owner's equity ratio and debt/total assets ratio was 1.1 times and 0.5 times, respectively, down 32% and 16% respectively compared to the beginning of the year.

The robust transformation in the debt structure is a testament to the fact that the Company is on the right track of restructuring its debt balance optimally. It aims to reduce interest expenses, enhance operational efficiency, improve competitiveness, and steadily increase the use of owner's equity while decreasing the use of interest bearing debt. As of June 30th, 2020, the Company's equity achieved VND7,642 billion, up 32%, as the results of the increase in share premium and the issuance of preferred stock to DEG.

TURNING PROBLEMS INTO OPPORTUNITIES TO EXCEED PLANS

In FY 2019-2020, thanks to the Company's readiness to stay ahead of the industry once ATIGA officially took effect and its resilience to take advantage of China's rising Sugar demand (due to supply shortage induced by flood and Covid-19 pandemic), TTC Bien Hoa's Sugar consumption ended the year with impressive growth, over **1 million tons of Sugar**, or up 41% YoY.





TTC Bien Hoa's Management Team

Export channel surged greatly by 212% YoY, contributed by the export of over 200,000 tons of liquid Sugar to the billion-people market in the last 6 months of FY. This led to a significant change in the way the Company exploited its sales channels. Regarding export operations, the Company enjoyed the advantages of being the leader in Vietnam's Sugar industry, both in terms of Sugar quality and state-of-the-art production technologies. Besides China, the Company also had a great export advantage when it came to markets with high quality requirements, such as Europe, the USA, Singapore, etc. In the last FY, TTC Bien Hoa focused on new market penetration, thereby increasing its total number of markets to 24 countries and boosting the export of premium Sugar with high added value. Other customer channels also saw a rise in Sugar consumption. In particular, the B2B channel rose by 13%, the B2C channel by 18%, the trade channel by 170%. These ensued from the goal of step-by-step transforming sales channels from traditional manufacturing to servitization, as well as offering new solutions and product lines, high-quality Sugar products, and more convenient packaging options to optimally meet the unique needs of customers.

In FY 2019-2020, TTC Bien Hoa's profit before tax exceeded 19% of the plan and increased by 21% YoY. The gross profit margin added positivity when increasing from 8.0% to 11.3%. Other profit-related ratios were also in great momentum, ROA and ROE reached 2.1% and 5.4% respectively, indicating that the restructuring of the financial system and the focus on expanding market share and increasing profit margin began to yield positive results in such a roller-coaster year.

In September 2019, the Company successfully mobilized VND650 billion through the issuance of 21.6 million of preferred stock to the strategic investor DEG. Amount raised was used to partially refinance loans that the Company had taken out to purchase raw material areas and Sugar factories at Attapeu, Laos, and at the same time, finance the costs for the mechanization and expansion of Organic Sugar production at this factory. Currently, Organic Sugar serves as a great source of profits as its gross profit margin is much higher than the average margin of other Sugar combined. In the upcoming time, the Company shall continue to increase Organic Sugar volume in domestic and international markets, helping to maximize revenue and profits.

In June 2020, even though the capital market descended into chaos due to Covid-19, SBT still successfully issued VND172 billion of unsecured bonds to Korea-based Cape Yeollim Coretrend Global Fund 1, kicking off a series of projects to attract investors from East Asia in the upcoming time.

No considerable change in net cash flow was witnessed in FY 2019-2020, in comparison to that in the previous FY. Cash and cash equivalents were VND1,000 billion, primarily contributed by the net cash flow from financial activities. A large amount of cash in hand helped the Company enhance its financial strength, ensure liquidity indicators in the event of rising problems, and seize investment opportunities that require timely and effective paying ability.

Item (Billion VND)	June 30th, 2019	June 30th, 2020
Net cash flow from operating activities	1,436	99
Net cash flow from investing activities	559	-712
Net cash flow from financial activities	-1,315	608
Cash and cash equivalents at the beginning of the period	325	1,005
Cash and cash equivalents at the end of the period	**1,005**	**1,000**

Source: 2019-2020 Audited Consolidated FS, TTC Bien Hoa

M&A ACTIVITIES IN FY 2019-2020

In order to become **"Indochina's leading solution provider of traceable and sustainable agricultural products"**, TTC Bien Hoa officially merged GMC into its subsidiary network from January 1st, 2020. After M&A, GMC's headquarter is still located in Singapore. GMC shall act as an international commodity hub, carry out Sugar import and export, and help TTC Bien Hoa be more proactive in staying abreast of the global Sugar landscape. Not only that, the fact that GMC officially became TTC Bien Hoa's member company indicates that the Company shall gain more opportunities to sell a large volume of Sugar to international markets, have better control of input materials, and enjoy competitive prices. Export revenue also lends great support as the Company shall have more financial resources to reinvest into production and minimize financial costs, warehouse and transportation costs, etc.



Global Mind Commodities Trading Pte Ltd ("GMC") was founded in 2011 by a group of successful experts with extensive experience in the commodity trading industry. Since then, GMC has transformed into one of the regional leading companies, providing perfect commercial solutions for Sugar and various agricultural products.

ACHIEVEMENTS IN RAW MATERIAL AND PRODUCTION MANAGEMENT

RAW MATERIAL MANAGEMENT

In FY 2019-2020, due to severe weather (drought and prolonged heat) witnessed in several areas such as Ninh Hoa, the volume of crushed Sugar was lower than last year. However, the average CCS rate of the entire TTC Bien Hoa reached 10.25 CCS, or 105% of the plan set out at the beginning of the crop year. In particular, TTC Attapeu's CCS surged to 12.52 CCS, the highest value in the entire system of raw material areas, as a result of standardized farming and increased rate of mechanization in farming.



Besides, the Company also promoted agricultural extension activities based on the research results of TTC Bien Hoa's Sugarcane R&D center. The Company continued to enforce its support policies for farmers, namely sugarcane purchasing price, capital support, and technical assistance during cultivation and harvesting. This helped farmers overcome difficulties, stabilize incomes, and be converted to high-tech farmers at the time of innovation and international integration.

PRODUCTION MANAGEMENT

The production output in FY 2019-2020 accumulated to 600 thousand tons, up 12% compared to FY 2018-2019 and 13% higher than the plan. The production directed focus on Liquid Sugar, RE Sugar, and RS Sugar to answer business needs. With the policy of improving recovery efficiency and minimizing consumption in production, in FY 2019-2020, the Company strictly managed the production. Therefore, sugarcane and raw Sugar recovery efficiency in each factory all surpassed the plan.



Modern management system at TTC factory

In the last year, the Company also controlled the maintenance and repair costs well as planned in order not to let these activities affect factories' operations. Meanwhile, the consumption of auxiliary materials reduced quite effectively when it was lower than that of the same period, ensuring strict implementation of quality control. The Company also launched and completed several projects to reduce costs but still guarantee the output quality. One project called boiler renovation aimed to serve off-season Sugar refining, exploit another fuel source in case of lack of bagasse, and enhance factory capacity. Other projects included cutting-blade improvement, dry sand separation, organic Sugar production line, bigbag packaging system, etc. These projects worked in tandem to upgrade technology and optimize production costs.

MAIN OBJECTIVES FOR FY 2020-2021

- To maximize the sugarcane value chain and provide solutions for the sugarcane.
- To offer specialized solutions and products for customers.
- To develop and diversify "fresh" products - products with a short inventory period of fewer than 45 days, reducing intermediate pre-processing stages for customers.
- To continue to perfect the supply chain, optimize resource efficiency, and inventory turnover for each product line, as well as manage data effectively.
- To work towards high-tech agriculture, build a digital foundation, develop an ERP system fully integrated with smart management and analysis systems, as well as ensure security in cloud computing.
- To manage finance according to international standards and effectively allocate capital among segments: capital strategies, M&A, investment in strategic partners, portfolios, dividend payments, stock repurchase, etc.
- To improve human resources capacity, manage corporate knowledge and business efficiency, ensure communication with investors/government/society/the public.



*Mr. **Nguyen Thanh Ngu** - CEO and agricultrure experts*

A PIONEERING OPERATING MODEL



A ROADMAP TO A RADICAL DIGITAL TRANSFORMATION OF YOUR BUSINESS

Data from a Deloitte survey on over 500 CEOs across a wide range of industries suggested that by early 2019, 58% of organizations had started to use robots and artificial intelligence in automation to a certain extent. Among the businesses using smart automation, 38% passed the trial phase, 12% were in the implementation phase, and 8% were in large-scale automation. The figure of 8% doubled that of 4% recorded in 2018.

In recent years, digital transformation has no longer been a new topic, but rather a prevailing trend vital to the success of a company's business strategy. In fact, digital transformation is the first and smart strategic step for businesses to create a differentiated competitive advantage, streamline and optimize their inherent operations. By making a systematic and meaningful investment in technology, businesses can speed up restructuring, optimize productivity, reduce costs and time, develop employees' skills and knowledge as well as improve customer experience. The role of technology in business operations has been best recognized in these tumultuous times of the Covid-19 pandemic.

Thanks to its timely realization, TTC Bien Hoa accelerated its transformation process and flexible adaptation through changing the operating model and applying digital technology to the business operations.

As one of the major companies producing and trading agricultural products in Vietnam, TTC Bien Hoa owns a loop-closed production line in which all the processes from farm to fork are standardized, synchronized, and streamlined. The Company also utilizes advanced information technology (IT) application systems in production and business activities.

DIGITAL TRANSFORMATION, BRIDGING THE GAP TO THE GOALS

Current application systems in the Company's IT ecosystem include Customer Relationship Management system (CRM), Distribution Management system (DMS), Farmer Relationship Management system (FRM), Business Operations Management (eOffice), Production Management (Smartlab), and more. Previously, these systems' independent operations and asynchronous integration led to an increase in data processing time, affecting the operation process, increasing costs and waiting time during the Company's operation process. By now, the IT systems of TTC Bien Hoa have been step-by-step upgraded to a unified supply chain system called "One SBT". Especially, the Company's system upgrading solution has been refined and comprehensively applied to the IT ecosystem, for the sake of all production and business activities. The digital transformation of the operating model is a radical solution to every issue in enterprise knowledge infrastructures, cognitive infrastructures, facility infrastructure, as well as the development of 4.0 agricultural products in response to the revolution of agriculture 4.0 in Vietnam.

ACHIEVEMENTS IN FY 2019-2020

Upgrade and improvement of the IT system

1.

Upgrade the Farmer Relationship Management system FRM for better management of cultivation processes, investment processes, and inspection of farming items for each farmer. Contribute to streamlining processes and simplifying procedures, creating flexibility and suitability for farming through simplifying interactions with farmers. This solution helps increase farmers' income, improve sugarcane yield, ensure the commercial cane Sugar (CCS), and develop sugarcane growing areas. The system is built on Microsoft Dynamics CRM in order to create a comprehensive management system for investment, sugarcane cultivation, as well as care and harvesting activities.



2.

In addition, the Customer Relationship Management System CRM and Distribution Management System DMS are centrally planned and managed into a unified system. This system supports the collection and analysis of transaction history data, in order to maximize trading speed and optimize after-sales services for customers. The DMS system has been applied to all TTC Bien Hoa's distribution channels nationwide. The unified system also facilitates the synchronization of sales data and coherent sales policy from the Company to each distributor and each retail store. Thanks to the DMS system, TTC Bien Hoa is always proactive in obtaining market information and realizing consumers' needs. The Company thereby regularly makes improvements on quality, packaging, design, as well as tailor customer care and after-sales services to each group of customers and distributors.

3.

Upgrade the eOffice system, the system used to process and digitize all procedures and control all the Company's activities. This aims to cut down manual work, reduce personnel costs, save printed paper and storage space. eOffice is expected to help the Company plan a streamlined and smart operation strategy.

4.

Meanwhile, the financial operation model of the AX system and Oracle EBS has also been improved with the updated configuration of the advanced financial management model, which is embedded with IFRS standard cost structure and the cost management model. This cost management model resolves the details of 12 major cost items of TTC Bien Hoa, ensures optimal management and cost control, and improves data reliability and transparency in business operations.

Network security program

- The operating process of the IT systems under the centralized management model from TTC Bien Hoa to factories and member units is carried out through the operating processes and regulations, authorization login, and ITIL access management.
- Establish quality management standards for IT services to SLA standards.
- Develop an information security system to 5S standards such as Standardize Equipment & Application System, Standardize Process, Standardize Sharing Data Process, Security Awareness, and Security Risk Management.
- Data storage and recovery standards.



- Build an IT system after the models of DR Cloud, DC Cloud, DR on Premise, etc.
- Establish decentralization standards for SOD standards.
- Provide all employees of the Company with training on information security knowledge.
- Manage the sharing of data such as files, documents, emails, databases, and the likes.

STRATEGIC ORIENTATIONS FOR FY 2020-2021

On the slogan **"SBT - Transform to perform"**, the focus of IT activities in FY 2020-2021 is the implementation of Oracle Cloud ERP system, in consultation with KPMG Tax and Consulting Co., Ltd. The system transformation and implementation aim for optimizing the supply chain and enhancing the efficiency of financial management. Oracle Cloud ERP will be integrated with the existing systems of TTC Bien Hoa to form a comprehensively integrated business supply chain system.



Leaders of TTC Bien Hoa, KPMG and Oracle signed a strategic cooperation consultation on the conversion program and implementation of Oracle ERP Clound, on August 8th, 2020

The transformation program is implemented in all 20 units of TTC Sugar in 4 countries including Vietnam, Singapore, Laos, and Cambodia. In the project, an integrated business supply chain model and process will be built to develop a comprehensive farm-to-fork strategy as well as an international penetration strategy. Simultaneously, in this transformation program, TTC Bien Hoa will also apply International Financial Reporting Standards (IFRS) to ensure transparency and advanced management methods. All upcoming processes will be consulted and implemented by KPMG on Oracle Cloud ERP, Oracle Enterprise Performance Management Cloud, and Oracle Analytic Cloud - the world's leading Cloud solution.

Once industry expertise has been implemented on the Oracle Cloud ERP solution platform, TTC Bien Hoa will own a comprehensive system with an entirely standardized process for all the operations of the Company, including (1) budgeting and financial planning, (2) demand forecasting and supply planning, (3) integrated business planning to optimize inputs, warehouses and production processes (4) optimizing supply chain and distribution as well as refining finance and accounting system including accounting and corporate governance following IFRS.

In effect, Oracle Cloud ERP will be integrated with the current applications of the Company such as FRM, CRM, DMS, AX, Oracle EBS systems, and more. With this comprehensively integrated system chain, TTC Bien Hoa will be able to put together a consistent and transparent picture of the Company's operations. This will facilitate smooth operations and provide timely support to management at all levels in making informed decisions. Hence, the Company can improve its competitiveness while managing risks, harmonizing the benefits of farmers, factories, and customers as well as providing clean products and values to customers, investors, etc.

Furthermore, when Oracle Cloud ERP is in place, TTC Bien Hoa's systems will be completely secured at various layers including Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS). Security is also extended to network, hardware, chip, operating system, storage, and application layers.

INVESTMENT UPDATES AND PROGRESS OF KEY PROJECTS



Mrs. Huynh Bich Ngoc - Chairwoman is at TTCS Factory

As Vietnam's leading Sugar business in terms of market share and product varieties, TTC Bien Hoa has continuously invested in innovative technologies and various projects over the years to increase productivity, enhance product quality, develop new products, save costs and boost national and international competitiveness.

TTC Bien Hoa invested in 3 key projects in FY 2019-2020, including the Liquid Sugar project, Boiler Renovation project, and Rooftop Solar project. The Liquid Sugar project has been completed, Boiler Renovation and the Rooftop Solar project is scheduled to be introduced by the end of 2020.

1. LIQUID SUGAR PROJECT

In addition to the main product being granulated Sugar, TTC Bien Hoa conducted research on the launch of a new brand called Liquid Sugar, which became increasingly popular due to its convenience in cooking and processing. In FY 2019-2020, Liquid Sugar was available in national and foreign markets with a total volume of about 170,000 tons.



Gross investment: VND5.5 billion.

Method: TTC Bien Hoa's engineering team innovated and added additional equipment to complete the Liquid Sugar production process. In specific:

- Add a 2-layer evaporator to monitor Liquid Sugar dry matter content;
- Install a cooling system to ensure sufficient Liquid Sugar production temperature;
- Modify operational parameters and incorporate material selection to regulate pH and deoxidized Sugar in Liquid Sugar;
- CIP upgrade: ensure Liquid Sugar meets microbiological requirements.

Objectives:

- To satisfy B2C customers' needs for product diversification;
- Improve market productivity by selling goods to B2B businesses;
- To increase the quality of input materials for confectionery MNCs, help to manufacture smooth textured products without crystal formation.

Progress: Completed for operation since April 2020.

2. ROOFTOP SOLAR PROJECT



SBT's rooftop solar power system at TTC Gia Lai

Since FY 2018-2019, TTC Bien Hoa initiated a program to integrate a total capacity of 7.23 MWp rooftop solar power into the production of Sugar and By-products at 9 factories. The Company continued to install and complete rooftop solar systems in FY 2019-2020, increasing total capacity to 9 MWp, successfully generating 9,527 MWh. In order to track the findings of an infinitely alternative power source, reduce the burden on the electricity industry and protect the ecological environment, TTC Bien Hoa aims to build rooftop solar systems with a total installed capacity of 13 MWp in FY 2020-2021 in 15 factories, member companies, and sugarcane fields in the provinces of Tay Ninh, Dong Nai, Ninh Thuan, Khanh Hoa, and Gia Lai. This helps raise TTC Bien Hoa's total installed capacity to 22 MWp.

Total investment: VND195 billion.

Method: Make use of the approximately 20-hectare rooftop area of the entire TTC Bien Hoa to install the power system.

Objective:

- To decrease factory temperatures by 4-5°C, cut down electricity consumption, and reduce production costs;
- To generate clean energy to serve business operation, reduce greenhouse gas emissions, and protect the environment;
- Electricity surplus will be sold to the national grid, thus increasing the Company revenue.

Progress: Planned to come into operation by December 2020.

3. BOILER RENOVATION PROJECT AT BIEN HOA - NINH HOA SUGAR FACTORY



The boiler has been renovated at Ninh Hoa - Bien Hoa Sugar factory

Currently, Bien Hoa - Ninh Hoa Sugar factory has 2 boilers at 170-ton and 60-ton capacity both using bagasse as fuel. The 170-ton boiler is used in production while the 60-ton one is used in off-season Sugar refining. Apart from biomass fuels such as bagasse, rice husk, etc., factories that require a significant amount of fuel for Sugar production also use coal due to its abundance and long life cycle. However, since the factories are located in the central region where drought reduces sugarcane output, the Company planned to renovate 60-ton boiler to lignite-fired boiler. This helps increase off-season production and boost Sugar making capacity. TTC Bien Hoa also partnered with an environmental consulting firm to determine the environmental impact of lignite consumption. Based on the evaluation, Bien Hoa - Ninh Hoa Sugar factory selected appropriate investment solutions to prevent negative environmental impacts.

Total investment: VND42 billion.

Method:

- Replace main equipment including combustion chamber, furnace walls, and balon for the boiler to take in energy from coal;
- Apply dust bags method and "flying ash" method to transport collected dust - using pneumatic flow to move ash to closed silo storages, avoiding discharging ash to the environment.

Objective: To diversify fuel source, thus meeting the constantly increasing production capacity of Bien Hoa - Ninh Hoa Sugar factory.

Progress: Began in March 2020 and planned to be completed by October 2020.

INVESTMENT IN IMPROVING TECHNOLOGY AND OPERATIONAL EFFICIENCY

Besides new project investments, TTC Bien Hoa constantly updated and invested in improving technology for existing projects in the previous FY. The Company understands that modern technology plays a vital role in keeping with the growth momentum and current trends. Review the processes of technology improvement programs in TTC Bien Hoa's FY 2019-2020 to evaluate the investment's practical outcomes:

1. DRY SAND SEPARATION AND CUTTING BLADE IMPROVEMENT SYSTEM AT TTC ATTAPEU FACTORY



Dry sand separation system at TTC Attapeu factory

Objectives:

To save costs, time and improve operational efficiency.

Project costs:

VND 200 MILLION

Implementation progress:

Completed and put into operation in November 2019.

Efficiency evaluation:

- Reduce downtime: Equipment safety rating reached 97.8%, higher than that in FY 2018-2019 (97.5%). Reduced more than 50% of downtime to replace the worn cutting blades, compared to the previous years;
- Minimize downtime due to damaged cutting blades which influences production: blade replacement and welding took 21 hours for 5 times in total, a decrease of 69% compared to 64.5 hours for 16 times in FY 2018-2019;
- Increase squeeze efficiency: Following the improvement, cutting blades could cut an average of up to 40,000 tons. This led to an increase of 150% in efficiency compared to that of 16,000 tons in the FY 2018-2019;
- Save costs: VND90 million was cut on blade replacement and welding, a cost reduction of over 40% compared to 220 million in the FY 2018-2019;
- Reduce maintenance costs and increase sand recovery productivity: Sand separation reduces the impact of abrasion on equipment in the squeeze area and the boiler area. The amount of recovered sand from the whole crop was 1,747 tons. This amount consisted of 1,619 tons of dry sand, 92.6% of the total number, an increase of 60% compared to the FY 2018-2019.

2. ADDED PACKAGING SYSTEM AT BIEN HOA - DONG NAI FACTORY



Packaging line at Bien Hoa - Dong Nai factory

Objectives:

To respond to market demand for 12-kg bags of Sugar and all other bags under 50kg.

Project costs:

~VND **300** MILLION

Implementation progress:

Completed and put into operation in May 2020.

Efficiency evaluation:

- The equipment line has maximum production ability according to the installed capacity of the packaging machines: 6 bags/minute, equivalent to 15 tons/hour for 50-kg bags, and 4.5 tons/hour for 12-kg bags;
- Production capacity: The production line is completely independent, which can go into production once materials are available to fulfill customers' orders;
- The new system utilizes the existing equipment of the Company's factories, thereby reducing project costs;
- The factory can receive Sugar from other factories to pack them in different bag types according to customers' orders;
- In order to compensate for the decrease in Sugar output from sugarcane, TTC Bien Hoa tends to change, increasing the proportion of imported Sugar for trading instead of production Sugar. Hence, the project is needed as a flexible business solution in response to the changing business environment.

3. STEAM SAVING SYSTEM



Steam saving system at Bien Hoa - Ninh Hoa factory

Objectives:

To reduce fuel consumption and save fuel for off-season Sugar refining.

Project costs:

Invest in Fine Liquor 2-layer evaporator at Bien Hoa - Ninh Hoa factory with a cost of approximately:

VND **1.8** BILLION

Renovate the feedwater economizer system at TTCS with a cost of roughly:

VND **4.9** BILLION

Implementation progress:

Completed and put into operation:

- TTCS factory: the renovation of the feedwater economizer system was completed and the system was put into use in September 2019;
- Bien Hoa - Ninh Hoa factory: the investment in the 2-layer evaporator was completed and the system was put into use in April 2020.

Efficiency evaluation:

- TTCS factory: The economizer lowers steam temperature from 250°C to 180°C, meeting the required temperature for the bagasse drying system and saving fuel consumption. At the same time, the economizer keeps feedwater temperature between 125°C and 165°C, reducing fuel consumption. In addition, an unplanned downtime for boiler feedwater system maintenance is reduced;
- Bien Hoa - Ninh Hoa factory: The new system helps increase the degree of Brix before cooking Sugar, significantly reducing the cooking time. The steam consumption rate in the FY 2019-2020 was recorded at 0.48 tons of steam/ton of sugarcane. This number was 4% lower compared to the initial target of 0.5 tons of steam/ton of sugarcane, and nearly 6% lower compared to the FY 2018- 2019's 0.51 tons of steam/ton of sugarcane;
- The new system reduces the steam temperature before transporting steam into the drying system, raises the feedwater's temperature, and reduces fuel consumption. Furthermore, it also ensures a stable and efficient bagasse drying system;
- Steam saving system helps save bagasse, thereby lengthening the off-season refining period.

4. ORGANIC SUGAR PRODUCTION LINE

Objectives:

Nowadays, consumer demand centers around not only uncontaminated food but also natural products that meet organic standards and offer special health benefits. To gain a head start on this potential trend, TTC Bien Hoa made an investment in Organic Sugar production, which was started by TTC Attapeu.

Organic Sugar requirements:

Organic products require strict compliance with international standards set by developed countries (such as the USA and Europe) on variety selection, sugarcane field selection, crop care, farming, harvesting, production, and transportation.

Furthermore, Organic Sugar manufacturers must also pay heed to the use of recyclable, biodegradable, and environmentally friendly packages. Containers for chemicals, disinfectants, and other synthetic substances must not be used to pack or store Organic Sugar because they can affect product quality.

Project costs:

VND **4.8** BILLION
(including Bigbag packaging system)

- Improve fuel pipe to avoid stagnation resulting in colorful Sugar, and enable better convection for even-sized grains at a cost of VND320 million;
- Filtration system: install an additional fine-filtering unit, improve and double the syrup filtration system in the chemical processing area at a cost of VND330 million;
- Invest in bigbag packaging system at a cost of VND3.9 billion *(For more details, please refer to "Bigbag packaging system") (page 153).*
- Relocate the concentralized packaging area at a cost of VND300 million.

Implementation progress:

Completed and put into operation in November 2019.



Organic Sugar production line

Efficiency evaluation:

- The renovation of the fuel pipe achieves highly successful outcomes after the one crop. In FY 2019-2020, the number of inappropriate products was reduced to 6 pots (300 tons), down by nearly 87% compared to 45 pots (2.250 tons) due to yellow Sugar grains in FY 2018-2019.
- The renovation of the sugarcane juice filtration system produces positive results after one fiscal year. After the renovation, the squeeze capacity increases to 4,162 tons of sugarcane/day. This reduces production time and laobor costs by over VND77 million. In the FY 2019-2020, there were no appropriate product created due to technical mistakes down by 100% compared to FY 2018-2019, the amount was 27 pots (1350 tons);
- The bigbag packaging helps diversify the Company's product lines;
- Furthermore, the relocation of the packaging area helps reduce headcount and facilitate production management;
- This is a new achievement of TTC Bien Hoa in particular, and the Vietnam sugar industry in general, in completing the product value chain. The Company, therefore, could optimize its responses to the needs for a wide range of healthy products. With pioneering business strategy and determination to promote organic agriculture, TTC Bien Hoa has been investing in equipment, time, and resources to realize the goal of increasing Organic Sugar production and matching the growing demand from local and international consumers for healthy products.

5. BIGBAG PACKAGING SYSTEM AT TTC ATTAPEU FACTORY

(AS A CATEGORY OF ORGANIC PRODUCTION LINE PROJECT)



Bigbag packaging system at TTC Attapeu factory

Objectives: To fulfill requirements from ED&F Man - a unit that underwrites all the company's Organic Sugar exported to Europe. To diversify products and reduce production costs

Project costs: VND **3.9** BILLION

Implementation progress: Completed and put into operation in November 2019.

Efficiency evaluation:

- Cost-saving: packaging costs are down to ~VND190,000/ton compared to 25kg paper packaging. Loading and unloading costs are cut and automation implementation for customers is effectively monitored;
- Be prepared to expand and integration to the 25kg and 50kg packaging systems in the future;
- Gain advantages as a supplier that could offer a variety of packaging types and innovative delivery methods;
- Increase competitiveness, ready to meet the increasing needs of customers. Moreover, the project has a lasting effect in the long run, when the investment cost is fully depreciated.

6. SUPPLEMENTARY BIOMASS FUEL FOR BIEN HOA - NINH HOA AND TTCS FACTORY



Sugar manufacturing system at Bien Hoa - Ninh Hoa factory

Objectives: To increase output from off-season Sugar refining. Biomass is known as a source of biomass fuel, which is bio-based and can be used as an energy source. At the present, TTC Bien Hoa's factory is using coffee husks, rice husks, and sawdust, which are collectively called biomass, as a supplementary fuel source instead of only bagasse like before. This is an optimal solution to maintain continuous production and to avoid heavy reliance on one fuel source.

Project costs: As per market purchase price.

Implementation progress: Put into operation at the start of 2020.

Efficiency evaluation:

- Diversify fuel sources, supply fuel for production, and optimally exploit the value of using equipment
- Prepare for the raw Sugar refining in the off-season of FY 2019-2020 at the TTCS factory, expected production time is mid-August 2020.

EFFECTIVE SUPPLY CHAIN MANAGEMENT

TTC BIEN HOA'S SUPPLY CHAIN

As one of Vietnam's leading agricultural producers and merchants, TTC Bien Hoa's mission is **"Supplying Sugar and energy solutions from sugarcane, building up a chain of modern production technologies and sustainable distribution system"**. TTC Bien Hoa is proud of the versatility, diversification and extension of its closed-loop supply chain, starting from the raw material area, to the production stage and finally packaging the finished product to consumers through a flexible, diversified supply chain and network wide mesh.

Besides sugarcane-based Sugar production, TTC Bien Hoa also sought raw Sugar and finished Sugar supply from other regional and international producers, for example, Thailand, Brazil, India, etc. Currently, there are over SBT's 72 Sugar products and By-products available in the market. TTC Bien Hoa's products always demonstrate good quality and are also selected by the big names corporations in related industries (i.e. food processing, beverage production, dairy production, farming, etc.). TTC Bien Hoa's products are also selected to join the supply chain of several giants that tend to rely on hard-to reach standards, for example, **Coca-Cola, Nestlé, Nutifood, Pepsi, Red Bull, Tan Hiep Phat, Trung Nguyen, Vinacafe, Vinamilk, DHG Pharmaceuticals, Sanofi Pharmaceuticals, Imexpharm, etc.**

IN FACT, TTC BIEN HOA BENEFITS GREATLY FROM A WIDE-RANGING NETWORK, INCLUDING

8 VIETNAM-BASED FACTORIES

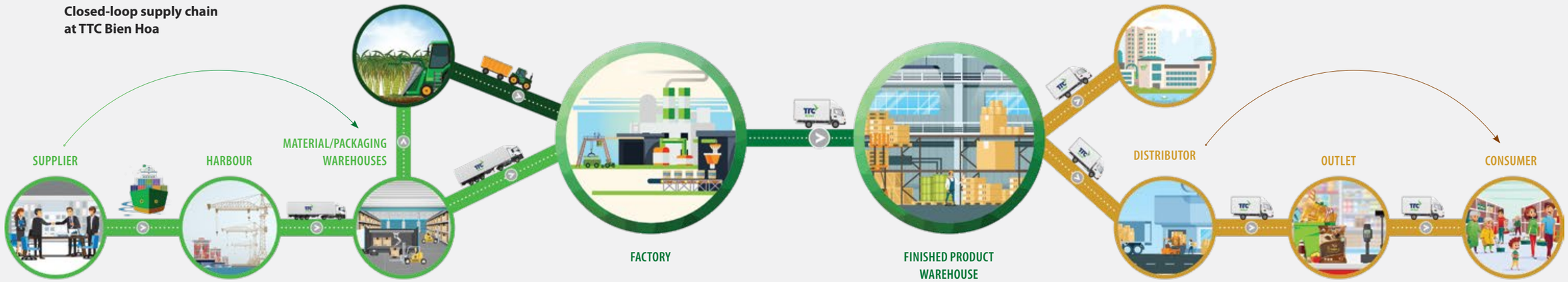
1 LAOS-BASED FACTORY

47 MATERIAL AND FINISHED PRODUCT WAREHOUSES ALLOCATED ACROSS THE NATION

and especially, 2 large distribution centers located in Bien Hoa and Tay Ninh which are fully equipped with advanced software solutions (WMS, TMS, OMS, etc.) for functional warehouse operation and management. Benefits take the form of effective cost control, proactively increasing competitiveness, expanding distribution system, dominating market share to

"BECOME THE LEADING AGRICULTURAL COMPANY IN VIETNAM AND THE REGION".

Closed-loop supply chain at TTC Bien Hoa



INPUT	RAW MATERIAL	PRODUCTION	DISTRIBUTION
MAIN GOALS			
▸ Manage purchase expense (excluding sugarcane); ▸ Optimize inventory turnover; ▸ Manage international transactions.	▸ Optimize agricultural farming management costs; ▸ Optimize the timeline from harvest to sugarcane crushing; ▸ Reduce costs of transporting raw sugarcane.	▸ Reduce waste; ▸ Reduce production costs; ▸ Optimize yield; ▸ Optimize OEE.	▸ Improve on-time delivery performance; ▸ Minimize logistics and logistics costs.
OPTIMIZE SUPPLY AND DEMAND	**MANAGE INTEGRATED SUPPLY CHAIN OPTIMIZE INVENTORY**		**OPTIMIZE CUSTOMER CARE**

CONTINUOUS SUPPLY CHAIN IMPROVEMENT



This digital transformation project will be run simultaneously in all 20 TTC Bien Hoa units in Vietnam, Singapore, Laos, and Cambodia. In the project, an integrated business supply chain model and process will be built to develop a comprehensive farm-to-fork strategy as well as an international penetration strategy. By adopting industry-specific tasks onto Oracle Cloud ERP, TTC Bien Hoa expects an across-the-board and standardized system that spans all Company's processes and activities, including:

1. Budgeting and financial planning;
2. Demand forecasting and supply planning;
3. Integrated business planning to optimize inputs, warehouses and production processes;
4. Distribution optimization.

Adopting ERP in supply chain management will initially help display all stages of the supply chain in order to:

- Address obstacles in space and time due to the Company's extensive system;
- Identify and analyze market and customer demand by exploiting feedback and historical data;
- Tailor and balance supply plan to be keeping with binding terms and optimize costs;
- Control costs by a way of well-organized distribution and logistics system to deliver exactly what Customers need and optimize the supply chain.

TTC Bien Hoa is transforming its supply chain towards diversification and globalization. Besides process improvement, production assurance, risk control, technology innovation, the Company also regularly evaluates market demand to advance products, which in turn adding value to the supply chain. In the last FY, TTC Bien Hoa also updated technologies used in the supply chain. For instance, the Company improved dry sand separation and cutting blade systems, renovated the boiler feed water economizer, and enhanced the organic Sugar production line.

COOPERATION WITH LEADING LOGISTICS PROVIDERS TO FURTHER SUPPLY CHAIN

ATIGA participation means TTC Bien Hoa and other domestic Sugar companies have a greater playing field for development and expansion. Along with positive opportunities, TTC Bien Hoa also faces inevitable tests. To retain the dominant position in the domestic market and go regional, TTC Bien Hoa has to take on the challenge that presents itself in the supply chain in general and logistics in particular. Soon having this perception at fingertips, TTC Bien Hoa has stepped up cooperation with recognized names in the logistics sector in order to enhance warehouse operation and management as well as find the fastest way to meet the market demand.

Several outstanding supply chain development projects in FY 2019-2020

B2C Linfox Project

Partner



Linfox Vietnam

Linfox Vietnam was founded in 2006, as a part of Linfox Group, a leading corporation in full-fledged logistics solution

Objective

- Improve B2C service quality for Sugar products and other FMCG products;
- Improve logistics services for B2C channels and delivery services;
- Expand distribution network to every domestic market with reduced and controlled logistics costs, improving the profit margin of the B2C channel.

Date of implementation

- Expected to be implemented from October 2020.

CJ Logistics Project

Partner



CJ logistics

CJ Logistics is known as a pioneer in logistics services development in Asia

Objective

- Optimize warehouse capacity and logistics costs for inputs and outputs.

