



From NATURE to CLEAN PRODUCTS & SUSTAINABLE DEVELOPMENT

CLEAN MATERIALS - CLEAN PRODUCTS - FINAL MOLASSES - GREEN TECHNOLOGY - NATIONAL ENERGY



CONTENT

Implementing unit

THANH THANH CONG TAY NINH JOINT STOCK COMPANY

Head of the Steering Committee

Mr. Pham Hong Duong
Chair man

Deputy head of the permanent steering committee

Mr. Nguyen Thanh Ngu
Chief Executive Officer

Editorial head

Mr. Nguyen Quoc Huan
Chief of Office

In charge of support

Ms. Nguyen Thi Thu Trang
Standing Manager of Administrative Division

In charge of overall content

Ms. Vo Thi Bich Hanh
Deputy Chief of Office

In charge of designing and images

Ms. Pham Thi Thu Phuong
Administrative Management Deputy Manager

In charge of overall content and secretary

Mr. Nguyen Quang Thai
Official Expert

In charge of content

Ms. Ngo Thanh Tuyen
Official Expert
Ms. Nguyen Thi Huyen Trinh
Expert of Finance and Planning Dept.

Consulting Unit

LAPPHUONG DESIGN CO., LTD.

156/1/1 Cong Hoa Str., Ward 12,
Tan Binh Dist., Ho Chi Minh City
T: (08) 3948 5745
F: (08) 3948 5746
W: www.lapphuong.com

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MESSAGE FROM THE CHAIRMAN

GREEN - CLEAN & SUSTAINABLE DEVELOPMENT FORWARD TO COMMUNITY



IN THE PERIOD 2016 - 2020,
TTCS DETERMINES ITS
CORE AND THOROUGH
STRATEGIC DEVELOPMENT
ORIENTATION IS "GREEN
- CLEAN - SUSTAINABLE
DEVELOPMENT"

Chairman

A stylized blue ink signature of Pham Hong Duong.

PHAM HONG DUONG

Dear Honorable Shareholders!

Fiscal year 2015 - 2016 has folded with satisfactory results to Thanh Thanh Cong Tay Ninh Joint Stock Company (TTCS). Total profit before tax reached over VND 310 billion, exceeding +41% against target assigned by the General Meeting of Shareholders; total assets reached nearly VND 7,000 billion with the owner's equity of more than VND 2,700 billion. The Company was listed in Top 30 companies with largest capitalization value on HCMC Stock Exchange (HOSE). Besides, TTCS continued putting a new landmark in its 21 years of establishment and development with the total supply sugar gained over 245,000 tons and was the Company having biggest sugar output in Vietnam, occupying more than 16% of market share.

This result has affirmed the commitment of Board of Management as stated in the Chairman's message in Annual Report 2014 - 2015: TTCS management and employees always make effort, get consensus, think creatively, and look for optimal solutions to overcome the target set out by ourselves. That is a foundation and driving force for TTCS' continuous development.

With the outstanding results, TTCS was honored by Forbes 2016 in Top 50 best listed companies in Vietnam and received many other honorable awards such as Second-class Labor Medal, VNR 500, Top Brand, etc. This continues being a valuable spiritual motivation and nourishing belief of the whole TTCS to implement strategy for 2016 - 2020.

Dear Shareholders!

In the period 2016 - 2020, TTCS determines its core and thorough strategic development orientation is **"Green - Clean - Sustainable development"**.

In the context of global climate change which is getting more and more complicated and has been causing serious damages to agricultural activities in general and sugarcane farming in particular, TTCS has to give priority to application of solutions to accompany sugarcane farmers to exist and develop in new farming conditions. Therefore, in the fiscal year 2016 - 2017, TTCS focuses on deploying in all material areas: Applying effective irrigation models - Simultaneous mechanization to increase sugarcane productivity - Focusing on searching and crossbreeding suitable sugarcane & Strengthen international cooperation and relation with the leading sugarcane research center in Asia and in the world.

21 years of developing on the firm foundation of technology, scientific production management system and professional working style of management team together with the advantage in sustainable development of material zone, TTCS has enough conditions to be ready able to step into new growth period in the region and in the world.

310
Billion VND
PROFIT BEFORE TAX

7,000
Billion VND
TOTAL ASSETS

Stepping to new fiscal year 2016 - 2017 - the first fiscal year for development strategy in 2016 - 2020 period, in spite of complicated fluctuations in the market, TTCS believes that, with good preparation in all activities, especially through M&A with potential national and international target companies, this fiscal year will be a good beginning, creating new rebound for a new development cycle of the Company.

On the basic of outstanding achievements, for and on behalf of TTCS management, I would like to express our sincere thanks to Customers, Partners and Shareholders for your ongoing trust and support to TTCS during the last time. A difficult and challenging future is still head. I strong believe that with transparent direction on sustainable development strategy closely associated with community and sugarcane farmers together with the collective effort which is built over the long journey of our hard and responsible working, TTCS will deliver excellent performance to the plan set for fiscal year of 2016 - 2017 and the following years. The Company highly appreciates the commitment with all partners in the sector value chain with our sharing and cooperative willingness to jointly develop, especially the motto **"Our (TTCS) responsibility is to enrich farmers"** to create long-term values for shareholders, partners and customers as well as sustainable development for society, making contributions to development of Vietnam sugar industry.

Vision



To become the leading manufacturer of refined sugar in Vietnam and region.





Mission



To provide EU standard premium quality refined sugar products for the health of communities.

Core values



- Customer satisfaction is the top priority.
- Staff are valuable assets.
- Farmers are great partners.
- Take high corporate responsibility for community and environment.
- Always be the pioneer.

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COMPANY'S OVERVIEW



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Origin **FROM NATURE**



TCS



CORPORATE HIGHLIGHTS

Full name: CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

English name: THANH THANH CONG TAY NINH JOINT STOCK COMPANY

Abbreviation: **TTCS**

Stock code: **SBT**

Business Certificate No. 3900244389 granted by Department of Planning and Investment of Tay Ninh province, and amended for third time on 18th July 2016.

Charter capital: VND: 1.947.610.330.000 (one thousand nine hundred forty seven billion six hundred and ten million three hundred thirty thousand Vietnam dong)

MAJORITY SHAREHOLDERS

(as at 30/6/2016)

- Thanh Thanh Cong Investment Corporation
- Thuan Thien Trading and Investment Co., Ltd.
- Market Vectors ETF Trust - Market Vectors Vietnam ETF

CONTACT INFORMATION

- Head office: Tan Hung Commune, Tan Chau District, Tay Ninh Province
- Tel: 066.3753.250
- Fax: 066.3839.834
- Website: <http://www.ttcsugar.com.vn>
- Email: ttcs@ttcsugar.com.vn

AUDITOR

- Ernst & Young Limited Vietnam
- Address: 10th Floor, Sunwah Tower, 115 Nguyen Hue Street, District 1, HCMC
- Tel: 08 3824 5252
- Fax: 08 3824 5250

ESTABLISHMENT AND DEVELOPMENT HISTORY

1995

Bourbon Tay Ninh Co., Ltd., which is now called Thanh Thanh Cong Tay Ninh Joint Stock Company, was incorporated on 15th July 1995 in accordance with the business license granted by the former State Committee on Co-operation and Investment (now is the Ministry of Planning and Investment), formerly was a joint venture among Bourbon Group of France, Vinasugar II and Tay Ninh Sugar Company.

2008

Bourbon Tay Ninh Joint Stock Company listed its 44,824,172 shares on Ho Chi Minh City Stock Exchange (HOSE) under the stock code of SBT.

2009

The Company started a project on industry zone development after Bourbon Group launched a strategy on operation diversification toward the Company. In October 2009, the project of Bourbon An Hoa Industrial Garden was commended and was the first ecological industrial zone in Vietnam.

2010

At the end of 2010, Bourbon Group divested its share capital in Bourbon Tay Ninh Joint Stock to Vietnamese partners, in which Thanh Thanh Cong Corporation was a majority shareholder holding 24.5% of total issued shares of the Company.

2011

Bourbon Tay Ninh Factory, for the first time during its 16-year history, had raised its compressing capacity from 8,000 ton of cane/day to 9,000 ton of cane/day. The success of this project resulted in 20% cost saving for the budget. This plant was officially put into use with capacity of 9,000 ton in season 2011 - 2012.

2013

In Quarter III, 2013, the Company successfully issued 6,574,200 shares under the Employee Option Program and raised its charter capital to VND 1,485,000,000,000 (in word: One thousand four hundred eighty five billion Vietnam dong). On 2nd December 2013, the People's Committee of Tay Ninh Province granted the 13th amended Business Certificate, approving the change in name of the Company from Bourbon Tay Ninh Joint Stock Company to Thanh Thanh Cong Tay Ninh Joint Stock Company.



2012

Bourbon Tay Ninh Factory continued escalated its compressing capacity from 9,000 ton of cane/day to 9,800 ton of cane/day. This project completed and came into use in season 2012 - 2013. In addition, a new project called Affinage to build up a raw sugar dissolution workshop also was completed and put in use in December 2012, contribute to drive up volume of RE sugar, a core product line of the Company.



2014

In this year, the Company got award "Golden Vietnamese Food Brand in 2014" honored by the Ministry of Health. To keep in pace with expanding scope, changing trend and diversifying activities of the economy, the Company decided to merge with Gia Lai Sugarcane Thermoelectricity JSC to extend market and intensify competitive strength.



2015

On 22 October 2015, the Department of Planning and Investment of Tay Ninh Province issued the 2nd amendment of the business registration certificate marking the milestone of the merger of Gia Lai Sugarcane Thermoelectricity JSC with TTCS, with the increase of the charter capital of the Company to VND 1,856,423,580,000, making it the largest cane sugar business listed on Vietnam Stock Exchange. The year 2015 is also the 20th year of operation of the Company, marking 20 years of development with proactive contributions to the community.

2016

For the first time, the Company issued the bond of VND 1,000,000,000,000 helping stabilization of cash flows, increasing ROI, financial re-structure. Besides, the Company issued additional 9,118,675 shares in the ESOP to recognize employee contributions to the growth of the Company. Through such issuance, the charter capital increased to VND 1,947,610,330,000, stabilizing the financial sources of the Company for developing projects for the period of 2016 - 2020.



BUSINESS LINES AND BUSINESS LOCATIONS

BUSINESS LINES

NO.	CODE	DESCRIPTION	PROPORTION OVER TOTAL REVENUES OF 2013 (%)	PROPORTION OVER TOTAL REVENUES OF 2014 (%)	PROPORTION OVER TOTAL REVENUES OF 2015 (%)
01	1072	Sugar production	82.8	89.6	90.4
02	1079	Production and trading products made from sugar, by-products and scraps of sugar.	14.5	8.6	8.3
03	3510	Commercial electricity production	2.7	1.8	1.3

Quality of TTCS products

PRODUCTS	SPECIFICATIONS	STRENGTHS OF PRODUCTS
MIMOSA Premium White Sugar	- Pol (OZ) ≥ 99.7 - Moisture (% w/w) ≤ 0.07 - Color (Icumsa) ≤ 70 - Ash (% w/w) ≤ 0.07 - Reducing sugar (% w/w) ≤ 0.1 - SO₂ (mg/kg) ≤ 10	Mimosa premium white sugar is a refined sugar product of high standard and the best quality in the market in respect of refined sugar segment. The product is suitable for industrial customers including confectionary, foodstuff, milk products, etc.
Mimosa standard refined sugar	- Pol (OZ) ≥ 99.8 - Moisture (% w/w) ≤ 0.04 - Color (Icumsa) ≤ 60 - Ash (% w/w) ≤ 0.03 - Reducing sugar (% w/w) ≤ 0.05 - SO₂ (mg/kg) ≤ 2	A type of standard refined sugar, used to produce most of food/beverage products in the market.
Mimosa Premium Refined Sugar	- Pol (OZ) ≥ 99.8 - Moisture (% w/w) ≤ 0.04 - Color (Icumsa) ≤ 30 - Ash (% w/w) ≤ 0.02 - Reducing sugar (% w/w) ≤ 0.03 - SO₂ (mg/kg) ≤ 2	A type of premium refined sugar, in compliance with high production standards of industries including foodstuff, beverages, confectionary, creamy milk, etc.
MIMOSA Special Refined Sugar	- Pol (OZ) ≥ 99.9 - Moisture (% w/w) ≤ 0.05 - Color (Icumsa) ≤ 20 - Ash (% w/w) ≤ 0.03 - Reducing sugar (% w/w) ≤ 0.03 - SO₂ (mg/kg) ≤ 2	A special refined sugar specially serves high-end customers in the industry of pharmaceutical, beverages, with high specifications requirements of international standards including unprecipitated sugar after bottling of beverage products.
MIMOSA Super Refined Sugar	- Pol (OZ) ≥ 99.9 - Moisture (% w/w) ≤ 0.04 - Color (Icumsa) ≤ 10 - Ash (% w/w) ≤ 0.01 - Reducing sugar (% w/w) ≤ 0.03 - SO₂ (mg/kg) ≤ 2	A type of sugar of high purity, which serves and meets the most stringent requirements of both industrial customers and consumers.
MIMOSA Caster Refined Sugar	- Pol (OZ) ≥ 99.8 - Moisture (% w/w) ≤ 0.05 - Color (Icumsa) ≤ 30 - Ash (% w/w) ≤ 0.035 - Reducing sugar (% w/w) ≤ 0.035 - SO₂ (mg/kg) ≤ 2	Serves high-class customers with demanding requirements on sugar particle diameter for making instant coffee, tea or pharmaceuticals.
TSU EXTRA PREMIUM Refined Sugar	- Pol (OZ) ≥ 99.90 - Moisture (% w/w) ≤ 0.04 - Color (Icumsa) ≤ 15 - Ash (% w/w) ≤ 0.01 - Reducing sugar (% w/w) ≤ 0.03	Providing natural sweet taste condensed from canes with utilization of EU standard modern sugar refining technology, TSU Extra Premium Sugar is recognized the key for good tastes of every dish and drink at your family.
TSU PREMIUM Refined Sugar	- Pol (OZ) ≥ 99.80 - Moisture (% w/w) ≤ 0.04 - Color (Icumsa) ≤ 30 - Ash (% w/w) ≤ 0.02 - Reducing sugar (% w/w) ≤ 0.03	Manufactured by the most advanced sugar refining technology imported from EU, TSU Premium product is a super clean sugar that meets international standards on food safety. It is surely good choice to make a safe and healthy disk and drink for your family.
TSU FAMILY Premium White Sugar	- Pol (OZ) ≥ 99.80 - Moisture (% w/w) ≤ 0.05 - Color (Icumsa) ≤ 70 - Ash (% w/w) ≤ 0.04 - Reducing sugar (% w/w) ≤ 0.1	Produced under our strict quality control process, TSU Family sugar is worthy to be recognized as a quality standard and offer you the best choice for any sweet tastes you want for your daily use.
Miaqua sugarcane- flavored drink	Miaqua sugarcane-flavored drink	Manufactured with state-of-the-art production chain, Miaqua sugarcane-flavored drink is a pure, colorless, non-chemical featuring sugarcane flavor distilled from the sugar refinery process, which shall satisfy all your thirst.

BUSINESS LOCATIONS

TTCS has been doing business in following key locations, including the South East, the North, the West, Ho Chi Minh City and foreign business locations.

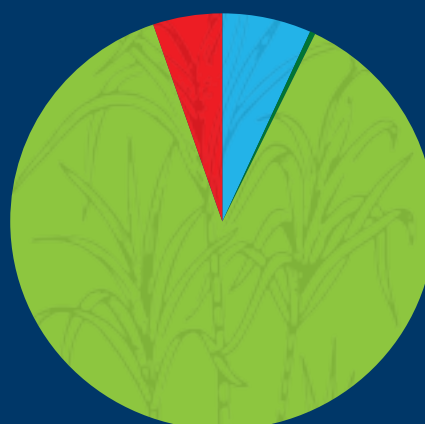
Market, segments	2013	2014	2015
North	5.3%	6.8%	5.6%
Central	0.8%	0.2%	0.7%
South	89.2%	87.4%	87.3%
Foreign	4.7%	5.6%	6.3%

2013

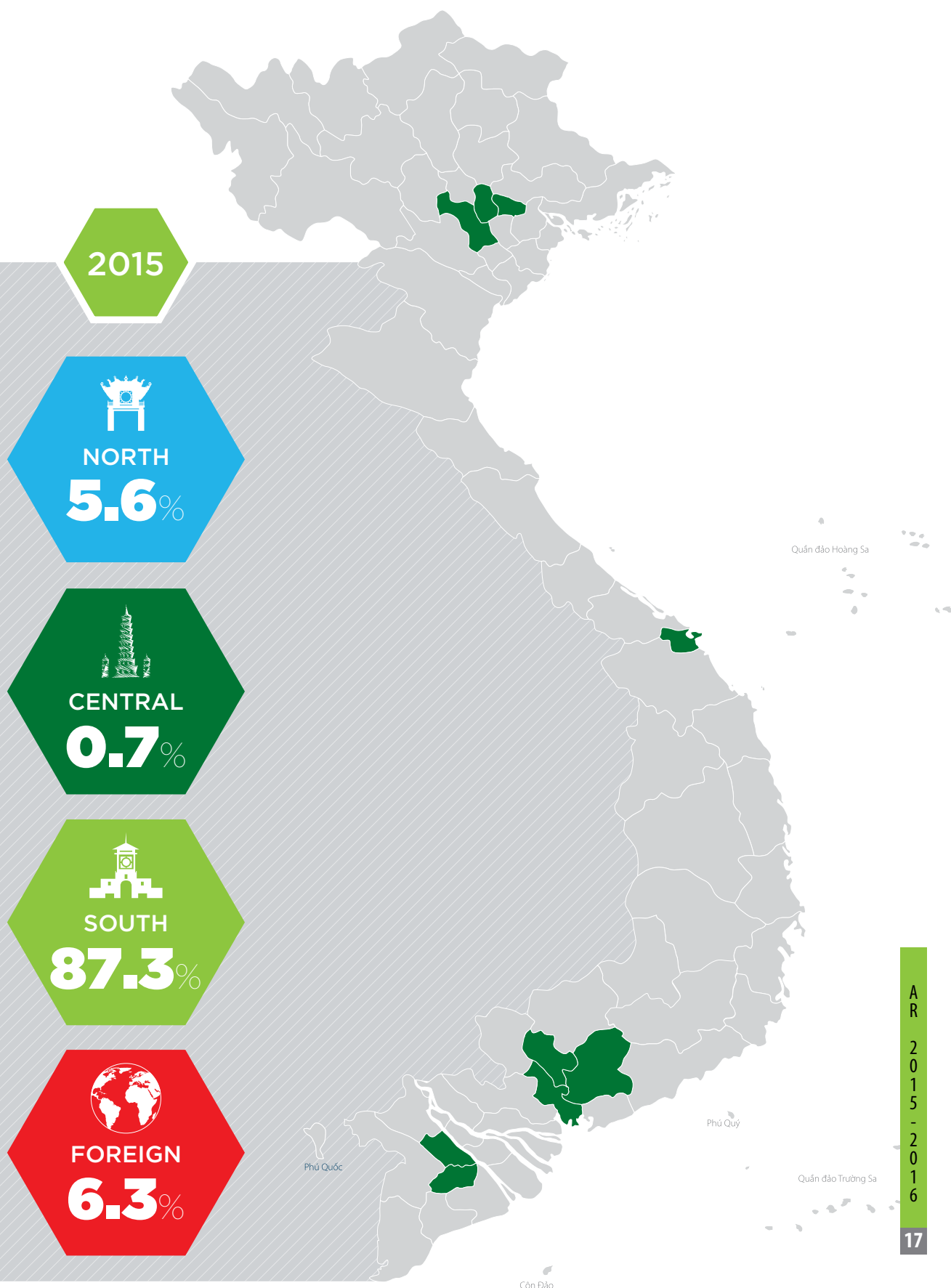


■ NORTH **5.3%**
■ CENTRAL **0.8%**
■ SOUTH **89.2%**
■ FOREIGN **4.7%**

2014



■ NORTH **6.8%**
■ CENTRAL **0.2%**
■ SOUTH **87.4%**
■ FOREIGN **5.6%**

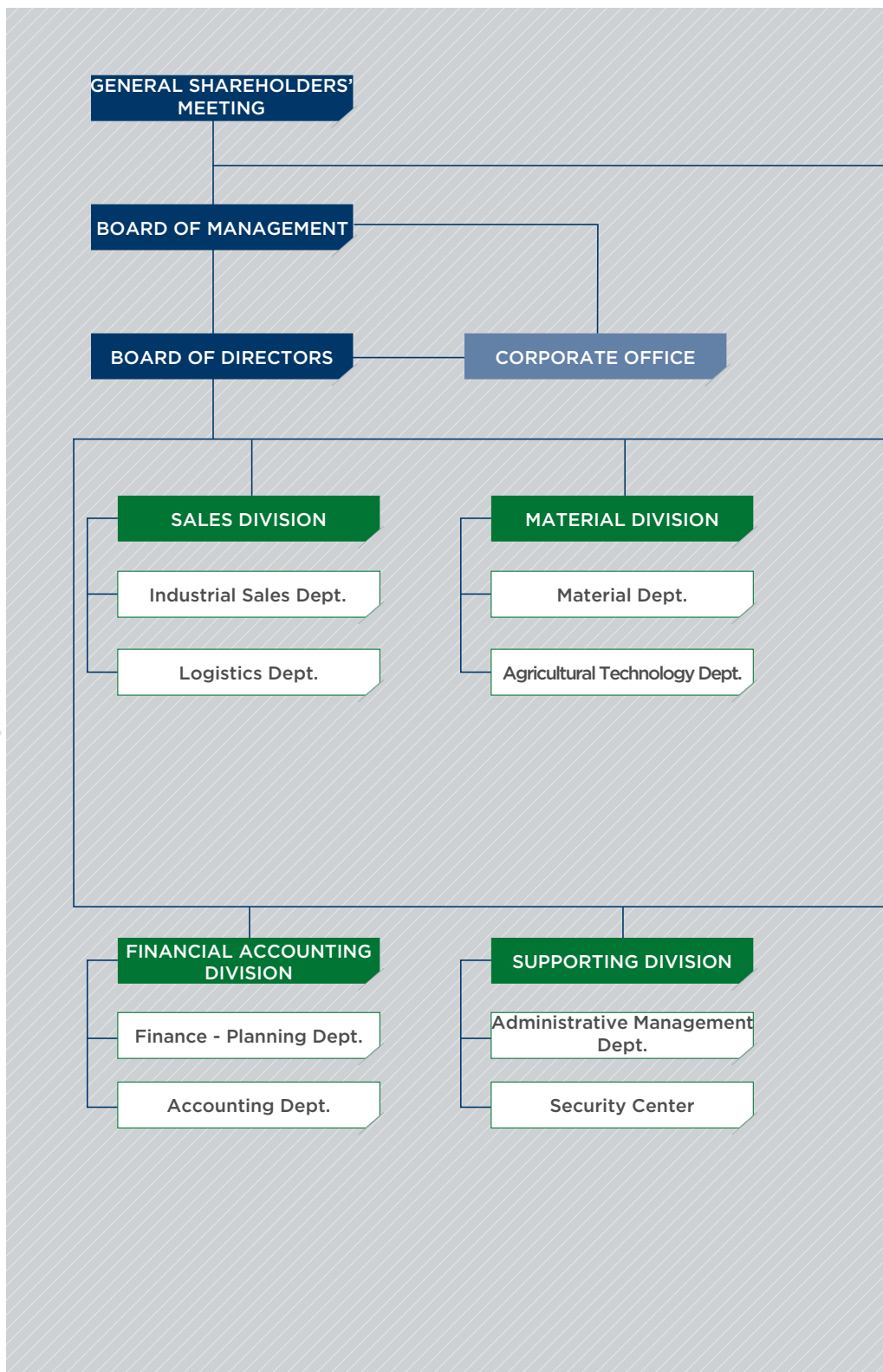


MANAGEMENT MODEL, BUSINESS ORGANIZATION AND MANAGEMENT APPARATUS

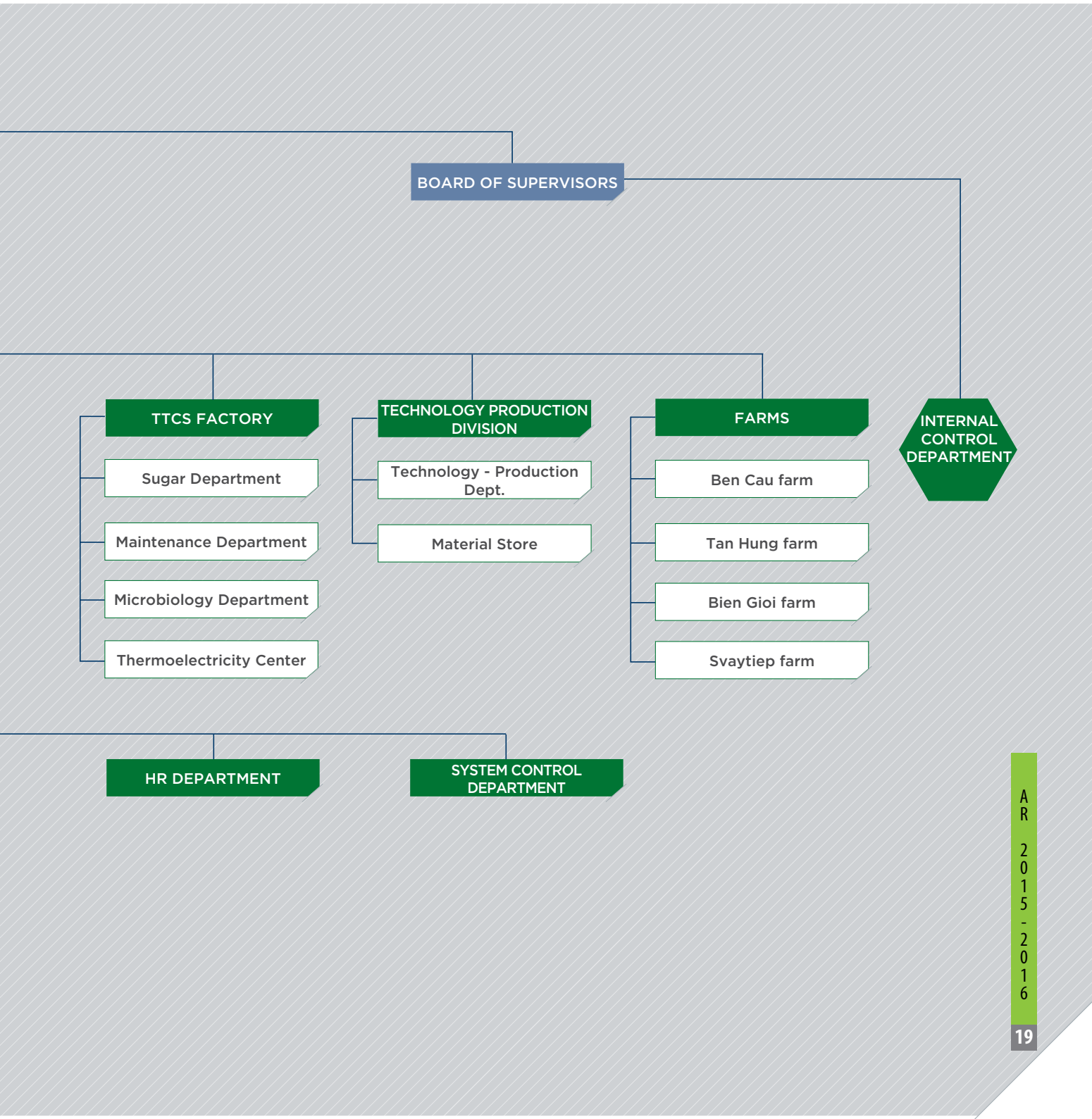
ORGANIZATION STRUCTURE

Organization structure of the company comprise of:

- General Shareholders' Meeting
- Board of Management
- Board of Supervisors
- Board of Directors
- Divisions: Sales Division, Finance Division, Technology - Production Division, Material Division, Supporting Division,
- Production entity: TTCS Factory
- Functional Departments: 18



ORGANIZATION CHART



BRANCHES AND SUBSIDIARIES

BRANCHES



BRANCHES

Add: 1st Floor, No. 62 Tran Huy Lieu Street, Ward 12, Phu Nhuan District, HCMC

Tel: 086.2926.918 - 086.2926.919

Fax: 086.2926.920



SUGAR WAREHOUSE AT HCMC

Add: Thanh Thanh Cong Joint Stock Company, Tan Binh Industrial Park, Tan Binh District, HCMC



THANH THANH CONG SUGARCANE RESEARCH AND APPLICATION CENTER

Add: Thai Binh Commune, Chau Thanh District, Tay Ninh Province

Tel: 066.3823.843



TAN HUNG TTC FARM

Add: Tan Hung Commune, Tan Chau District, Tay Ninh Province

Điện thoại: 066.3753.802



BEN CAU TTC FARM

Add: Long Phuoc Commune, Ben Cau District, Tay Ninh Province

Tel: 066.3760.828

Fax: 066.3760.828

BIEN GIOI FARM

Add: Bien Gioi Commune, Chau Thanh District, Tay Ninh Province

SVAYTIEP FARM

Add: SvayTiep District, SvayRieng Province, Cambodia



COMMERCIAL CENTER - THANH THANH CONG PLAZA

Business License No.:

445121000278 dated 31 December 2013, granted by the Department of Planning and Investment of Tay Ninh Province.

Add:

217-219, 30/4 Street, Quarter 3, Ward 2, Tay Ninh City, Tay Ninh Province

Abbreviation:

TTCP

Project's objectives and scale:

Trade center – Conference/wedding center, office, hotel

Principal activities:

Doing business in Trade center – Conference/ wedding center, office, hotel

SUBSIDIARIES AND AFFILIATES

THANH THANH CONG GIA LAI ONE MEMBER CO., LTD (TTCS - GIA LAI)

Business License No. 5900421955 dated 2 August 2007, granted by the Department of Planning and Investment of Gia Lai Province

Add: 561 Tran Hung Dao Street, Cheo Reo Ward, Ayun Pa Town, Gia Lai Province

Abbreviation: TTCS Gia Lai

Principal activities: Producing sugar and sugar-related byproducts

Capital contribution of TTCS: **100%** of charter capital

GIA LAI THERMOELECTRICITY LIMITED COMPANY

Business License No. 5900974477 dated 9 September 2013, granted by the Department of Planning and Investment of Gia Lai Province

Add: 561 Tran Hung Dao Street, Cheo Reo Ward, Ayun Pa Town, Gia Lai Province

Abbreviation: TTCS Gia Lai

Principal activities: Producing electric and transmitting electric

Capital contribution of TTCS: **100%** of charter capital

THANH THANH CONG ALCOHOL TRADING PRODUCTION JOINT STOCK COMPANY

Business License No. 3901183393 dated 28 March 2014, granted by the Department of Planning and Investment of Tay Ninh Province.

Add: Quarter 2, Tan Loi Hamlet, Tan Hung Commune, Tan Chau District, Tay Ninh Province

Abbreviation: TTCE

Project's objectives and scale Producing food alcohol at the capacity of 100,000 liters/day, equivalent to 21 million liters/year; Producing CO₂ at the capacity of 17,000 tons/year.

Principal activities: Producing alcohol and alcohol-related byproducts

Capital contribution of TTCS: **90%** of charter capital

TSU INVESTMENT PTE. LIMITED COMPANY

Abroad Investment Certificate No. 844/BKHĐT-ĐTRNN dated 30 June 2015, granted by the Ministry of Planning and Investment.

Add: 60, Paya Lebar Road, Paya Lebar Square #10-51, Singapore 409051

Operational objective: Trading and performing partial production stages; packaging sugar products; trading raw sugar and refined sugar in the world market, etc.

Total registered investment capital: USD **12,640,000** (twelve million six hundred forty thousand US dollar)

BRANCHES AND SUBSIDIARIES

(continued)

THANH THANH CONG INDUSTRIAL ZONE JOINT STOCK COMPANY

Formerly Bourbon An Hoa Joint Stock Company (TTCIZ) established in Vietnam under Business License No. 3900471864 dated 10 September 2008, granted by the Department of Planning and Investment of Tay Ninh Province. Head quarter of TTCIZ: An Hoi Village, An Hoa Commune, Trang Bang District, Tay Ninh Province. The Company's principal activities are constructing the infrastructure for the industrial zone and leasing the industrial zone.

Capital contribution of TTCS **49%** of charter capital

THANH THANH CONG SUGARCANE RESEARCH AND APPLICATION JOINT STOCK COMPANY

Established in Vietnam under Business License No. 3901162964 dated 21 March 2013, granted by the Department of Planning and Investment of Tay Ninh Province. Head quarter: No. 99, Binh Hoa Hamlet, Thai Binh Commune, Chau Thanh District, Tay Ninh Province, Vietnam. Principal activities: Performing research and development of sugar cane sprouts; analyzing cultivation and planting protection products; producing and developing mechanic machinery for sugar cane production.

Capital contribution of TTCS: **62%** of charter capital

NUOCTRONG SUGAR JOINT STOCK COMPANY

Business License No. 3900243272-005 first issued on 13 October 2005 and 7th amendment issued on 17 May 2016 by the Department of Planning and Investment of Tay Ninh Province.

Add: Hoi An Hamlet, Tan Hoi Commune, Tan Chau District, Tay Ninh Province, Vietnam

Abbreviation: NUTROJSCO

Principal activities: Producing white refined sugar and cultivating Sugarcanes.

Capital contribution of TTCS: **23.95%** of charter capital

TAY NINH CANE SUGAR JOINT STOCK COMPANY

Business Registration Certificate No. 3900243272 issued by the Department of Planning and Investment of Tay Ninh Province on 17 February 2016.

Add: No. 19 Vo Thi Sau Street, Ward 3, Tay Ninh City, Tay Ninh Province

Abbreviation: Tanisugar JSC

Principal activities: Manufacturing other rubber-based products; cultivating plants with starchy bulbs; cultivating sugarcanes; rubber plants; milling and manufacturing raw flour; manufacturing starch and starchy products; manufacturing sugar; wholesale in foodstuff including sugar, milk, confectionery and cereal products, etc.

Total registered investment capital: **39.2%** of charter capital

TAY NINH CHEMICAL INDUSTRY JOINT STOCK COMPANY

Business Registration Certificate No. 3900914957 issued by the Department of Planning and Investment of Tay Ninh Province.

Add: Tan Hoi 1 Industrial Complex, Tan Hoi Commune, Tan Chau District, Tay Ninh Province

Abbreviation: Tanichem

Principal activities: Manufacturing Sorbitol with major material of cassava flour

Total registered investment capital: **21.96%** of charter capital



BOARD OF MANAGEMENT



Mr.

PHAM HONG DUONG

BOM Chairman

Mr. Pham Hong Duong has spent 17 years of cooperation and contribution, with constant self-learning and development spirit, he has always gained trust and appreciation from the management board and colleagues to take over important tasks in management and operation. He officially became the BOM Chairman of TTCS on 27 February 2015. After over one year of his leadership and direction, and BOM members's, the Company has experienced a lot of positive transformation. TTCS became among the Top 30 capitalized companies in HOSE on the basis of clearly-defined strategy, internal force reinforcement to reach out to the regional and international level and to constantly develop and serve Vietnamese consumers better and better.

Professional qualifications:

Bachelor of Chemical Engineering, MBA in Production Management

Highlights in employment history and working experiences:

- 27 February 2015 - present: BOM Chairman - Thanh Thanh Cong Tay Ninh Joint Stock Company
- 2014 - 30 June 2015: BOM Member - Gia Lai Sugarcane Thermoelectricity JSC
- 2013 - 30 June 2015: BOM Member - Thanh Thanh Cong Trading Production Package Joint Stock Company
- 2012 - 30 June 2015: BOM Member - Bien Hoa Sugar Joint Stock Company (BHS)
- 2011 - 2012: Deputy General Director (in charge of Techniques) - Societe De Bourbon Tay Ninh
- 2009 - 2011: Factory Director - Societe De Bourbon Tay Ninh



Mr.

LE VAN DINH

**Vice Chairman - Independent BOM
Member**

Mr. Le Van Dinh, with over 50-year working experience in sugarcane industry, is credited as a leading expert on sugarcane industry of Vietnam. He is engaged in the Board of Management as an independent member, acting as the Vice Chairman of the Board of Management. He is a technical consultant for the factory chain of TTCS, making sure the operation of the factories get the best efficiency, which brings consumers international standard sugar products. He is currently the honored member of world prestigious sugarcane organizations, associations, and forums.



Professional qualifications:

Technology Engineer (1954 - 1960)

Highlights in employment history and working experiences:

- 1994 - now: Founder and the BOM Member - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- 1975 - 1981: Director - Bien Hoa Sugar Company
- 1960 - 1975: Director of Technical & Production Plant (Vietnam Sugar Company) and Manager of Bien Hoa Sugar Refinery Plant.

Ms.

DANG HUYNH UC MY

BOM Member

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- February 2015 - present: BOM Member - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- April 2012 - February 2015: BOM Chairwoman - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- July 2009 - December 2012: General Director - Thanh Thanh Cong Investment JSC



- July 2007 - July 2009: Standing Deputy General Director - Thanh Thanh Cong Trading Production Joint Stock Company.
- December 2006 - July 2007: Deputy CEO - Thanh Thanh Cong Trading Production JSC

Ms. Dang Huynh Uc My majored in business administration. With experiences in management and operation in large scaled companies in the position of General Director of TTC Investment JSC, BOM Chairwoman of TTCS and sharp viewpoints as well as deep insights of Vietnam sugarcane industry, she has made significant contributions in helping TTCS overcoming economic difficulties in general and difficulties of the Sugarcane and sugar industry in particular and gaining new achievements. During the strategic development period of 2016 - 2020, Ms. Dang Huynh Uc My continued to be trusted and assigned to be in charge of IT application in the operation of the Company, and implementation of the strategy of bringing TTCS to reach the regional and ASIAN level.

Her current positions in other organizations:

- BOM Chairwoman of Thanh Thanh Cong Investment JSC
- BOM Chairwoman of Ben Tre Import - Export JSC

Ms.

PHAM THI THU TRANG

BOM Member

Ms. Pham Thi Thu Trang is an expert in finance and planning. In the last year, with her best efforts, TTCS made firm steps in re-structure of Company and put forward a development strategy during 2016 - 2020. Apart of from acting as a BOM member, she also takes up management positions in other organizations including Vice-Chairwoman of TTC Sugarcane Committee, BOM member of Thanh Thanh Cong Trading JSC, BOM member of Thanh Thanh Cong Sugarcane Research and Application JSC. With her experience and competence, Ms. Thu Trang shall make significant contributions in helping TTCS complete and reinforce activities in finance, accounting in a more efficient manner.



Professional qualifications:

Bachelor of Foreign Trade Economics; Master of Development Economics.

Highlights in employment history and working experiences:

- 19 December 2015 - present: BOM Member - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- October 2010 - present: Assistant to the Deputy General Director in Finance; Planning Manager; Deputy General Director Planning & Investment Division - Thanh Thanh Cong Investment JSC.
- 2007 - 2009: Assistant to the Deputy General Director in Planning-R&D - Mai Linh Group JSC
- 2005 - 2007: Standing Service Manager - Agriculture Consulting and Support Center, Ho Chi Minh City Department of Agriculture
- 2003 - 2005: Assistant to the Deputy General Director of the Southern Region - Mai Linh Group JSC

Mr.

NGUYEN QUOC VIET

BOM Member

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- 19 December 2015 - present: BOM Member - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- August 2014 - July 2016: BOM Chairman - Phan Rang Sugar JSC
- August 2014 - September 2015: Deputy General Director - Bien Hoa Sugar JSC, in



charge of Bien Hoa - Tay Ninh Factories

- January 2013 - August 2014: BOM Member, Director - Phan Rang Sugar JSC

With his experience and extensive insights of the sugarcane agriculture of Vietnam in holding senior managers in different sugar factories in the Central - Highlands and Southeastern part, Mr. Nguyen Quoc Viet has made considerable contributions in devising material development strategies of the Company during 2016 - 2020, boosting application programs of advanced, sustainable cultivation models in the entire material area. On the basis of his competence and trustworthiness, Mr. Viet is currently undertaking important positions in the companies where TTCS has shares: BOM Member of Thanh Thanh Cong Gia Lai One Member Co. Ltd, BOM Chairman of Nuoc Trong Sugar JSC, General Director of Tay Ninh Sugarcane JSC, BOM Member of Thanh Thanh Cong Sugarcane Research and Application JSC.



BOARD OF SUPERVISORS



Ms.

NGUYEN THUY VAN

Chief Supervisor

Ms. Nguyen Thuy Van was engaged in the Board of Supervisors since 2012. With many years of experience in Accounting - Finance - Investment, Ms. Nguyen Thuy Van is among those with intensive knowledge of sugarcane industry. As the Chief Supervisor of TTCS, she has made various contributions in designing and issuing effective control system on the basis of security of compliance, to better protect the interests of investors, and brings the highest value to shareholders. She is currently holding other positions: Chief Supervisor of Thanh Thanh Cong Investment JSC, BOM member of Bien Hoa Sugar JSC and Chief Supervisor of Tay Ninh Chemical Industry JSC.

Professional qualifications:

Bachelor of Economics, MBA

Highlights in employment history and working experiences:

- 2011 - 2012: Deputy General Director - Thien Son Logistics JSC
- 2009 - 2011: Deputy Director - Son Tin Commodity Exchange JSC
- 2008 - 2009: Trading Manager - Tin Viet Investment JSC
- 2004 - 2007: Financial Manager - Vinamit JSC



Mr.

HUYNH THANH NHAN

BOS Member

Mr. Huynh Thanh Nhan, as the BOS member of the Company, made proactive contributions to the supervision of management and operation of the Company, inspection of reasonableness, legitimacy, truthfulness and prudence in management and operation of business, financial and accounting, etc. activities of the Company. His current positions in other organizations: Chief Supervisor of Tra Phi JSC, Supervisor of Nuoc Trong Sugar JSC, Chief Supervisor of Tay Ninh Sugarcane JSC.



Professional qualifications:

Bachelor of Economics, Certified Public Accountants

Highlights in employment history and working experiences:

- 18 December 2015 - present: Supervisor - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- July 2015 - present: Expert of Internal Control Department - Thanh Thanh Cong Investment JSC
- October 2010 - June 2015: Chief Auditor - A&C Auditing & Consulting Co., Ltd

Mr.

NGUYEN XUAN THANH

BOS Member

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- 18 December 2015 - present: BOS Member - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- November 2014 - present: Internal Control Manager - Thanh Thanh Cong Gia Lai One



Member Co., Ltd

- September 2011 - October 2014: Chief Accountant - Gia Lai Sugarcane Thermoelectricity JSC
- September 2009 - August 2011: Chief Accountant - Ayun Thuong JSC

Mr. Nguyen Xuan Thanh with over 20-year experience and hands-on experience in finance-accounting, project management, et. has assisted the Board of Supervisors in supervision of accounting and evaluation of business performance reports, annual and half-year financial statements of the Company, management evaluation reports of the BOM, ensuring the decisions of the BOM and BOD are in compliance with the laws, resolutions of the General Shareholders' Meetings and protecting benefits of the shareholders. He is currently assisting the BOM of TTCS in inspection, supervision of the operation of Thanh Thanh Cong Gia Lai Co., Ltd as a Supervisor.

BOARD OF DIRECTORS



Mr.

NGUYEN THANH NGU

Chief Executive Officer (CEO)

On the basis of outstanding achievements for helping TTCS to excellently fulfilling the objectives set forth by the General Shareholders' Meeting for 2 consecutive years, that TTCS was honorably elected one in the Top 50 by Forbes Vietnam for 2 consecutive years, in HOSE, Mr. Nguyen Thanh Ngu was honored to be elected by the world-leading magazine Forbes among the Top 30 U-30 in Vietnam. Apart from outstanding personal achievements in the business of the Company, he kept on affirming his leadership in being proactively involved in designing the strategy of 2016-2020 in coordination with the Board of Directors, where the focus is placed on sustainable agricultural development and regional market position, reinforcement of Vietnam leading market shares. He is currently undertaking important positions in other companies where TTCS has shares including:

His current positions in other organizations:

- BOM Chairman of Tay Ninh Sugarcane JSC
- BOM Chairman of Nuoc Trong Rubber JSC
- Board of Members Vice-Chairman of Thanh Thanh Cong Gia Lai One Member Co., Ltd
- Board of Members Vice-Chairman, Sugarcane Research and Application JSC
- BOM Vice-Chairman of Nuoc Trong Sugar JSC
- BOM Vice-Chairman of Tay Ninh Tapioca JSC
- Board of Members Vice-Chairman, Tapioca Vietnam Co., Ltd

Professional qualifications:

Bachelor of Business Administration

Highlights in employment history and working experiences:

- 01 November 2014 - present: General Director - Thanh Thanh Cong Tay Ninh JSC
- May 2014 - 31 October 2014: CEO - Gia Lai Sugarcane Thermoelectricity JSC
- January 2013 - March 2014: Standing Deputy Director - Ninh Hoa Sugar JSC (NHS)
- April 2012 - January 2013: Office Deputy Chief - Thanh Thanh Cong Investment JSC

Mr.
NGUYEN VAN DE
Deputy CEO

Mr. Nguyen Van De, with insights of Financial administration, budget planning, project evaluation, etc. joined TTCS since 2012 and continuously brought the Company positive financial results and solid background in capital market. With recognized competence, he was trusted to by the Board of Management and the Executive Board in assigning him to be in charge of the sales and investment segment of TTCS in Singapore as a Director of TSU Investment Private Company Limited, and concurrently as the BOM Member, of Thanh Thanh Cong Alcohol Trading Production JSC.



Professional qualifications:

Bachelor of Finance and Banking

Highlights in employment history and working experiences:

- August 2015 - present: Vice General Director - Thanh Thanh Cong Tay Ninh JSC
- January 2015 - August 2015: Deputy CEO - Thanh Thanh Cong Tay Ninh JSC
- July 2013 - December 2014: Deputy CFO - Societe De Bourbon Tay Ninh
- April 2012 - July 2012: Deputy Director (in charge of Finance) - Societe De Bourbon Tay Ninh
- August 2007 - April 2012: Financial Manager - Sacomreal Company

Ms.
DUONG THI TO CHAU
Deputy General Manager of Sales Division

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- 13 October 2014 - present: Deputy CEO, Division of Sales - Thanh Thanh Cong Tay Ninh JSC
- December 2013 - 20 January 2015:



Commercial Director - Thanh Thanh Cong Tay Ninh JSC

- October 2010 - December 2013: Commercial Director - Societe De Bourbon Tay Ninh
- 2007 - September 2010: Manager of Sales and Marketing Department - NIVL JSC

With over 20-year experience in trading sugar products, Ms. Duong Thi To Chau has a lot of advantages in understanding the nature and development of Vietnam sugar industry. With a wide customer partner network, Ms. Duong Thi To Chau is among the leading business people in the current Vietnam sugarcane industry. With business competence and passion, she has built and realized the business strategy approved by the Board of Management step by step, and achieved it beyond the targets set by the Board of Management and the General Director.

Mr.

NGUYEN VIET HUNG

Deputy General Manager of Material Division

Acting as a leader in Material Division, with over 20-year experience in agriculture and development direction suitable for each stage of the Vietnam sugar industry, last year, he successfully developed a lot of strategic solution groups, sustainable and long-term, helping the Company expand the material area to potential areas for area expansion including Long An, Binh Phuoc, Cambodia, etc. Besides, he proposed policies for designing role-model farms, comprehensive mechanization from cultivation, care, harvest to proactive design of a sustainable material area of TTCS.



Professional qualifications:

Bachelor of Agricultural Economics

Highlights in employment history and working experiences:

- 15 November 2015 - present: Deputy General Manager of Material Division - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- 10 November 2014 - 15 November 2015: Manager of Agriculture Division - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- 1 August 2014 - 10 November 2014: Standing Manager of Agriculture Division - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- 2 December 2013 - 1 August 2014: Deputy Manager of Agriculture Division - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- 7 November 2013 - 2 December 2013: Deputy Manager of Agriculture Division - Bourbon Tay Ninh JSC
- July 2013 - November 2013: Director of Thanh Long Farm - Bien Hoa Sugar JSC
- March 2013 - July 2013: Deputy Manager of HR Department, Bien Hoa - Tay Ninh Sugar Factory
- June 2006 - March 2013: Deputy Manager of Agriculture Division, Bien Hoa - Tay Ninh Sugar Factory
- June 1998 - 2006: Vice-head, Head of Material Division, Bien Hoa - Tay Ninh Sugar Factory

As one of the first learners of the IPL (Institute of Potential Leaders) of PACE, Ms. Ho Nguyen Duy Khuong gradually demonstrated her outstanding competence in undertaking different positions in: Bien Hoa Sugar JSC, Thanh Ngoc Tourist JSC (Da Lat), etc. On such fundamentals, Ms. Ho Nguyen Duy Khuong was appointed as the Deputy General Manager of Administrative Division cum Chief of Office by the Board of Management. With many years' experience in back office, she proposed a lot of initiatives to reduce management cost, improve welfare for employees and enhance foreign affairs with organizations, associations, and local authorities.

Ms.

HO NGUYEN DUY KHUONG

Deputy General Manager of Administrative Division

(Resigning from Deputy General Manager of Administrative Division from 1 June 2016)

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- 20 December 2015 - 1 June 2016: Deputy General Manager cum Chief of Office - Thanh Thanh Cong Tay Ninh JSC
- 15 July 2015 - 19 December 2015: Deputy



General Manager - Thanh Thanh Cong Tay Ninh JSC

- 1 December 2014 - 15 July 2015: Manager of Office Division and Chief of Office - Bien Hoa Sugar JSC
- 1 March 2014 - 31 December 2014: Chief of BOM Office and Chief of General Director's Office - Thanh Thanh Cong Tay Ninh Joint Stock Company
- 5 September 2012 - 30 June 2014: Chief of Office - Bien Hoa Sugar Joint Stock Company
- 1 July 2011 - 4 September 2012: Chief of BOM Office - Thanh Ngoc Joint Stock Company; BOM Member - Lam Dong Forestry Industry Joint Stock Company; BOS Member - Khanh Hoa Mineral Water Joint Stock Company

Ms.

NGUYEN THI THU TRANG

Standing Manager of Administrative Division

(Appointed as Standing Manager of Back office Division, effective on 18 April 2016)

Ms. Nguyen Thi Thu Trang has many years' experience working at TTCS and held a lot of important positions: Secretary - Interpreter for the General Director, Assistant to Director, Administration Office Manager, Deputy Manager of Back office Division. Therefore, she has insights of the operation and manufacturing of the Company, and has a lot of opportunities for having approach and mastering mechanisms and processes of administration. With outstanding competence, she was trusted and appointed as the Standing Manager of Administrative Division



Professional qualifications:

Bachelor of Literature

Highlights in employment history and working experiences:

- April 2016 - present: Standing Manager of Administrative Division
- April 2015 - March 2016: Deputy Manager of Back office Division
- September 2009 - March 2015: Administration Department Manager - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- September 2008 - September 2009: Assistant to Factory Manager, Bourbon Tay Ninh JSC
- 2003 - 2008: Secretary cum Interpreter for General Director - Bourbon Tay Ninh JSC



Ms.