Date of implementation

- Phase 1 has been implemented from 2018 to date;
- Phase 2 is in the process of updating data, strategy, and model analysis for optimal logistics network. Expected to be implemented in FY 2020-2021.

Source: TTC Bien Hoa

EFFECTIVE SUPPLY CHAIN MANAGEMENT (continued)

SUPPLY CHAIN DEVELOPMENT PLAN IN FY 2020-2021

- To create synchronous processes, increase connectivity between the Company, departments, and factories.
- To improve planning functions of departments and factories to create a well-performing, cost-effective, and energy-effective supply chain that easily adapts to the demanding requirements of major markets.
- To continue to adopt new technologies to increase plan accuracy and manage time effectively.
- To create performance metrics by using SMART methods.
- To streamline production and transportation to optimize costs.
- To modernize the workforce and operating schedule of the Company.





Clean sugar

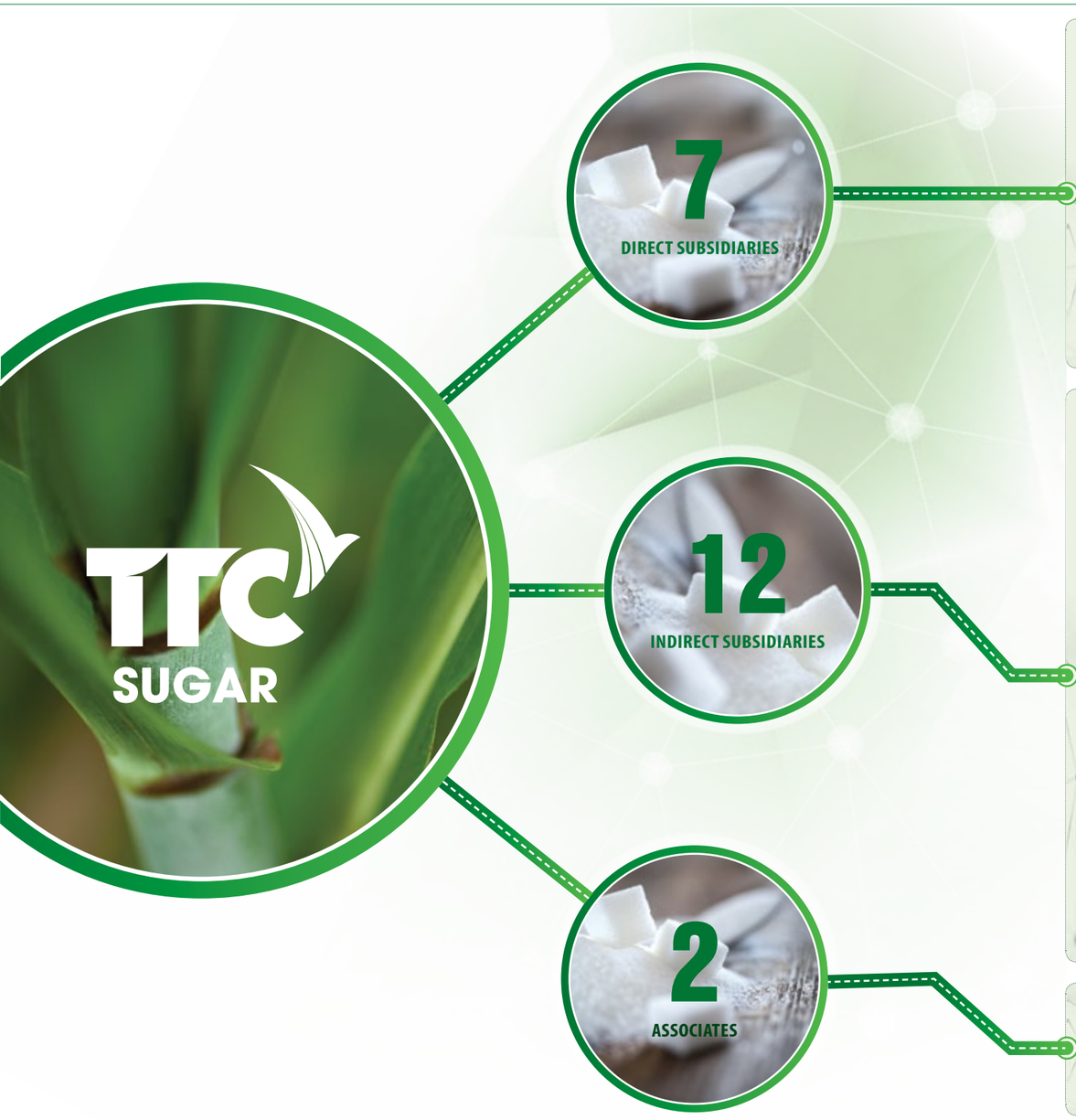
FOR COMMUNITY HEALTH



TTC Sugar produces clean sugar meeting 4 criteria: 100% pure sugarcane; no impurities; no bleaching agent; no genetically modified organisms.

ACTIVITIES OF SUBSIDIARIES AND ASSOCIATES

As of June 30th, 2020, TTC Bien Hoa owns 7 Direct Subsidiaries, 12 Indirect Subsidiaries, and 2 Associates. To have more details of the business areas of each company, please refer to **page 232** - Audited Consolidated FS by Ernst & Young Vietnam Co., Ltd. in the SBT's FY 2019-2020 Annual Report.



	SUBSIDIARIES/ASSOCIATES	HEAD OFFICE	OWNERSHIP RATE (%)	VOTING RIGHTS (*) (%)	CHARTER CAPITAL (BILLION VND)
1.	Thanh Thanh Cong Agriculture Development JSC	Tay Ninh	**90**	90	189
2.	Miaqua Water One Member Company Limited	Tay Ninh	**100**	100	1
3.	Hai Vi Limited Company	Tay Ninh	**100**	100	1.5
4.	TSU Investment Private Limited Company	Singapore	**100**	100	516
5.	Thanh Thanh Cong Gia Lai Company Limited	Gia Lai	**100**	100	540
6.	TTC An Hoa Production - Trading - Service One Member Limited Liability Company	Tay Ninh	**100**	100	160
7.	TTC Bien Hoa - Dong Nai Sugar One Member Company Limited	Dong Nai	**100**	100	2,978

1.	Nuoc Trong Sugar Joint Stock Company	Tay Ninh	**50.58**	50.58	58
2.	Mien Trung Bovine Breeding Joint Stock Company	Khanh Hoa	**92.04**	92.04	23.4
3.	Bien Hoa - Phan Rang Sugar Joint Stock Company	Ninh Thuan	**95.79**	95.79	45
4.	Bien Hoa - Thanh Long Joint Stock Company	Tay Ninh	**98**	98	20
5.	Global Mind Commodities Trading Private Limited Liability Company	Singapore	**83**	83	451
6.	Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Tay Ninh	**100**	100	30
7.	Bien Hoa Import - Export - Trading Joint Stock Company	HCMC	**100**	100	120
8.	Gia Lai Thermoelectricity One Member Company Limited	Gia Lai	**100**	100	130
9.	Ninh Hoa Thermoelectricity One Member Limited Liability Company ("NHS")	Khanh Hoa	**100**	100	300
10.	Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company ("NHE")	Khanh Hoa	**100**	100	608
11.	TTC Attapeu Sugarcane Sole Company Limited	Laos	**100**	100	1,372
12.	TTC Attapeu Sugarcane Limited Company	Gia Lai	**100**	100	2,015

1.	Tay Ninh Chemical Industry Joint Stock Company	Tay Ninh	**19.13**	19.13	165
2.	Tan Dinh Import-Export Joint Stock Company	HCMC	**41.65**	41.65	50

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

QUALITY ASSURANCE AND CUSTOMERS' FEEDBACK ON PRODUCT QUALITY

TTC Bien Hoa always desires to bring clean products with guaranteed quality and reasonable prices to customers and partners.



The Company assigns a high priority to product quality assurance activities. This is not only a key factor in the production value chain but also a prerequisite factor to help the Company maintain the reputation for Bien Hoa Sugar brand name for more than 50 years.

TTC BIEN HOA'S QUALITY ASSURANCE ACTIVITIES IN FY 2019-2020

Quality assurance always engages with the closed-loop production. It all starts from planting and harvesting sugarcane in the raw material areas, to production and other stages. The final stages in which are packaging and distributing. In fact, the Sugar production line of TTC Bien Hoa includes more than 40 stages before the finished products, all of which are developed and subject to inspection, control, and monitoring, in order to minimize the impact of risks on product quality.

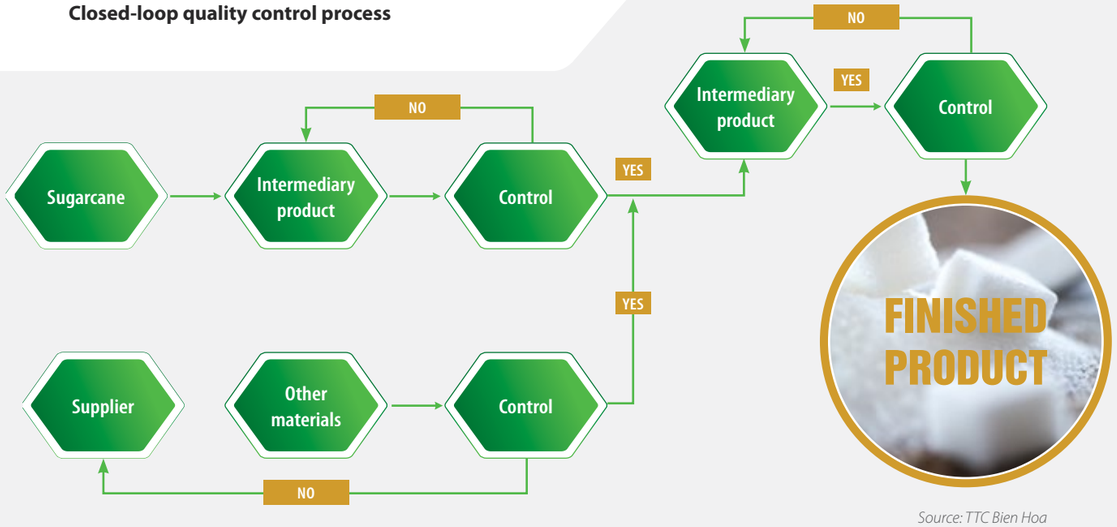


Some key quality assurance activities in the previous FY of the Company are as follows:

- Continue to promote the impurity control, quality assurance, focus on stabilizing product quality on the production line, enhancing the sanitary control during the process of storage, preservation, and customer delivery.
- Organize the implementation of a risk portfolio on most of the Company's activities such as Strategy, Strategy execution, Agriculture, Production, Business, Human resources, Finance, Crisis management, etc. Quality risk management is also an indispensable activity in the risk management system. This is a systematic process to help the Company evaluate and control quality information, identify risks that may affect product quality, etc. Then the Company can make conclusions and develop a prompt remedial plan to resolve risks and to minimize unqualified products.
- Continue to apply SPC (Statistical Process Control), currently the most advanced tool, to monitor, control, and improve the production process, thereby assessing the trends in the quality of materials and products. This statistical tool collects, presents, and analyzes data accurately and in good time, aiming to remove the impurities, one of the most common reasons for the Sugar industry's mismatch.

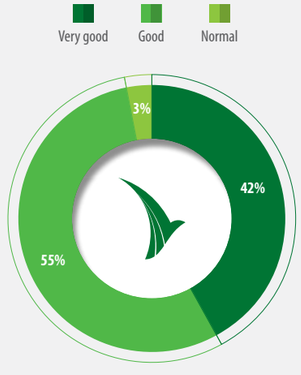
Thanks to the above efforts, in FY 2019-2020, unqualified products were found in only 0.26%, down 16% compared to the year before, and nearly 24% compared to FY 2017-2018. This helps the Company gain better control of the quality management costs, contributing to revenue, and profit increase.

Closed-loop quality control process

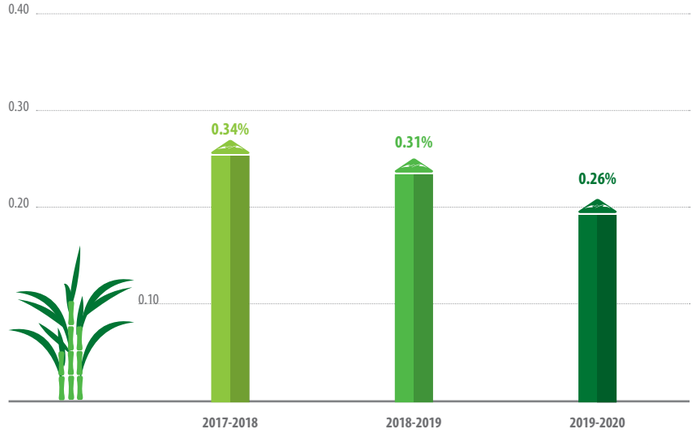


Source: TTC Bien Hoa

Customer satisfaction on TTC Bien Hoa product quality in FY 2019-2020



Rate of unqualified products in each fiscal year

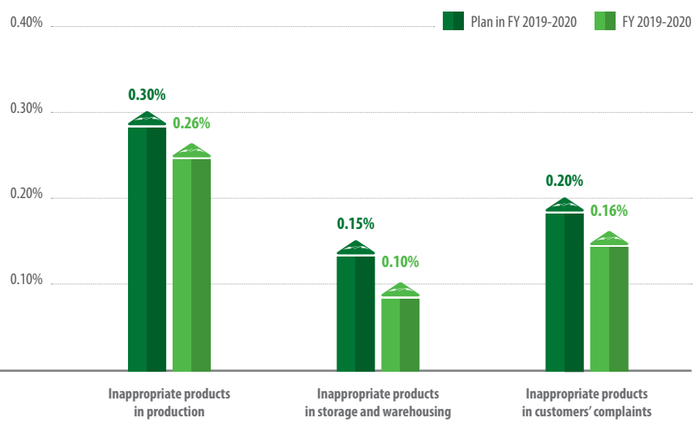


Source: TTC Bien Hoa

QUALITY ASSURANCE AND CUSTOMERS' FEEDBACK ON PRODUCT QUALITY (continued)

In order to minimize unsatisfactory products, the Company always focuses on controlling Sugar hygiene and preservation during storage, improving packaging quality, and monitoring loading-unloading activities in the warehouses. In FY 2019-2020, the rate of unqualified products reached 0.26%, a good achievement of 13% lower than planned. The rate of unqualified products in storage was 0.10%, equivalent to 33% lower than planned. The Company's relentless efforts to improve the quality of products and services resulted in a significant decrease in customer complaints on unqualified products. The rate significantly improved when reaching 0.16%, or 20% down compared to the target set at the beginning of the year.

Actual and planned rate of unqualified products in FY 2019-2020



Source: TTC Bien Hoa

As a rule, quality assurance accompanies customer satisfaction. Therefore, the Company habitually tries its best to maintain in contact with its customers via a variety of channels such as surveys, interviews, thematic seminars, etc., as well as hotlines and emails. It enables the Company to receive timely feedback and provide suitable solutions to customers.



Summary of customer satisfaction survey in FY 2019-2020

Rank	Punctual response to customer's requirements			Delivery compared to customer's requirements			Quality of Sugar product		
	Rate in 2019-2020	Rate in 2018-2019	Rate in 2017-2018	Rate in 2019-2020	Rate in 2018-2019	Rate in 2017-2018	Rate in 2019-2020	Rate in 2018-2019	Rate in 2017-2018
Very good	42%	61%	45%	35%	52%	33%	42%	30%	33%
Good	50%	30%	48%	52%	44%	53%	55%	57%	55%
Normal	8%	9%	7%	10%	4%	14%	3%	13%	12%
Poor	0%	0%	0%	3%	0%	0%	0%	0%	0%
Weak	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: TTC Bien Hoa

To date, TTC Bien Hoa attains a number of important international certifications, proving qualifications of products for high-end markets, especially the US and Europe. Those certifications include Food Safety Certification in the Middle East by HCA, Kosher Certificate by KOF-K, FSSC 22000 Certificate, ISO 9001: 2015, ISO 14001: 2004 by Bureau Veritas BSI. The fact that the Company fulfills all of the Certificates' requirements presents an opportunity for the Company to continue its domination in terms of the MNC channel's market share in Vietnam. The Company also continues to develop the export channel's market share after passing a series of stringent quality tests, including those from our high-end pharmaceutical and beverage partners, who cannot afford failures as they are committed to their customers' health.

SBT's international certifications

FAIR CHOICE
Certification agency: Control Union
International standards of Fair Trade
Certification of Sustainable Development

ORGANIC CERTIFICATION (EU) AND USDA (USA)
Certification agency: Control Union
EU and US Organic Standards
To certify that the products of the organization meet the requirements of EU and US Organic Standards

FSSC 22000 VERSION 05
Certification agency: Bureau Veritas, BSI
Certification of food safety and quality management system
To provide customers with healthy products

HALAL
Certification agency: HALAL Certification Agency in Vietnam (HCA)
Islamic quality management system
To certify products comply with ingredient standards and allow businesses to apply Halal standards in their manufacturing activities

ISO 9001:2015
Certification agency: Bureau Veritas, BSI
Quality management system, aiming to ensure stable product quality, satisfy customer requirements and comply with applicable laws
To request risk identification for the purpose of supporting the establishment, operation, and improvement of the quality management system

ISO 14001:2015
Certification agency: Bureau Veritas, BSI
International standards for environmental management system, aiming to minimize negative impacts
To make a positive impact on the environment through the organization's activities

ISO/IEC 17025
Certification agency: Bureau Veritas, BSI
Quality management standards for the competence of testing and calibration laboratories
To set requirements to manage and ensure technical competence of laboratories, including regulations of quality management systems that help labs produce valid results widely accepted

KOSHER
Certification agency: KOF-K
Jewish quality management standards
To certify products comply with ingredient standards and allow corporates to apply Kosher standards in their manufacturing activities

SEDEX
Certification agency: SGS
Social security standards
To certify that corporates carry out ethical practices and social responsibility in their supply chain
Certification in sustainable development

SGP
Certification agency: SGS
Social security standards
To certify that corporates carry out ethical practices and social responsibility in their supply chain
Certification in sustainable development

URSA
Certification agency: SGS
Social security standards
To certify that corporates carry out ethical practices and social responsibility in their supply chain
Certification in sustainable development

QUALITY ASSURANCE IMPLEMENTATION PLAN IN FY 2020-2021

In FY 2020-2021, TTC Bien Hoa continues to enhance quality assurance activities with an aim of achieving absolute satisfaction in customers and partners. The Company also concentrates on R&D activities to introduce new product lines, ensuring the product is pure, organic, and good for consumers' health. For that reason, the Company has issued an action plan set in a realistic, detailed, and specific way as follows:

- **Strengthen impurity control, microbiological control as well as to stabilize quality in the production line;**
- **Identify risks in product quality, propose preventive measures and implement corrective measures;**
- **Minimize the inventory period. In FY 2019-2020, the goal is to keep the inventory cycle under 85 days to maintain product quality and reduce warehouse costs. In order to steadily reduce the inventory cycle, the Company aims at the goal of 60 days in the future;**
- **Diversify products and packages to save costs, and increase options for customers.**



Sugarcane farm in Tay Ninh



WHAT CUSTOMERS SAY ABOUT TTC BIEN HOA'S PRODUCTS

In the last year, thanks to product quality enhancement, packaging improvement, and product diversification, the Company received countless positive comments on product quality:

TESTIMONIAL FROM

Ms. **Nguyen Le**
Housing in Cau Giay District, Hanoi

My family uses only Bien Hoa Sugar. It is quite convenient, I can buy it everywhere. There are also many kinds to choose from, such as Rock Sugar, Liquid Sugar, Yellow Sugar, Organic Sugar, etc. But I have to say, the most important things still are brand and quality. When it comes to Sugar, Bien Hoa Sugar is always the first brand that comes to mind.

Mr. **Jones Henny**
Polish electronics engineer

I think Bien Hoa Sugar is the pride of Vietnamese people! It is truly high-quality Vietnamese goods, I use their Sugar stick to drink coffee every day.

Ms. **Phung Thi Hoa**
Sweet soup shop owner in Cho Lon, District 6, HCMC

All kinds of sweet soups served in my shop use only Bien Hoa Sugar. I want my customers to enjoy an elegant, high-quality, safe, and healthy soup.

TESTIMONIAL FROM A TRADITIONAL TRADE DISTRIBUTOR, GO VAP DISTRICT, HCMC

TTC Bien Hoa has very good purchasing power in the market. Although having to compete with cheap and unbranded Sugar, Bien Hoa Sugar is enjoyed by many local grocery stores, cafes, restaurants. TTC Bien Hoa is selected thanks to its long-standing reputation and guaranteed quality.

TESTIMONIAL FROM A CUSTOMER IN FOOD MANUFACTURING BUSINESS

Quality products, delivery on schedule, long-term stable price are the reasons why we decided to cooperate with TTC Bien Hoa. Bien Hoa Sugar is one of the clean ingredients we use to create our quality products. We use their fine Sugar to produce milk, "3 in 1" coffee, confectionery, ice cream, you name it.

TESTIMONIAL FROM AN ENTERPRISE CUSTOMER IN PHARMACEUTICAL PRODUCTION

TTC Bien Hoa's premium RE Sugar perfectly meets our production requirements. The pharmaceutical industry is always known for its strict requirements on the quality and purity of the raw materials used in medicine production because their products directly affect consumers' health.

FARMERS - ON EVERY STEP TO DEVELOPMENT

The ASEAN Goods Trade Agreement-ATIGA came into force on January 1st, 2020. Vietnam Sugar industry was constantly under considerable competitive pressure from regional neighbors, especially Thailand, over the first 6 months of ATIGA. The Covid-19 outbreak also presented an unprecedented challenge for Vietnamese Sugar businesses and sugarcane farmers. In response to the situation, with the motto "Always accompanying farmers", TTC Bien Hoa took prompt action to help sugarcane farmers ease burdens, stabilize income, and transform themselves into high-tech farmers in an age of innovation and international integration.

In the last FY 2019-2020, the Company provided support to farmers through

3

consistent core policies:

(1) Sugarcane purchase price

(2) Capital support

(3) Cultivation technical assistance

ALWAYS ACCOMPANYING FARMERS

FARMERS -
ON EVERY STEP TO DEVELOPMENT (continued)

ON THE POLICY OF SUGARCANE PURCHASE PRICE

Long-term commitment and sugarcane growers' benefits are among the core values that TTC Bien Hoa has been pursuing over the years.

Until now, the sugarcane purchase price policy is the most practical action for this outlook as the Company always strives to offer the best time-specific, higher-than-average sugarcane purchase price to farmers. In FY 2019-2020, TTC Bien Hoa's average purchase price increased 14%, compared to FY 2018-2019.

In addition, the Company also offered other forms of non-refundable aid to provide farmers with mechanical services, fertilizers, transportation, etc. Non-refundable aids included the 3-time filter maintenance combo and interest rate support of up to VND25,000,000 to farmers who purchase John Deere tractors - the American leading agricultural mechanical machines. This aid aimed to encourage sugarcane growers to transition to modern agriculture. In each locality, the Company had distinct policies to ensure the cultivation conditions, soil, etc. so as to give the best support to sugarcane farmers. In the last FY, TTCS subsidized VND1,000,000/ha on underground plowing and



soil works for sugarcane harvested from new plant crop and VND850,000/ha on underground plowing and fertilizer for ratoon crop harvested from stubbles. Simultaneously, the Company also covered 50% of foliar fertilizer cost for over 700 hectares and financially supported the farmers in the demonstration of water-absorbent hydrogels, microbiological organic fertilizer, beating up by sugarcane seedling, efficient irrigation, along with others.

ON THE POLICY OF CAPITAL SUPPORT

TTC Bien Hoa adopted a number of capital support policies in FY 2019-2020 to assist farmers in transformation, integration, and sustainable competition.

Over 3,500 sugarcane growers received preferential loans with attractive interest rates, simplified procedures and quick disbursement. Simultaneously, the Company continued to act as a guarantor connecting farmers to financial institutions on the agricultural loan market. The Company signed a cooperation agreement with Orient Commercial Joint Stock Bank (OCB) in January 2019 to offer credit options with considerable advantages. In the 2019-2020 crop year, the total value of investment capital disbursement to sugarcane growers was close to VND264 billion, including over VND14 billion of non-refundable grants.

Besides capital support policies, TTC Bien Hoa also provided technology transfer incentives to sugarcane growers. In June 2020 specifically, to encourage farmers to use foliar fertilizer, the Company supported VND3 billion foliar fertilizer for about 4,500 hectares in Tay Ninh, Ninh Hoa and Gia Lai raw material zones. With these policies easing financial obstacles, sugarcane growers have now dared to convert to modern, sustainable planting procedures, producing higher quality and higher yields.

TTC BIEN HOA'S AVERAGE PURCHASE PRICE INCREASED
14%
COMPARED TO FY 2018-2019

THE TOTAL VALUE OF INVESTMENT CAPITAL DISBURSEMENT TO SUGARCANE GROWERS WAS CLOSE TO
264
BILLION VND

THE CAMPAIGN "JOIN FORCES WITH TTC SUGAR TO ELEVATE VIETNAMESE SUGARCANE" ATTRACTED OVER
1,000
FARMERS TO PARTICIPATE

ON TECHNICAL ASSISTANCE DURING CULTIVATION

As a leading Sugar company and pioneer in modernizing Vietnam's agriculture, TTC Bien Hoa has focused for years on applied science and farming techniques.



Seminar "Join forces with TTC Sugar to elevate Vietnamese sugarcane" at TTC farm no. 4, Tay Ninh

Sustainable vision has culminated a wealth of research experience in the expert team working under the guidance of leading scientists. Thanh Thanh Cong Sugarcane Research and Development Center (SRDC) set up 3 branches in major material zones as of FY 2019-2020 and planned to establish TTC Attapeu Agricultural Application Research Institute in Attapeu, Laos.

With its reality-based research, SRDC continued to work on new sugarcane varieties in the last FY to find varieties with higher yield potential and better suitability. Sugarcane seedling planting techniques improved by SRDC helped reduce production costs by more than 4 times and is now being replicated in sugarcane farms. Also, other SRDC experiments on foliar fertilizers and water-resistant hydrogels helped expand the material areas.

In FY 2019-2020, over 600 million red-eyed bees were released in over 5,500 hectares of sugarcane to keep pests below 5%. This adoption of natural enemies enabled TTC Sugar to foster eco-friendly, eco-sustainable agriculture and ensure the health of both sugarcane growers and consumers.

On top of research duties, SRDC also transferred science and technology to the sugarcane growers. The campaign "Join forces with TTC Sugar to elevate Vietnamese sugarcane" with more than 30 seminars on sugarcane cultivation techniques, organized by TTC Bien Hoa and SRDC, attracted over 1,000 farmers to participate. This aimed to help farmers have better visibility into the most current cultivation techniques and materials.

Every year, the Company conducts surveys on sugarcane infrastructure throughout the material zones. In doing so, the Company can develop plans to support farmers and localities in carrying out infrastructure improvement works, drainage canal systems, and upgrading transportation roads - agricultural roads.

Moreover, in order to inform farmers of the latest industry information, starting from August 2020, the Company launched a weekly agricultural extension newsletter, featuring the latest news on the local and international Sugar industry, as well as cultivation techniques for each region's weather conditions. Additionally, there is a video series "TTC Sugar accompanying Farmers" introducing effective techniques in sugarcane cultivation. These are all visual, comprehensible, and useful resources for farmers that pave way for sustainable profitability.



Red-eyed bees are being released in a material area



Agricultural extension news, week 1, August 2020 - Source: TTC Sugar Facebook

To sum up, TTC Bien Hoa's tenacious efforts have shown its determination to assist and work side by side with long-term sugarcane farmers. Helping farmers maintain cultivation and become wealthy from sugarcane also means helping the Company strengthen the entire production chain, enhancing competitiveness to keep abreast with the regional level.

RESPONSES OF THE FARMERS AND FARM'S MANAGERS

RESPONSES OF THE FARMERS



Mr. **Nguyen Thanh Hung**
Farmer of TTC Bien Hoa Farm no.5, Chau Thanh, Tay Ninh.

"Back in March, more than 3 hectares of my sugarcane was completely damaged. I thought I had to give it up. Thanks to the technical support from the agricultural extension workers of TTC Bien Hoa, I tried the Company's foliar fertilizer product. It was such a relief that the sugarcane fields are now all green again. This harvesting crop is expected to be up to 90-100 tons/ha. We are very excited. Next year, we will continue to use the Company's product. Thanks to this product, we are confident to expand our production."



Mr. **Nguyen Van Son**
Farmer of TTC Sugar Farm no.3, Tan Bien, Tay Ninh.

"Thanks to sugarcane, we do not have to leave for the city and work as factory workers. Many people make a fortune from growing sugarcane here. We could still hold on to sugarcane for one or two hard years by relying on the Company's generous support. We would like to thank the Company for the investment in this rural area, besides providing us with capital and farming technical support. The electricity, schools, roads, and buildings are renovated and my kids can go to school without worries. We are very happy."



Mr. **Pham Cong Dai**
Farmer of TTC Sugar Farm no.5, Chau Thanh, Tay Ninh.

"I have been growing sugarcane to supply TTC Bien Hoa factories for 16 years. Every single crop was carefully guided and considerably supported by the agricultural extension workers. Our sharings of joys and sorrows created such a long-term partnership. In farming, we do not have bumper crops all the time. If a harvest fails, we will cope with difficulties together, so I am very assured that I will side with the Company for a long time"



Mr. **Siu Blunh-la Kdăm**
Farmer in investment and contract farming, TTC Sugar Farm no.3, Gia Lai.

"Our group has an affiliated area of 5.9 ha. In the past, we could not make ends meet from growing cassava, but since switching to sugarcane, the annual profit was over VND25 million/ha. Some people say growing sugarcane does not make much money, but my family is now much better off than before. When they called for the affiliation of plantation fields, everyone was afraid of losing land. Now, after 3 years of joining the affiliation adopting a mechanized farming system, especially underground plowing, the productivity is much higher than that of manually cultivated fields."



Ms. **Le Thi Quynh Trang**
Chairwoman of the BOD of Tan Tien cooperative - Po To Commune, Iapa District, Gia Lai (Affiliate client in investment and contract farming, TTC Sugar Farm no.6, Gia Lai).

"We could not wait for saviors because of extreme weather conditions and sugarcane price changes in times of global integration, instead we needed to save ourselves first. While we used to destroy sugarcane and plant crops such as pineapple, red beans, cassava, etc., output was not guaranteed and income therefore unstable. We came together as a cooperative and worked closely with the Company. As a cooperative member, a farmer can apply mechanization to cultivation, reduce investment costs for irrigation systems, share experiences with each other, facilitate access to capital, and take the initiative in harvesting. The Company also has policies to encourage, support, share profits, and relieve difficulties, as giving up is not an option even during price swings."





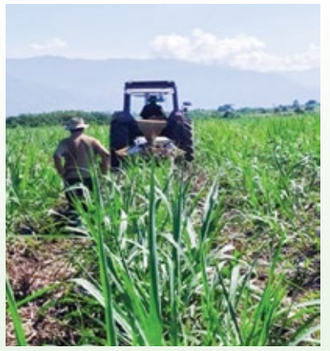
Mr. **Nguyen Van Khuyen**
Farmer in investment and contract farming in TTC Sugar Farm no.4, Gia Lai.

"My family has been growing sugarcane for over 20 years since TTC Bien Hoa's new factory was built. Sugarcane production had ups and downs. 1999-2000 was a "bitter" sugarcane year when many smallholders abandoned sugarcane cultivation. They would not risk growing it again, but my family was determined to stick with the cane. Also, among many different crop types, only sugarcane has guaranteed output, agricultural extension workers give technical instructions, hands-on training, regular checks, and reminders for sugarcane care. The sugarcane price has fallen in recent years, income from sugarcane has dropped, but the Company has come up with technical solutions such as deep plowing, underground fertilization, foliar products, among others, to improve productivity. We farmers received suggestions and guidance on farming practices to help stabilize sugarcane profits. In the upcoming 2020-2021 crop year, my family will grow another 8.4 hectares, increasing the combined sugarcane area to 25.4 hectares."



Ms. **Le Thi Yen**
Khanh Hoa sugarcane smallholder.

"Recently, especially in the past 2 years, Khanh Hoa's weather in general and Ninh Hoa in particular, has been harsh, with very little rainfall and prolonged drought. The sugarcane was grown especially after the last Lunar New Year, but then the rain was a luxury, the soil was hard and dry. Working the soil to plant sugarcane seedlings and care for the area of sugarcane stools after harvest was difficult. To cope with these severe weather conditions, the Company adopted a policy to assist sugarcane irrigation farmers. They supported us by providing funds to buy machinery and equipment to use the region's existing natural water sources for sugarcane irrigation. We have since planted sugarcane seedlings promptly, saved sugarcane and increased productivity."



Mr. **Phan Kien Nghia**
Sugarcane smallholder, Ba Cuong sugarcane zone, Ninh Sim Commune, Ninh Hoa District, Khanh Hoa.

"In the past, the local practice of fertilizing sugarcane was spreading fertilizer on the surface. When it was sunny, the fertilizer evaporated. When it rained, it was washed into rivers and streams, causing a tremendous waste of fertilizer. Besides, there were also some smallholders using plowing cows to fill fertilizer into the soil, but it took a very long time, affecting the crop and growth of sugarcane. Since the Company provided mechanical machinery, adopting technical solutions to help farmers with deep plowing, underground plowing along with introducing policies to encourage farmers to apply this model, my family and the surrounding smallholders in the sugarcane zone have used them. We found that this method very effective. The fertilizer was fully filled into the soil, the fertilizing time was fast, the sugarcanes grew well and the fertilizer cost was reduced.



Ms. **Vo Thi Suong**
Sugarcane farmer, Ba Cuong sugarcane zone, Ninh Sim Commune, Ninh Hoa District, Khanh Hoa.

"The majority of the terrain in the Ninh Hoa sugarcane zone is semi-mountainous. This kind of terrain has extreme weather, making it challenging for agricultural production. How to improve productivity and increase income from sugarcane is a knotty problem for sugarcane growers here. The Company introduced the policy to support farmers with the ring-pit method of sugarcane cultivation. This method is effective in the hilly fields of uneven terrain where mechanical machines can't be used. Since then, my family registered for trial cultivation and got very good results. Hopefully, in the coming harvest, sugarcane yields will be improved and my family will have more income."



RESPONSES OF TTC SUGAR FARM'S MANAGERS



Mr. **Nguyen Van Chung**
Manager of TTC Sugar Farm No. 6, Tay Ninh

"Last crop, even though we had harsher-than-usual weather conditions like prolonged drought, the sugarcane farmers were really pleased with the agricultural extension workers. That is because we always worked side by side with the farmers to provide them with guidance and supervision on the following of the technical process from planting, caring for harvesting, and transporting sugarcane to the factories. It was a difficult and arduous task to manage an area of more than 2,300 hectares stretching from Ben Cau district, Tay Ninh to Cambodia but our only goal was customer satisfaction. What we are proud of is our efforts to achieve this goal! "



Mr. **Pham Cong Nghiep**
Manager of TTC Sugar Farm No. 5, Tay Ninh

"As agricultural extension workers, we are speeding up soil improvement, adopting extensive mechanization from planting to harvesting, to reduce costs, boost productivity and help farmers, as well as the sugarcane industry, develop sustainably so that they can enter integration and compete with other countries in the region."