NGUYEN THI THUY TIEN

Chief Financial Officer

With over 20 years in charge of accounting in Bourbon Tay Ninh JSC, currently Thanh Thanh Cong Tay Ninh Sugarcane JSC, Ms. Nguyen Thi Thuy Tien is among the key personnel with extensive insights of the financial operation of the Company. With constant endeavors, she was trusted and appointed by the management board as different key positions including Chief Accountant and currently Chief Financial Officer. In 2016, she and the Financial - Accounting Division Staffs brilliantly fulfilled the issuance of the bond package of VND 1,000 billion, with over 9 million ESOP shares to employees, helping



the Company stabilize its cash flows, increase ROI, financial re-structure.

Her current positions in other organizations include:

- BOM Member, Tay Ninh Chemical Industry JSC;
- BOM Member, Thanh Thanh Cong Industrial Zone JSC.

Professional qualifications:

Bachelor of Accounting, Master of International Accounting

Highlights in employment history and working experiences:

- 16 July 2016 - present: Chief Financial Officer, Thanh Thanh Cong Tay Ninh Sugarcane JSC
- 20 January 2015 – 16 July 2015: Chief Financial Officer cum Chief Accountant - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- October 2007 - 20 January 2015: Chief Accountant - Thanh Thanh Cong Tay Ninh Sugarcane JSC

Mr.

LE DUCTON

Factory Manager Director

Professional qualifications:

Chemical - Technology Engineer

Highlights in employment history and working experiences:

- 1 January 2015 - present: Factory Manager - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- August 2013 - December 2014: Factory Vice-Manager - Thanh Thanh Cong Tay Ninh



Sugarcane JSC

- September 2009 - July 2013: Production Manager - Bourbon Tay Ninh JSC
- December 2007 - August 2009: Production Deputy Manager, Bourbon Tay Ninh JSC
- March 2004 - November 2007: Factory Shift Head, Bourbon Tay Ninh JSC
- August 1996 - February 2004: Production Shift Vice-Head - Back, Bourbon Tay Ninh JSC
- 1990 - July 1996: Foreman - Tay Ninh Rubber Processing Factory





Graduated from Ho Chi Minh City University of Technology, then joined the family of Bourbon Tay Ninh JSC (former name of Thanh Thanh Cong Tay Ninh Sugarcane JSC) from the very first date of its development, Mr. Le Duc Ton has made valuable contributions to improvement of the capacity of TTCS Factory, particularly the project of upgrading the factory from 8,000 TMN to current 9,800 TMN. After experiencing the challenge period as the Vice-Manager of the Factory, he was appointed by the Board of Management as the Manager in charge of the entire operation of the TTCS Factory and technical advisor of the companies of the network. During 2015 - 2016, under his management and operation, TTCS sugar factory successfully refined 105,000 tons of jaggery for the first time, becoming the largest sugar producer in the country.

Mr. LE PHAT TIN Chief Accountant

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- 16 July 2015 - present: Chief Accountant - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- May 2013 - 15 July 2015: Accounting Deputy Manager - Thanh Thanh Cong Tay Ninh Sugarcane JSC



- September 2006 - May 2013: Working at Vinamilk JSC
- February 2006 - September 2006: Working at Kinh Do JSC

With working experiences in accounting for leading groups in Vietnam, namely Vinamilk, Kinh Do, etc. Mr. Le Phat Tin has made notable contributions to the improvement of the accounting system of the Company, properly complying with the state standards and regulations, organizing the Company's accounting system in a professional and scientific manner, etc. With highly-specialized knowledge and enthusiasm, constantly making endeavors to learn for self-development, he has gained trust from the Management team who appointed him as the Chief Accountant since 16 July 2015. Moreover, he concurrently holds the Chief Accountant of Thanh Thanh Cong Alcohol Trading Production JSC.

DEVELOPMENT ORIENTATION OF THE COMPANY DURING 2016 - 2017



“

WITH RESPECT TO THE GOAL OF 2016 - 2017, TTCS SHALL REACH A MARKET CAPITALIZATION VALUE OF USD 320 - 350 MILLION, MAINTAINING THE COMPANY'S POSITION OF THE COMPANY WITH LARGEST MARKET CAPITALIZATION VALUE IN VIETNAM SUGAR INDUSTRY AND BECOMING ONE OF THE VIETNAM LEADING COMPANIES IN AGRICULTURE AND FOOD INDUSTRY.”

TTCS has been realizing the strategy of 2016 - 2020, focusing its business and manufacturing activities in the core direction of: Green - Clean - Efficient & Sustainable Development, with its top priority for improvement in economic efficiency for farmers accompanied with the motto “It’s our responsibility to enrich farmers”. During the season year of 2016 - 2017, TTCS shall continue to implement its strategy and develop the additional performance of M&A deal with TTCS Gia Lai. Additionally, it is expanding, promoting re-structure, expanding the scope of activities through other M&A deals with companies in the same industry to constantly enhance its competitiveness, make firm internal force available, ready for integration when the sugar market is opened by 2018.



KEY COMPANY OBJECTIVES

- 1 Stabilizing the sugarcane growing area, development of self-control material areas.
- 2 Reducing cultivation cost, ensuring the benefits for Sugarcane growers.
- 3 Specializing management with IT system: FRM (Farmer Relationship Management); ERP (Enterprise resource planning software); Business Intelligent (BI); DMS, etc.
- 4 Maintaining and improving product quality.
- 5 Improving the quality of products and services.
- 6 Promoting R&D to increase competitive advantages, production capacity and efficiency, diversifying products, increasing return from by-products.
- 7 Focusing on training successors, facilitating equal development among all employees.



SWOT ANALYSIS

STRENGTHS

AGRICULTURE

- Total area of the material area is over 24,000 ha, in which farm sugarcane accounts for 1,200 ha.
- The Executive Board is young, dynamic, has management capacity, high skills and experienced.
- Agricultural staffs are experienced.
- Land legislation tends to support the sugar industry in respect of merger of plantations and land parcel transfer, approving the title to transfer of agricultural land use right of economic institutions with simple administrative procedures.

TECHNIQUES

- Technical staffs are experienced, master technology.
- The factory is equipped with advanced, European standard production technology.

PRODUCTS - SALE

- RE sugar products are of high quality, healthy and of various types.
- Warehouse capacity is large.
- The Company's market shares of RE sugar products are big in the large industrial customer category.
- Refined sugar product group is closely approaching premium refined sugar.
- Good customer service.
- Always ready for timely and full supply to the expectations of customers

FINANCE

- Healthy financial capacity.
- Good relationship with credit institutions.
- Financial costs, loan interests are always under control at low, competitive rates as compared to the market rates.

OPPORTUNITIES

- Consumption per capita of Vietnam is still lower than the world.
- The demand for higher quality, safer products.
- Stable political environment, making favorable conditions for attracting investment in the sugar industry.

AGRICULTURE

- The material area is mostly small, without good planning, scattering, difficult for mechanization.
- Productivity and quality of sugarcanes are low without being improved for a long time.
- Sugarcane breeds suitable for each soil conditions of each region are few.
- Quite high cost for sugarcanes

TECHNIQUES

- Nuoc Trong Sugar Factory has small capacity, has been operating for many years, out-dated technology, can not catch up the development of the sugar industry.
- The chain of equipment and machinery at Gia Lai Factory, after increasing the capacity to 6,000 TMN for the first two seasons, has not been operating stably, with unstable sugar quality, failing to meet the defined standards.

PRODUCTS - SALE

- Customer profile is mainly in B2B group.
- Inventory costs are used for industrial customers.

FINANCE

- With investment expansion, the financial structure tends to use more of the liability scale, increasing loan interest pressure.

WEAKNESSES

- Climate change, drought, salinity intrusion, water shortage for cultivation.
- Competition of other crops.
- Threats of sweet product replacement.
- Concern of consumers due to increasing recommendations on less consumption of sweet products for preventing obesity, etc.
- Implementation of commitments in signed trade agreements, there will be more competitors of large scales entering the market.

THREATS

MID AND LONG-TERM DEVELOPMENT

STRATEGY OF 2016 - 2020

ASPECTS	COMPANY'S OBJECTIVES	UNIT	TTCS GROUP				
			15-16F FY	15-16F FY	17-18F FY	18-19F FY	19-20F FY
Finance	Charter capital	VND Billion	1,948	2,532	2,532	2,532	2,532
Sales	Total sugar consumption	Ton	175,764	202,921	212,204	221,591	228,111
	Refined jaggery volume	Ton	106,250	90,000	105,000	100,000	110,000
Production	Finished sugar products	Ton	185,015	213,601	223,373	233,254	240,117
	Commercial electricity	Kwh	75,422	81,459	124,764	130,596	162,467
	Annual maintenance cost	VND Billion	41	41	43	45	47
	R&D on Post-sugar, by-products		✓	✓		✓	
	Capacity	TMN	16,800	22,800	22,800	22,800	23,300
	Pressed sugarcane yield	Ton	1,656,846	1,715,298	1,905,027	2,024,332	2,174,452
	Invested sugarcane productivity	Ton/ha	65	67	70	73	75
Human resources	Number of employees	Persons	1,977	1,937	1,899	1,861	1,824

Note: This target does not include M & A activity with other entities in the same industry from 2017 - 2018 onwards.

DEVELOPMENT OF THE MATERIAL AREA

- Building a sustainable material area, supplying stable material sugarcanes, ensuring optimal pressing capacity for factories. It is planned by 2020, the total area of the material area is 30,000 ha, with annual supply of 2.3 million tons of sugarcanes securing the maximum capacity of the factory.
- Adoption of scientific advances in sugarcane cultivation, enhancing agricultural mechanization, particularly intensive farming and efficient irrigation.
- Development of large-scaled sugarcane fields, making favorable conditions for mechanization, application

of state-of-the-art farming techniques for reducing production cost, then multiplying the model for the entire material area.

- Research and development of productive, high quality sugarcane seeds, suitable for the soil conditions of each material area, re-planning of targeted seed structure to reach the sugar productivity of 7.5 tons of sugar/ha.

TECHNIQUES - PRODUCTION

- Focusing on improvement in the production chain, sustain the leading position in technology, supply of





quality products, meeting the diversified and strict requirements of customers.

- R&D on new products, including by-products and post-sugar products, diversification of products, increase in return on by-products to improve competitive advantages. TTCS has successfully developed and introduced to the market sugarcane-flavored bottled water Miaqua. In the coming time, TTCS continues with development of new products from megass, final molasses and production technology transfer to member companies.

MARKET

- Continuation of maintaining conventional customers and developing new customers, increasing consumption rate for small and medium industrial customer groups.



- Development of export markets, confirmation of TTCS sugar trademark prestige and quality, and Vietnam sugar in the international market, ready for integration.

HR AND TRAINING

- Increase in specialized competence, focus on internal training, increase in working performance, particularly focus on training offered to successors.

SYSTEM MANAGEMENT

- Completion of system management in respect of legal documents.
- Application of IT in management: management systems including ERP, FRM, and CRM, etc.



GOALS FOR ENVIRONMENT, SOCIETY AND COMMUNITY - PUBLIC & LOCAL RELATIONS

“

IDENTIFYING NATURAL HARMONY ACTIVITIES IS THE FUNDAMENTAL FOR SUSTAINABLE DEVELOPMENT OF THE COMPANY. TTCS ALWAYS APPRECIATE LIABILITY FOR THE ENVIRONMENT, SOCIETY AND COMMUNITY WITH SPECIFIC AND EFFECTIVE SOLUTIONS.

”

ENVIRONMENT

- Environmental protection is specially focused by the Company, targeting at construction of green, environmentally-friendly factories. Waste water treatment system is operated under close supervision, ensuring the water source is treated in accordance with standards before incorporating it into the common water drainage.
- Construction of the biogas-power plant with a capacity of 65 MWh using fuel of megass, application of solar power generation system to produce clean, environmentally-friendly and sustainable power source.
- Working with the local authority to solve the problem of water hyacinth robustly growing in Vam Co Dong river, helping clear the water flow, improve the ecology, eliminate negative impacts on the people's lives, contribute to creating benefits to the community and society.



SOCIETY AND COMMUNITY

- Improvement in food hygiene is the top priority in production. Since the season of 2015 - 2016, the Company has adopted stringent food protection and control system, ensuring supply of safe and clean products to customers.
- Development of Organic sugar products, which are completely natural without plant protection chemicals, with high nutrition and mineral content, serving the community for their health.
- Continuing to develop the spirit of “leaves protect tattered ones”, the activity of repaying somebody's favor, the Company always reserve a part of its profit for social activities, take care of vulnerable people in the locality. Blood donation is maintained and held annually as a cultural beauty of the Company showcasing the spirit of mutual love and help of the employees of TTCS for the community.
- Proactively being involved in caring for the health, nutrition and education for children with sponsoring, funding programs for construction and repairing of classrooms, granting scholarships for disadvantaged good students.
- Continuing to contribute and accompany with the Social - Charity fund of TTC with the annual contribution of not less than VND 1 billion, operating with the motto of “Developing the locality and for the benefit of the community”.



OPERATIONAL RISKS



ECONOMIC RISKS

The economic growth rate in 2016 indicates stagnation and unstable increase. The first half-year growth rate only gains 5.52% (that of 2015 only 6.28%). Inflation comes back, deficit continues, debts by end of 2016 shall be around 62% of GDP and bank bad debts have not been effectively dealt with. Domestic demand decreases, sugar consumption need of fast consumer goods, particularly confectionery, beverages, is affected, adversely impacting consumption volume of the company.

Vietnam is intensively and extensively integrating into the regional and international market, local businesses in general and sugar corporations in particular, creating opportunities for expanding production, trade and value increase. Increased integration also means increased competitors. When the protection line is removed, companies not only face competition at the local level but regional and international as well.

Solutions

- Control over costs, optimizing resources, ensuring safe capital structure.
- Development of distribution channel, customer care system, expanding output for products.
- Focusing on development of local material area, increasing productivity, quality of materials, competitiveness with other crops, ensuring benefits for sugarcane growers.
- Catching opportunities from entry into AEC, TTCS proactively attracts investment, expands its production to Laos, Cambodia, takes advantage of the scale, reduces Sugarcane growing costs, reduces production cost, improves competitiveness.



RISKS OF INTEREST RATE, EXCHANGE RATE

Loan is the vital additional capital for production and investment of the company, which helps optimize operation performance and corporate value. With the large production scale and ongoing expansion, high demand for working capital, interest rate fluctuation shall increase risks of liquidity and financial operation performance of the Company.

Fluctuation of the exchange rate increases risk of import cost of materials, production machines and equipment, and affects the foreign currency account of the company.

Solutions

- Conducting regular evaluation on financial fluctuations, proactively taking prevention measures, ensuring optimal capital structure, minimizing adverse impacts of local and international financial market changes.
- Using derivative tools for managing risks of exchange rate fluctuations.



RISKS OF POLICIES AND LEGISLATION

TTCS is a public company operating in food processing, governed by the Corporate Law, Security Law, Investment Law, Food Safety Law, Trade Law, Intellectual Property Law, etc. Law changes may affect the operation and business results of the company.

Solutions

- The legal affairs and policy department of TTCS regularly study and update relevant legal instruments, policy changes, law changes, and timely gives recommendations, advice for application and adjustment in line with applicable legislation and operation of the company.



RISKS OF CONSUMPTION TREND

Changes in consumption behavior increase both opportunities and risks towards fast consumer goods and sugar production. Consumers are increasingly concerned about the product origin and products' impacts on their health and the environment, and make preference in natural, environmentally-friendly products.

Solutions

- Sustainable development, exploitation of natural resources (soil, water) together with environmental protection are the top concern of the management board of TTCS.
- For each construction work, TTCS made a environmental impact evaluation report and conducted the solution to environmental protection. Waste water and waste treatment works are effectively invested and operated, ensuring waste water is treated in accordance with standards before they are discharged into the common drainage.
- In respect of cultivation technology, reducing application of chemical fertilizers, applying biological measures in pest control, minimizing adverse impacts on the environment.
- Developing 100% natural Organic sugar products, serving the community and for their health.

OPERATIONAL RISKS (continued)



RISKS OF MATERIALS

Sugarcanes are the important input for production of the Company. Sugarcane production depends on the scarce natural resources - soil. The material area of sugarcanes in Tay Ninh always faces risk of land area competition of other crops, especially cassava.

Solutions

- Working in cooperation with the Sugarcane Research Institute to promote research and development of productive and quality Sugarcane seeds, suitable for soil conditions of each region. Developing optimal seed structure.
- Renovating investment policy, focusing on mechanization, intensive farming, sprinkle irrigation, helping increase productivity and quality over the last seasons, ensuring harmony between the benefits of the sugarcane growers and the Company, making growers keep growing sugarcanes with a peace of mind.
- Building a seed structure suitable for each region, improving productivity, quality, applying irrigation, intensive farming, cultivation science, etc. gaining higher benefits from sugarcane cultivation than other crops.



RISK OF COMPETITORS

In line with the international integration, TTCS identifies its competitors who are not only local but regional and international. This is not a minor challenge for Vietnam sugar industry, which, after 20 years of protection, productivity and quality of sugarcanes are not considerably improved, most of local sugar factories operate with low capacity, major products are refined sugar.

With the advantage of application of leading technology, high quality and stable products, TTCS has been well-prepared in respect of internal force to sustainably maintain local market, aiming at expanding export market shares, affirming competitiveness of Vietnam sugar industry.

Solutions

- Implementing the strategy of the period of 2016 - 2020 step by step to reduce production cost, maintain the leading quality and increase competitiveness.
- Constantly conducting research for renovation of products, meeting strict requirements of customers in a better way.
- Developing new sugar by-products, post-products, expanding the value chain of the sugar industry, diversifying products, bringing realistic value for customers, the community and Company's shareholders.



RISKS OF QUALITY

For food processing enterprises, criteria of quality, food safety and hygiene are top requirements to be met. Low quality or unstable quality products shall affect the prestige and business of the company.

Diversifying products with various specifications to help TTCS meeting the demand of each customer group in the best way it can, increase production, market shares, maximizing profit. However, production of various types imposes pressure on the management system, warehouses, increases risks of control over the stability of product quality.

Solutions

- Identifying risks, the Company has devised a close management process of stock-in and stock-out, ensuring supply of products to customers appropriate for the agreed quality criteria.
- Regularly monitoring, improving equipment chain, making sure products are made of stable quality.
- TTCS aims at low cost competition for customers. With trustworthy logistic system, stable product quality customers shall have minimized back-up storage cost, inspection and supervision cost, product return cost, complaints, etc.



OTHER RISKS

Natural disasters, epidemic are risks with significant impacts on the agriculture in general and sugar production in particular.

Adverse weather conditions reduce sugarcane yield and quality, increase competition in mobilization of materials.

Solutions

- Taking initiative in pest prevention with environmentally-friendly measures, namely soil treatment, light traps, natural enemies, etc.
- Developing irrigational network, proactive irrigation with advanced, efficient, cost-saving irrigation equipment including sprinkle irrigation, solar energy.

COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2015 - 2016

Business performance in the fiscal year 2015 - 2016

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Quality is **COMMITMENT**



COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2015 - 2016

BUSINESS PERFORMANCE IN THE FISCAL YEAR 2015 - 2016

Business and production results

The following breakdown utilizes figures are quoted from audited financial statements:

Revenues

Revenue structure in the fiscal year 2015 - 2016

Unit: VND million

NO.	ITEMS	2015 - 2016 PLAN	2015 - 2016 PERFORMANCE	% +/- PERFORMANCE/ PLAN	2014 - 2015 FY	% +/- 15/16 against 14/15
1	Total revenues	2,536,910	3,259,362	28.5%	2,066,900	57.7%
	Sugar	2,336,891	3,045,308	30.3%	1,851,955	64.4%
	Final molasses	85,410	84,784	-0.7%	110,144	-23.0%
	Commercial electricity	48,932	48,344	-1.2%	37,339	29.5%
	Other revenues	65,676	80,926	23.2%	67,461	20.0%
2	Income from financial activities	57,348	121,603	112.0%	86,347	40.8%
3	Other income	-	8,049	-	10,161	-20.8%

(All figures based on the Audited Financial Statements)

3,259 TOTAL REVENUES
VND BILLION

The total net revenue increases by 28.5% as planned for 2015 - 2016 and 57.7% year-on-year.

3,045 SUGAR REVENUE
VND BILLION

Sugar revenue increases by 30% as planned and increases over 64% year-on-year.

Sugar is the key product of the Company, during the period of 2015 - 2016, apart from refined sugar, the Company has developed premium refined sugar products. In which, the revenue from sugar products accounts for 93% of net revenue (RE accounts for 76%, RS accounts for 17%).

During 2015 - 2016, the total sugar consumption increased over 24% as compared to the target, which was the main reason for the increase in the net revenue of 28.5% compared to plan of 2015 - 2016 and increase of 57.7% year-on-year. In which, sugar revenue was VND 3,045 billion, increasing by 30% as compared to the target and a rate of over 64% year-on-year.

Costs

Cost structure in the fiscal year 2015 - 2016

Unit: VND million

NO.	ITEMS	2015 - 2016 PLAN	2015 - 2016 PERFORMANCE	% +/- PERFORMANCE/ PLAN	2014 - 2015 FY	% +/- 15/16 against 14/15
1	Cost of goods sold	2,155,740	2,761,818	28.1%	1,808,240	52.7%
2	Financial expenses	82,957	150,174	81.0%	38,879	286.3%
3	Selling expenses	71,438	76,826	7.5%	68,365	12.4%
4	General and administrative cost	80,744	110,103	36.4%	65,532	68.0%
5	Other costs	-	2,066		2,018	

(All figures based on the Audited Financial Statements)

Consumption increases proportionate to that of costs of goods sold. During the period, facing the price adjustment of the sugar market, locally and internationally, the Company took the initiative to raise its support and share costs with Sugarcane growers, therefore input material costs increased. Yet, with solutions to optimize the processing and refinery performance, reduce production costs, and increases the ROI, the Company has good control over the selling prices as planned. The gross costs of goods sold increased by 28% compared to the plan and by 52.7% year-on-year, lower than the increase in revenue.

Logistics has been improved, optimizing moderation, delivery, resulting in improvement in service quality and reduction in sale costs. Moreover, the reduced fuel prices also contributed to help the Company to save some transportation costs. Transportation costs during the period of 2015-2016 were under good control, a fixed decrease of VND 31/kg compared to plan.

Financial costs during the period increased by 81% compared to the plan due to the increase in the need for sponsoring investment projects and meeting the working capital sources for expansion of production and business activities.

Operating profit

Profit structure in the fiscal year 2015 - 2016

Unit: VND million

NO.	ITEMS	2015 - 2016 PLAN	2015 - 2016 PERFORMANCE	% +/- PERFORMANCE/ PLAN	2014 - 2015 FY	% +/- 15/16 against 14/15
1	Profit before tax	203,378	288,026	41.6%	180,375	59.7%
2	Profit after tax	186,114	269,383	44.7%	162,836	65.4%

(All figures based on the Audited Financial Statements)

The pre-tax profit of the Company increased over 40% compared to plan and nearly 60% year-on-year. The achievements are the result of efforts made to exceed the targets in all aspects including material mobilization, cost reduction, selling price control, capital expenditure optimization, especially supporting sugar refinery and sales. During 2015 - 2016, the Company produced over 180,000 tons of sugar, with equipment safety coefficient and ROI exceeding the targets.

ORGANIZATION AND PERSONNEL

IN THE FISCAL YEAR 2015 - 2016

LIST OF BOARD OF DIRECTORS

Details are shown in the information about the Company's management team.

RECRUITMENT

Number of staff and employees in the fiscal year 2015 - 2016:

NO.	POSITION	NUMBER	RATE
	Total	723	100%
I.	Full-time employees	537	74%
1	CEOs, Consultants to CEOs	8	1%
2	Directors, Consultants to Directors	12	2%
3	Middle-level managements: (Senior Managers/Managers or equivalent positions)	45	6%
4	Low-level managements: (Head/Vice Head of Shifts/Head of Stations/Supervisor or equivalent positions)	23	3%
5	Professional staffs	411	57%
6	Unskilled workers, cleaners and maids	38	5%
II.	Part-time employees	186	26%





“

THE COMPANY FOCUSES ON TRAINING ON UPDATE AND IMPROVEMENT IN SPECIALIZED KNOWLEDGE OF EMPLOYEES, SOFT SKILLS INCLUDING SALE, SUPERVISION, CUSTOMER CARE, AND MIDDLE-RANK MANAGEMENT, ETC. TO HELP EMPLOYEES BE CONFIDENT IN THEIR WORK, INCREASE PROBLEM-TACKLING COMPETENCE TO FULFILL PERSONAL GOALS AND CONTRIBUTE TO THE COMMON GOALS OF THE COMPANY.”

During the period of 2015 - 2016, TTCS successfully conducted M&A with Gia Lai Sugarcane Thermoelectricity JSC and developed the project of Miaqua drink, etc. Quantitative and qualitative development require a large amount of personnel, with qualifications to acquire and operate subsidiaries. Therefore, during the period of 2015 - 2016, the Company recruited 122 employees to timely meet the need for production and trade.

Shortage of back-up human resources in the previous years is a special concern of TTCS. During the period of 2015 - 2016, the Human Resources Department of TTCS promoted interactions with universities, vocational high schools, especially in majors which are hard to be admitted and TTCS needs employment. Besides, the Company focuses on developing successors with professional promotion route and training plan to improve internal human resources, to facilitate development opportunities for employees of the Company.

ORGANIZATION AND PERSONNEL

IN THE FISCAL YEAR 2015 - 2016 (tiếp theo)

TRAINING

Training during the period of 2015 - 2016:

TRAINING METHOD	NUMBER OF PLANED COURSES	NUMBER OF ACTUAL COURSES	NUMBER OF PARTICIPANTS	PLANNED TRAINING COST	ACTUAL TRAINING COST
External training	45	40	1,811	733,270,000	970,394,158
TTC On-site internal training	8	11	74	38,000,000	59,817,000
TTCS On-site internal training	13	11	405	448,000,000	107,902,000
Total	66	62	2,290	1,219,270,000	1,138,113,158

Employees are the most valuable asset of TTCS. Therefore, in human resources, training and competence development are to improve performance and human resources development is always the top priority of the Company. Annual training is planned by the departments, reviewed, approved and held sufficiently, with regular evaluation and reminders.

During 2015 - 2016, the Company enhanced training, including internal activities like workshops, subject matter seminars, etc. to discuss and share hands-on experience at work and specific activities of the Company. Moreover, knowledge improvement, management competence for key officials are the concern of the Management to enhance the management and operation performance in the Company's departments. During the fiscal year of 2015 - 2016, the Company held and completed 62 training courses with 2,290 participants with the training cost of VND 1,138,113,158.

TTCS is proud to have a learning organisation, where knowledge, skills, expertise are shared among the employees and between managers and staff. The Company Leaders encourages and supports internal training activities including English Club, TTCS knowledge bookshelf, etc.





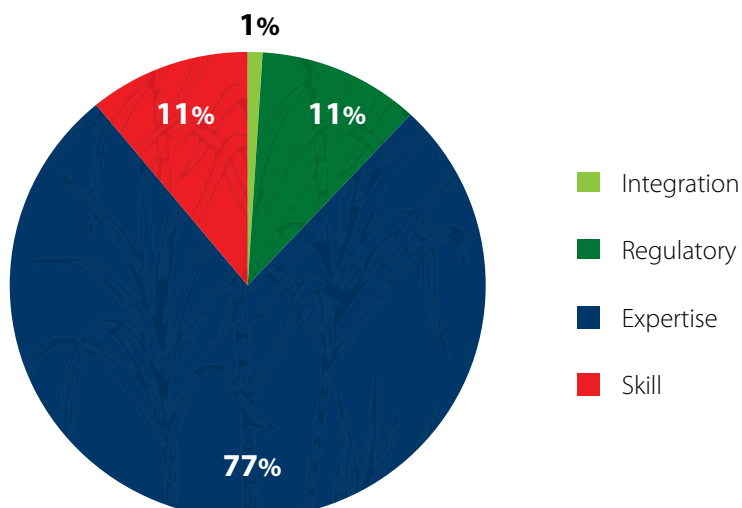
62 TRAINING COURSES

2,290 PARTICIPANTS

Apart from regulatory training (including training on labor safety and hygiene, electricity safety – safety level drill, fire prevention, etc.), the Company also focuses on update and improving expertise, training soft skills (sales, supervision, integration, law, expertise, skill

customer care, middle-rank management, etc. skills) to help employees to have more confidence in their work, improve problem-tackling competence to achieve their personal goals and contribute to the Company's common goals. The percentage of the training courses based on the following target groups:

Training based on target groups



ORGANIZATION AND PERSONNEL

IN THE FISCAL YEAR 2015 - 2016 (continued)

APPOINTMENTS OF NEW POSITIONS AND CHANGES IN EXECUTIVE OFFICERS

Appointments of new positions and changes in executive officers

NO.	FULL NAME	TITLE	DATE OF APPOINTMENT	DATE OF RESIGNATION
1	Truong Thi Hong	Deputy General Manager of Administrative Division		10/07/2015
2	Ho Nguyen Duy Khuong	Deputy General Manager of Administrative Division	15/07/2015	01/06/2016
3	Nguyen Van De	Standing Deputy CEO		13/08/2015
4	Nguyen Van De	Deputy CEO	13/08/2015	
5	Le Quang Hai	Deputy Genral Manager of Technology Division		15/09/2015
6	Nguyen Viet Hung	Deputy Genral Manager of Material Division	15/11/2015	
7	Thai Ba Hoa	General Manager of Material Division	15/11/2015	
8	Nguyen Thi Thuy Tien	Chief Accountant		16/07/2015
9	Le Phat Tin	Standing Chief Accountant	16/07/2015	
10	Le Phat Tin	Chief Accountant	16/01/2016	
11	Nguyen Thi Thu Trang	Standing Manager of Administrative Division	18/04/2016	
12	Nguyen Hung Viet	Manager of Technology Division	15/06/2016	

POLICY FOR EMPLOYEES

Salary, income policies

The Company has formulated the salary and income policy to pay worthily for the contribution and ensure the living standards of employees. This policy is designed based on the laws to protect legal rights and benefits of employees. The Company pays for the income and adopt pay rise policy annually for employees in accordance with the applicable laws of the Company, accordingly average income of employees in recent years have been gradually improved.

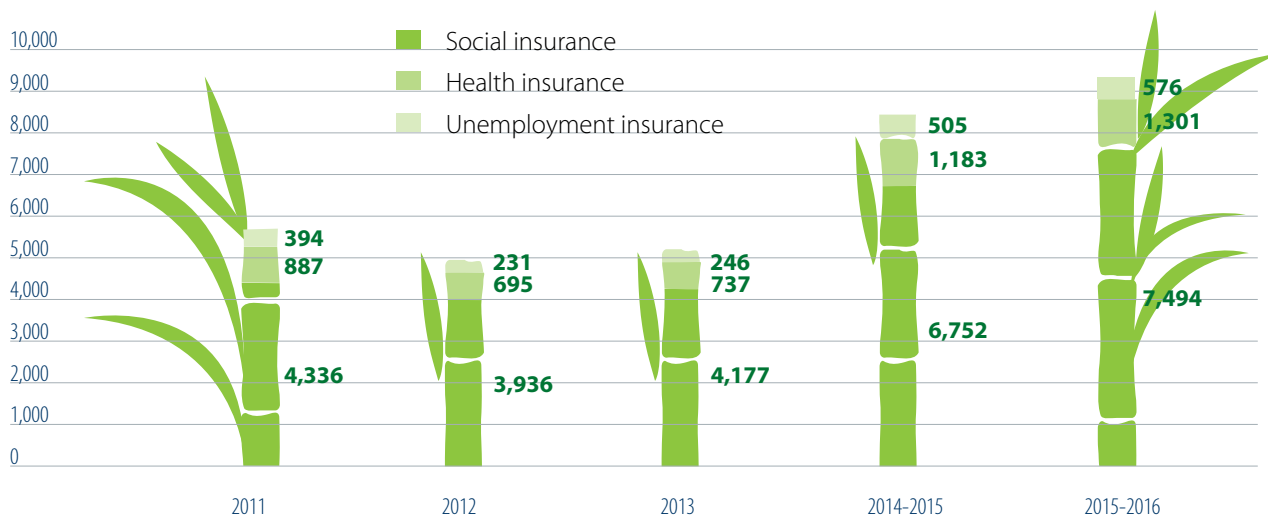
In the labor market in Tay Ninh province, TTCS is among the leading companies in respect of salary and incentive policies for employees. Therefore, living standards of employees have been secured and improved.



Insurance Policies

The Company always ensures compliance of its policies of social insurance, health insurance and unemployment insurance applicable to employees with the law. Details of premiums for social insurance, health insurance and unemployment insurance paid in recent years are as follows:

Premiums paid for social insurance, health insurance and unemployment insurance over years



Additionally, the Company takes care of the lives of employees in respect of material and spiritual life, namely buying accident insurance 24/24 hours for all employees at the coverage of VND 222,990,000/person/year, medical insurance for managers at middle ranks and over (sickness, diseases, pregnancy, maternity, etc.) with the maximum coverage of VND 210,000,000/person/year.

Bonus policies

Every year, TTCS spend budget for the commendation to the whole company in the work of implementing the set out objectives and plans.

Apart from regular bonus policies in accordance with the regulations of the Company, there are decisions on appraisal, irregular awards for the General Director who directs within their authority. Particularly the divisions, departments, groups who have outstanding efforts, which contributes to the increase in the product quality and cost reduction for the Company (increased Sugarcane yield, increased sugar content, increased sugar yield in production, etc.); Enthusiastic devotion in working and production (sugar refinery during holidays, Tet, etc.)

Proposing initiatives for the development of the Company (Research on production, design for equipment improvement, etc.). To the extent, bonus and award granting are beyond his/her authority, the General Director shall file his/her proposal to the Board of Management for approval, to timely and effectively ensure the bonus or award granting in the current situation of the Company.

Besides, the highest management level shall write public appraisal letters to units and individuals with excellent accomplishments to encourage the competition spirit in the Company.

Other policies

Apart from compulsory policies in accordance with the laws, the Company has other well-fare programs to improve the taking care of the lives of employees as follows:

- Marriage, birth-giving, birthday
- Sickness, accident
- Funerals
- Gifts for retired employees
- Annual tours
- Gifts during holidays, Tet.
- Giving awards to children of employees who get good academic grades by year-end, are granted with titles during provincial/city, national and international examinations.

Moreover, the Company is coordinating with associations, unions in organizing cultural festivals, musical performances, sport events and facilitate employees participating in; causing regular medical check-up, professional sicknesses, specialized medical check-up for female employees, et.

INVESTMENT AND PERFORMANCE OF PROJECTS



“

IN THE COMING TIME, TTCS SHALL FOCUS ON PROMOTING R&D TO IMPROVE TECHNOLOGY AND PRODUCTION TECHNIQUES, AND ENHANCING PROJECT INVESTMENTS TO RAISE OPERATIONAL PERFORMANCE AN DEVELOPMENT T OF BY-/ POST- SUGAR PRODUCTS, LOOKING TOWARDS COMPLETION OF THE VALUE CHAIN OF PRODUCTS FROM SUGARCANES, DIVERSIFYING PRODUCT PORTFOLIO TO SERVE CUSTOMERS. DURING 2015 - 2016, TTCS HAS BEEN DEVELOPING A LOT OF INVESTMENT PROJECTS TO EXPAND AND IMPROVE ITS BUSINESS.

”

INVESTMENT AND PERFORMANCE OF PROJECTS

NO.	PROJECT NAME	INVESTMENT COST (VND BILLION)	COMPLETION PERIOD
1	Renovation of the jaggery warehouse into a 24,000-ton storage	20.4	20/10/2016
2	Renovation of Nam Chi Domestic Pier	4.4	30/10/2016
3	Factory of unsweetened Miaqua Sugarcane juice	8.02	15/11/2016
4	Organic sugar production	4.9	15/12/2016
5	Renovation of the Thermoelectricity Center	186.8	15/10/2017
6	Re-structure of the Da Kai Mineral Water Factory	24.3	10/2017
7	Construction of Tan Kim storage	355.9	27/10/2018

PROMOTING INVESTMENT IN PRODUCTION CAPACITY
IMPROVEMENT, TECHNIQUE IMPROVEMENT AND
DEVELOPMENT OF NEW PRODUCTS.

Renovation of the jaggery warehouse into a 24,000-ton storage

The Company is expanding its market share with the goal of premium refined sugar products shall be marketed throughout the country. Thus, to meet the market demand timely, the Company had the policy for renovation of the jaggery warehouse into a 24,000-ton storage.

The jaggery warehouse was built in compliance with product storage standards of ISO and HACCP, ensuring food safety and hygiene.

RENOVATION OF THE JAGGERY WAREHOUSE INTO A

24,000
TON STORAGE

Nam Chi Domestic Pier

The completed project helps transportation of sugarcane from Cambodia to Vietnam more conveniently. In the last period, the Company continued to implement the policy for construction of Nam Chi pier and ferry system with the total estimated cost of VND 4.4 billion and VND 1.9 billion has been paid and it shall be officially commissioned on 30 October 2016.

Factory of unsweetened Miaqua Sugarcane juice

A bottled drink with 100% of distilled juice from sugarcane, extracted during production via evaporation system and treatment with a ISO-standard sterilizing process. Thus, this is sterilized drink with natural sugarcane flavor, providing a healthy mineral source for consumers.

The bottled-water production chain with a capacity of 15,000 bottles/day has an investment value of VND 2,466 billion/cost estimate of VND 2,809 billion which has been completed and commissioned on 20 December 2015. TTCS also plans to raise the factory capacity to around 50,000 bottles/day with a yield of around 9 million bottles for the period of 2016 - 2017, total estimate investment value is over VND 8 billion.

PRODUCTION CHAIN OF BOTTLED DRINK OF

15,000 BOTTLES/DAY

INCREASES BY

50,000
BOTTLES/DAY

Organic sugar production

Organic sugar is a type of sugar processed from organic sugarcanes – those are not treated with any chemicals, pesticides, herbicides, or grown with any commercial fertilizers, so are very healthy for consumers. Organic sugar is a completely new product in the Vietnam market. Production of organic sugar has helped TTCS proactively carry out the new business strategy, expand supply markets and enhance access to potential market shares in Vietnam.

INVESTMENT AND PERFORMANCE OF PROJECTS (continued)

Renovation of the Thermoelectricity Center

Renovation and upgrade of the Thermoelectricity Center shall help optimize production technology, save energy, fuel and increase commercial electricity volume. It is among the important goals of the sugar factory in general and the Thermoelectricity Center in particular, bringing revenue and profit to the Company.



Re-structure of the Da Kai Mineral Water Factory

Dakai Mineral Water is produced from the natural mineral mine in Dagun, Duc Linh, Binh Thuan. The mineral product of the Company is the only product containing natural iodine content, an essential mineral for the human brain development. Besides, Sodium and bicarbonate ions in Dakai mineral water is good for the function of the nerve and digestion system, especially iodine ions which are only found in Dakai mineral water supplement iodine preventing struma, dullness, enhancing intelligence in the program of iodine supplementation at the national level.

The product is bottled at the mineral source, the factory situated on an area of 1.2 ha has been developed by meeting all recommended standards of WHO, equipped with advanced, consistent, closed bottling system, in accordance with the standard of HACCP CODE: 2003 of QUACERT Australia, New Zealand and TCVN 5603-1998 of the Ministry of Health.

RE-STRUCTURE OF DA KAI MINERAL WATER FACTORY

VND **24.3** BILLION

SUBJECT TO THE STANDARDS of
HACCP CODE : 2003
of QUACERT Australia, New
Zealand and TCVN 5603-1998 of
the Ministry of Health.

Construction of Tan Kim storage

In the year of 2016, expansion of warehouse business in the regions is stated in the long-term and urgent strategy of Thanh Thanh Cong Tay Ninh Sugarcane JSC (TTCS).

Tan Kim Industrial Park is a major work, prioritized for construction which lies in the plan of Long An province to enhance the ability to integrate into the economic-social development. This is also a region with advantages for the development of a centralized industrial park, highly attracting local and international investors. The project of warehouse construction at the expanded Tan Kim Industrial Park shall help gain profit and create a new image, position for TTCS.

CONSTRUCTION OF TAN KIM STORAGE

VND **356** BILLION





MATERIALS

Investment in expansion of the material area, making the basis for sustainable development

Investment in the material area of Svaytiép in Cambodia

Expanding the material area, facilitating the planning of large-scale fields adopting mechanization in agricultural farming are among vital strategic steps in order to increase local and international competitiveness of TTCS. Apart from the strategy of expansion of the local material area, TTCS also devises the development plan in Indochina countries, the precedent is the investment in the material area with an area of 2,000 ha in Svaytiép district, Svayrieng province, Cambodia.

Investment in setting up the irrigation system for Tan Hung Farm

Investment in the irrigation system for sugarcanes is the strategic goal to aim at sustainable agricultural production. Tan Hung Farm may have control over irrigation, easily adjust the seasons, farming techniques and advanced solutions to minimize costs reasonably and increase yield to 10 - 15 tons/ha compared to the current productivity on an area of 134 ha, increase the quality of sugarcanes, the on-spot supply capacity of seeds, reduce shortage of sugarcane seeds of the factories in Tay Ninh province, helping increase the competitiveness of sugarcanes over other crops.

Application of technology in effective agricultural management

FRM project

A system adopting multi-module software, completely integrating farmer customer management system, soil area, cultivation situation and application of production mechanization and investment debts. FRM helps smoothly monitor investment and agricultural activity management, resulting in proposing policies to direct investment plan for the material area in an effective manner.

FINANCIAL POSITION

FINANCIAL INVESTMENTS

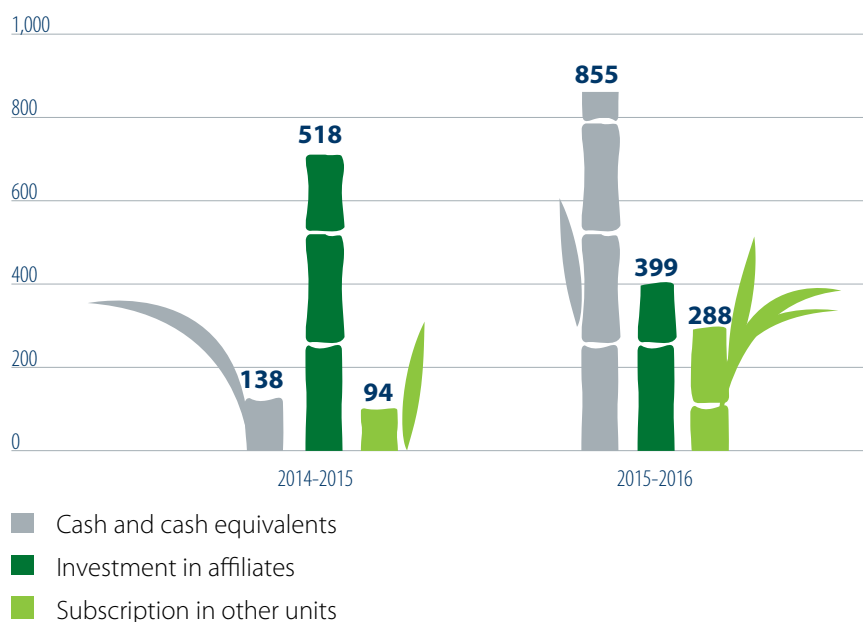
UNIT: VND Million

ITEMS	2014 - 2015 FY		2015 - 2016 FY		% INCREASE/DECREASE	
	VALUES	%	VALUES	%	VALUES	%
Cash and cash equivalents	138,062	18%	855,375	55%	717,313	520%
Investment in affiliates	517,892	69%	398,984	26%	(118,908)	-23%
Subscription in other units	94,437	13%	287,922	19%	193,485	205%
Total	750,391	100%	1,542,281	100%	791,890	106%

(Source: Audited Consolidated Financial Statements)

By 30 June 2016, the account of cash and cash equivalents increases VND 717 billion, equates to an increase rate of 520% year-on-year, mainly due to the increase in the source for one-month saving deposits with a total value of VND 423 billion in commercial banks.

UNIT: VND Million



**CASH AND CASH
EQUIVALENTS INCREASE
RATE OF**

520 %
YEAR-ON-YEAR

The investment value in affiliates by 30 June 2016 decreased by VND 118 billion, equivalent to a decrease rate of 23% over the 30 June 2015, resulting from the merger between Bien Hoa Sugar JSC (BHS) and Ninh Hoa Sugar JSC (NHS), leading to a decreased shareholding of BHS from 23% to 16%, meaning BHS is no longer an affiliate, transferring BHS to the item of investment and capital contribution in other units, making the value of such item increase by VND 193 billion, equating an increase of 205% over the 30 June 2015.



SUBSIDIARIES, AFFILIATES

The current portfolio of TTCS includes 3 subsidiaries and 5 affiliates. However, M&A gives rise to some changes in the shareholding, involving in the change in the investment structure of the group. All the businesses where TTCS has the control authority over are of the same sector to boost joined forces.

	UNIT	CHARTER CAPITAL	% OWNERS' EQUITY (based on the Separate Financial Statements)	% OWNERS' EQUITY (based on the Consolidated Financial Statement)
SUBSIDIARIES				
Thanh Thanh Cong Alcohol Trading Production JSC	VND Million	210,000	90.00%	90.00%
Thanh Thanh Cong Gia Lai One Member Co., Ltd	VND Million	389,998,76	100.00%	100.00%
TSU Investment Pte. Limited Company	USD	12,640,000	94.94%	100.00%
Tay Ninh Sugarcane Research and Application JSC	VND Million	30,000	48.00%	62.00%
Gia Lai Thermoelectricity One Member Co., Ltd	VND Million	130,000	-	100.00%
AFFILIATES				
Thanh Thanh Cong Industry Zone JSC	VND Million	500,000	49.00%	49.00%
Nuoc Trong Sugar JSC	VND Million	58,000	23.95%	30.54%
Tay Ninh Chemical Industry JSC	VND Million	143,810	21.96%	21.96%
Tay Ninh Sugarcane JSC	VND Million	294,040	39.23%	39.23%

FINANCIAL POSITION

(continued)

Overview of the financial situation of the Subsidiary

Thanh Thanh Cong Alcohol Trading Production JSoint Stock Company: The Company is at the capital contribution and feasibility study stage, it has not been operating.

The asset and equity sources during 2015 - 2016.

Unit: VND million

	TTCS (Financial Statements)	TTCS Gia Lai (Financial Statements)	GTC	TTCE	SRDC	TSU
Assets	30/06/2016	30/06/2016	30/06/2016	30/06/2016	30/06/2016	30/06/2016
Current assets	3,214,288	686,303	26,567	185,201	28,861	274,765
Non-current	2,605,402	885,688	260,114	13,202	3,007	-
Total assets	5,819,690	1,571,992	286,680	198,402	31,868	274,765
Equity						
Liabilities	3,118,083	1,054,034	160,783	35	2,132	99
Owners' equity	2,701,607	517,958	125,898	198,368	29,736	274,666
Total equity	5,819,690	1,571,992	286,680	198,402	31,868	274,765

TOTAL ASSETS

TTCS
5,820
VND BILLION

TTCS Gia Lai
1,572
VND BILLION

GTC
287
VND BILLION

TTCE
198
VND BILLION

SRDC
32
VND BILLION

TSU
275
VND BILLION

Business results during 2015 - 2016

Unit: VND million

ITEMS	TTCS (Financial Statements)	TTCS Gia Lai (Financial Statements)	GTC	TTCE	SRDC	TSU
	01/07/2015 - 30/06/2016 FY	01/07/2015 - 30/06/2016 FY	01/07/2015 - 30/06/2016 FY	01/07/2015 - 30/06/2016 FY	01/07/2015 - 30/06/2016 FY	01/07/2015 - 30/06/2016 FY
Assets						
Revenue from sales and service provisions	3,259,362	665,731	29,519	-	4,836	177,176
Cost of goods sold	2,761,818	565,452	24,059	-	3,646	176,543
Operating profit	282,043	27,047	(5,880)	3,859	120	(6,689)
Profit before tax	288,026	26,949	(5,880)	3,857	135	(6,652)
Company income tax	18,642	(3,587)	-	850	-	-
Profit after tax	269,383	30,537	(5,880)	3,007	135	(6,652)

FINANCIAL POSITION IN THE FISCAL YEAR 2015 - 2016

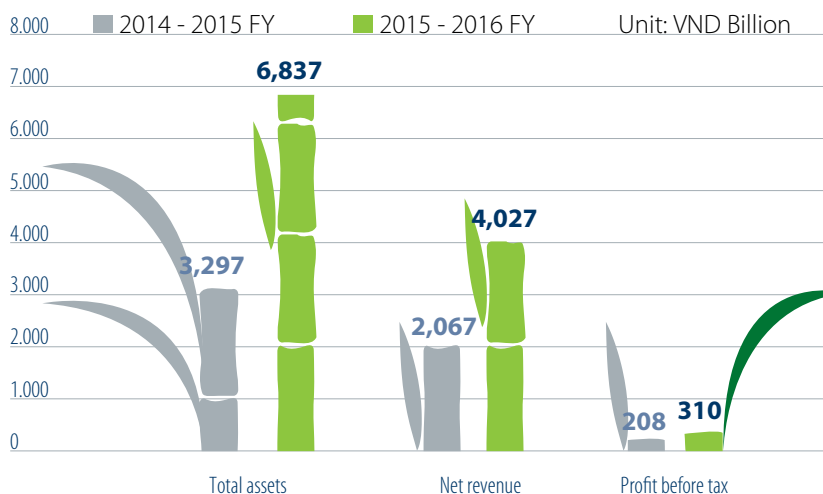
The following breakdown utilizes the figures quoted from the consolidated financial statements.

Financial position in the fiscal year 2015 - 2016

Unit: VND million

ITEMS	2014 - 2015 FY	2015 - 2016 FY	% INCREASE/ DECREASE
Total assets	3,296,586	6,836,697	107%
Net revenue	2,066,900	4,027,233	95%
Operating profit	200,165	303,829	52%
Other profit	8,140	6,248	-23%
Profit before tax	208,306	310,076	49%
Profit after tax	188,973	294,166	56%

(All figures based on the Audited Consolidated Financial Statements)



Financial Position 2015 - 2016 Chart

The total consolidated asset as of 30 June 2016 significantly increases over the beginning of the period since the M&A with Gia Lai Sugarcane Thermoelectricity JSC in September 2015. With the joined forces gained from that M&A, product supply capacity for the market was increased. Compared to the same period of 2014 - 2015, the total sugar consumption increased by 20% which involves the sugar revenue's increase; consolidated net revenue rose by 95%, pre-tax profit by 49% year-on-year.