Mr. **Vo Thanh Hai**
Manager of TTC Sugar Farm No. 2, Tay Ninh

"We set our own goals of helping farmers do it right from the first phase of working soil, selecting the varieties and fertilizing. After cultivating, it was necessary to work out a sound harvest plan to ensure regular, no more no less, transportation of sugarcane to the factories, and fresh, green sugarcanes are kept so that the drivers and the cane growers were pleased. We felt happy doing so. The sense of responsibility of the workers and the farm's managers for the fields and towards the farmers was always very high. We monitored closely around the clock to ensure sugarcanes to be transported to the factories within a day."



Mr. **Trinh Van Lam**
Manager of TTC Sugar Farm No. 9, Gia Lai

"Adverse change in weather conditions and the rapid spread of white leaf disease resulted in a drop in yield, quality of sugarcanes and fewer ratoon crops, which in turn reduced the income of the farmers. In addition, a slump in the sugarcane price led to a rapid contraction of the sugarcane area, which affected the production and business plans of the Company and placed a direct impact on the jobs of the agricultural extension workers. We have proactively proposed solutions to recover and develop material zones both intensively and extensively with a detailed action plan. We would like to work alongside and connect with sugarcane farmers to overcome difficulties and prepare to enter integration together."



Mr. **Phan Van Teo**
Manager of TTC Sugar Farm No. 7, Gia Lai

"Careful management and monitoring of the sugarcane harvest phase through employee contracts help reduce costs for sugarcane growers and increase efficiency for the Company because sugarcane is cut, cleaned, and transported to the factory in time within 24 hours. In the last 2 years, there was an increased profit for sugarcane farmers, growing support, trust, and satisfaction from the cane growers on agricultural extension workers. All of these were thanks to our efforts to stabilize the prices of harvest workers, effective mobilization of workers, and keeping sugarcane owners not being harassed by truck drivers. Agricultural extension workers got more motivation to perform better, to gain more support and long-term cooperation with customers."



Mr. **Thitdavanh Phommachanh**
Manager of TTC Attapeu Farm No. 2, Laos

"After TTC Attapeu Sugar company introduced a policy investing in sugarcane growers, the farmers are very excited. Initially, there were a lot of difficulties because people still had to learn the effective cultivation method. However, the extension workers worked alongside us and provided technical guidance from soil preparation to sugarcane harvesting. After 3 sugarcane crops, realizing the high income from sugarcane growing, many people now want to work with the Company in the long term"



Mr. **Le Viet Hung**
M'Drak farming staff, Ninh Hoa, Khanh Hoa

"Last crop year, extreme weather conditions and prolonged drought had a devastating effect on sugarcane development, reducing both sugarcane productivity and quality, and with it, farmers' income. The decrease in sugarcane prices due to integration also had negative psychological effects on farmers, resulting in a sharp decline in the sugarcane area. All these had a direct impact on the Company's production, business plans and the work of agricultural extension workers. All extension workers in our area examine how to maintain the current sugarcane area and expand the Company's material zones. As agricultural extension workers, we proactively proposed solutions for recovering and extensively developing material zones. We always pay close attention to sugarcane growers, work side by side, and connect with them to overcome difficulties and get ready for regional integration."



HUMAN RESOURCES AND TRAINING







HUMAN RESOURCES

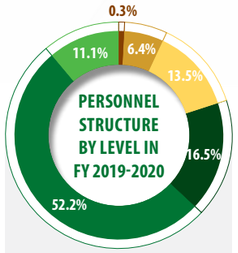
"COMPANY'S MOST VALUABLE ASSETS",

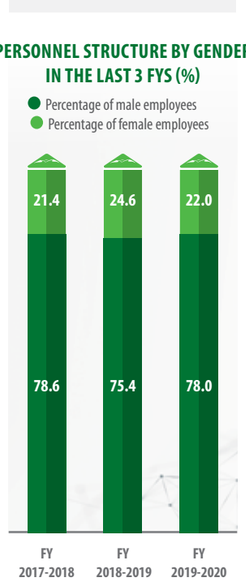
Recognized by TTC Bien Hoa as "Company's most valuable assets", Human Resources (HR) have consistently been the focus of development. HR development strategy is implemented in parallel with corporate development strategy, considered an essential part of the annual business plan and as a determinant of the Company's business outcomes.

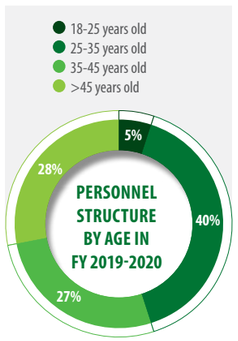
With a view to stabilize, develop, and maintain a long-term and sustainable HR, the HR management activities are developed based on the Company's comprehensive criteria:

- Improve the recruitment and training process to facilitate the onboarding of new employee hires;
- Ensure fairness and reasonableness in salary payment, creating competitiveness to attract and retain talents;
- Improve the working environment, ensuring high levels of civility and professionalism;
- Conduct periodic performance evaluation for each employee to establish remuneration plan;
- Organize and settle employees, ensuring the right people for the right jobs;
- Improve working practices, reducing steps of little added value.

AS OF JUNE 30TH, 2020, EACH OF THE **2,868** EMPLOYEES BROUGHT IN OVER **4.5** BILLION VND IN REVENUE







In FY 2019-2020, TTC Bien Hoa achieved a net revenue of VND12,889 billion, or over 19% YoY, exceeding the plan by 18%. Regardless of the current challenges of the Sugar industry, these business outcomes are the result of the relentless efforts by the BOD and each employee. As of June 30th, 2020, each of the 2,868 employees brought in over VND4.5 billion in revenue. Especially, this number has kept growing annually, demonstrating HR's improved quality.

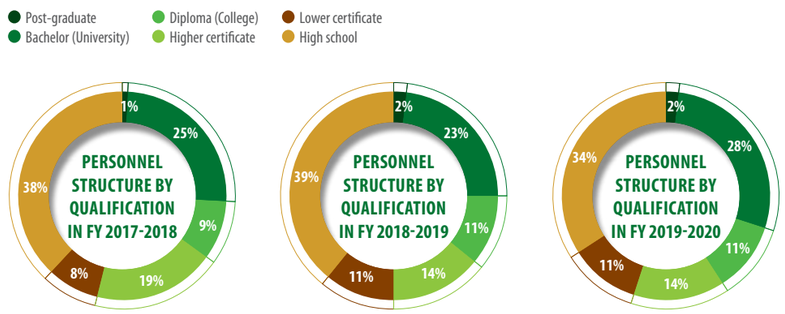
Average revenue generated by an employee in the last 3 FYs (Billion VND)

As a business specialized in agricultural products, TTC Bien Hoa today focuses on developing highly qualified employees with good practice skills, meeting the factories' strict production standards, and serving the main business - manufacturing and trading - with closed-loop production lines. Thus, the personnel of TTC Bien Hoa is largely characterized by professionals/ technical workers and service employees/workers, who account for over 63% of the structure, increasing 7% YoY.

Due to the nature of work which is heavily involved in agricultural cultivation, manufacturing, operation of machinery and equipment, etc., the Company has a significantly high proportion of male employees, accounting for roughly 78%, compared to 22% of female employees within the HR structure. In line with gender equality, a new corporate governance measurement, the Company has attempted to increase the percentage of female employees throughout the years, particularly in management positions.

TTC Bien Hoa's manpower includes mainly young employees aged from 25 to 35, accounting for 40% of the total number of employees. These are passionate, professional staff with technological adaptability and required capabilities of worthwhile successors. Employees with a diploma - bachelor's degree or higher account for 41% of the total staff. The increased percentage of 14% YoY is the effort by the HR division in ensuring the quality of all new hires. Unskilled workers in manufacturing currently accounts for 34% of the total personnel, owing to specific characteristics of the industry. However, this number has also been improved over the years, especially the quality of labor.

Personnel structure by Qualification from FY 2017-2018 to FY 2019-2020



Source: TTC Bien Hoa

HUMAN RESOURCES AND TRAINING (continued)

Training plays a very crucial role in enhancing HR quality as well as promoting efficiency. For that reason, personnel training has always been TTC Bien Hoa's keen focus.



In FY 2019-2020, in the face of the Covid-19 pandemic outbreak and the extended social distancing order, the Company made every effort to continue with training activities, by taking advantage of advanced technology, including online training, "zoom meetings", and the likes. The Company invested over VND10 billion in training with more than 396 training courses, an increase of 139% compared to the previous FY with more than 7,000 participants.

TRAINING ACTIVITIES IN FY 2019-2020

7,076 PARTICIPANTS

396 TRAINING COURSES

No.	Training course	Training purpose	Topic	Participant	Course quantity
1	Professional training	To provide knowledge and improve skills that are directly relevant to the job/profession	› Safety procedures of motor vehicle operation in material zones › Technical equipment and machinery operation at the factory › Product quality control and production operation › Technical sugarcane farming and variety researching › Warehouse management and operation skill › Finance: budget development, financial statement report by IFRS standards › Accounting: knowledge on tax-accounting (TAF) › Perception and method of determining risks and opportunities by ISO standards	Specialist, Professionals, workers, etc.	177
2	Training on the laws and requirements of standard and quality certification bodies	To provide knowledge about occupational safety, legal requirements for qualifications as well as required legal awareness	› Labor safety by group; › Training on food safety and hygiene › Organic farming standards based on European standards › Knowledge of occupational safety and health management, and prevention measures against Covid-19	Employees subject to the law (manufacturing workers, service staff)	58
3	Integration training	To support the new hires to easily integrate into the Company's culture and to be posted with the Company's latest information	› Corporate onboarding training › Industry onboarding training › Company onboarding training	New employee hires	120
4	Management and leadership skills training	To provide updated knowledge and to improve management and leadership skills for all levels of management	› Resource management for employees › Strategic HR management › Middle management development › Manufacturing director	Managers of all levels	13
5	Soft skill training	To provide updated knowledge and to develop soft skills, improving personal efficiency	› The art of conducting yourself at the workplace › Presentation skills to convince customers and partners › Presentation and hosting skills › Communicating in basic Lao and Vietnamese at TTC Attapeu	All employees	10
6	Development and inheritance training	To combine a variety of training contents to develop individuals with outstanding potential/ competency into the future middle/senior managers	› Internal training: combining a wide range of training contents, especially including the session where leaders prevail experience. › Outsourced training programs to develop individuals with outstanding potential/competency	Potential employees	18
	Total			**7,076 registers**	**396 training courses**

EMPLOYEE'S TESTIMONIALS

I have been here, this factory, for nearly 20 years. It has ups and downs, but to this date, my feeling never once changes, that TTC Bien Hoa - Dong Nai factory is indeed a worthy place to work for. Over time, the working environment and welfare policies have improved dramatically, helping my family have a higher income to finance my children's study. In the years to come, I hope I can continue my employment in the Company.

Mr. ***Pham Hoang Van***
Production worker, TTC Bien Hoa - Dong Nai factory

I want to stay with the Company for the long term. Few years of working here have significantly strengthened and stabilized my family economy. Besides, the Company also has countless policies to support women, such as maternity leave, gifts on woman holidays, daily meals, and New Year benefits. I always hope for the Company's great success, so we can stay here longer.

Mrs. ***Truong Thi Lan***
Farming staff at Gia Lai material zone, TTCS Gia Lai factory



At TTC Bien Hoa, the income is relatively high and stable. But the more important thing is that I am given opportunities to work my best, explore myself, and advance my career. TTC Bien Hoa carries out its operations in the agricultural industry with dynamism of the fast-moving consumer goods (FMCG) mindset. So there is no way I could feel bored with my daily work. I even have the motivation to adapt to the environment and boost my personal brand.

Mr. ***Dinh Ly Thang Long***
R&D specialist

TTC Bien Hoa is one of the few businesses with a global vision, not to mention that TTC Bien Hoa is an agricultural company. The Company innovates every day through a series of comprehensive reforms. The application of information technology and reporting management system allows me access to the most advanced tools available today, and thereby greatly enhancing my work performance. When it comes to data-based issues, the system helps me make accurate and timely decisions.

Mrs. ***Nguyen Thi Hoang Khuyen***
Head of Finance Department



SUSTAINABLE DEVELOPMENT REPORT

182 17 Sustainable development goals of United Nation
185 Stakeholders' engagement
192 Economic topic
198 Environmental topic
209 Social topic

17 SUSTAINABLE DEVELOPMENT GOALS OF UNITED NATION

Sustainable development is considered the guideline of most businesses seeking a way to go global. Therefore, TTC Bien Hoa always takes sustainable development into account and incorporates it in every aspect of development strategy. In FY 2019-2020, TTC Bien Hoa continued to integrate the Sustainable Development Report into the Annual Report according to GRI's Sustainability Reporting Standards. The report also received support from Corporate Sustainability and Reporting for Competitive Business program (CSRCB) developed by GRI with the aim of improving the competitiveness and reporting quality of Vietnamese businesses and contributing to better integration of businesses into global value chains.

Goal	Vietnam	TTC Bien Hoa
INVEST IN HUMAN CAPITAL		
1 NO POVERTY	End poverty in all its forms everywhere	2,868 jobs for employees 6,721 smallholders generate income from sugarcane
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	1.1 million tons of Sugar for domestic and international markets ~64,000 ha of raw materials areas in Vietnam, Laos, and Cambodia
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	100% of employees receive periodic health care and health insurance 2,868 COVID-19 insurance packages for employees *Allow employees to work from home in turn, prepare antiseptic hand sanitizers and masks for employees working at the office, and require employees to complete health declaration in the time COVID-19 took greater hold of the country* Every 2 weeks during the COVID-19 pandemic, the Company conducted periodic disinfection at offices and factories 72+ healthy clean Sugar product lines Use of 100% of non-GMO sugarcane in production 20,900 kg of Bien Hoa Sugar was donated to people and organizations in the first line of defense against COVID-19, as a part of the program "Million meals sweetened with love" 1,700 kg of Co Ba Sugar was given to the poor living in the mountainous and remote areas, at the borders, or in the areas hit by natural disasters, etc. in Lunar New Year 2020 1,000 kg of Co Ba Sugar was given to the disadvantaged living in Thanh Hoa, Thai Binh, Nam Dinh, and Dien Bien
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	43,561 hours of training 396 training courses VND10 billion for training budget



Goal	Vietnam	TTC Bien Hoa
ENSURE ADAPTATION TO CLIMATE CHANGE AND SUSTAINABLE ENVIRONMENT		
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	~1.4 million liters of Miaqua bottled water is generated from the evaporation of sugarcane juice during Sugar refining 100% of post-production wastewater is treated and utilized to cool down machines, water plants, and raise fish 100% of factories and offices deploy 5S in the management of working environment hygiene
14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	100% of factories are located in the mainland, not adjacent to the sea (+10km away from the coast) Only one type of marine resources (sea salt) is used in the production process
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable, and modern energy for all	100% of factories are installed with the solar power system 100% of bagasse generated in the Sugar refining process is used to run the generator 150+ million Kwh commercial electricity
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	80% of raw material areas are mechanized Deploy the ERP project in the entire system
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient, and sustainable; reasonably allocate population and labor by region	464 KWp of rooftop solar power is used at staffing housings in Attapeu, Laos 6 Organic product lines meet the EU and USDA (USA) standards 100% of Sugar products are quality controlled according to standard procedures to ensure food hygiene and safety before distributing the products to the customers.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	
13 CLIMATE ACTION	Make urgent action to combat climate change and its impacts	ISO 14001 Environmental Management System in manufacturing operations
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Use red-eyed bees as natural enemies and light traps to control pests, minimizing the use of plant protection products Use fertilizers from pressmud and boiler's ash, as well as probiotics in sugarcane cultivation, minimizing the use of chemical fertilizers

17 SUSTAINABLE DEVELOPMENT GOALS OF UNITED NATION (continued)

Goal	Vietnam	TTC Bien Hoa
PROSPERITY AND COOPERATION		
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	**100%** of female are guaranteed about benefits and compensation **100%** of female return to work after maternity leave **33%** of BOD members are female **35%** of female employees are middle managers and above **"2x Challenge"** is recognized by DEG - Development Financial Institution owned by the German Government that meets the criteria of the program
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	**VND12,889 billion** of net revenue **VND512 billion** of profit before tax **VND137 billion** of State tax **VND492 billion** of salary and compensation fund for employees
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the global partnership for sustainable development	**28,000 ha** of sugarcane in Laos and Cambodia **150%** of growth in organic sugarcane areas compared to FY 2018-2019 **24 countries and regions** have TTC Bien Hoa's products **2 established financial institutions** one from Germany and one from South Korea, have invested in TTC Bien Hoa in the form of preferred stock and convertible bonds
PROMOTE JUSTICE, PEACE, AND INCLUSIVE GOVERNANCE		
10 REDUCED INEQUALITIES	Reduce income inequality within and among countries	**275 jobs** for Laos workers **200 agricultural extension seminars** in Laos and Cambodia **3 countries** Vietnam, Laos, and Cambodia all have a uniform system of working procedures Unify salary and compensation policy for sales staff nationwide Provide support for employees working in Laos and Cambodia
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	**Every 3 months,** the Company holds periodic dialogue with employees **Once a year,** the Company holds a labor conference

STAKEHOLDERS' ENGAGEMENT

GRI 102-42

IDENTIFYING AND SELECTING STAKEHOLDERS

As the leader in Vietnam's Sugar industry in all aspects, ranging from market share, production capacity, product portfolio to the business network, TTC Bien Hoa has been in reciprocal relationships with a large circle of stakeholders, each of whom plays the role of a keystone for the Company's subsistence, operation, and development.

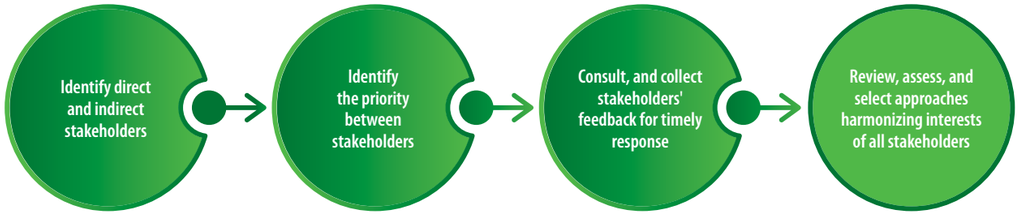
In recent years, the Company has carefully assessed the relationship and the level of interaction with each entity across the key stakeholder groups; and appropriate response measures, code of conduct as well as interaction are introduced therefrom. TTC Bien Hoa has thus adopted various stakeholder engagement approaches consisting of surveys, interviews, feedback, reports, specialized seminars, investor relations event series, etc. for six main groups of stakeholders namely shareholders/investors, customers, farmers, employees, local communities, and authorities/State agencies.



GRI 102-43

APPROACH TO STAKEHOLDER ENGAGEMENT

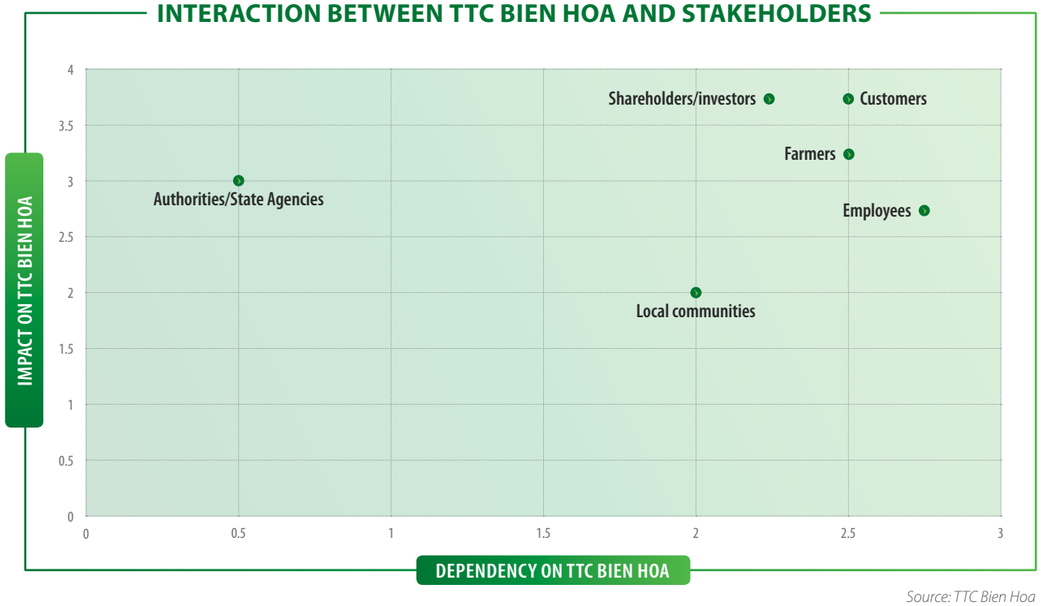
PROCESS OF IDENTIFYING STAKEHOLDERS





Annual General Meeting of shareholders for FY 2018-2019

INTERACTION BETWEEN TTC BIEN HOA AND STAKEHOLDERS

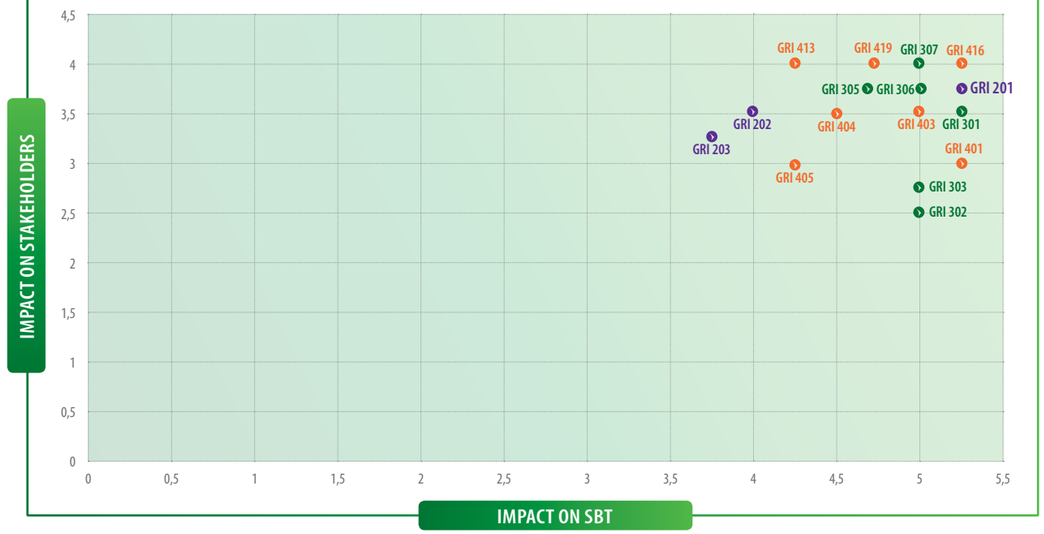


Source: TTC Bien Hoa

PROCESS OF IDENTIFYING STAKEHOLDERS

TTC Bien Hoa operates in the consumer goods industry with production areas and raw material areas residing in 3 countries Vietnam, Laos, and Cambodia. The Company also owns a nationwide distribution system and expands to 24 export markets under a closed-loop process of Raw materials (Sugarcane investment, Sugarcane and equipment procurement, raw material and equipment inspection) - Production (production, finished products inspection, finished products storage) - Consumption (sales, delivery). Such effective management of the Sugar value chain plays a major role in ensuring the stable and sustainable development of the Company. Based on the assessment of the key concerns raised by stakeholders who share the ground with the Company, the Company's sustainable development strategy as well as with the United Nations' 17 sustainable development goals, TTC Bien Hoa has determined a matrix of 13 material topics:

MATERIALITY MATRIX



Source: TTC Bien Hoa



ECONOMIC

GRI 201: Economic performance
GRI 202: Market presence
GRI 203: Indirect economic impacts



ENVIRONMENTAL

GRI 301: Materials
GRI 302: Energy
GRI 303: Water
GRI 305: Emissions
GRI 306: Effluents and waste
GRI 307: Environmental compliance



SOCIAL

GRI 401: Employment
GRI 403: Occupational health and safety
GRI 404: Training and education
GRI 405: Diversity and equal opportunity
GRI 413: Local communities
GRI 416: Customer health and safety
GRI 419: Socio economic compliance

STAKEHOLDERS' ENGAGEMENT (continued)

In order to ensure honesty, transparency, and efficiency in all activities, TTC Bien Hoa has always strived to build and perfect its interaction with stakeholders; thereby granting these parties easy access to voice opinions and harmonizing stakeholders' interests. Ultimately, we aim at fostering a sustainable value chain with a focus on medium- and long-term benefits for the Company and stakeholders.

GRI 102- 44

KEY TOPICS AND CONCERNS RAISED

STAKEHOLDERS	CONCERN	APPROACH	ACHIEVEMENT
SHAREHOLDERS /INVESTORS	• Business results demonstrate sustainable, medium- and long-term development over the year. • The stock market price reflects the internal resources and the potentiality of the Company. • Internal values of the Company see consistent and sustainable growth. • Information disclosure is carried out in compliance with international standards, facilitating the continuity, consistency, transparency, and credibility of the information. • Shareholders are treated equally and their rights are protected. • Governance and Management abilities of the Company's leaders.	• Meet and consult directly and indirectly through GMS or collection of shareholders' written opinions. • Participate in forums, investors meetings organized by domestic and international securitiescompanies, investment funds, financial institutions. • Receive feedback, provide information, and respond to requests via phone, email, annual report, sustainable development report, press release, investor bulletin, FS explanation; update information on business activities, stocks, capital market, and etc.	• Dividend payment: 6% in shares for FY 2016-2017, and 8% in cash for FY 2017-2018. The cash dividend of 5% for FY 2018-2019 is payable in 2020. • 9 well-established reputation ETFs and index owns **2.94%** of SBT shares. • SBT continues to be listed in the VN30 Index and Top 20 VNSI. • Top 10 Vietnam's Best Annual Report in 2019. • Top 10 Enterprise Developing Sustainable Green Economy in 2020. • Sustainable Enterprises in Vietnam in 2019.
CUSTOMERS	• Diverse product portfolio. • Prestige brand name. • Preferential sales policy. • Excellent customer services and after-sales services.	• Meet and exchange information in person with customers. • Conduct customer satisfaction survey and product quality evaluation in 4 main distribution channels. • Work side by side with customers in R&D activities. • Collect customers' feedback via email and phone • Formulate long-term partnership policies with distributors and major customers. • Hold seminars and training courses with the participation of leading manufacturers in quality management. • Organize "Food safety" seminars for customers.	• Domestic market shares saw a continuous increase, to **46%** in FY 2019-2020; global export markets rose to **24**. • The Company signed a partnership contract with ED&FMan, one of the world's top 3 largest Sugar merchants, to export organic Sugar to Europe. • The Company was Vietnam's first Sugar exporter to the US and Europe. • The portfolio is characterized by more than **63 Sugar products** and **9 By- products**. • **Top 50** Vietnam Leading Brands in 2019 and 2020. • **Top 10** Prestigious Food Companies in 2019. • **Honoree of the Vietnamese High-quality Goods 2020 awards** by consumers voted.
FARMERS	• Offtake agreements. • Stabilize procurement policies. • Commitment to the minimum purchase price. • Compliance with provisions of the agreement. • Support in farming techniques, technology transfer, and mechanization. • Easy access to the latest information and trends in the Sugar industry, both in Vietnam and in the world.	• Adopt minimum purchase commitment policies appropriate to each period, also avoid the situation where great yield is affected by low market prices. • For farming staff: Regularly conduct surveys and ensure effective communication through two-way feedback. • Foster direct discussion between farmers and the BOM/Farm Managers, R&D Department, Company's factories. • Organize seminars, training courses, and guidance programs for farmers. • Hold end-of-season review meetings.	• **30 seminars** "Join forces with TTC Sugar to elevate Vietnamese Sugarcane" were organized, facilitating more than **1,000 farmers**. • The purchase price was offered at a higher price than the national average, with a rise of **14%** in the purchase price in FY 2019-2020, compared to last year. • The Company signed a cooperation agreement with OCB to offer various loan options with low-interest rates. The total value of disbursement granted to farmers in FY 2019-2020 was about **VND264 billion** including VND14 billion worth of non-refundable subsidies. • Farmers were provided means to buy good quality sugarcane varieties, fertilizers, machinery, and equipment, etc. at a low cost. • Farmers were provided comprehensive mechanization from soil preparation, fertilizing to harvesting. • The Company helped farmers update current knowledge, develop their skills and competency to apply advanced technology into their works. • The Company carried out and transferred the scientific applications on sugarcane to farmers at Sugarcane R&D Center. • The Company provided farmers John Deere equipment and maintenance services via its 3S center.

GRI 102-44

KEY TOPICS AND CONCERNS RAISED

STAKEHOLDERS	CONCERN	APPROACH	ACHIEVEMENT
EMPLOYEES	▸ Professional and dynamic working environment. ▸ Guaranteed occupational health and safety. ▸ Competitive compensation and welfare policy. ▸ Appropriate training programs to upgrade skills and knowledge ▸ Promotion opportunities. ▸ Succession training	▸ Provide internal training, regularly engage experts in coaching teams in order to enhance Corporate Governance knowledge and skills, competence, working experience, and soft skills. ▸ Offer new employees onboarding programs, and basic to intensive training. ▸ Issue appropriate compensation and welfare policy as well as continue to research, update, and develop welfare policy in order to improve employees' material and spiritual well-being. ▸ Conduct Employee Satisfaction survey on working environment and compensation and welfare policy. ▸ Collect employee feedback via phone, email, and social network. ▸ Hold internal contests to identify and nurture talents across working areas.	▸ Salary and welfare policy, remuneration policy, emulation and commendation regulation etc. were updated in a transparent manner, helping employees enjoy a stable life. ▸ Employees were provided with **396 training courses** to broaden knowledge and sharpen professional skills. The total cost of training in FY 2019-2020 was above **VND10 billion**. ▸ The Company helped employees build a clear career path. In FY 2019-2020, 248 employees received promotion. ▸ Working conditions were safe. In FY 2019-2020, no violations against occupational health and safety occurred.
LOCAL COMMUNITIES	▸ Developed local economy. ▸ Employment opportunities. ▸ Increased income for local laborers. ▸ Corporate social responsibility. ▸ Local development. ▸ Nature and living environment protection.	▸ Collaborate with local authorities in sponsorship activities dedicated to the communities where accommodate the company's establishments. ▸ Boost activities orienting towards local development, community health, social security, etc. ▸ Participate in voluntary activities held in localities where the Company operates or invests. ▸ Prioritize recruiting local laborers, and offer training courses - scholarships - internship programs: improving local laborers' income and competence ▸ Deploy mechanization roadmap, provide machinery and equipment to farmers: ensuring job security for local laborers. ▸ Implement environmental protection programs.	▸ **Top 20** Listed Companies in VNSI 20 Index - HOSE. ▸ Asia Best CSR Practices awards. ▸ **Top 10** National Green Environment Brands. ▸ Donated **VND2,2 billion** to voluntary activities. ▸ Created **2,868** local jobs.
AUTHORITIES/ STATE AGENCIES	▸ Strict compliance with the law. ▸ Business activities are carried out in a manner that respects consumers' health, environment, and society. ▸ Support for the State's policies and programs.	▸ Fulfill all legal obligations: taxation, insurance, occupational health and safety, food safety, etc. ▸ Assume the role and responsibility of an industry-leading company by participating in activities launched by the Sugarcane Association: providing insights into the making of industry policy, fighting against sugarcane smuggling, and making efforts in formulating the development strategies for Vietnam's Sugar industry. ▸ Voice opinions on drafted legislation related to the Company's activities, agriculture, and other relevant operations. ▸ Discuss with State Agencies to have a better mutual understanding and solve existing problems/ difficulties. ▸ Participate in activities and programs initiated by State Agencies in order to support the community and society.	▸ No violations against the law, environment protection, or social commitment. ▸ The Company contributed to the making of industry policy, the fight against sugarcane smuggling, and the formulation of the development strategy for Vietnam's Sugar industry. ▸ Proactively following the Sustainable Development policies. ▸ Thousands of jobs were created for local laborers, helping improve the local economy. ▸ The Company paid nearly **VND137 billion** of corporate income tax.

ECONOMIC TOPIC



KEY TOPIC

The key objectives related to economic performance that TTC Bien Hoa follows in FY 2019-2020 and the following years include:

- Complete sugarcane value chain, providing customers with green energy solutions generated from clean production, increasing revenue and profits for the Company
- Build a digital foundation to reduce costs and optimize operational efficiency
- Fulfill all economic obligations to the State
- Manage finance according to international standard, allocating budget effectively to increase profitability of the Company, shareholders and investors
- Ensure employees' and farmers' income is higher than the industry average, contributing to their stability.

MANAGEMENT APPROACH

TTC Bien Hoa's long-term development strategies are fixated on generating long-term benefits to shareholders/investors, customers, farmers, employees, communities, and authorities.

In FY 2019-2020, aspects below were TTC Bien Hoa's key focus of management:

- Sustain growth and development
- Provide customers with the best energy solutions
- Create jobs and stable income for farmers
- Develop an appropriate salary and welfare policy for employees
- Develop local economy
- Fulfill legal obligations
- Create added value for stakeholders

GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

REVENUE

While Vietnam's Sugar industry struggled with cyclical challenges, TTC Bien Hoa reported achievements beyond the set target, including a rise in market share from 42% in the previous FY to 46% in FY 2019-2020.

SUGAR WAS STILL THE MAIN CONTRIBUTOR TO REVENUE
93%
UP 27% YOY

REVENUE FROM MOLASSES
312
BILLION VND
UP 3% YOY

REVENUE FROM ELECTRICITY
167
BILLION VND
ACCOUNTING FOR 1.3% OF REVENUE STRUCTURE

An increase of 19% in net revenue to VND12,889 billion. 5-year CAGR for net revenue hits 34% and promises strong stability in years to come due to the Company's relentless efforts to maximize revenue across various major projects. The rooftop solar power project, in FY 2019-2020, generated a total capacity of 22MWp in the entire Company. The liquid Sugar project, which was just completed and launched in April 2020, already had 200,000 tons of finished products exported to China. Together with other technology improvement projects aiming to reduce costs and enhance production productivity, these projects were carried out with the mission of turning TTC Bien Hoa into "Indochina's leading solution provider of traceable and sustainable agricultural products".

In FY 2019-2020, Sugar was still the main contributor to revenue, comprising 93%, or VND12,003 billion, up 27% YoY. Gross profit rocketed to VND1,455 billion, up 67% YoY. Besides, revenue from Sugar By-products increased remarkably. For example, revenue from molasses hit VND312 billion, up 3% YoY, thanks to the expansion of export markets; revenue from electricity ended up VND167 billion, accounting for 1.3% of revenue structure, thanks to impressive re-usage of waste, namely bagasse, and rooftop solar power system in the Company's factories. From TTC Bien Hoa's point of view, success in finding an endless alternative energy source to reduce the electricity burden and protect the ecological environment is synonymous with the Company's contribution to the sustainable goal of Vietnam's Agriculture. This also helps the Company maximize revenue, reduce production costs, and increase competitiveness at the time of international integration.

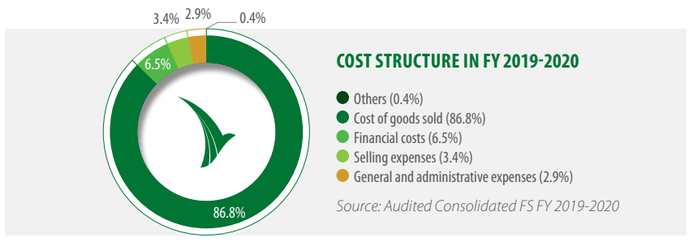
OPERATING COSTS

In FY 2019-2020, TTC Bien Hoa centered the business orientation on streamlining organization structure and building strong financial well-being.