FINANCIAL POSITION

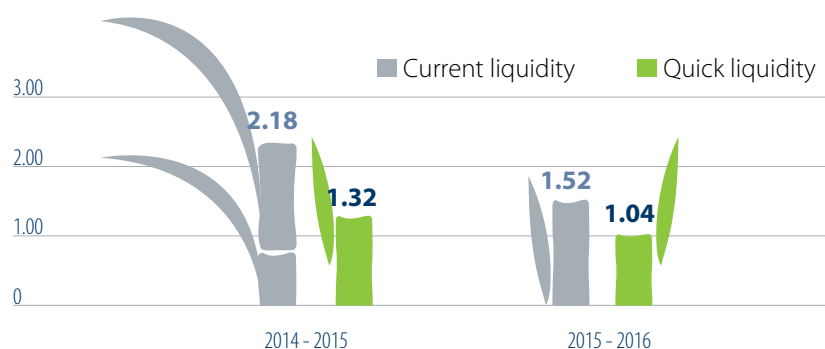
(continued)

KEY FINANCIAL RATIOS

Liquidity ratios

ITEMS	2014 - 2015 FY	2015 - 2016 FY	% INCREASE/ DECREASE
Current liquidity: Current assets/Current liabilities	2.18	1.52	-30%
Quick liquidity: (Current assets - Inventories)/Current liabilities	1.32	1.04	-21%

(All figures based on the Audited Consolidated Financial Statements)

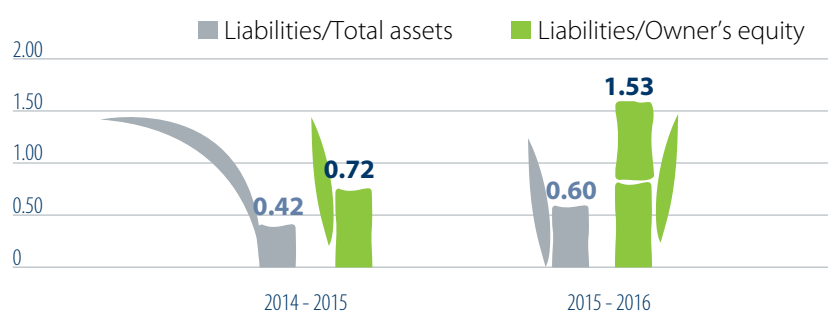


Current ratio reached 1.52 times and quick ratio 1.04 times as of 30 June 2015. All the ratios bigger than 1 indicate the Company always ensure the liquidity of current borrowings.

Capital ratios

ITEMS	2014 - 2015 FY	2015 - 2016 FY	% INCREASE/ DECREASE
Liabilities/Total assets	0.42	0.60	+ 45%
Liabilities/Owner's equity	0.72	1.53	+ 114%

(All figures based on the Audited Consolidated Financial Statements)

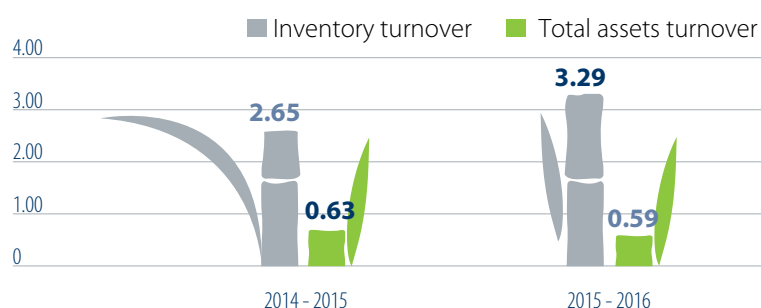


Total debt to total asset ratio as of 30 June 2016 increased over the beginning of the period due to increase in funding investment activities and meeting working capital for expansion of production and trading.

Operation ratios

ITEMS	2014 - 2015 FY	2015 - 2016 FY	% INCREASE/ DECREASE
Inventory turnover: (Costs of goods sold/Average inventory)	2.65	3.29	+ 24%
Net revenues/Total assets	0.63	0.59	- 6%

(All figures based on the Audited Consolidated Financial Statements)

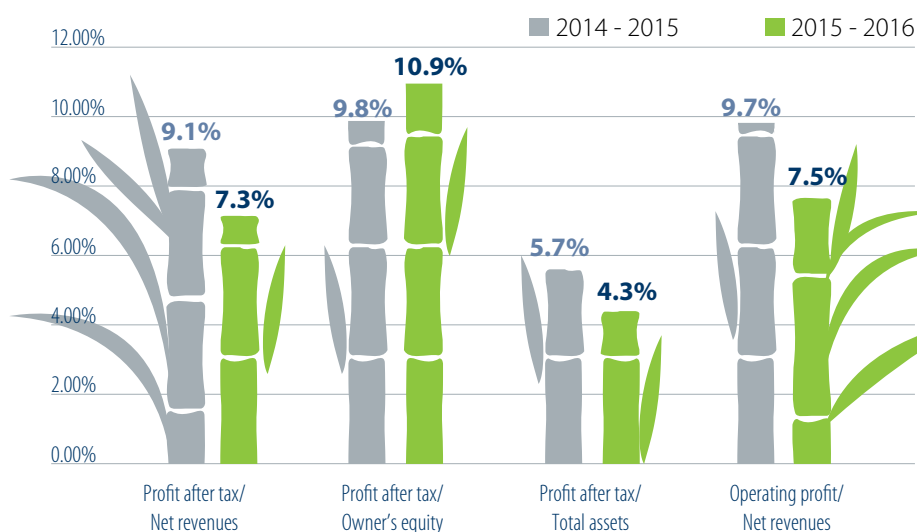


With the typical characteristics of the sugarcane industry, production takes place only for 5 - 6 months per year and there should be inventory for the agreed supply for the year. Therefore, the inventory turnover ratio of 2 - 3 is appropriate. During 2015 - 2016, the inventory turnover ratio increased by 24% year-on-year. This indicates the inventory turnover is quick.

Profitability ratios

ITEMS	2014 - 2015 FY	2015 - 2016 FY	% INCREASE/ DECREASE
Profit after tax/Net revenues	9.14%	7.30%	-20%
Profit after tax/Owner's equity	9.83%	10.89%	+ 11%
Profit after tax/Total assets	5.73%	4.30%	-25%
Operating profit/Net revenues	9.68%	7.54%	-22%

(All figures based on the Audited Consolidated Financial Statements)



Profitability ratios showed that the Company has made every effort to sustain the market, has good control over costs, efficient business in the current difficult situation of the cane sugar industry.

In general, financial ratios of the Company during 2015 - 2016 were maintained at the stable, safe and effective level. Financial management was seriously performed, ensuring optimization of capital expenditure, increasing profit for the Company.

With solutions to optimization of capital expenditure, during 2015 - 2016, ROE experienced a growth rate of 11% year-on-year.

SHAREHOLDER STRUCTURE

Shareholder information and changes in owner's equity (according to the list dated June 30, 2016)

STOCK INFORMATION

- Total shares : 194,761,033 shares
- Types of outstanding shares : Common shares
- Number of shares subject to unlimited transfer : 185,642,358 shares
- Number of shares subject to limited transfer : 9,118,675 shares
- Reason for limited transfer: Shares subject to limited transfer are those issued under employee stock option program. 50% shares subject to limited transfer 1 year from date of issue, 50% shares subject to limited transfer 2 year from date of issue.

SHAREHOLDER STRUCTURE

Ownership rate

NO.	SHAREHOLDERS	NUMBER OF SHARES	OWNERSHIP RATE (%)	NUMBER OF SHAREHOLDERS	SHAREHOLDER STRUCTURE (*)	
					ORGANIZATION	INDIVIDUAL
1	State shareholder	-	-	-	-	-
	Founding shareholder/FDI shareholders	-	-	-	-	-
2	- Local	-	-	-	-	-
	- Foreign	-	-	-	-	-
	Major shareholders (holding from 5% or of share capital or over)	88,969,402	45.68	3	3	-
3	- Local	78,908,412	40.51	2	2	-
	- Foreign	10,060,990	5.17	1	1	-
	Trade Union	-	-	-	-	-
4	- Local	-	-	-	-	-
	- Foreign	-	-	-	-	-
5	Treasury stocks	3,268,840	1.68	1	1	-
6	Shareholders holding preferred shares (if any)	-	-	-	-	-
	Other shareholders	102,522,791	52.64	2,865	65	2,800
7	- Local	88,041,305	45.20	2,765	43	2,722
	- Foreign	14,481,486	7.44	100	22	78
	TOTAL	194,761,033	100	2,869	69	2,800
	- Local	170,218,577	87.4	2,768	46	2,722
	- Foreign	24,542,476	12.6	101	23	78

194,761,033

SHARES
TOTAL SHARES

185,642,358

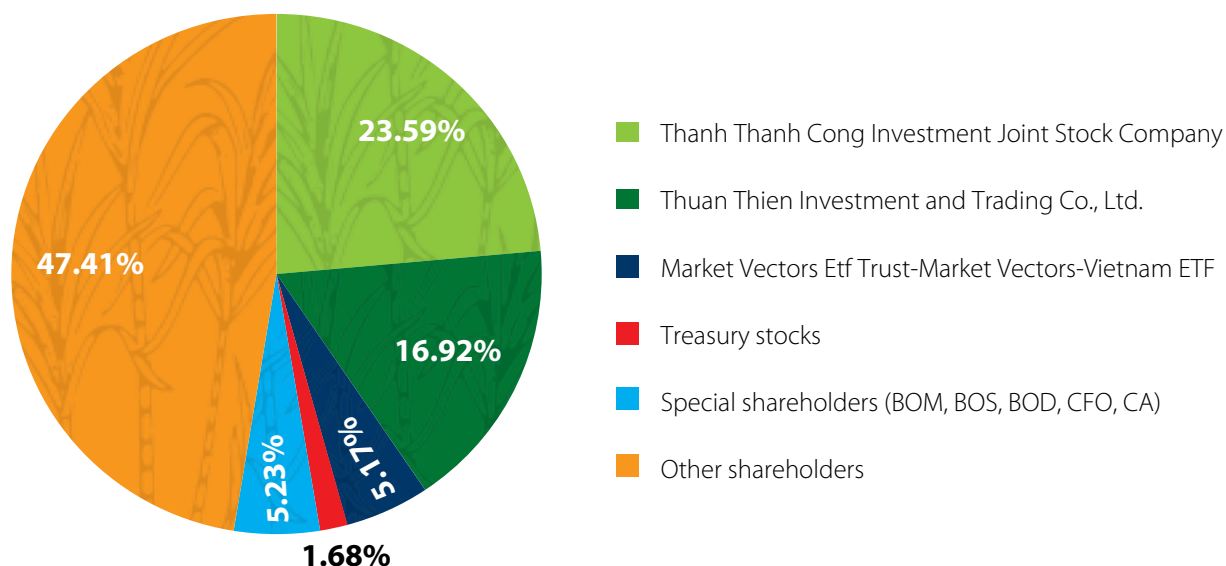
SHARES
SHARES SUBJECT TO UNLIMITED TRANSFER

9,118,675

SHARES
SHARES SUBJECT TO LIMITED TRANSFER

Shareholders structure is major shareholders and professional securities investors

SHAREHOLDERS STRUCTURE	RATE %
Thanh Thanh Cong Investment Joint Stock Company	23.59
Thuan Thien Investment and Trading Co., Ltd.	16.92
Market Vectors Etf Trust-Market Vectors-Vietnam ETF	5.17
Treasury stocks	1.68
Special shareholders (BOM, BOS, BOD, CFO, CA)	5.23
Other shareholders	47.41



SHAREHOLDER STRUCTURE

(continued)

Type of ownership

SHAREHOLDERS	NUMBER OF SHARES SUBJECT TO LIMITED TRANSFER			NUMBER OF SHARES SUBJECT TO UNLIMITED TRANSFER	TOTAL	OWNERSHIP RATE (%)
1	2(**)			3	4=2+3	5
	(1)	(2)	(3)			
I. Special shareholders	2,428,988	2,428,987	-	6,611,629	11,469,604	5.98
1. Board of Management	1,427,388	1,427,387	-	3,323,740	6,178,515	3.17
2. Board of Director	375,550	375,550	-	1,879,317	2,630,417	1.40
3. Board of Supervisors	439,700	439,700	-	242,870	1,122,270	0.58
4. Chief Financial Officer	51,600	51,600	-	0	103,200	0.05
5. Chief Accountant	36,550	36,550	-	0	73,100	0.04
6. Authorized person to disclose information	98,200	98,200	-	1,165,702	1,362,102	0.75
II. Treasury stock	-	-	-	3,268,840	3,268,840	1.68
III. Trade union	-	-	-	-	-	-
IV. Shareholders holding preferred shares (if any)	-	-	-	-	-	-
V. Other shareholders	2,228,550	2,228,550	-	176,834,391	181,291,491	93.31
1. Local	2,228,550	2,228,550	-	152,291,915	156,749,015	80.71
1.1 Individual	2,228,550	2,228,550	-	57,055,130	61,512,230	31.80
1.2 Organization	-	-	-	95,236,785	95,236,785	48.90
2. Foreign	-	-	-	24,542,476	24,542,476	12.60
2.1 Individual	-	-	-	365,031	365,031	0.19
2.2 Organization	-	-	-	24,177,445	24,177,445	12.41
TOTAL:	4,657,538	4,657,537	-	186,714,860	196,029,935	100.97

(Equity percentage is over 100% since the General Director is also the authorized person to announce the information)

Major shareholders (holding from 5% or of share capital or over)

NO.	NAME OF ORGANIZATION/INDIVIDUAL	NUMBER OF ID/PASSPORT/BUSINESS REGISTRATION CERTIFICATE	DATE OF ISSUE	ADDRESS	NUMBER OF SHARES	OWNERSHIP RATE (%)	LIMITED TRANSFER (**)
1	Thanh Thanh Cong Investment Joint Stock Company	0301466073	25/07/2007	No. 62 Tran Huy Lieu Street, Ward 12, Phu Nhuan District, Ho Chi Minh City, Vietnam	45,945,397	23.59	- - -
2	2. Thuan Thien Investment and Trading Co., Ltd.	0303125287	16/10/2003	No. 75, 30/4 Street, Ward 3, Ben Tre City, Ben Tre Province, Vietnam	32,963,015	16.92	- - -
3	3. Market Vectors Etf Trust-Market Vectors-Vietnam ETF	CA2930	13/04/2009	3. Market Vectors Etf Trust-Market Vectors-Vietnam ETF	10,060,990	5.17	- - -

Capital change of owners

During 2015 - 2016, the Company has conducted 2 share issues.

Details of each issue are showed in the following tables:

NO.	ISSUE PURPOSE	ISSUE PERIOD	NUMBER OF ISSUED SHARES	CHANGE IN THE TOTAL NUMBER OF CIRCULATED SHARES
1	Issuance of shares is aimed at arbitrage shares of Gia Lai Sugarcane Thermoelectricity JSC (SEC). The arbitrage rate is 1.05 shares of SEC is arbitrated with 1 share of SBT.	30/09/2015	37,142,739	185,642,358
2	ESOP is aimed at recognizing contributions of employees with excellent achievements during the year.	16/07/2016	9,118,675	194,761,033

Fund shares

During the period of 1 July 2015 - 30 June 2016, TTCS has conducted 1 transaction of fund share sale to supplement the working capital of the Company, with details set out in the following table:

NUMBER OF FUND SHARES BEFORE TRANSACTION	NUMBER OF SOLD FUND SHARES	NUMBER OF FUND SHARES AFTER TRANSACTION	CHANGE IN THE NUMBER OF CIRCULATED SHARES WITH VOTING RIGHT	VALUE TIME
4,993,840	1,725,000	3,268,840	145,231,160	From 20 August 2015 to 18 September 2015

REPORT AND ASSESSMENT FROM BOARD OF DIRECTORS



“

DURING 2015 - 2016, THE COMPANY SOLD 245,000 TONS OF SUGAR, EXCEEDING 20% AGAINST THE TARGET, REVENUE EXCEEDING 22% AGAINST THE TARGET, CONSOLIDATED PRE-TAX PROFIT OF VND 310 BILLION, AND EXCEEDING 41% AGAINST THE TARGET SET BY THE GENERAL SHAREHOLDERS' MEETING ”

OVERVIEW OF **MARCO-ECONOMIC SITUATION**

OVERALL SITUATION

The world economy during the first half of 2016 was unstable and was in the context that the key economies are making efforts to boost their own economy. The USA economy has not shown any bright signal, European economy has recovered, yet unstable, China economy showed slower growth rate, emerging economies indicate recession signals. Thus, the world economy growth during the second half of 2016 has been forecasted to continue its current dullness. Also, the incident of England left EU on 23 June 2016 has caused negative impacts on the world's financial market: the world's stock market went down over 5%; Pounds and Euros constantly diminished; oil prices and material prices dramatically went down whereas gold prices continuously increased.

Locally, GDP growth rate of the first half of 2016 continued to increase lower than 2015. The main reason was a growth rate decrease of the agriculture and mineral exploitation, and the total demand is barely improved. Such growth depression showed that the long-term growth trend of Vietnam economy maintains its positive growth trend. CPI increases during the first half mainly due to the increased prices of health and education services (contributing 46% of the CPI increase since the beginning of the year). Whereas, basic inflation is stably maintained at below 2% during the first half of the year.



SUGAR INDUSTRY

After 5 years of margin, the world market is changing from margin to deficit. According to various international forecasts, deficit of supply sources shall last till the beginning of 2017. With the global effect of El Nino weather situation, according to the news from the American Agriculture Department, the world shall face a historical decline since the season of October 2011.

Supply deficit has helped the world sugar prices quickly recover. The jaggery price by end of June 2016 was at 20 cents/pound, equivalent to USD 441/ton, increased by 75% over the bottom price as of September 2015 and it is possible to maintain at a high level due to the global impact of El Nino situation, decreased yield in countries including China, India, Thailand and increase in importation from other countries, namely China, Indonesia, etc.

Locally, during the season of 2015 - 2016, the total pressed sugarcane production reached 12,930,000 tons (sugarcane decreased compared to the previous season of 1,474,000 tons), production of 1,237,300 tons of sugar of various types (decreased compared to the previous season of 180,500 tons). According to the Sugarcane and Sugar Association, during the first half of the year, the inventory of sugar at the factories is always lower than that of the last period. It resulted from drought in Southern provinces, causing low Sugarcane productivity, young Sugarcane harvest to avoid drought. Short supply helps improve sugar selling prices, for local RE and RS, as of June 2016, RE selling price was stable at the range of VND 17,000 – 17,500/kg at the factory warehouse exclusive of VAT and RS VND 15,200 - 15,700/kg at the factory warehouse exclusive of VAT.

BUSINESS PERFORMANCE ASSESSMENT

In the fiscal year 2015 - 2016, TTCS has achieved the following items:

NO.	ITEMS	UNIT	15-16 Plan	15-16 Performance	% PLAN/ PERFORMANCE
A	Cane crush output	Ton	1,470,000	1,465,253	100%
B	Raw sugar material output	Ton	55,000	102,186	186%
C	Manufacturing output				
1	Sugar	Ton	197,230	232,111	118%
2	Final molasses	Ton	74,300	81,929	110%
3	Commercial electricity	Mwh	77,942	62,884	81%
D	Consumption output				
1	Sugar	Ton	204,650	245,239	120%
2	Final molasses	Ton	81,955	86,834	106%
3	Commercial electricity	Mwh	77,942	62,289	80%
E	Business result				
1	Net revenue	VND million	3,306,000	4,027,233	122%
2	Profit before tax	VND million	220,000	310,076	141%

(All figures based on the Audited Consolidated Financial Statements)

TOTAL MANUFACTURING OUTPUT

232,111

TON SUGAR

81,929

TON FINAL MOLASSES

62,884

MWH COMMERCIAL ELECTRICITY

➤ **Results:** During 2015 - 2016, the Company sold over 245,000 tons of sugar, exceeding 20% against the target, revenue exceeding 22% against the target and total consolidated pre-tax profit of the entire Company reached VND 310 billion, exceeding 41% against the target.

➤ **Cause:** On the basis of the forecast of the world and local sugar situation which tends to have a deficit, facilitating the positive market price change, the Management team has timely proposed specific policies to increase domestically RE sale of over 150,465 tons, exceeding 18% against the target and RS 37,425 tons, exceeding 71% against the target, equivalent to a selling price increase of 4% - 5% against the target. Besides, the sales department has good management of logistics during transportation, which helped reduce 8% of transportation cost; contributing to a gross margin of sugar of the period of 19.3%, exceeding 5% against the target.

Outstanding progress of the Company during 2015 - 2016

➤ **Materials:** Total pressed sugarcane yield was 1,465,253 tons. In Tay Ninh, 912,941 tons of sugarcane were pressed, exceeding 6% against the target. During the season, the Company has good control over transport, improved the harvested sugarcane quality in Tay Ninh: reduced sugarcane impurity average, qualified cutting at the root, better top of the sugarcane than the previous season to collect the part of the sugarcane with high sugar content; burnt sugarcane percentage is controlled at 8%, decreasing 23% compared to the previous season. Good pest control, enthusiastic sugarcane care-taking, enhanced sugarcane irrigation, increasing sugarcane average productivity at 65 tons/ha, up 5% of the previous season. In which, sugarcane invested in Vietnam reached 73 tons/ha, up 9% year-on-year. Besides, material jaggery during the season read a considerable yield of 102,186 tons, exceeding 86% against the target and up 61% year-on-year.

➤ **Production:** The total finished sugar yield reached 232,111 tons, exceeding 18% against the target.

Particularly in TTCS, the production yield during 2015 - 2016 reached 180,619 tons of finished sugar, exceeding 36% against the target. During the season, the sugar quality is evaluated quite good, overcoming perfectly the inappropriateness of products, improving clotted sugar and so customers' complaints, the inappropriateness rate of $0.08\% < 0.25\%$ against the target. The return rate is good and gradually improved, reaching 9.92%. Production cost is controlled within the target. Production loss control is always highlighted and highly focused, resulting in the total loss lower than the target thanks to good loss control in molasses.

➤ **Sales:** The sugar sale during 2015 - 2016 was 245,239 tons, exceeding 20% against the target, in which RE increases 18% and RS development 71% against the target. Focus is placed on development of customer network in the middle and small scaled industrial channel, the newly-developed customers increased by 78% against the target and tripled the previous year. Moreover, the Company has introduced Miaqua drink to consumers in April 2016, reaching to each distributor and advertising at over 4,000 shops in Ho Chi Minh City and South Eastern provinces.

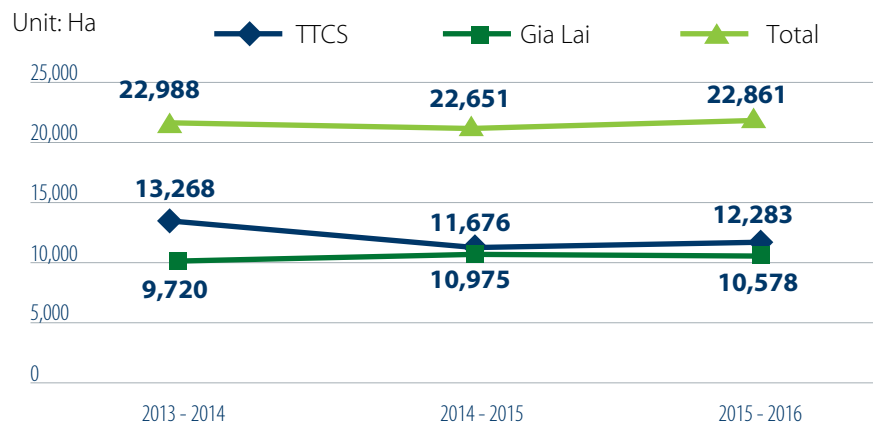


IMPROVEMENTS IN ORGANIZATION STRUCTURE, POLICIES AND MANAGEMENT

MATERIALS

➤ **Investment area:** Under the context of narrower material area, to ensure the material sources to optimize pressing capacity of the factory, the Company has taken the initiative to expand its material area to Cambodia and Long An. The total investment area during 2015 - 2016 season was 22,861 ha. Besides, with the common goal of development of self-control material area, the Company has increased the ownership area, formulating centralized sugarcane areas as planned, directly organizing production subject to the model of large scaled fields.

22,861
HA
TOTAL INVESTMENT
AREA DURING
2015 - 2016 SEASON



➤ **The leased and owned land area:** With the policy for investment through house and land development, which changed the percentage in the structure of leased land and owned land, specifically transfer from 38% (owned land) - 62% (leased land) to 47% (owned land) - 53% (leased land). For Sugarcane growers on their own land, they may get a profit of over VND 30 million/ha.

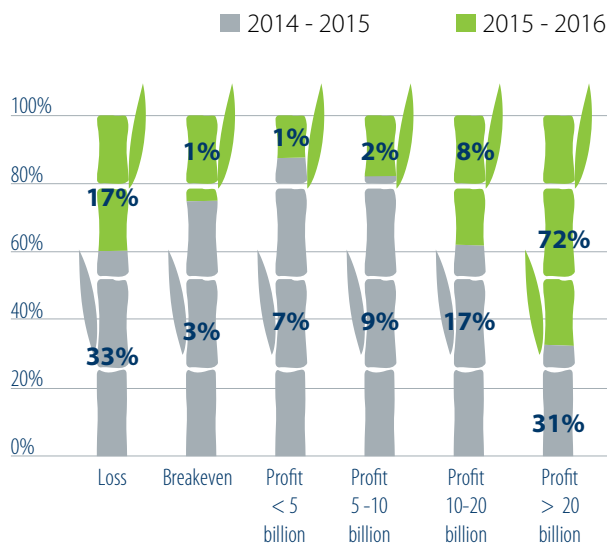


Chart of profit percentage by customer group

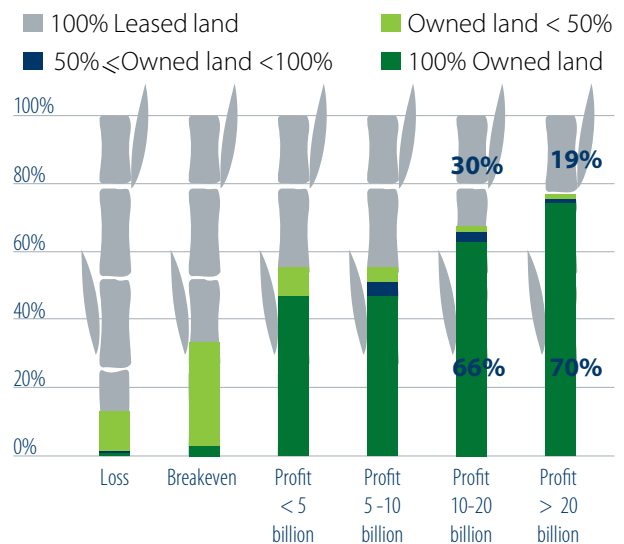
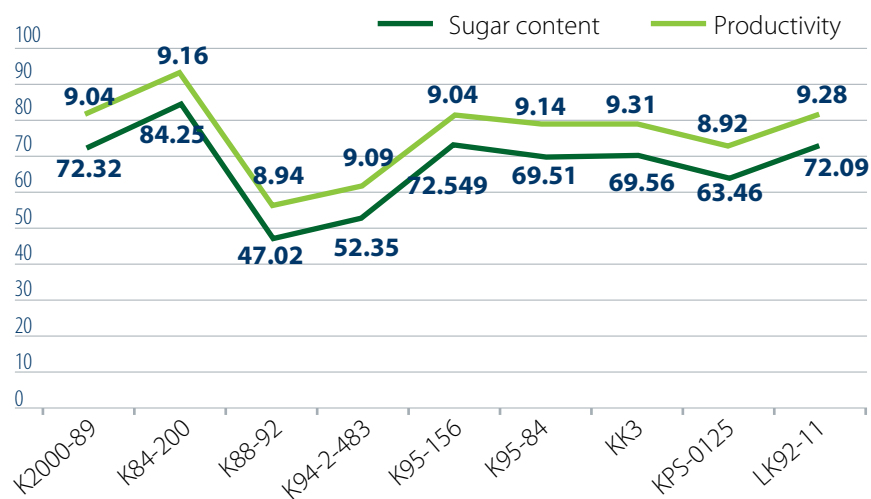


Chart of profit percentage of customer groups by land type



➤ **Farming extension program:**

Seed structure: Seed experiments have been conducted for each region. Focusing on productive and quality seeds with the goal of increasing the average productivity to 72 tons/ha and average sugar content of over 9.3 CCS.



Plant protection, pest control: The Company has regularly held seminars to instruct and recommend farmers to timely detect and deal with the problems, the area and percentage of borers has considerably decreased, without being detrimental to productivity and quality of sugarcanes.

IMPROVEMENTS IN ORGANIZATION STRUCTURE, POLICIES AND MANAGEMENT (continued)

Sugarcane irrigation: The Company was aware that sugarcane irrigation is the most effective and cost-saving method for productivity improvement. Under the more severe dry weather conditions than ever, which is becoming more and more harsh, the Material Division has encouraged the farmers to carry out sugarcane irrigation to ensure sufficient water supply for sugarcane, decreasing productivity loss affected by the drought. The total irrigation area during 2015 - 2016 is 9,286 ha, equivalent 41% of the material area.

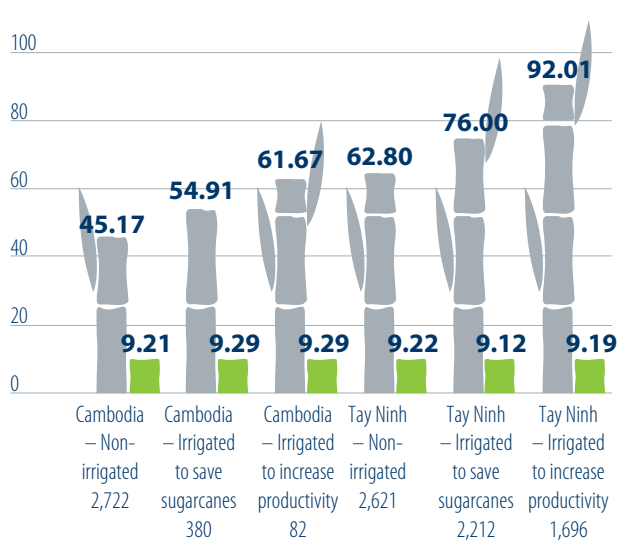


Chart of productivity, CCS by irrigation times

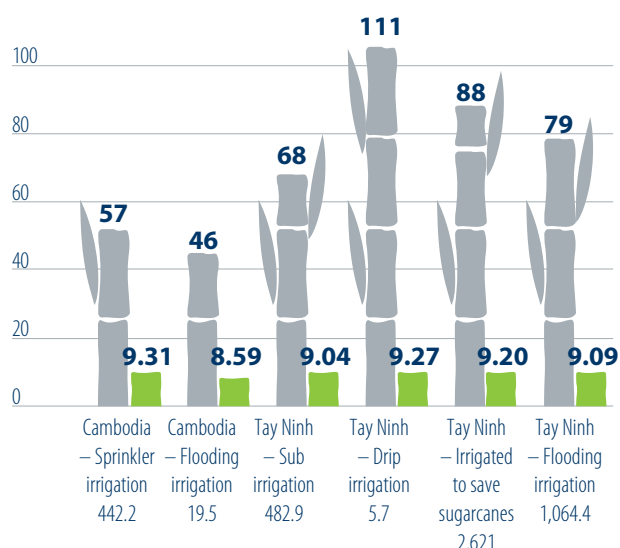


Chart of productivity, CCS by irrigation method

High productivity club: With 48 members and a total area of 235.07 ha. The average productivity of the club during 2015 - 2016 was 103 tons/ha with the yield of 24,332 tons; the average sugar content was 9.2 CCS; Productivity of BQ sugar was 9.43 tons/ha. The club frequently organized visits to irrigation models, learned about cultivation techniques at the farms, etc. to instruct farmers cultivation techniques based on a role model to enhance productivity and quality.

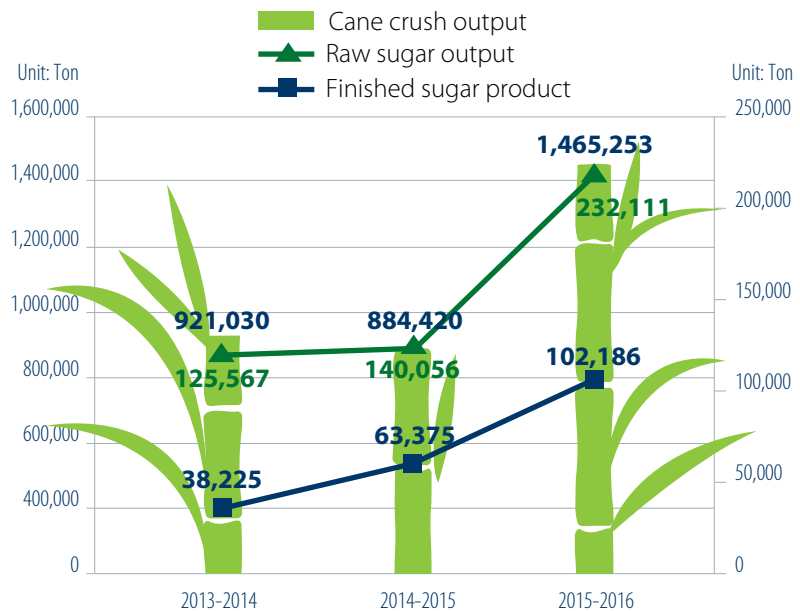
PR: During 2015 - 2016, PR activities have been significantly promoted more than previous seasons through multimedia including press, television channels, broadcasting channels, websites, seminars, etc. Information on the Company's policies and orientation has been timely given to customers. Sugarcane growing and caring techniques are regularly updated by the Company to assist farmers in their cultivation.



ORGANIZATION IN PRODUCTION

➤ Finished sugar production

The total finished sugar production of the whole season was 232,111 tons (including TTCS 180,619 tons of Rentokil and TTCS Gia Lai 51,492 tons of RS) exceeding 18% against the target and up 66% year-on-year. In which, the pressed Sugarcane volume met the target, equivalent to 1,465,253 tons, together with the jaggery of record volume over the years equivalent to 102,186 tons, exceeding 86% against the target and 61% year-on-year. The production chain was stable, equipment safety coefficient was nearly 100% met technical criteria.



➤ Quality of finished sugar products

Is quite stable, chemical-physical criteria of finished sugar products are stable based on the announced standards, perfectly overcoming the inappropriateness of products, improving clotted sugar and so customers' complaints, the inappropriateness rate of $0,08\% < 0,25\%$ against the target.

➤ Environment activities

During the production season of 2015-2016, control over COD release rates excellently exceeds the target, helping to reduce loss and increase collected sugar content. Waste water treatment system is operating stably; control over vacuum-making water was good, without pulling sugar; no violation on environmental protection during the season.

➤ R&D

Successful completion of the production chain for Miaqua sugarcane-flavored drink product. Research on overcoming leak of Sugarcane juice at the hammer to reduce Sugarcane juice loss and environmental cost. Change in the conveyor belt coating sheet distortion of T1 to reduce Sugarcane stuck after the hammer.



IMPROVEMENTS IN ORGANIZATION STRUCTURE, POLICIES AND MANAGEMENT (continued)

SALES

➤ **Sales volume:** Under the local and international context of deficit, the Company has grasped the opportunities for increasing production and sale during 2015-2016. The sugar sale volume of the Company reached 245,239 tons, exceeding 20% against the target and up 83% year-on-year. In which, domestically RE accounts for over 74% of the total sale, 37,425 tons of RS, up 71% against the target and the export value exceeding 4% against the target. With this result, revenue of the Company was VND 4,043 billion, exceeding 22% of the plan and increasing nearly double year-on-year; pre-tax profit was over VND 310 billion, exceeding 41% against the target and up 56% year-on-year.

➤ **New customers:** Apart from continuing to maintain the stable number of customers, sustain market shares, during the last period, the Company had additional 80 customers, exceeding 78% against the target of the entire period, where they focused on medium and small-scaled industrial customers.

➤ **Miaqua drink:** TTCS has launched Miaqua to the market, organized production of 1 million bottles with the new design, orders of distributors and sale.

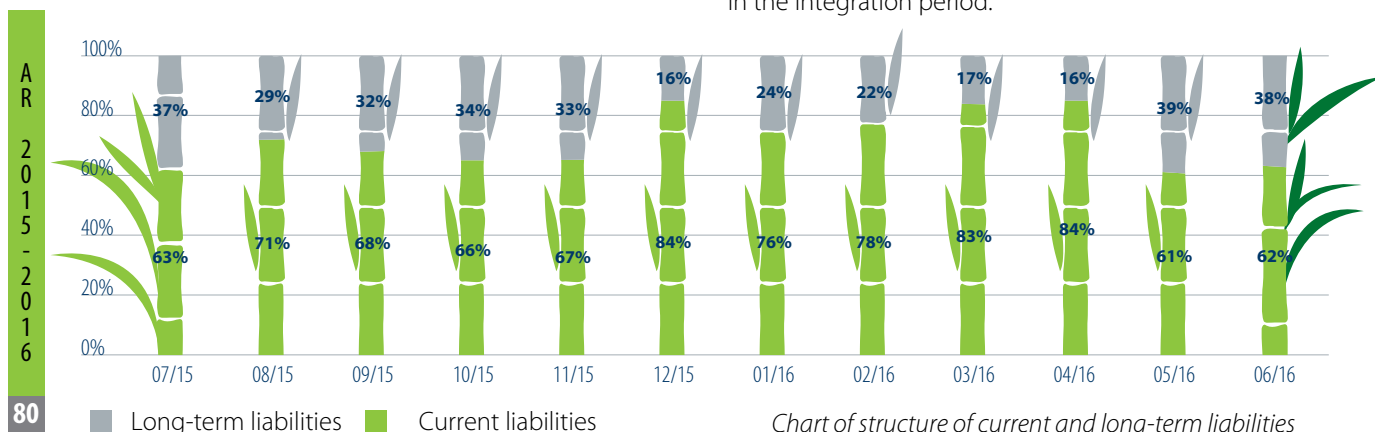
➤ **Logistics:** During the period, the Company has Good moderation of logistics, through which transportation cost has been reduced by over 8% against the target. Additionally, to optimize the efficiency in coordination and better storage quality for materials/finished products, the Company has proactively improved, modified and issued various production process, stock-in, storage in the raw material and finished products warehouses.

FINANCE - ACCOUNTING

During the fiscal year of 2015 - 2016, TTCS has successfully issued the bond valued at VND 1,000 billion for re-structure of liability. Success of the issuance of the VND 1,000 billion bond is not only the precedent for re-structure of the capital sources, enhances the scale and stabilize the operation of TTCS, but open a comprehensive cooperation period, increases the common benefit, aiming at the sustainable development goal. Moreover, the Company has completed issuance of ESOP shares for employees, creating the motivation for

the employees to make efforts for the common goal attached with personal ones.

The consolidated portfolio of TTCS as of 30 June 2016 was VND 686 billion, accounting for 10% of the total assets. Investment in companies of the same industry accounts for 85.6% of the total investment value to increase operational performance through joined value, develop internal power by sharing experiences, aiming at sustainable development, improving competitiveness in the integration period.



HUMAN RESOURCES

In the current extensive and intensive integrated economy, the quality of human resources, especially qualifications of employees, is deemed an important criterion which reflects the sustainable resources of an organization.

The percentage of employees who took training courses from preliminary vocational level accounts for over $\frac{3}{4}$ (77%) of the total number of employees of the Company, indicating the qualifications of the employees have met current requirements of the Company. Strict recruitment in respect of education background and compulsory standards in appointment showcased determination of the Company in improvement and standardization of qualifications of its employees. Besides, the Company has held training courses for improvement of skills and expertise of the employees, particularly for the positions of the nature of succession.

With a current percentage of 40% of employees is below 35 years old, the Company has abundant young human resources, who are dynamic, enthusiastic, creative and available for challenges. Moreover, 44% of the employees with seniority of over 5 years is ideal for training successors and conveying experiences.

With the above mentioned factors, TTCS is completely capable of meeting the human resources demand in respect of quality and quantity for expansion of its business. Nevertheless, it is required to promote and be faster in training successors and improving expertise for important positions in succession.

➤ **Training:** To supplement knowledge and train successors during 2015 - 2016, the Company held and complete 62 training courses for 2,290 participants with training cost of VND 1,138,113,158. It plans to better focus on internal training and recruitment, aiming at increase in the percentage of employees with university degrees, to further improve the quality of human resources to meet the long-term development goal of the Company. Accordingly, the working performance during 2015 - 2016 has been considerably improved, at 319 tons of sugar/person, up 26% against the target and up 10% year-on-year.



SYSTEM MANAGEMENT

➤ **Management of regulatory documents:** Regulatory documents have been annually updated, modified through making annual and irregular regulatory plans as required by the real situations, or the authority levels. Issued legal documents were given to all employees in different forms (contests on legal documents, direct dissemination to each division by its manager). Therefore, employees fully understood and applied them to daily activities. It subsequently helped the system operate efficiently, safely and minimize risks.

➤ **ISO:** Designing the TTCS product standard set for products of refined sugar, white sugar, Diamond sugar, naturally golden sugar, naturally brown sugar. Announcing the quality of TTCS products: sugar products and bottled drinks.

➤ **Environment:** Regular control over the environment, holding cross-review sessions to maintain and improve environmental, professional health, safety protection and 5S implementation. During 2015 - 2016, the Company won the prize of environmental communication "Brand for the environment"; "Environmentally-friendly products"; "Friendly green factory".



OUTSTANDING ACHIVEMENTS IN THE FISCAL YEAR 2015 – 2016

DATE	MEDALS AND TITLES	GRANTED BY
08/2015	2 nd Class Labor Medal	The President of Vietnam
2015	Certificate ISO 22000:2005, ISO 9001:2008, ISO 14001:2004	Bureau Veritas Certification
30/10/2015	Certificate of “Top 10/Top 100/Top 200 Vietnam Gold Star 2015”	Vietnam Young Entrepreneur Association
2015	Vietnam Golden Rice 2015	Ministry of Agriculture and Rural Development of Vietnam
	Title of Asean Entrepreneurial Excellence 2015, Asia's Most Favourite Brand, ASEAN Quality Products And Services 2015	
13/01/2016	Top 500 Largest Companies in Vietnam	VNR
21/02/2016	Certificate of “Vietnamese High-Quality Goods 2015”	Vietnamese High-Quality Goods Business Association
03/06/2016	Certificate of “Gold Strusted Quality Supplier 2016”	Vietnam Enterprise Institute
09/2016	Top 50 Most Valuable Vietnamese Brands 2016	Brand Finance Vietnam (based in UK)
	Top 50 Best Listed Companies 2015	Forbes Vietnam
	Top 30 Best Annual Report in 2015	Ho Chi Minh Stock Exchange & Vietnam Investment Review
09/2016	Top 50 Asia Pacific Outstanding Brands	
	Top 50 Brands for National Green Environment; Top 50 Green-Friendly Factory; Top 10 Environmentally Friendly Products	Vietnam Economy Environment Association; Communications to Build and Develop National Green Economy Program
	TOP 10 of Vietnam’s Leading Brands - Products - Services 2016	Vietnam Association for Anti-Counterfeiting and Trademark Protection (VATAP) combined with Goods and Brands Magazine certify
16/09/2016	Outstanding Agricultural Products 2015	Vietnam Farmers' Association
08/2016	Outstanding Unified - Mergering Trade 2015 - 2016	Vietnam Investment Review and AVM Vietnam
	Certificate of Achievement In Implementing Tax Policies And Laws 2015	General Department of Taxation





BALANCE INTEREST OF FARMERS, PLANT, AND CUSTOMERS AND FORWARD TO SUSTAINABLE DEVELOPMENT, LIFELONG ADHERE TO FARMERS, PROVIDE PURE PRODUCTS TO COMMUNITY AND BRING SHAREHOLDER VALUE.”



DEVELOPMENT PLAN **FOR FISCAL YEAR 2016 - 2017**

OBJECTIVES FOR FISCAL YEAR 2016 - 2017

The Company determines its strategic objective in the coming time: “MAINTAIN SUSTAINABLE DEVELOPMENT MODEL - EXPAND SCALE - CONTINUE ENHANCING PERFORMANCE EFFICIENCY”.

In the fiscal year 2016 - 2017, the Company will implement policy on stabilizing and developing self-control material zones, building model field and large sample field applying mechanization to help reduce production price.

Focus on R&D to optimize efficiency of by-products to improve the Company's competitiveness: Continue researching technical improvement topics to bring practical effectiveness to the plant. Improve professional pressure workshop to optimize retrieval performance. Continue controlling energy use efficiency and reduce steam loss and power consumption.

Promote strength from dynamic and young human resources. Thoroughly apply biotechnology in product research and development. Create products with high value and environmental friendliness from the available materials. Meet the increasing customer demands on product quality, protect human health and environment. Focus on market development driven to consumption channel restructuring.

Focus on market development driven to consumption channel restructuring. Focus on handicraft segment to optimize selling price. Researching logistics plan to optimize costs and most quickly meet the demands of small industrial channels. Deploy synchronous solutions in subsidiaries and member companies to well control logistics and reduce transportation cost.

Optimize financial activities, restructure investment portfolio focused on the companies operating in the same sector and agriculture to use TTCS's advantages in experience, technology, etc., improve competitiveness among the companies, and diversify products in the value chain of sugar industry.

Strengthen system management of regulatory documents, ERP, FRM, CRM, etc., optimally supporting the Company's governance.

Enhance labor productivity and professional capacity of the Company's employees to finish and ensure the target of profit before tax of VND 305 billion in fiscal year 2016 - 2017.

TARGET

01

Raw cane area for 2016 - 2017 crop

23,000 HA

TARGET

02

Net revenue

4,000 BILLION VND

TARGET

03

Profit before tax

315 BILLION VND

TARGET

04

Perfecting system of regulatory documents **VBLQ**
and **ERP, FRM, CRM**



PLANNED TARGETS FOR FISCAL YEAR 2016 - 2017

From the operational orientation of fiscal year 2016 - 2017, the Company has specified into objectives.

ITEMS	UNIT	15-16 Performance	16-17 Plan	% PLAN/ PERFORMANCE
Sugarcane area	Ha	22,861	23,000	101%
Cane crush output	Ton	1,465,253	1,440,000	98%
Raw sugar material	Ton	102,186	90,000	88%
Sugar product	Ton	232,111	220,000	95%
Net revenues	VND Billion	4,027	4,000	99%
Total profit before tax	VND Billion	310	315	98%

(Figures based on the consolidated budget plan)

1,440,000
TON
CANE CRUSH OUTPUT

220,000
TON
SUGAR PRODUCT



DEVELOPMENT PLAN FOR THE FISCAL YEAR 2016 - 2017

(continued)

KEY SOLUTIONS IN FISCAL YEAR 2016 - 2017

Materials

The Company has determined key solutions in fiscal year 2016 - 2017 is stabilization and development of self-control material zones, mechanization application in cultivation, etc., including the following key solutions:

- **Stabilize and develop self-control material zones:** Build policy to stimulate investment in mechanization, give technical support, continue focusing on investment in deep plowing and irrigation to improve sugarcane farming efficiency. Strengthen development of land fund for farming and improve autonomy in materials. Build large sample field, facilitate to apply science and technology in farming, and increase sugarcane productivity and quality.
- **Apply mechanization and advanced cultivation technology:** Promote mechanization in planting, caring and harvesting, strengthen application of efficient irrigation systems to increase sugarcane productivity; give technical support to customers through cultivation processes for each area, efficient and economical fertilization standard; organize performance on sample sugarcane models and performance score; control sugarcane breeds suitable to each material zone.
- **Well control the harvest management:** Release criteria and standards on mature sugarcane, pure sugarcane, fresh sugarcane, sugarcane cutting standard; control rate of burned sugarcane under 8% and rate of contamination under 5%.

Production technology

- **R&D:** Push researches on new by-products to meet the demands of market and customers and improve competitiveness.
- **New investment and maintenance - Technical improvement:** Research technical improvement topics, solution to reduce water turbidity in the depositing machine and solution to reduce flocculation in finished sugar products; improve professional pressure workshop to optimize retrieval performance; control energy use efficiency, reduce steam loss and power consumption.
- **Training and human resources:** Facilitate employees to attend soft skill training courses; train multiple-duty employees to be flexible in work assignment and distribution. Encourage employees to self-learn and be active in their works. In addition, focus on succession planning to well prepare human resources for the coming development period.

Business operations

- **Focus on market development driven to consumption channel restructuring:** Optimize logistics and customer care services to minimize costs and most quickly meet the demand of customers.
- **Ensure product and service quality:** Regularly coordinate between production and business to create sugar products with absolutely stable quality before supplying to customers; monitor discerning



customers to pay attention to production and ensure the trust of customers in products; deliver products on time and on schedule.

- **Human resources and training:** Continue enhancing skills of sales team through practical training in the market, training intensive skills, etc

Finance

- **Optimize financial activities:** Strengthen exploitation of sources of capital with preferential interest rate to create fund for development projects. Build up a healthy, safe and efficient financial structure. Build up appropriate structure of capital, ensuring liquidity, take advantage of positive effects of leverage ratio, reduce financial costs, improve capital efficiency, contributing to increase value for TTCS.
- **Structure of efficient portfolio in the same industry:** Investments in sugar companies having high dividend rate and companies operating in the field of agricultural production in order to increase competitive advantage.
- **Promote advisory role** in formulation and implementation of plan.

Human resources

Enhance professional capability and labor productivity; build employee performance assessment system; build personnel strategy and specific promotion route; standardize system, incentive policies and

mechanisms; set up KPIs for fiscal year 2016 - 2017; organize activities for English club, creating culture and professional environment; hold 15 training topics and 70 external training courses.

Training

- Encourage and facility employees to attend soft skill training courses; train multiple-task employees to be active in work assignment and distribution.
- Encourage employees to self-education, self-learning, to be more proactive at work, particularly focus on training offered to successors to well prepare human resources for the coming development period.
- Continue enhancing skills for sales team through practical training in the market, training intensive skills, etc.

System management

- **Consolidate system management:** Improve and release regulatory documents and consolidate regulatory documents system to be suitable to actual operations and well control possible risks.
- **Perfect harvesting management and IT application:** Perfect FRM software stage 1, continue implementing stage 2 to better meet the demands in agricultural management.
- Replicate modern management model using ERP, FRM, and CRM in subsidiaries.