REVENUE FROM SUGAR
12,003
BILLION VND
UP 27% YOY

TTC Bien Hoa controlled cost well, cost spend was optimized while the target's implementation was still ensured. As a result, the cost of goods sold in FY hit VND11,434 billion, up 15% YoY, but its increase was still lower than that of revenue, 41% YoY.

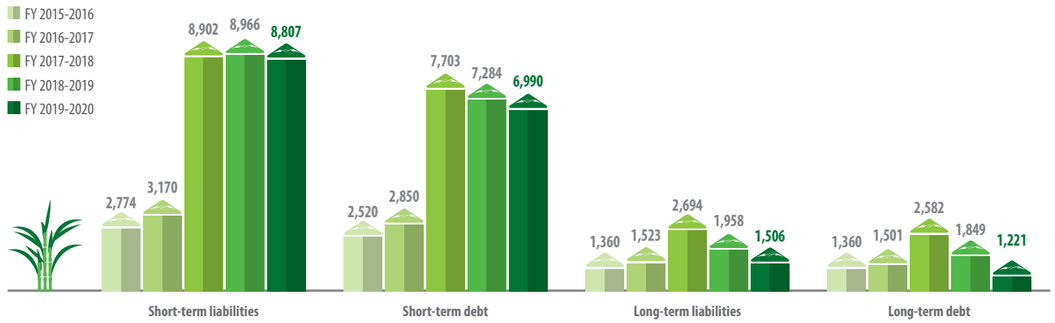
General & administrative (G&A) expenses as well as selling expenses were both better controlled. G&A expenses dropped by 15% YoY and the G&A expenses/net revenue ratio also shrank by 28%. Besides, while Sugar consumption increased by 41%, selling expenses/net revenue reduced by 6% YoY. These cost-reduction efforts would lay the basis for the Company's competitiveness when it comes to the competition with other regional businesses after ATIGA.



PAYMENTS TO PROVIDERS OF CAPITAL

In line with the roadmap to optimally restructure capital sources, in FY 2019-2020, TTC Bien Hoa's debt structure continued to head towards positivity. Liabilities dropped by 4% due to the decrease of short-term debt by 5% and long-term debt by 23% YoY, thereby lessening the financial leverage burden and interest expenses. This applied to the long-term development goals of the Company and the guidelines of the leaders.

TTC Bien Hoa's liabilities over the years (Unit: billion VND)



Source: Audited Consolidated FS from FY 2015-2016 to FY 2019-2020

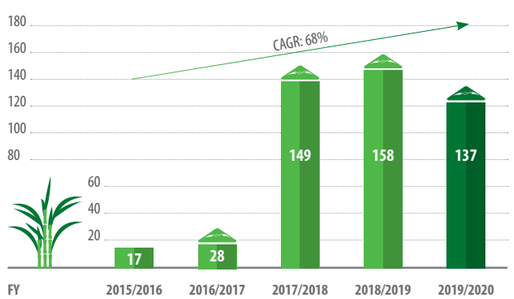
When it comes to equity issuance, stakeholders shall include shareholders and strategic investors. To ensure shareholders' benefits, SBT approved 5% dividend payments for FY 2018-2019 in cash, or VND293billion, on October 7th, 2020. In the last 12 years, the Company has always paid dividends to shareholders in cash or by shares in due time, in which cash dividends dominate with 10/12 times. As of preferred stocks, investors receive preferred dividends in 6.5 years, with a fixed annual dividend of 5.5% for the first 1.5 years. Then, the payment would depend upon the agreement between SBT and investors.

PAYMENTS TO GOVERNMENT

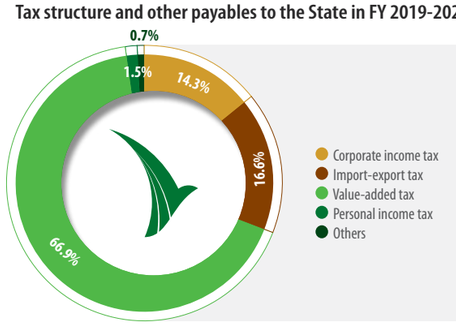
Over the years, TTC Bien Hoa has always made a positive contribution to the development of the community and society with the motto "Community-led local development".

Tax payment is the Company's right and obligation. This is not only the responsibility that requires compliance, but also the meaningful contribution to the growth of the country as a whole and the localities where TTC Bien Hoa runs its business. The unceasing development in the Company's size has resulted in an increase in tax payable. In FY 2019-2020, the current corporate income tax reported VND137 billion, consistent with compound growth of 68% in the period from FY 2015-2016 to FY 2019-2020, and aligned with the revenue growth rate during the process of business expansion. Taxes and other payables in FY 2019-2020 totaled VND955 billion.

Current corporate income tax (Unit: billion VND)



Tax structure and other payables to the State in FY 2019-2020



Source: Audited Consolidated FS from FY 2015-2016 to FY 2019-2020

GRI 201-2

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE



Climate change is posing tremendous challenges for all countries, especially those with nature-dependent agriculture like Vietnam. As a leading company in the Sugar industry, TTC Bien Hoa actively controls and informs management plans to minimize weather impacts on the operations. In FY 2019-2020, the Company carried out a variety of solutions to respond to emergency situations, including environment-related incidents such as natural disasters, epidemics, etc.

Name	Economic implications due to risks/ opportunities	Financial impacts before applying management measures	Risks/opportunities management measures
RISK			
Storm	Sugarcane collapse, quality reduction, and harvesting cost increase, high sugarcane loss	CCS from falling sugarcane would drops by at least 0.5CCS, increasing harvesting costs by 10-20%	▸ Plant sugarcane deeply enough to reduce the fall rate ▸ For windy and stormy weather areas, choose varieties resistant to falling
Flooding	Sugarcane dying, productivity reduction	Yield reduces by 20-25% in heavily flooded areas	▸ Choose flood-resistant varieties ▸ Dredge over 14km of main ditches in Thanh Long 1 Farm, with a total cost of VND220 million. The ditches are currently draining water well
Drought (El Nino)	Sugarcane productivity reduction	Productivity reduced by 30-50%, especially in the Central Coast region of Vietnam	▸ Choose drought-resistant varieties for high lands and Central regions ▸ Apply deep plowing to help sugarcane overcome drought ▸ Apply irrigation methods such as overflow irrigation, mobile or fixed spray irrigation, drip irrigation, underground watering, spray gun irrigation, etc. Consider the conditions and size of the material areas to choose the most economical and efficient methods
OPPORTUNITY			
Flooding and drought	Competition between sugarcane and other crops	Sugarcane has better tolerance than other short-term crops under flooding and drought conditions. Therefore, in areas prone to flooding and drought, sugarcane has a competitive advantage, suitable for the strategies of raw material area expansion	▸ Invest in areas of poor conditions with solutions mentioned in the risk part, helping stabilize raw material areas ▸ In lands blessed with a favorable climate, increase intensive farming to raise productivity, and maximize farmer's profits

Source: TTC Bien Hoa

GRI 201-4

FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT

In line with the Government's agriculture orientation, on June 22nd, 2015, the Ministry of Finance issued Circular no. 96/2015/TT-BTC, allowing the companies like TTC Bien Hoa to enjoy the preferred CIT of 10% on the revenue earned from Sugar production and business. Subsidiaries are also obliged to pay CIT at the rate of 10% to the common tax rate on taxable income. These subsidiaries are also entitled to the CIT's exemption and reduction in accordance with respective business licenses and the applicable tax laws. This is viewed as active support from the Government to the Sugar industry against Thailand's competition.



KEY TOPIC

Over the years, TTC Bien Hoa has always focused on employees' working conditions and salary as well as welfare policies. This aims to sustain competitiveness and fairness and show the Company's resolution to eliminate the income inequality between male and female employees.

The Company's employees always enjoy an entry level salary higher than the local minimum salary, which promotes stability in their income.

The Company seeks to contribute to the local development and welfare as well as help the State resolve labor problems.

MANAGEMENT APPROACH

Apply and maintain competitive salary policies in order to ensure the salary level is in proportion with one's position, education, experience, and contribution.

Focus on increasing total income competitiveness in the market and will adjust as soon as there are government changes.

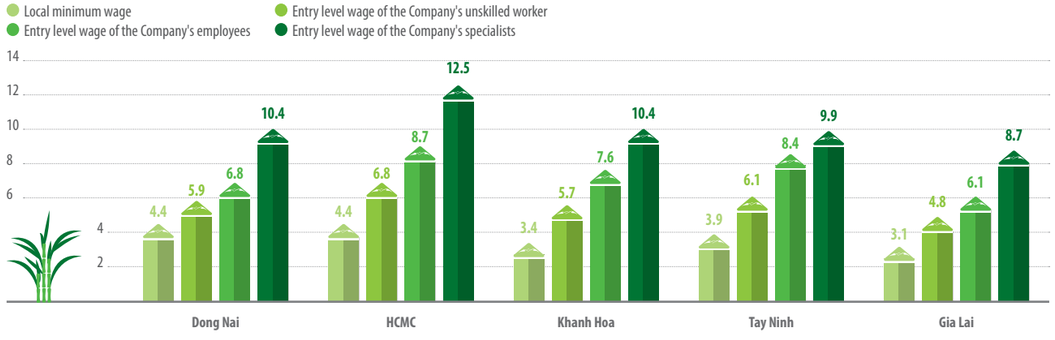
Conduct annual evaluation and determine salary increase based on the Company's business results and each employee's working performance in order to create motivation, increase engagement between the employees and the Company as well as promote working productivity.

GRI 202-1

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE

Aiming at ensuring a healthy life and welfare enhancement for all people of all ages, the Company upholds a policy of creating stable jobs for local laborers. The employees, from unskilled workers to specialists, all enjoy an entry level wage higher than the local minimum wage, which promotes stability in their income. The difference between the income of TTC Bien Hoa's employees with the local minimum wage is from 34% to 203% depending on the location and region. In FY 2019-2020, the entry level wage in TTC Bien Hoa increased by nearly 40% compared to FY 2018-2019.

Local minimum wage and entry level wage of the Company's employees (Unit: million VND)



Note: Above income does not include other non-cash benefits, for example, entertainment, group activities, the Company's parties, gifts, etc.
Source: TTC Bien Hoa



ELEVATE SUGARCANE
DEVELOP VIETNAM'S AGRICULTURE

TTC BIEN HOA CURRENTLY CREATES JOBS FOR

2,868
EMPLOYEES

6,721
SUGARCANE SMALLHOLDERS

LOCAL ECONOMIC DEVELOPMENT

In order to realize the mission "Elevate sugarcane - Develop Vietnam's agriculture", TTC Bien Hoa spares no effort to provide consumers with green, clean, and high-quality agricultural products. Besides, the Company's farming staff always accompany and work side by side with farmers. The Company's key policies are to follow committed purchasing prices, share difficulties, and promptly provide farmers with financial and technical assistance. As a result, the farmers always enjoy bumper crops and see improvements in their lives.

As a large-scale business with a presence in numerous localities, TTC Bien Hoa currently creates jobs for 2,868 employees and 6,721 sugarcane smallholders. In particular, local laborers account for 93% of the total number of employees in the entire Company, demonstrating TTC Bien Hoa's contribution to the State's effort to resolve labor problems. The Company also extends unified salary and welfare policies to sales staff nationwide.





VIETNAM'S SUGAR INDUSTRY ELEVATION

In order to enhance sugarcane productivity and quality in raw material areas, and contribute to the breakthrough step of the agriculture sector in general and Vietnam's Sugar industry in particular, TTC Bien Hoa launched and implemented the campaign "Join forces with TTC Bien Hoa to elevate Vietnamese sugarcane" in 4 main sugarcane growing regions, namely Tay Ninh, Gia Lai, Ninh Hoa, and Phan Rang. The campaign attracted more than 1,000 farmers, helping change their farming thinking and enhance sugarcane productivity.

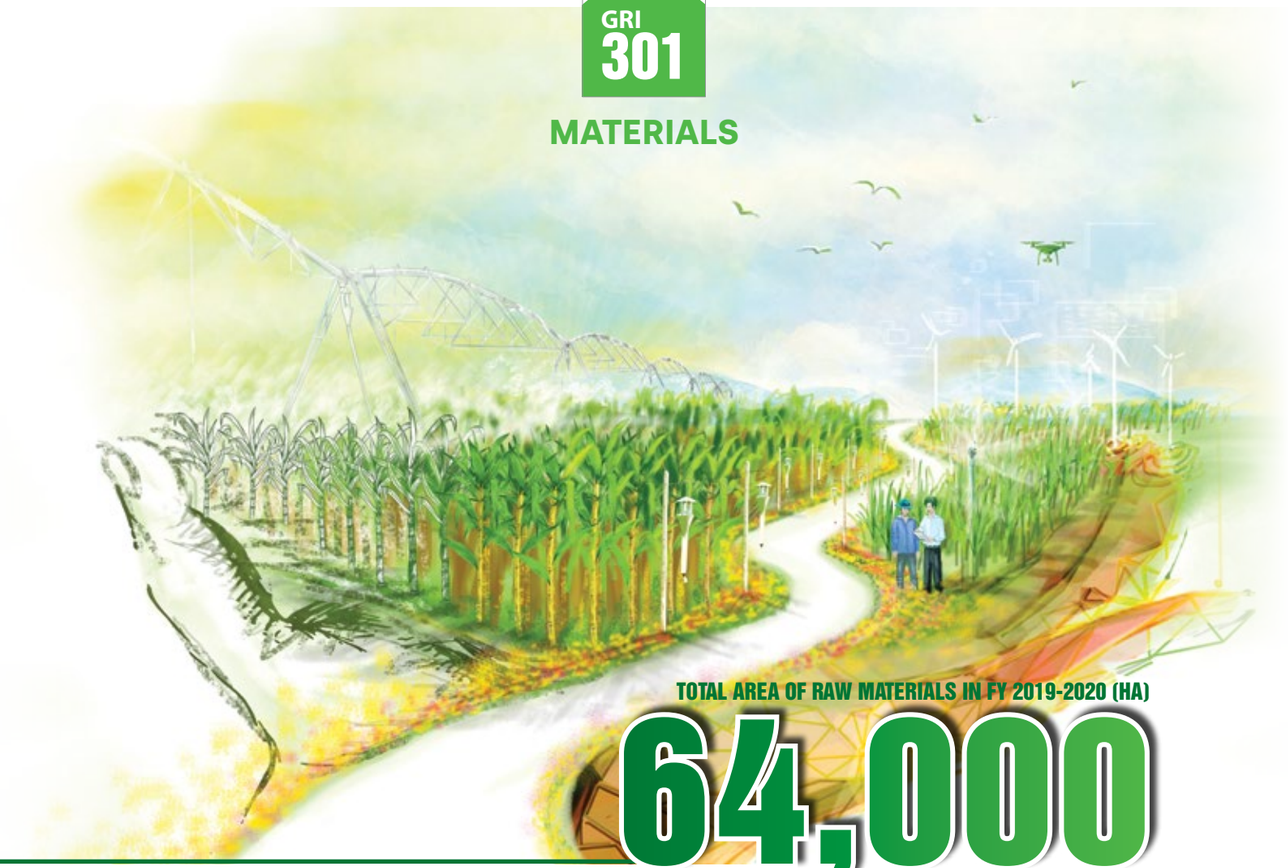
The campaign hit the road in June 2020 in order to transfer advanced scientific and technical solutions in sugarcane planting and care to each and every farmer, with the help of the Company's farming staff. There was an abundance of activities organized throughout 30 seminars, including deep plowing and drip irrigation, agricultural extension models, technology transfer - sugarcane seedling planting techniques and moisturizing gel in root cane care, the process of planting and growing sugarcane in holes, etc. During the campaign, TTC Bien Hoa introduced and put into use many sugarcane-specialized products such as Root Booster, Grow Booter, CCS Booster, etc. to help increase sugarcane productivity by 15% and CCS by 0.5CCS. At the same time, the Company also covered 50% of product costs for over 700 ha with a total cost of VND637 million, boosting farmers' confidence in advanced techniques applications in sugarcane farming.

ENVIRONMENTAL TOPIC

Environmental

GRI 301

MATERIALS



TOTAL AREA OF RAW MATERIALS IN FY 2019-2020 (HA)

64,000

INCLUDING OWNED FARMS AND CONTRACTED FARMS.

KEY TOPIC

TTC Bien Hoa is characterized by its Sugar products and By-products, hence the high and constant demand for sugarcane and raw Sugar. For that reason, an effective governance and management system is required, to ensure productivity and quality, minimize disruptions produced, and control costs.

MANAGEMENT APPROACH

TTC Bien Hoa developed the Smartlab software to manage its input materials. This provides an effective online channel that allows users to access data from anywhere and facilitates the supervision and management of the process. In addition, information and progress on raw materials are also regularly updated to the leaders via:

- Daily report
- Weekly production meeting at the factory
- Monthly meeting to adjust the production plan in the scope of the corporation. This aims to optimize raw material inventory, enhance the production capacity, and ensure timely supply of input materials for production.

GRI 301-1 — MATERIALS USED BY WEIGHT OR VOLUME

Sugarcane and raw Sugar are the most important raw materials in the Sugar manufacturing industry. As one of Vietnam's leading Sugar producers and traders, TTC Bien Hoa, as one in a limited number of companies, is known not only for its ability to crush sugarcane and produce Sugar, but also for its capacity to refine raw Sugar, helping to facilitate Sugar-refining off-season, and optimize sugarcane factories' operation.



SUGARCANE

TTC Bien Hoa currently owns 9 refineries with a total crushing capacity of 37,500 tons sugarcane/day and a total production capacity of 4,250 tons Sugar/day. These boost TTC Bien Hoa confidence in its policy of expanding raw material area and gain better control of the input materials. In FY 2019-2020, the Company has nearly 64,000 ha in the total area of raw materials, including owned farms and contracted farms.

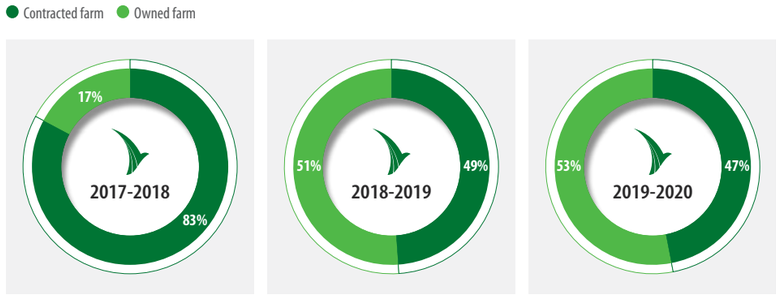
9
REFINERIES

TOTAL CRUSHING CAPACITY
37,500
TONS SUGARCANE/DAY

TOTAL PRODUCTION CAPACITY
4,250
TONS SUGAR/DAY

The structure of owned farms and contracted farms has undergone plenty of changes over the last 3 crop years, demonstrating TTC Bien Hoa's vision for future growth. Accordingly, the Company resolves to gain more control over the usage of raw material areas, steadily reducing reliance on contracted farms and increasing the percentage of owned farms. This aims to increase operational efficiency and independence of land use.

Structure of raw material areas in the recent 3 years in TTC Bien Hoa



Source: TTC Bien Hoa



RAW SUGAR

FY 2019-2020 marks the first time TTC Bien Hoa conquered 1 million tons milestone. Also in this year, TTC Bien Hoa saw an increase of 46% in market share, and 212% in the export channel (YoY). In order to meet the demand of the domestic and international markets, the Company flexibly refines off-season raw Sugar. 4 out of 9 refineries are capable of producing raw Sugar, the 3 large ones of which are TTCS, Bien Hoa - Dong Nai, and Bien Hoa - Ninh Hoa. Bien Hoa - Dong Nai stands out as the only refinery that manages to refine Sugar year-round with a capacity of 400 tons per day. As a result, the Company gains better control of input materials, increasing refining time, and maximizing machine productivity. Raw Sugar is largely produced from sugarcane. Therefore, in addition to improving production capacity, the Company also strives to work side by side with the farmers, demonstrating the Company's long-term social responsibility in localities where TTC Bien Hoa runs its raw material areas.

GRI 301-2 — RECYCLED INPUT MATERIALS USED



As a multi-purpose crop, sugarcane, from stem to top, can find ways into production. Besides the main product which is Sugar, sugarcane value goes through the roof when By-products are used as molasses - to produce animal feed, alcohol, ethanol, etc., and as bagasse - to fuel Sugar refining. Burning bagasse also generates electricity, providing energy for operation of factories. Sugarcane leaves and tops, boiler's ash, and pressmud are also reused to make microbial fertilizers. TTC Bien Hoa has invigoratingly exploited the entire cycle by making strong investments in plenty of projects of utmost importance. This aims to increase the proportion of Sugar By-products, diversify the product value chain from sugarcane, boost profits up to 3-4 times compared to the option in which Sugar is the sole product, and especially, contribute to environmental protection.

Model of waste reuse in the Sugar production process at TTC Bien Hoa



Source: TTC Bien Hoa

PRODUCTS PRODUCED FROM BY-PRODUCTS AND WASTES OF THE SUGAR INDUSTRY IN FY 2019-2020

PRODUCT		RESULT IN FY 2019-2020
Sugarcane-flavored bottled water	Miaqua Bottled water is a special product, extracted during sugarcane condensation and distillation, thereby, preserving the pleasant sweetness of sugarcane.	**Over 1.4 million liters** of Miaqua bottled water was generated from the evaporation of sugarcane juice during Sugar refining.
Bagasse	Bagasse is a by-product created from sugarcane production, after the juice extraction stage. This can be used as a fuel source for boilers and as raw material for the production of mushroom, paper, organic fertilizer, animal feeds, etc.	**Over 1 million tons** of bagasse was reproduced, minimizing waste discharged to the environment.
Commercial electricity	In order to optimize the sugarcane value chain, most of the bagasse after being discharged iscollected and brought to the boilers. In the boilers, bagasse would be burnt to create heat sources for producing Sugar and generating electricity used in factories or sold to the national grid.	Commercial electricity output of the entire company reached **over 150 million MWh**.
Molasses	Molasses is a by-product of the Sugar industry. The production process will produce Sugar crystals and molasses. Sugar crystals are separated and molasses continues to be concentrated. After about 3 times of concentration, it is almost impossible to crystalize more Sugar by conventional techniques, the remaining liquid is molasses.	The molasses/ton of sugarcane ratio was well-maintained, contributing to the better recovery of Sugar.
Caramel	The raw material for Bep Xua caramel production is molasses - the by-product extracted from Sugar concentration. Caramel helps increase the sugarcane value chain and serves the new demand of consumers.	Nearly **60,000 bottles** of caramel were consumed, promising a better growth in upcoming years.
Organic fertilizer	Microbial organic fertilizer was produced from the waste of Sugar products (ash, pressmud dregs, raw pressmud), applying microbiological technology that uses microorganisms in Trichoderma-based preparations to convert the organic components in sugarcane mud into humus. The product was supplemented with micronutrients (Bo, Mg, Zn ...) to increase its quality, thereby, being of service to crops.	Nearly **9,000 tons** of fertilizer were produced with the quality better than standard.

Source: TTC Bien Hoa



KEY TOPIC

Economic development, at its current pace, is facing climate change and scarcity of natural resources.

Its negative impact has challenged businesses with a question that requires utmost attention - how to control energy use effectively. TTC Bien Hoa finds itself in huge demand for energy. Therefore, the Company always ensures the selected fuels are sustainable, effective, and safe, helping to lessen greenhouse gas emission and its impact on the environment.

MANAGEMENT APPROACH

In FY 2019-2020, TTC Bien Hoa started to manage energy issues through ERP integration software, ensuring periodic energy reports (daily, weekly, monthly, after each crop, etc.) and face-to-face meetings (weekly, monthly, quarterly, etc.) are regularly updated to the leaders. The Production Engineering department periodically inspects and evaluates performance data from previous FYs, then proposes improvement methods based on this year's crop characteristics and production needs.

GRI 302-1 — ENERGY CONSUMPTION WITHIN THE ORGANIZATION

ENERGY FROM NON-RENEWABLE SOURCES WENT DOWN

84%

An increase in market shares means an increase in production activities in an attempt to satisfy market demands. Though in need of energy diversity to sustain production, but it isn't mean that the Company ignores the stage of the input energy selection. The Company highlights the importance of renewable energy with little or zero environmental impact. In FY 2019-2020, the total consumption of energy from non-renewable sources went down sharply by 84%, with a 45% decrease in energy consumption from the national grid, in comparison to the previous year. Notably, the total energy consumption from other sources such as renewable biomass rose by 134%, demonstrating good control of the plan developed based on environmental concerns.

Consumed energy sources		Difference between FY 2019-2020/FY 2018-2019 (%)
(1)	Total consumption of energy from non-renewable sources (oil, gas, coal, etc.)	(84)
(2)	Total consumption of energy from the national grid	(45)
(3)	Total consumption of energy from other sources such as renewable biomass power generated sources from bagasse, sawdust, rice husks, etc.	134
(4)	Total consumption of energy produced by the company for its own use (including solar, wind power, etc.)	14
(5)	Total energy sold by the Company	(4.5)
(6)	**Total energy consumption (1) + (2) + (3) + (4) - (5)**	**(88)**

Source: TTC Bien Hoa

GRI 302-4 — REDUCTION OF ENERGY CONSUMPTION



Sugar refining system using biomass fuel at Bien Hoa factory - Ninh Hoa

Currently, 100% of the Company's factories are covered with rooftop solar to leverage clean energy and save operating costs.

IN FY 2019-2020

BY ESTIMATES, THE COMPANY SAVED

12 million kWh

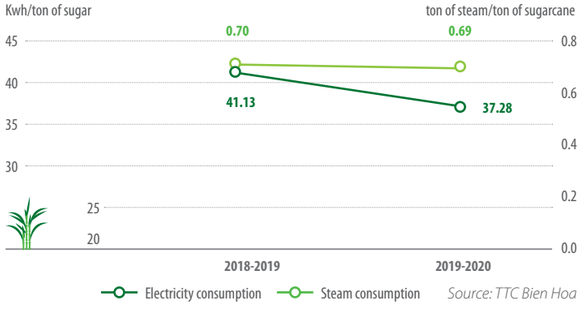
OR ABOUT

28 Billion VND

In FY 2019-2020, by estimates, the company saved 12 million kWh, or about VND28 billion. In the upcoming FYs, the Company shall continue to increase the proportion of this energy source in an attempt to reduce production costs and enhance competitiveness.

In addition to rooftop solar installation, the Company also executes other projects to dry bagasse, save steam, and improve the carbonization system in order to minimize energy consumption. At TTC Bien Hoa's factories, all high-pressure steam is replaced by the jet condenser. As a result, the steam consumption during the Sugar crushing process reduced from 0.7 to 0.69 tons of steam/ton of sugarcane. The Company plans to continue the research and install more equipment to the production line, aiming to reduce the factories' steam consumption to 0.42 tons of steam/ton of sugarcane in FY 2020-2021. Electricity consumption also declined from 41.13 to 37.28 Kwh/ton of sugarcane compared with FY 2018-2019.

Rate of electricity and steam consumption at TTC Bien Hoa's factories



Source: TTC Bien Hoa



KEY TOPIC

Water is one human's fundamental need, which means water quality is fundamental to community health and ambient environment. For that reason, TTC Bien Hoa always emphasizes the importance of ensuring input water quality by sources, recycling and reusing water, and treating wastewater prior to discharge.

MANAGEMENT APPROACH

With cost-effective water usage in mind, the Company manages water and wastewater by dividing water by its intended use:

- Water used to create the pressure vacuum in the production process, of which the source is the surface water of canals, rivers, streams, wells, clean water discharged from the sewage treatment system
- Water used for technology, of which the source is the juice extracted from sugarcane
- Water used to clean factories and equipment, of which the source is the surface water of canals, rivers, streams, wells, clean water discharged from the sewage treatment system
- Domestic water from tap and wells

GRI 303-1 — WATER WITHDRAWAL BY SOURCES

TTC Bien Hoa always conforms to Vietnamese law on the usage of water resources and adopt numerous technological measures to reduce the amount of water used. The Company issued the guidelines for water sources control, aiming to bring water sources, distribution, and storage systems under control, as well as propose control and treatment measures when water sources are detected as non-quality. Water in direct contact with products complies with the regulations on potable water as prescribed in National Technical Regulation QCVN 1-2019/BYT. Filtering equipment, containers, pipes, valves at workshops must be regularly inspected and cleaned as well as immediately repaired if any problem occurs.

Total volume of water withdrawal by sources

Description	2018-2019		2019-2020		Difference 2019-2020/2018-2019
	Water volume (m^3)	Percentage	Water volume (m^3)	Percentage	Water volume (m^3)
Surface water (rivers, streams, ponds, lakes, etc.)	22,189,225	89%	24,793,925	82.7%	2,604,700
Ground water	144,386	0.6%	3,253,298	10.8%	3,108,912
Urban water	345,111	1.4%	293,826	1%	-51,285
Tap water	2,229,080	9%	1,650,120	5.5%	-578,960
Total	**24,907,802**	**100%**	**29,991,169**	**100%**	**5,083,367**

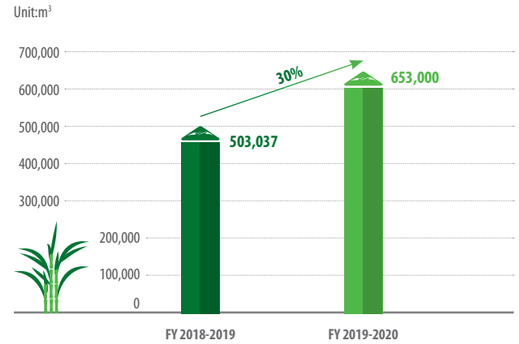
Note: Data was collected from the monthly volumetric flow meter at TTC Bien Hoa

Source: TTC Bien Hoa

GRI 303-3 — WATER RECYCLED AND REUSED

Water discharged from production after passing the cooling system will reach a high temperature range which is 50°C - 52°C. This amount of water is no longer usable and then must be discarded to the environment. The system has to rely on water purchased from external suppliers to retain the cooling operation. In order to save water and reuse water from the cooling system, the Company invested in a cooling tower system. This helps cool water temperature down to about 35°C - 38°C and circulate used water, thereby cutting down the amount of purchased water and saving costs. According to the general assessment, this system saves about 73% of the costs used to buy water from external suppliers. In FY 2019-2020, the Company reused a significant amount of water, up 30% to 653,000 m^3. The trend of water reuse is increasingly, interprets the Company's responsibility and awareness for the sustainable development of the community and society.

Water reused at TTC Bien Hoa's factories



Source: TTC Bien Hoa



KEY TOPIC

TTC Bien Hoa is a manufacturing company, and therefore it is assessed in terms of handling emissions, in other words, its responsibility in lessening the greenhouse effect. The Company is now tightly controlling the emissions for an environmentally and community-friendly production process. Most emissions generated during production are utilized through realistic projects aimed at the use of clean fuels and the removal of hazardous pollutants as well as through internal environmental safety regulations.

MANAGEMENT APPROACH

Currently, the Company uses online software to manage observed data of boiler flue gas automatically and continuously. All the Company's factories have installed an emissions treatment system complying with National Technical Regulations QCVN 19:2009/BTNMT on industrial emissions of inorganic substances and dust as well as other provisions of Law on Environment. Besides, in order to supervise emissions quality, the factories are also equipped with an emissions monitoring system in accordance with the Circular 24:2017/BTNMT on environmental monitoring techniques. Observed data is sent directly to each locality's department of Natural Resources and Environment. In FY 2019-2020, the Company had good management of emissions and no violation was found.

GRI 305-1 — DIRECT GREENHOUSE GAS EMISSIONS

Across its factories, bagasse and biomass are used in boilers instead of coal, remarkably reducing greenhouse gas emissions. On the other hand, the Company's current Sugar refining process adopts carbonation technology, in which CO_2 and lime are used to eliminate impurities. As a result, the majority of CO_2 generated from boilers during the burning process will be collected and reused in the production. It is estimated that the collection rate would be about 9-12% of the total amount of emissions.



KEY TOPIC

Population expansion coupled with urbanization and industrialization has put great pressure on Vietnam's environment and water resources. Population growth leads to an increase in effluents and waste. As a manufacturing company, TTC Bien Hoa attaches great importance to environmental protection in the form of practical actions. The Company resolves to reuse wastes generated during the production to protect the environment, increase product value, and decrease product costs. At the same time, the company manages effluents and waste by calculating total effluents by quality and destination, and total wastes by type and disposal method.

MANAGEMENT APPROACH

TTC Bien Hoa sets out KPIs for waste management and conducts internal assessment once a year. In the last FY, no violation regarding waste and effluent management was found. The Company manages effluents and waste by these following regulations:

- For effluents: Effluent treatment system complies with the current regulatory standards according to Vietnam regulation 40:2011/BTNMT
- For waste: The Company handles the waste issues through Environmental Management System ISO 14001:2015, ensuring the waste discharged to the environment satisfies the committed environmental standards.

GRI 306-1 — WASTE DISCHARGE BY QUALITY AND DESTINATION

TTC Bien Hoa's wastewater treatment system is managed and operated in accordance with Vietnam regulation 40:2011/BTNMT, therefore wastewater quality always meets the regulatory standards. After the treatment process, the treated wastewater will be reused in production and sugarcane irrigation, saving costs for the Company and protecting the water resources. In FY 2019-2020, the volume of wastewater discharged from TTC Bien Hoa's factories reduced significantly compared to previous FYs.

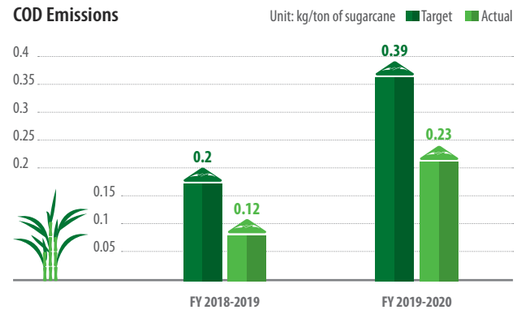
Total volume of wastewater by quality and destination in FY 2019-2020

Place of discharge		Wastewater volume (m^3)			Treatment method	Water discharge quality	Wastewater reused by other organizations
Factory	Location	FY 2018-2019	FY 2019-2020	%			
TTCS	Tay Ninh	416,075	521,583	25	Biological method incorporating physical and chemical method	Column A, QCVN 40:2011/BTNMT	
Bien Hoa - Phan Rang	Ninh Thuan	8,789	7,274	(17)		Column A, QCVN 40:2011/BTNMT	Treated wastewater is reused to create pressure vacuum in the factories
Bien Hoa - Ninh Hoa	Khanh Hoa	191,718	138,072	(28)		Column B, QCVN 40:2011/BTNMT	
TTC - Attapeu	Watering sugarcane in farm area around the factory	178,848	117,000	(35)		Column B, QCVN 40:2011/BTNMT	Reused by the factories
Bien Hoa - Dong Nai	Dong Nai	78,511	83,995	7		Column B, QCVN 40:2011/BTNMT	
TTCS Gia Lai	Gia Lai	28,272	35,976	27		Column B, QCVN 40:2011/BTNMT	

Note: Wastewater volume data was collected from the volumetric flow meter which measures the input and output wastewater volume of the wastewater treatment system.