OPERATION ASSESSMENT FROM **BOARD OF MANAGEMENT**



“

**CEO HAS LED
THE COMPANY
TO FULFILL AND
EXCEED THE PLAN
AND OBJECTIVES
APPROVED BY
GMS IN MANY
KEY TARGETS. ”**

BOM ASSESSMENT REPORT ON CEO

Dear Honorable Shareholders,

- Pursuant to 2015 Corporate Law and documents guiding implementation thereof;
- Pursuant to functions, obligations and powers of the Board of Management (BOM) as provided in the Company's Charter and Corporate Governance Regulations of Thanh Thanh Cong Tay Ninh Joint Stock Company (TTCS)
- Pursuant to the Resolution of the General Meeting of Shareholders (“GMS”) in fiscal year 2014 – 2015.

BOM has reviewed and supervised CEO in implementing the Resolutions of GMS and BOM in 2015 - 2016. Results are as follows:

SUPERVISION METHOD

In the monthly meetings, BOM quarterly meetings and extraordinary meetings, BOM has listened to assessment report on CEO performance and timely provided solutions to implement the business targets approved by GMS in December 2015.

During his administration, CEO regularly reported his progress as well as problems arise during his business plan implementation. BOM and CEO have made discussion in person or in written to give prompt and effective solutions to complete the targets approved by GMS.

BOM worked closely with the BOS to catch up closer look on the Company's actual business situation. Chief Supervisor, representing the BOS, was invited to join all BOM meetings. During these meetings, BOM and BOS have a chance to discuss and receive constructive feedback and suggestions from BOS. The feedback of BOS was recorded as important reference to decision approval by BOM and CEO to ensure the Company's operations to be always compliant with GMS resolutions as well as prevailing legal regulations.

Moreover, BOM and BOS had regular discussion and closely worked with Internal Control Department through monthly reports and detailed action plans to prevent risks so as to support CEO in running the Company.

BOM approves resolutions after each periodical meeting or at request to approve next quarterly plans and other related issues as a basic for CEO's performance.

SUPERVISION RESULTS

Fiscal year 2015 - 2016 has fluctuated with more favorable factors for sugar industry compared to previous years. Under the leadership of CEO, BOS has been flexible and agile to catch up favorable moments to submit and get BOM approval on significant policies, bringing high economic efficiency for the Company in the past year. Results: CEO has helped the Company achieve and exceed all targets set by GMS in many key targets.

Strategy performance in fiscal year 2015 - 2016:

In fiscal year 2015 - 2016, CEO gave step-by-step direction to implement and set up action plans to deploy strategic objectives of the Company for 2016 - 2020 period, which were approved by BOM, to be specific:

- Complete procedures to merge Gia Lai Sugar Thermal Power JSC (SEC) into TTCS and additionally list shares in HOSE in November 2015.
- Decide to purchase investment capital in Tay Ninh Sugar JSC and Ben Tre Import – Export Joint Stock Corp., implementing M&A strategy with the potential competitive companies operating in the same sector.
- Improve and renovate agricultural policy to be suitable to the objectives of stabilization and expansion of material zones in the direction of sustainability, stability, intensification and extensive mechanization.
- Standardize product quality certification system for all the plants managed by the Company according to a specific route, meeting strict standards on food safety and hygiene.
- Promote research and development of new products, establish R&D Committee to be in charge of diversifying the Company's product portfolio.
- Set up and apply IT-Roadmap to computerize management software systems, deploy ERP and IT projects to sync data of Material Division, Production Technical Division, Plants, etc. to optimize and professionalize management and exploitation of all resources and databases.

TOTAL CANE CRUSH OUTPUT

912,941

TON

OPERATION ASSESSMENT FROM BOARD OF MANAGEMENT

Results delivered by CEO to targets assigned by GMS during 2015 - 2016 fiscal year:

PRODUCTION OUTPUT

NO.	ITEMS	UNIT	2015 - 2016 plan	2015 - 2016 performance	% performance/ plan	2014 – 2015 FY	% 15/16 against 14/15
A	Cane crush output	Ton	860,000	912,941	106%	884,420	103%
B	Raw sugar output	Ton	55,000	102,186	186%	63,375	161%
C	Manufacturing output						
1	Sugar	Ton	142,831	180,619	126%	140,056	129%
2	Final molasses	Ton	46,850	50,646	108%	46,663	109%
3	Commercial electricity	Mwh	38,700	38,053	98%	38,447	99%
D	Consumption output						
1	Sugar	Ton	163,501	216,212	132%	133,892	158%
2	Final molasses	Ton	45,000	42,462	94%	60,684	70%
3	Commercial electricity	Mwh	38,700	38,122	99%	38,569	99%
E	Consolidated Business Result						
1	Consolidated net revenue	VND Million	3,306,000	4,027,232	119%	2,066,900	195%
2	Consolidated profit before tax	VND Million	220,000	310,076	141%	208,305	149%

MATERIALS

Despite of facing many difficulties due to in crop year 2015 - 2016, with sugarcane price going down and leading to the situation that the farmers did not bravely invested in sugarcane, Material Division of TTCS has pioneered in propagandizing and building suitable investment and purchasing policies. As a result, in the crop year 2015 - 2016, total sugarcane volume delivered to the plant reached to 912,941 ton, exceeding +6% of the plan.

In the crop year 2015 - 2016, the development area of sugarcane expected to harvest in crop 2016 - 2017 is expected to reached 12,300 ha.

The total area of irrigated sugarcane through three recent seasons keeps expanding, in particular this area during 2015 - 2016 crop reached 6,500 ha, increasing by +20% as compared to the same period of previous year and nearly 100% of crop year 2013 - 2014.

PRODUCTION ORGANIZATION

Output and quality: In the crop year 2015 – 2016, cane crush output reached more than 912,941 tons, exceeding 6% against the plan; dissolving raw sugar output hit the record over the last years with more than 102,186 tons, exceeding +86% against the plan. Total finished sugar output achieved 180,169 tons,

TOP 50
Best Listed Companies honored
by Forbes Vietnam

TOP 30
Best Annual Report in 2015

TOP 500
Largest Companies of Vietnam
honored by VietnamNet



exceeding 26% of the plan and increasing by 29% as compared to the crop year 2014 – 2015.

Quality of finished sugar was significantly improved thanks to ultimately controlling unsuitable products, to be specific, flocculation rate decreased more than 93% compared to previous year.

BUSINESS OPERATION

In fiscal year 2015 - 2016, sugar output of the Company reached 216,212 tons, exceeding +32% against the plan and +56% compared to the same period of 2014 - 2015.

The Company stably kept customers, maintained market share and developed customer chain in medium and small industry channels.

The Company also strengthened export channels to improve the efficiency of production activities and sugar refining process to supply to the partners having demand on production and export.

FINANCE – ACCOUNTING

In 2015 - 2016, the Company restructured finance by successfully issuing corporate bond package valued at VND 1,000 billion. The Company's liability structure was re-balanced with average 40% of short-term liabilities and 60% of long-term and medium-term liabilities. Restructuring helped the Company be more active in capital sources and improve its liquidity to fund the key investment projects.

Successfully issued ESOP at the rate of 5%, increasing share capital up to VND 1,947 billion and strengthening financial capacity of the Company.

In the previous fiscal year, the Company successfully launched and applied ERP system (1st phase) in accounting management to better support corporate governance.

HUMAN RESOURCES

Labor productivity was improved thanks to successfully restructuring the entire Company. The Company also completed the work assignment and assessment according to Balance Scorecard (BSC) and KPI. The labor productivity of fiscal year 2015-2016 went up +29% compared to that in the same period.

Deploy establishment of training system and succession planning for the period 2016 - 2020.

CORPORATE GOVERNANCE & COMPLIANCE

CEO built and released succession planning for management level, encouraging and developing training forms to enhance qualification and capability of employees, building a team of successors.

CEO also gave priority in completing regulatory document system, creating legal framework for smooth and transparent operation in compliance with the Company's regulations and rules.

CEO and BOD members strictly and fully complied with Resolutions, Decisions and policies of BOM.

ASSESSMENT CONCLUSION

According to BOM assessment, CEO has excellently fulfilled his assigned tasks in fiscal year 2015 - 2016 and strictly complied with regulations and procedures in corporate governance under the Charter and Corporate Governance of the Company and the applicable legal regulations.

**Your faithfully,
For and on behalf of BOM**

Chairman

Pham Hong Duong

BOM ASSESSMENT REPORT ON BOD DURING 2015 - 2016 FISCAL YEAR

Dear Honorable Shareholders,

- Pursuant to 2015 Corporate Law and documents guiding implementation thereof;
- Pursuant to functions, obligations and powers of the Board of Management (BOM) as provided in the Company's Charter and Corporate Governance Regulations of Thanh Thanh Cong Tay Ninh Joint Stock Company (TTCS);
- Pursuant to the Resolution of the General Meeting of Shareholders (GMS) in fiscal year 2014 - 2015;

The BOM conducted assessment and supervision on BOD performance during implementation of Resolutions of General Meeting of Shareholders (GMS) in 2014 - 2015 and the BOM in 2015 - 2016 as follows:



PERFORMANCE METHOD

As stipulated in the Company's Corporate Governance Regulations, BOM is responsible for promulgating regulations on assessment of BOD members. Based on the priorities identified by BOM and the Company's actual operation, BOM evaluated BOD members using the CEO's assessment result on BOD members. The assessment contents focused on BOD's performance of BOM's Resolutions. BOD members were evaluated in two respects: Performance result of company KPI and division KPI.

BOM regularly supervised and directed the activities of CEO and other managers. The supervision was done through BOM regular meetings and participation and giving opinions in periodic meetings, preliminary meetings, year-end meeting, and internal meetings to review and solve the issues arisen during business operations and through reports and documents submitted by BOD to BOM to closely follow up the production situation as well as timely deliver direction to implement BOM's policies and orientation.

Performance Assessment Committee assessed each BOD member and CEO, based on their performance result in the fiscal year 2015 - 2016 according to KPI of each member.

PERFORMANCE RESULTS

In the year 2015 - 2016, CEO, BOD and all the employees actively caught up the market opportunities. Therefore, BOD has led the Company to excellently complete and exceed the planned objectives approved by GMS in many key targets. The Company's leading position and prestige in the market continued being maintained and consolidated. This was clearly shown in strong growth in industrial customers, sugar output hitting the highest

record of Vietnam sugar industry in crop year 2015 - 2016, i.e. over 180,000 tons of sugar supplied to the market.

The spirit of research and development of solutions to accelerate performance efficiency has been enthusiastically responded by employees and resulted in exceptional outcomes. Many initiatives have been recorded and evaluated with highly practical features such as project of extraction coefficient improvement of sugarcane processing area, contributing to reducing loss, helping the Company improve recovery efficiency and reduce production price.

ASSESSMENT CONCLUSION

According to BOM's assessment, BOD has excellently fulfilled the assigned tasks in fiscal year 2015 - 2016 and strictly complied with regulations and procedures in business operation under the Charter and Regulations on Corporate Governance of the Company and applicable legal regulations.

Assessment results on BOD members were sufficiently provided and explained to the Performance Assessment Committee for review and consideration before delivering final assessment conclusion. BOM assessment at the end of fiscal year 2015 - 2016 showed that all BOM members, including CEO and Executive Directors delivered good performance to assigned tasks and responsibilities.

**Your faithfully,
For and on behalf of BOM**



Pham Thi Thu Trang

BOM OPERATION REPORT DURING 2015 - 2016 FISCAL YEAR

Dear Honorable Shareholders,

- Pursuant to 2015 Corporate Law and documents guiding implementation thereof;
- Pursuant to functions, obligations and powers of the Board of Management (BOM) as provided in the Company's Charter and Corporate Governance Regulations of Thanh Thanh Cong Tay Ninh Joint Stock Company (TTCS);
- Pursuant to the Resolution of the General Meeting of Shareholders (GMS) in fiscal year 2014 - 2015;

The BOM conducted assessment and supervision on CEO's performance during implementation of Resolutions of the GMS and the BOM in 2015 - 2016. Results are as follows:

During this fiscal year, the BOM has held 68 regular and irregular meetings with attendance of the Chief Supervisor and BOD to set out timely strategies and make right decisions that results in high economic efficiency, high investment returns and sustainable growth for the Company. In addition to therefore mentioned meetings, the BOM also held several meetings by asking opinions of BOM members in writing to make decisions on issues related to constructions, HR development, investing activities, organizational structure changes and closely

- Approve orientation of development strategy for the Company's business, production and investment activities in the period 2016 – 2020.
- Decide to make strategic investment in Tay Ninh Sugar JSC by equitization auction and Ben Tre Import-Export JS Corp.
- Decided to issue corporate bonds valued at VND 1,000 billion.
- Directing the BOD to adopt the right measures to increase productivity and cane quality and yield, improve sugar recovery efficiency, reduce costs of goods sold and improve competitiveness in term of selling price.
- Instructing the BOD to develop business plan and investment plan for the fiscal year 2015 - 2016 as well as work out the methods to realize the business plans to submit to GMS in the fiscal year 2015 - 2016.



**Your faithfully,
For and on behalf of BOM
Vice Chairman**

Le Van Dinh

supervision on performance of BOD in implementing the Resolutions and Decisions of the GMS and BOM as well as issuance of internal rules and regulations. The Resolutions and Decisions of the BOM are made on the basis of consent and agreement of BOM members for the benefits of shareholders and sustainable development of the Company. During the fiscal year 2015 - 2016, the BOM approved the following important Resolutions:

BOM OPERATIONAL ORIENTATION

FOR FISCAL YEAR 2016 - 2017

Dear Honorable Shareholder,

- Pursuant to 2015 Corporate Law and documents guiding implementation thereof;
- Pursuant to functions, obligations and powers of the Board of Management (BOM) as provided in the Company's Charter and Corporate Governance Regulations of Thanh Thanh Cong Tay Ninh Joint Stock Company (TTCS).

BOM's operational orientation in fiscal year 2016 - 2017 is to continue enhancing production capacity and developing business operations, strengthening investment and developing materials and construction, reduce product price to boost competitiveness, and create firm foundation for further growth in the coming years. Effective research to attend M&A by purchasing share capital in potential target companies operating in the same sector. Specific objectives are as follows:

- Keep close eyes on actual situation, direct BOD to implement the plans set out by GMS and BOM.
- Promote researching and M&A to expand business operation.
- Continue focusing on R&D investment to create new products, improve and enhance production efficiency to strengthen the Company's competitiveness.
- Enforce and expand the Company's position and consuming channels as well as promote handicraft channels, medium and small customers, and export channels.
- Positively give direction focused on sustainable development of sugarcane material zone with high productivity and management on FRM software. Give focus on mechanization and step-by-step deployment of irrigation in sugarcane farming.
- Organize regular meetings to discuss and approve reports and plans, timely provide effective direction to implement GMS Resolutions; organize irregular meetings to timely solve issues arisen. Organize regular meetings with BOD to supervise and ensure the compliance with GMS and BOM Resolutions.
- Continue consolidating the Company's management apparatus; enhance corporate governance capacity; focus on training and developing human resources to meet the Company's development need.
- Continue review and complete available regulations, make new regulations to be suitable to new requirements and prevailing legal regulations, creating legal bases for all the Company's business operations.
- Construct and consolidate sub-committees and supporting apparatus under BOM in line with corporate governance standards.

With the above-mentioned orientations, in fiscal year 2015 - 2016, BOM will continue enhancing management, direction, and supervision in all activities, ensuring effective implementation of GMS Resolutions in fiscal year 2015 - 2016 which will be held in October 2016.

**Your faithfully,
For and on behalf of BOM
Chairman**



Pham Hong Duong



3

CORPORATE GOVERNANCE

98	Board of management (BOM)
102	Board of supervisors
106	Transactions, remuneration, and benefits to the BOM, BOD and BOS
114	Implementation of corporate governance requirements
114	Action plan and establishment of sub-committees under BOM
116	Plan and objective to improve matrix of business administration level

Growth
IS THE METHOD



BOARD OF MANAGEMENT (BOM)

BOM MEMBERS AND STRUCTURE

NO.	BOM MEMBER	POSITION	SHARE OWNERSHIP (AS AT 30 JUNE 2016)	RATE	POSITION HELD AT OTHER COMPANIES
1	Pham Hong Duong	Chairman	1,319,485	0.69%	Chairman - Thanh Thanh Cong Alcohol Trading Production JSC
2	Le Van Dinh	Vice-chairman	1,158,600	0.59%	BOM Member - Thanh Thanh Cong Gia Lai One Member Co., Ltd
3	Dang Huynh Uc My	Member	3,034,130	1.56%	Chairwoman - Thanh Thanh Cong Investment JSC Chairwoman - Ben Tre Import - Export JSC Deputy General Director - Thanh Thanh Cong Investment JSC
4	Pham Thi Thu Trang	Member	87,700	0.05%	BOM Member - Thanh Thanh Cong Alcohol Trading Production JSC BOM Member - Thanh Thanh Cong Trading JSC BOM Member - Thanh Thanh Cong Sugarcane Research & Application JSC
5	Nguyen Quoc Viet	Member	578,600	0.30%	Chairman - Thanh Thanh Cong Gia Lai One Member Co., Ltd Chairman - Nuoc Trong Sugar JSC General Director - Tay Ninh Sugar JSC BOM Member - Thanh Thanh Cong Sugarcane Research & Application JSC

Changes in BOM Members during the fiscal year 2015 - 2016:

NO.	NAME OF ORGANIZATION/ INDIVIDUAL	POSITION	WORKING PERIOD DURING THE FISCAL YEAR		REASON FOR CHANGE
			From	To	
1	Pham Hong Duong	Chairman	01/07/2015	30/06/2016	
2	Le Van Dinh	Vice-Chairman	01/07/2015	30/06/2016	
3	Dang Huynh Uc My	Member	01/07/2015	30/06/2016	
4	Pham Thi Thu Trang	Member	19/12/2015	30/06/2016	Additionally elected under Resolution No. 02/2015/NQ-DHĐCĐ
5	Nguyen Quoc Viet	Member	19/12/2015	30/06/2016	
6	Le Quang Hai	Member	14/09/2015	19/12/2015	Acceptance of resignation under Resolution No. 02/2015/NQ-DHĐCĐ
7	Le Ngoc Thong	Member	01/07/2015	19/12/2015	Acceptance of resignation under Resolution No. 02/2015/NQ-DHĐCĐ
8	Nguyen Ba Chu	Member	01/07/2015	14/09/2015	Acceptance of resignation under Resolution No. 02/2015/NQ-DHĐCĐ
9	Vo Tong Xuan	Member	01/07/2015	19/12/2015	Acceptance of resignation under Resolution No. 02/2015/NQ-DHĐCĐ
10	Nguyen Thuy Van	Chief Supervisor	01/07/2015	30/06/2016	
11	Nguyen Xuan Thanh	BOS Member	19/12/2015	30/06/2016	Additionally elected under Resolution No. 02/2015/NQ-DHĐCĐ
12	Huynh Thanh Nhan	BOS Member	19/12/2015	30/06/2016	Additionally elected under Resolution No. 02/2015/NQ-DHĐCĐ
13	Le Van Hoa	BOS Member	01/07/2015	19/12/2015	Acceptance of resignation under Resolution No. 02/2015/NQ-DHĐCĐ
14	Pham Trung Kien	BOS Member	01/07/2015	19/12/2015	Acceptance of resignation under Resolution No. 02/2015/NQ-DHĐCĐ

SUB-BOARDS UNDER BOM

BOM have not actively established Sub-Boards but assigned specific tasks and responsibilities to each individual BOM member in line with the BOM organization and operation regulations. For important tasks that requires more human resources for instruction on performance and supervision, the BOM in its discretion will make decide on establishing Sub-Committee/Sub-Boards. During the fiscal year 2015 - 2016, the following Sub- Boards were established and are now under operation:

NO.	NAME'S PROJECT MANAGEMENT UNIT	DECISION NUMBER	DATE
1	Decide to adjust PMU members of constructing 12,000 ton sugar warehouse.	83/2015/QĐ-TGD	11/08/2015
2	Decide to establish PMU of constructing Border Farm irrigation system.	134/2016/QĐ-HĐQT	17/11/2015
3	Decide to establish PMU of investing and constructing Tan Kim Warehouse.	08a/2016/QĐ-HĐQT	28/01/2016
4	Decide to establish PMU of producing and trading Miaqua sugarcane juice.	61/2016/QĐ-HĐQT	01/06/2016
5	Decide to establish PMU of Organic sugar production.	55/2016/QĐ-HĐQT	20/05/2016
6	Decide to establish PMU of renovating 12,000 ton warehouse.	52/2016/QĐ-HĐQT	16/05/2016

BOARD OF MANAGEMENT

(continued)

From **01 July 2015** to **30 June 2016**,
there are **68 meetings** held by the BOM

68
MEETINGS

BOM OPERATIONS

PERIOD	NUMBERS OF MEETINGS	KEY CONTENT
7/2015	6	Approve investment plan and tending plan of Nam Chi inland wharves, water drainage and supply system, and fire fighting system.
8/2015	8	Sell treasury shares.
9/2015	6	Approve plan to purchase imported raw sugar.
10/2015	2	Authorize to use bank account and banking services.
11/2015	8	Get loan and maintain credit line at bank.
12/2015	7	Change members of BOM. Buy shares of Phuoc Hoa Rubber JSC. Transform and assign staffs to participate in the Board of Members of Gia Lai Sugar - Thermal Power JSC. Change the Company's seal. Buy shares to become strategic investor in Tay Ninh Sugar JSC. Make advance payment for dividend of fiscal year 2014 - 2015. Approve loan agreements, credit line and guarantee forms.
1/2016	7	Choose independent auditor for Financial Statements of the fiscal year 2015 – 2016.
2/2016	5	Assign preventative of the Company's contributed capital and participant in BOM of Tay Ninh Substance Industry JSC.
3/2016	7	Assign representative of the Company's contributed capital and participant in BOM of Tay Ninh Sugar JSC.
4/2016	1	Deploy share issuance plan to employees.
5/2016	6	Deploy key activities.
6/2016	5	Change members of BOM of Thanh Thanh Cong Gia Lai Co., Ltd. Transfer ownership right of works and use right of leased land in Sacombank Office Area belonging to EBTN project. Approve bond issuance. Buy share of Ben Tre Import Export JS Corp. Sell share in Bien Hoa Sugar JSC.

Attendance rate of BOM Members:

Period: From July 01st 2015 to December 31st 2015

NO.	BOM MEMBER	POSITION	NUMBER OF MEETINGS	RATE OF ATTENDING	REASONS FOR NOT ATTENDING MEETINGS
1	Pham Hong Duong	Chairman	38	100%	-
2	Le Van Dinh	Vice-Chairman	38	100%	-
3	Dang Huynh Uc My	Member	38	100%	-
4	Pham Thi Thu Trang	Member	4	100%	-

5	Nguyen Quoc Viet	Member	4	100%	-
6	Nguyen Ba Chu	Member	22	100%	-
7	Vo Tong Xuan	Member	34	100%	-
8	Le Quang Hai	Member	17	100%	-
9	Le Ngoc Thong	Member	23	100%	-

Period: From January 01st 2016 to June 30th 2016

NO.	BOM MEMBER	POSITION	NUMBER OF MEETINGS	RATE OF ATTENDING	REASONS FOR NOT ATTENDING MEETINGS
1	Pham Hong Duong	Chairman	30	100%	-
2	Le Van Dinh	Vice-Chairman	30	100%	-
3	Dang Huynh Uc My	Member	30	100%	-
4	Pham Thi Thu Trang	Member	30	100%	-
5	Nguyen Quoc Viet	Member	30	100%	-

ACTIVITIES OF INDEPENDENT BOM MEMBERS

With the roles of question, supervision and corporate governance control, independent BOM members contribute to protecting general interest of shareholders. During the past years, Mr. Le Van Dinh has excellently completed his duties. In fiscal year 2015 – 2016, despite his high age, with profound knowledge and intensive experience in over 50 years in sugar production field, Mr. Le Van Dinh gave valuable support to BOM and BOD in technique and plant operation as well as projects of organic sugar production, Miaqua sweet-free sugarcane juice, liquid sugar, etc. In the next fiscal year, he will continue staying with TTCS and make stronger efforts to complete his assigned tasks with high responsibility and positively make contributions together with the remaining BOM members to release timely and fairly guidelines, policies, and decisions for the Company's operation.

LISTS OF BOM MEMBERS OBTAINING CORPORATE GOVERNANCE CERTIFICATES

In order to improve the quality of corporate governance in public joint stock companies with goals of enhancing operational efficiency, capital mobilization, improving market transparency and updating knowledge and skills on corporate governance as required by local regulations and international standards, leaders of the Company attended and completed a corporate governance training programs.

These are practical training programs held and certified by the State Securities Commission - Scientific Research and Securities Training Center. Details are as follows:

NO.	FULL NAME	POSITION	CERTIFICATE NO.	DATE OF GRANT
1	Dang Huynh Uc My	Member	30 QTCT 292/QĐ-TTNC	15/11/2013
2	Le Van Dinh	Member	06 QTCT 292/QĐ-TTNC	15/11/2013
3	Nguyen Van De	Deputy General Director	05 QTCT 292/QĐ-TTNC	15/11/2013
4	Nguyen Thi Thuy Tien	Chief Financial Officer	59 QTCT 292/QĐ-TTNC	15/11/2013

Other BOM members now have not been able to attend this corporate governance training programme organized by HOSE Stock Exchange because they cannot arrange the time.

BOARD OF SUPERVISORS

MEMBERS AND STRUCTURE OF THE BOARD OF SUPERVISORS (BOS)

NO.	SUPERVISOR	POSITION	NUMBER OF SHARES OWNED BY DATE	RATE	POSITIONS HELD AT OTHER COMPANIES
1	Nguyen Thuy Van	Chief Supervisor	1,060,370	0.54%	Supervisor - Bien Hoa Sugar JSC
2	Nguyen Xuan Thanh	Supervisor	40,400	0.02%	Supervisor - Thanh Thanh Cong Gia Lai One Member Co., Ltd
3	Huynh Thanh Nhan	Supervisor	21,500	0.01%	Chief Supervisor - Tay Ninh Sugar JSC

CHANGES IN SUPERVISORS DURING THE FISCAL YEAR 2015 - 2016

In fiscal year 2015 – 2016, according to the Resolution of GMS 2014 – 2015 on December 18th 2015, GMS approved the resignation of Mr. Pham Trung Kien and Mr. Le Van Hoa from the position of Supervisor from December 19th 2015 and approved the result of BOS supplemental election in the term 2012 – 2016 with 2 new supervisors i.e. Mr. Nguyen Xuan Thanh and Mr. Huynh Thanh Nhan.

MEETINGS OF BOS

The BOS consists of 3 members trusted by the GMS to supervise the Company's entire operations under legal regulations. In the fiscal year 2015 - 2016, with the close cooperation of the BOM and BOD, BOS has completed its tasks and provided timely recommendations to limit risks and improve the management quality in the Company's operation.

BOS held meetings to arrange personnel and evaluate financial situation of the Company, to be specific:

- December 2015: Hold meeting to elect Chief Supervisor.
- December 2015: Hold meeting to assign tasks for Supervisors.
- January 2016: Hold meeting to assess the Company's performance in the first 6 months of fiscal year 2015 – 2016 and performance plan for the last 6 months of fiscal year 2015 – 2016.
- July 2016: Hold meeting to assess the Company's performance in fiscal year 2015 – 2016 and performance plan for fiscal year 2016 – 2017.

The supervisor all reached agreement in the meetings.

Besides main meetings, BOS also made discussions among supervisors via email and phone, organized and attended meetings with BOM, Risk Management Committee, and Internal Control Committee as well as attended 102 other meetings with potential consulting firms to perfect BOS's tasks.

REPORT ON BOARD OF SUPERVISOR'S PERFORMANCE

Supervision on implementation of the GMS's Resolutions and law compliance

- During the last year, the BOS proposed the detailed action plan with focus on supervision and coordination with the BOM and the BOD in compliance with the Company's Charter, GMS's Resolutions, operation regulations and procedures as well as the laws.
- After reviewing, the BOS concluded that all activities of the Company complied with scope of business stipulated on Business Registration Certificate, Company's Charter, laws, management policy of government and accounting and finance regulations. The Company fulfilled its obligations of tax, full payments to social insurance, health insurance and unemployment insurance premiums as required by laws.
- The company has made full payment of the remuneration of the BOM, BOS; additional, amendment of Charter company; profit distribution for fiscal year 2014 - 2015; issuing preferred stock of the option program for employees of the company; issuing the successful bond of 1,000 billion dong; implementation of annual Financial Statements fiscal year July 01st 2015 to June 30th 2016 with company Ernst Young Vietnam in accordance with Resolutions of Annual general meeting.
- The BOS also reviewed the reasonability of the decisions made by the BOM and BOD applicable to the Company's management and operation and controlled the procedure of issuing internal documents to ensure its legal compliance.
- The BOS agreed with the business performance reported by the BOD and also highly appreciated the BOD's efforts in running the Company's business as well as promptly dealing with market fluctuations. Given the significant results, the Company has affirmed its position as one of the top best-performing companies with sustainable and internal power.

Supervision on financial position

The BOS verified the quarterly, 6-month and annual financial statements for the fiscal year from July 01st 2015 to June 30th 2016. The review by BOS also was given to process of invoice issuance, supporting documents, booking keeping methods, information presentation and disclosures on the financial statements, corporate governance report and regulations on storing accounting records to ensure the transparency and reasonability of accounting records and figures and financial statements.

After reviewing the financial position of the Company, the BOS evaluated that the Financial Statements of the Company for the fiscal year from July 01st 2015 to June 30th 2016 were timely and fully prepared in conformity with the Vietnamese Accounting System and Standards.

The figures in the financial statements, audited by Ernst & Young Limited Vietnam, are presented truly and fairly, in all material aspects, the financial position of the Company on June 30st 2016 as well as its financial performance and cash flows.

Last year's financial performance was fairly good, which resulted from the BOM's adoption of right policy and strategy, BOD's smart deal with the market as well as support by all employees of the Company. All these are successive factors that enabled TTCS surpass the profit target assigned by its shareholders.

Performance supervision and maintenance of internal control system effectiveness

With the roles of supervision, the BOS and Internal Control Department are independent to the BOD. This supervision role is done through on-site inspection and control, remote supervision. Inspection by BOS also is done periodically on annual action plan supervision or irregularly based on risk assessment or unscheduled investigation requirement from the BOM/the BOD. Such inspection focuses on auditing processes, compliance and evaluating internal control system in business operations of the Company.

BOARD OF SUPERVISORS

(continued)

With its key responsibility, the BOS pursues general principles to achieve its internal control targets:

- Providing objective and honest evaluations and confirmations.
- Assigning clearly responsibilities among individuals and departments within the Company.
- Completing and communicating the regulatory documents to all levels within the Company.
- Ensuring compliance with internal control system of all employees.
- Separating clearly responsibilities of inspection and supervision; carrying out independent inspection to improve efficiency of control measures.

Besides, the BOS and the Internal Control Department have provided coordination and support to Divisions and Departments within the Company in debt recovery, farmer investment acceptance supervision, planning control and material purchases during production season and focusing on the final settlement with the state agencies and carrying out investment project,...

With the closing interest of BOS, the Company's internal control system in fiscal year 2015 – 2016 showed a significant improvement and closely engaged with the Company's business operation. BOS has participated in quarterly meetings to evaluate risks in the corporate level as well as regularly discussed and given opinions to BOM and BOD in establishment of effective control stations in internal control system.

Supervision on operations of BOM and BOD

In the last fiscal year, the BOS attended all quarterly meetings of the BOM as well as monthly meetings of the BOD to have a timely understanding of the Company's activities, thereby setting forth early recommendations and warnings to limit possible risks.

After an operation year, the BOS has won the trust from the BOM for its constructive ideas. BOS's recommendations were also highly recognized and agreed by the BOD for application and better management.

Plan of BOS in fiscal year 2016 - 2017

To get better in resource management as well as help the Company well control business operation, it is necessary for BOS to strengthen control by setting up and operating roles of BOS effectively. In addition, good control of cost and risk will help the Company early build a firm base and strengthen competitiveness with the competitors from strong economies in the Trans-Pacific Partnership (TPP). Therefore, action plan of BOS in new fiscal year will be more active and focus on the following key duties:

- Accomplishing the personnel team for BOS and Internal Control Department at the Company; further reviewing and proposing addition of necessary operational documents to complete the control system; supervising the compliance with internal regulations and the law. These solutions are aimed at achieving the basic objective of the Company, i.e. establishing and maintaining an effective internal control system at the Company.
- Maintaining inspection and control to assure the followings: compliance with internal regulations and the law; compliance with accounting system and recordings with the Accounting Standards of Vietnam; trueness and fairness reports upon issuance; implementation of right solutions and recommendations for overcoming mistakes and risks.
- In order to maintain the role of independent and responsible inspection and control, personnel of BOS and the Internal Control Department should always improve their professional knowledge, regularly update new legal regulations and tax law to provide timely inspection, control and consultancy on risk management and legal compliance assurance.



Members of the Internal Control Department must also have good professional knowledge on operation control, know how to establish control points for each operation segment of the Company, focus on cross-inspection to detect and correct possible mistakes, concurrently establishing regular and irregular inspection programs in order to ensure the system compliance.

- Internal Control Department will continue reviewing, based on the Company's list of risks, ensuring to perfect the activities of internal control to minimize risks in business operation. Scope of review will be expanded to divisions to enhance awareness of the entire Company's staffs and managers on compliance.
- BOS will continue maintaining effective communication channel with independent auditor,

actively supervisor quality and timely update audit results of financial statements.

Internal Control Department will continue reviewing, based on the Company's list of risks, ensuring to perfect the activities of internal control to minimize risks in business operation. Scope of review will be expanded to divisions to enhance awareness of the entire Company's staffs and managers on compliance.

BOS will continue maintaining effective communication channel with independent auditor, actively supervisor quality and timely update audit results of financial statements.

**For and on behalf of the BOS
Chief Supervisor**



Nguyen Thuy Van



TRANSACTIONS, REMUNERATION AND BENEFITS TO THE BOM, BOD AND BOS

REMUNERATIONS FOR BOM MEMBERS, BOS AND SALARY, BONUS OF BOD

During fiscal 2015 - 2016, total remuneration for BOM Members and Supervisory Board are approximately 4 billion in accordance with the policy of Annual General Meeting (AGM), and it is approved in the meeting by the AGM on December 18th 2015.

Details as follows:

Remunerations for BOM Members during fiscal year 2015 - 2016:

NO.	FULL NAME	POSITION	WORKING PERIOD		RATE			
			FROM	TO	SALARY	BONUS	REMUNERATION	TOTAL
1	Pham Hong Duong	Chairman	01/07/2015	30/06/2016	0%	0%	100%	100%
2	Le Van Dinh	Vice-Chairman	01/07/2015	30/06/2016	0%	0%	100%	100%
3	Dang Huynh Uc My	Member	01/07/2015	30/06/2016	0%	0%	100%	100%
4	Vo Tong Xuan	Member	01/07/2015	19/12/2015	0%	0%	100%	100%
5	Nguyen Ba Chu	Member	01/07/2015	14/09/2015	0%	0%	100%	100%
6	Le Ngoc Thong	Member	01/07/2015	19/12/2015	0%	0%	100%	100%
7	Le Quang Hai	Member	14/09/2015	19/12/2015	0%	0%	100%	100%
8	Nguyen Quoc Viet	Member	19/12/2015	30/06/2016	0%	0%	100%	100%
9	Pham Thi Thu Trang	Member	19/12/2015	30/06/2016	0%	0%	100%	100%

Remunerations for BOS Members during fiscal year 2015 - 2016:

NO.	FULL NAME	POSITION	WORKING PERIOD		RATE			
			FROM	TO	SALARY	BONUS	REMUNERATION	TOTAL
1	Nguyen Thuy Van	Chief Supervisor	01/07/2015	30/06/2016	0%	0%	100%	100%
2	Pham Trung Kien	Member	01/07/2015	19/12/2015	0%	0%	100%	100%
3	Le Van Hoa	Member	01/07/2015	19/12/2015	0%	0%	100%	100%
4	Huynh Thanh Nhan	Member	19/12/2015	30/06/2016	0%	0%	100%	100%
5	Nguyen Xuan Thanh	Member	19/12/2015	30/06/2016	0%	0%	100%	100%

Salary and bonus of BOD during fiscal year 2015 - 2016 approximate 7,300,000,000 VND.

Details as follows:

NO.	FULL NAME	POSITION	WORKING PERIOD		RATE			
			FROM	TO	SALARY	BONUS	REMUNERATION	TOTAL
1	Nguyen Thanh Ngu	CEO	01/07/2015	30/06/2016	87%	13%	0%	100%
2	Nguyen Van De	Deputy CEO	01/07/2015	30/06/2016	87%	13%	0%	100%
3	Nguyen Viet Hung	Deputy General Manager of Material Division	01/07/2015	30/06/2016	88%	12%	0%	100%
4	Duong Thi To Chau	Deputy General Manager of Sales Division	01/07/2015	30/06/2016	88%	12%	0%	100%
5	Ho Nguyen Duy Khuong	Deputy General Manager of Administrative Division	15/07/2015	31/05/2016	96%	4%	0%	100%
6	Le Duc Ton	Factory Manager	01/07/2015	30/06/2016	88%	12%	0%	100%
7	Nguyen Thi Thuy Tien	Chief Financial Officer	01/07/2015	30/06/2016	85%	15%	0%	100%
8	Le Phat Tin	Chief Accountant	01/07/2015	30/06/2016	87%	13%	0%	100%
9	Huynh Van Phap	Sales Manager	01/07/2015	30/06/2016	86%	14%	0%	100%
10	Thai Ba Hoa	Material Manager	01/07/2015	30/06/2016	87%	13%	0%	100%
11	Nguyen Thi Thu Trang	Standing Manager of Administrative Division	01/07/2015	30/06/2016	87%	13%	0%	100%

(*) Other expenses include: Employees' PIT, social insurance, health insurance, unemployment insurance, trade union expenditure and trade union fee.

SHARE TRANSACTIONS OF INTERNAL SHAREHOLDERS, MAJOR SHAREHOLDERS

Share transactions of internal shareholders

Share transactions of internal shareholders and related people as from July 01st 2015 to December 31st 2015.

NO.	TRANSACTION EXECUTOR	RELATIONSHIP WITH INTERNAL PEOPLE	NUMBER OF SHARES OWNED AT THE BEGINNING OF THE PERIOD		NUMBER OF SHARES OWNED AT THE END OF THE PERIOD		REASON FOR INCREASE, DECREASE (PURCHASE, SALE, SWITCH, REWARD...)
			NUMBER OF SHARES	RATE	NUMBER OF SHARES	RATE	
1	Pham Hong Duong	Chairman	851,710	0.57%	776,710	0.42%	From June 26 th 2015 to July 01 st 2015 sold 75,000 shares
2	Dang Huynh Uc My	BOM Member	7,103,430	3.89%	2,103,430	1.15%	From December 01 st 2015 to December 03 rd 2015 sold 5,000,000 shares
3	Nguyen Ba Chu	BOM Member	130,000	0.08%	80,000	0.05%	From August 14 th 2015 to September 09 th 2015 sold 50,000 shares
4	Nguyen Thuy Van	Chief Supervisor	342,870	0.24%	242,870	0.13%	From July 31 st 2015 to August 18 th 2015 sold 100,000 shares
5	Duong Thi To Chau	Deputy General Manager of Sales Division	35,470	0.03%	0	0%	August 05 th 2015 sold 35,470 shares
6	Nguyen Van De	Deputy CEO	723,610	0.49%	713,610	0.38%	August 06 th 2015 sold 10,000 shares
7	Nguyen Thi Thuy Tien	Chief Financial Officer	86,690	0.06%	0%	0%	From August 01 st 2015 to August 28 th 2015 sold 28,000 shares
							From September 09 th 2015 to September 30 th 2015 sold 58,690 shares

Share transaction of internal shareholders and related and related people as from January 01st 2016 to June 30th 2016.

NO.	TRANSACTION EXECUTOR	RELATIONSHIP WITH INTERNAL PEOPLE	NUMBER OF SHARES OWNED AT THE BEGINNING OF THE PERIOD		NUMBER OF SHARES OWNED AT THE END OF THE PERIOD		REASON FOR INCREASE, DECREASE (PURCHASE, SALE, SWITCH, REWARD...)
			NUMBER OF SHARES	RATE	NUMBER OF SHARES	RATE	
1	Pham Hong Duong	Chairman	776,710	0.4%	1,319,485	0.69%	From June 02 nd 2016 to June 29 th 2016 sold 715,000 shares June 17 th 2016 sold 1,257,775 ESOP shares
2	Dang Huynh Uc My	BOM Member	2,103,430	1.05%	3,034,130	1.56%	June 17 th 2016 bought 930,700 ESOP shares
3	Nguyen Quoc Viet	BOM Member	0	0%	578,600	0.30%	June 17 th 2016 bought 578,600 ESOP shares

NO.	TRANSACTION EXECUTOR	RELATIONSHIP WITH INTERNAL PEOPLE	NUMBER OF SHARES OWNED AT THE BEGINNING OF THE PERIOD		NUMBER OF SHARES OWNED AT THE END OF THE PERIOD		REASON FOR INCREASE, DECREASE (PURCHASE, SALE, SWITCH, REWARD...)
			NUMBER OF SHARES	RATE	NUMBER OF SHARES	RATE	
4	Pham Thi Thu Trang	BOM Member	0	0%	87,700	0.05%	June 17 th 2016 bought 87,700 ESOP shares
5	Nguyen Thuy Van	Chief Supervisor	242,870	0.13%	1,060,370	0.54%	June 17 th 2016 bought 817,500 ESOP shares
6	Huynh Thanh Nhan	Supervisor	0	0%	21,500	0.01%	June 17 th 2016 bought 21,500 ESOP shares
7	Nguyen Xuan Thanh	Supervisor	0	0%	40,400	0.02%	June 17 th 2016 bought 40,400 ESOP shares
8	Nguyen Thanh Ngu	Chief Executive Officer	1,258,902	0.67%	1,548,502	0.75%	June 17 th 2016 bought 289,600 ESOP shares
9	Nguyen Van De	Deputy General Director	713,610	0.4%	796,710	0.41%	June 17 th 2016 bought 83,100 ESOP shares
10	Duong Thi To Chau	Deputy General Manager of Sales Division	0	0%	87,500	0.04%	June 17 th 2016 bought 87,500 ESOP shares
11	Nguyen Viet Hung	Deputy General Manager of Material Division	12,900	0.007%	103,100	0.05%	From April 06 th 2016 to April 19 th 2016 sold 12,900 shares Bought 103,100 ESOP shares
12	Le Duc Ton	Factory Manager	18,595	0.01%	103,205	0.05%	From January 13 rd 2016 to January 25 th 2016 sold 18,590 shares June 17 th 2016 bought 103,200 ESOP shares
13	Nguyen Thi Thuy Tien	Chief Financial Officer	0	0%	103,200	0.05%	June 17 th 2016 bought 103,200 ESOP shares
14	Le Phat Tin	Chief Accountant	0	0%	73,100	0.04%	June 17 th 2016 bought 73,100 ESOP shares
15	Thai Ba Hoa	Material Manager	0	0%	93,200	0.05%	June 17 th 2016 bought 93,200 ESOP shares
16	Nguyen Thi Thu Trang	Standing Manager of Administrative Division	0	0%	84,600	0.04%	June 17 th 2016 bought 84,600 ESOP shares
17	Nguyen Thi My Tien	Material Department Head, CFO's sister	0	0%	93,200	0.05%	June 17 th 2016 bought 93,200 ESOP shares
18	Vo Thi Bich Hanh	Finance and Planning Department Deputy Head, Chief Accountant's wife	0	0%	38,700	0.02%	June 17 th 2016 bought 38,700 ESOP shares
19	Le Van Dinh	Vice-Chairman	15,900	0.008%	1,158,600	0.59%	Bought 1,755,500 ESOP shares Sold 612,800 shares



Transaction of major shareholders

- On July 13th 2015, Thuan Thien Trading and Investment Co., Ltd. reported selling 3,000,000 shares to restructure investment portfolio, decreasing the holding shares down to 32,055,670 shares, accounted for 22.34% of total shares.
- On August 11th 2015, HALLEY SICAV – HALLEY ASIAN PROSPERITY reported selling 705,000 shares, decreasing the holding shares down to 9,449,100 shares, accounted for 6.58% of total shares.
- On August 18th 2015, Thanh Thanh Cong Investment JSC reported selling 3,000,000 shares to restructure investment portfolio, decreasing the holding shares down to 40,885,830 shares, accounted for 27.51% of total shares.
- On August 28th 2015, HALLEY SICAV – HALLEY ASIAN PROSPERITY reported selling 525,820 shares, decreasing the holding shares down to 8,254,100 shares, accounted for 5.75% of total shares.
- On September 17th 2015, HALLEY SICAV – HALLEY ASIAN PROSPERITY reported selling 250,000 shares, decreasing the holding shares down to 7,004,100 shares, accounted for 4.88% of total shares. This shareholder was no longer a major shareholder.
- On November 13th 2015, Thuan Thien Trading and Investment Co., Ltd. reported transferring 1,976,255 shares of Gia Lai Sugar Thermal Power JSC (SEC) into SBT shares. The number of shares after the transaction was 34,013,015 shares, accounted for 18.65% of total shares.
- On November 16th 2015, Thanh Thanh Cong Investment JSC reported transferring 5,089,567 shares Gia Lai Sugar – Thermal Power (SEC) into SBT. The number of holding shares after the transaction was 45,945,397 shares, accounted for 24.75% of total shares.
- On March 23rd 2016, MARKET VECTORS ETF TRUST MARKET VECTORS VIETNAM ETF reported buying 4,877,070 shares and became a major shareholder. The number of holding shares after the transaction was 10,377,070 shares, accounted for 5.69% of total shares.



TRANSACTIONS WITH RELATED PARTIES

Responsibility to be honest and to avoid conflicts of interest

The Company's Charter stipulated in details the responsibility to be honest and to avoid conflicts of interest in related transactions as follows:

- a. BOM members, CEO and other managers are not permitted to use any business opportunity possibly bringing benefits to the Company for personal purposes and are not permitted to use information obtained by virtue of their position for personal interest or for the interest of any other individual and organization.
 - b. Members of BOM, BOS, CEO and other managers are obliged to notify BOM of any interest possibly conflicting with the Company's interest that they can enjoy through economic legality, transaction or other individual.
 - c. Company must not provide any loan or guarantee to any member of BOM, BOS, CEO, any other manager or their related person, unless otherwise decided by the general meeting of shareholders.
 - d. Contract or transaction between the Company and member(s) of BOM, BOS, CEO, other manager, or their related persons or company, partner, association, or organization of which member(s) of BOM, BOS, CEO, other manager, or their related persons is a member or related to financial benefit are not disabled in the following cases:
 - » For the contract with value less than 35% of total assets recorded in the latest financial statements, the important factors related to the contract or transaction as well as the relationship and interest of managers or BOM members have been reported to BOM or related Sub-committee. Moreover, BOM or that related Sub-committee permits to conduct that contract or transaction honestly through a majority of votes of non-interest Board member.
 - » For the contract with value of equal or more than 35% of total assets recorded in the latest financial statements, the important factors related to that contract or transaction as well as the relationship and interest of managers or BOM members have been disclosed to the non-interest shareholders, who have voting right, and these shareholders have approved these contracts or transactions.
 - » That contract or transaction is evaluated fair and reasonable by an independent institution in all aspects related to shareholders at the transaction time, or that contract is approved to conduct by BOM or a Sub-committee under BOM.
- Member of BOM, BOS, CEO, other managers, and their related persons are not permitted to use the Company's non-disclosure information or expose this information to others to conduct related transactions.

Statistic of transactions with relevant organizations

NO.	COMPANY NAME	TRANSACTION CONTENT	THIS YEAR	LAST YEAR
1	Bien Hoa Sugar JSC	Purchases of materials	54.8%	0.0%
		Sales of materials	34.6%	0.0%
		Sales of goods	8.9%	1.8%
		Purchases of goods	0.7%	81.3%
		Purchases of services	0.1%	1.2%
		Sales of fixed assets	0.0%	0.0%
		Receive dividends	0.9%	15.7%
2	Ben Tre Import - Export JSC	Purchases of goods	71.2%	0.0%
		Sales of goods	25.5%	0.0%
		Loan interest income	3.3%	0.0%
3	SvayRieng Sugar & Cane One Member Co., Ltd	Purchases of materials	100%	0.0%
		Sales of goods	72.0%	0.0%
4	Bien Hoa - Ninh Hoa Sugar One Member Co., Ltd	Purchases of goods	27.7%	0.0%
		Sales of fixed assets	0.3%	0.0%
		Purchases of services	43.3%	17.1%
5	Thanh Thanh Cong Sugarcane Research & Application JSC	Sales of goods	26.7%	60.0%
		Sales of goods	17.3%	9.5%
		Provisions of services	12.7%	13.4%
6	Son Tin Commodity Exchange Joint Stock Company	Sales of goods	23.6%	0.0%
		Purchases of goods	70.6%	0.0%
		Loan interest income	5.8%	0.0%
7	Thanh Thanh Cong Gia Lai One Member Co., Ltd	Purchases of goods	91.3%	97.9%
		Provisions of services	4.4%	1.2%
		Sales of goods	1.8%	0.3%
		Loan interest income	1.7%	0.6%
		Interest expense	0.9%	0.0%

NO.	COMPANY NAME	TRANSACTION CONTENT	THIS YEAR	LAST YEAR
8	Dang Huynh Industrial Zones Exploitation and Management JSC	Land lease charge	97.1%	99.0%
		Purchases of services	2.9%	1.0%
		Sales of goods	0.0%	0.0%
9	Thanh Thanh Cong Investment JSC	Sales of goods	91.9%	81.8%
		Purchases of services	4.8%	7.3%
		Loan interest income	2.4%	10.8%
		Loan	0.3%	0.0%
		Purchases of goods	0.3%	0.0%
		Provisions of services	0.2%	0.0%
		Payment on behalf	0.0%	0.0%
		Purchases of goods	28.5%	69.5%
10	Thanh Thanh Cong Trading JSC	Loan	43.1%	28.2%
		Sales of goods	23.3%	0.4%
		Loan interest income	3.6%	0.8%
		Purchases of services	1.5%	1.0%
		Provisions of services	0.0%	0.1%
11	Thuan Thien Investment Trading JSC	Sales of goods	60.9%	0.0%
		Purchases of goods	30.3%	92.0%
		Loan	7.4%	0.0%
		Purchases of materials	0.7%	0.0%
		Loan interest income	0.7%	8.0%
12	Nuoc Trong Sugar JSC	Receive dividends	41.9%	0.0%
		Purchases of materials	31.5%	0.0%
		Sales of goods	14.9%	100.0%
		Purchases of services	11.5%	0.0%
		Loan interest income	0.3%	0.0%
13	Tay Ninh Sugar JSC	Loan	91.1%	0.0%
		Provisions of services	2.4%	0.0%
		Loan interest income	2.4%	0.0%
		Interest expense	2.2%	0.0%
		Purchases of goods	1.8%	0.0%

IMPLEMENTATION OF CORPORATE GOVERNANCE REQUIREMENTS

All regulations, rules, and activities of the Company are in compliance with Corporate Governance Regulations and forward to the best international terms.