Source: TTC Bien Hoa

Chemical Oxygen Demand (or COD) is the amount of oxygen needed to oxidize all organic substances in wastewater. COD is commonly used to indirectly measure the amount of organic compounds in water. A low value of COD emission would help the wastewater treatment system operate with ease and use fewer chemicals. In the last 2 FYs, the COD value was remarkably lower than the set target as a result of the constant monitoring of each factory. This not only lessens the impact on the environment but also reduces production costs. In FY 2019-2020, COD emissions were only 0.23kg COD per ton of sugarcane, 41% lower than the plan set for FY 2019-2020.



Source: TTC Bien Hoa

GRI 306-2 — WASTE BY TYPE AND DISPOSAL METHOD



Bagasse treatment system

Bagasse will be utilized to the fullest as fuel for boilers and as raw materials for steam and electricity generation, in which the latter will be used to power factories' operation and sold to the national grid, bringing profit to the company. Boilers using bagasse-originated biomass fuel contribute to the reduction of the emission of CO^2 and other gases detrimental to the environment. Besides, CO^2 collected from the boilers, after passing the emission treatment system, is used to remove the Sugar impurities, both saving costs and protecting the environment. Boiler's ash and pressmud are used as the supply of probiotics and as fertilizers, serving the purpose of restoring farmland, improving soil fertility, and increasing sugarcane productivity.

Take TTCS as an example, waste during production is classified and treated using the appropriate method. Most of the waste is recycled and composted into fertilizers. The Company also proactively employs functional units to handle potentially hazardous waste in order to ensure the quality meets regulatory standards and the waste would not negatively impact the environment.

Waste classification by disposal method at TTCS factory

Unit: ton	FY 2018-2019		FY 2019-2020	
	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Composting	0	57,303	0	46,963
Burning (in large volume)	0	373,883	0	222,939
Hiring functional units to handle	3.6	46.4	7	36.5

Source: TTC Bien Hoa



KEY TOPIC

Understanding the importance associated with legal compliance and how legal compliance will directly impact the company's reputation and brand name, TTC Bien Hoa manages all of its activities in line with the provisions of the law. In particular, the Company voluntarily follows the environmental, economic, and social regulations on basis of its responsibility for the community. The Company always aims at standards higher than current regulations, helping the Company develop sustainably and contribute to the growth of the community and society.

MANAGEMENT APPROACH

Regarding environmental - economic - social issues, the Company ensures that all activities comply with the Vietnamese law on environment protection and law provisions. Periodically, the Company will submit the supervision report to the regulators as requested by law:

- One-time assessment when implementing projects or raising capacity or changing types of activities: Report on Environmental Impact Assessment
- Biannual reporting: Report on Environmental Quality Monitoring, Report on Occupational Accidents
- Annual reporting: Report on Occupational Safety and Health, Report on Groundwater Exploitation, Report on Surface Water Exploitation, Report on Hazardous Waste Management, Report on Waste Disposal, Report on Management of Equipment subject to strict requirement on occupational safety, etc.

TTC Bien Hoa's responsibility and constant efforts to comply with environmental, economic, and social regulations are proved by a number of awards in many categories related to sustainable development and community activities that the company achieved in FY 2019-2020. The Company is honored to be listed in the "100 Sustainable Enterprises" and "Top 20 Listed Companies of the Sustainable Development Index - VNSI" for 3 consecutive years.

100	SUSTAINABLE ENTERPRISES Vietnam Chamber of Commerce and Industry - VCCI	November 2019
TOP 20	LISTED COMPANIES OF THE SUSTAINABLE DEVELOPMENT INDEX - VNSI - HOSE	Periodic assessment in January and July each year
TOP 10	NATIONAL GREEN BRANDS Vietnam Economic and Trade Consultancy Association (VICETA)	July 2020
TOP 10	ENTERPRISE DEVELOPING SUSTAINABLE GREEN ECONOMY Vietnam Economic and Trade Consultancy Association (VICETA)	July 2020

SOCIAL TOPIC



KEY TOPIC

Being labor-intensive, the Sugar industry faces harsh increasing competition for labor. A business desiring to create competitive advantage has to face major challenges in attracting and retaining high-quality human resources (HR). TTC Bien Hoa directs special attention to HR issues, through plenty of actions:

- Create employment opportunities in the labor markets and in the localities where the Company operates
- Recruit employees, attract talents
- Build a friendly and professional working environment
- Develop competitive compensation and benefit policies for employees
- Building a policy of equitable and fair work, regardless of religion, nationality, gender, region
- Ensure occupational health and safety for employees
- Facilitating employees to be trained for skills and professional qualifications improvement.

MANAGEMENT APPROACH

The policies are built by ensuring that all HR activities comply with law on Labor and ILO. In particular:

- All employees' contribution to TTC Bien Hoa is recognized through performance review and performance-based rewards.
- All changes in HR policies are updated in compliance with the law, and all internal HR policies are changed accordingly in the form of normative documents to maximize employees' benefits.
- The compensation and training policies are in the process of improvement to ensure employee satisfaction, thereby making employees stay longer and helping the Company build succession planning.

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

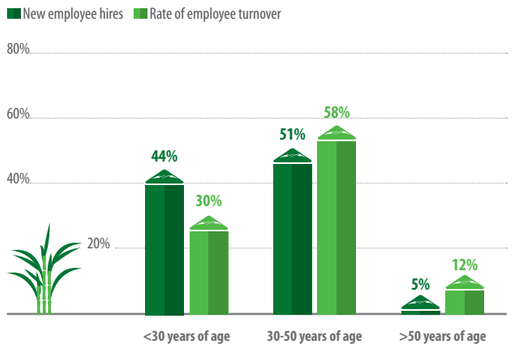
Economic growth enables employees to have greater choices of employment accompanied by a good working environment and higher benefits. This creates a stumbling block to businesses in retaining employees, especially to manufacturing businesses in need of constant operations. In the last FY, in order to enhance work efficiency, avoid waste, and optimize profitability, TTC Bien Hoa's leaders directed focus to attract and retain talents as well as screen underperformed employees.

The Company strongly restructured the HR organization to build a team of highly skilled and adequately competent employees. In the last FY, the Company had 962 new employees hires, of which 44% were under 30 years old. This means the Company has progressively increased the presence of young and highly professional employees in the Company.

Total number of new employee hires and employee turnover by age group, gender, and region in FY 2019-2020

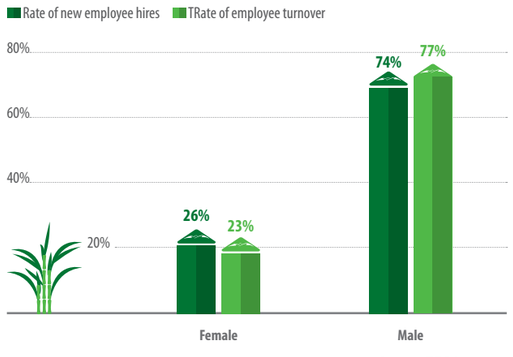
New employee hires	Number of new employee hires (person)
Total number of new employee hires by age group	**962**
Under 30 years of age	422
30-50 years of age	491
Over 50 years of age	49
Total number of new employee hires by gender	**962**
Female	252
Male	710
Total number of new employee hires by region	**962**
HCMC	146
Tay Ninh	301
Dong Nai	121
Gia Lai	32
Khanh Hoa	57
Ninh Thuan	16
Laos	231
Cambodia	58

Rate of new employee hires and employee turnover by age group FY 2019-2020



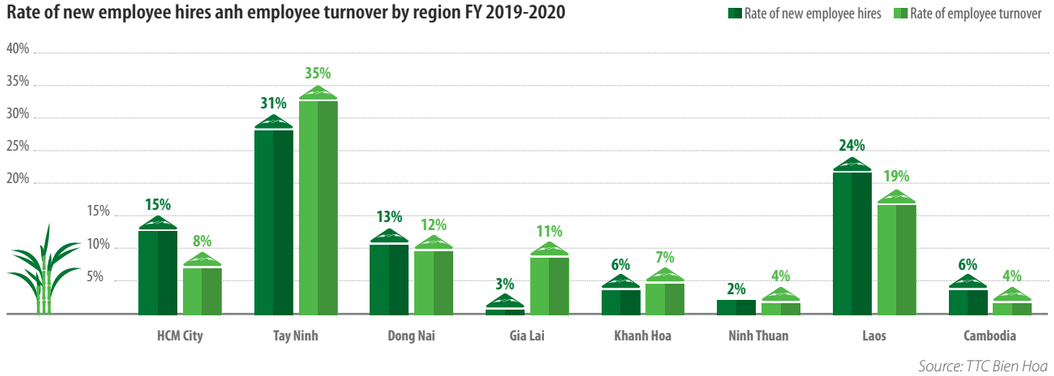
Source: TTC Bien Hoa

Rate of new employee hires anh employee turnover by gender FY 2019-2020



Source: TTC Bien Hoa

Rate of new employee hires anh employee turnover by region FY 2019-2020



Source: TTC Bien Hoa

GRI 401-2 BENEFITS PROVIDED TO FULL-TIME EMPLOYEES

Besides competitive salary policy compared to other businesses operating in the same industry, the Company also attaches importance to benefit policy, aiming to build a friendly and professional working environment as well as ensure employees' living conditions. The total expense for employee benefits in FY 2019-2020 was VND108 billion, making up 0.84% of net revenue. The expense for employee insurance was recorded at VND30 billion in total.

Employee benefit in FY 2019-2020

Benefit	Full-time	Temporary/ Part-time	Expense (VND million)	Rate (%)
Social insurance	X	X	23,621	21.9%
Health insurance	X	X	4,237	3.9%
Unemployment insurance	X	X	1,432	1.2%
Accident insurance	X	X	397	0.4%
Commercial Health Insurance	X		553	0.5%
Trade Union	X		2,369	2.2%
Others	X		74,943	69.9%
Total			**107,522**	**100%**

Source: TTC Bien Hoa

The Company not only ensures employees enjoy all their legitimate benefits by covering all compulsory insurance but also pays great attention to other benefits beyond salaries. Benefits accounting 70% of the total expenses. Some of the main benefits in the last FY are as follows:

BENEFIT AND POLICY	DETAILS
Benefits, policies for full-time employees	▸ Pick-up car for employees working at the factories ▸ Periodic health checkup ▸ Bao Viet Healthcare insurance package - comprehensive health care for middle and senior management ▸ Periodic vacation ▸ Gifts for public holidays/Lunar New Year and special occasions ▸ Allowances including lunch, overtime salary, telephone coverage, toxic exposure coverage.
Working regime for employees working far from home	▸ Extra allowances, VND3-5 million per person ▸ Employees can bring their spouse and children to the locality where he/she works to live together: the Company shall cover 50% of compulsory school fees for 2 legitimate children of the employees, in case they are under 18 years old and attend school in the locality that their parents work. ▸ Employees can go home 6-9 times a year and the Company shall cover travel costs
Benefit, policies for female employees	▸ The Company strictly complies with legal provisions on the recruitment and employment of female employees ▸ The Company takes into account the issue of gender equality when it comes to recruitment, employment, training, salary, bonus, promotion, remuneration, working conditions, occupational safety, working time, break time, and other material and spiritual benefits. ▸ Maternity leave as the regulations ▸ The Company ensures employment for female employees after maternity leave.
Other income	▸ 13th month salary ▸ Performance-based year-end reward ▸ Seniority reward
Life insurance	▸ Managers having more than 5 years of employment.

GRI 401-3 PARENTAL LEAVE

TTC Bien Hoa always respects and appreciates gender equality. Therefore, besides periodic health checkup, TTC Bien Hoa's female employees also fully enjoyed maternity-related regimes in accordance with the Law on Labor. The Company definitely will not dismiss female employees or unilaterally terminate their labor contracts on the pretext of their marriages, pregnancy, maternity leave, or care for children under 12 months of age. If female employees responsible for strenuous work get pregnant or have children under 12 months of age to care for, they will be transferred to other positions with less workload and not required to work overtime.

TTC Bien Hoa is always there for female employees during pregnancy and childcare.

1. **During pregnancy:** Female employees are entitled to take off from work 5 times to undergo antenatal examination/pregnancy, each time is equivalent to one day off, or 2 if they have irregular medical conditions or live far away from medical facilities.
2. **During childbirth:** Female employees can start maternity leave 6 months before and after the birth of the children. Male employees will be entitled to parental leave in accordance with the law when their wives give birth.
3. **During childcare:** Female employees caring for children under 12 months of age can take one hour off per day while still receiving full salary.

In FY 2019-2020, 45 employees were on parental leave, after which all of them returned to work at TTC Bien Hoa.



KEY TOPIC

TTC Bien Hoa always considers occupational health and safety as a matter of high priority. Ensuring employees' health is the Company's obligation. At the same time, it also increases economic benefits by enhancing production efficiency and employee productivity as well as reducing medical examination and treatment costs due to work-related accidents.

MANAGEMENT APPROACH

Annually, the Company carries out the reports on Working Environment Monitoring, Occupational Safety and Health Monitoring, Work-related Accidents, Management of Equipment subject to the strict requirements on occupational safety, etc. to sent to the appropriate authorities. In addition, all instructions/regulations/processes are codified into regulatory documents to be applied in the Company's entire system:

- Guideline to monitor personal hygiene and employees' health
- Procedure to handle, declare, investigate and report work-related accidents
- Safety instruction in management and use of chemicals
- Procedure to grant high-risk work license
- Procedure to prepare and respond to emergency
- Procedure to manage equipment with strict requirements on occupational safety.

GRI 403-2 TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES

With appropriate management methods, in FY 2019-2020, TTC Bien Hoa recorded no violation of occupational health and safety. This achievement is thanks to the Company's annual collaboration with regulators to monitor the working environment, dust concentration, noise, vibration, etc. in order to obtain more data on the actual context. The Company shall base on these data to propose improvement measures and supplement protective equipment to employees, helping to ease the impact of the environment on employees' health.

TTC Bien Hoa also provides training to promote employees' awareness of occupational safety and health. In the last FY, the Company organized 16 training programs on occupational safety and health for groups I, II, III, IV, V, VI with a total cost of about VND100 million.

The Company also provides employees with periodic check-ups and regular monitoring of health results. Attention is especially paid to employees working in areas with high exposure to occupational diseases. In particular, an employee working in normal conditions would attend one annual checkup. For employees working in strenuous and hazardous conditions, or in areas where environmental assessments show environment agents exceeding Vietnamese benchmarks, they would receive check-ups as well as two annual occupational diseases examinations, in accordance with law on Occupational Safety and Health. If employees suffer from occupational diseases, the Company shall monitor and frame a plan for them to get regular check-ups with prescribed frequency. In the last 2 years, TTC Bien Hoa found no occupational diseases or work-related injuries occurring in production areas or offices. About work-related accidents, in the last year, there were 2 male workers that underwent mild accidents while working in the Company's factories. The Company provided immediate support and compensation to them, enabling their quick recovery and return to work.



KEY TOPIC

Activities that aim to improve human resources quality, to train and foster talents, to build a succession team shall help employees navigate changes and create competitive advantages for the Company. A workplace that provides employees with education and training shall make employees stay longer, work harder, make greater efforts to contribute to the organization's growth. Employee development correlates with saved costs, and increased revenue and profits.

MANAGEMENT APPROACH

Every year, the Company plans to provide training to its employees and managers at all levels, as well as to have plans implemented in every department/factory. Employees have to attend all mandatory training courses in the Company. After each course, employees shall take a test and then receive a certificate. All departments also have their own training schedule in order for the employees to reach their full potential. The Company always facilitates the training participation and continued education of the employees. Education and training at TTC Bien Hoa generate positive results since helping employees be well-equipped with required qualifications and soft skills.

GRI 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

In FY 2019-2020, despite the COVID-19 pandemic and prolonged social distance, the Company made great efforts to ensure training activities remained unaffected by taking advantage of advanced technology such as online training, zoom meeting, etc. The Company held 396 training courses, totaling 43,561 hours of training, to more than 7,000 registers. The total expense of training in the last FY was VND10 billion.

Average hours of training by gender

Criterion	Average hours of training per employee
Female	18.5
Male	12.2
Company's employee	**13.6**

Source: TTC Bien Hoa

396 TRAINING COURSES

7,000 REGISTERS

43,561 HOURS OF TRAINING

10 BILLION VND TOTAL EXPENSE OF TRAINING

Average hours of training by employee category

Criterion	Professional staff/ Technical worker	Specialist	Junior Manager	Middle Manager	Senior Manager	Total
Total number of training hours (hour)	32,269	5,054	3,233	2,280	725	**43,561**
Total number of employees (person)	2,129	314	262	158	5	**2,868**
Average hours of training per employee (hour/person)	15.16	16.1	12.3	14.4	145	**15.2**

Source: TTC Bien Hoa

GRI 404-2 PROGRAMS FOR UPGRADING EMPLOYEE SKILLS

In the last FY, the Company carried out 396 training programs, with internal training making up 67%, and external training accounting for 33%. Training programs were divided into 5 main groups (1) Professional training - 69%, (2) Integration training - 20%, (3) Leadership training - 4.6%, (4) Soft skill training - 1.2%, and (5) Legal training - 5.2%.

Group	Number of programs	Number of training hour (Unit: hour)					
		Employee	Specialist	Junior Manager	Middle Manager	Senior Manager	Total
Professional training	245	25,260	2,287	1,914	520	24	30,005
Integration training	120	6,045	1,592	438	652	72	8,799
Leadership training	13	66	150	664	864	260	2,004
Soft skill training	10	21	35	181	28	239	504
Legal training	8	877	990	36	216	130	2,249
Total	**396**	**32,269**	**5,054**	**3,233**	**2,280**	**725**	**43,561**

Source: TTC Bien Hoa

GRI 404-3 ERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

100% of the Company's employees received quarterly performance reviews to have their capacity assessed, which served as the basis for nomination and remuneration plans.



KEY TOPIC

TTC Bien Hoa always appreciates the contributions of the employees in general and the female employees in particular to the overall success of the Company. Over the past years, the Company has spared no effort to develop comprehensive and fair welfare policies in order to gain a competitive edge in the labor market. The Company attracts and retains talents with reasonable remuneration policies, a dynamic working environment, fair treatment, and equal opportunities when it comes to training, self-development, and promotion. The Company treats everyone equally, regardless of gender, ethnicity, skin color, social class, belief, religion, etc.

MANAGEMENT APPROACH

- Inform employees of equal opportunities for men and women, and thereby creating opportunities for women to reach their full potential.
- Organize plenty of remuneration programs, creating platforms for young employees and senior managers to network, share ideas, and diversify opinions and perspectives. This contributes to the comprehensive development of the company.
- Create an equal working environment to encourage female employees into management positions.

GRI 405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

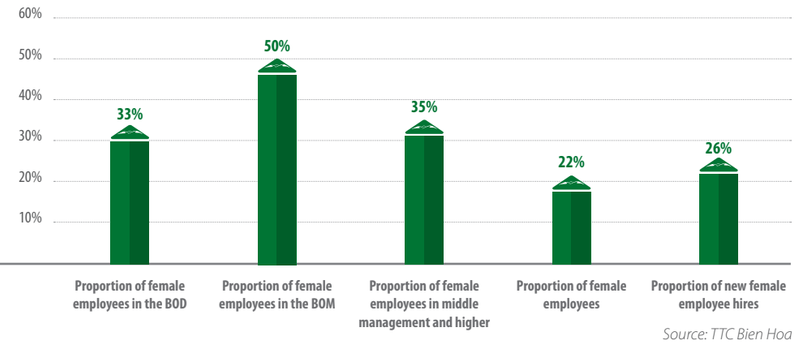
For detailed information, please refer to Human Resources and Training on page 177.

GRI 405-2 RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

TTC Bien Hoa ensures female employees are treated equally, in consideration of their capabilities. They are entitled to the same welfare policies and the same opportunities for career advancement as men. In FY 2019-2020, the Company held 13,068 training hours for female employees, or 18.5 hours on average per person, with a total expense of nearly VND2.2 billion.

In fact, the Company is extremely concerned with gender equality and always ready to empower women. In recent years, the Company has tried its best to sustain and increase the proportion of female employees in the HR structure. This is most evident in the shift in the BOD's structure. In particular, in the BOD, 2 out of 6 members are female, accounting for 33%, not to mention the fact that BOD is led by Chairwoman. In the BOM, 2 out of 4 members are female, accounting for 50%. This demonstrates the goal of gender diversity in the HR management that TTC Bien Hoa is heading to.

Female employee structure at TTC Bien Hoa in FY 2019-2020

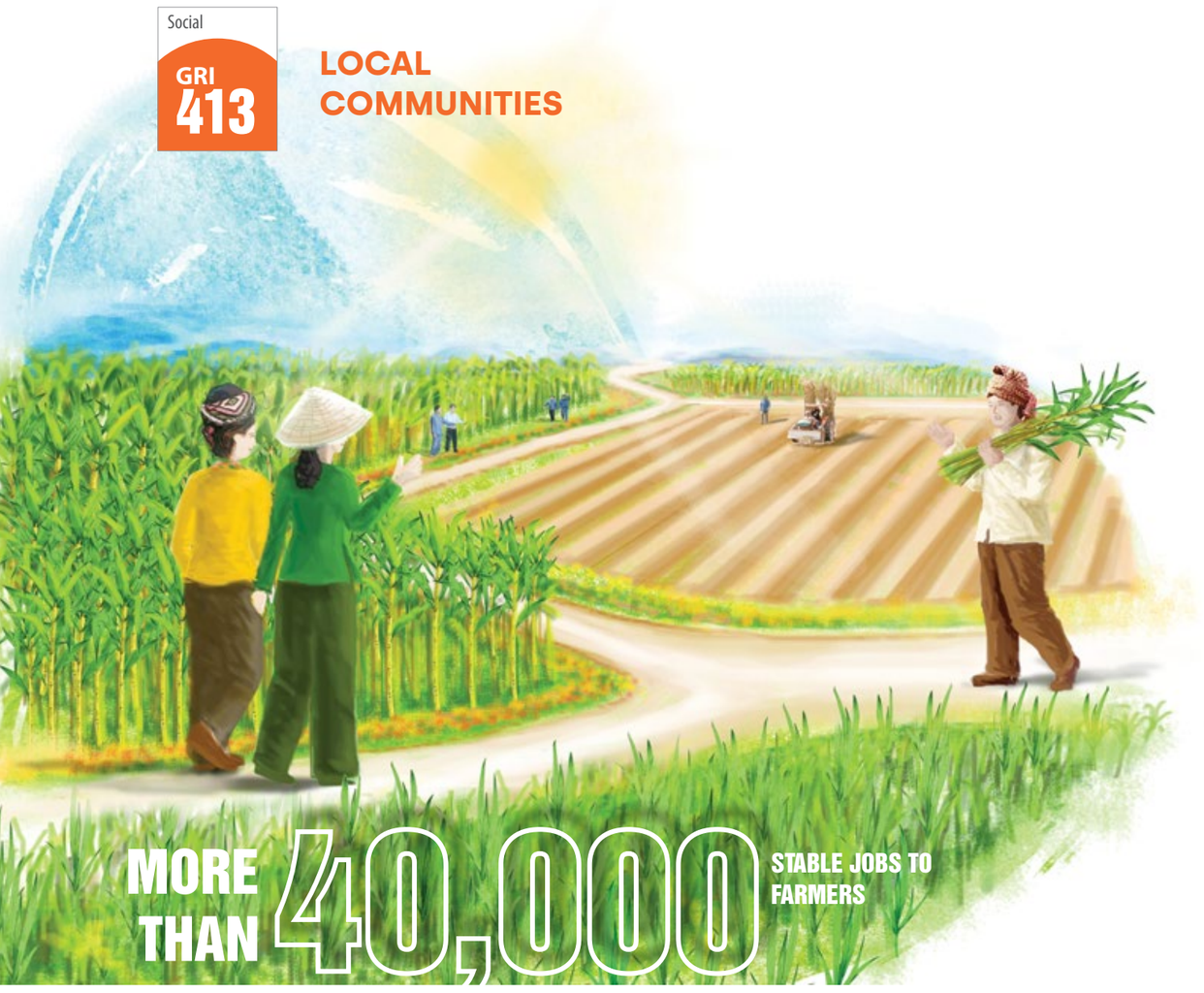


Source: TTC Bien Hoa

Social

GRI 413

LOCAL COMMUNITIES



KEY TOPIC

"Local development" always stays on top of the mind of TTC Bien Hoa when organizing social responsibility activities. The Company always works side by side with local authorities in poverty reduction and community stabilization.

MANAGEMENT APPROACH

TTC Bien Hoa currently owns 9 Sugar refineries in Tay Ninh, Khanh Hoa, Dong Nai, Gia Lai, Ninh Thuan, Attapeu - Laos. The Company's raw material areas are also present across three countries Vietnam, Laos, and Cambodia. In the localities where TTC Bien Hoa operates refineries, TTC Bien Hoa creates a stable source of employment for the local workforce, with more than 40,000 new jobs. This contributes to increased income, developed local economy, and numerous positive impacts on the local communities. In TTC Bien Hoa's owned raw material areas, the Company brings stable jobs to farmers, helping them "gain profitability from the sugarcane" with modern thinking and manners, enjoy a higher income, and receive better welfare policies.

GRI 413-1 — OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

VND 2 BILLION
THE BUDGET APPROVED FOR CORPORATE SOCIAL RESPONSIBILITY

In the last FY, besides active participation in community health-based activities, the Company continued to promote volunteering work to support the community, through a variety of activities held by local authorities, for example, "Support the fight against COVID-19" program, "Support drivers" program aiming to help Grab drivers, "Support the national examination" program held by Student Support Center in HCMC, "Banh Chung for the poor to enjoy Tet" program in Dien Bien, Nam Dinh, Thanh Hoa, etc. Last year, the budget approved for corporate social responsibility was more than VND2 billion.

Bien Hoa TTC sent 1,600 kg of sugar in the program of Technology Driver Relay



TTC Bien Hoa accompanied the organizers of the program "Relay Exam Season 2020"





TTC Bien Hoa gives 1,000 kg of Co Ba Sugar to the disadvantaged living in Thanh Hoa, Thai Binh, Nam Dinh, Dien Bien





TTC Bien Hoa gives 20,900 kg of Sugar to the organizations in the first line of defense against COVID-19

GRI 413-2

OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

Farming and production activities always involve potential risks that have negative impacts on the environment and local communities. TTC Bien Hoa has a greater awareness of risks that may occur to the surrounding community and offers solutions to prevent and minimize negative impacts.

Risk identification and risk mitigation measures

SUGARCANE FARMING

Risks

- Forest encroachment
- Pollution of the soil environment and water resources
- Local ecological imbalance
- Unbalanced crop area.



Actions

- Ensure cultivated land does not encroach on forest land
- Strictly control the use of fertilizers and plant protection drugs
- Ensure no toxic residues in soil and water resources
- Limit the impact of farming activities on flora and fauna to the minimum
- Encourage the development of birth and natural enemies
- Plant flowers along the banks of Sugarcane fields
- Expand the raw material areas in compliance with local authorities' guidelines and planning on agriculture
- Determine the ratio of farm area in the best interests of farmers.

PRODUCTION ACTIVITIES

Risks

- Soil, water, air, and noise pollution
- Unemployment issue.



Actions

- **About wastewater:** Invest in the cutting-edge wastewater treatment system, ensure discharged wastewater does not cause pollution
- **About solid waste:** Reuse almost all by-products generated in the production for different purposes
- **About air and noise pollution:** Issue detailed machinery instructions, ensuring no significant dust or noise emissions
- Maximize employment opportunities for local workers
- During the merger and restructuring process, the Company still retains the senior capable employees
- Support transportation and accommodation when transferring employees to other localities.

Source: TTC Bien Hoa



GRI 416-1

ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICE CATEGORIES

"Bring clean Sugar to every home" is TTC Bien Hoa's business motto, therefore the Company assigns a high priority to consumers' health and safety during the production process. Currently, the Company is the owner of countless important international certificates on product quality, for example, Food Safety Certificate in the Middle East certified by HCA, Kosher Certificate by KOF-K, FSSC 22000 Certificate, ISO 9001:2015, ISO 14001:2004 by Bureau Veritas BSI, and especially Organic Certificate (EU) and USDA (USA) by Control Union. These certificates serve as the facilitator for the Company's steady penetration into the potential organic Sugar market.

Besides the diversification of products to meet all consumers' needs, especially the need for health and safety, the Company also promotes the organic Sugar business, which not only brings great added value but also contributes to the increased health of consumers. The technologies used in organic Sugar production shall generate international-recognized "clean" Sugar grains made from chemical fertilizer-free, pesticide-free, healthy, highly-nutritious and highly mineralized sugarcane

GRI 416-2

INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES

For detailed information, please refer to Quality Assurance on page 163.



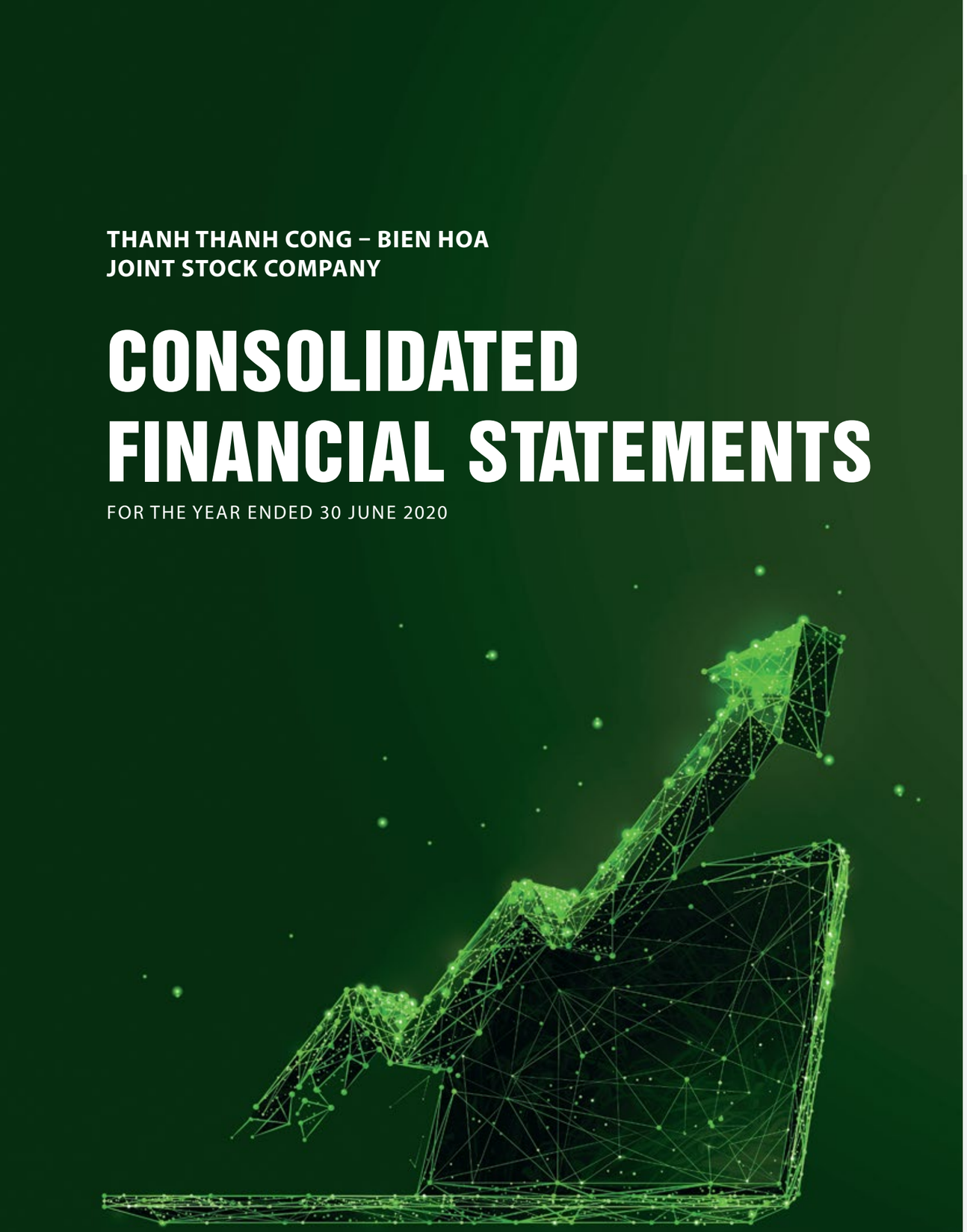
FINANCIAL STATEMENTS

222 Consolidated financial statements for the year ended 30 June 2020
284 Separate financial statements for the year ended 30 June 2020
290 Contact information for Stakeholders

THANH THANH CONG – BIEN HOA
JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020



GENERAL INFORMATION

THE COMPANY

Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Investment License No. 1316/GP issued by the Ministry of Planning and Investment on 15 July 1995 and subsequent amended Investment Licenses/Investment Certificates/Enterprise Registration Certificates, with the latest being 9th amended Enterprise Registration Certificate dated 28 October 2019.

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

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

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

BOARD OF DIRECTORS

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

Ms Huynh Bich Ngoc	Chairwoman	appointed on 28 October 2019
Mr Pham Hong Duong	Chairman	resigned on 28 October 2019
	Permanent Deputy Chairman	appointed on 28 October 2019
Ms Dang Huynh Uc My	Deputy Chairman	appointed on 28 October 2019
Mr Henry Chung	Independent member	
Mr Vo Tong Xuan	Member	appointed on 14 October 2019
Ms Vo Thuy Anh	Independent member	appointed on 9 September 2019
Mr Hoang Manh Tien	Member	appointed on 1 July 2019
Ms Nguyen Thuy Van	Member	resigned on 3 September 2019
Mr Le Ngoc Thong	Member	resigned on 1 July 2019
Mr See Beow Tean	Member	resigned on 1 July 2019

INTERNAL AUDIT FUNCTION UNDER THE BOARD OF DIRECTORS

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

Mr Hoang Manh Tien	Head	appointed on 9 October 2019
Ms Nguyen Thuy Van	Head	resigned on 9 October 2019
Ms Huynh Bich Ngoc	Member	appointed on 9 October 2019
Mr Henry Chung	Member	
Mr See Beow Tean	Member	resigned on 1 July 2019

MANAGEMENT

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

Mr Nguyen Thanh Ngu	General Director	
Ms Doan Vu Uyen Duyen	Permanent Deputy	appointed on 6 August 2020
Ms Duong Thi To Chau	Deputy General Director	
Mr Tran Quoc Thao	Deputy General Director	resigned on 3 February 2020
Mr Le Quang Hai	Deputy General Director	resigned on 16 July 2020
Mr Nguyen Quoc Viet	Deputy General Director	resigned on 22 July 2019
Mr Le Duc Ton	Acting Branch Director	
Mr Le Huy Thanh	Agricultural Director cum acting Material Development Director - Zone 1	resigned on 10 April 2020
Ms Truong Thi Kim Phuong	Business Director	resigned on 11 February 2020
Mr Tran Huy Hao	Director of Commercial Center TTC Plaza Tay Ninh	resigned on 26 March 2020
Mr Huynh Van Phap	Business Director	
Mr Trang Thanh Truc	Public Relationship Director	
Ms Nguyen Thi Phuong Thao	Chief Finance Director	appointed on 6 August 2020
Mr Luu Anh Kiet	Supply Director	resigned on 1 July 2019
Ms Le Ha Thi Mai Thao	Human Resources Director	resigned on 26 December 2019
Mr Nguyen Ba Chu	Development Director	resigned on 26 December 2019

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report are:

Ms Huynh Bich Ngoc	appointed on 28 October 2019
Mr Pham Hong Duong	resigned on 27 October 2019

AUDITORS

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

REPORT OF THE MANAGEMENT AND APPROVAL OF THE BOARD OF DIRECTORS

The Board of Directors and the Management of Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") are pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2020.