Significant activities to enhance Corporate Governance are as follows:

- **Comply with Corporate Governance Regulation:** The Company's Charter has been amended to be suitable to new regulations of Circular No.121/2012/TT-BTC.
- **In the General Meeting of Shareholders 2014 – 2015, TTCS continued getting opinions from GMS about amendment and supplementation of the Company's Charter:** To be suitable to the Law on Enterprise No. 68/2014/QH13 which came into effect from July 01st 2015 since new Law of Enterprise has many effects on Corporate Governance.
- **Submit for opinions and reporting to SSC:** Increase ownership room for foreign investors.
- **Ensure transparency and benefit with all shareholders and investors:** The Company complied with the regulations on information disclosure as in Circular no. 52/2012/TT-BTC dated July 26th 2012. From January 01st 2016, the Company complied with Circular no. 155/2015/TT-BTC dated October 06th 2015 of the Ministry of Finance on information disclosure in security market.
- **The Company has focused on reviewing and completing internal regulations/processes:** Help the Company's management team manage effectively according to standards.
- **Amend and supplement relevant documents in line with actual operational needs of the Company:** Create a clear legal framework for management deployment. In fiscal year 2016 – 2017, the Company continued completing internal regulations/processes to improve governance and management efficiency of TTCS, ensuring consistency and increasing the compliance of the Company.

Besides, in fiscal year 2015 - 2016, TTCS took significant efforts to adopt a sophisticated corporate governance system that fulfilled the legal requirements applicable to a listed public entity. However, some corporate governance requirements have not been satisfied due to some actual hardships arising during course of operations. Details are as follows:

NO.	REQUIREMENTS	CAUSES	SOLUTIONS/NOTES
1	BOM Members attending corporate governance training courses	Busy working schedule	Enrolling and arranging for BOM members to attend this training course as required.
2	Development of annual report that is based on the international standards of IFC	Applied to annual report for fiscal year 2015 -2016 onward	Ongoing research to improve annual report as recommended by HCMC Stock Exchange, Balance Score Card of IFC and assessment standards of ASEAN.
3	Building corporate governance model in line with international standards of IFC and ASEAN		Starting to apply from fiscal year 2016 - 2017.

ACTION PLAN AND ESTABLISHMENT OF SUB-COMMITTEES UNDER BOM

BOM of fiscal year 2016 - 2017 will establish 03 Sub-committees, including:

STRATEGY SUB-COMMITTEE

AUDIT AND RISK MANAGEMENT SUB-COMMITTEE

HR AND REMUNERATION SUB-COMMITTEE

Personnel for Sub-committees will be fully assigned, ensuring quantity and quality according to the Company's requirements and operate in line with the responsibilities and obligations regulated in corporate governance. Sub-committees hold quarterly meetings and send reports to BOM according to the assigned tasks.

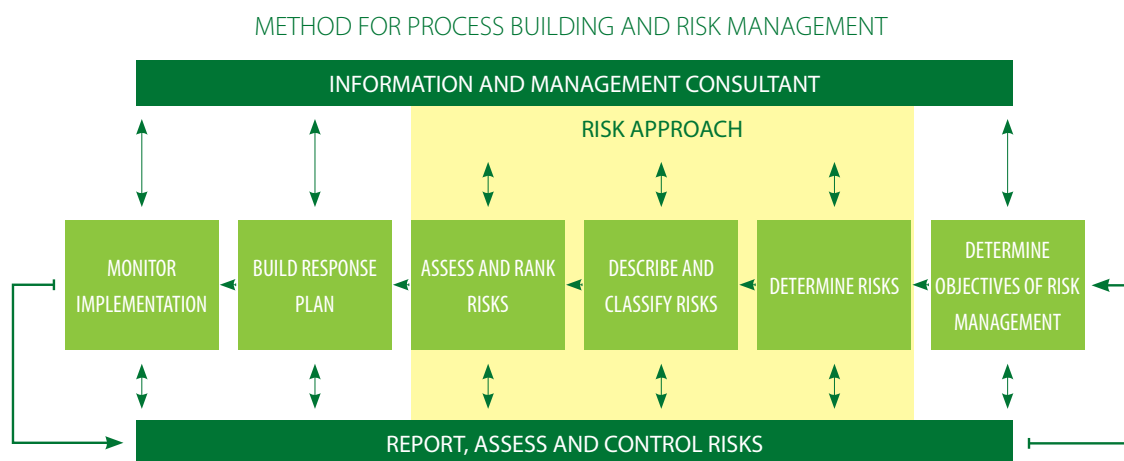
In fiscal year 2016 – 2017, the sub-committees will make report, suggestions and consultation to BOM for specific works in the work scope of sub-committees, to be specific:

➤ STRATEGY SUB-COMMITTEE

- » Instruct BOD to deploy and implement the Company's action plan for development of TTCS in the period 2016 – 2020.
- » Build a plan to raise value of brand name, expanding market share and export, and exploit advantages of distribution system: awards and prizes to support in revenue growth; expansion and growth compared to the industry; improve the quality of customer service; improve customer satisfaction; ultimately exploit the advantages of distribution systems.
- » Maximize production capacity and efficiency, quality, and research: increasing labor productivity; increase automation rate; improve product quality; upgrade plant standard; innovate products; research new products and distinct products.
- » Maximize competence and corporate governance, finance management and supply chain.
- » Expand investment cooperation in the direction of product diversification.
- » Social and environmental responsibility: Implement programs forward to community.

➤ AUDIT AND RISK MANAGEMENT SUB-COMMITTEE

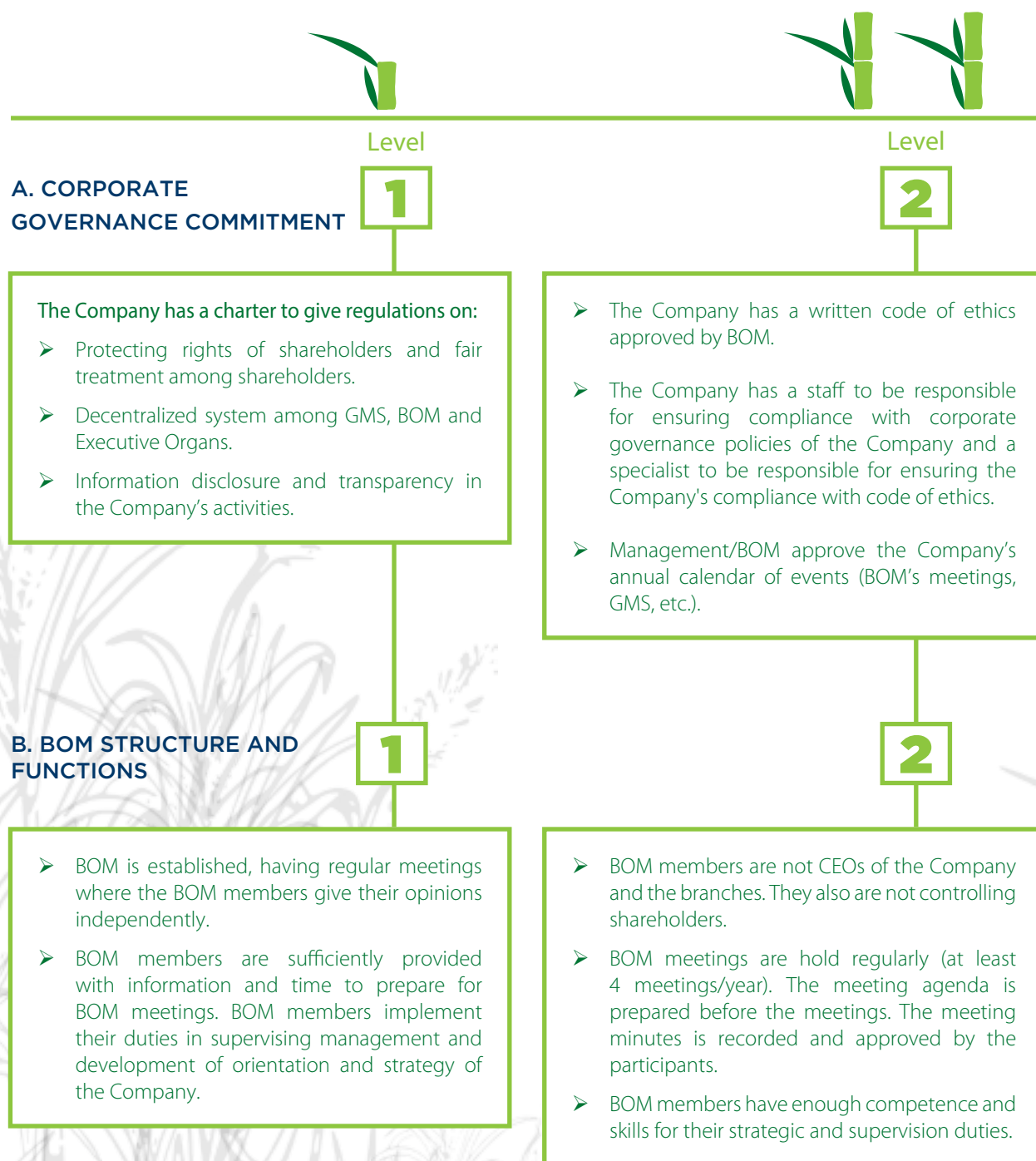
- » Coordinate to check and evaluate financial statements and coordinate with Ernst & Young Vietnam (EY) to completed auditor's report as regulated.
- » Report the situation of giving opinions to the management letter made by EY.
- » Report the situation of budget and cost control.
- » Report in details revenue and profit.
- » Analyze, give advices on financial issues, and timely provide figures for corporate governance.
- » Complete and update relevant documents to serve the management work.
- » Identify and give warnings related to risk management issues not complied with operating guideline.



➤ HR SUBCOMMITTEE AND REMUNERATION

- » Report HR situation quarterly (labor headcount, salary, recruitment, etc.)
- » Coordinate with UBNS TTC to deploy Human Resources Management Project.
- » Build, amend and release salary and bonus policy for Business Division, Material Division, and Plant Division according to 3P model, KPIs in order to encourage and motivate employees in the context of business situation with many challenges and to be suitable to the Company's business strategy.
- » Coordinate with Finance Sub-committee to deploy objectives and strategies for the period 2016 – 2020 and business plan for the year 2016 – 2017.
- » Organize regular health examination for employees.
- » Update, build and make plan for human resources, training, and succession team.

PLAN AND OBJECTIVE TO IMPROVE MATRIX OF **BUSINESS ADMINISTRATION LEVEL**





Level

3

- The Company has corporate governance regulated in written.
- The Company regularly discloses to shareholders about corporate governance, practices and scope of practices in conformity with national voluntary principles on best practices (if any).

3

- BOM has an Audit Committee, in which:
 - » Chairman of this Committee is an independent member;
 - » Including most of independent directors;
 - » Including at least one financial specialist;
 - » All members at least must have background knowledge on finance.
- BOM and management level are regularly assigned and trained.
- BOM is selected and operates in each term.



Level

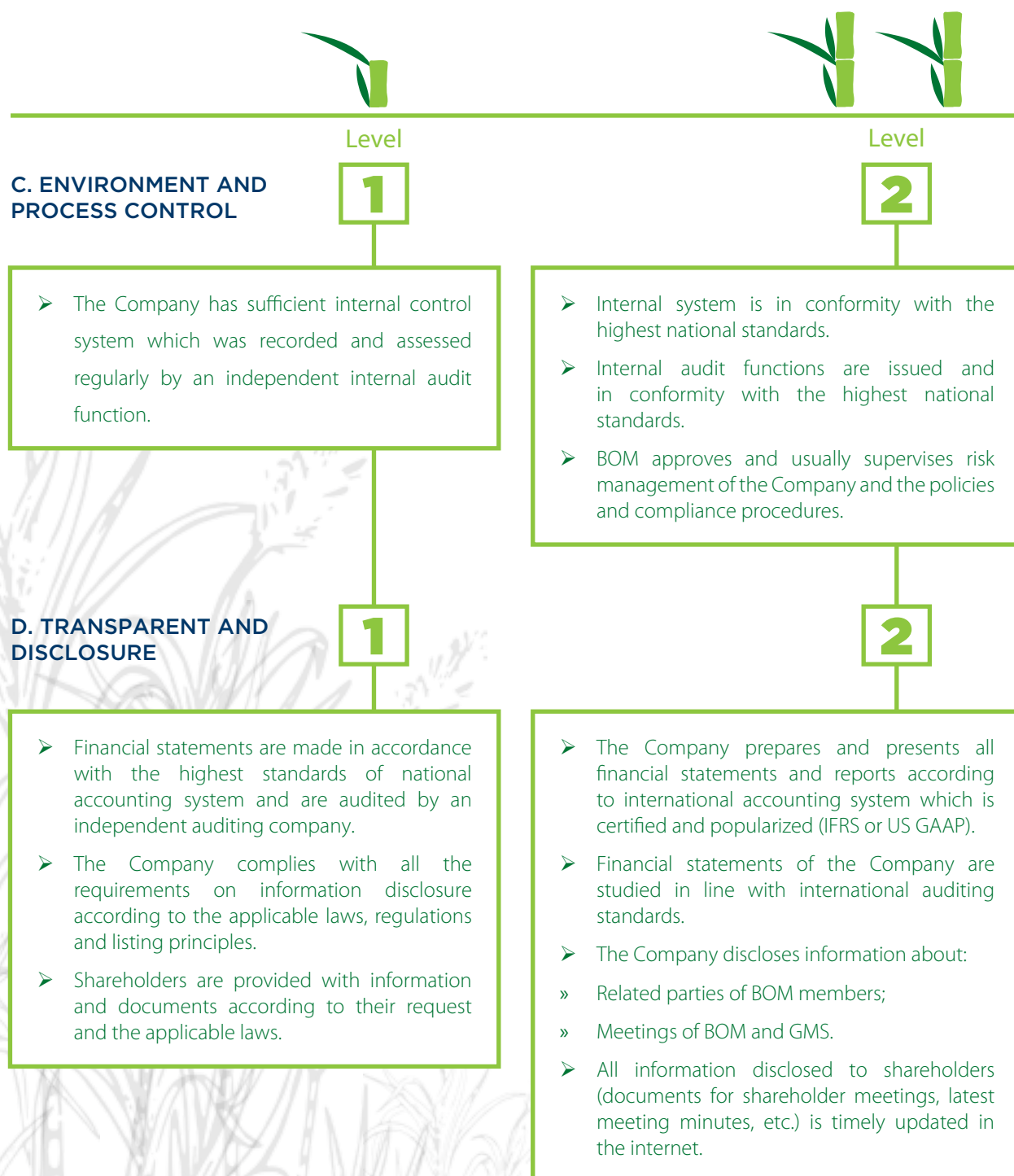
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- Applying corporate governance, accounting, internal and external audit, internal control, and this shareholder information is equal in public companies.
- The Company fully complies or gives explanation to any differences in applicable terms compared to voluntary principles of best practices in the country (in which, some factors can be only applied to public companies).

4

- BOM includes most of independent members.
- Audit Committees are established, in which all of its members are independent members.
- The Committee has an Assignment Committee.
- The Committee has an Remuneration Committee
- BOM is annually selected.
- The performance of BOM as well as of each BOM member is annually evaluated.
- The Company has a plan for CEOs.

PLAN AND OBJECTIVE TO IMPROVE MATRIX OF **BUSINESS ADMINISTRATION LEVEL** (continued)





Level

3

- The Company has a comprehensive compliance program which is reviewed and re-assessed annually.
- Functions of independent internal audit, supervision and directly reporting to Security Commission.

3

- The Company transparently provides information of remuneration for BOM members and senior managers.
- The Company publishes annual report including a part of Corporate Governance.
- The Company changes external auditor or at least changes the partner participating in audit.
- The company has always professed the benefits and interests of the owner in the company.



Level

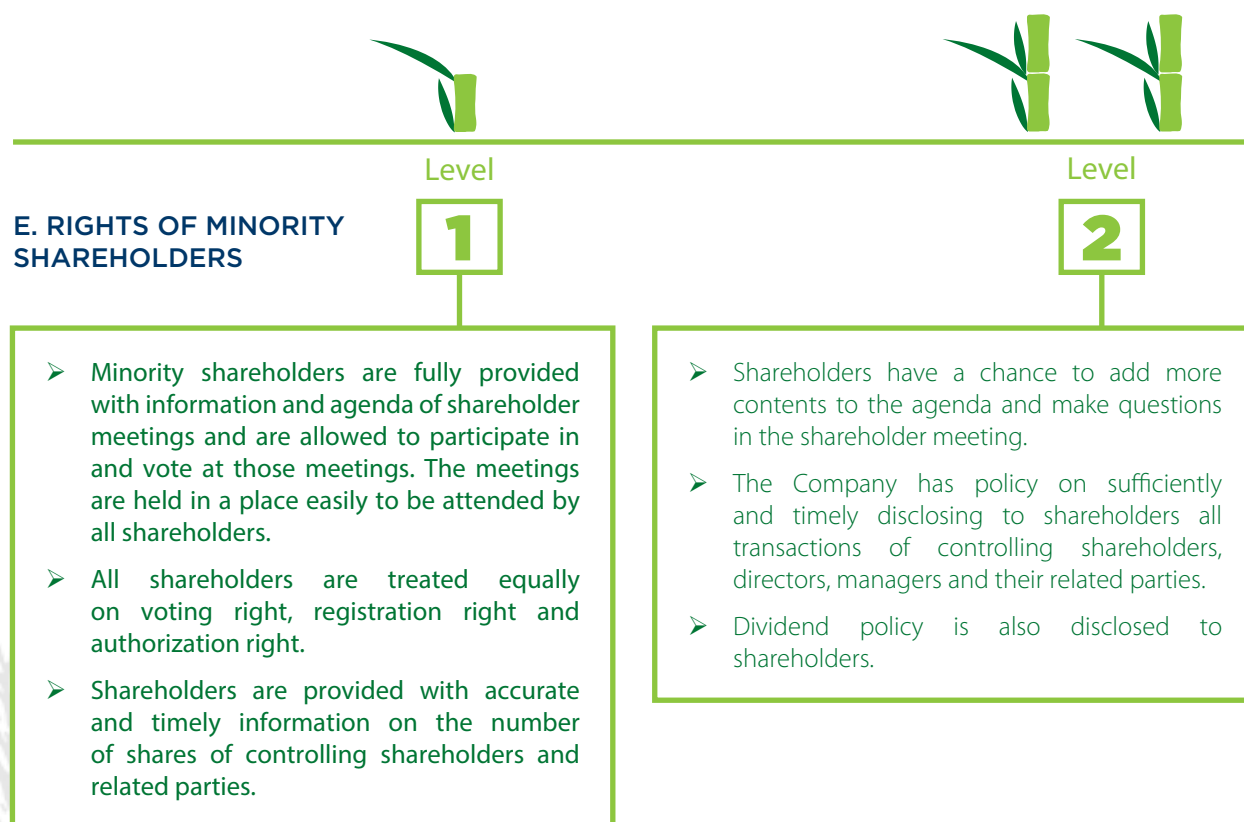
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- Internal control system and internal audit functions are based on risks and in compliance with the highest international standards.

4

- Finance or non-finance information is in conformity with the highest international standards.

PLAN AND OBJECTIVE TO IMPROVE MATRIX OF **BUSINESS ADMINISTRATION LEVEL** (continued)





Level

3

- The Company operates under the mechanism that shareholders have voting right effectively to protect minority shareholders against “unfair” actions of controlling shareholders upon the special concentration of ownership or strong conflicts of controlling shareholders.
- The Company has clearly defined and has policy to protect minority shareholders in the event of change of control.
- Annual report clearly revealed main risks to minority shareholders and related activities of controlling shareholders; concentration of ownership; cross-ownership of shares among the Company’s branches; and possible imbalance between voting rights of controlling shareholders and the Company’s capital position.
- The Company pays dividend right after the dividend disclosure decision is conducted.



Level

4

- Shareholders have a chance to use electronic means of communication (including Internet) to vote.
- The Company has a system to handle complaints from shareholders and handles disputes efficiently.
- The Company is recognized for its fair treatment with shareholders and conformity with expectations of international market.
- The Company has a policy which is well understood and fully and promptly discloses the shareholders’ agreements.

4 SUSTAINABLE DEVELOPMENT REPORT

124	Sustainable development message
126	Overview in sustainable development report
128	Mechanism of receiving opinions from related parties
130	Identify key areas
132	Organic sugar products research and development in the direction of sustainability
135	Setup of steady material zone
140	Food defense program
141	Utilization situation of material in production
146	Energy consumption
150	Water sources and relevant matters
154	Environmental impact evaluation
160	Law compliance
162	Social, community and local activities
168	Social indicators
178	Information announcement under GRI4 standard



Sustainability **IS WORTH**

SUSTAINABLE DEVELOPMENT

MESSAGE



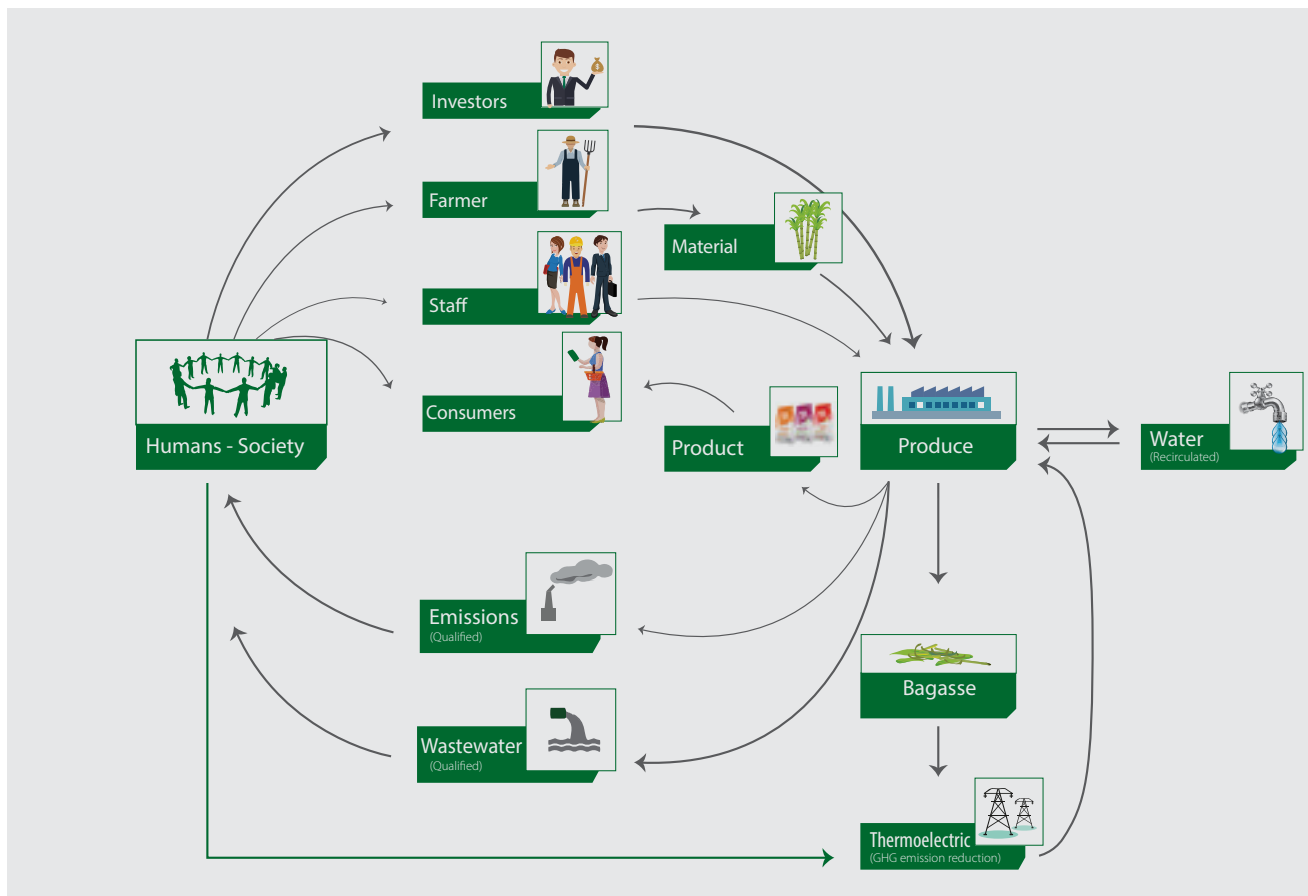
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ON THE BASIS OF CORE AND THROUGHOUT STRATEGIC DEVELOPMENT ORIENTATION OF THE COMPANY FOR THE PERIOD 2016 - 2020 “GREEN - CLEAN - SUSTAINABLE DEVELOPMENT”, TTCS IS COMMITTED TO APPRECIATING COMPLIANCE AND MAINTAINING BEST STANDARDS TO ENSURE STABILITY, EFFECTIVENESS AND PERMANENCE IN ALL THE COMPANY’S ACTIVITIES.”

DEAR HONORABLE SHAREHOLDERS, PARTNERS, EMPLOYEES AND SUGARCANE FARMERS!

Balancing benefits among participants to create best products to serve demand of society is the prior orientation helping TTCS develop continuously during the last years. Therefore, TTCS has been and will always look for optimal and sustainable solutions to aim at increasing economic benefits for all partners in value chain of sugar industry.

With throughout point of view “Factory gets profit - Farmer gets benefit”, in the close relationship between manufacturing activities - environment - human being - material zone, the Company always highly respects sustainable and permanent development value with partners through solutions to protect environment, labor’s interest and highest interest of partners, especially responsibility for enriching the farmers.



Spending development periods of the Company, TTCS management always gives our high respect and practice forward to permanent and sustainable development, contributing to stable development of economy in the spirit of serving the society.

On the basis of core and throughout strategic development orientation of the Company in the period 2016 - 2020 "Green - Clean - Sustainable development", TTCS is committed to highly appreciating compliance and maintaining best standards to ensure stability, effectiveness and permanence for all the Company's activities, creating added values to the economy in general and protect health of community and related partners in the development cooperation value chain with the Company.

With the consensus of all leaders and employees, the Company is committed to always pursuing the goal of sustainable development, positively contributing to the healthy development of the community and enhancing social values.

**Best regards,
For and on behalf of BOM**

Pham Thi Thu Trang



“

THE MATTERS INVOLVED IN SUSTAINABLE DEVELOPMENT GOALS CONTINUE BEING REVIEWED AND ASSESSED BY TTCS IN ASSOCIATION WITH CURRENT ACTIVITIES, AND THEREBY IDENTIFYING MATERIAL MATTERS TO REVIEW AND IMPROVE AS WELL AS PRESENT MORE SUFFICIENTLY IN THE SUSTAINABLE DEVELOPMENT REPORT FOR FISCAL YEAR 2016 - 2017. ”

OVERVIEW IN **SUSTAINABLE DEVELOPMENT REPORT**

Fiscal year 2015 - 2016, the sugar market recorded positive changes. Sugar prices tended to recover gradually, bringing excitement to sugarcane farmers as well as enterprises operating in sugar industry. With the strength of technology, TTCS continued to promote researching and developing new products such as brown sugar, liquid sugar, etc. and by-products in order to ultimately exploit value chain of sugar industry. At the same time, TTCS gave its special focus on product quality to bring safe sugar products for health of consumers. TTCS determines that sustainable development strategies are successful only when being implemented in combination with economic growth goals and responsibilities to society, community and environment as well as ensuring the balance of interests between related parties and the Company's activities in the current time and in the future in order to implement long-term and sustainable development strategies of TTCS.

CONTENT OF SUSTAINABLE DEVELOPMENT REPORT

Sustainable development report of TTCS is annually made to review and evaluate practice principles of sustainable developments at Parent company and subsidiaries. Content of the report presents the way TTCS approaches to sustainable development matters.

Sugar industry has been continuously facing many challenges during the last years, especially the competition from imported sugar and caused certain effects to the business activities of the Company. However, TTCS still always actively assesses and determines core issues related to sustainable

development beside organizing the meetings to discuss with related parties to find out prompt solutions to changes in the market and best effectively meet the demands of related parties, especially focusing on policies to give best support to the farmers with sugarcane breed, fertilizer, farming process, caring and harvesting techniques, etc. in the view point of “farmer gets benefit, factory gets profit”. Therefore, content of sustainable development report of this fiscal year is more sufficient with important matters directly related to the features of sugar industry and also the issues getting most interest from related parties.

SCOPE OF REPORT

Information and data in the report are updated for fiscal year 2015 - 2016, starting from 01 July 2015 to 30 June 2016. Reports on labor safety, social and environment activities are compiled from main activities at Parent company. The report reflects operating results in fiscal year 2015 - 2016 and refers to sustainable development orientation and goals of TTCS in the coming years to balance best benefits among related parties.

METHOD TO DETERMINE REPORT CONTENTS

The way TTCS approaches sustainable development matters comes from the Company's long-term sustainable growth goal associated with the goals of social development and environmental protection, thereby positively contributing to the development of society.

The matters involved in sustainable development goals continue to be assessed and reviewed by TTCS in relation to current activities, identifying key matters to review, improve and more fully present in sustainable development report for fiscal year 2016 - 2017.

SCOPE AND BOUNDARY OF REPORT

The report is made in Vietnam, in sugar field, about the activities of Thanh Thanh Cong Tay Ninh (TTCS), subsidiaries, and members company.

CONTACT INFORMATION

TTCS makes every effort to meet expectation of related parties in information transparency, reach business sustainable development and fulfill responsibilities to community. Therefore, we are looking forward to receiving sincere opinions. If you have any suggestion or question relating to sustainable development matters, please do not hesitate to contact:

Website: www.ttcsugar.com.vn

Tel: (066) 3753250 - Fax: (066) 3839834

MR. NGUYEN QUOC HUAN

Email: co.mgr@ttcsugar.com.vn

Position: Chief of Office

MR. NGUYEN QUANG THAI

Email: thainq1@ttcsugar.com.vn

Position: Official Expert

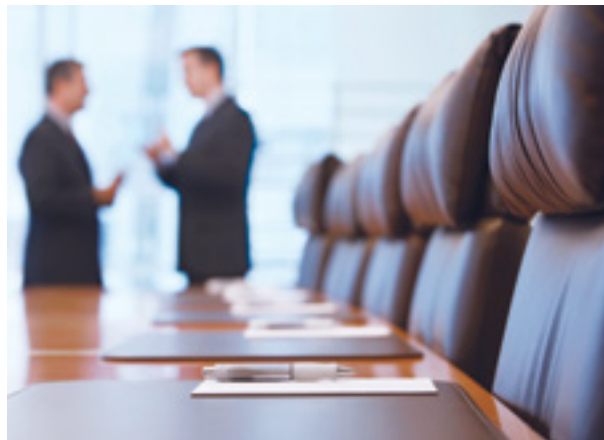




MECHANISM OF RECEIVING OPINIONS **FROM RELATED PARTIES**

“

TTCS DETERMINES THAT RELATED PARTIES ARE THE ONES HAVE CERTAIN EFFECTS OR BEING AFFECTED FROM THE COMPANY'S BUSINESS OPERATIONS. INFORMATION OR FEEDBACK FROM THE RELATED PARTIES IS ONE OF THE IMPORTANT FACTORS AFFECTING TO THINKING AND ACTION OF TTCS IN MANAGING AND RUNNING THE COMPANY'S ACTIVITIES. ”



To maintain and strengthen sustainable relationship among related parties, TTCS has selected important representatives from key related parties for consultation on sustainable development issues in TTCS as well as giving strategic orientation on the path of sustainable development of the Company. In 2016, TTCS enhanced interactive relationships among related parties by actively organizing meetings and expanding communication channels such as websites, newsletters, media, seminars, conferences, etc. TTCS understands, to bringing its brand to a new level, maintaining good relationships with related parties is indispensable and needs to be better promoted.

Subjects	Interactive channels
Customers - Consumers	➤ Organize trend surveys and quality evaluation to obtain feedback from consumers. ➤ Update information on Facebook fan page and company website. ➤ Hold Food Defense Seminars to raise awareness of customers about food safety.
Employees	➤ Survey satisfaction-with-working-environment assessment results, policies on salary, bonus, benefit, etc. ➤ Collect opinions through email, phone, and social networks. ➤ Internal training programs. ➤ Internal activities at the Company: entertainment, sport, etc. activities. ➤ Build team-building programs, enterprise culture, teamwork spirit, etc.
Partners	➤ Meet and discuss directly. ➤ Hold conference of carriers, logistics, and forwarders. ➤ Approve tender regulations, cooperation contracts, procurement process, etc.
Shareholders and investors	➤ Meet and directly discuss with security companies, representatives of investment funds, investment institution. ➤ Receive feedback via email, phone, fax, etc. ➤ Organize General Meeting of Shareholders and extraordinary Shareholders' Meeting. ➤ Disclose information as regulated by HOSE and State Securities Commission. ➤ Attend Investor Conferences and Annual M&A Forum to share information and opportunities for investment expansion.
Sugarcane farmers	➤ Hold season opening seminar, season closing seminar to evaluate material practice result of each season. ➤ Assign agricultural officials to regularly and directly survey and receive feedback from farmers. ➤ Organize technical seminars in farming, agriculture, etc. to support sugarcane farmers. ➤ International Conference held annually sugar to update the information, the latest industry trends through Vietnam and the world.
Distributors	➤ Meet and discuss directly. ➤ Receive information via email, phone, etc. ➤ Record feedback from distributors, build customer long-term engagement policy, strengthen Brand-shop system, etc. ➤ Hold Annual Distributor Conference, recognize and honor the distributors with significant achievements for the Company.
Local community	➤ Perform programs and events in provinces across the country. ➤ Organize environmental protection programs. ➤ Sponsor social organizations and Children's Foundation in Tay Ninh Province. ➤ Sponsor and build charity programs as called from organizations such as Women's Union; National Front, etc. ➤ Respond to campaign of blood donation, action for poor people, etc.
Government	➤ Attend conferences and seminar on sugar industry organized by the Government, Ministries, etc. ➤ Attend organizations and associations of sugar and trade promotion. ➤ Seriously and fully implement tax and obligations as regulated.
Newspapers	➤ Answer press interviews. ➤ Perform press releases when there is an event. ➤ Company website, Facebook social network. ➤ Coordinate to conduct series of reports, TV programs in Tay Ninh and newspapers about development of sugarcane material zones and community development.

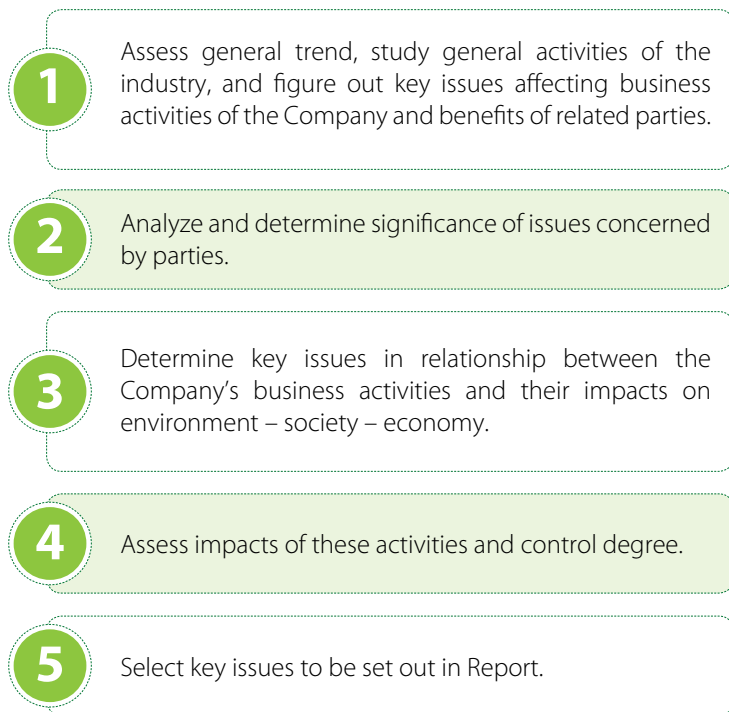
IDENTIFY KEY AREAS

Related parties are considered key partners. Feedback from these partners is a source of valuable information for TTCS to continue developing and strengthening all activities of the Company. Through the meetings and discussion with these partners, we have identified the issues interested by the parties as well as the materiality of these issues to the Company's operations and thereby allocating resources appropriately to implement investment and development strategies of TTCS.

Sustainable development report of TTCS is made by evaluating key areas in the relationships among economy, society and environment and business operations of TTCS as well as meeting requirements of related parties.

In the fiscal year 2015 - 2016, TTCS made some improvements in the process of identifying, reviewing and assessing key issues to supplement and implement sustainable development contents more sufficiently, based on information accuracy and transparency.

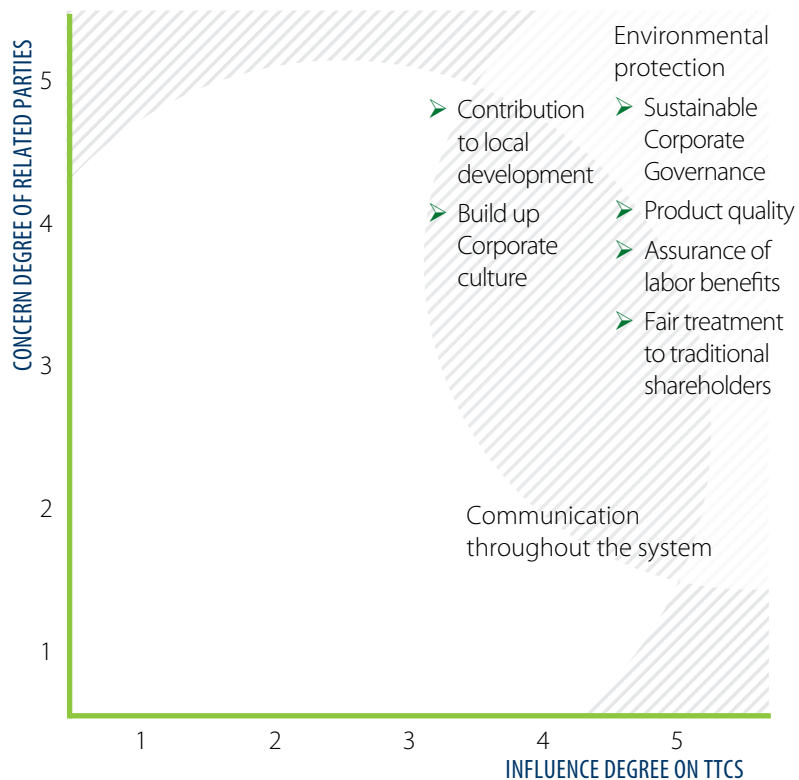
ASSESSMENT PROCESS AS PER STEPS



SELECT KEY ISSUES TO BE SET OUT IN REPORT

THE ASSESSMENTS ARE IMPLEMENTED ON THE BASIS OF:

- Reviewing evaluation and expectation of related parties through requests, results and feedback during the business operation of TTCS, process of supplying products to market and discussion with related parties.
- Conducting internal control and collecting opinions and internal assessment from division and departments through meetings, monthly, quarterly and annual reports.
- Collecting assessment and activity supervision from State bodies and agencies.
- Reviewing overall assessment report of customers and consulting organizations during the process of working with TTCS.
- Reviewing reports on macroeconomic forecast, general development in sugarcane market in the country and in the region.

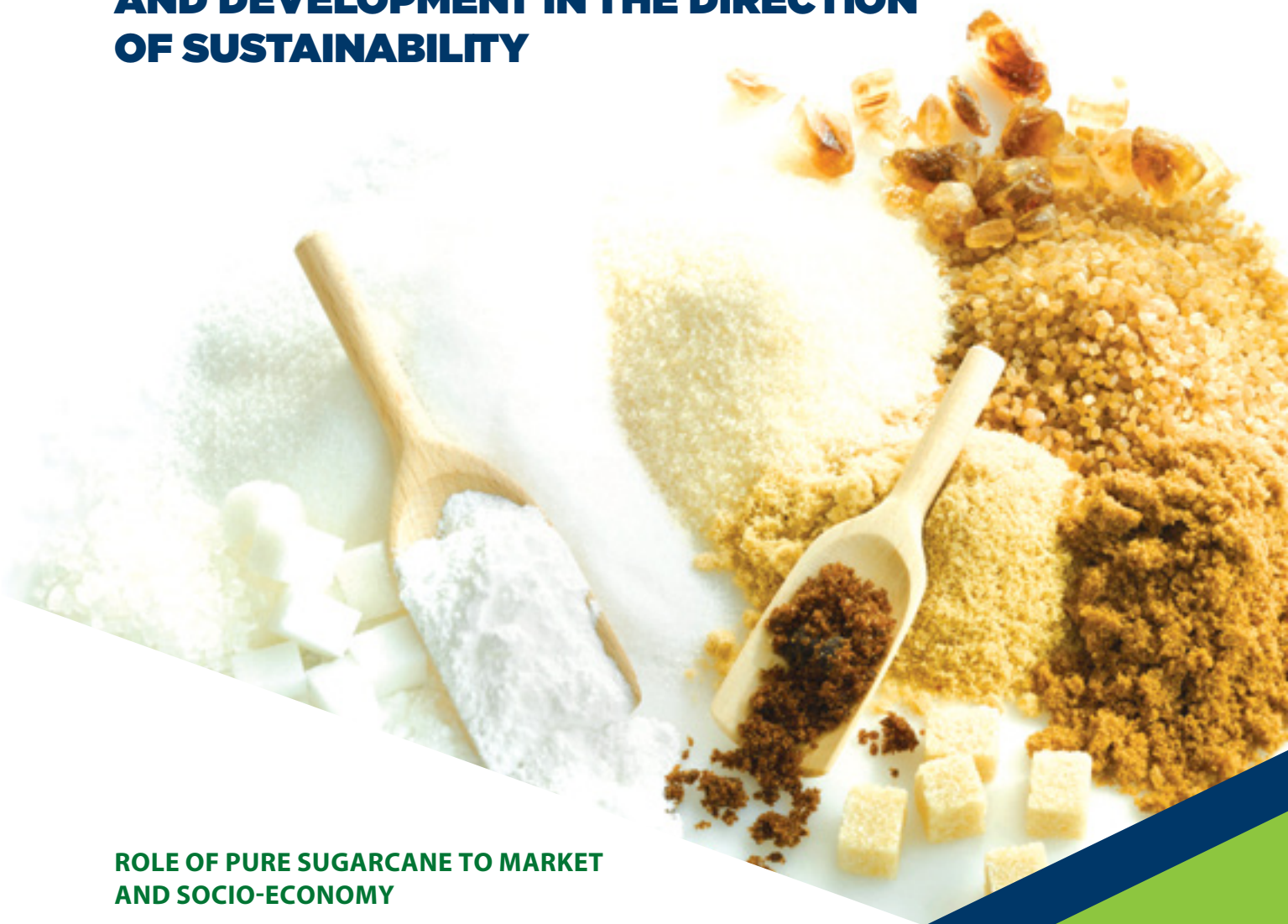




LIST OF KEY FIELDS AND IMPACT ASSESSMENT ON RELATED PARTIES

Key issues	Main contents
Environmental protection	Comply and meet State regulations & standards: Waste, emission, noise, etc. Apply biotechnological sewage treatment with environment-friendly factors. Apply environment-friendly energy saving technology: Solar energy. Plant and cover up with green area with orientation "Factory in the forest".
Corporate governance	Enhance professionalism in corporate governance. Specialize SUB-divisions under BOM; protect and justify small shareholders. Comply and approach to international Corporate Governance Criteria.
Invest in development, push product diversification strategy and enhance service quality	Develop new products lines such as brown sugar, liquid sugar, etc. and by-products. Invest in service quality enhancement to meet diversified demand of the customers. Prioritize to satisfy the Customers' demand on products; record feedback to innovate products and service quality.
Develop community and life of sugarcane farmers	Innovate and increase income for sugarcane farmers. Contribute to build-up of community and local programs. Guide appliance of advanced and environment-friendly cultivation techniques.
Invest in development of high quality human resources	Overall human resources, orientations, and policies relating to human resource development. Enable unified and sharing corporate culture environment. Set up proper income mechanism, encourage and motivate staffs associated with work efficiency.
Sustainable development of sugarcane material zones with motto "It's our responsibility to enrich farmers"	Apply advanced and environment-friendly cultivation technology. Apply types of sugarcane proper to soil conditions. Transfer high efficient cultivation mode and multiple and spread over large sample fields which helps reduce product price, increasing income for sugarcane farmers.

ORGANIC SUGAR PRODUCTS RESEARCH AND DEVELOPMENT IN THE DIRECTION OF SUSTAINABILITY



ROLE OF PURE SUGARCANE TO MARKET AND SOCIO-ECONOMY

For our country as well as many developing countries, foods are one of strategic products. Apart from its economic meaning, it has a very meaningful role in politics and society

Therefore, ensuring food hygiene to avoid the diseases rooted from nutrition supply plays special importance in developing human being in particular and sustainable development of socio-economy in general.

However, the consumers currently have still used sugars with uncertain origins which are displayed and sold over the markets and grocery with potential hazards to health.

Understanding this problem, TTCS has given continuous effort to produce "Pure" sugarcane in conformity with international standard to serve production demand and daily consumption of the consumers.

Widen consumption market of pure sugarcane in line with international standards

The motto of both sustainable development and comprehensive development of national socio-economy: TTCS always brings the products that not only achieve high quality and standard but also are safe and healthy for consumers, which is the guideline for every activity of our Company.

To meet with the increasingly strict standards of the markets, TTCS has been developing sugar products such as TUS Organic, which is made of the sugarcane without chemical fertilizers and pesticides. The sugar products are completely good for consumers' health due to its nutrition content and mineral higher than that of sugar type as usual.



BEING THE PIONEER AND ALWAYS AHEAD OF SUGARCANE INDUSTRY IN VIETNAM, TTCS HAS INITIALED THE PRODUCTION OF THE FIRST ORGANIC SUGAR IN VIETNAM SINCE 2015.”



TTCS initialed the first organic sugar production project in Vietnam

The organic products is being the essential trend of the consumers over the world, in which the annual revenue from the foods and beverage rooted from organic products is increasing, targeted at USD 64 billion in 2012, a triple increase compared to that of 10 years ago (according to Organic Monitor, 2014). In Vietnam, the definition about organic foods is still fresh, but it is forecast to be the popular consumption trend in the future.

Being the pioneer and always ahead of sugarcane industry in Vietnam, TTCS has initialed the production of the first organic sugar in Vietnam since 2015 with the aim of producing an output of 1 ton/day for organic foods made in Vietnam in the market in early 2017.

Progress of organic sugar production in the world

Sugar consumption output all over the worlds in 2014 achieved around 180 million tons, in which portion of organic sugar products made up 0.3% (about 300,000 ton/year). The consumption of organic sugar products is mainly focused in the developing countries and inquires the conformity to strict standards on quality such as USA, German, France, Switzerland, Poland, Japan, Australia, etc.

With the outstanding advantage as high food safety and optimal nutrition value, the organic foods have been the essential consumption trend of the smart consumers once the food sanitation is on alert now. Sugar product is certified as organic when there is no kind of chemical agent or artificial mixtures throughout supply chain (from plantation, harvest to sugar processing). Therefore, all chains of production, from sugarcane material zone to sugar production must be controlled under strict requirement on food safety and sanitation and production system must obtain sustainability on environment, society, and economy.

Despite high production cost of organic sugar, which leads to its much higher selling price compared to the traditional products, the smart consumers are still willing to spend money on the healthy products. Retailed organic sugar products in USA market cost 5 times higher than that of traditional products (USD 5.5 ~ USD 6.5/kg in comparison with the common sugar product with only USD 1.1/kg), but the organic products still result in non-stop turnover increase.

TTC HAS BEEN KICKED OFF THE FIRST ORGANIC SUGAR PRODUCTION PROJECT IN VIETNAM



“

UNTIL NOW, TTCS HAS COOPERATED WITH INTERNATIONAL CERTIFICATION ORGANIZATIONS SUCH AS CONTROL UNION, PETERSON CONSULTANCY TO PROVIDE CONSULTANCY, EVALUATION, AND CERTIFICATION OF EUROPEAN STANDARD (EC 834/2007) AND USA STANDARD (USDA-NOP) FOR THE FIRST ORGANIC SUGAR PRODUCT IN VIETNAM.”

Under the guideline of the Corporation on diversifying sugar products, meeting many different types of customers including premium customers, heading to difficult markets like USA and Europe, TTCS has initiated research projects on organic sugar since late of 2015. The purpose of the project is to produce organic sugar products in January 2017 with the output of about 1 ton per day (100 ton/crop). The preparative stages such as project establishment, setup of Project Management Unit, and personnel training who can master Organic international codes and preparation of material zone have been carried out. Until now, TTCS is cooperating with International Certification Organization such as Control Union and Peterson Consultancy in

providing consultancy, evaluation, certification in conformity with European standard (EC 834/2007) and USD (USDA – NOP) for the first organic sugar products in Vietnam.

Being advantageous with well-trained people and facilities, technology, appliance of advanced techniques in production and sugarcane cultivation such as mechanized equipment from plowing to harvest, pivot irrigation system and etc., Thanh Long farmer is selected as pilot for organic material zone. In the planned area of over 1,000 ha for organic sugarcane material zone in Tay Ninh, Thanh Long Farm is be ready for production and supply of organic sugarcane for the very first organic sugar of TTCS in early 2017.



SETUP OF STEADY MATERIAL ZONE

“

WITH OUR ORIENTATION AND READINESS FOR COMPETITION PROCESS AND INTERNATIONAL INTEGRATION, IN RECENT YEARS, TTCS HAS STRONGLY INVESTED IN AGRICULTURAL PRODUCTION OF SUGARCANE AND INVESTMENT IN SUGARCANE FARMERS.”

SUSTAINABILITY FROM ENRICHING AND IMPROVING PLANTATION LIFE FOR SUGARCANE FARMERS

In the circumstances of climate change as currently, TTCS always has given the enthusiasm to sugarcane development as well as the farmers' life. The strategic directions are based on the foundation aimed at improvement to farmers' life, boosting agricultural growth in depth and increasing competitiveness for Vietnam sugarcane.