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

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

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

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

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

APPROVAL OF THE BOARD OF DIRECTORS

The Board of Directors does hereby approve the accompanying consolidated financial statements. Those consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of the consolidated results of its operations and its consolidated cash flows for the year ended 30 June 2020 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the Board of Directors:

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

Huynh Bich Ngoc
Chairwoman

Ho Chi Minh City, Vietnam
28 September 2020

INDEPENDENT AUDITORS' REPORT

Reference: 612428750/21481888/HN

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

We have audited the accompanying consolidated financial statements of Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 28 September 2020 and set out on pages 227 to 283 which comprise the consolidated balance sheet as at 30 June 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 30 June 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited

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

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

Ho Chi Minh City, Vietnam
28 September 2020

CONSOLIDATED BALANCE SHEET

as at 30 June 2020

B01-DN/HN

VND

Code		ASSETS	Notes	Ending balance	Beginning balance
100	**A,**	**CURRENT ASSETS**		**10,030,796,116,425**	**9,794,108,835,254**
110	***I,***	***Cash and cash equivalents***	***5***	***999,620,661,512***	***1,004,775,238,727***
111	1,	Cash		799,320,661,512	916,275,238,727
112	2,	Cash equivalents		200,300,000,000	88,500,000,000
120	***II,***	***Short-term investments***		***899,284,845,919***	***767,786,825,451***
121	1,	Held-for-trading securities	6	403,156,950,516	165,370,489,390
122	2,	Provision for held-for-trading securities	6	(43,067,104,597)	(808,663,939)
123	3,	Held-to-maturity investments	7	539,195,000,000	603,225,000,000
130	***III,***	***Current accounts receivable***		***5,447,159,078,206***	***5,036,419,501,120***
131	1,	Short-term trade receivables	8,1	1,026,526,902,684	1,697,027,535,241
132	2,	Short-term advances to suppliers	8,2	2,522,123,757,499	1,946,736,551,586
135	3,	Short-term loan receivables	9	673,291,034	15,000,000,000
136	4,	Other short-term receivables	10	1,937,434,918,704	1,425,093,673,613
137	5,	Provision for doubtful short-term receivables	8, 10	(39,599,791,715)	(47,438,259,320)
140	***IV,***	***Inventories***	***11***	***2,529,346,657,059***	***2,781,398,584,531***
141	1,	Inventories		2,541,154,800,749	2,803,564,311,503
149	2,	Provision for obsolete inventories		(11,808,143,690)	(22,165,726,972)
150	***V,***	***Other current assets***		***155,384,873,729***	***203,728,685,425***
151	1,	Short-term prepaid expenses	12	48,619,538,175	140,253,036,651
152	2,	Value-added tax deductible	22	92,081,678,271	51,414,140,996
153	3,	Tax and other receivables from the State	22	14,683,657,283	12,061,507,778
200	**B,**	**NON-CURRENT ASSETS**		**7,924,922,667,487**	**6,949,187,500,459**
210	***I,***	***Long-term receivables***		***101,806,889,451***	***146,094,934,345***
212	1,	Long-term advances to suppliers	8,2	92,623,661,450	109,158,380,150
216	2,	Other long-term receivables	10	9,183,228,001	36,936,554,195
220	***II,***	***Fixed assets***		***4,179,804,562,879***	***4,352,308,080,526***
221	1,	Tangible fixed assets	13	3,844,903,217,562	4,135,227,110,484
222		Cost		8,484,840,315,880	8,458,357,225,032
223		Accumulated depreciation		(4,639,937,098,318)	(4,323,130,114,548)
224	2,	Finance leases	14	108,160,541,664	102,937,566,560
225		Cost		140,481,291,500	142,678,391,405
226		Accumulated depreciation		(32,320,749,836)	(39,740,824,845)
227	3,	Intangible fixed assets	15	226,740,803,653	114,143,403,482
228		Cost		284,497,398,107	157,580,686,655
229		Accumulated amortisation		(57,756,594,454)	(43,437,283,173)
230	***III,***	***Investment properties***	***16***	***592,437,897,729***	***157,234,743,426***
231	1,	Cost		638,075,095,511	179,231,206,174
232	2,	Accumulated depreciation		(45,637,197,782)	(21,996,462,748)
240	***IV,***	***Long-term asset in progress***		***341,526,808,768***	***678,948,939,496***
242	1,	Construction in progress	17	341,526,808,768	678,948,939,496
250	***V,***	***Long-term investments***	***18***	***1,245,605,087,900***	***124,931,823,163***
252	1,	Investments in associates	18,1	381,424,975,548	105,631,208,868
253	2,	Investments in other entities	18,2	767,001,478,655	20,041,830,629
254	3,	Provision for long-term investments		(2,001,366,303)	(741,216,334)
255	4,	Held-to-maturity investments		99,180,000,000	-
260	***VI,***	***Other long-term assets***		***1,463,741,420,760***	***1,489,668,979,503***
261	1,	Long-term prepaid expenses	12	1,319,693,751,650	1,332,920,724,205
262	2,	Deferred tax assets	35,3	10,072,275,631	8,941,089,965
269	3,	Goodwill	19	133,975,393,479	147,807,165,333
270	**TOTAL ASSETS**			**17,955,718,783,912**	**16,743,296,335,713**

CONSOLIDATED BALANCE SHEET (continued)

as at 30 June 2020

B01-DN/HN

VND

Code		ASSETS	Notes	Ending balance	Beginning balance
300	**C.**	**LIABILITIES**		**10,313,417,423,502**	**10,924,103,440,168**
310	***I.***	***Current liabilities***		***8,807,443,159,566***	***8,966,033,051,411***
311	1.	Short-term trade payables	20	585,381,760,110	503,771,032,003
312	2.	Short-term advances from customers	21	145,426,604,808	147,197,520,262
313	3.	Statutory obligations	22	178,370,150,839	193,431,046,035
314	4.	Payables to employees		16,613,110,146	21,063,605,678
315	5.	Short-term accrued expenses	23	361,548,318,820	366,675,617,145
318	6.	Short-term unearned revenues	27	6,317,162,616	13,697,420,559
319	7.	Short-term other payables	24	394,675,252,848	284,522,703,568
320	8.	Short-term loans and finance lease obligations	25	6,989,555,523,295	7,284,286,378,356
321	9.	Short-term provisions		363,858,167	1,922,008,250
322	10.	Bonus and welfare fund	3.16	129,191,417,917	149,465,719,555
330	***II.***	***Non-current liabilities***		***1,505,974,263,936***	***1,958,070,388,757***
336	1.	Long-term unearned revenues	26	5,575,597,730	12,202,129,425
337	2.	Other long-term liabilities	24	6,310,971,782	6,718,381,960
338	3.	Long-term loans and finance lease obligations	25	1,221,069,938,518	1,848,530,201,711
339	4.	Convertible bonds	26	152,294,181,382	-
341	5.	Deferred tax liabilities	35.3	118,723,574,524	87,850,408,862
342	6.	Long-term provision		-	769,266,799
343	7.	Scientific and technological development fund	3.16	2,000,000,000	2,000,000,000
400	**D.**	**OWNERS' EQUITY**		**7,642,301,360,410**	**5,819,192,895,545**
410	***I.***	***Capital***	***28.1***	***7,642,312,996,647***	***5,818,592,161,948***
411	1.	Share capital		6,083,518,850,000	5,867,405,520,000
411a		*- Shares with voting rights*		*5,867,405,520,000*	*5,867,405,520,000*
411b		*- Preference shares*		*216,113,330,000*	-
412	2.	Share premium		6,712,852,344,539	6,243,045,915,565
413	3.	Convertible bond - options	26	13,666,133,635	-
414	4.	Other fund's belonging to owner's equity		(5,502,116,030,924)	(5,502,116,030,924)
415	5.	Treasury shares		-	(1,099,985,561,092)
417	6.	Foreign exchange differences reserve		(127,041,441,949)	(44,001,327,529)
418	7.	Investment and development fund		17,202,026,560	124,701,077,143
421	8.	Undistributed earnings		281,924,507,850	181,120,487,767
421a		*- Accumulated loss by the end of prior year*		*(38,044,364,281)*	*(50,928,020,415)*
421b		*- Undistributed earnings of current year*		*319,968,872,131*	*232,048,508,182*
429	9.	Non-controlling interests		162,306,606,936	48,422,081,018
430	***II.***	***Other fund***		***(11,636,237)***	***600,733,597***
431	1.	Subsidised fund		(11,636,237)	600,733,597
440		**TOTAL LIABILITIES AND OWNERS' EQUITY**		**17,955,718,783,912**	**16,743,296,335,713**

Nguyen Thuy Trang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

28 September 2020

CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2020

B02-DN/HN

VND

Code		ITEMS	Notes	Current year	Previous year
01	1.	Revenues from sale of goods and rendering of services	29.1	12,923,457,051,438	10,884,713,247,355
02	2.	Deductions	29.1	(34,774,449,661)	(28,100,847,211)
10	3.	Net revenues from sale of goods and rendering of services	29.1	12,888,682,601,777	10,856,612,400,144
11	4.	Cost of goods sold and services rendered	30	(11,434,141,815,578)	(9,984,924,715,250)
20	5.	Gross profit from sale of goods and rendering of services		1,454,540,786,199	871,687,684,894
21	6.	Finance income	29.2	730,201,665,535	1,110,636,362,737
22	7.	Finance expenses	31	(853,865,883,976)	(823,392,731,847)
23		*In which: Interest expense*		*(685,620,883,846)*	*(705,491,023,191)*
24	8.	Shares of profit from associates	18.2	18,736,282,164	7,221,968,308
25	9.	Selling expenses	32	(446,086,303,998)	(400,439,326,380)
26	10.	General and administrative expenses	32	(381,565,980,379)	(447,127,107,682)
30	11.	Operating profit		521,960,565,545	318,586,850,030
31	12.	Other income	34	48,566,222,616	143,368,375,466
32	13.	Other expenses	34	(58,167,071,012)	(40,171,279,603)
40	14.	Other (loss) profit	34	(9,600,848,396)	103,197,095,863
50	15.	Accounting profit before tax		512,359,717,149	421,783,945,893
51	16	Current corporate income tax expense	35.1	(136,720,597,833)	(158,028,686,431)
52	17.	Deferred tax expense	35.4	(12,719,302,684)	(4,462,592,400)
60	18.	Net profit after tax		362,919,816,632	259,292,667,062
61	19.	Net profit after tax attributable to shareholders of the parent		364,259,001,778	268,425,858,779
62	20.	Net loss after tax attributable to non-controlling interests		(1,339,185,146)	(9,133,191,717)
70	21.	Basic earnings per share	28.5	595	511
71	22.	Diluted earnings per share	28.5	581	511

Nguyen Thuy Trang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

28 September 2020

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2020

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**512,359,717,149**	**421,783,945,893**
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	13, 14, 15, 16, 19	465,220,919,767	492,028,403,104
03	Provision (reversal of provision)		22,995,122,858	(53,017,800,801)
04	Foreign exchange losses (gains) arisen from revaluation of monetary accounts denominated in foreign currencies		4,219,939,424	(5,972,608,468)
05	Profit from investing activities		(569,619,315,855)	(1,096,605,388,453)
06	Interest expenses	30	685,620,883,846	705,491,023,191
08	**Operating profit before changes in working capital**		**1,120,797,267,189**	**463,707,574,466**
09	(Increase) decrease in receivables		(212,748,255,201)	852,574,883,928
10	Decrease in inventories		262,409,510,754	1,205,812,973,889
11	Increase (decrease) in payables		139,170,653,422	(411,478,118,795)
12	Decrease in prepaid expenses		105,077,139,617	153,976,270,202
13	(Increase) decrease in held-for-trading securities		(374,906,621,884)	75,434,980,880
14	Interest paid		(723,688,515,355)	(714,368,155,580)
15	Corporate income tax paid	22	(169,105,854,417)	(117,747,598,634)
17	Other cash outflows for operating activities		(48,669,289,840)	(72,445,157,401)
20	**Net cash flows from operating activities**		**98,336,034,285**	**1,435,467,652,955**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(302,947,407,068)	(1,303,763,127,960)
22	Proceeds from disposals of fixed assets		17,786,059,812	98,379,571,024
23	Loans to other entities		(636,221,882,031)	(686,735,166,667)
24	Collections from borrowers and term deposits		733,760,000,000	534,742,753,646
25	Payments for investments in other entities		(1,885,112,291,193)	(8,662,795,800)
26	Proceeds from sale of investments in other entities		1,257,549,634,970	1,756,807,803,729
27	Interest and dividends received		103,412,233,274	168,522,351,212
30	**Net cash flows (used in) from investing activities**		**(711,773,652,236)**	**559,291,389,184**

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution	28	685,919,758,974	-
32	Capital redemption	28	1,099,985,561,092	-
33	Drawdown of borrowings	25	14,093,156,883,631	13,658,599,528,090
34	Repayment of borrowings	25	(15,023,192,054,123)	(14,752,764,526,999)
35	Finance lease principal paid	25	(33,834,401,342)	(28,092,150,657)
36	Dividends paid	28.2	(214,065,647,645)	(192,683,748,041)
40	**Net cash flows from (used in) financing activities**		**607,970,100,587**	**(1,314,940,897,607)**
50	**Net (decrease) increase in cash and cash equivalents for the year**		**(5,467,517,364)**	**679,818,144,532**
60	**Cash and cash equivalent at beginning of year**		**1,004,775,238,727**	**324,968,354,928**
61	Impact of exchange rate fluctuation		312,940,149	(11,260,733)
70	**Cash and cash equivalents at end of year**	**5**	**999,620,661,512**	**1,004,775,238,727**

Nguyen Thuy Trang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

28 September 2020

1. CORPORATE INFORMATION

Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Investment License No. 1316/GP issued by the Ministry of Planning and Investment on 15 July 1995 and subsequent amended Investment Licenses/Investment Certificates/Enterprise Registration Certificates, with the latest 9th amended Enterprise Registration Certificate dated 28 October 2019.

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

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

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

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

The number of the Group's employees as at 30 June 2020 was 2,868 persons (30 June 2019: 3,759 persons).

Corporate structure

As at 30 June 2020, the Group includes 7 direct subsidiaries and 12 indirect subsidiaries, as follows:

No	Name of subsidiaries	Head office	Principal activities	Equity interest and voting right (*) (%)
I	**Direct subsidiaries**			
1	**Thanh Thanh Cong Agricultural Development Joint Stock Company**	Tan Chau District, Tay Ninh Province	Manufacturing and trading alcohol and related by-products; manufacturing and trading electricity; manufacturing fertilizer and planting sugarcane	90.00
2	**Thanh Thanh Cong Gia Lai Company Limited ("TTC Gia Lai")**	Ayunpa District, Gia Lai Province	Manufacturing sugar and other by-products from sugar-cane for sales; manufacturing electricity for sales; manufacturing and trading in fertilizer	100.00
3	**TSU Investment Private Limited Company**	Singapore	Trading and apart of manufacturing and packaging raw and refined sugar to sell in Singapore and export to region	100.00
4	**TTC Bien Hoa - Dong Nai Sugar One Member Limited Company ("BHS")**	Bien Hoa City, Dong Nai Province	Produce sugars, plant sugar cane, produce and trading products and by-products from sugar, producing and trading in fertilizers and agricultural materials; produce and sale of electricity; and technical and management consultancy in the sugar industry	100.00
5	**Miaqua Water One Member Company Limited**	Tan Chau District, Tay Ninh Province	Manufacturing non-alcoholic beverages, mineral water; manufacturing and processing soft drinks, fruit juice and soy milk; manufacturing bottled water	100.00
6	**Hai Vi Limited Company**	Chau Thanh District, Tay Ninh Province	Plant sugarcane; provide services of planting and technical advisory and trade fertilizers, agricultural products, agricultural machines and tools	100.00
7	**TTC An Hoa Production - Trading - Service One Member Limited Liability Company**	Trang Bang District, Tay Ninh Province	Packaging service; producing sugar; trading food; warehousing and storage of goods; producing electricity; transmission and distribution of electricity; installation of electrical systems; trading real estate	100.00

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

1. CORPORATE INFORMATION (CONTINUED)

Corporate structure (continued)

As at 30 June 2020, the Group includes 7 direct subsidiaries and 12 indirect subsidiaries, as follows: (continued)

No	Name of subsidiaries	Head office	Principal activities	Equity interest and voting right (*) (%)
II	**Indirect subsidiaries**			
1	**Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company ("NHS")**	Ninh Hoa District, Khanh Hoa Province	Produce sugar and by-products from sugar cane; manufacture electricity; trade agricultural materials; produce and trade fertilizer; and provide storage services	100.00
2	**Ninh Hoa Thermoelectricity One Member Limited Liability Company ("NHE")**	Ninh Hoa District, Khanh Hoa Province	Manufacture and sell electricity; and provide electricity system installation service	100.00
3	**Nuoc Trong Sugar Joint Stock Company**	Tan Chau District, Tay Ninh Province	Produce sugar; plant sugar cane and wheat trees; install food industry machineries and equipment; and wholesale commercial goods	50.58
4	**Gia Lai Thermoelectricity One Member Company Limited**	Ayunpa District, Gia Lai Province	Manufacture, transmit and distribute electricity	100.00
5	**Bien Hoa - Phan Rang Sugar Joint Stock Company**	Phan Rang - Thap Cham City, Ninh Thuan Province	Produce and trade sugar, by-products from sugar, produce and trade organic fertilizer and feed alcohol; and trade oil and gas	95.79
6	**Bien Hoa - Thanh Long Joint Stock Company**	Chau Thanh District, Tay Ninh Province	Plant sugar cane; produce and trade fertilizer and agricultural materials	98.00
7	**Bien Hoa Import Export Trading Joint Stock Company**	Phu Nhuan District, Ho Chi Minh City	Trade sugar and products using sugar as material; trade foods and beverages	100.00
8	**TTC Attapeu Cane Sugar Limited Company**	Gia Lai Province	Trade sugar and other by-products from sugar cane	100.00
9	**TTC Attapeu Sugar Cane Sole Co., Ltd.**	Attapeu Province, Laos	Plant sugar cane; produce and trade sugar and other by-products from sugar cane	100.00
10	**Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company**	Chau Thanh District, Tay Ninh Province	Researching and developing sugar cane sprouts; analysing cultivation and planting protection products; producing and developing mechanic machineries for sugar canes production	100.00
11	**Mien Trung Bovine Breeding Joint Stock Company**	Ninh Hoa District, Khanh Hoa Province	Breed cows; plant sugar cane and other industrial crops	92.04
12	**Global Mind Commodities Trading Pte. Ltd**	Singapore	Trading commodities, derivatives and rendering services	83.00

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

2. BASIS OF PREPARATION

2.1 Accounting standards and system

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

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

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

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 30 June 2020.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Inventories

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

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

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

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

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, 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 tangible fixed asset to working condition for its intended use.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leased assets

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

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

Where the Group is the lessee

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

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

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

Where the Group is the lessor

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

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

3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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 comprise all directly attributable costs of bringing the land lot to the condition available for its intended use.

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

3.7 Depreciation and amortisation

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

Land use rights	50 years
Buildings and structures	5 - 50 years
Machineries and equipment	5 - 25 years
Office equipment	3 - 10 years
Computer software	2 - 6 years
Means of transportation	8 - 15 years
Others	12 - 25 years

3.8 Investment properties

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

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

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

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Investments (continued)

Investment in associates (continued)

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 of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expenses in the consolidated income statement.

Held-to-maturity investments

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

3.10 Prepaid expenses

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

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

Prepaid land rental

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

3.11 Business combinations and goodwill

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

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

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

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

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

3.12 Borrowing costs

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

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

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

3.13 Payables and accruals

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

3. 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;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

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

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

Conversion of the financial statements of foreign operation

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

3.15 Convertible bond

Bonds that are convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability (a contractual arrangement to deliver cash or other financial assets) and equity instrument (a call option granting the holder the right, for a specified period of time) based on the terms of the contract.

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are amortised during the lifetime of the bond. At initial recognition, issuance costs are deducted from the liability component of the bond.

3.16 Treasury shares

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

3.17 Appropriation of net profits

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

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

- *Investment and development fund*

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

- *Bonus and welfare fund*

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

- *Scientific and technological development fund*

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

3.18 Earnings per share

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

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

3.19 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Revenue recognition (continued)

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.

3.20 Taxation

Current income tax

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

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

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

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.

3.20 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.

3.21 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. These related parties can be enterprise or individual, including their close family members.

3.22 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.

The Group's business segment is derived mainly from production and trading sugar and sugar related by-products. Management defines the Group's geographical segments to be based on the location of the Group's assets.

4. SIGNIFICANT TRANSACTION DURING THE YEAR

Acquisition of Global Mind Commodities Trading Pte. Ltd ("GMC"), a new subisdiary

On 2 September 2019, the Group completed the acquisition of 11,340,000 shares of GMC, equivalent to 45% equity interest in GMC from its existing shareholders for a consideration of VND 259,965,000,000. Accordingly, GMC became the Group's associate. Subsequently, on 2 January 2020, in accordance with agreement memorandum among shareholders, the Group gains control over GMC and therefore GMC became the Group's subsidiary since that date.

As at 30 June 2020, the fair value of the identifiable assets and liabilities of GMC as at the date of acquisition were follows:

VND

	Fair value recognised on acquisition
ASSETS	
Cash and cash equivalent	346,936,037,936
Short-term trade receivables - net	208,886,942,645
Short-term advances to suppliers	14,857,903,384
Other short-term trade receivables - net	76,034,305,852
Short-term loan receivables	274,445,659
Tangible fixed assets (Note 13)	58,463,216,892
Investment properties (Note 16)	223,062,383,155
Long-term investment	98,901,203,912
Other assets	6,445,817,772
	1,033,862,257,207
LIABILITIES	
Short-term trade payables	221,208,750,344
Short-term advances from customers	33,915,805,280
Short-term accrued expenses	19,171,267,458
Short-term other payables	670,909,750
Deferred tax liabilities on fair value surplus (Note 35.4)	17,022,677,312
Long-term loan (Note 25)	171,710,810,452
Others	8,274,622,916
	471,974,843,512
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**561,887,413,695**
Non-controlling interests	(309,038,077,532)
Goodwill	7,115,663,837
Total purchase consideration	**259,965,000,000**
In which:	
Fair value of the 38% investment in GMC at the acquisition date	*213,517,217,204*
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	346,936,037,936
Net cash paid for acquiring the subsidiary up to 30 June 2020	(259,965,000,000)
Net cash inflow from acquisition	**86,971,037,936**

Additionally, on 2 February 2020, the Group acquired an additional 38% shares in GMC from individuals with total consideration of VND 219,333,000,000. Thereby, the Group increased its equity interest GMC to 83%.

5. CASH AND CASH EQUIVALENTS

VND

	Ending balance	Beginning balance
Cash on hand	3,854,737,237	3,316,465,385
Cash in banks	795,465,924,275	912,958,773,342
Cash equivalents (*)	200,300,000,000	88,500,000,000
TOTAL	**999,620,661,512**	**1,004,775,238,727**

(*) Cash equivalents as at 30 June 2020 represent bank deposits with an original term of less than three (3) months in VND at commercial banks which earn interest from 5.0% to 5.5% per annum.

6. HELD-FOR-TRADING SECURITIES

VND

	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Listed shares						
Gia Lai Electricity Joint Stock Company ("GEG")	339,978,654,175	305,954,000,005	(34,024,654,170)	137,120,422,575	142,049,358,700	-
Thanh Thanh Cong Tourist Joint Stock Company ("VNG")	34,051,000,000	28,390,000,000	(5,661,000,000)	-	-	-
Tan Tao Investment and Industry Corporation ("ITA")	8,470,939,579	6,372,899,999	(2,098,039,580)	-	-	-
Viet Capital Securities Joint Stock Company ("VCI")	6,747,003,347	5,470,015,000	(1,276,988,347)	-	-	-
Sai Gon – Nghe Tinh Beer Joint Stock Company ("SB1")	15,022,500	8,600,000	(6,422,500)	15,022,500	12,800,000	(2,222,500)
Other investments	13,894,330,915	13,894,330,915	-	28,235,044,315	27,428,602,876	(806,441,439)
TOTAL	**403,156,950,516**	**360,089,845,919**	**(43,067,104,597)**	**165,370,489,390**	**169,490,761,576**	**(808,663,939)**

7. HELD-TO-MATURITY INVESTMENTS

This balance represents bank deposits in VND with maturity of twelve (12) months and earns interest at the rates ranging from 4.0% to 7.1% per annum. As at 30 June 2020, a part of bank deposits was pledged as collaterals for the short-term loans obtained from commercial banks (Note 25.1).

8. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

8.1 *Short-term trade receivables*

VND

	Ending balance	Beginning balance
Due from other parties	942,977,117,672	849,764,765,504
In which:		
Tu Vinh Services and Trading Company Limited	*213,479,110,000*	-
Lien Loc Phat Services Trading Joint Stock Company	*108,091,410,500*	-
Suntory PepsiCo Vietnam Beverage Limited Company	*2,344,779,150*	*131,745,022,500*
Ms. Chau Nhu Phuong	-	*144,366,740,000*
Others	*619,061,818,022*	*573,653,003,004*
Due from related parties (Note 36)	83,549,785,012	847,262,769,737
TỔNG CỘNG	**1,026,526,902,684**	**1,697,027,535,241**
Provision for doubtful receivables	(2,355,871,658)	(3,457,073,421)
NET	**1,024,171,031,026**	**1,693,570,461,820**

As at 30 June 2020, a part of short-term trade receivables was pledged as collaterals for the short-term loans obtained from commercial banks (Note 25.1).

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

VND

	Current year	Previous year
Beginning balance	3,457,073,421	3,095,617,778
Provisions made during the year	5,522,798,990	955,766,394
Reversal of provisions during the year	(6,624,000,753)	(594,310,751)
Ending balance	2,355,871,658	3,457,073,421

8. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

8.2 *Advances to suppliers*

VND

	Ending balance	Beginning balance
Short-term	**2,522,123,757,499**	**1,946,736,551,586**
Advances to related parties (Note 36)	592,142,205,877	1,088,360,866,098
Advances to farmers (*)	379,735,552,751	310,127,756,881
Advances to other parties	1,550,245,998,871	548,247,928,607
In which:		
- Tu Vinh Services and Trading Company Limited	*499,078,665,783*	-
- Son Tin Commodities Exchange JSC	*349,900,000,000*	-
- Lien Loc Phat Service Trading Joint Stock Company	*301,362,125,734*	*50,000,000,000*
- Hong Minh Huy Import Export Services Trading Joint Stock Company	*200,000,000,000*	-
- Hoang Tuyet Service Company Limited	-	*249,976,000,000*
- Others	*199,905,207,354*	*248,271,928,607*
Long-term	**92,623,661,450**	**109,158,380,150**
Advances to farmers (*)	92,623,661,450	109,158,380,150
TOTAL	**2,614,747,418,949**	**2,055,894,931,736**
Provision for doubtful short-term advances to suppliers	(31,703,663,469)	(43,354,882,201)
NET	**2,583,043,755,480**	**2,012,540,049,535**

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

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

VND

	Current year	Previous year
Beginning balance	43,354,882,201	58,036,481,816
Provisions made during the year	11,103,142,912	16,194,355,014
Reversal of provisions during the year	(22,754,361,644)	(30,875,954,629)
Ending balance	31,703,663,469	43,354,882,201

9. SHORT-TERM LOAN RECEIVABLES

VND

	Ending balance	Beginning balance
Due from related parties	398,706,816	15,000,000,000
Due from other parties (*)	274,584,218	-
TOTAL	**673,291,034**	**15,000,000,000**

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

10. OTHER RECEIVABLES

VND

	Ending balance	Beginning balance
Short-term	**1,937,434,918,704**	**1,425,093,673,613**
Deposits and deposit for land rentals (*)	1,198,218,256,726	1,204,178,761,999
Deposits for future contracts	546,772,649,476	-
Interest receivables	106,961,636,993	132,531,071,829
Advances to employees	15,139,431,243	42,222,321,893
Others	70,342,944,266	46,161,517,892
Long-term	**9,183,228,001**	**36,936,554,195**
Deposits for land rentals	9,029,459,533	-
Others	153,768,468	36,936,554,195
TOTAL	**1,946,618,146,705**	**1,462,030,227,808**
Provision for doubtful other short-term receivables	(5,540,256,588)	(626,303,698)
NET	**1,941,077,890,117**	**1,461,403,924,110**
In which:		
Other receivables from related parties (Note 36)	*1,218,995,305,217*	*1,221,948,087,129*
Other receivables from other parties	*722,082,584,900*	*239,455,836,981*

(*) Mainly comprise of:

(i) Deposits amounting to VND 673 billion in accordance with Deposit Contracts dated 21 June 2019 and 26 June 2019 and Amendment No. 3 dated 30 October 2019 between the Group and Toan Hai Van Joint Stock Company with the total contract value of VND 1,440 billion to lease land lots with total area of 218,238.06 m2 located in Vinh Dam Complex Project, Phu Quoc District, Kien Giang Province in 40 years; and

(ii) Deposits amounting to VND 522 billion in accordance with Memorandums dated 24 June 2019 and 25 December 2019 and Amendment No. 7 dated 12 March 2020 between the Group and Thanh Thanh Cong Industrial Zone Joint Stock Company with total value of VND634 billion to lease land lots with total area of 456,655.3 m^2 located at Thanh Thanh Cong Industrial Zone, An Hoi Hamlet, An Hoa Commune, Trang Bang District, Tay Ninh Province in 38 years.

10. OTHER RECEIVABLES (continued)

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

VND

	Current year	Previous year
Beginning balance	626,303,698	14,285,119,008
Provisions made during the year	5,183,437,086	402,910,848
Reversal of provisions during the year	(269,484,196)	(14,061,726,158)
Ending balance	5,540,256,588	626,303,698

11. INVENTORIES

VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Finished goods	1,051,092,338,189	(3,945,634,726)	941,734,766,976	(2,389,182,020)
Merchandise goods	507,351,475,633	(6,663,039,137)	936,411,956,323	(17,728,811,195)
Work in progress	444,169,101,425	-	382,244,481,692	-
Raw materials	440,174,810,698	-	424,942,250,381	(956,559,197)
Tools and supplies	63,390,339,421	(1,199,469,827)	40,500,114,566	(1,091,174,560)
Goods on consignment	34,976,735,383	-	11,858,338,161	-
Goods in transit	-	-	65,872,403,404	-
TOTAL	**2,541,154,800,749**	**(11,808,143,690)**	**2,803,564,311,503**	**(22,165,726,972)**

As at 30 June 2020, a part of inventories was pledged as collaterals for the short-term loans obtained from commercial banks (Note 25.1).

Details of movements of provision for obsolete inventories:

VND

	Current year	Previous year
Beginning balance	22,165,726,972	37,654,315,402
Provisions made during the year	21,652,663,544	33,047,490,288
Reversal of provisions during the year	(31,304,903,466)	(48,125,714,370)
Foreign exchange	(705,343,360)	(410,364,348)
Ending balance	11,808,143,690	22,165,726,972

12. PREPAID EXPENSES

VND

	Ending balance	Beginning balance
Short-term	**48,619,538,175**	**140,253,036,651**
Sugarcane farming costs	6,602,348,452	27,552,798,819
Deferred sugar cane crop costs	11,500,067,583	68,633,490,722
Prepaid land rental	3,445,559,523	2,689,920,000
Others	27,071,562,617	41,376,827,110
Long-term	**1,319,693,751,650**	**1,332,920,724,205**
Sugar cane farming cost and tree on land (*)	969,765,486,374	1,052,902,380,707
Young sugarcane expense	60,697,528,550	45,406,351,260
Prepaid land rental (**)	232,864,843,891	190,204,382,696
Tools and supplies	23,843,656,742	11,569,156,210
Others	32,522,236,093	32,838,453,332
TOTAL	**1,368,313,289,825**	**1,473,173,760,856**

(*) Sugar cane farming costs mainly represented land costs and expenses for developing of sugar cane farm of the Group with the amount of VND 808 billion, located at Attapeu Province, Lao People's Democratic Republic, and the fair value surplus adjustments in accordance with Appraisal Letter No. 177/017/CT/TDGSG dated 15 August 2017 and be allocated during land rental duration of 44 years from 1 July 2017.

(**) A part of prepaid land rental as at 30 June 2020 were pledged as collateral for the short-term loans obtained from commercial banks (Note 25.1).

13. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Other assets	Total
Cost:						
Beginning balance	1,693,141,906,315	6,342,165,370,814	276,579,448,499	52,269,547,606	94,200,951,798	8,458,357,225,032
New purchase	17,524,791,440	88,207,853,008	16,847,816,383	21,312,436,529	1,591,516,574	145,484,413,934
Transfer from construction in progress	18,772,142,754	77,822,554,048	-	1,890,380,931	167,616,267	98,652,694,000
Increase from business combination (Note 4)	53,867,376,671	-	6,946,778,639	9,345,153,965	-	70,159,309,275
Reclassification	(97,525,131,879)	165,946,400,789	-	-	-	68,421,268,910
Disposal	(9,021,642,700)	(107,665,314,423)	(24,665,199,187)	(20,717,463,324)	(126,571,000)	(162,196,190,634)
Impact from foreign exchange difference	(75,852,930,091)	(99,304,212,848)	(16,696,845,348)	(367,929,964)	(1,816,486,386)	(194,038,404,637)
Ending balance	1,600,906,512,510	6,467,172,651,388	259,011,998,986	63,732,125,743	94,017,027,253	8,484,840,315,880
In which:						
Fully depreciated	*113,035,843,049*	*1,616,870,814,263*	*27,621,826,026*	*13,131,511,313*	*59,107,403,537*	*1,829,767,398,188*
Accumulated depreciation:						
Beginning balance	754,193,874,441	3,336,777,806,094	131,878,707,103	30,914,836,963	69,364,889,947	4,323,130,114,548
Increase from business combination (Note 4)	4,630,703,874	-	2,153,923,590	4,910,620,430	-	11,695,247,894
Depreciation for the year	67,501,886,558	308,457,175,153	16,485,487,597	4,235,397,234	2,394,710,476	399,074,657,018
Reclassification	4,571,120,504	17,382,559,731	-	-	-	21,953,680,235
Disposal	(2,344,164,453)	(28,352,659,032)	(14,190,272,514)	(231,924,048)	(72,952,888)	(45,191,972,935)
Impact from foreign exchange difference	(20,480,412,228)	(42,241,597,898)	(7,479,902,524)	(106,721,756)	(415,994,036)	(70,724,628,442)
Ending balance	808,073,008,696	3,592,023,284,048	128,847,943,252	39,722,208,823	71,270,653,499	4,639,937,098,318
Net carrying amount:						
Beginning balance	938,948,031,874	3,005,387,564,720	144,700,741,396	21,354,710,643	24,836,061,851	4,135,227,110,484
Ending balance	792,833,503,814	2,875,149,367,340	130,164,055,734	24,009,916,920	22,746,373,754	3,844,903,217,562
In which:						
Pledged as loan security (Note 25)	*741,054,552,636*	*2,157,006,483,380*	*139,025,438,972*	*6,796,950,414*	*7,497,112,878*	*3,051,380,538,280*

14. FINANCE LEASES

VND

	Machineries and equipment
Cost:	
Beginning balance	142,678,391,405
Additions	61,374,210,459
Repurchase	(63,571,310,364)
Ending balance	140,481,291,500
Accumulated depreciation:	
Beginning balance	39,740,824,845
Depreciation for the year	10,817,072,773
Repurchase	(18,237,147,782)
Ending balance	32,320,749,836
Net carrying amount:	
Beginning balance	102,937,566,560
Ending balance	108,160,541,664

15. INTANGIBLE FIXED ASSETS

VND

	Land use rights	Computer software	Others	Total
Cost:				
Beginning balance	131,094,126,023	26,450,180,698	36,379,934	157,580,686,655
New purchase	119,366,036,410	8,099,320,596	-	127,465,357,006
Transfer from construction in progress	-	12,328,631,113	-	12,328,631,113
Disposal	(11,543,288,384)	-	-	(11,543,288,384)
Disposal of investments in subsidiaries	-	(1,167,385,487)	-	(1,167,385,487)
Foreign exchange differences	-	(166,602,796)	-	(166,602,796)
Ending balance	238,916,874,049	45,544,144,124	36,379,934	284,497,398,107
In which:				
Fully amortised	*7,365,828,923*	*6,964,002,048*	*36,379,934*	*14,366,210,905*
Accumulated amortisation:				
Beginning balance	28,279,955,232	15,120,948,007	36,379,934	43,437,283,173
Amortisation for the year	10,852,725,554	5,223,229,419	-	16,075,954,973
Disposal of investments in subsidiaries	-	(1,167,385,487)	-	(1,167,385,487)
Disposal	(533,246,846)	-	-	(533,246,846)
Foreign exchange differences	-	(56,011,359)	-	(56,011,359)
Ending balance	38,599,433,940	19,120,780,580	36,379,934	57,756,594,454
Net carrying amount:				
Beginning balance	102,814,170,791	11,329,232,691	-	114,143,403,482
Ending balance	200,317,440,109	26,423,363,544	-	226,740,803,653
In which:				
Pledged as loan security (Note 25)	*5,199,519,344*	-	-	*5,199,519,344*

16. INVESTMENT PROPERTIES

VND

	Land use rights	Buildings and structures	Total
Cost:			
Beginning balance	29,296,423,000	149,934,783,174	179,231,206,174
Increase from business combination *(Note 4)*	-	243,907,302,995	243,907,302,995
Transfer from construction in progress	210,392,416,100	-	210,392,416,100
New purchase	-	32,000,960,916	32,000,960,916
Transfer to tangible fixed asset	-	(11,239,464,908)	(11,239,464,908)
Disposal	(16,328,127,682)	-	(16,328,127,682)
Foreign exchange differences	-	110,801,916	110,801,916
Ending balance	223,360,711,418	414,714,384,093	638,075,095,511
Accumulated depreciation and amortisation:			
Beginning balance	5,955,601,609	16,040,861,139	21,996,462,748
Increase from business combination *(Note 4)*	-	20,842,056,795	20,842,056,795
Depreciation and amortisation for the year	566,392,750	6,816,620,811	7,383,013,561
Transfer to tangible fixed asset	-	(4,571,120,504)	(4,571,120,504)
Foreign exchange differences	-	(13,214,818)	(13,214,818)
Ending balance	6,521,994,359	39,115,203,423	45,637,197,782
Net carrying amount:			
Beginning balance	23,340,821,391	133,893,922,035	157,234,743,426
Ending balance	216,838,717,059	375,599,180,670	592,437,897,729
In which:			
Pledged as loan security (Note 25.1)	*22,774,428,641*	*335,143,055,679*	*357,917,484,320*

The fair values of the investment properties as at 30 June 2020 had not yet been formally assessed and determined, but Management believed that it was much higher than the property's carrying values considering that the investment properties has been almost fully rented out as at the balance sheet date.

Revenue and expense relating to investment properties

VND

	Current year	Previous year
Rental income from investment properties	30,213,621,672	24,041,879,003
Direct operating expenses of investment properties that generated rental income during the year	(16,566,455,776)	(18,414,797,301)

17. CONSTRUCTION IN PROGRESS

VND

Construction and machineries for	Ending balance	Beginning balance
Solar power projects	237,601,325,244	335,246,983,270
Drying bagasse project	40,095,293,483	31,182,337,499
Machineries and equipment under installation	27,208,126,436	41,323,481,783
Land transfer cost at Tay Ninh	-	210,392,416,100
Machinery and equipment for sugar production	-	14,331,497,957
Factories and offices renovation	-	2,119,149,379
Others	36,622,063,605	44,353,073,508
TOTAL	**341,526,808,768**	**678,948,939,496**

18. LONG-TERM INVESTMENTS

VND

	Ending balance	Beginning balance
Investments in associates *(Note 18.1)*	381,424,975,548	105,631,208,868
Investments in other entities *(Note 18.2)*	767,001,478,655	20,041,830,629
Held-to-maturity investments *(*)*	99,180,000,000	-
TOTAL	**1,247,606,454,203**	**125,673,039,497**
Provision for long-term investments	(2,001,366,303)	(741,216,334)
NET	**1,245,605,087,900**	**124,931,823,163**

(*) It represents long term bonds with the terms from 3 years to 10 years at commercial banks which earn interest ranging from 6.5% to 8.3% per annum. A part of long-term bonds as at 30 June 2020 were pledged as collateral for loans obtained from commercial banks (Note 25.1).

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in associates

Details of these investments in associates were as follows:

Name of associates	Business activities	Status	Ending balance			Beginning balance		
			Quantity (share)	Carrying amount (VND)	% of interest	Quantity (share)	Carrying amount (VND)	% of interest
Tan Dinh Import Export Joint Stock Company (*)	Leasing office building	Operating	2,082,900	351,065,814,753	41,65	-	-	-
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	Operating	3,157,920	30,359,160,795	19,13	3,157,920	30,359,160,795	19,13
Tay Ninh Sugar Joint Stock Company	Planting sugarcane, producing and trading in sugar, cassava and rubber	Operating		-	-	6,370,806	75,272,048,073	21,67
TOTAL				**381,424,975,548**			**105,631,208,868**	

(*) On 28 October 2019, the Group completed the purchase of 2,082,900 shares in Tan Dinh Import and Export Joint Stock Company ("Tadimex") from related parties with total consideration of VND 360,341,700,000. Accordingly, the Group retained 41.65% voting right in Tadimex and this company became the Group's associate since this date.

VND

Cost of investment:	
Beginning balance	100,546,056,133
Additional investments during the year	693,096,900,000
Convert to subsidiary - GMC *(Note 4)*	(332,755,200,000)
Disposal	(68,966,856,133)
Ending balance	391,920,900,000
Accumulated share in post-acquisition profit (loss) of the associates:	
Beginning balance	5,085,152,735
Share in post-acquisition profit of the associates for the year	18,736,282,164
Dividend received	(16,664,000,000)
Convert to subsidiary - GMC *(Note 4)*	(11,348,167,411)
Disposal	(6,305,191,940)
Ending balance	(10,495,924,452)
Net carrying amount:	
Beginning balance	105,631,208,868
Ending balance	381,424,975,548

18. LONG-TERM INVESTMENTS (continued)

18.2 Investments in other entities

	Business activities	Ending balance		Beginning balance	
		Cost of investment (VND)	% of interest	Cost of investment (VND)	% of interest
Toan Hai Van Joint Stock Company	Operating real estate, port, warehouse	591,654,980,000	18,12	-	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Leasing industrial zone	112,700,000,000	10,89	-	-
Tay Ninh Sugar Joint Stock Company (*)	Planting sugarcane, producing and trading in sugar, cassava and rubber	59,051,540,000	6,93	-	-
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company	Trading real estates, land use rights belonging to the Company or from leasing activities	1,940,478,185	6,74	1,940,478,185	6,74
Son Duong Sugar Joint Stock Company	Processing molasses and sugar products	-	-	17,360,136,000	13,08
Other long-term investments		1,654,480,467		741,216,444	
TOTAL		**767,001,478,652**		**20,041,830,629**	
Provision for diminution in value of long-term investment		(2,001,366,303)		(741,216,334)	
NET		**765,000,112,349**		**19,300,614,295**	

(*) During the year, the Group completed the transfer of 4,334,546 shares or 14.74% voting right in Tay Ninh Sugar Joint Stock Company with total amount of VND 125,701,834,000. Accordingly, the Group's direct onwnership decreased from 21.67% to 6.93%. As at transactional date, this other long term investment was recorded at fair value and considered as fair value (cost of investment) at initial measurement. The difference between the fair value of retained interest, proceed received from the transfer of 4,334,546 shares and the carrying amount of the invesment at the date the equity method was discontinued amounting to VND 33,844,721,573 was recognised to finance income (Note 29.2).

19. GOODWILL

VND

Cost:	
Beginning balance	189,832,404,093
Increase due to business combination *(Note 4)*	7,115,663,837
Adjustment due to the disposal of a subsidiary	(772,462,143)
Ending balance	196,175,605,787
Accumulated amortisation:	
Beginning balance	42,025,238,760
Amortisation for the year	20,174,973,548
Ending balance	62,200,212,308
Net carrying amount:	
Beginning balance	147,807,165,333
Ending balance	133,975,393,479

20. SHORT-TERM TRADE PAYABLES

VND

	Ending balance	Beginning balance
Due to related parties *(Note 36)*	107,563,620,963	119,253,087,037
Due to other parties	477,818,139,147	384,517,944,966
In which:		
- Czarnikow Group Limited	*78,448,807,979*	-
- Farmers	*66,485,218,314*	*42,816,328,627*
- ED&F MAN Sugar Limited	*40,078,975,876*	-
- Sharp Solar Solution Asia Company Limited	-	*183,669,534,777*
- Vietnam Dairy Products Joint Stock Company	-	*18,480,886,512*
- Others	*292,805,136,978*	*139,551,195,050*
TOTAL	**585,381,760,110**	**503,771,032,003**

21. SHORT-TERM ADVANCES FROM CUSTOMERS

VND

	Ending balance	Beginning balance
Due to related parties *(Note 36)*	45,161,183,576	108,087,627,478
Due to other parties	100,265,421,232	39,109,892,784
In which:		
- XinYuan Trading (Thailand) Co., Ltd.	*36,487,098,670*	-
- Xiamen Hehujia Trading Co., Ltd.	*29,528,430,500*	-
- Kingwell Co., Ltd.	*17,729,459,300*	-
- Pham Nguyen Confectionery Corporation	*12,343,731,250*	-
- Others	*4,176,701,512*	*39,109,892,784*
TOTAL	**145,426,604,808**	**147,197,520,262**

22. STATUTORY OBLIGATIONS

VND

	Beginning balance	Increase during the year	Decrease during the year	Ending balance
Payables				
Corporate income tax	123,521,173,696	136,720,597,833	(169,105,854,417)	91,135,917,112
Value-added tax	36,134,813,872	638,960,427,529	(627,274,249,998)	47,820,991,403
Personal income tax	6,546,209,954	14,449,316,804	(12,242,682,004)	8,752,844,754
Others	27,228,848,513	164,662,263,723	(161,230,714,666)	30,660,397,570
TOTAL	**193,431,046,035**	**954,792,605,889**	**(969,853,501,085)**	**178,370,150,839**
Receivables				
Value-added tax deductible	51,414,140,996	263,562,591,226	(218,146,032,871)	96,830,699,351
Corporate income tax	5,942,855,586	214,694,656	(236,880,272)	5,920,669,970
Personal income tax	320,321,667	617,902,851	(515,497,304)	422,727,214
Other	5,798,330,525	11,960,109	(2,219,051,615)	3,591,239,019
TOTAL	**63,475,648,774**	**264,407,148,842**	**(221,117,462,062)**	**106,765,335,554**

23. SHORT-TERM ACCRUED EXPENSES

VND

	Ending balance	Beginning balance
Interest expense	118,284,120,243	156,294,765,451
Purchase of sugarcane	86,865,960,582	56,712,015,167
Transportation and loading fees	35,210,471,142	29,367,976,840
Bonus and support fees for agencies	19,336,490,902	16,402,966,537
Foreign contractor tax	18,526,087,020	18,952,066,476
External services expense	14,696,825,525	9,461,816,151
Import and export tax	718,325,850	24,833,182,360
Others	67,910,037,556	54,650,828,163
TOTAL	**361,548,318,820**	**366,675,617,145**

24. OTHER PAYABLES

VND

	Ending balance	Beginning balance
Short-term	**394,675,252,848**	**284,522,703,568**
Dividends	324,120,209,282	217,905,972,826
Reimbursement of expenses	15,773,749,677	15,777,116,532
Rental equipment	3,900,000,000	5,460,000,000
Deposits	11,978,374,983	5,047,181,408
Others	38,902,918,906	40,332,432,802
Long-term		
Deposits	6,310,971,782	6,718,381,960
TOTAL	**400,986,224,630**	**291,241,085,528**
In which:		
Other parties	*379,104,033,788*	*214,788,579,780*
Related parties (Note 36)	*21.882.190.842*	*76.452.505.748*

25. LOANS AND FINANCE LEASE OBLIGATIONS

VND

	Opening balance	Movement during the year					Ending balance
		Increase due to business combination	Drawdown	Repayment	Reclassification	Foreign exchange difference	
Short-term	**7,284,286,378,356**	**7,286,716,080**	**13,776,991,386,902**	**(14,660,827,342,018)**	**589,816,506,474**	**(7,998,122,499)**	**6,989,555,523,295**
Loans from banks *(Note 25.1)*	6,071,039,794,718	-	13,266,423,487,356	(12,973,501,381,680)	-	(1,596,893,380)	6,362,365,007,014
Loans from other party *(Note 25.2)*	-	-	465,067,899,546	(459,879,917,503)	-	(5,338,345)	5,182,643,698
Loans from related parties *(Note 36)*	6,000,000,000	-	45,500,000,000	(27,400,000,000)	14,900,000,000	-	39,000,000,000
Short-term bonds	485,883,333,333	-	-	(485,883,333,333)	-	-	-
Current portion of long-term loans from banks *(Note 25.3)*	241,050,061,082	7,286,716,080	-	(233,849,520,279)	247,089,265,089	(6,395,890,774)	255,180,631,198
Current portion of long-term loan from another entity	970,000,000	-	-	(970,000,000)	-	-	-
Current portion of long-term loan from related parties *(Note 36)*	3,449,020,000	-	-	(3,449,020,000)	-	-	-
Current portion of long-term bonds *(Note 25.4)*	452,850,466,660	-	-	(452,850,466,660)	309,180,571,649	-	309,180,571,649
Current portion of finance leases *(Note 25.5)*	23,043,702,563	-	-	(23,043,702,563)	18,646,669,736	-	18,646,669,736
Long-term	**1,848,530,201,711**	**164,424,094,372**	**214,485,596,977**	**(411,401,627,510)**	**(589,816,506,474)**	**(5,151,820,558)**	**1,221,069,938,518**
Loans from banks *(Note 25.3)*	623,648,397,718	164,424,094,372	87,254,643,385	(83,012,694,652)	(247,089,265,089)	(5,151,820,558)	540,073,355,176
Loan from related parties *(Note 36)*	14,900,000,000	-	60,855,404,999	(60,855,404,999)	(14,900,000,000)	-	-
Long-term bonds *(Note 25.4)*	1,189,254,200,010	-	2,095,133,328	(247,580,000,000)	(309,180,571,649)	-	634,588,761,689
Long-term finance leases *(Note 25.5)*	20,727,603,983	-	64,280,415,265	(19,953,527,859)	(18,646,669,736)	-	46,407,821,653
TOTAL	**9,132,816,580,067**	**171,710,810,452**	**13,991,476,983,879**	**(15,072,228,969,528)**	**-**	**(13,149,943,057)**	**8,210,625,461,813**

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.1 Short-term loans from banks

Banks	Ending balance VND	Principal repayment term	Descriptions of collaterals
Vietnam Maritime Commercial Stock Bank - Ho Chi Minh city Branch	913,425,687,122	From 10 July 2020 to 15 November 2020	Deposit of VND 100 billion; 10 million shares of the Company owned by Ms Huynh Bich Ngoc; machineries and equipment of VND 163 billion at NHE and land use right of land lot No. 8 located at Thai Binh Commune, Chau Thanh District, Tay Ninh Province
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch	723,059,790,715	From 9 July 2020 to 25 December 2020	Receivables of VND 150 billion, inventories of VND 130 billion; BHS's deposit of VND 3.5 billion; bonds from Vietinbank of Ms Huynh Bich Ngoc of VND 46.5 billion; real estate belong to Thanh Thanh Cong Tourist JSC of VND 122 billion; machineries of VND 278 billion in NHS and land use right of VND159 billion in accordance with valuation report dated February 2020 in NHS
Joint Stock Commercial Bank for Investment and Development of Vietnam - Gia Dinh Branch	643,314,040,329	From 21 July 2020 to 30 December 2020	Land use rights of 329.44 ha at Ben Cau District; capital contribution at Thanh Thanh Cong Gia Lai amounting to VND 339,998,760,000 and deposit amounting to VND 45 billion
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ho Chi Minh City Branch	437,081,693,818	From 15 July 2020 to 30 December 2020	Inventories with the value of VND 150 billion; and term deposit of VND 164 billion; BHS's BIDV bonds with the amount of VND 5 billion and receivables with minimum value of 120% total loans incurred; land use right of 144,.51 ha at Suoi Ngo District, Tay Ninh Province
Joint Stock Commercial Bank for Investment and Development of Vietnam – Khanh Hoa Branch	341,622,870,866	From 7 August 2020 to 12 December 2020	Term deposit with carrying value of VND 76 billion; inventories with amount VND 350 billion and bonds of VND 44 billion
Orient Commercial Joint Stock Bank - Dak Lak Branch	340,159,044,510	From 6 July 2020 to 27 November 2020	All inventories with the maximized value of VND 286 billion and contributed capital of Bien Hoa – Ninh Hoa Sugar One Member Company Limited to NHSS Private Limited Company with the value of VND 174 billion and 2,190,000 shares of the Company
Joint Stock Commercial Bank for Foreign Trade of Vietnam – North Sai Gon Branch	334,464,797,202	From 23 May 2020 to 16 December 2020	Land use rights of land lot No. 49 located at Ward 2, Tay Ninh City, Tay Ninh Province and associates assets on the land
Vietnam Prosperity Joint Stock Commercial Bank – Ho Chi Minh City Branch	250,000,000,000	From 3 July 2020 to 9 August 2020	Inventories with the value of VND 200 billion
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ninh Branch	247,603,192,057	From 21 July 2020 to 26 December 2020	Land use rights of 156.2 ha at Tay Ninh Province

25.1 Short-term loans from banks (continued)

Banks	Ending balance VND	Principal repayment term	Descriptions of collaterals
Vietnam Joint Stock Commercial Bank for Industry and Trade - Gia Lai Branch	200,000,000,000	From 16 September 2020 to 30 September 2020	Land use right and assets on land, right of debts claim, right of receivables, assets incurred from loans, properties right incurred from electricity sale contract with Central Power Corporation
Saigon Thuong Tin Commercial Joint Stock Bank	200,000,000,000	30 September 2020	Interest from business operation; land use right and assets on land guaranteed by Tan Dinh Import Export Joint Stock Company
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Khanh Hoa Branch	199,970,073,037	From 16 September 2020 to 22 November 2020	Deposit of VND 86,225,000,000; means of transportation with the value of VND 1,550,000,000; and inventory with minimum value of VND 243 billion
Malayan Banking Berhard – Ho Chi Minh Branch	179,648,302,705	From 13 July 2020 to 13 October 2020	Receivables and inventories with the value of USD 15.5 million
Malayan Banking Berhard – Ha Noi Branch	140,357,415,683	From 22 July 2020 to 13 October 2020	
Joint Stock Commercial Bank for Investment and Development of Vietnam – Gia Lai Branch	161,621,124,923	From 8 July 2020 to 9 September 2020	Inventories; 4.9 million shares of Thanh Thanh Cong Joint Stock Company - Bien Hoa and 7.3 million shares of Thanh Thanh Cong Tourist Joint Stock Company
BPCE International et Outre-mer SA – Ho Chi Minh Branch	148,251,857,501	From 4 September 2020 to 4 December 2020	Receivables and inventories with maximized value of USD 10,100,000; and inventories with carrying value of VND 60 billion
Ho Chi Minh City Development Joint Stock Commercial Bank – Nguyen Dinh Chieu Branch	145,307,942,191	From 16 October 2020 to 19 November 2020	Inventories with the value of VND 70,000,000,000
Orient Commercial Joint Stock Bank – Gia Lai branch	100,000,000,000	From 17 September 2020 to 29 November 2020	All the receivables, land use right which are funded from loan
Vietnam International and Commercial Joint Stock Bank	99,831,859,256	From 26 July 2020 to 9 August 2020	Inventory with the minimum value of 200 billion VND

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.1 *Short-term loans from banks (continued)*

Banks	Ending balance	Principal repayment term	Descriptions of collaterals
	VND		
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch	97,089,250,266	From 25 October 2020 to 1 December 2020	Construction, machine and equipment at Bien Hoa 1 Industrial zone, Dong Nai province, land use right at Chau Thanh Ward, Tay Ninh province
Military Commercial Joint Stock Bank - Ho Chi Minh Branch	66,640,337,731	From 16 July 2020 to 12 November 2020	Receivables, 1,640,000 share of GEC, and land use right of 63.15 ha at Thanh Long Ward, Tay Ninh province
Military Commercial Joint Stock Bank - Khanh Hoa Branch	63,923,934,999	From 27 September 2020 to 4 November 2020	Deposit of 4 billion VND, inventory and receivables with total value of 250 billion VND
Bank SinoPac - Ho Chi Minh Branch	57,887,004,157	From 5 September 2020 to 4 October 2020	Unsecured
Vietnam Prosperity Joint Stock Commercial Bank	50,500,000,000	From 6 July 2020 to 28 August 2020	Inventories with the value of VND 200 billion; and 8,849,000 shares of the Thanh Thanh Cong Joint Stock Company - Bien Hoa; 6,267,000 shares of Gia Lai Electricity Joint Stock Company; saving account
United Oversea Bank Limited - Ho Chi Minh Branch	49,995,739,500	18 August 2020	Receivables and inventories with the value of USD 6,000,000
Shinhan Bank Vietnam - Ho Chi Minh Branch	47,802,393,171	From 11 September 2020 to 19 November 2020	Unsecured
Maybank Vietnam – Ho Chi Minh City	41,549,092,000	From 9 October 2020 to 16 October 2020	Merchandises, finished goods, work in progress and raw material with the minimum value of USD 3,000,000, receivables with the minimum value of USD 3,000,000 right to claim future debt
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ninh Thuan Branch	41,114,508,062	From 10 July 2020 to 31 December 2020	Machinery and equipment with the value of VND 41.4 billion
Lao Viet Joint Venture Bank - Attapeu Branch	40,143,055,213	17 August 2017	Hoang Anh Gia Lai Attapeu hotel owned by Hoang Anh Attapeu Agricultural Company Limited; inventories, machines and 3,441.3 ha of planting sugarcane
TOTAL	**6,362,365,007,014**		
In which:			
in VND	*6,104,483,586,245*		
in USD	*8,739,109,94*		

Those short-term loans from banks charged at market interest rate for financing its working capital requirements.

25.2 *Loan from other party*

Lender	Ending balance		Principal repayment term	Purpose	Descriptions of collaterals
	VND	USD			
Macquarie	5,182,643,698	222,431.06	On demand	financing its working capital requirements	Unsecured

25.3 *Long-term loans from banks*

Banks	Ending balance	Principal repayment term	Purpose	Descriptions of collaterals
	VND			
Bank for Investment and Development of Vietnam Joint Stock Company – Binh Dinh Branch	344,705,300,097	From 30 September 2020 to 21 April 2023	Purchase and construction of fixed assets	All the construction and equipment of sugar plant and thermoelectric plant funded from the loan
Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch	133,965,686,900	From 4 July 2020 to 9 October 2022		Receivables, land use rights, assets funded from the loan, rights emerged from trading electricity contract with Central Power Corporation, entire Gia Lai thermoelectricity factory with the value of VND 262,082,986,000
Military Commercial Joint Stock Bank – East Sai Gon Branch	50,092,341,500	From 25 August 2020 to 17 November 2022		Machinery and equipment funded from the loan
Joint Stock Commercial Bank for Foreign Trade of Vietnam – North Saigon Branch	44,413,478,042	From 31 December 2020 to 13 September 2024		Assets funded from the loan with the value of VND 186 billion
Vietnam Joint Stock Commercial Bank for Industry and Trade – Tay Ninh Branch	13,063,000,000	From 25 July 2020 to 21 August 2021		Land use rights of land lot No. 513 located at Thanh Tay Commune, Tan Bien District, Tay Ninh Province, machineries funded from the loan
Orient Commercial Joint Stock Bank – Dak Lak Branch	26,467,254,655	From 23 September 2020 to 10 September 2023		Machinery funded from the loan with the value of VND 25.8 billion
Malayan Banking Berhad Bank – Malaysian Branch	65,009,083,253	From 31 December 2020 to 31 December 2040	Purchasing export bill and property	Investment property held by the Company, guarantee letter from management
Oversea Chinese Banking Corporation Limited	100,734,463,216	From 30 September 2020 to 31 March 2041	Purchasing export bill and refinancing existing property loan	Investment property at Techpark Singapore Industrial zone guarantee letter from TSU, chairwoman and Mr Lovia Huang

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.3 Long-term loans from banks (continued)

Banks	Ending balance VND	Principal repayment term	Purpose	Descriptions of collaterals
Vietnam Bank for Agriculture and Rural Development – Gia Lai Branch	8,600,978,711	From 20 April 2021 to 15 February 2022	Purchase and construction of fixed assets	Machinery and equipment funded from the loan
Ho Chi Minh City Development Joint Stock Commercial Bank	7,901,300,000	From 24 August 2020 to 24 February 2027		Unsecured
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ninh Thuan Branch	301,100,000	From 30 June 2020 to 9 October 2022		Machinery and equipment funded from the loan and receivables
TOTAL	**795,253,986,374**			
In which:				
Current-portion	*255,180,631,198*			
Non-current portion	*540,073,355,176*			
VND	*284,805,139,808*			
USD	*22,785,692*			

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

25.4 Long-term bonds

Details of bonds are as follows:

	Ending balance VND	Principal repayment term	Interest (%/year)	Purpose
Issued at par value				
Joint Stock Commercial Bank for Investment and Development of Vietnam – Binh Dinh Branch (i)	510,720,000,000	From 15 July 2020 to 21 February 2026	9.95	Investing in project to develop sugar industrial zone and material plating area located at Attapeu Province, The Lao People's Democratic Republic through the acquisition of shares in TTC Attapeu Cane Sugar Limited Company
Joint Stock Commercial Bank for Investment and Development of Vietnam – Gia Dinh Branch (i)	340,480,000,000	From 23 June 2021 to 23 June 2023	10.13	
Orient Commercial Joint Stock Bank – Ho Chi Minh Branch (ii)	100,000,000,000	27 May 2021	8.5	Loan restructuring and financing for working capital
Issuance fee	(7,430,666,662)			
	943,769,333,338			
In which:				
Current portion	*309,180,571,649*			
Non-current portion	*634,588,761,689*			

(i) Collaterals

» Land lease rights under contracts between TTC Attapeu Sugar Cane Sole Co., Ltd. and The Lao People's Democratic Republic for 2,790.9 hectare land area located at Phu Vong District, Attapeu Province, Laos and associated assets, real estates and all rights and obligations emerging from those assets owned by TTC Attapeu Sugar Cane Sole Co., Ltd.; construction, machineries in use at farm sites, sugar manufacturing plan, thermal power plant and microbiological fertilizer manufacturing plant; and ownership and entitlement to indemnity for incidents arising under insurance policies for those assets; and

» Capital contributed by the Company and BHS to TTC Attapeu Cane Sugar Limited Company with value of VND 2,230,109,999,975.

(ii) Collateral

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

» Real estate located at land lot No. 329, Thanh Binh Ward, Bien Hoa City, Dong Nai Province which belongs to BHS; and

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

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.5 *Finance leases*

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

VND

	Ending balance			Beginning balance		
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities
Current liabilities						
Less than 1 year	23,704,618,103	5,057,948,367	18,646,669,736	25,718,702,591	2,675,000,028	23,043,702,563
Non-current liabilities						
From 1 - 5 years	52,236,577,937	10,054,589,602	42,181,988,335	21,965,435,303	1,237,831,320	20,727,603,983
More than 5 years	4,370,361,114	144,527,796	4,225,833,318	-	-	-
TOTAL	**80,311,557,154**	**15,257,065,765**	**65,054,491,389**	**47,684,137,894**	**3,912,831,348**	**43,771,306,546**

26. CONVERTIBLE BONDS

On 29 June 2020, the Company completed the issuance of 172 convertible bonds with par value of 1 billion VND per bond to Cape Yeollim Coretrend Global Fund with total amount of VND 172 billion, in accordance with the Resolution approved by the Board of Directors No. 28/2020/NQ-HDQT dated 17 June 2020.

Main terms and conditions of the convertible bonds are as follows:

- Convertible bond held term of three (3) years.
- Convertible bond shall be entitled at any time after one (1) year since the issuance date to convert into fully paid ordinary shares based on the agreed conversion price, but meet the yield-to-maturity rate of 6,5% per annum.
- The Company has obligations to pay interest expense at rate of 3,5% per annum each six months.

Details of the convertible bond are as follows:

VND

	Current year
Value of convertible bond	172,000,000,000
Issuance fee	(6,039,684,983)
Equity component (Note 28.1)	(13,666,133,635)
Liability component at initial recognition	152,294,181,382
Liability component at end of year	152,294,181,382

27. UNEARNED REVENUE

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

28. OWNERS' EQUITY

28.1 *Increase and decrease in owners' equity*

VND

	Issued share capital	Share premium	Other funds belonging to owner's equity (i)	Treasury shares	Foreign exchange difference reserve	Investment and development fund	Undistributed earnings	Non – controlling interest	Total
Previous year									
Beginning balance	5,570,186,730,000	6,243,045,915,565	(5,534,410,411,336)	(1,099,985,561,092)	(60,609,170,380)	69,863,681,464	856,496,451,241	52,772,298,854	6,097,359,934,316
Dividend in share *(Note 28.2)*	297,218,790,000	-	-	-	-	-	(297,218,790,000)	-	-
Dividend in cash *(Note 28.2)*	-	-	-	-	-	-	(408,224,244,952)	-	(408,224,244,952)
Disposal of subsidiaries	-	-	32,294,380,412	-	3,417,408,916	-	(37,789,403,995)	(28,519,506,114)	(30,597,120,781)
Net profit for the year	-	-	-	-	-	-	268,425,858,779	(9,133,191,717)	259,292,667,062
Purchase of non-controlling interest	-	-	-	-	-	-	(33,709,509,644)	33,709,509,644	-
Conversion of financial statements to VND	-	-	-	-	13,190,433,935	-	-	-	13,190,433,935
Profit appropriation	-	-	-	-	-	54,837,395,679	(54,837,395,679)	-	-
Transfer to bonus and welfare fund	-	-	-	-	-	-	(112,022,477,983)	(407,029,649)	(112,429,507,632)
Ending balance	5,867,405,520,000	6,243,045,915,565	(5,502,116,030,924)	(1,099,985,561,092)	(44,001,327,529)	124,701,077,143	181,120,487,767	48,422,081,018	5,818,592,161,948

(*) This is a reserve within equity incurred from business combination transactions of under common control companies *(Note 3.11)*.

28. OWNERS' EQUITY (continued)

28.1 Increase and decrease in owners' equity (continued)

VND

	Share capital		Share premium	Convertible bond options	Other funds belonging to owner's equity (i)	Treasury shares	Foreign exchange difference reserve	Investment and development fund	Undistributed earnings	Non – controlling interest	Total
	Common shares	Preference shares									
Current year											
Beginning balance	5,867,405,520,000	-	6,243,045,915,565	-	(5,502,116,030,924)	(1,099,985,561,092)	(44,001,327,529)	124,701,077,143	181,120,487,767	48,422,081,018	5,818,592,161,948
Issuance of shares (*)	-	216,113,330,000	432,226,670,000	-	-	-	-	-	-	-	648,340,000,000
Re-issuance of treasury shares (**)	-	-	37,579,758,974	-	-	1,099,985,561,092	-	-	-	-	1,137,565,320,066
Issuance of convertible bonds (Note 26)	-	-	-	13,666,133,635							13,666,133,635
Impact from business combination	-	-	-	-	-	-	-	-	(25,670,456,209)	115,375,533,741	89,705,077,532
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	(151,822,677)	(151,822,677)
Net profit for the year	-	-	-	-	-	-	-	-	364,259,001,778	(1,339,185,146)	362,919,816,632
Conversion of financial statements of foreign opeartion	-	-	-	-	-	-	(83,040,114,420)	-	-	-	(83,040,114,420)
Transfer to bonus and welfare fund	-	-	-	-	-	-	-	-	(27,782,618,368)	-	(27,782,618,368)
Profit appropriation	-	-	-	-	-	-	-	17,202,026,560	(17,202,026,560)	-	-
Dividend	-	-	-	-	-	-	-	(124,701,077,143)	(192,799,880,558)	-	(317,500,957,701)
Ending balance	5,867,405,520,000	216,113,330,000	6,712,852,344,539	13,666,133,635	(5,502,116,030,924)	-	(127,041,441,949)	17,202,026,560	281,924,507,850	162,306,606,936	7,642,312,996,647

(i) This is a reserve within equity incurred from business combination transactions of under common control companies *(Note 3.11)*.

(*) On 23 September 2019, the Group completed the issuance of 21,611,333 convertible dividend preference shares at VND 30,000 per share, in accordance with Shareholders' Resolution No. 01/2018/NQ-DHDCD dated 17 October 2018. On 28 October 2019, the Group received the ninth amendment of BRC from the Planning and Investment Department of Tay Ninh Province approving the increase of share capital to VND 6,083,518,850,000.

Main terms and conditions of the convertible dividend preference shares ("preference shares") are as follows:

- Preference shares will not carry any voting rights.
- Preference dividend period and preference dividend rate are on negotiation, and must be paid prior to declaration of dividend or distribution in respect of ordinary shares.
- Each holder of preference shares shall be entitled at any time to convert all or any of the preference shares into fully paid ordinary shares based on the agreed conversion price, but not higher than VND 38,000 per share.

(**) On 4 October 2019, the Group completed the re-issuance of 61,600,900 treasury shares with average price of VND 18,500, in accordance with Resolution by the Board of Directors No. 22/2019/NQ-HĐQT dated 12 August 2019.

28. 2 Capital transactions with owners and distribution of dividends

VND

	Current year	Previous year
Issued contributed share capital		
Beginning balance	5,867,405,520,000	5,570,186,730,000
Increase during the year	216,113,330,000	297,218,790,000
Ending balance	**6,083,518,850,000**	**5,867,405,520,000**
Dividends declared (*)	***317,500,957,701***	***705,474,908,750***
Dividends on ordinary shares		
- Dividends declared in shares	-	*297,250,663,800*
- Dividends declared in cash	*293,370,276,000*	*408,224,244,950*
Dividends on preference shares	*24,130,681,701*	-
Dividends paid in cash	***214,065,647,645***	***192,683,748,039***
Dividends on ordinary shares	*204,003,055,590*	*192,683,748,039*
Dividends on preference shares	*10,062,592,055*	-

(*) In accordance with Annual Shareholders' Resolution No. 03/2019/NQ-DHDCD dated 14 October 2019, the Company declared dividends in cash or/and shares with total value of VND 293,370,276,000 from undistributed earnings, investment and development fund and share premium as at 30 June 2020. Then, in accordance with Resolution by the Board of Directors No. 27a/2020/NQ-HDQT dated 15 June 2020, the Company declared dividends in cash with total value of VND 293,370,276,000 from undistributed earnings and investment and development fund.