It can be shown that El Nino in the Center and Highland in 2015 and early 2016 have severe impact on plantation and sugarcane care in the fiscal 2016 – 2017. However, being initialed for competition and international integration, TTCS has strongly invested in production as well as fully support for the sugarcane farmers. Apart from facilitating plantation capital and nursing, TTCS also focuses on investment and irrigation for sugarcane with unreimbursed investment value up to 14 million VND/ha in the crop 2016 - 2017. 100% sugarcane area in the farms managed by TTCS are equipped with advanced irrigation (pivot and rotating nozzles; prioritize the focus on sustainable development for enriching an improving plantation life for deep plowing sugarcane farmers

in order to increase sugarcane output and drought resistance.

In last August 2016, TTCS in association with other company members successfully held international sugarcane annual seminar – 4th time with the theme “Efficient sugarcane cultivation modes in response to climate change” in Da Lat. Attending the seminar are representatives from Ministries, Departments, Branches, Agencies, and Companies involved and guests from the countries with powerful sugarcane industries such as USA, Brazil, Thailand, Australia, India, Mauritius, and Cambodia. In the seminar, many sugarcane experts in the domestic and foreign countries have affirmed the importance of technology transfer to Vietnam farmers in order to jointly respond to severe impact of climate change. In the meantime, through the seminar, development trends of the global sugarcane industry were updated fully. From this, enterprises and sugarcane farmers shared experience and were additionally equipped with knowledge, skills and pro-activity to challenges caused from climate change.



“

10 YEARS AGO, VIETNAM IS THE SUGAR IMPORTING COUNTRY, BUT NOW WE GRADUALLY HAVE SUPPLIED AND MOVED FORWARD TO EXPORT IN RECENT 3 YEARS. SUGAR INDUSTRY IN VIETNAM IN GENERAL AND TTCS IN PARTICULAR HAVE MADE MANY MOVES AND SIMULTANEOUSLY CONFRONTED CONSIDERABLE CHALLENGES, ESPECIALLY WHEN VIETNAM PARTICIPATES IN FREE TRADE AGREEMENTS WITHIN AND BEYOND THE AREA. ”

Besides, in order to enhance quality and resolve difficulties in harvest step, TTCS gives special concern to development of large sample field in key regions such as Tay Ninh, Long An, and Gia Lai and even Cambodia. For this reason, quick, synchronous, and efficient harvest is most concerned and improved. To enable good preparation for the crop 2016 – 2017, TTCS shall continue investment in advanced sugarcane harvest machines for the farmers and farms in order to offer good resolution to labor-related issues in coming crops.

Apart from necessary policies as above, TTCS still figures out solutions which are expected to be beneficiary to sugarcane farmers such as:

- **Investment in infrastructure**, setup of stable and sustainable material zone. Production planning according to large sample field from 50 ha and above and cultivation on the large scale.
- **Accelerating mechanization**, especially heavy machines in all phases from plowing to sugarcane planting, nursing to harvesting; minimize manual laborers in order to enhance work efficiency and save and minimize material production cost.
- **Setup of in-depth research team**, reasonable seeds, examination and selection of sugarcane varieties with high output, quality, healthy, and proper to each regional conditions. Currently, TTCS is cooperating with Thanh Thanh Cong Sugarcane Research and Development Center to examine and experiment 30 imported varieties and shall produce new varieties for material zone in coming time.
- **Focus on sugarcane irrigation for 100% area**, prioritize advanced irrigation system, water saving, increase actively responsive features, and minimize impact of climate changes.
- **Set up investment policy which is proper and timely for the farmers**, coordinate and regulate the reasonable harvest; minimize loss in order to reinforce belief and link between farmers and enterprise.
- **Organize close production process with ISO**, bring the product for the sake of community health, ensure food sanitation, boost the program “Local people use local goods”, and distribute products up to 63 domestic provinces and cities, heading to international markets.

With the strategic vision and necessary solution packages, TTCS is expected to obtain non-stop profit increase/ha for the sugarcane farmers, helping to bring in not only affordability but also richness for the farmers, which shall both give economy growth for companies and economic value increase for sugarcane and enrich farmers, and gradually enhance competitiveness of sugarcane industry in the integration period.



SUCCESS FROM INVESTIGATION, DETECTION, AND EARLY PREVENTION OF SUGARCANE STEM BORER IN TAY NINH

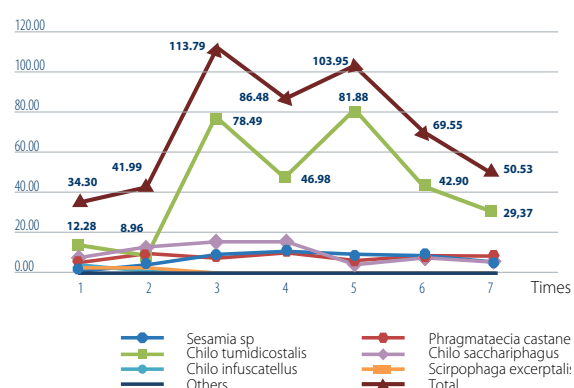
In the crop 2014 - 2015, sugarcane material zone in Tay Ninh and Cambodia of TTCS had been seriously affected by *Chilo tumidicostalis*. Except objective factors such as weather conditions and cultivation techniques, the main reason is the undue protection on sugarcane plant and passive forecast and supervision of sugarcane pests. Additionally, due to geographical factors, that is sugarcane material zone in Tay Ninh borders on Cambodian sugarcane material zone, the *Chilo tumidicostalis* which has appeared long time ago in Thailand, has penetrated and spread out in Vietnam through this way.

To be proactive in protection and prevention for sugarcane in crop 2015 – 2016, TTCS collaborated with SRDC to conduct the program of investigation, detection and early prevention of sugarcane stem borer in Tay Ninh in order to timely detect the generation and development of the popular pests on sugarcane and accordingly figure out proper and effective prevention and warning to each affected sugarcane area. At the same time, through the program, we have more rationale to find out generation and development rule of some popular sugarcane pests.

From June to November 2015, TTCS had investigated on 1,624 ha sugarcane at 3 areas with total area of 1,000 ha material zones in 7 consecutive times. The collection data has revealed that the harm degree of the borers in the harvest crop 2015 - 2016 was not high. The harm reaches to peak at 2 times: about end of July (173 ha, making up 10.6% total investigated area) and September (63 hectare, making up 3.9%). In the remained time, the area of sugarcane pests is mild and moderate, mostly mild.

Chart 01: Variation of some borers

Unit:
borers/100m²



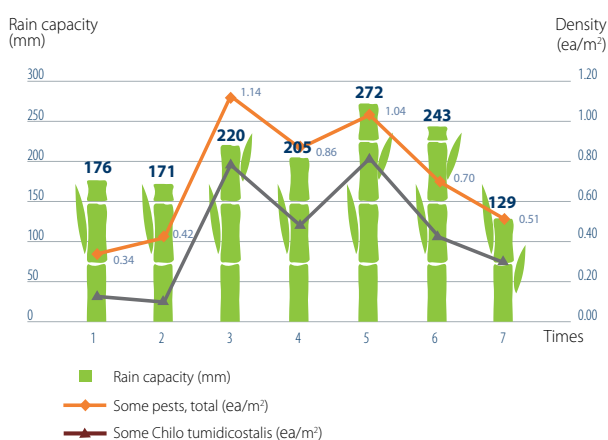


Sugarcane borer mainly includes 6 types: *Sesamia* sp., *Phragmataecia castaneae*, *Chilo tumidicostalis*, *Chilo sacchariphagus*, *Chilo infuscatellus*, and *Scirpophaga excerptalis* (Chart 1). Pests such as *Phragmataecia castaneae* and *Chilo tumidicostalis* have appeared and given harm during investigation. About appearing frequency among pests through investigation time, since early July, *Chilo tumidicostalis* make up more portion than the others. Especially in the end of July and September, the pest accounts up the highest portion with the most density. Therefore, this is the time we need to pay attention to prevention of *Chilo tumidicostalis* annually.

It is recorded by investigation process that the susceptible varieties with borers include KK3, LK92-11 and K94-483 (Suphanburi 7). The varieties are also ones having high sugar content in the actual production.

This fact shows that feature CCS (%) of sugarcane might be relevant to pest attack. Another record from the investigation is the direct proportion between rain capacity and Rorer density (Chart no.2)

Chart 02:
Variation comparison between rain capacity and rorer density



Expect objective factors, the program of investigation, detection and early prevention of sugarcane rorer in Tay Ninh has reached to certain success which is shown in the area of affected sugarcane areas. To be specific, the proportion area of severely affected sugarcane area has minimized due to completely pro-activity in detecting and preventing with proper methods for sugarcane farmers in the early generated pests and minimizing the sugarcane pest areas. More importantly, TTCS has partial database to find out the development generation rule of rorers, especially of *Chilo tumidicostalis*.

TTCS shall keep on collaboration with SRDC to make periodical investigation in at least 2 next harvests, 2016 – 2017 and 2017 – 2018 to enable accurately scientific basis on rules for generation, development and harm degree of these rorers in general and *Chilo tumidicostalis* in particular on the sugarcane to be active in initial prevention and apply effective countermeasures to contribute to productivity enhancement, quality, improvement of economic efficiency from sugarcane and stability of material zone.



IRRIGATION AND DEEP PLOWING – EFFECTIVE SOLUTIONS IN SUGARCANE CULTIVATION

Being considered as the best drought tolerance, sugarcane still need water because water makes up to 70% sugarcane weight when harvest. If being provided with water fully and at the right growth time, the sugarcane productivity might go up dramatically. On the other hand, in the dry conditions such as the Center provinces – Highland, seeking for cultivation techniques and supply sources which can increase water utilization efficiency for sugarcane is necessary, in which unflipped deep plowing has proven its optimal effect.

Currently, many watering methods have been applied in the sugarcane areas of TTCS. From the simple watering method such as overflow irrigation to Taiwan spray irrigation, movable rotating nozzles or fixed rotating nozzles or advance irrigation like Center Pivot. Aimed at 100% actively watered areas, TTCS has made strong move to deploy some effective irrigation modes in accordance with different cultivation such as fixed rotating nozzles and Center Pivot. Fixed rotating nozzles have been encouraged to be popularly applied due to many outstanding merits. Compared to other methods, fixed rotating nozzles costs one-time installation prices of around 13 – 14 million VND/ha for the utilization period of about 6 – 7 years. During operation period, it almost doesn't take any cost for manpower to follow up or move the pipe.

In addition to this, fixed rotating nozzles have no restraints to operation of mechanized plowing means and sugarcane nursing. Furthermore, with the height of about 1.6m, the fixed rotating nozzle system completely is able to meet the large irrigation demand. As a result, the system can be applied in Irrigation and Deep Plowing period – Effective methods in sugarcane cultivation has resulted in considerable harvest output. In the crop of

2015 – 2016, many farmers in Tay Ninh apply the mode and it helps to increase an output of 22 – 25 tons of sugarcane/ha against the sugarcane without irrigation and more than 10 tons/ha against that of other irrigation methods. From this, the profits, excitement, and trust from the sugarcane have been obtained. As for large cultivation scale in the sugarcane farms, TTCS has applied irrigation methods with high mechanization. Center Pivot applied in Thanh Long farm currently might be considered one of the most advanced irrigation technology in the world which is used for mass production scale. Being imported from USA with cost of about 4 billion VND/set with 500 m of length for each Center Pivot system and the self-propeller for 80 ha sugarcane only in 20 hours.

Together with sugarcane irrigation, investment in advanced plowing system with large capacity and unflipped deep plowing equipment additionally contribute to improvement of sugarcane productivity and drought resistance in the increasing severe weather conditions as currently. With the tractors having capacity of 90HP to 245HP, deep plowing of at least 40cm is completely feasible in every topographical condition. Deep plowing to break stratum to make root deeper and better permeability and absorption of more nutrition for sugarcane, increase drought resistance and anti-collapse for sugarcane, which ensures quality, productivity, and favorable conditions for harvest.

In the condition of seriously increasing drought, investment in automatic irrigation with high mechanization in conjunction with innovated irrigation methods is the absolutely essential move to build a stable agricultural industry for TTCS in response to climate change. Besides, increase in sugarcane productivity not only helps farmers to get more profit but also creates the stable material zone, raising up the competitiveness for TTCS in particular and Vietnam in general in the in-depth international integration circumstance.



FOOD DEFENSE PROGRAM

FOOD SAFETY IS THE VITAL ISSUE OF THE COMPANY

Life quality and people awareness are increasingly raised, leading to change in consumption trends, including clean – green products with healthy quality which has been focused and prioritized. Therefore, this is still the potential industry for the company to exploit and develop in accordance with the strict standard on quality and product safety. Especially, in the circumstance of international integration, quality and safety in global supply chains of the product must be transparent. As one of the leading sugarcane company in Vietnam, TTCS always gives the concern and first priority on the quality and health protection for Vietnamese families on the top. Quality management from the field to kitchen is performed in the strict process in order to meet the increasingly high demand of the customers.

Being aware of the importance of food protection, since 2010 to now, TTCS has continuously studied and drawn the lesson learned to synthesize an effective food protection process and issued correspondences and regulation and set up the action plan with long-term commitment from entire company members.

Continuing to success in launching food defense program of the previous crop, together with the common policy of TTCS and Vissan in building seminar series with Topic “Awareness boost and systematic construction method on food defense” for low and medium food processing enterprises in Vietnam, TTCS has been continuing to organize food defense seminar in many provinces and cities over the country to share more and more practical experiences, which helps to enhance consumers’ awareness and more carefulness in selecting safety products and concurrently set up good custom in production and distribution, aimed at health and safety for consumers as the first priority.

“ THE INCREASING LIFE QUALITY AND AWARENESS OF THE PEOPLE HAS RESULTED IN THE CHANGE OF CONSUMPTION TRENDS. ”

UTILIZATION SITUATION OF MATERIAL IN PRODUCTION

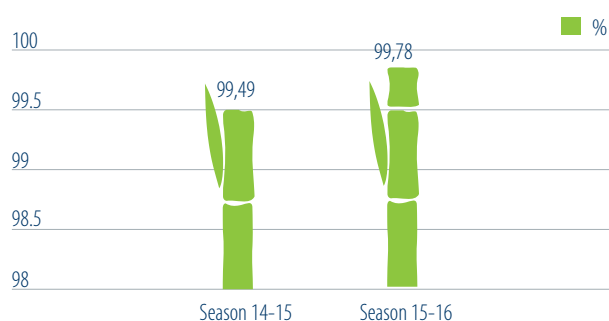


TTCS WITH HIGH QUALITY & STABILITY IS CURRENTLY THE LARGEST CAPACITY AND THE HIGHEST OUTPUT IN THE VIETNAM MARKET. REFINED SUGAR AND WHITE SUGAR OF TTCS ARE NEARLY 16% OF THE NATIONAL SUGAR PRODUCTION, ACCOUNTING FOR 29% OF THE COUNTRY'S REFINED SUGAR.

Customers' satisfaction is one of the first criteria of TTCS. To achieve the goal, it needs good coordination among production, equipment and machines, and materials for production. In the production crop 2015 – 2016, TTCS implemented the basic tasks below:

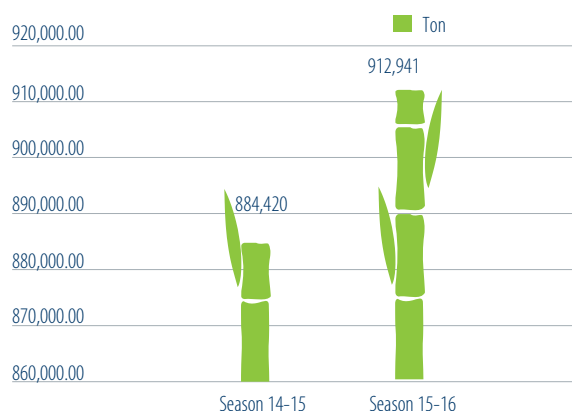
1. INCREASE SAFETY EFFICIENCY OF EQUIPMENT HIGHER THAN THAT OF PREVIOUS YEAR: Thanks to good maintenance, machine stoppage timing due to incident has been decreased considerably despite the increasingly old machines and equipment. The deduction has dramatically cut operation fee as well as loss for farmers due to idling time for machine remedy.

ATTB efficiency	%
Season 2014 - 2015	99.49
Season 2015 - 2016	99.78



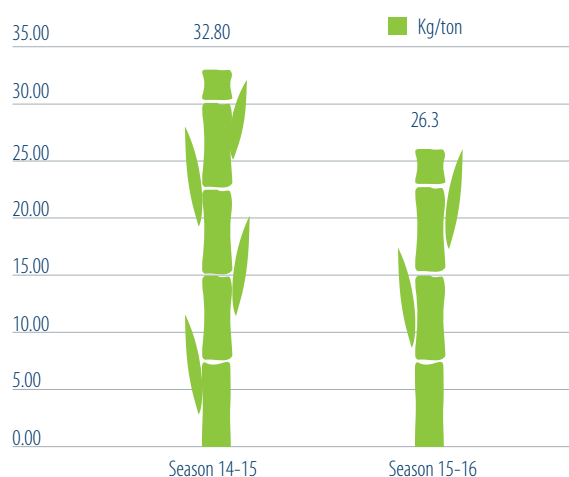
2. SUGARCANE MATERIAL: Operation direction and development policy of long-term material zone is based on the balance of harmonious benefit between the Company and sugarcane farmers. In TTCS, sugarcane farmers are not merely the customers but also are company companions and plays a critical chain in sugarcane production chain. Farmers are companions and core values of the Company. In the sugarcane material, the Company also points out the guideline for every activity that factories shall get profit only when the farmers get profit. In spite of strong competitiveness of other plants, sugarcane is still enough for supplying to the factories.

Sugarcane material:	Ton
Season 2014 - 2015	884,420
Season 2015 - 2016	912,941



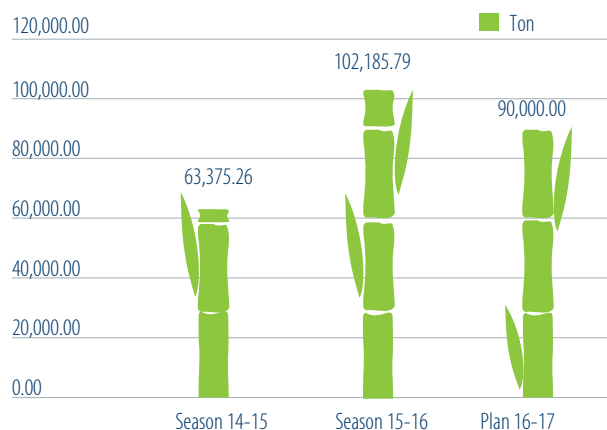
3. CHEMICAL MATERIALS: Chemical materials are reduced compared to those of previous crop and under the set level. However, product quality is conformable with the commitment standard and quality standards as required by beverages customers such as Pepsi and Coca Cola. One of the conditions to save chemical materials is our good control for unconformable products in the production line and minimization of return of production line. Effective utilization, saving of salt and plastic bag in production and sufficient utilization in production. The crop 2015 - 2016 has been used efficiently with cost-saving for the Company.

Sugarcane	Kg/Ton
Season 2014 - 2015	32.80
Season 2015 - 2016	26.3

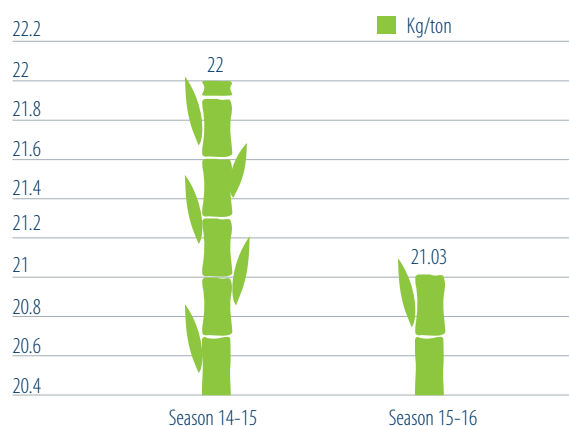


Raw dissolving sugar material

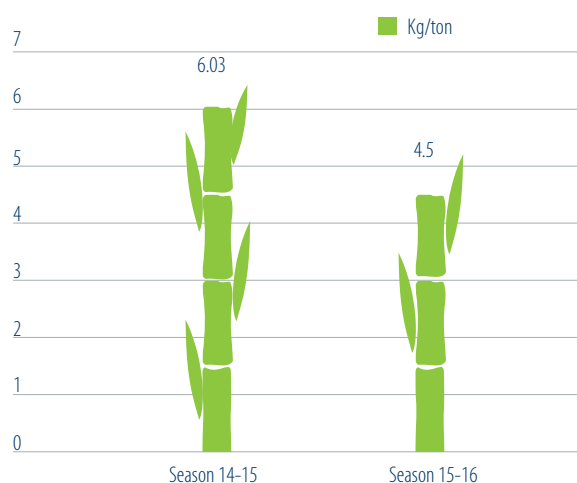
Raw dissolving sugar material	Ton
Season 2014 - 2015	63,375,26
Season 2015 - 2016	102,185,79
Plan 2016 - 2017	90,000,00



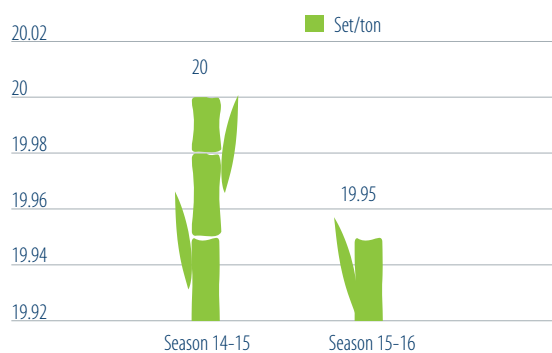
Raw sugar	Kg/Ton
Season 2014 - 2015	22
Season 2015 - 2016	21,03



Salt	Kg/ton
Season 2014 - 2015	6.03
Season 2015 - 2016	4.5

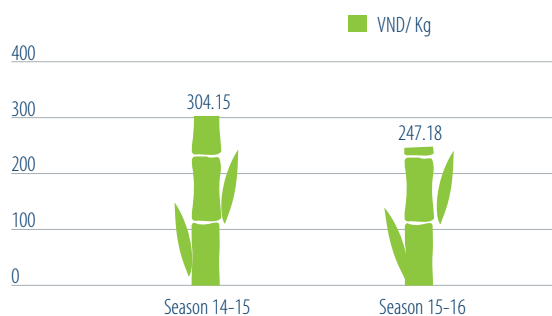


PP - PE	Set/Ton
Season 2014 - 2015	20
Season 2015 - 2016	19.95



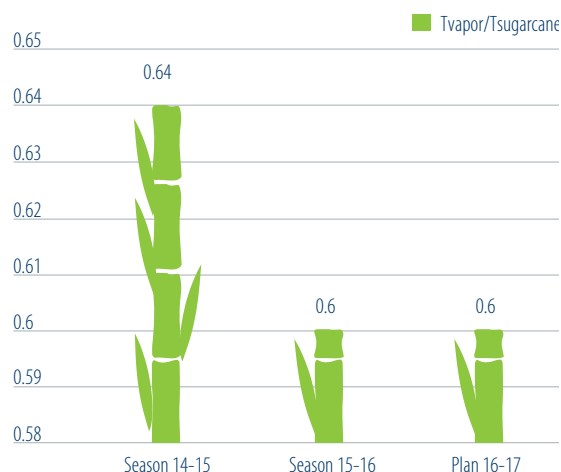
4. SUMMARIZE CHEMICAL PRODUCTION COST

Chemical production + experiment tools + analysis on CCS	VND/kg
Season 2014 - 2015	304.15
Season 2015 - 2016	247.18

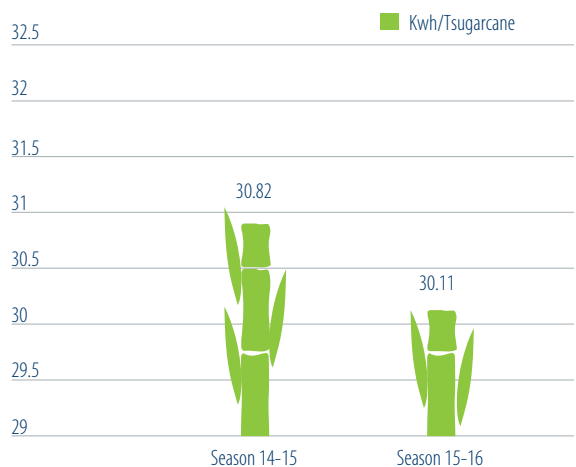


5. OPTIMIZE ENERGY UTILIZATION: Benefit from the energy is estimated about 7 billion/year. Optimize steam utilization in technology. Improve evaporation system.

Water consumption	Tvapor/Tsugarcane
Season 2014 - 2015	0.64
Season 2015 - 2016	0.6
Plan 2016 - 2017	0.6

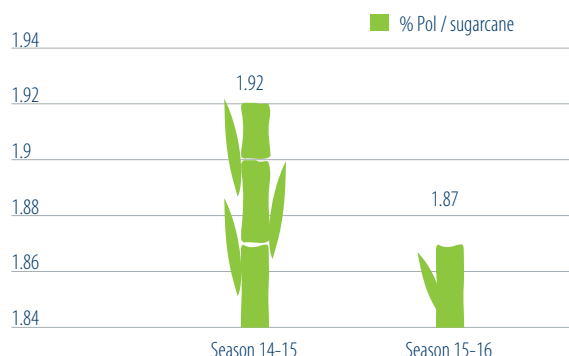


Infield electricity system	Kwh/Tsugarcane
Season 2014 - 2015	30.82
Season 2015 - 2016	30.11



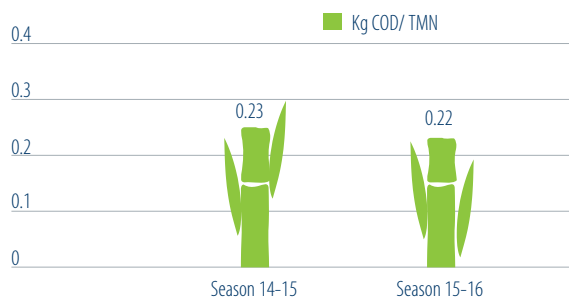
6. BESIDE MINIMIZATION OF LOSS

Total loss	% Pol/sugarcane
Season 2014 - 2015	1.92
Season 2015 - 2016	1.87

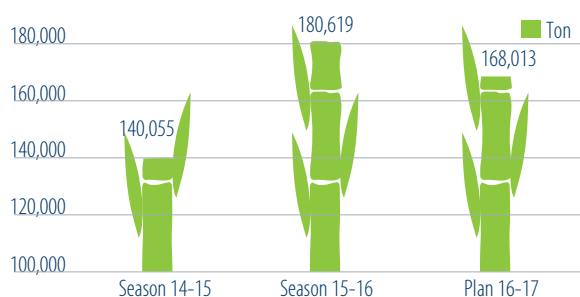


7. IN ADDITION, FACTOR COD DISCHARGED TO THE ENVIRONMENT

COD waste discharge	Kg COD/TMN
Season 2014 - 2015	0.23
Season 2015 - 2016	0.22

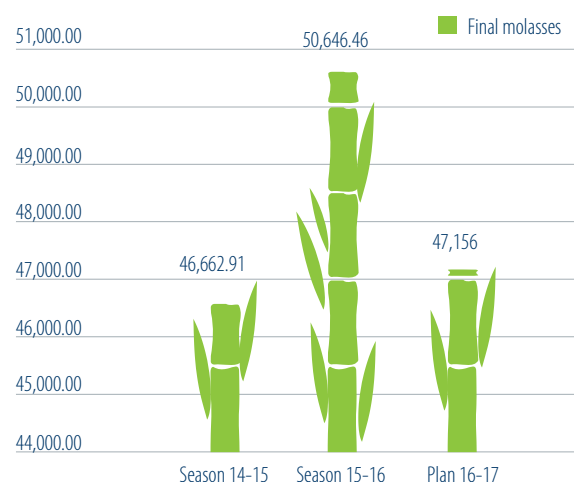


Bagging sugar	Ton
Season 2014 - 2015	140,055
Season 2015 - 2016	180,619
Plan 2016 - 2017	168,013

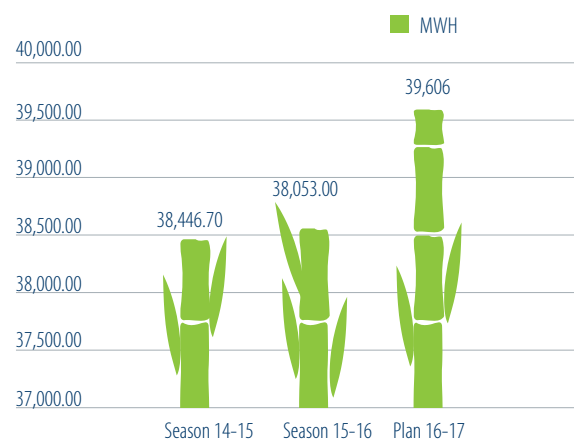


Results: Production of commercial sugar reach to 180.619 tons, output is increased by nearly 30% compared to crop 2014 - 2015 and 45% compared to crop 2013 - 2014.

Final molasses	Ton
Season 2014 - 2015	46,662.91
Season 2015 - 2016	50,646.46
Plan 2016 - 2017	47,156



Commercial electricity production	MWH
Season 2014 - 2015	38,446.70
Season 2015 - 2016	38,053.00
Plan 2016 - 2017	39,606



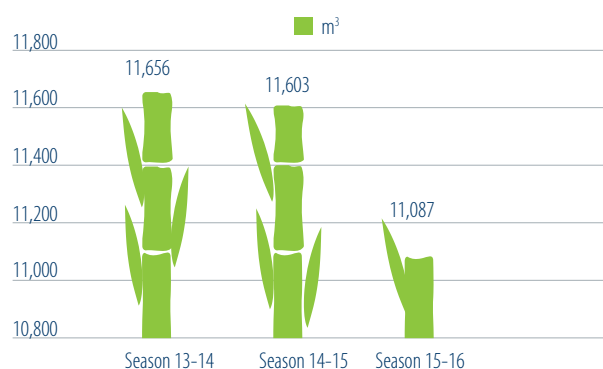


11,000 m³

water content used for crop 2015-2016 compared to 30,000m³ in the crop 2012 - 2013

Statistic of water content used for daily vacuum from irrigation channel. Water circulation after wastewater treatment system and water saving. Compared to crop 2012 - 2013, water content required for factory to create vacuum for cook equipment, reduction of evaporation, in the crop 2015 - 2016, water volume used is about 11,000 m³ instead of 30,000 m³ previously. Mainly provide additional water vaporized from operation, water dissipation for vacuum, and close circulation to make considerable decrease of natural resources.

Daily used water volume for vacuum. (According to statistic data of Company)



ENERGY CONSUMPTION

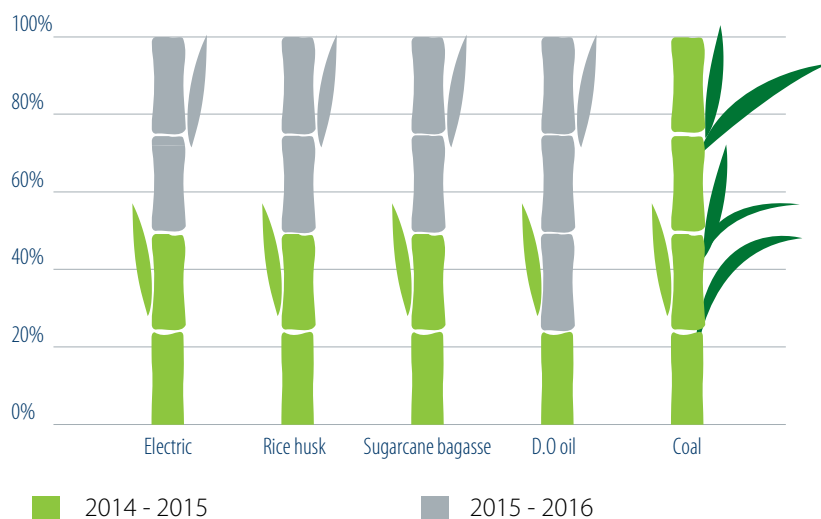
ENERGY CHIEFLY USED FOR FACTORIES IS:

- **D.O oil** as fuel or transportation machines;
- **Sugarcane bagasse, brown coal** as fuel for boiler.
- **Power sources** from national electricity grid for factory maintenance.



In the condition of rare energy source, effective and saving utilization of energy is an important issue and first priority in the production. We never stop checking, supervising, and analyzing used energy source to find out chance for innovation and reduction of consumption energy.

ENERGY CONSUMPTION	Unit	2014 - 2015		2015 - 2016	
		Quantity	Energy/ commercial sugar ton	Quantity	Energy/ commercial sugar ton
Coal	Ton	0	0	623	0.00345
D.O oil	Liter	59,776	0.427	73,632	0.407
Sugarcane bagasse	Ton	302,547	2.16	324,579	1.797
Rice husk	Ton	450	0.00321	165	0.00091
Electricity	KWh	34,210,800	244	39,156,000	216



Energy consumption chart based on sugar ton of crop 2015 – 2016 compared to that of 2014 – 2015.

In the crop 2015 – 2016, TTCS concreted entire sugarcane bagasse stockyard of around 30,000m² with total investment cost of over 9.5 billion VND. This work enables easier transportation for sugarcane bagasse, reducing fuel consumption for machines. Compared to crop 2014 – 2015, D.O consumption degree for transportation of 1 sugarcane bagasse are decreased from 0.573 down to 0.529 (D.O liter/ton of sugarcane bagasse transportation).

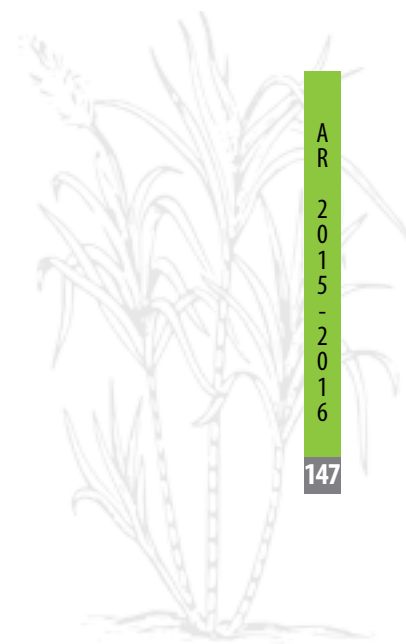
Parameters	Unit	2014 - 2015	2015 - 2016
Consumed D.O	Liter	59,776	73,632
Bagasse transportation	Ton	104,291	139,274
D.O/b. transportation	Liter/ton	0.573	0.529

TTCS not only guides and promulgates energy saving to all staffs but also hires exterior consultant unit to do energy audit for entire factories in order to determine energy wastefulness in technology process and machine operation process. From the result, TTCS can figure out the analysis and optimal solution to avoid energy wastefulness.

Furthermore, TTCS focus our attention to recycle energy and green energy during the last years. We have endeavored continuously to study and seek for biomass energy proper to be fuel for boiler instead of environment pollution fuel.

“

TTCS CARRIED OUT SOLAR ENERGY PROJECT FOR OFFICE BUILDING WITH TOTAL INVESTMENT COST OF OVER VND 750 MILLION. THE PROJECT HAS SAVED 7.665 KWH NATIONAL ELECTRICITY GRID IN THE FISCAL YEAR 2015 - 2016. ”



ENERGY CONSUMPTION (continued)

Some solar energy projects that TTCS has implemented:

No.	Description	Capacity	Output unit price	Number	Completion date	Location
1	Irrigation system by solar energy	1.5 kW	Set	1	15/06/2015	Pi-Dông Farm, SEC
2	Irrigation system by solar energy	1.5 kW	Set	1	20/06/2015	Ninh Son, Ninh Thuan, PRS
3	Irrigation system by solar energy	1.5 kW	Set	1	26/06/2015	SRDC
4	Irrigation system by solar energy	1.5 kW	Set	1	21/08/2015	SRC
5	MT V.P Svayrieng power system	3.36 kWp	System	1	21/08/2015	SRC
6	Irrigation system by solar energy	2.2 kW	Set	12	22/02/2016	Ninh Son, Ninh Thuan, PRS
7	MT V.P TTCS power system	46 kWp	System	1	05/04/2016	TTCS



All the above activities have brought us a very satisfactory result. Compared to the fiscal year of 2014 - 2015, the energy consumed over 1 kg of sugar product drops from 3,702 KJ to 3,073 KJ.

Parameters	Unit	2014 - 2015	2015 - 2016
Total energy consumed	Kj	518,439,114,848	555,080,760,540
Sugar product	Kg	140,055,000	180,619,000
Total energy consumed/Sugar product	Kj/kg	3,702	3,073



All the above activities have brought us a very satisfactory result. Compared to the fiscal year of 2014 - 2015, the energy consumed over 1 kg of sugar

product drops from **3,702KJ**
to **3,073KJ**.

A DROP OF NEARLY 19% YEAR-ON-YEAR

WATER SOURCES AND RELEVANT MATTERS

WATER SOURCE MANAGEMENT

Sustainable environment development during production depends on deployment of quality water source with proper flow rates, together with a sense of responsibility in water usage. With a large scale of production using a large volume of water supply for the technology lines, how to reduce production cost and improve profits is one of the complex problems of big concern of TTCS. Therefore, the top priority of the Company is how to cut the purchased water volume, rise circulated water volume accompanied with regular technological improvement.

The current major water source used for production is surface water bought from Tay Ninh Irrigation Company. Besides, the Company deploys groundwater from drilled wells within the area for daily activities.

SURFACE WATER

The demand for surface water supplied for the plant is mainly obtained from Tan Hung channel, with the approved exploitation capacity of 0.15 m³/second, whose water flow accounts for the majority of the total flow used for production. During the season of 2015-2016, the total surface water volume (purchased) is 2,172,960 m³ against 1,810,080 m³ during the season of 2014-2015, this slight rise indicates the operational capacity of the Plant and improvement in the operational efficiency.

GROUNDWATER

Groundwater for daily activities is taken from licensed drilled wells. The Company used sunk pumps to get a groundwater volume with the approved capacity during the season of 2015-2016 of 93,607 m³, lower than that of the season of 2014-2015, which was 98,704 m³. It is because the Company has optimized deployment of groundwater, which means they strive to use lesser volume year-on-year.

WATER CONSUMPTION DURING THE
SEASON OF 2015 - 2016 IS

11.7 M³/TON OF SUGAR

WATER CONSUMPTION DURING THE
SEASON OF 2014 - 2015 IS

12.5 M³/TON OF SUGAR

SAVING OVER **6%**

Unit: m³/ton sugar

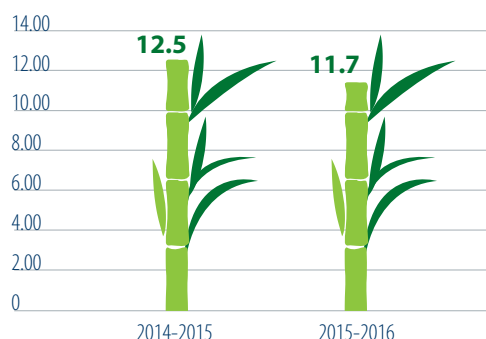


Chart of saved water volume/ton of sugar

Unit: m³/ton sugar

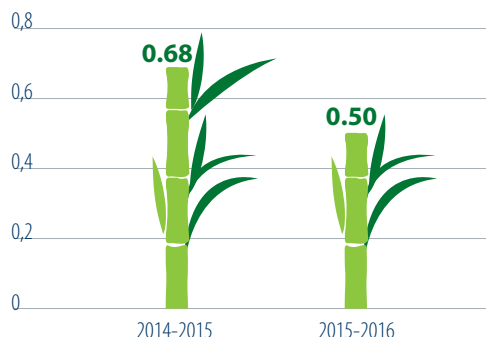


Chart of saved groundwater/ton of sugar

RECYCLED WATER VOLUME
180,000 m³

WASTE DISCHARGE

The Company is licensed to discharge at a point located behind the factory's waste water treatment area where treated waste water shall flow through the licensed discharge point and join Ta Hop stream. Water at the reception source down-stream shall be utilized for agriculture and irrigation. Waste water flow rate is measured on a daily basis with an observational tool.

DISCHARGED WATER QUALITY

Constant technological renovations, including recycling of water, has helped the discharged water into the environment to be under control below the licensed limit. The fact that discharged water of the Company is ranked in A column brings confidence to the Company for its adherence to the regulations on waste discharge.

“ The Company has always made consistent announcement of information regarding the quality of discharged water, and sent monthly reports to relevant authorities, and proactively cooperate in environmental inspections. ”

CIRCULATED WATER

Purchased water was partly used for production and partly recycled, which helped minimizing impacts on relevant parties, and bringing about significant benefits in respect of economy and environment. During the period of 2015 - 2016, the factory recycled nearly 180,000 m³ of water, accounting for over 9% of the total purchased water for production. To gain this result, since 2010, the factory equipped Cooling Tower, which assisted circulation of water utilized and gradually purchased water volume, and cut costs. Prior to this system, the factory had spent over VND 6 billion on buying water, currently only VND 1.6 billion.

WASTE WATER AND WASTE WATER DISCHARGE MANAGEMENT

Treated waste water always adheres to the approved standards and the laws, since the fiscal year of 2014-2015, waste water behind the factory properly complied with the standard of QCVN 40:2011/BTNMT, column A (previously column B).

Observation and inspection are regularly conducted by the Company, local authorities, surrounding households, and departments to evaluate the performance efficiency and manage threats to the environment.



WATER SOURCES AND RELEVANT MATTERS

(continued)

MEASUREMENT CRITERIA	01/07/2015 - 30/06/2016
The total water consumption volume by sources (m³)	
➤ Surface water, including that from dams, rivers, lakes and ocean	0
➤ Groundwater: for daily activities, used for fire prevention and crop irrigation. (according to annual groundwater report)	7/2014 - 6/2015: 98,704 m ³ (drought during the first half of 2015) 7/2015 - 6/2016: 93,607 m ³
➤ Rainwater collected and stored by the organization	0
➤ Waste water from other institutions: (monitored on smartlab)	0
➤ Water bought from Tay Ninh Irrigation Company used for production, irrigation of sugarcanes for Tan Hung Farm (liquidation contract for water consumption cost on Tan Hung channel)	Season 2014 - 2015: 156 day - 1,810,080 m ³ : Average: 11,603.1 Season 2015 - 2016: 196 day - 2,172,960 m ³ : Average: 11,086.5
Used standards, methods and assumptions	Groundwater QCVN 09:2015-MT/BTNMT Water used for daily activities QCVN 02:2009/BYT
Water classification by usage purpose (m³)	
➤ Production:	
(Water balance chart: including channel water 302.4 m ³ /h and recycled water from The waste water treatment system from water meter readings: 69.68 m ³ /h – relative to the recycled water figure from the water balance chart: 69.52 m ³ /h)	(302.4 m ³ /h x 24h + 1,672.4 m ³ /day) x 196 production days = 1,750,280 m ³ Production water exclusive of cooling system: 80.4 m ³ /h x 24h x 196 days = 378,201.6 m ³



MEASUREMENT CRITERIA	01/07/2015 - 30/06/2016
Production water is inclusive of cooling water (chart of water balance): water supplied from the channel 222 m ³ /h, recycled water from the waste water treatment system 69.52 m ³ /h, condensed water from the boiler 104.6 m ³ /h	396 m ³ /h x 24h = 9,507 m ³ /day x 196 days = 1,863,372 m ³
➤ Water for daily activity demand of the employees	55 m ³ /day x 196 days : 10,780 m ³
Production average (m ³ /ton of products)	1,750,280 m ³ : 180,619 tons of sugar products = 9.69 m ³ exclusive of cooling water: 378,201.6 m ³ : 180,619 ton of sugar = 2.09 m ³
Daily activity average (m ³ /person)	10,780 m ³ : 196 : 695 employees = 0.08 m ³ /person
Recycling/deployment in production (water recycling after the waste water treatment system)	Installation of water meter of day 23/01/2016: 178,947 m ³ : 107 days = 1,672.4 m ³ /day
➤ Percentage of recycled water over purchased water from channel	178,947 : 2,172,960 = 8.2%
➤ Cost reduction from water circulation	Cooling system saves 396 m ³ /h - 222 m ³ /h = 174 m ³ /h. Cost savings: 174 m ³ /h x 24h x 196 days x 900 dong = 736,646,400 dong
Discharged waste water management (m³)	
➤ Treated waste water (daily observation with specialized tools)	Waste water from the factory 735.4 m ³ /day x 196 = 144,138.4 m ³ /season
➤ Used standards, methods and assumptions	Waste water after the waste water treatment system QCVN 40:2011/BTNMT column A



ENVIRONMENTAL IMPACT EVALUATION

**“ THANH THANH
CONG TAY NINH JSC
HAS SUCCESSFULLY
ADOPTED MEASURES
FOR MINIMIZING
ENVIRONMENTAL
IMPACTS, DIRECTING
SUSTAINABLE
DEVELOPMENT.”**

Although the Company has been stably operating, we never ceased to seek solutions to improvement in the environmental management. Environmental protection has gained various achievements for the sustainable green economic growth.

In the sugar production industry, the top concern of the environment is waste water, gas emission, megass, mud and oven ash. The Company always showed its sense of responsibility towards the society, community, environmental protection at the production area, minimizing impacts on the surrounding environment.





UP TO NOW, WE HAVE SET UP 3 MAJOR GOALS



Utilization of all ash waste,
megass as organic fertilizer to be
supplied for farmers.



**Reduction in water volume
consumption** for vacuum by
investment in construction of
cooling water system, circulation
of cooling water to return to the
production area.



**Reduction in power and oil
consumption** by replacement of
old equipment, thrift applied for
the entire Company, application
of new technology: solar energy.

WATER AND WASTE WATER

Groundwater

used for daily activities, fire
prevention and crop irrigation.



7/2014 - 6/2015:
(First 6 months of 2015 were droughts)

98,704 m³

7/2015 - 6/2016:

93,607 m³

Water bought from Tay Ninh Irrigation

Company is used for production,
irrigation of sugarcanes for Tan
Hung Farm.



Season 2014 - 2015: 156 days

1,810,080 m³
TB: 11,603.1

Season 2015 - 2016: 196 days

2,172,960 m³
TB: 11,086.5

Water for production



(302.4 m³/h x 24h + 1,672.4 m³/day)
x 196 days production =

1,750,280 m³

Including production water exclusive of
cooling water
80.4 m³/h x 24h x 196 days =

378,201.6 m³

Production average (m³/ton)



1,750,280 m³

180,619 ton of sugar = 9.69 m³

WATER AND WASTE WATER

Exclusive of cooling water



378,201.6 m³

180,619 tons of sugar = 2.09 m³

Average of daily activities (m³/person)



10,780 m³

10,780 m³ : 196 : 695 employees
= 0.08 m³/person

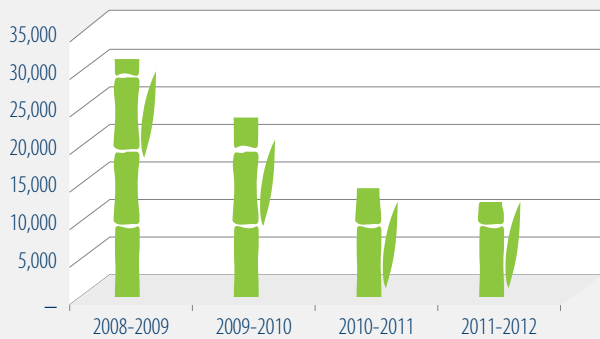
Water used for daily activities of employees



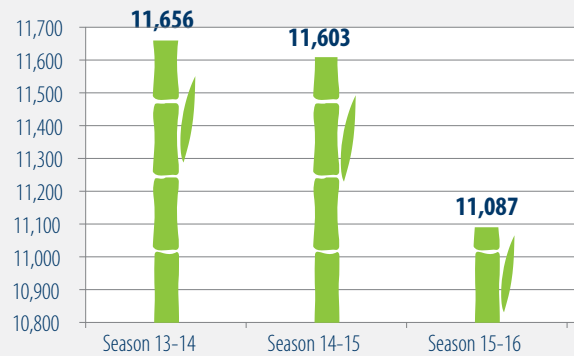
55 m³/day x 196 days:

10,780 m³

Statistics of water consumption for vacuum on a daily basis from irrigational channels. The Company applies water circulation after the waste water treatment system, saving water resources.



Water consumption for vacuum (m³/day)



Daily irrigational water m³ (water flow)

Waste water flow: during the season of 2015 - 2016, applying circulation, recycling of water after the waste water treatment system, saving water resources

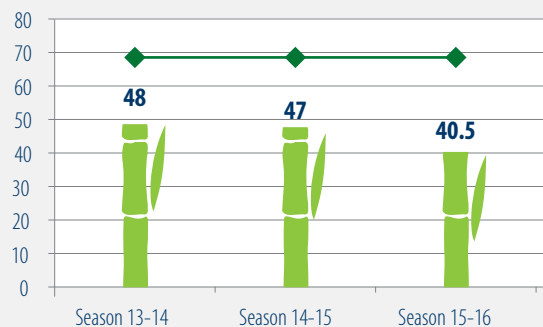
1,000 m³/day.

Waste water from the factory during the season of 2014 - 2015: 126,796 m³/season, equivalent an average of 0.874 m³/ton of sugar

Waste water from the factory during the season of 2015 - 2016: 144,138 m³/season, equivalent an average of 0.779 m³/ton of sugar

Statistics of COD indicator, in compliance with the standard of QCVN 40:2011/BTNMT, column A <67.5

COD Standard A, QCVN 40:2011



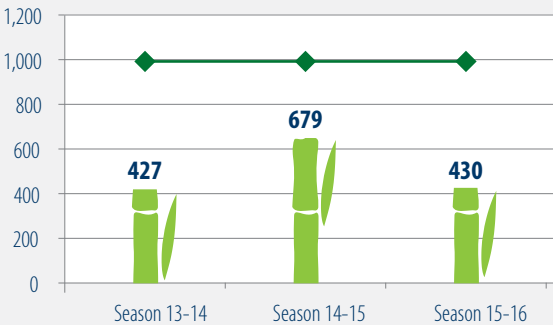
EXHAUST

“ FOR THE BOILER WITH A CAPACITY OF 235 TONS OF STEAM/HOUR, REGARDING THE BOILER EXHAUST, THE COMPANY HAS BUILT 2 CYCLONE SYSTEMS FOR TREATMENT OF CURRENT EXHAUST, THE VOLUME OF CO₂ IN THE BOILER EXHAUST, AFTER PASSING THROUGH THE TREATMENT SYSTEM IS REVOKED TO SERVE THE MOLASSES CLEANING PROCESS. THE EXHAUST QUALITY AFTER THE TREATMENT SYSTEM IS ALWAYS QUALIFIED AS COLUMN B IN THE STANDARD OF QCVN 19:2009/ BTNMT. CO CRITERION AFTER THE TREATMENT SYSTEM IS ALWAYS IN THE RANGE OF 400 - 500 MG/NM³ VERSUS COLUMN B IN THE STANDARD OF QCVN 19:2009/BTNMT OF 1,000 MG/NM³. ”



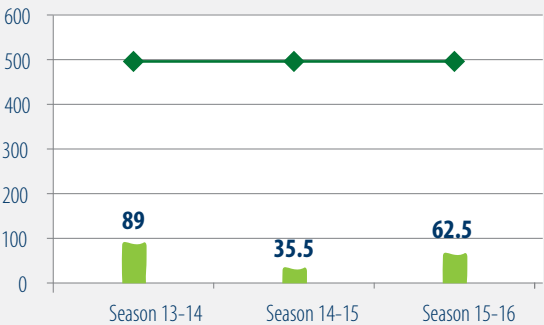
Statistics for monitoring CO emission, in compliance with QCVN 19/BTNMT, column B<1000

■ CO emission ◆ QCVN19/BTNMT, column B



Statistics for monitoring SO₂ emission, in compliance with QCVN 19/BTNMT, column B<500

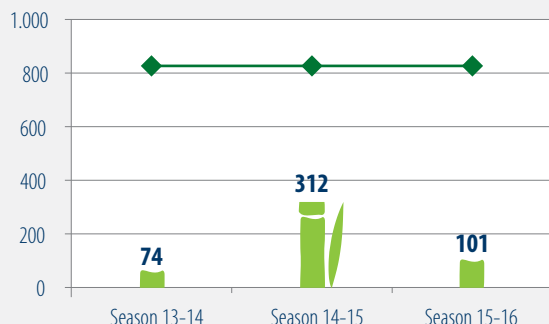
■ SO₂ emission mg/Nm³ ◆ QCVN19/BTNMT, column B



EXHAUST

Statistics for monitoring Nox emission,
in compliance with QCVN 19/BTNMT, column B<850

Nox in compliance with mg/Nm³ 
QCVN19/BTNMT, column B 



With a capacity of nearly 1 million tons of sugarcane for 1 season, the amount of megass reached 320 thousand tons, which is a problem for storage and disposal. Since its construction in 1995, Thanh Thanh Cong Tay Ninh JSC determined to build a power generation system based on megass instead of rough disposal as most of sugar factories at that time did. Since its operation in 1997, the cluster of boiler with a capacity of 235 tons of steam/hour and 2 power generation turbines with the total capacity of 24,000 kW, is one of the largest and most advanced power generation centers in Vietnam. Megass-fueled electricity supply is mainly used for sugar production and other operations of the Company, the remaining is sent to the national grid of Vietnam Electricity Group (EVN); the Company sells to EVN approximately 360,000 kWh every day, the whole season is 50,000,000 kWh,

considerably meeting the electricity demand during the dry season, reducing the pressure for hydroelectricity plants in shortage of water, ensuring safety and convenience for power supply in the rural area. Megass-fueled thermoelectricity plant of Thanh Thanh Cong Tay Ninh JSC and other thermoelectricity plants of Thanh Thanh Cong Group has great potential for recycled energy, developing recycled energy to help cut down consumption of coal, oil, gas as well as green-house gas emission. This is the strategic plan of the Company and the group. It enhanced investment and support the development of recycled energy for environmental protection, ensuring the effective and sustainable development of energy sector in line with the national development towards green growth direction.

“ WITH THE MOTTO OF “WHAT COMES FROM SUGARCANE IS RETURNED TO SUGARCANE”, THE COMPANY HAS BUILT ASH-AND MEGASS-FUELED ORGANIC FERTILIZER FACTORY TO SUPPORT AND APPLY PREFERENTIAL POLICIES FOR SUGARCANE FARMERS OF THE COMPANY. THE ORGANIC FERTILIZER FACTORY HAS A CAPACITY OF 10 THOUSAND TONS/YEAR HELPS EFFICIENTLY DISPOSE THE ASH AND MEGASS FROM THE SUGAR FACTORY AND SUPPORTS THE SUGARCANE FARMS IN IMPROVEMENT IN SUGARCANE PRODUCTIVITY.”

Besides, Thanh Thanh Cong Tay Ninh JSC distilled sugarcane flavor to produce bottled drinks, serving the daily beverage demand.

With regard to daily garbage: signing a contract with Tay Ninh Urban Works Company for collection and disposal.

Hazardous	Ton		
	2014	2015	2016 (as to 31 August)
Daily garbage	66,960	59,320	32,880

Garbage disposal cost for 1 season: 2015 - 2016

Garbage name	Quantity (kg)	Unit price	Amount
Daily garbage	60,000	6,050,000/month	72,600,000
Industrial garbage	5,000	3,500/kg	17,500,000
Hazardous waste	11,840	40,000,000/season	40,000,000

Source: based on the cost plan

For an average season, garbage disposal cost: VND 130,100,000/season (one hundred and thirty million one hundred thousand Vietnam Dong)

Moreover, to develop creativity among the employees, the Company's board of management has adopted appropriate and timely policies, to encourage contributions of technical innovations. Since 2008, a lot of staff innovations have been applied and brought significant earnings for the Company.

SOME OUTSTANDING INNOVATIONS

- » Technology renovation, replacement of boiler drying fuel from oil to megass, helping considerable reduction in cost for buying FO and improve environmental impacts of FO burning;
- » Improvement in the sweet juice distribution system in the diffusion machine, replacing the old system, increasing the sugar extraction coefficient, i.e. sac (pol)sugar in megass dropped from 1.05% during 2007 - 2008 down to 0.97% during 2008 - 2009 and remained the same up to the present;
- » Reduction in the moisture of megass after crush, through the design of the automatic control software for the transmission ratio between the big crush line and small one, based on the peak axis deviation of the big crush line, caused the average megass moisture during the season of 2007 - 2008 to fall from 52.06% down to 51.29% since 2008 - 2009;
- » Design and installation of the cooling system for vacuum helped saving nearly 50% of the annual water consumption, resulting in a reduction of billions of Vietnam Dong;

- » In 2013, the renovation of the waste water treatment, utilization of biological method through acidized tank to reduce the color of waste water from grade B to A in compliance with the standard of QCVN40:2011;
- » In 2014, design and installation of additional silos and ventilated moisture separator brought into silos, helping reduction in the clotting rate by 90% in the past;
- » Using up the abundant heat from the smoke emission system to raise the heat of supplied water from 1250C to 1600C => Increasing the boiler capacity from 78% to 83%, saving 20,000 tons of megass (8%) equivalent to VND 20 billion;

Project of development of solar power system: To address irrigation water for sugarcanes in the farms and consumption demand for office activities, solar power system has been installed in some areas and satisfactorily met the above realistic demand, helping to protect the environment, save energy and minimize costs.

- » Establishment and maintenance of mechanic workshops, electricity workshops, or engine workshops have made significant contributions to the reduction in the production cost and selling prices.

LAW COMPLIANCE



Law compliance has been comprehensively conducted by TTCS, i.e. Tax payment, social insurance premium payment, construction and operation of waste water treatment at the qualified standard of waste discharge, waste treatment, etc. TTCS was granted with credits, certificates by different authorities, relevant departments in respect of law compliance:

- » Credits of the provincial people's committee on tax payment for many consecutive years;
- » Credits of Tay Ninh Social Insurance Department for many consecutive years on compliance with the policy of social insurance and health insurance;
- » License for waste water discharge into the water source;
- » License for groundwater exploitation;
- » Certificate of the owner of hazardous waste discharge source.

Besides, the Company conducted programs for quality, environment management, health and safety, social

security and food safety and hygiene management system:

- » Granted with ISO 9001 certificate in 2003 certified by AFNOR;
- » Certificate of environment management system 14001 since 2008, also certified by AFNOR;
- » Certificate of Social Security Management System SEDEX in 2011;
- » In 2012, successful application of and being granted with the Food Safety Security Certificate (FSSC) 22000.

Quality improvement is among the vital criteria of the Company, which was introduced to the Quality-Environment policy of the Company. The Company applied the quality management system of ISO 9001 since 2002 and Food Safety Security Certificate (FSSC) 22000 since 2012. Moreover, the Company applied renovation tools including SPC, 7 management tools to support renovation of the Company's operation.

“ TO FURTHER
ENHANCE
COMMUNICATION
OF THE NATIONAL
STRATEGY OF GREEN
GROWTH DURING THE
PERIOD OF 2011 - 2020,
VISION TO 2050 HAS
BEEN APPROVED BY
THE PRIME MINISTER
IN THE DECISION NO.
1393/QĐ- TTG DATED
25 SEPTEMBER 2012.
ON THE OCCASION
OF THE WORLD
ENVIRONMENT DAY OF
5 JUNE 2016, VIETNAM
ENVIRONMENT
ECONOMY CENTRAL
ASSOCIATION, CENTER
FOR INFORMATION ON
COMMUNICATION FOR
THE ENVIRONMENT
WORKED WITH OCEAN
COMMUNICATION
DEVELOPMENT JOINT
STOCK COMPANY TO
HOLD THE PROGRAM
OF COMMUNICATION
FOR CONSTRUCTION
AND DEVELOPMENT OF
THE NATIONAL GREEN
ECONOMY.”

ENVIRONMENTAL AWARDS GRANTED TO TTCS

At the Finalization Ceremony on 25 June 2016, Thanh Thanh Cong Tay Ninh Joint Stock Company was honored to be granted with the honor medal with certificates of titles by the program organization board.

TOP 50 Trademark for the national green environment	TOP 50 Friendly green factory
And sugar product lines of TTCS granted with titles	
TOP 10 Friendly product good for consumers	

ISO, FOOD SAFETY AND ENVIRONMENT HYGIENE CERTIFICATES



Certificate of Quality Management System ISO 9001:2008



Certificate of Environment Management System ISO 14001:2004



Food Safety Security Certificate (FSSC) 22000: 2005



HALAL Certificate



Certificate of Registration for Brand name – Mimosa trademark



Certificate of Food Safety and Hygiene Eligibility



License for waste water discharge into the common water source



Certificate of owner of hazardous waste discharge source



Certificates of compliance with food safety and hygiene conditions of products

In brief, environment administration has been set and developed to become its own competition advantage, both helping minimizing the environmental impacts, saving costs and increasing profit for the Company – a plan for sustainable development.

SOCIAL, COMMUNITY AND LOCAL ACTIVITIES



**THE ABOVE ACTIVITIES
HAVE BEEN CREATING
A LOT OF MEANINGS,
SPIRIT, CORPORATE
CULTURE AND GOALS OF
TTCS IN THE STRATEGY
OF SUSTAINABLE
DEVELOPMENT, WHICH IS
PRODUCTION, EXISTENCE
AND DEVELOPMENT
THROUGH COMMUNITY
SERVICE.”**

1,000
gifts
for poor patients
in Ho Chi Minh City.



During 2015 - 2016, apart from ongoing coordination with the local authorities in funding social security programs, living-standard and economic development in Tay Ninh, the most outstanding event during 2015 - 2016 was that TTCS was proactively involved in taking care and develop for the benefit of children, through various programs including sponsoring, funding, granting scholarships, construction and repairing of love classrooms, gifts for children on the International Children's Day (1 June) and Mid-Autumn Festival in 2015, etc.

Besides, TTCS enthusiastically participated in funding, accompanied with Thanh Thanh Cong Group and other affiliates in programs, namely sponsoring the construction of a bridge in Ben Tre province of VND 100 million; supporting needy people in Phu Yen province in celebrating the Lunar New Year at a value of VND 125 million; supporting the fund for construction of the stopover house "Nguyen Thi Dinh" – Ben Tre province valued at VND 383 million.

Besides, the Company funded realistic social activities including Support for the our sea and islands, national defense – Supporting Hoang Sa and Truong Sa valued at VND 200 million; funding the restoration of "Southern Central Bureau" heritage in Tay Ninh of VND 250 million.

The above activities have been creating a lot of meanings, showcasing the spirit, corporate culture and goals of TTCS in the strategy of sustainable development, which is production, existence and development through community service.



CRM - Community Relationship Management

SOCIAL PROGRAMS

- Since 2014, TTCS officially became a member of SEDEX (Supplier Ethical Data Exchange), committing to adhere to the laws on Social Security, professional ethics. The Company is evaluated on this compliance by independent organizations on an annual basis.
- Co-sponsoring and completion of the program for construction of 9 bridges in Giong Trom district, Ben Tre province to help the residents in the river region to overcome risks of travelling and bridging the dream of children to go to school in March 2016.
- Fund-raising to support the club "For our beloved Hoang Sa – Truong Sa", share with officials and soldiers on Truong Sa island and underprivileged families of the sailors on 26 December 2015.
- Donating the program of "Love for Con Dao in 2015"
- Thanh Thanh Cong Tay Ninh JSC joined hands with Ha Giang Province Women's Association in helping and supporting minority ethnic groups in Bat Dai Son commune, Quan Ba district in poverty reduction on 5 December 2015.
- Assisting in restoration of some works in the heritage area in the base of the Southern Vietnam Liberation National Frontier.
- Funding VND 500,000,000 for Ben Cau District People's Committee, Tay Ninh province, to conduct the national pilot program of construction of a new rural area for Long Khanh and Long Phuoc communes in 2015.
- Supporting Tay Ninh Children Protection Fund on the 20th anniversary of incorporation of the Company.
- Supporting Tay Ninh City Urban Management Department in "Street Decoration and Lighting 2015".
- Funding for construction of Solidarity Houses for Hoa Hiep Commune, BB 174 Tay Ninh Regiment in 2015.
- Giving 1,000 gifts for needy patients in Ho Chi Minh City.
- Sponsoring Binh Minh Commune in construction of a new rural area in 2014.



SOCIAL, COMMUNITY AND LOCAL ACTIVITIES

(continued)



AID ACTIVITIES

- Giving financial aid to disadvantaged people in the Red Cross Association – the Standing Committee of Tay Ninh Red Cross Association.
- Giving gifts to children of the Sightless Children Education Center – Department of Labor, Invalids and Social Affairs of Tay Ninh.
- Paying visits and giving aid to elderly, orphans of Tay Ninh Social Protection Center.
- Giving gifts during Mid-Autumn Festival for needy children in Chau Thanh and Tan Chau districts, Tay Ninh province.
- Giving aid to the “Children Protection” Fund of Go Dau district, during the Mid-Autumn Festival 2015.
- Giving gifts to children of the disabled children school, of the Department of Education of Tay Ninh province.

CHARITY ACTIVITIES

- Program of voluntary blood donation “Joy from compassion” is annually held on a large scale.
- Giving 300 health insurance cards to needy households in Thanh Binh Commune.
- Giving 100 health insurance cards to needy households in Long Thanh Bac Commune, Hoa Thanh district.

OFFERING SCHOLARSHIPS

- Offering scholarships for students of Ho Chi Minh City University of Natural Resources and Environment during 2015 - 2016.
- Offering 4,000 notebooks for the Study Promotion Association of Tan Chau district – Tay Ninh province on 10 August 2015 to support children before the opening ceremony of the academic year of 2015 – 2016.



Some notable social affairs programs for the community during the period of 2015-2016

Content	Cost (VND)
The funding of the restoration of the "Southern Central Bureau" heritage in Tay Ninh.	250,000,000
Funding Tay Ninh Children Protection Fund on the 20th anniversary of incorporation of the Company.	50,000,000
Offering 1,000 gifts during Mid-Autumn Festival to social protection centers, sightless and disabled children schools, children in Tan Bien, Tan Chau, Chau Thanh, Duong Minh Chau, etc. districts of Tay Ninh province.	100,000,000
Funding the construction of bridges in Ben Tre province – the "Connecting joy banks" program.	100,000,000
Giving aid to Ha Giang province minority groups.	100,000,000
Supporting Hoang Sa – Truong Sa.	200,000,000
Country-fellow Association of Phu Yen province "giving aids to poor people in Phu Yen for celebrating 2016 Lunar New Year's".	125,000,000
Giving aid to the program of "The youth journey for our sea and islands 2016" in Truong Sa district, Da Lon B Island.	15,000,000
Assisting Tay Ninh Children Protection Fund – International Children's Day 1 June 2016 in giving aid to disadvantaged children.	20,000,000
Giving financial aid to Tu Phuoc Pagoda for construction and restoration of loving classrooms for underprivileged children.	20,000,000
Giving financial aid for the program of "Lighting up Tan Hung youth dreams" and "Assisting children to go to school 2016 - 2017" – Tan Hung Commune People's Committee.	10,000,000
Sponsoring the program "Sympathetic Hearts" – giving financial aid to disadvantaged children, heart surgery to children, etc. Ministry of Labor, Invalids and Social Affairs, Family and Children Magazine – Ha Noi.	20,000,000
Funding the construction of "Nguyen Thi Dinh" stopover house – Ben Tre province.	383,000,000
Employees of the Company participated in the "Blood Donation" program 2016 in coordination with Tan Chau district Red Cross Association and Cho Ray Hospital.	71 blood units

The total budget for social security activities for community of the Company during the fiscal year of 2015 - 2016:

	Cost (VND)
Year of 2014 - 2015	2,039,800,000
Year of 2015 - 2016	2,559,519,265



The funding of the restoration of the "Southern Central Bureau" heritage in Tay Ninh

250,000,000



Supporting Hoang Sa – Truong Sa

200,000,000



Funding the construction of "Nguyen Thi Dinh" stopover house – Ben Tre province

383,000,000



SOCIAL, COMMUNITY AND LOCAL ACTIVITIES

(continued)



**SUSTAINABLE
DEVELOPMENT
IS ALWAYS THE
CONSISTENT
AND ENTIRE
DIRECTION IN
THE LONG-TERM
DEVELOPMENT
STRATEGY OF
TTCS, WHICH
PLAYS A CENTRAL
ROLE IN ALL
ACTIVITIES OF
THE COMPANY.”**

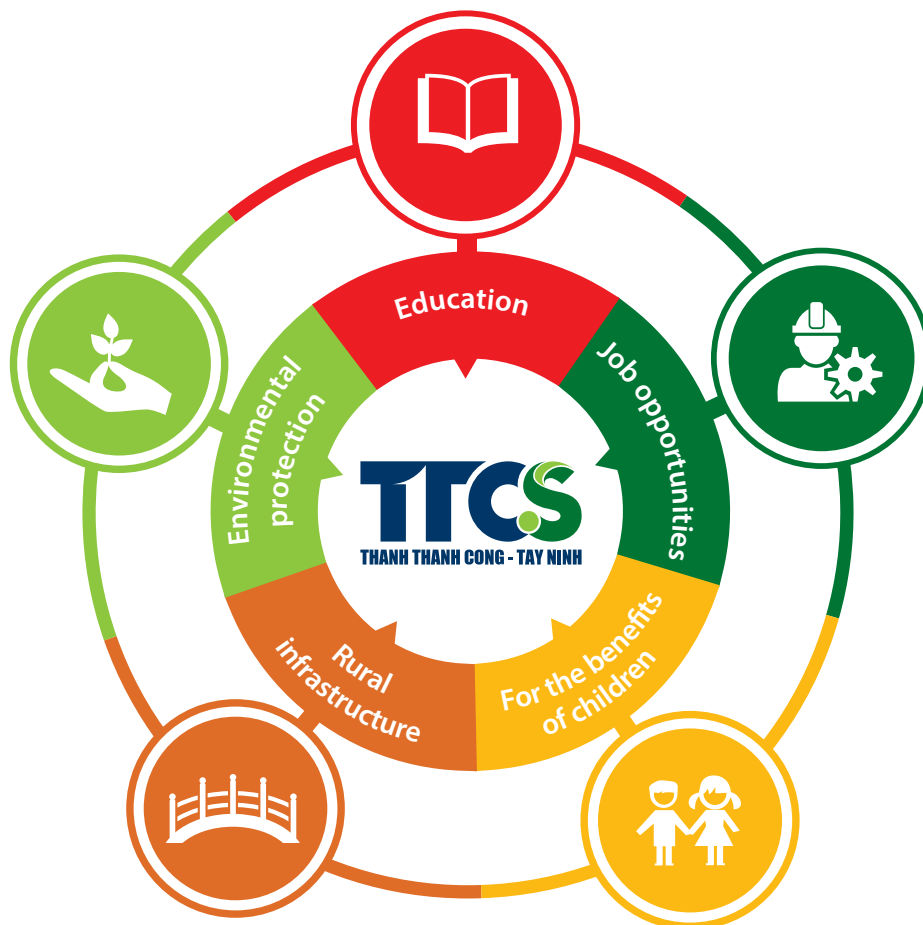
Evaluation on the perception of the public mission of the Company in the sustainable development strategy in the coming 5 years.

As a production corporate attached to agriculture, cultivation, sugarcane farmers and the local economy, the Company has built trust for many years in the market not only with outstanding business performance but significant contributions for the course of local economic development and social responsibility.

Therefore, sustainable development is always the consistent and entire direction in the long-term development strategy of TTCS, which plays a central role in all activities of the Company. In every step, every action, every development project, etc. for the last 21 years, the Company took on the basis of the criteria of harmonious combination of economic growth targets and responsibilities towards farmers, customers, the living environment, production environment, business environment involved by the Company.

- For sugarcane growers: The Company identified the principle of “If farmers gain profits, so does the factory”. During the period of 2016 - 2020, the Company aims at building a stable, sustainable, modern, high-tech material area. Equipment of knowledge, techniques, science, financial investment in advanced machines and equipment, etc. were conducted to shape modern, intellectual farmers. It helped sugarcane farmers to improve their own competitiveness and economic value accordingly.

- For consumers: The Company sets forth the principle of “Understanding market – Improving quality – Reducing Selling Prices” to ensure the benefits for customers in consuming the best quality products at the most competitive prices, offer safe and healthy products for the community.
- For employees: The management team of the Company administers and hire employees with the viewpoint of “Employees are assets”. In the next 5 years, the Company shall promote and apply IT management systems, to optimize human resources and professionalize all the operation of the Company.
- Simultaneously, the Company shall focus dramatically on activities regarding building and developing corporate culture, training and improving qualifications for successors, creating professional working environment, creating all favorable conditions for individual and career development together with the Company's.
- Community, social mission: In the next 5 years, the Company shall focus and promote realistic activities to bring more positive and sustainable changes for the people, the locality and community, in the following areas:



- Responsibilities for the community and society performed by TCS always ensure compliance with the policies and directions of the local authorities. The Company regularly informs and coordinates with the local authorities to put forward realistic, timely action programs to meet the demand of the economy – society – safety and security of the location and residents.
- Within the scope of the sustainable development strategy, TCS is persistently aiming at the goal for compliance of the laws on environment and makes constant endeavors to become a role model corporate of Vietnam enterprise community in respect of green production, environmental protection, and sustainable development, integration with the global common development trend.

SOCIAL INDICATORS



WITH YOUNGER AND YOUNGER HUMAN RESOURCES AND KNOWLEDGE IMPROVEMENT, TTCS IS STRIVING TO IMPROVE THE QUALITY OF HUMAN RESOURCES TO CREATE A FIRM PRECEDENT FOR FUTURE BUSINESS STRATEGIES, AIMING AT INTENSIVE INTEGRATION WITH QUALITY HUMAN RESOURCES IN VIETNAM AND REGIONAL NATIONS.”

EMPLOYEE-RELATED POLICIES

Number of employees, average salary for employees

By end of the fiscal year of 2015 - 2016, the total number of full-time employees is 537, up 10% against that of 2014 - 2015. The total number of employees (including full-time and seasonal) during the fiscal year of 2015 - 2016 is 723, up 7% against that of 2014 - 2015.

Employee structure by qualifications:

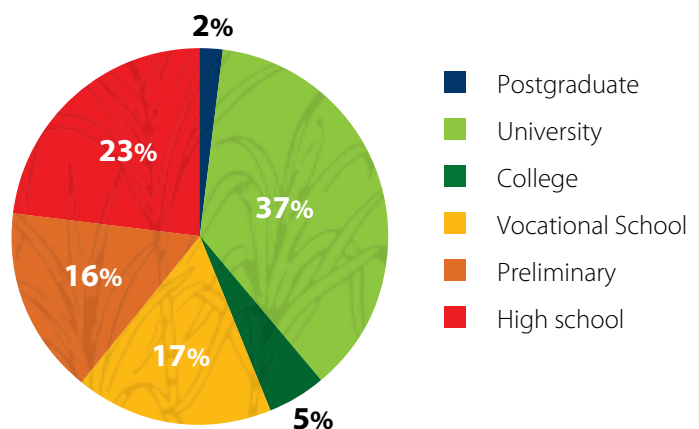


Chart of employee structure by qualifications

In comparison with chart of employee structure by qualifications, TTCS maintains human resources stable. The percentage of employees holding college and vocational high-school degrees accounts for 22%, a slight rise of 1% and that holding preliminary, high-school degrees accounts for 39%, down 3% over the fiscal year of 2014 - 2015. With younger and younger human resources and knowledge improvement, TTCS is striving to improve the quality of human resources to create a firm precedent for future business strategies, aiming at intensive integration with quality human resources in Vietnam and regional nations.

During the fiscal year of 2015 - 2016, the management accounts for 15% of the total number of full-time employees of the Company.

Average salary of employees:

The average income of employee experienced gradual rise over the years, particularly that of 2013 was VND 8.5 million/month/employee and that of the fiscal year of 2014 - 2015 and 2015 - 2016 is VND 9.0 million/month/employee. The Company conducts annual income review appropriate for the business situation and profit results to take care of the living standards and motivate them, henceforth improve working performance of employees.

The Company adopts the system of KPI (Key Performance Indicator) to facilitate fair salary payment for the right

Employee structure by management level:

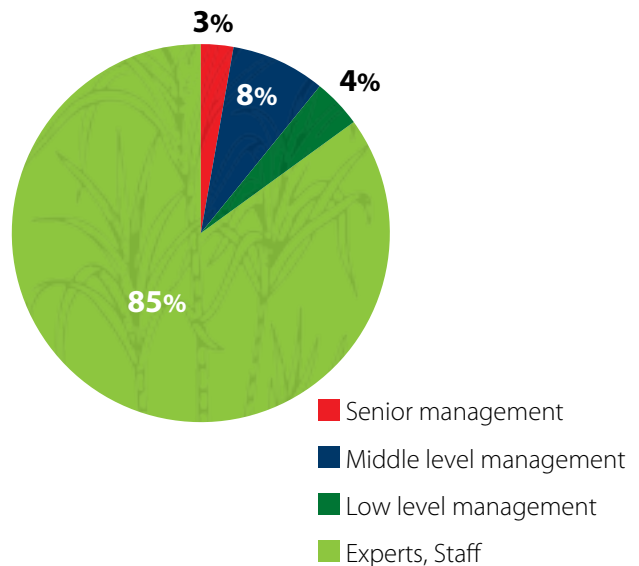
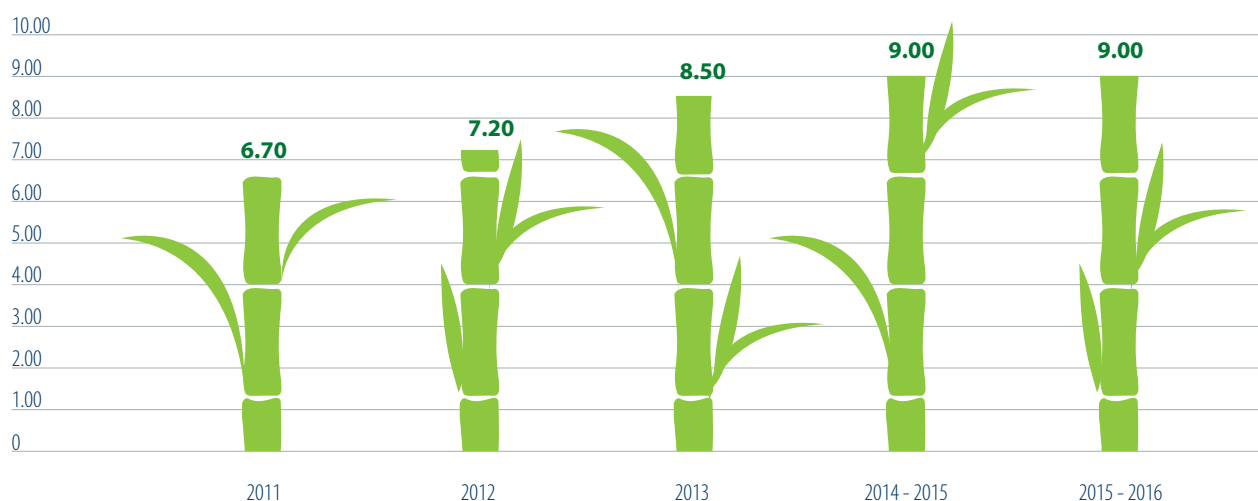


Chart of employee structure by management level

competency and contribution of each employee; encourages learning spirit, improves qualifications and performance renovations; helping to establish solidarity, disciplinary performance and most importantly, to motivate employees in their jobs.

Application of KPI system has been conducting in the entire Company, including department KPIs and individual KPIs to comprehensively review working process on a monthly, quarterly and annual basis.

Average income of employees (VND million)





SOCIAL INDICATORS (continued)

Employment policies for ensuring health, safety and well-being of employees

Apart from compulsory policies in accordance with applicable regulations, namely health insurance, social insurance, unemployment insurance, the Company defines other welfare policies for employees to act as spiritual and material incentives for employees of the Company, including lunch allowance, regular health check-up, birthday gifts, marriage, birth delivery, other public holidays; visits, hospitalization, funerals; retirement; regular vacations; etc. Organization of physical-sports events, musical events to facilitate employees playing sports, exchange between Departments/Divisions/Committees and member units of the Company.

During the period of its operation, the Company conducts constantly develop welfare policies to improve spiritual, material lives for employees, ensuring the interest of employees in accordance with the labor law and creating all favorable conditions for employees to develop their competence and have peace in mind to work.

The Company also takes care of the living standards, materially and spiritually, including 24-hour accident insurance for all the employees for all employees with a coverage of USD 10,000/person/year (Tay Ninh Bao Minh Company), health insurance for managers at middle level

and above (sickness, hospitalization, maternity, etc.) with the highest coverage of VND 210,000,000/person/year (PVI Dong Do Insurance Company).

Additionally, the Company sets forth on-spot training policy for employees including improvement in shift-break meal quality, toxicity allowance to ensure health, spirit and create the best mood for employees in their work. The shift-break meal is offered at VND 25,000/person. Moreover, for those employees who work in heavy and toxic environment, the Company adopts the policy for toxicity allowances in accordance with the laws.

The Company annually invites competent authorities to check noise, vibration, dust, etc. Whether the readings are within the limits, based on its results, the Company shall offer protection equipment for employees to reduce environmental impacts on the health of employees. The Company initiates the initiative competition to put into application for noise reduction.

At the same time, the Company focuses on creating a green – clean – beautiful working environment together with mottoes, images to help employees have thorough awareness of policies regarding common house, common environment protection.

Employee training

Training to improve the quality of human resources

At TTCS, the average number of training is 13 hours/employee/year. To have a knowledgeable employees, with good expertise, and professional ethics, the Company devises training plan in line with the development strategy of the Company, specifically:

- **Orientation training:** New employees shall participate orientation training program, helping them to clearly understand the history of the Company, regulations, processes, working bylaws, environment and culture of the Company to quickly understand and integrate in the fastest manner with the job and colleagues.
- **Internal training:** The Company regularly holds internal training, invites sector experts to train

knowledge of intensive skills for employees. Focusing on field internal training, senior levels training lower levels, senior experts training lower experts to continue with improvement qualifications.

- **Training on soft skills:** Focusing on training on soft skills, namely communication, presentation, negotiation, dealing, etc. skills to help employees be confident and more successful in their performance.

Training and development of successors

Planning and development of managers is a strategic activity of TTCS. During the fiscal year of 2015 - 2016, the Company successfully held manager training courses including:

Training courses	Participants	Costs	Organization time
Administration competence for managers	52	325,160,000 dong	09/2015 - 10/2015
Improvement in supervision competence	58	28,717,000 dong	09/2015
Development of senior managers	7	35,000,000 dong	12/2015
Presentation skill	34	62,000,000 dong	05/2016

Manager training programs are aimed at improvement in expertise, management and operation competence for managers. For prospective employees, they shall be appointed to the list of potential CEOs, and are sent for training courses for leadership skills, management, planning, coordination and other skills.

economy with regional countries, training plays a really important part in enhancing the intrinsic strength of TTCS, improving competitiveness in a market of both opportunities and challenges.

Social indicator: General rules regarding standardized labor and jobs

During the process of intensive integration of Vietnamese

Turnover

Statistical data	Age			Gender		Total
	<30	30 - 50	>50	Male	Female	
Turnover of staff during the fiscal year of 2015 – 2016	4	10	1	12	3	15
Ratio	0.7%	1.9%	0.2%	2.2%	0.6%	2.8%
Turnover of staff during the fiscal year of 2014 – 2015	12	16	5	25	8	33
Ratio	2.5%	3.3%	1.0%	5.1%	1.7%	6.8%

During the fiscal year of 2015 – 2016, turnover at TTCS is 2.8%, down 4% against the previous period. Of which, in respect of gender, turnover of male staff (2.2%) is higher than that of female staff (0.6%). Turnover of staff is the highest among those at the age of 30-50, whereas it is stable at the age of over 50.

SOCIAL INDICATORS (continued)

TTCS

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG
THÀNH THÀNH CÔNG TÂY NINH



“

THE EXECUTIVE BOARD OF THE COMPANY, IN COORDINATION WITH EMPLOYEES, HOLDS MEETINGS, TALKS BETWEEN EMPLOYEES AND EMPLOYER ON A MONTHLY, QUARTERLY, ANNUAL BASIS, IN ACCORDANCE WITH THE POLICY FOR CONVERSATIONS AND CONFERENCE FOR EMPLOYEES IN THE COMPANY TO SHARE INFORMATION, LISTEN TO EACH OTHER'S OPINIONS TO BUILD UP EMPLOYMENT RELATIONSHIPS IN THE COMPANY IN A HARMONIOUS, STABLE AND PROGRESSIVE.”

RELATIONSHIP BETWEEN EMPLOYEES AND EMPLOYER

100% of employees of the Company is currently enjoying collective labor agreement. Where any amendment is required to the collective labor agreement, the Company always organizes employee poll to get final consensus.

The Executive Board of the Company, in coordination with employees, holds meetings, talks between employees and employer on a monthly, quarterly, annual basis, in accordance with the policy for conversations and conference for employees in the Company to share information, listen to each other's opinions to build up employment relationships in the Company in a harmonious, stable and progressive.

PROFESSIONAL HEALTH AND SAFETY

The 5S Board of TTCS has 15 members accounting for 2.8% of the total number of employees. Its duty is to inspect labor safety and hygiene, evaluate threats and give advice on measures for environmental improvement and labor safety.

No.	Criteria	Output unit price	Figure
1	Labor accident:		
	➤ Total number of accidents	Cases	17
	» Of which, the number of cases with deaths	Cases	01
	➤ Total number of employees having labor accidents	Person	17
	» Of which, the number of deaths due to labor accidents	Person	01
	➤ Total cost for labor accidents (emergency, treatment, salary for leave days, compensation, allowances, etc.)	Thousand VND	317,880
	➤ Asset damage (in cash)	Million VND	0
	➤ Number of days off for labor accidents	Day	212
2	Professional sickness:		
	➤ Total number of employees having professional sickness at the time of report	Person	0
	» Of which, new number of employees having professional sickness	Person	0
	➤ Number of days off for professional sickness	Day	0
	➤ Number of employees retiring early because of professional sickness	Person	0
	➤ Total cost for employees having professional sickness during the year (expenditures exclusive from the plan for labor safety – hygiene including: treatment, salary for leave days, compensation, allowances, etc.)	Million VND	0
3	Result of health classification of employees:		502
	» Type I	Person	19
	» Type II	Person	132
	» Type III	Person	131
	» Type IV	Person	172
	» Type V	Person	48
4	Number of sick leave days	Day	620

As a manufacturing business, TTCS gives much concern on labor safety. Newly-recruited employees shall be instructed, trained in safety to identify and prevent risks at work. Besides, the Company holds training and updates knowledge of labor safety for employees on an annual basis.

Early season training is typical at TTCS to assist employees in coping with emergency and dangerous situations. More than that, the Company buys health insurance, 24-hour accident insurance to reimburse employees with health payments.

Risk prevention and control are shown in human resources training and development, available for new challenges and opportunities of the market. Being always aware that human resources are the most valuable asset,

a distinctive value-making factor of the Company, TTCS always focuses on development of education, training, consulting, risk prevention and control programs to support the employees.

In 2016, TTCS continued having big human resources demand for development and expansion. Facing challenges in personnel administration to maintain and develop human resources, its risk management has been more seriously paid much attention. Without stopping at closely-selective recruitment, employee training enhancement, serious performance evaluation and incentive policy development to ensure minimization of risk of staff shortage and loss; TTCS also focuses on making a list of possible risks in personnel management to identify and evaluate risks and address timely solutions.



SOCIAL INDICATORS (continued)

EDUCATION AND TRAINING

Sustainable development has become one of the most essential strategic orientation of most of countries in the world in the current scientific and technology revolution. In this strategic orientation, TTCS realizes that human resources training and development in a sustainable manner in the common development is becoming so urgent.

Training is affirmed to be a major opportunity to widen basic knowledge for all employees with an average training hours at TTCS of 13 hours/year/employee.

As a company in the sugarcane industry, training in labor safety, food safety and hygiene are compulsory at the Company. Annually, over 1,000 employees are offered necessary training courses including food safety and hygiene, labor safety, first aid to be able to perform their jobs better. Henceforth, they shall raise their awareness of safe practice and appropriate procedures for basic skills.

Skill development programs at TTCS including Corporate Culture, Communication Skill, Negotiation Skill, Sale Skill, etc. are structured ones to help employees accumulate proper fundamental experiences and knowledge.

Employees have the opportunities to take training and development programs, which makes them more advantageous than those in other companies, or those who are always looking for their own training opportunities. Henceforth, employees shall feel they are highly appreciated and have the opportunities for development through training programs of the Company.

Together with recruitment, training is serious concern to ensure quality of human resources, and inspire and motivate employees. Training programs are separately designed for each subject segment, which helps improve performance, reduce professional risks and enhance connections within the organization. Preferential policies and performance evaluation are always accompanied as a pair to ensure staff satisfaction, internal equality and market competitiveness, create a professional working environment for staff development.

Optimizing operational cost but still ensuring the rate of human resources development, both quantitative and qualitative, meeting the market demand, attracting and keeping talents, especially senior personnel, are always challenges for personnel management of the Company.

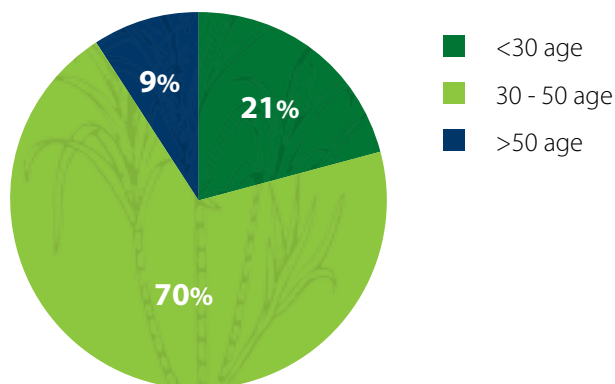


TTCS highly value administration of the system with processes to ensure close compliance, sustainable development and personnel back-up capacity for the whole system to minimize possible risks due to personnel fluctuation. With respect to personnel management, accuracy and confidentiality of personnel information are top priority of all times. Regular reports indicating personnel trend in the Company are made through the information management system, which helps the Management team to have better management and forecast of the personnel, and training, recruitment, policy making plans which are suitable for the reality. With the support of the IT system, personnel activities have been performed with reduced risks and improved efficiency.

Additionally, TTCS continues to maintain the internal training to share vision, strategies, reinforce corporate culture to nourish the spirit of TTCS. Such sharing also acts as motivation for the working spirit, provision of information and avoidance of unnecessary stresses. This is also a method to make sure the information is conveyed thoroughly for each employee to understand their personal and common goals to keep on making contributions to the common development of the Company.

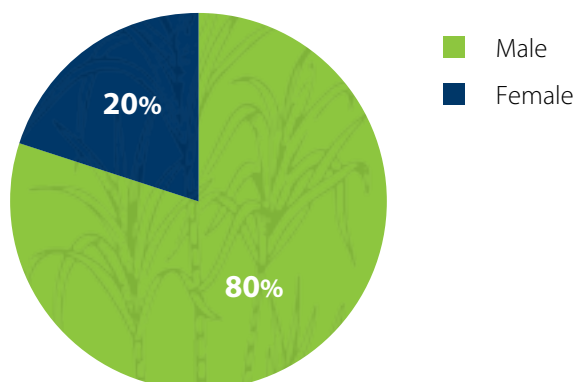
During the fiscal year of 2015 - 2016, management personnel accounts for 15% of the total number of full-time employees of the Company.

Employee structure by age:



TTCS has young employee structure, in which those who are below 35 years old account for 21%, between 30 and 50 account for 70% and the remaining 9% includes those who are above 50. Young, dynamic, knowledgeable, skillful personnel makes a significant contribution to the success of TTCS.

Employee structure by gender:



SOCIAL INDICATORS

(continued)

As a sugar manufacturing company with a lot of manufacturing positions requiring good health, TTCS has 80% of male employees, 20% of female ones, mainly in the offices.

- » Basic salary of male staff during the fiscal year of 2015 - 2016 is VND 4,465,785/month.
- » Basic salary of female staff during the fiscal year of 2015 - 2016 is VND 4,701,899/month.

Basic salary of female employees during the fiscal year of 2015-2016 is generally 5% higher than that of male employees. Since it is a manufacturing company, the majority of employees is workers and manual workers in the factories. With the nature of hard work, male staff accounts for the majority of this amount, whereas, female ones at TTCS accounts for the minor number, most of whom are educated staff who mainly work in the office, thus their basic salary is generally higher than that of male staffs.

SOCIAL ACTIVITY INDICATOR: HUMAN RIGHTS

Regulations on investment and procurement

Recruitment viewpoints and will of TTCS is inherently indicated in recruitment and training policy of the Company and are exercised in processes and job instructions regarding personnel work.

The Conduct regulation and Conflict of Interest Prevention regulation are set forth, which are the guidelines for all the operations in the company, clearly expressing viewpoints towards the stakeholders and responsibilities of TTCS and its members in all relationships.

No discrimination

With over 650 employees from all ages, sectors, gender, ethnicity and religions, the Company always shows its respect difference and diversification, without any discrimination in gender, ethnicity, religion, origin, age. Moreover, all programs, policies, processes and systems of the Company are aimed at respect for human rights and facilitating employees working efficiently.





All employees are entitled to equal opportunities, recognized for their own knowledge and experiences. All and any act of discrimination in recruitment, promotion and personnel decisions are restricted. Recruitment is conducted based on the employee demand, position requirements to implement business and production plans for the Company.

Trade union of TTCS is a representing unit and protects employees' rights and benefits. The Company always creates favorable conditions and supports trade union's activities with more than 500 members. Annually, employee representative meetings are held to report activity results and devise action plans and directions for the coming year. Participation in the trade union is always encouraged by the Company.

Children employment

Employment relationship of the Company is established in accordance with Vietnamese labor laws, ensuring no children employment, force or restrain.

Rights of local people

Together with expansion of the material area, production, TTCS offered over 650 jobs, especially local employees. With the ambition of healthy and strong development, connecting and creating job opportunities for Tay Ninh people, policies for recruitment and training are top priority. The Company makes sure there is no act of discrimination or establishment of small religious, sector, local groups. TTCS is always a family, where all policies and benefits are treated with equality.

INFORMATION ANNOUNCEMENT UNDER GRI4 STANDARD

GRI	Information announcement	2015 - 2016 report	Page
GENERAL STANDARD			
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the highest decision-maker of the organization (such as CEO, chairman or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	★	124 - 125
G4-2	Provide a description of key impacts, risks, and opportunities.	★	44 - 47
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization.	★	10 - 11
G4-4	Primary brands, products, and services.	★	14 - 5
G4-5	Headquarter.	★	10 - 11
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	★	126 - 27
G4-7	Nature of ownership and legal form.	★	10 - 11
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	★	16 - 17
G4-9	Scale of the organization.	★	
G4-10	Report workforce.	★	40 - 41
G4-11	Percentage of total employees covered by collective bargaining agreements.	★	172
G4-12	Describe the organization's supply chain.	★	
G4-13	Report any significant changes after M&A or buying ownership more than 20% of other organizations. However, TTCS discloses information sufficiently. It is required to be improved.	★	20 - 21
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	★	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	★	
IDENTIFY MATERIAL BOUNDARY			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	★	202 - 203
G4-18	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	★	130 - 131
G4-19	List all the material Aspects identified in the process for defining report content.	★	130 - 131
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	★	130 - 131
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	★	130 - 131

GRI	Information announcement	2015 - 2016 report	Page
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	★	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	★	
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization.	★	
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	★	
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	★	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	★	
PROFILE REPORT			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	★	
G4-29	Date of most recent previous report (if any).		
G4-30	Reporting cycle (such as annual, biennial).	★	126 - 127
G4-31	Provide the contact point for questions regarding the report or its contents.	★	127
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. (GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines).	★	124 - 133
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	★	124 - 133
GOVERNANCE			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	★	24 - 35
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	★	
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	★	88 - 95

INFORMATION ANNOUNCEMENT UNDER GRI4 STANDARD

(continued)

GRI	Information announcement	2015 - 2016 report	Page
G4 - 37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	★	
G4 - 38	Report the composition of the highest governance body and its committees.	★	24 - 29
G4 - 39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	★	88 - 95
G4 - 40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	★	111
G4 - 41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	★	
G4 - 42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	★	
G4 - 43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	★	
G4 - 44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	★	
G4 - 45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	★	
G4 - 46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	★	
G4 - 47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	★	
G4 - 48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	★	
G4 - 49	Report the process for communicating critical concerns to the highest governance body.	★	
G4 - 50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	★	

GRI	Information announcement	2015 - 2016 report	Page
G4-51	Remuneration policies for the highest governance body and senior executives. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	★	106 - 107
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	★	2 - 4
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as help lines or advice lines.	★	112 - 113
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines.	★	
SPECIFIC STANDARD DISCLOSURES			
CATEGORY: ECONOMICS			
ECONOMIC PERFORMANCE			
G4-DMA	Disclosures on Management Approach.	★	
EC1	Direct economic value generated and distributed.	★	50
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	★	16
EC3	Coverage of the organization's defined benefit plan obligations.	★	42 - 43
EC4	Financial assistance received from government.	★	
MARKET PRESENCE			
G4-DMA	Disclosures on Management Approach.	★	16 - 17
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	★	56 - 57
EC6	Proportion of senior management hired from the local community at significant locations of operation.	★	
INDIRECT ECONOMIC IMPACTS			
G4-DMA	Disclosures on Management Approach.	★	44 - 47
EC7	Development and impact of infrastructure investments and services supported.	★	
EC8	Significant indirect economic impacts, including the extent of impacts.	★	44 - 47
PROCUREMENT PRACTICES			
G4-DMA	Disclosures on Management Approach.	★	76 - 77
EC9	Proportion of spending on local suppliers at significant locations of operation.	★	76 - 77
CATEGORY: ENVIRONMENT			
MATERIALS			
G4-DMA	Disclosures on Management Approach.	★	141 - 145

INFORMATION ANNOUNCEMENT UNDER GRI4 STANDARD

(continued)

GRI	Information announcement	2015 - 2016 report	Page
EN1	Materials used by weight or volume.	★	141 - 145
EN2	Percentage of materials used that are recycled input materials.	★	150 - 153
ENERGY			
G4-DMA	Disclosures on Management Approach.	★	146 - 149
EN3	Energy consumption within the organization.	★	146 - 149
EN4	Energy consumption outside of the organization.	★	146 - 149
EN5	Energy intensity.	★	146 - 149
EN6	Reduction of energy consumption.	★	146 - 149
EN7	Reductions in energy requirements of products and services.	★	146 - 149
WATER			
G4-DMA	Disclosures on Management Approach.	★	150 - 153
EN8	Total water withdrawal by source.	★	150 - 153
EN9	Water sources significantly affected by withdrawal of water.	★	150 - 153
EN10	Percentage and total volume of water recycled and reused.	★	150 - 153
BIODIVERSITY			
G4-DMA	Disclosures on Management Approach.	★	135 - 139
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	★	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	★	135 - 139
EN13	Habitats protected or restored.	★	135 - 139
EMISSIONS			
G4-DMA	Disclosures on Management Approach.	★	157 - 158
EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	★	157 - 158
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	★	157 - 158
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	★	
EN18	Greenhouse gas (GHG) emissions intensity.	★	
EN19	Reduction of greenhouse gas (GHG) emissions	★	157 - 158
EN20	Emissions of ozone-depleting substances (ODS)	★	
EN21	NOx, SOx, and other significant air emissions.	★	157 - 158
EFFLUENTS AND WASTE			
G4-DMA	Disclosures on Management Approach.	★	155 - 156
EN22	Total water discharge by quality and destination.	★	155 - 156

GRI	Information announcement	2015 - 2016 report	Page
EN23	Total weight of waste by type and disposal method.	★	158-159
EN24	Total number and volume of significant spills.	★	158-159
EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention - Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	★	158-159
EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	★	
INFORMATION AND LABEL OF PRODUCTS AND SERVICES			
G4-DMA	Disclosures on Management Approach.	★	
EN27	Extent of impact mitigation of environmental impacts of products and services.	★	141 - 145
EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	★	141 - 145
COMPLIANCE			
G4-DMA	Disclosures on Management Approach.	★	160-161
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	★	160-161
TRANSPORT			
G4-DMA	Disclosures on Management Approach.	★	
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	★	
SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	Disclosures on Management Approach.	★	154-159
EN32	Percentage of new suppliers that were screened using environmental criteria.	★	154-159
EN33	The negative environmental impact and potential real significant in the supply chain and the measures already implemented.	★	154-159
ENVIRONMENTAL GRIEVANCE MECHANISMS			
G4-DMA	Disclosures on Management Approach.	★	
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	★	
CATEGORY: SOCIAL			
LABOR PRACTICES AND DECENT WORK			
EMPLOYMENT			
G4-DMA	Disclosures on Management Approach.	★	168-177
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	★	168-177

INFORMATION ANNOUNCEMENT UNDER GRI4 STANDARD

(continued)

GRI	Information announcement	2015 - 2016 report	Page
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	★	168-177
LA3	Return to work and retention rates after parental leave, by gender.	★	
LABOR/MANAGEMENT RELATIONS			
G4-DMA	Disclosures on Management Approach.	★	168-177
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	★	168-177
OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	Occupational Health and Safety.		
LA 5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.		
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.		
LA7	Workers with high incidence or high risk of diseases related to their occupation.		
LA8	Health and safety topics covered in formal agreements with trade unions		
TRAINING AND EDUCATION			
G4-DMA	Disclosures on Management Approach.	★	168-177
LA9	Average hours of training per year per employee by gender, and by employee category.	★	168-177
LA10	Programs for skill management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	★	168-177
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	★	168-177
DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	Disclosures on Management Approach.	★	168-177
LA 12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	★	168-177
EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-DMA	Disclosures on Management Approach.	★	168-177
LA 13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	★	168-177
SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4-DMA	Disclosures on Management Approach.	★	
LA 14	Percentage of new suppliers that were screened using labor practices criteria.	★	

GRI	Information announcement	2015 - 2016 report	Page
LA 15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	★	
	LABOR PRACTICES GRIEVANCE MECHANISMS		
G4-DMA	Disclosures on Management Approach.	★	
LA 16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	★	
HUMAN RIGHTS			
	HUMAN RIGHTS		
G4-DMA	Disclosures on Management Approach.	★	170-177
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	★	170-177
HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	★	170-177
	NON-DISCRIMINATION		
G4-DMA	Disclosures on Management Approach.	★	177
HR3	Disclosures on Management Approach.	★	177
	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
G4-DMA	Disclosures on Management Approach.	★	
HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	★	
	CHILD LABOR		
G4-DMA	Disclosures on Management Approach.	★	177
HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	★	177
	FORCED OR COMPULSORY LABOR		
G4-DMA	Disclosures on Management Approach.	★	177
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	★	177
	ASSET PROTECTION PRACTICES		
G4-DMA	Disclosures on Management Approach.	★	177
HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	★	177
	INDIGENOUS RIGHTS		
G4-DMA	Approach to Managing General	★	177

INFORMATION ANNOUNCEMENT UNDER GRI4 STANDARD

(continued)

GRI	Information announcement	2015 - 2016 report	Page
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	★	177
	ASSESSMENT		
G4-DMA	Disclosures on Management Approach.	★	177
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	★	177
	HUMAN RIGHTS GRIEVANCE MECHANISMS		
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	★	
SOCIETY			
	LOCAL COMMUNITIES		
G4-DMA	Disclosures on Management Approach.	★	162
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	★	167
SO2	Operations with significant actual or potential negative impacts on local communities.	★	
	ANTI-CORRUPTION		
G4-DMA	Disclosures on Management Approach	★	
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	★	
SO4	Communication and training on anti-corruption policies and procedures.	★	
	PUBLIC POLICY		
G4-DMA	Disclosures on Management Approach.	★	
SO6	Total value of political contributions by country and recipient/beneficiary.	★	
	ANTI-COMPETITIVE BEHAVIOR		
G4-DMA	Disclosures on Management Approach.	★	
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	★	
	COMPLIANCE		
G4-DMA	Disclosures on Management Approach.	★	
SO7	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	★	
	GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY		
G4-DMA	Disclosures on Management Approach.	★	
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	★	

GRI	Information announcement	2015 - 2016 report	Page
PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH AND SAFETY			
G4-DMA	Disclosures on Management Approach.	★	
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	★	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	★	
PRODUCT AND SERVICE LABELING			
G4-DMA	Disclosures on Management Approach.	★	
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements.	★	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	★	
PR5	Results of surveys measuring customer satisfaction.	★	
MARKETING COMMUNICATIONS			
G4-DMA	Disclosures on Management Approach.	★	
PR6	Sale of banned or disputed products.	★	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	★	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	★	
COMPLIANCE			
G4-DMA	Disclosures on Management Approach.	★	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	★	

Generic conventions:

★: Well implemented, continue maintaining and promoting

★: Have had but not fully implemented, continue completing according to international standards

★: Not yet have, need to supplement and implement



5 CONSOLIDATED FINANCIAL STATEMENTS

Success **IS RESULT**

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**THANH THANH CONG TAY NINH
JOINT STOCK COMPANY**

Consolidated financial statements
30 June 2016

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GENERAL INFORMATION

THE COMPANY

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

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

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

The Company's head office is located at Tan Hung Commune, Tan Chau District, Tay Ninh Province, Vietnam and its representation office is located at Floor 1, No. 62, Tran Huy Lieu Street, Ward 12, Phu Nhuan District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr Pham Hong Duong	Chairman	
Mr Le Van Dinh	Vice Chairman	
Ms Dang Huynh Uc My	Member	
Mr Nguyen Quoc Viet	Member	appointed on 19 December 2015
Mr Pham Thi Thu Trang	Member	appointed on 19 December 2015
Mr Nguyen Ba Chu	Member	resigned on 14 September 2015
Mr Le Ngoc Thong	Member	resigned on 19 December 2015
Mr Le Quang Hai	Member	resigned on 19 December 2015
Mr Vo Tong Xuan	Member	resigned on 19 September 2015

BOARD OF SUPERVISION

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

Ms Nguyen Thuy Van	Head	
Mr Huynh Thanh Nhan	Member	appointed on 19 December 2015
Mr Nguyen Xuan Thanh	Member	appointed on 19 December 2015
Mr Pham Trung Kien	Member	resigned on 19 December 2015
Mr Le Van Hoa	Member	resigned on 19 December 2015

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mr Nguyen Thanh Ngu	General Director	
Mr Nguyen Van De	Deputy General Director	
Ms Ho Nguyen Duy Khuong	Deputy General Director	appointed on 15 July 2015 resigned on 01 June 2016
Mr Nguyen Viet Hung	Deputy General Director	appointed on 15 November 2015
Ms Duong Thi To Chau	Deputy General Director	
Ms Truong Thi Hong	Deputy General Director	resigned on 10 July 2015
Mr Le Quang Hai	Deputy General Director	resigned on 19 December 2015
Mr Le Duc Ton	Factory Director	
Ms Nguyen Thi Thuy Tien	Finance Director	
Mr Trang Thanh Truc	Publicity Director	
Mr Huynh Van Phap	Business Director	
Mr Thai Ba Hoa	Materiality Director	
Ms Le Ha Mai Thao	Human Resources Director	resigned on 31 August 2015
Ms Nguyen Thi Thu Trang	Supporting Director	appointed on 18 April 2016

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Nguyen Thanh Ngu.