The Company declared preference dividend with total value of VND 24,130,681,701, in which an amount of VND 10,062,592,055 has been paid in accordance with the Resolution approved by the Board of Directors No. 41/2019/NQ.HDQT dated 16 December 2019.

28. OWNERS' EQUITY (continued)

28. 3 Shareholders

	Ending balance			Beginning balance		
	Ordinary shares	Preference shares	% interest	Ordinary shares	Preference shares	% interest
Thanh Thanh Cong Investment Joint Stock Company	168,021,963	-	27.62	168,021,963	-	28.64
Deutsche Investitions-und Entwicklungsgesellschaft (DEG)	-	21,611,333	3.55	-	-	-
Others	418,718,589	-	68.83	418,718,589	-	71.36
TOTAL	**586,740,552**	**21,611,333**	**100**	**586,740,552**	**-**	**100**

28.4 Shares

	Number of shares	
	Ending balance	Beginning balance
Authorised shares	608,351,885	586,740,552
Shares issued and fully paid		
Ordinary shares	*586,740,552*	*586,740,552*
Preference shares	*21,611,333*	
Treasury shares		
Ordinary shares	*-*	*(61,600,900)*
Shares in circulation		
Ordinary shares	*586,740,552*	*525,139,652*
Preference shares	*21,611,333*	*-*

The par value of each outstanding share: VND 10,000/share (as at 30 June 2019: VND 10,000/share).

28. OWNERS' EQUITY (continued)

28.5 Earnings per share

	Current year	Previous year (Restated)
Net profit for the period attributable to the Company's shareholders (VND)	364,259,001,778	268,425,858,779
Distribution to bonus and welfare fund (*)	-	-
Net profit (loss) after tax attributable to ordinary shareholders for basic earnings	**364,259,001,778**	**268,425,858,779**
Dividend of convertible preference shares	(24,130,681,701)	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	**340,128,320,077**	**268,425,858,779**
Weighted average number of ordinary shares for basis earnings per share	571,829,119	525,142,839
Increase of weight average number of shares due to effect of dilution caused by potential convertible preference shares *(Note 26)*	13,565,699	-
Weighted average number of ordinary shares adjusted for the effect of dilution	585,394,818	525,142,839
Basic earnings per share *(VND/share)*	595	511
Diluted earnings per share *(VND/share)*	**581**	**511**

(*) Net profit used to compute earnings per share for the year ended 30 June 2019 was restated following the actual distribution to Bonus and welfare funds appropriated from fiscal year ended 2019's undistributed earnings as approved in the Resolution of Annual Shareholders Meeting No. 03/2019/NQ-DHDCD dated 14 October 2019 and Resolution of Board of Directors No. 27a/2020/NQ-HDQT dated 25 June 2020.

Net profit used to compute earnings per share for the year ended 30 June 2020 has not been adjusted for the allocation to bonus and welfare funds from profit of current fiscal year undistributed earnings as the Resolution of Annual Shareholders Meeting on the distribution of the profit after tax of the current year is not yet available.

29. REVENUES

29.1 *Revenues from sale of goods and rendering of services*

VND

	Current year	Previous year
Gross revenue	**12,923,457,051,438**	**10,884,713,247,355**
In which:		
Sale of sugar	*12,025,739,829,084*	*9,499,260,144,181*
Sale of molasses	*311,464,944,384*	*301,548,502,704*
Sale of electricity	*167,044,939,026*	*180,874,229,036*
Sale of milk	*104,300,842,491*	*239,148,590,437*
Sale of fertilizer	*66,621,313,725*	*179,170,758,732*
Sale of beer	*61,321,704,612*	*109,816,050,005*
Rendering of rental services (Note 16)	*30,213,621,672*	*24,041,879,003*
Sale of products from rubber	-	*300,223,315,709*
Other	*156,749,856,444*	*50,629,777,548*
Less:	**(34,774,449,661)**	**(28,100,847,211)**
Sales allowances	*(18,488,866,776)*	*(650,428,352)*
Trade discounts	*(9,295,490,818)*	*(20,935,297,004)*
Sales returns	*(6,990,092,067)*	*(6,515,121,855)*
Net revenues	**12,888,682,601,777**	**10,856,612,400,144**
In which:		
Sale of sugar	*12,002,669,165,517*	*9,471,159,296,970*
Sale of molasses	*311,464,944,384*	*301,548,502,704*
Sale of electricity	*167,044,939,026*	*180,874,229,036*
Sale of milk	*104,300,842,491*	*239,148,590,437*
Sale of fertilizer	*66,321,313,725*	*179,170,758,732*
Sale of beer	*61,321,704,612*	*109,816,050,005*
Rendering of rental services (Note 16)	*30,213,621,672*	*24,041,879,003*
Sale of products from rubber	-	*300,223,315,709*
Other	*145,346,070,351*	*50,629,777,548*
In which:		
Sales to other parties	*11,740,174,658,094*	*9,061,543,976,357*
Sales to related parties	*1,148,507,943,683*	*1,795,068,423,787*

29.2 *Finance income*

VND

	Current year	Previous year
Gains from transfer shares purchasing rights	269,800,000,000	-
Interest income from bank deposit, lending and advance to suppliers	213,709,910,660	225,735,348,191
Gains from disposal of investments	139,409,184,262	833,413,611,053
Income from increase in fair value of other long-term investment *(Note 18.2)*	33,844,721,573	-
Gains from transfer of trading securities	28,901,351,795	25,442,276,545
Foreign exchange gains	9,802,111,661	18,510,907,742
Dividends income	1,039,573,565	2,921,948,401
Others	33,694,812,019	4,612,270,805
TOTAL	**730,201,665,535**	**1,110,636,362,737**
In which:		
Sales to related parties	*618,302,882,606*	*520,837,095,865*
Sales to other parties	*111,898,782,929*	*589,799,266,872*

30. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year
Cost of sugar	10,663,152,692,920	8,622,131,810,976
Cost of molasses	273,126,755,215	315,239,534,885
Cost of electricity	151,801,009,825	171,963,910,883
Cost of milk	99,506,609,727	229,234,998,877
Cost of fertilizer	56,674,950,234	170,132,786,390
Cost of beer	58,520,127,031	108,433,036,004
Cost of rental services	16,566,455,776	18,414,797,301
Cost of products from rubber	-	293,471,599,578
Others	114,793,214,850	55,902,240,356
TOTAL	**11,434,141,815,578**	**9,984,924,715,250**

31. FINANCE EXPENSES

VND

	Current year	Previous year
Interest expense and share issuance fee	685,620,883,846	705,491,023,191
Trade discount and advanced interest	78,639,371,507	86,201,558,627
Provision (reversal of provision) for diminution in investments	44,273,444,227	(256,686,600)
Losses from decrease in fair value of the investment *(Note 4)*	18,463,831,249	-
Foreign exchange losses	2,064,059,832	19,476,463,838
Loss from disposal of investments	-	631,821,687
Others	24,804,293,315	11,848,551,104
TOTAL	**853,865,883,976**	**823,392,731,847**

32. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

	Current year	Previous year
Selling expenses		
Expenses for external services	175,563,959,584	149,053,046,065
Transportation expense	110,629,430,355	100,397,236,894
Labour cost	68,377,867,633	82,596,488,479
Sales supporting fee	65,089,742,479	47,526,237,399
Depreciation and amortisation	5,944,527,846	6,570,182,394
Others	20,873,152,511	14,296,135,149
TOTAL	**446,086,303,998**	**400,439,326,380**
General and administrative expenses		
Labour costs	215,524,076,235	190,416,769,098
Expenses for external services	112,638,873,942	116,124,198,046
Depreciation and amortisation	21,998,736,882	48,812,339,418
Goodwill *(Note 19)*	20,174,973,548	19,896,436,574
Reversal of provision	(7,286,532,703)	(28,167,042,823)
Other expenses	18,515,852,475	100,044,407,369
TOTAL	**381,565,980,379**	**447,127,107,682**

33. PRODUCTION AND OPERATING COSTS

VND

	Current year	Previous year
Raw materials and merchandise goods	9,869,635,823,750	9,412,141,271,632
Expenses for external services	842,524,470,761	470,309,760,868
Labour costs	624,009,110,280	441,885,539,776
Depreciation and amortisation	465,220,919,767	346,934,495,313
Other expenses	461,131,716,940	281,486,856,167
TOTAL	**12,262,522,041,498**	**10,952,757,923,756**

34. OTHER INCOME AND EXPENSES

VND

	Current year	Previous year
Other income	**48,566,222,616**	**143,368,375,466**
Gains from disposal of fixed assets	17,786,059,812	118,044,085,801
Income from leasing activities	14,112,618,863	16,201,127,183
Penalties received	3,958,467,252	2,308,180,176
Others	12,709,076,689	6,814,982,306
Other expenses	**58,167,071,012**	**40,171,279,603**
Depreciation of idle assets	33,261,254,275	-
Depreciation of leased assets	5,431,107,833	18,414,797,301
Write off project	3,945,931,296	-
Penalties	2,366,375,202	8,942,395,015
Others	13,162,402,406	12,814,087,287
OTHER (LOSS) PROFIT	**(9,600,848,396)**	**103,197,095,863**

35. CORPORATE INCOME TAX

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

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

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

35. CORPORATE INCOME TAX (continued)

35.1 CIT expense

VND

	Current year	Previous year
Current CIT expense	176,553,224,617	157,953,526,009
Adjustment for (over) under accrual of tax from prior years (*)	(39,832,626,784)	75,160,422
	136,720,597,833	158,028,686,431
Deferred tax expenses	12,719,302,684	4,462,592,400
TOTAL	**149,439,900,517**	**162,491,278,831**

(*) This is mainly represented a decrease adjustment due to the change in the calculation of deductible interest expenses in accordance with the Decree No. 68/2020/ND-CP dated 24 June 2020 providing amendments to clause 3 article 8 of the Government's Decree No. 20/2017/ND-CP dated 24 February 2017.

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

VND

	Current year	Previous year
Accounting profit before tax	**512,359,717,149**	**421,783,945,893**
At applicable CIT rates	95,087,294,944	60,691,110,796
Adjustments:		
Non-deductible expenses	17,696,480,769	57,777,865,096
Consolidation adjustments	8,579,073,131	11,618,318,773
Amortisation of goodwill	4,034,994,710	3,979,287,316
Adjustment for over accrual of tax from prior years	(12,919,883,217)	(842,506,415)
Unrecognised deferred tax for tax loss	43,101,174,904	32,041,508,338
Change of gains of change in ownership interest of investments	6,768,944,315	-
Dividends income	3,124,885,287	(54,145,256)
Share of profit in associates	(3,747,256,433)	(1,444,393,662)
Tax exemption	(12,285,807,893)	(1,195,123,165)
CIT expenses	**149,439,900,517**	**162,491,278,831**

35.2 Current CIT

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

35. CORPORATE INCOME TAX (continued)

35.3 Deferred tax

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

VND

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax asset				
Unrealised profits	5,398,717,540	1,540,142,687	3,858,574,853	(4,488,788,858)
Accrued expenses	3,928,835,639	7,400,947,278	(3,472,111,639)	543,221,230
Provision for obsolete inventories	744,722,452	-	744,722,452	(2,967,049,423)
TOTAL	**10,072,275,631**	**8,941,089,965**		
Deferred tax liabilities				
Surplus fair value of net assets in business combination	85,029,392,108	87,109,192,528	2,079,800,420	1,944,201,132
Surplus fair value of investment in subsidiary at acquisition date *(Note 4)*	17,022,677,312	-	-	-
Gains of change in ownership interest of investments	7,656,337,600	-	(7,656,337,600)	-
Provisions for long-term investments	7,196,958,856	741,216,334	(6,455,742,522)	505,823,519
Provisions for doubtful receivables	1,818,208,648	-	(1,818,208,648)	-
TOTAL	**118,723,574,524**	**87,850,408,862**		
Deferred tax expenses			***(12,719,302,684)***	***(4,462,592,400)***

36. TRANSACTIONS WITH RELATED PARTIES

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

VND

Related parties	Relationship	Transactions	Current year	Previous year
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Sale of goods	324,763,879,636	616,427,136,275
		Purchase of goods	170,489,979,071	319,127,548,796
		Interest income	17,832,584,470	36,340,753,189
		Purchase of services	13,496,149,845	24,343,706,697
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Sale of goods	194,956,690,775	78,942,513,696
		Purchase of goods	74,533,169,087	417,508,047,496
		Purchase of services	63,705,337,782	86,870,291,693
		Interest income	28,440,810,763	55,428,067,091
		Sale of service	-	16,208,443,771
Mrs. Huynh Bich Ngoc	Chairwoman	Purchase of shares	350,910,400,000	-
		Deposit of share	199,999,980,000	-
Ben Tre Import Export Joint Stock Company	Shareholder	Sale of goods	248,547,553,638	2,344,246,849
		Purchasing share	150,000,000,000	-
		Dividend income	1,031,188,565	10,015,092,202
		Purchase of goods	5,316,019,238	100,940,649,046
		Purchase of materials	-	58,668,080,004
Ms. Huynh Thao Linh	Chairwoman of Associate	Sales of shares	166,675,325,000	-
		Interest income from transferring share	48,000,000,000	-
Mr. Dang Van Thanh	Related party with chairwoman	Purchase of shares	151,911,300,000	-
Thanh Thanh Cong Packing - Trading - Production Joint Stock Company	Affiliate	Purchase of merchandises	26,308,068,790	151,300,000
		Purchase of materials	28,463,521,816	34,245,606,161
Gia Lai Electricity Joint Stock Company	Affiliate	Interest income	28,901,351,795	-
Son Tin Commodities Exchange Joint Stock Company	Affiliate	Interest income	14,339,929,606	18,653,363,970
		Interest expense	2,555,864,486	-
		Purchase of goods	-	314,593,186,239
		Sale of goods	-	143,289,950,473
		Purchase of shares	-	58,500,000,000
Thanh Thanh Cong Tourist Joint Stock Company	Common owner	Purchase of services	4,043,175,414	10,651,954,125
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Purchase of service	2,669,750,322	-
		Sale of good	258,937,926	77,213,715,808
		Purchase of merchandises	-	26,415,000,000
		Sale of fixed asset	-	52,090,909,091

36. TRANSACTIONS WITH RELATED PATIES (continued)

Significant transactions with affiliates and other related parties during the current and previous year were as follows: (continued)

VND

Related parties	Relationship	Transactions	Current year	Previous year
Global Mind Commodities Trading Pte., Ltd (*).	Associate	Purchase of materials	1,077,114,695,499	456,319,898,239
		Sale of good	90,944,117,259	301,858,688,142
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of materials	-	91,491,143,013
Tam Binh An Manufacturing Trading Joint Stock Company	Affiliate	Sale of good	-	439,318,653,333
		Purchase of good	-	213,483,040,000
		Interest income	-	16,319,855,596
Thanh Thanh Cong Industrial Zones Joint Stock Company	Affiliate	Sale of shares	-	717,000,000,000
	Common owner	Deposit for land rental	-	700,000,000,000
Deutsche Investitions-und Entwicklungsgesellschaft (DEG)	Shareholder	Declared dividend	24,212,498,159	-
		Dividend paid	10,062,592,055	-

(*) This Company became subsidiary since 2 January 2020 *(Note 4)*

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances as at balance sheet date are unsecured. For the fiscal year ended 30 June 2020, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (30 June 2019: 0). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Transactions with other related parties

Remuneration to members of the Board of Directors and Management

VND

	Current year	Previous year
Salaries and bonus	9,783,121,638	10,761,433,802

36. TRANSACTIONS WITH RELATED PATIES (continued)

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

VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivables				
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Sale of goods	57,330,474,358	462,832,902,215
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Sale of goods	24,369,171,300	3,493,114,450
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Sale of asset	370,253,510	65,368,446,508
Tam Binh An Manufacturing Trading Joint Stock Company [1]	Affiliate	Sale of goods	-	296,012,843,500
Son Tin Commodities Exchange JSC [1]	Affiliate	Sale of goods	-	6,172,500,000
Other related parties			1,479,885,844	13,382,963,064
TOTAL			**83,549,785,012**	**847,262,769,737**
Short-term advances to suppliers				
Thanh Thanh Cong Trading Joint Stock Company (*)	Common owner	Purchase of goods	315,703,360,000	433,576,050,183
Thanh Thanh Cong Industrial Zones Joint Stock Company	Affiliate	Land rental	110,261,990,683	-
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Purchase of goods	96,439,737,590	4,605,136,626
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of material	63,126,543,196	70,137,489,034
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Affiliate	Purchase of materials	2,859,351,385	1,071,151,790
Ben Tre Import and Export Joint Stock Company	Affiliate	Purchase of goods	1,218,816,223	242,585,600
Son Tin Commodities Exchange JSC [1]	Affiliate	Purchase of goods	-	307,453,353,986
Tam Binh An Manufacturing Trading Joint Stock Company [1]	Affiliate	Purchase of goods	-	258,250,050,000
Thanh Thanh Cong Tourist Joint Stock Company	Common owner	Purchase of services	160,710,000	160,710,200
Other related parties			2,371,696,800	12,864,338,679
TOTAL			**592,142,205,877**	**1,088,360,866,098**

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

[1] These companies were no longer related parties of the Group since 1 July 2019.

36. 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	Affiliate	Deposit for land rental	673,000,000,000	418,000,000,000
Thanh Thanh Cong Industrial Zones Joint Stock Company	Affiliate	Deposit for land rental	522,000,000,000	700,000,000,000
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Interest income	15,861,211,951	10,173,025,769
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Interest income	4,237,882,945	32,726,208,580
Son Tin Commodities Exchange JSC [1]	Affiliate	Interest income	-	40,111,954,726
Tam Binh An Manufacturing Trading Joint Stock Company [1]	Affiliate	Interest income	-	19,339,778,428
Other related parties			3,896,210,321	1,139,411,626
TOTAL			**1,218,995,305,217**	**1,221,490,379,129**
Short-term trade payables				
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Purchase of services	100,343,608,911	70,025,072,550
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Purchase of goods	3,953,924,624	10,854,842,398
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Affiliate	Purchase of materials	2,677,389,714	-
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of goods	172,264,536	18,289,801,639
Ben Tre Import and Export Joint Stock Company	Affiliate	Purchase of goods	25,200,001	6,237,636,733
Tam Binh An Manufacturing Trading Joint Stock Company [1]	Affiliate	Purchase of goods	-	10,024,942,000
Other related parties		Purchase of goods	391,233,177	3,820,791,717
TOTAL			**107,563,620,963**	**119,253,087,037**
Short-term advances from customers				
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Sale of goods	29,354,185,348	23,327,583,343
Tay Ninh Sugar Joint Stock Company	Affiliate	Sale of goods	15,800,000,000	15,800,000,000
Son Tin Commodities Exchange JSC [1]	Affiliate	Sale of goods	-	68,446,631,907
Other related parties		Sale of goods	6,998,228	513,412,228
TOTAL			**45,161,183,576**	**108,087,627,478**

[1] These companies were no longer related parties of the Group since 1 July 2019.

36. 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 payables				
Deutsche Investitions-und Entwicklungsgesellschaft (DEG)	Shareholder	Dividend payable	14,068,089,646	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Dividend payable Purchase of services	- 145,473,370	8,000,000,000
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Dividend payable	4,061,876,978	67,208,785,200
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Purchase of services	2,432,682,353	-
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company	Affiliate	Interest expense	1,159,068,495	-
Other related parties			15,000,000	1,243,720,548
TOTAL			**21,882,190,842**	**76,452,505,748**
Short-term loans (*)				
TTC Energy Joint Stock Company	Affiliate	Loan	33,000,000,000	-
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company (*)	Affiliate	Loan	6,000,000,000	6,000,000,000
TOTAL			**39,000,000,000**	**6,000,000,000**

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

[1] These companies were no longer related parties of the Group since 1 July 2019.

37. COMMITMENTS

Operating lease commitment

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

VND

	Ending balance	Beginning balance
Less than 1 year	31,319,372,040	25,597,958,373
From 1 - 5 years	72,850,102,018	128,521,028,740
More than 5 years	360,655,795,159	492,609,733,116
TOTAL	**464,825,269,217**	**646,728,720,229**

38. SEGMENT INFORMATION

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

The following tables present revenue, expenditure and certain asset information regarding the Group's geographical segments:

VND

	Domestic	Foreign territories	Elimination	Total
For the fiscal year ended 30 June 2020				
Revenue				
Sales to external customers	*11,439,218,367,116*	*1,449,464,234,661*	-	*12,888,682,601,777*
Inter-segment sales	*4,607,058,625,066*	*2,588,267,159,850*	*(7,195,325,784,916)*	-
Net revenue	**15,891,130,396,973**	**4,192,877,989,720**	**(7,195,325,784,916)**	**12,888,682,601,777**
Consolidation income statement				
Segment result				1,450,679,138,934
Unallocated expenses	(732,078,169,939)	(95,574,114,438)		(827,652,284,377)
Finance income	862,719,990,024	23,529,726,072	(156,048,050,561)	730,201,665,535
Finance expese	(834,975,860,305)	(168,584,365,695)	149,694,342,024	(853,865,883,976)
Share profit from associates				18,736,282,164
Other loss				(9,600,848,396)
Operating profit				512,359,717,149
Current corporate income tax expense				(136,720,597,833)
Deferred tax expense				(12,719,302,684)
Net profit after tax				**362,919,816,632**
As at 30 June 2020				
Segment's assets				
Cash and cash equivalents	*766,857,430,069*	*232,763,231,443*	-	*999,620,661,512*
Short-term investments	*885,390,515,004*	*13,894,330,915*	-	*899,284,845,919*
Current accounts receivable	*7,123,699,700,430*	*903,829,489,641*	*(2,580,370,111,865)*	*5,447,159,078,206*
Inventories	*2,087,554,256,134*	*485,348,738,418*	*(43,556,337,493)*	*2,529,346,657,059*
Other current assets	*140,469,109,784*	*14,915,763,945*	-	*155,384,873,729*
Long-term receivables	*101,806,889,451*	-	-	*101,806,889,451*
Fixed assets				*4,179,804,562,879*
Investment properties	*396,402,966,195*	*196,034,931,534*	-	*592,437,897,729*
Construction in progress	*341,526,808,768*	-	-	*341,526,808,768*
Long-term investments	*1,146,703,883,985*	*98,901,203,915*	-	*1,245,605,087,900*
Other long-term assets				*1,463,741,420,760*
Total assets				**17,955,718,783,912**
Segment's liabilities				
Short-term trade payables	*1,246,372,342,440*	*535,012,127,366*	*(1,196,002,709,696)*	*585,381,760,110*
Short-term loans and finance lease obligations	*7,309,673,574,901*	*278,218,706,847*	*(598,336,758,453)*	*6,992,245,281,748*
Long-term loans and finance lease obligations	*1,247,321,341,435*	*390,882,597,083*	*(417,134,000,000)*	*1,221,069,938,518*
Unallocated liabilities				*1,519,150,169,158*
Total liabilities				**10,313,417,423,502**

39. OFF BALANCE SHEET ITEMS

	Ending balance	Beginning balance
Goods held on consignment		
- Sugar finished goods (tonne)	*30,763*	*52,885*
- Molasses (tonne)	*14,675*	-
Foreign currencies		
LAK	*1,664,336,467*	*8,127,315,813*
USD	*10,205,815*	*556,416*
INR	*18,140*	*18,140*
AUD	*950*	*950*
GBP	*630*	*630*
EUR	*250*	*250*

40. 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

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

28 September 2020

THANH THANH CONG – BIEN HOA
JOINT STOCK COMPANY

SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020



SEPARATE BALANCE SHEET

as at 30 June 2020

B01-DN

VND

Code		ASSETS	Notes	Ending balance	Beginning balance
100	**A.**	**CURRENT ASSETS**		**5,188,684,452,600**	**4,876,805,195,380**
110	***I.***	***Cash and cash equivalents***	***4***	***510,081,795,392***	***276,506,697,442***
111	1.	Cash		375,081,795,392	276,506,697,442
112	2.	Cash equivalents		135,000,000,000	-
120	***II.***	***Short-term investments***		***195,241,515,004***	***45,012,800,004***
121	1.	Held-for-trading securities	5	49,283,965,426	15,022,500
122	2.	Provision for diminution in value of held-for-trading securities	5	(9,042,450,422)	(2,222,496)
123	3.	Held-to-maturity investments	6	155,000,000,000	45,000,000,000
130	***III.***	***Current accounts receivable***		***3,395,471,753,145***	***3,391,335,155,624***
131	1.	Short-term trade receivables	7	811,658,108,303	1,256,490,697,164
132	2.	Short-term advances to suppliers	8	1,495,579,321,218	1,211,622,236,247
135	3.	Short-term loan receivables	34	112,610,000,000	124,000,000,000
136	4.	Other short-term receivables	9	1,004,932,343,278	815,386,044,645
137	5.	Provision for doubtful short-term receivables	7. 8. 9	(29,308,019,654)	(16,163,822,432)
140	***IV.***	***Inventories***	***10***	***1,047,470,814,321***	***1,098,141,094,051***
141	1.	Inventories		1,054,918,038,845	1,115,454,620,806
149	2.	Provision for obsolete inventories		(7,447,224,524)	(17,313,526,755)
150	***V.***	***Other current assets***		***40,418,574,738***	***65,809,448,259***
151	1.	Short-term prepaid expenses	11	31,429,677,963	56,826,677,045
153	2.	Tax and other receivables from the State	20	8,988,896,775	8,982,771,214
200	**B.**	**NON-CURRENT ASSETS**		**13,454,247,972,698**	**12,070,997,104,848**
210	***I.***	***Long-term receivables***		***248,947,958,662***	***58,976,154,002***
212	1.	Long-term trade receivables	7	214,080,522,339	-
212	2.	Long-term advances to suppliers	8	29,450,581,274	20,722,680,610
216	3.	Other long-term receivables	9	5,416,855,049	38,253,473,392
220	***II.***	***Fixed assets***		***625,748,714,594***	***623,783,511,518***
221	1.	Tangible fixed assets	12	562,615,651,339	552,001,595,182
222		Cost		2,247,315,596,811	2,187,532,975,556
223		Accumulated depreciation		(1,684,699,945,472)	(1,635,531,380,374)
224	2.	Finance leases	13	10,463,017,867	-
225		Cost		11,587,378,400	-
226		Accumulated depreciation		(1,124,360,533)	-
227	3.	Intangible fixed assets	14	52,670,045,388	71,781,916,336
228		Cost		83,959,417,564	92,566,119,973
229		Accumulated amortisation		(31,289,372,176)	(20,784,203,637)
230	***III.***	***Investment properties***	***15***	***146,209,719,552***	***157,234,743,426***
231	1.	Cost		167,991,741,266	179,231,206,174
232	2.	Accumulated depreciation		(21,782,021,714)	(21,996,462,748)
240	***IV.***	***Long-term asset in progress***		***58,023,905,975***	***51,641,103,470***
242	1.	Construction in progress	16	58,023,905,975	51,641,103,470
250	***V.***	***Long-term investments***	***17***	***12,206,888,633,367***	***11,005,658,160,140***
251	1.	Investments in subsidiaries	17.1	11,648,586,221,986	10,956,546,221,985
252	2.	Investments in an associate	17.2	391,920,900,000	31,579,200,000
253	3.	Investments in other entities	17.3	182,414,414,444	36,804,268,445
254	4.	Provision for diminution in value of long-term investments	17	(26,032,903,063)	(19,271,530,290)
255	5.	Held-to-maturity investments	17	10,000,000,000	-
260	***VI.***	***Other long-term assets***		***168,429,040,548***	***173,703,432,292***
261	1.	Long-term prepaid expenses	11	167,684,318,096	167,969,672,807
262	2.	Deferred tax assets	33.3	744,722,452	5,733,759,485
270		**TOTAL ASSETS**		**18,642,932,425,298**	**16,947,802,300,228**

SEPARATE BALANCE SHEET (continued)

as at 30 June 2020

B01-DN

VND

Code		RESOURCES	Notes	Ending balance	Beginning balance
300	**C.**	**LIABILITIES**		**5,176,725,984,391**	**5,339,830,043,141**
310	***I.***	***Current liabilities***		***4,677,822,621,957***	***4,614,437,435,790***
311	1.	Short-term trade payables	18	656,475,478,588	192,684,834,921
312	2.	Short-term advances from customers	19	38,340,501,212	19,560,931,969
313	3.	Statutory obligations	20	72,720,107,420	84,162,747,282
314	4.	Payables to employees		7,900,484,084	6,800,725,986
315	5.	Short-term accrued expenses	21	63,462,274,673	82,782,704,254
318	6.	Short-term unearned revenue	22	6,161,783,616	13,542,041,559
319	7.	Other short-term payables	23	409,580,588,634	249,402,038,685
320	8.	Short-term loans and finance lease	24	3,348,318,154,768	3,861,031,969,987
322	9.	Bonus and welfare fund	3.16	74,863,248,962	104,469,441,147
330	***II.***	***Non-current liabilities***		***498,903,362,434***	***725,392,607,351***
336	1.	Long-term unearned revenue	22	5,200,098,480	11,671,251,175
337	2.	Other long-term liability	23	6,026,471,782	6,433,881,960
338	3.	Long-term loans and finance lease	24	335,382,610,790	707,287,474,216
339	4.	Convertible bonds	25	152,294,181,382	-
400	**D.**	**OWNERS' EQUITY**	**26**	**13,466,206,440,907**	**11,607,972,257,087**
410	***I.***	***Capital***		***13,466,206,440,907***	***11,607,972,257,087***
411	1.	Share capital		6,083,518,850,000	5,867,405,520,000
411a		*- Shares with voting rights*		*5,867,405,520,000*	*5,867,405,520,000*
411b		*- Preference shares*		*216,113,330,000*	-
412	2.	Share premium		6,712,852,344,539	6,243,045,915,565
413	3.	Convertible bonds option		13,666,133,635	-
415	4.	Treasury shares		-	(1,099,985,561,092)
418	5.	Investment and development fund		-	124,701,077,143
421	6.	Undistributed earnings		656,169,112,733	472,805,305,471
421a		*- Undistributed earnings up to the end of prior year*		*294,136,106,614*	*20,945,234,557*
421b		*- Undistributed earnings of current year*		*362,033,006,119*	*451,860,070,914*
440		**TOTAL LIABILITIES AND OWNERS' EQUITY**		**18,642,932,425,298**	**16,947,802,300,228**

Le Bang Giang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

28 September 2020

SEPARATE INCOME STATEMENT

for the year ended 30 June 2020

B02-DN

VND

Code		ITEMS	Notes	Current year	Previous year
01	1.	Revenue from sale of goods and rendering of services	27.1	6,653,210,041,390	5,356,595,344,087
02	2.	Deductions	27.1	(5,218,840,295)	(11,627,048,562)
10	3.	Net revenue from sale of goods and rendering of services	27.1	6,647,991,201,095	5,344,968,295,525
11	4.	Cost of goods sold and services rendered	28, 32	(6,038,197,662,107)	(4,825,324,790,701)
20	5.	Gross profit from sale of goods and rendering of services		609,793,538,988	519,643,504,824
21	6.	Finance income	27.2	537,319,060,938	696,697,390,064
22	7.	Finance expenses	29	(377,013,740,975)	(397,145,563,492)
23		*In which: Interest expense*		*(332,117,011,654)*	*(370,173,805,404)*
25	8.	Selling expenses	30, 32	(149,764,440,458)	(122,012,830,421)
26	9.	General and administrative expenses	30, 32	(163,088,097,049)	(157,278,103,895)
30	10.	Operating profit		457,246,321,444	539,904,397,080
31	11.	Other income	31	17,285,326,566	30,075,479,191
32	12.	Other expenses	31	(10,792,761,994)	(29,500,193,177)
40	13.	Other profit	31	6,492,564,572	575,286,014
50	14.	Accounting profit before tax		463,738,886,016	540,479,683,094
51	15.	Current corporate income tax expense	33.1	(72,586,161,163)	(88,068,991,520)
52	16.	Deferred tax expense	33.3	(4,989,037,033)	(550,620,660)
60	17.	Net profit after tax		386,163,687,820	451,860,070,914

Le Bang Giang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

28 September 2020

SEPARATE CASH FLOW STATEMENT

for the year ended 30 June 2020

B03-DN

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**463,738,886,016**	**540,479,683,094**
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets	12, 13, 14	68,049,698,463	79,961,221,373
03	Provisions (reversal of provisions)		19,079,495,690	(45,261,293,695)
04	Foreign exchange losses (gains) arisen from revaluation of monetary accounts dominated in foreign currency		3,042,563,550	(1,321,701,772)
05	Profit from investing activities		(528,424,663,761)	(676,831,501,500)
06	Interest expense	29	332,117,011,654	370,173,805,404
08	**Operating profit before changes in working capital**		**357,602,991,612**	**267,200,212,904**
09	Increase in receivables		(182,010,806,969)	(508,481,945,515)
10	Decrease in inventories		60,536,581,961	431,602,097,028
11	Increase (decrease) in payables		447,590,500,184	(8,257,774,109)
12	Decrease (increase) in prepaid expenses		25,682,353,793	(32,569,895,126)
13	(Increase) decrease in held-for-trading securities		(49,268,942,926)	2,514,265,753
14	Interest paid		(346,563,526,727)	(376,532,719,696)
15	Corporate income tax paid	20	(85,033,896,081)	(55,565,878,039)
17	Other cash outflows for operating activities		(39,606,192,185)	(10,319,046,376)
20	**Net cash flows from (used in) operating activities**		**188,929,062,662**	**(290,410,683,176)**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(177,312,745,535)	(803,506,338,890)
22	Proceeds from disposals of fixed assets		27,296,816,020	363,982,156,119
23	Loans to other entities and term deposits		(2,672,898,400,000)	(1,314,800,000,000)
24	Collections from borrowers and term deposits		2,564,288,400,000	1,304,600,000,000
25	Payments for investments in other entities		(1,557,991,846,000)	(8,662,795,800)
26	Proceeds from sale of investments in other entities		766,193,037,208	1,266,500,000,000
27	Interest and dividends received		253,154,612,483	113,969,169,181
30	**Net cash flows (used in) from investing activities**		**(797,270,125,824)**	**922,082,190,610**

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares and re-issuance of treasury shares	26.1	1,785,905,320,066	-
33	Drawdown of borrowings		7,349,539,014,806	7,335,040,965,504
34	Repayment of borrowings		(8,078,988,173,500)	(7,554,099,715,765)
35	Payment of principal of finance lease liabilities		(796,583,334)	-
36	Dividends paid	26.2	(214,065,647,645)	(192,683,748,039)
40	**Net cash flows from (used in) financing activities**		**841,593,930,393**	**(411,742,498,300)**
50	**Net increase in cash and cash equivalents for the year**		**233,252,867,231**	**219,929,009,134**
60	**Cash at beginning of year**		**276,506,697,442**	**56,585,754,828**
61	Impact of exchange rate fluctuation		322,230,719	(8,066,520)
70	**Cash and cash equivalents at end of year**	**4**	**510,081,795,392**	**276,506,697,442**

Le Bang Giang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

28 September 2020

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