AUDITORS

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

REPORT OF BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors and Management of Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2016.

BOARD OF DIRECTORS AND MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Board of Directors and Management are 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, Board of Directors and Management are 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.

Board of Directors and Management are 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. They are 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.

Board of Directors and Management confirmed that they have complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors and Management do hereby state that, in their opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2016, and of the consolidated results of its operations and its consolidated cash flows for the year ended 30 June 2016 then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements.

For and on behalf of Board of Directors and Management:



Pham Hong Duong
Chairman

28 September 2016

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Thanh Thanh Cong Tay Ninh Joint Stock Company

We have audited the accompanying consolidated financial statements of Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 28 September 2016 and set out on pages 196 to 247 which comprise the consolidated balance sheet as at 30 June 2016, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on the 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 auditor's 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 auditor considers 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 2016, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Other matter

The consolidated financial statements of the Group for the year ended 30 June 2015 were audited by another audit firm which expressed an unmodified opinion on those consolidated financial statements on 28 September 2015.

Ernst & Young Vietnam Limited



Le Quang Minh
Deputy General Director
Audit Practicing Registration Certificate
No. 0426-2013-004-1

Ho Chi Minh City, Vietnam

28 September 2016

Luong Kim Dien An
Auditor
Audit Practicing Registration Certificate
No. 2736-2014-004-1

CONSOLIDATED BALANCE SHEET

as at 30 June 2016

B01-DN/HN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		4,216,029,016,581	1,891,271,281,331
110	I. Cash and cash equivalents	5	855,375,120,630	138,062,494,402
111	1. Cash		431,443,246,481	138,062,494,402
112	2. Cash equivalents		423,931,874,149	-
120	II. Short-term investments	6	46,424,094,687	7,021,531,368
121	1. Held-for-trading securities		54,116,600,867	8,124,761,428
122	2. Provision for held-for-trading securities		(7,692,506,180)	(1,103,230,060)
130	III. Current accounts receivable		1,930,581,676,173	960,916,527,685
131	1. Short-term trade receivables	7	822,334,756,561	268,961,211,094
132	2. Short-term advances to suppliers	8	938,582,888,061	474,876,118,998
135	3. Short-term loan receivables	32	133,500,000,000	179,000,000,000
136	4. Other short-term receivables	9	70,882,923,265	61,366,473,143
137	5. Provision for short-term doubtful receivables	8	(34,718,891,714)	(23,287,275,550)
140	IV. Inventories	10	1,333,276,780,107	749,235,990,504
141	1. Inventories		1,334,096,271,683	750,055,482,080
149	2. Provision for obsolete inventories		(819,491,576)	(819,491,576)
150	V. Other current assets		50,371,344,984	36,034,737,372
151	1. Short-term prepaid expenses	11	40,887,927,016	33,159,799,557
152	2. Value added tax deductible		9,102,232,099	30,385,635
153	3. Tax and other receivables from the State		381,185,869	2,844,552,180

CONSOLIDATED BALANCE SHEET (continued)

as at 30 June 2016

B01-DN/HN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		2,620,667,782,014	1,405,314,238,745
210	I. Long-term receivables		194,048,412,209	48,611,724,058
212	1. Long-term advances to suppliers	8	58,769,761,197	35,904,299,058
216	2. Other long-term receivables	9	135,278,651,012	12,707,425,000
220	II. Fixed assets		1,555,356,440,558	533,411,049,727
221	1. Tangible fixed assets	12	1,305,729,123,707	476,155,185,794
222	Cost		3,051,892,253,773	1,747,107,486,692
223	Accumulated depreciation		(1,746,163,130,066)	(1,270,952,300,898)
224	2. Finance leases	13	67,610,055,686	-
225	Cost		73,767,448,385	-
226	Accumulated depreciation		(6,157,392,699)	-
227	3. Intangible assets	14	182,017,261,165	57,255,863,933
228	Cost		197,891,271,547	68,915,328,391
229	Accumulated amortisation		(15,874,010,382)	(11,659,464,458)
240	III. Long-term asset in progress		124,818,704,027	170,548,334,250
242	1. Construction in progress	15	124,818,704,027	170,548,334,250
250	IV. Long-term investments	16	686,067,887,183	612,260,559,873
252	1. Investments in associates	16.1	398,984,110,671	517,891,777,476
253	2. Investments in other entities	16.2	287,922,171,983	94,437,115,484
254	3. Provision for long-term investments		(838,395,471)	(68,333,087)
260	V. Other long-term assets		60,376,338,037	40,482,570,837
261	1. Long-term prepaid expenses	11	41,619,031,610	40,482,570,837
262	2. Deferred tax asset	31.3	851,395,319	-
269	3. Goodwill	17	17,905,911,108	-
270	TOTAL ASSETS		6,836,696,798,595	3,296,585,520,076

CONSOLIDATED BALANCE SHEET (continued)

as at 30 June 2016

B01-DN/HN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		4,134,301,056,939	1,375,001,591,370
310	I. Current liabilities		2,774,320,638,118	866,292,962,370
311	1. Short-term trade payables	18	46,117,978,053	82,666,961,595
312	2. Short-term advances from customers	19	85,044,977,543	81,251,627,841
313	3. Statutory obligations	20	12,205,553,830	840,996,228
314	4. Payables to employees		10,133,880,337	4,512,096,380
315	5. Short-term accrued expenses	21	58,769,362,740	10,819,139,091
319	6. Short-term other payables	22	24,174,187,980	5,138,453,729
320	7. Short-term loans and finance lease obligations	23	2,520,380,695,895	667,877,287,507
322	8. Bonus and welfare fund		17,494,001,740	13,186,399,999
330	II. Non-current liabilities		1,359,980,418,821	508,708,629,000
337	1. Other long-term liability		185,500,000	96,300,000
338	2. Long-term loans and finance lease obligations	23	1,359,794,918,821	508,612,329,000
400	D. OWNERS' EQUITY		2,702,395,741,656	1,921,583,928,706
410	I. Capital		2,702,395,741,656	1,921,583,928,706
411	1. Share capital	24.1	1,947,610,330,000	1,485,000,000,000
411a	• Shares with voting rights		1,947,610,330,000	1,485,000,000,000
412	2. Share premium	24.1	155,174,403,823	14,732,000,010
415	3. Treasury shares	24.1	(40,306,862,293)	(61,577,199,043)
417	4. Foreign exchange differences reverse	24.1	(2,165,210,735)	-
418	5. Investment and development fund	24.1	243,709,260,201	227,425,653,785
420	6. Other funds belonging to owners' equity	24.1	-	(2,040,858,039)
421	7. Undistributed earnings	24.1	386,137,417,421	257,408,414,403
421a	• Undistributed earnings up to the end of prior year		93,923,017,688	69,071,260,137
421b	• Undistributed earnings of current year		292,214,399,733	188,337,154,266
429	8. Non-controlling interests	25	12,236,403,239	635,917,590
440	TOTAL LIABILITIES AND OWNERS' EQUITY		6,836,696,798,595	3,296,585,520,076

Nguyen Ngoc Han
Preparer

28 September 2016

Le Phat Tin
Chief Accountant



Nguyen Thanh Ngu
General Director

CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2016

B02-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	26.1	4,042,892,882,215	2,071,667,869,305
02	2. Deductions	26.1	(15,660,161,470)	(4,767,867,003)
10	3. Net revenues from sale of goods and rendering of services	26.1	4,027,232,720,745	2,066,900,002,302
11	4. Cost of goods sold and services rendered	27	(3,422,230,144,928)	(1,808,239,601,251)
20	5. Gross profit from sale of goods and rendering of services		605,002,575,817	258,660,401,051
21	6. Finance income	26.2	141,667,851,402	83,791,881,419
22	7. Finance expenses	28	(216,332,843,184)	(68,270,246,238)
23	<i>In which: Interest expense</i>		(152,781,586,342)	(80,244,824,475)
24	8. Shares of profit of associates		12,549,340,671	59,890,974,620
25	9. Selling expenses	29	(95,464,461,360)	(68,364,786,581)
26	10. General and administrative expenses	29	(143,593,766,960)	(65,542,929,101)
30	11. Operating profit		303,828,696,386	200,165,295,170
31	12. Other income		11,750,741,251	10,601,095,001
32	13. Other expenses		(5,503,138,451)	(2,460,757,230)
40	14. Other profit		6,247,602,800	8,140,337,771
50	15. Accounting profit before tax		310,076,299,186	208,305,632,941
51	16. Current corporate income tax expense	31.2	(16,761,373,041)	(18,317,918,389)
52	17. Deferred tax income (expense)	31.3	851,395,319	(1,014,642,696)
60	18. Net profit after tax		294,166,321,464	188,973,071,856
61	19. Net profit after tax attributable to shareholders of the parent		293,814,330,822	188,337,154,266
62	20. Net profit after tax attributable to non-controlling interests		351,990,642	635,917,590
70	21. Basic earnings per share	24.4	1,493	1,155
71	22. Diluted earnings per share	24.4	1,493	1,155

Nguyen Ngoc Han
Preparer

28 September 2016

Le Phat Tin
Chief Accountant



Nguyen Thanh Ngu
General Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2016

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		310,076,299,186	208,305,632,941
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets	12, 13, 14	162,019,427,999	88,574,404,824
03	Provisions (reversals of provision)		18,509,923,228	(25,896,350,489)
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(189,260,438)	-
05	Profit from investing activities		(109,948,071,965)	(142,590,801,284)
06	Interest expense	28	152,781,586,342	80,244,824,475
08	Operating profit before changes in working capital		533,249,904,352	208,637,710,467
09	(Increase) decrease in receivables		(531,993,919,431)	250,275,743,016
10	Increase in inventories		(483,522,758,961)	(132,076,921,166)
11	Increase in payables		4,438,314,140	43,461,243,110
12	Decrease (increase) in prepaid expenses		41,687,725,284	(19,157,570,020)
13	Increase in held-for-trading securities		(45,991,839,439)	(8,124,761,428)
14	Interest paid		(130,730,947,864)	(80,406,099,977)
15	Corporate income tax paid	31.2	(11,656,363,496)	(18,060,522,444)
17	Other cash outflows from operating activities		(19,941,428,130)	(12,851,966,177)
20	Net cash flows (used in) from operating activities		(644,461,313,545)	231,696,855,381
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(429,473,441,007)	(207,041,728,947)
22	Proceeds from disposals of fixed assets		2,482,912,604	9,134,090,637
23	Loans to other entities		(245,313,284,423)	(359,000,000,000)
24	Collections from borrowers		293,000,000,000	308,961,327,469
25	Payments for investments in other entities		(285,996,689,279)	(44,792,083,885)
26	Proceeds from sale of investments in other entities		151,110,955,658	172,452,712,934
27	Interest and dividends received		63,346,523,587	74,731,412,079
30	Net cash flows used in investing activities		(450,843,022,860)	(45,554,269,713)

CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 30 June 2016

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		115,472,765,963	-
33	Drawdown of borrowings		6,713,690,612,483	3,401,281,174,602
34	Repayment of borrowings		(4,882,110,827,299)	(3,707,309,524,426)
35	Finance lease principal paid		(6,872,121,810)	-
36	Dividends paid	24.2	(127,607,494,420)	(634,303,200)
40	Net cash flows from (used in) financing activities		1,812,572,934,917	(306,662,653,024)
50	Net increase (decrease) in cash for the year		717,268,598,512	(120,520,067,356)
60	Cash at beginning of year		138,062,494,402	258,582,561,758
61	Impact of exchange rate fluctuation		44,027,716	-
70	Cash and cash equivalents at end of year	5	855,375,120,630	138,062,494,402

Nguyen Ngoc Han
Preparer

28 September 2016

Le Phat Tin
Chief Accountant



Nguyen Thanh Ngu
General Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2016

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1. CORPORATE INFORMATION

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

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

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

The Company's head office is located at Tan Hung Commune, Tan Chau District, Tay Ninh Province, Vietnam and its representation office is located at Floor 1, No. 62, Tran Huy Lieu Street, Ward 12, Phu Nhuan District, Ho Chi Minh City, Vietnam.

The number of the Group's employees as at 30 June 2016 was 1,056 (30 June 2015: 524).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2016

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1. CORPORATE INFORMATION (CONTINUED)

As at the balance sheet date, the Group's corporate structure includes 5 subsidiaries, as follows:

Name of subsidiaries	Head office	Business activities	Status of operation	% ownership interest	
				30 June 2016	30 June 2015
Thanh Thanh Cong Alcohol Trading Production Joint Stock Company	Tan Chau District, Tay Ninh Province	Manufacturing and trading alcohol and related by-products; manufacturing and trading electricity; manufacturing fertilizer and planting sugarcane	Operating	90	90
Thanh Thanh Cong Gia Lai Co., Ltd	Ayunpa Town, Gia Lai Province	Manufacturing sugar and other by-products from sugarcane for sales; manufacturing electricity for sales; manufacturing and trading in fertilizer	Operating	100	-
TSU Investment Private Limited Company	Singapore	Trading and apart of manufacturing and packaging raw and refined sugar to sell in Singapore and export to region	Operating	100	-
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Tan Chau District, Tay Ninh Province	Researching and developing sugar cane sprouts; analysing cultivation and planting protection products; producing and developing mechanic machineries for sugar canes production	Operating	62	48
Gia Lai Thermoelectricity One Member Company Limited	Ayunpa Town, Gia Lai Province	Manufacturing, transmitting and distributing electricity	Operating	100	-

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

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

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 30 June 2016.

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 result 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 Changes in accounting policies and disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2015, except for the changes in the accounting policies in relation to the following.

3.1.1 Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QĐ-BTC dated 20 March 2006 ("Decision 15") and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance ("Circular 244"). Circular 200 will be effective for financial years starting on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Group are applied on a prospective basis as Circular 200 does not require retrospective application. The Group also reclassifies certain corresponding figures of prior year following the presentation of the current year's consolidated financial statements in accordance with Circular 200 as disclosed in Note 34.

3.1.2 Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements

On 22 December 2014, the Ministry of Finance issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 202 are applied on a prospective as this Circular does not require for retrospective application.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 Inventories

Inventory properties

Inventory properties, comprising mainly real estate properties, acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes:

- Land use rights;
- Construction and development costs; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

Inventory properties(continued)

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory recognized in the consolidated income statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Other 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.

3.4 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.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 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.

3.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible 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 asset on the consolidated balance sheet when the Company obtained the land use right certificate. The costs of a land use right comprises all directly attributable costs of bringing the land lot to the condition available for its intended use.

3.8 Depreciation and amortisation

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

Land use rights	44 - 50 years
Buildings and structures	5 - 30 years
Machinery and equipment	2 - 20 years
Office equipment	3 - 5 years
Computer software	2 - 6 years
Means of transportation	5 - 6 years
Others	4 - 15 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 amortized and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associates.

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

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

Held-for-trading securities and investments in other entities

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

Provision for investments

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

3.10 Prepaid expenses

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

The prepaid land rental represents the unamortised balance of advance payment. Such prepaid rental is recognised as a long-term prepaid expense for allocation to the consolidated income statement over the remaining lease period according to Circular 45.

Pre-season overhaul costs are calculated and amortised to production costs based on the actual volume of sugar produced during the year.

3.11 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 capitalized as explained in the following paragraph.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 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 of 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 a maximum period of 10 years on a straight-line basis. The 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.

3.13 Payables and accruals

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

3.14 Foreign currency transactions

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

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

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

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

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Treasury shares

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

3.16 Appropriation of net profits

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

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

- *Investment and development fund*

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

- *Bonus and welfare fund*

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

3.17 Earnings per share

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

3.18 Revenue recognition

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

Sale of goods

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

Sale of electricity

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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.

3.19 Taxation

Current income tax

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

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

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

Deferred income 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 income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.19 Taxation (continued)***Deferred income tax (continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.20 Segment information

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

4. ACQUISITION TRANSACTIONS

On 30 September 2015, the Company completed the issuance of 37,142,358 new shares at price of VND 13,700 per share to swap all shares of Gia Lai Cane Sugar Thermoelectricity Joint Stock Company ("Gia Lai Cane Sugar") which was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the 2nd amended BRC dated 22 October 2015. Accordingly, the Company owns 100% ownership interest in this company. This transaction generated a goodwill of VND 18,416,799,225 for the Group (Note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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4. ACQUISITION TRANSACTIONS (continued)

Goodwill arising from the additional acquisition of interests in Gia Lai Cane Sugar is detailed as below:

VND

	Fair value recognized on acquisition
Gia Lai Cane Sugar's net assets as at acquisition date	
Cash and cash equivalents	59,812,532,442
Accounts receivable, net	299,767,098,570
Inventories	51,286,980,747
Fixed assets	644,732,440,993
Other assets	187,143,691,787
Liabilities	(752,309,239,164)
Total Gia Lai Cane Sugar's identifiable net assets at acquisition date	490,433,505,375
Goodwill	18,416,799,225
Purchase consideration transferred	508,850,304,600

In addition, this transaction increases the Company's ownership in Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company ("Thanh Thanh Cong Sugarcane") from 48% to 62%. Thanh Thanh Cong Sugarcane, therefore, became a subsidiary of the Company. This transaction generated a goodwill of VND 940,942,513 for the Group (Note 17).

5. CASH AND CASH EQUIVALENTS

VND

	Ending balance	Beginning balance
Cash on hand	1,006,576,157	1,033,535,614
Cash in banks (*)	430,436,670,324	137,028,958,788
Cash equivalents (**)	423,931,874,149	-
Total	855,375,120,630	138,062,494,402

(*) Cash in banks amounting to VND 55,950,823,598 were pledged as collateral for short-term loan obtained from a commercial bank (Note 23).

(**) Cash equivalents represent one-month term deposits at commercial banks which earn interest at the rates ranging from 0.8% to 5.5% per annum.

Additional information regarding the cash flow statement:

VND

	Current year	Previous year
Significant non-cash transactions that are excluded from the cash flow statement in the future:		
Acquisition of a subsidiary by swapping new issued shares	508,850,304,600	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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6. HELD-FOR-TRADING SECURITIES

	Ending balance		Beginning balance	
	Share	Value	Share	Value
		(VND)		(VND)
Listed shares				
– PetroVietnam Drilling and Well Services Joint Stock Company ("PVD")	-	-	48,300	2,864,461,119
– Saigon Securities Incorporation ("SSI")	-	-	35,640	753,927,572
– Kinhbac City Development Holding Corporation ("KBC")	-	-	18,500	312,818,526
– PetroVietnam Technical Services Corporation ("PVS")	-	-	10,000	241,762,100
– KIDO Corporation ("KDC")	-	-	50,420	2,565,391,502
– Vietnam Dairy Products Joint Stock Company ("VNM")	-	-	5,500	570,354,250
– Thanh Cong Textile Garment Investment Trading Joint Stock Company ("TCM")	-	-	13,000	453,584,914
– Vietnam Container Shipping Joint Stock Company ("VSC")	-	-	6,000	261,291,350
– Dat Xanh Real Estate Service And Constructions Corporation ("DXG")	-	-	8,239	101,170,095
Other investments		54,116,600,867		-
TOTAL		54,116,600,867		8,124,761,428
Provision for held-for-trading securities		(7,692,506,180)		(1,103,230,060)
NET		46,424,094,687		7,021,531,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2016

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7. SHORT-TERM TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Trade receivables from other parties	373,204,624,751	264,446,793,194
<i>In which:</i>		
- <i>Suntory PepsiCo Vietnam Beverage Limited Company</i>	147,570,149,989	136,502,925,302
- <i>Others</i>	225,634,474,762	127,943,867,892
Trade receivables from related parties (Note 32)	449,130,131,810	4,514,417,900
TOTAL	822,334,756,561	268,961,211,094

Short-term trade receivables amounting to VND 753,980,547,842 were pledged as collateral for the short-term loans obtained from commercial banks (Note 23).

8. ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Short-term	938,582,888,061	474,876,118,998
Advances to other parties	765,550,818,894	361,172,283,271
<i>In which:</i>		
- <i>Global Mind Commodities Trading Pte. Ltd</i>	274,868,447,816	20,507,601,907
- <i>Farmers (*)</i>	353,028,961,685	248,245,458,985
- <i>Others</i>	137,653,409,393	92,419,222,379
Advances to related parties (Note 32)	173,032,069,167	113,703,835,727
Long-term	58,769,761,197	35,904,299,058
Advances to farmers(*)	58,769,761,197	35,904,299,058
TOTAL	997,352,649,258	510,780,418,056
Provision for doubtful short-term advances to suppliers	(34,718,891,714)	(23,287,275,550)
NET	962,633,757,544	487,493,142,506

(*) Advances to sugar cane farmers are partially secured by the farmers' land use rights and earned interest at rate ranging from 7.0% to 10.8% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2016

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8. ADVANCES TO SUPPLIERS (continued)

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

		VND
	Current year	Previous year
Beginning balance	23,287,275,550	31,782,826,019
Provision made during the year	18,524,980,054	4,164,659,898
Reversal during the year	(7,093,363,890)	(12,660,210,367)
Ending balance	34,718,891,714	23,287,275,550

9. OTHER RECEIVABLES

		VND
	Ending balance	Beginning balance
Short-term	70,882,923,265	61,366,473,143
Interest receivables	46,527,536,973	41,418,506,655
Advances to employees	20,096,157,272	12,157,955,500
Others	4,259,229,020	7,790,010,988
Long-term	135,278,651,012	12,707,425,000
Deposits for land rental	122,571,226,012	-
Receivables from Svayrieng projects in Cambodia (*)	12,707,425,000	12,707,425,000
TOTAL	206,161,574,277	74,073,898,143
<i>In which:</i>		
<i>Other receivables from related parties (Note 32)</i>	<i>24,505,351,680</i>	<i>18,553,709,115</i>
<i>Other receivables from other parties</i>	<i>181,656,222,597</i>	<i>55,520,189,028</i>

(*) Other long-term receivables included an amount of VND 12,707,425,000 (30 June 2015: VND 12,707,425,000) contributed for Business Co-operation Contract between the Group and Svayrieng Sugar and Cane Company Limited to develop a project to plant sugar canes in Cambodia with the duration of 10 (ten) years. The Group owns 85% interest sharing from this project. The Group is committed to purchase all sugar canes harvested from this project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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10. INVENTORIES

	VND	
	Ending balance	Beginning balance
Finished goods	1,062,686,165,328	658,135,893,261
Raw materials	98,843,087,846	33,796,888,944
Merchandise goods	86,807,366,465	30,434,144,508
Real estate properties	49,231,049,895	-
Work-in-process	30,573,298,646	25,479,310,297
Tools and supplies	1,866,121,009	771,473,815
Goods on consignment	4,089,182,494	1,437,771,255
TOTAL	1,334,096,271,683	750,055,482,080
Provision for obsolete inventories	(819,491,576)	(819,491,576)
NET	1,333,276,780,107	749,235,990,504

Inventories amounting to VND 868,139,500,000 were pledged as collateral for the short-term loans obtained from commercial banks (Note 23).

11. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term	40,887,927,016	33,159,799,557
Pre-season overhaul costs	33,790,645,815	24,920,492,027
Others	7,097,281,201	8,239,307,530
Others	41,619,031,610	40,482,570,837
Prepaid land rental(*)	34,708,429,061	37,689,602,004
Tools and supplies	2,996,060,400	-
Others	3,914,542,149	2,792,968,833
TOTAL	82,506,958,626	73,642,370,394

(*) Land use right amounting to VND 1,113,312,930 was pledged as collateral for the loans obtained from a commercial bank (Note 23).

12. TANGIBLE FIXED ASSETS

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	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Other assets	Total
	VND					
Cost:						
Beginning balance	284,075,223,111	1,373,736,050,033	24,824,775,446	6,066,107,572	58,405,330,530	1,747,107,486,692
Increase due to business combination	154,480,248,985	996,212,174,949	9,133,145,094	2,036,168,973	1,707,723,484	1,163,569,461,485
New purchase	1,493,053,137	3,254,307,016	9,114,910,468	988,372,273	57,000,000	14,907,642,894
Transfer from construction in progress	24,351,170,450	107,591,233,829	-	1,760,274,788	-	133,702,679,067
Disposal	-	(5,775,918,910)	(1,619,097,455)	-	-	(7,395,016,365)
Ending balance	464,399,695,683	2,475,017,846,917	41,453,733,553	10,850,923,606	60,170,054,014	3,051,892,253,773
<i>In which:</i>						
Fully depreciated	23,122,876,462	260,008,205,444	4,279,763,884	4,979,766,600	58,274,772,348	350,665,384,738
Accumulated depreciation:						
Beginning balance	161,015,685,619	1,035,222,744,018	11,724,125,548	4,612,468,588	58,377,277,125	1,270,952,300,898
Increase due to business combination	52,688,372,515	267,374,106,690	3,497,784,603	1,496,005,130	191,744,036	325,248,012,974
Depreciation for the year	17,993,830,550	131,565,376,327	4,114,183,847	943,797,953	88,402,906	154,705,591,583
Disposal	-	(3,825,634,659)	(917,140,730)	-	-	(4,742,775,389)
Ending balance	231,697,888,684	1,430,336,592,376	18,418,953,268	7,052,271,671	58,657,424,067	1,746,163,130,066
Net carrying amount:						
Beginning balance	123,059,537,492	338,513,306,015	13,100,649,898	1,453,638,984	28,053,405	476,155,185,794
Ending balance	232,701,806,999	1,044,681,254,541	23,034,780,285	3,798,651,935	1,512,629,947	1,305,729,123,707
<i>In which:</i>						
Pledged as loan security (Note 23)	38,567,104,215	558,937,860,726	-	222,686,077	-	597,727,651,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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13. FINANCE LEASES

	VND
	Machineries and equipment
Cost:	
Beginning balance	-
Increase due to business combination	73,767,448,385
Ending balance	73,767,448,385
Accumulated depreciation:	
Beginning balance	-
Increase due to business combination	2,468,200,611
Depreciation for the year	3,689,192,088
Ending balance	6,157,392,699
Net carrying amount:	
Beginning balance	-
Ending balance	67,610,055,686

14. INTANGIBLE FIXED ASSETS

			VND
	Land use rights	Computer software	Total
Cost:			
Beginning balance	57,966,954,819	10,948,373,572	68,915,328,391
Increase due to business combination	-	632,686,516	632,686,516
New purchase	135,413,796,640	48,000,000	135,461,796,640
Other decrease	(7,118,540,000)	-	(7,118,540,000)
Ending balance	186,262,211,459	11,629,060,088	197,891,271,547
<i>In which:</i>			
Fully amortised	-	589,186,516	589,186,516
Accumulated amortisation:			
Beginning balance	8,218,132,165	3,441,332,293	11,659,464,458
Increase due to business combination	-	589,901,596	589,901,596
Amortisation for the year	2,551,981,179	1,215,263,070	3,767,244,249
Other decrease	(142,599,921)	-	(142,599,921)
Ending balance	10,627,513,423	5,246,496,959	15,874,010,382
Net carrying amount:			
Beginning balance	49,748,822,654	7,507,041,279	57,255,863,933
Ending balance	175,634,698,036	6,382,563,129	182,017,261,165
<i>In which:</i>			
Pledged as loan security (Note 23)	162,905,635,150	-	162,905,635,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2016

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15. CONSTRUCTION IN PROGRESS

	VND	
	Ending balance	Beginning balance
Espace Bourbon Tay Ninh project	93,957,120,070	92,700,623,082
Installing machinery and equipment	17,698,066,904	1,984,343,489
Warehouse project	-	67,491,898,320
Others	13,163,517,053	8,371,469,359
TOTAL	124,818,704,027	170,548,334,250

Constructions in progress amounting to VND 93,957,120,070 were pledged as collateral for the long-term loans obtained from commercial banks (Note 23).

During the year, the Group capitalized borrowing costs amounting to VND 6,067,203,678 (for the year ended 30 June 2015: VND 728,299,260) to Espace Bourbon Tay Ninh project.

16. LONG-TERM INVESTMENTS

	VND	
	Ending balance	Beginning balance
Investments in associates (Note 16.1)	398,984,110,671	517,891,777,476
Investments in other entities (Note 16.2)	287,922,171,983	94,437,115,484
TOTAL	686,906,282,654	612,328,892,960
Provision for long-term investments	(838,395,471)	(68,333,087)
NET	686,067,887,183	612,260,559,873

16.1 Investments in associates

Details of these investments in associates were as follows:

	Ending balance		Beginning balance	
	Carrying amount	% of interest	Carrying amount	% of interest
	(VND)		(VND)	
Thanh Thanh Cong Industrial Zone Joint Stock Company (i)	191,055,714,436	49.00	205,795,566,787	49.00
Tay Ninh Sugar Joint Stock Company(ii)	115,952,253,112	39.23	-	-
Nuoc Trong Sugar Joint Stock Company (iii)	59,863,471,423	30.54	48,572,622,899	23.95
Tay Ninh Chemical Industry Joint Stock Company (iv)	32,112,671,700	26.32	30,519,267,021	26.32
Bien Hoa Sugar Joint Stock Company (v)	-	-	217,948,152,104	23.71
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	-	-	15,056,168,665	48.00
TOTAL	398,984,110,671		517,891,777,476	

16. LONG-TERM INVESTMENTS (continued)

16.1 Investments in associates (continued)

- (i) Thanh Thanh Cong Industrial Zone Joint Stock Company ("TTCIZ") was established in Vietnam in accordance with BRC No. 3900471864 issued by the Department of Planning and Investment of Tay Ninh Province on 10 September 2008, as amended. The head office of TTCIZ is located at An Hoi Hamlet, An Hoa Commune, Trang Bang District, Tay Ninh Province, Vietnam. The principal activities of this company are building industrial zone's infrastructure and leasing industrial zone.
- (ii) Tay Ninh Sugar Joint Stock Company – formerly known as Tay Ninh Sugar Co., Ltd ("Tay Ninh Sugar") was established in Vietnam in accordance with BRC No. 3900243272 issued by the Planning and Investment Department of Tay Ninh Province on 23 May 2007, as amended. The head office of Tay Ninh Sugar is located at No. 19, Vo Thi Sau Street, Ward 3, Tay Ninh City. The principal activities of this company are planting sugarcane; producing and trading sugar and its by-products.
- (iii) Nuoc Trong Sugar Joint Stock Company ("Nuoc Trong Sugar") was established in Vietnam in accordance with Decision No. 299/QD-CT issued by the People Committee of Tay Ninh Province on 7 April 2005, as amended. The head office of Nuoc Trong Sugar is located at Hoi An Village, Tan Hoi Commune, Tan Chau District, Tay Ninh Province, Vietnam. The principal activities of this company are producing sugar; planting sugar cane, wheat, rubber trees and agricultural products; processing agriculture products, food and alcoholic beverages; processing, manufacturing and installing food industry machineries; importing and exporting businesses.
- (iv) Tay Ninh Chemical Industry Joint Stock Company ("Tay Ninh Chemical") was established in Vietnam in accordance with BRC No. 45121000238 issued by the Planning and Investment Department of Tay Ninh Province on 18 August 2010, as amended. The head office of Tay Ninh Chemical is located at Hoi An Village, Tan Hoi Commune, Tan Chau District, Tay Ninh Province, Vietnam. The principal activities of this company are producing starch and products related to starch; producing artificial condensed products, non-alcohol and mineral water, nitrogen compound; installing machinery and industrial equipment.
- (v) Bien Hoa Sugar Joint Stock Company ("Bien Hoa Sugar") was established in Vietnam in accordance with BRC No. 450300000501 issued by the Department of Planning and Investment of Dong Nai Province on 13 June 2001, as amended. The head office of Bien Hoa Sugar is located at Bien Hoa Industrial Park I, An Binh Ward, Dong Nai Province, Vietnam. The principal activities of this company are producing and trading sugar, products using sugar or its by-products, waste products. During the year, Bien Hoa Sugar completed the merger of Ninh Hoa Sugar Joint Stock Company. Accordingly, the Group's ownership interest decreased from 23.71% to 16.97% and Bien Hoa Sugar was not the Group's associate.

16. LONG-TERM INVESTMENTS (continued)

16.1 Investments in associates(continued)

Details of these investments in associates were as follows:

	VND
Cost of investment:	
Beginning balance	557,902,848,539
Increase due to new investment	117,669,852,000
Increase due to business combination	16,415,872,000
Decrease	(231,757,661,139)
Ending balance	460,230,911,400
Accumulated share in post-acquisition profit (loss) of the associates:	
Beginning balance	(40,011,071,063)
Share in post-acquisition profit of the associates for the year	12,549,340,671
Dividends received	(14,320,911,000)
Disposal of investment	(19,464,159,337)
Ending balance	(61,246,800,729)
Net carrying amount:	
Beginning balance	517,891,777,476
Ending balance	398,984,110,671

16.2 Investments in other entities

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

	Ending balance		Beginning balance	
	Cost of investment	% of interest	Cost of investment	% of interest
	(VND)		(VND)	
Bien Hoa Sugar Joint Stock Company	201,395,138,816	9.75	-	-
Ninh Hoa Sugar Joint Stock Company	-	-	74,915,050,000	9.87
Phuoc Hoa Rubber Joint Stock Company	67,004,967,683	4.73	-	-
Can Tho Sugar Joint Stock Company	18,752,003,100	6.43	18,752,003,100	6.43
Other long-term investment	770,062,384		770,062,384	
TOTAL	287,922,171,983		94,437,115,484	
Provision for diminution in value of long-term investment	(838,395,471)		(68,333,087)	
NET	287,083,776,512		94,368,782,397	

8,301,524 shares of long-term investments in Bien Hoa Sugar Joint Stock Company were pledged as collateral for the short-term loan obtained from a commercial bank (Note 23).

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17. GOODWILL

	VND
Cost:	
Beginning balance	-
Increase in year (Note 4)	19,357,741,738
Ending balance	19,357,741,738
Accumulated amortisation:	
Beginning balance	-
Amortization for the year	1,451,830,630
Ending balance	1,451,830,630
Net carrying amount:	
Beginning balance	-
Ending balance	17,905,911,108

18. SHORT-TERM TRADE PAYABLES

	Ending balance	Beginning balance
Due to other parties	39,496,572,626	77,502,317,236
<i>In which:</i>		
- Toan Thinh Phat Investment Architecture Construction Joint Stock Company	6,406,775,946	11,798,029,776
- Others	33,089,796,680	65,704,287,460
Due to related parties (Note 32)	6,621,405,427	5,164,644,359
TOTAL	46,117,978,053	82,666,961,595

19. SHORT-TERM ADVANCES FROM CUSTOMERS

	Ending balance	Beginning balance
Due to other parties	69,891,457,883	72,553,893,841
<i>In which:</i>		
- Saigon Thuong Tin Commercial Joint Stock Bank (*)	68,570,710,000	66,731,910,000
- Others	1,320,747,883	5,821,983,841
Due to related parties (Note 32)	15,153,519,660	8,697,734,000
TOTAL	85,044,977,543	81,251,627,841

(*) This amount represented cash advance for Properties Transfer Agreement dated 25 November 2011 regarding transferring leased land use rights and buildings in Espace Bourbon Tay Ninh Project at No. 217-219, 30-4 Street, Ward 2, Tay Ninh Town, Tay Ninh Province.

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20. STATUTORY OBLIGATIONS

		VND
	Ending balance	Beginning balance
Corporate income tax (Note 31.2)	7,849,822,920	822,585,234
Value-added tax	4,194,768,372	-
Personal income tax	160,828,778	18,410,994
Other	133,760	-
TOTAL	12,205,553,830	840,996,228

21. SHORT-TERM ACCRUED EXPENSES

		VND
	Ending balance	Beginning balance
Interest expense	22,050,638,478	2,537,822,410
Purchase of refined sugar	8,564,877,909	-
Transportation and loading fees	4,593,855,727	5,260,591,500
13 th month salary	4,467,090,266	-
Others	19,092,900,360	3,020,725,181
TOTAL	58,769,362,740	10,819,139,091

22. OTHER SHORT-TERM PAYABLES

		VND
	Ending balance	Beginning balance
Lending of materials	15,648,984,731	-
Harvest and transportation payables	1,299,155,796	2,570,109,649
Others	7,226,047,453	2,568,344,080
TOTAL	24,174,187,980	5,138,453,729
In which:		
Related parties (Note 32)	18,449,779,314	1,200,000,000
Other parties	5,724,408,666	3,938,453,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2016

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23. LOANS

	VND	
	Ending balance	Beginning balance
Short-term	2,520,380,695,895	667,877,287,507
Loans from banks (Note 23.1)	2,319,948,696,309	555,558,945,507
Current portion of long-term loans from banks (Note 23.2)	89,758,828,500	112,318,342,000
Current portion of long-term loan from another entity (Note 23.3)	1,720,000,000	-
Current portion of long-term loan from a related party (Note 23.4)	2,386,342,000	-
Current portion of long-term bonds (Note 23.5)	97,404,000,000	-
Current portion of finance leases (Note 23.6)	9,162,829,086	-
Long-term	1,359,794,918,821	508,612,329,000
Loans from banks (Note 23.2)	415,086,456,668	496,680,621,000
Loan from another entity (Note 23.3)	4,410,000,000	-
Loan from a related party (Note 23.4)	7,159,024,000	11,931,708,000
Bonds (Note 23.5)	889,616,000,000	-
Long-term finance leases (Note 23.6)	43,523,438,153	-
TOTAL	3,880,175,614,716	1,176,489,616,507

The Group obtained these loans at the market interest rate for the purpose of financing its working capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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23. LOANS (continued)

23.1 Short-term loans from banks

Details of the short-term loans from banks are as follows:

Bank	Ending balance	Principal repayment term	Description of collateral
	VND		
ANZ Bank (Vietnam) Ltd - Ho Chi Minh Branch	427,746,582,087	From 4 July 2016 to 23 December 2016	All of receivables, inventory with the carrying value of USD 18,750,000
	11,000,000,000	- 27 July 2016	All of inventories with the carrying value of USD 6,250,000
Vietnam Joint Stock Commercial Bank for Industry and Trade- Gia Lai Branch	370,770,333,170	From 5 July 2016 to 30 November 2016	Trade receivables, land use right, assets funded from the loans, rights emerged from trading electricity contract with Central Power Corporation
Military Commercial Joint Stock Bank - South SaiGon Branch	193,400,000,000	From 19 July 2016 to 13 December 2016	All of inventories with the carrying value of VND 143,500,000,000 and the Company's current account at the bank
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ninh Branch	169,999,426,573	From 26 July 2016 to 6 October 2016	Land use right of land lot 3105 located at Tan Kim Commune, Can Giuc District, Long An Province and assets funded from the loan amounting to VND 170,000,000,000
Vietnam International Commercial Joint Stock Bank - Dong Nai Branch	159,774,939,311	From 5 July 2016 to 17 November 2016	All of receivables, inventory with the carrying value of VND 200,000,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam - Gia Lai Branch	126,000,000,000	From 1 July 2016 to 21 October 2016	All finished goods for commercial contracts with the carrying value of VND 126,000,000,000

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23. LOANS (continued)

23.1 Short-term loans from banks (continued)

Details of the short-term loans from banks are as follows: (continued)

Bank	Ending balance	Principal repayment term	Description of collateral
	VND	Original currency (USD)	
HSBC Bank (Vietnam) Ltd	111,275,300,000	-	All of receivables, inventories with the minimum carrying value equal to the amount of VND 120,000,000,000
Asia Commercial Joint Stock Bank - Tan Thuan Branch	104,954,389,848	-	Land use right of land lot 37 located at Ward 2, Tay Ninh Commune, associated assets funded from the loan and 100% of receivables from Espace Bourbon Tay Ninh project and receivables with the carrying value of VND 75,000,000,000
Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	100,000,000,000	-	All of receivables with the carrying value of VND 100,000,000,000
Malayan Banking Berhad - Hanoi Branch	55,890,000,000	2,500,000	All of receivables, inventories with the carrying value of USD 5,000,000
	54,100,000,000	-	All of receivables, inventories with the carrying value of USD 5,000,000
	48,000,000,000	-	All of receivables, inventories with the carrying value of USD 2,500,000
Joint Stock Commercial Bank for Investment and Development of Vietnam – Gia Dinh Branch	98,836,953,174	-	Unsecured
Natixis Bank - Ho Chi Minh Branch	97,147,441,339	-	All of receivables, inventories with the carrying value of USD 4,510,000

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23. LOANS (continued)

23.1 Short-term loans from banks (continued)

Details of the short-term loans from banks are as follows: (continued)

Bank	Ending balance	Principal repayment term	Description of collateral
	VND		
Orient Commercial Joint Stock Bank - Daklak Branch	60,446,524,307	From 10 September 2016 to 12 September 2016	8,301,524 shares of Bien Hoa Sugar Joint Stock Company
Shinhan Vietnam Bank Ltd - Ho Chi Minh Branch	60,000,000,000	From 30 November 2016 to 28 December 2016	Unsecured
CTBC Bank Co., Ltd - Ho Chi Minh Branch	43,600,000,000	From 2 December 2016 to 9 December 2016	All of receivables, inventory with the carrying value of USD 2,000,000
Vietnam Bank for Agriculture and Rural Development - Gia Lai Branch	16,006,806,500	From 15 May 2017 to 30 May 2017	Unsecured
Malayan Banking Berhad- Ho Chi Minh Branch	11,000,000,000	21 September 2016	All of receivables, inventories with the carrying value of USD 2,500,000
TOTAL	2,319,948,696,309		
	2,500,000		

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23. LOANS (continued)

23.2 Long-term loans from banks

Details of the long-term loans from banks are as follows:

Bank	Ending balance	Principal repayment term	Description of collateral
	VND		
	155,628,400,000	From 1 July 2016 to 1 October 2021	Machinery and equipment funded from the loan
Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch	233,040,647,943	From 9 July 2016 to 9 October 2022	Trade receivables, land use right, assets funded from the loans, rights emerged from trading electricity contract with Central Power Corporation
	16,732,218,602	From 18 August 2016 to 13 February 2022	Trade receivables, land use right, assets funded from the loans, rights emerged from trading electricity contract with Central Power Corporation
Asia Commercial Joint Stock Bank – Tan Thuan, Ho Chi Minh Branch	80,602,963,000	From 15 August 2016 to 15 May 2022	Land use right of land lot 37 located at Ward 2, Tay Ninh Commune, associated assets funded from the loan and 100% of receivables from Espace Bourbon Tay Ninh project and receivables with the carrying value of VND 75,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ninh Branch	11,191,000,000	From 14 November 2017 to 20 April 2019	Land use right of land lot 513 located at Thanh Tay Commune, Tan Bien District, Tay Ninh Province and machinery funded from the loan
Vietnam Bank for Agriculture and Rural Development - Gia Lai Branch	7,650,055,623	From 20 June 2017 to 20 April 2021	Machinery and equipment funded from the loan
TOTAL	504,845,285,168		
<i>In which:</i>			
<i>Current portion</i>	89,758,828,500		
<i>Non-current portion</i>	415,086,456,668		

23. LOANS (continued)

23.3 Long-term loan from another entity

Details of the long-term loan from another entity is as follows:

Lender	Ending balance	Principal repayment term	Description of collateral
	VND		
Vietnam Environment Protection Fund	6,130,000,000	From 25 September 2016 to 25 March 2020	Bank guarantee from Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch
<i>In which:</i>			
<i>Current portion</i>	1,720,000,000		
<i>Non-current portion</i>	4,410,000,000		

23.4 Long-term loan from a related party

Details of the long-term loan from a related party is as follows:

Lender	Ending balance	Principal repayment term	Description of collateral
	VND		
Tay Ninh Sugar Joint Stock Company	9,545,366,000	From 10 October 2017 to 10 April 2020	Unsecured
<i>In which:</i>			
<i>Current portion</i>	2,386,342,000		
<i>Non-current portion</i>	7,159,024,000		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2016

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23. LOANS (continued)

23.5 Bonds issued

Details of bonds are as follows:

	Ending balance	Principal repayment term	Purpose	Description of collateral
	VND			
Issued at par value				
Tien Phong Commercial Joint Stock Bank – Contract No. 01/2016/PL/TPBANK-SBT dated 30 May 2016	592,212,000,000	From 30 May 2017 to 30 May 2021	Loan restructuring and financing for working capital	Land use right of land lot 97 located at Tan Hung Commune, Tan Chau District, Tay Ninh Province and associated assets owned by the Company, machinery and equipment and 51% capital contribution by the Company in Thanh Thanh Cong Gia Lai Co., Ltd.
Vietnam International Commercial Joint Stock Bank – Contract No. 06 – TP/2016/VIB – TTCS dated 30 May 2016	394,808,000,000	From 30 May 2017 to 30 May 2021	Loan restructuring and financing for working capital	
	987,020,000,000			
<i>In which:</i>				
Current portion	97,404,000,000			
Non-current portion	889,616,000,000			

These bonds bear an interest rate of 8.5% for the first year and the average of interest rate of individual saving deposit in VND with the term of twelve (12) months announced by four (4) commercial banks including TienPhong Commercial Joint Stock Bank, Vietnam International Commercial Joint Stock Bank, Joint Stock Bank for Foreign Trade of Vietnam and Vietnam Joint Stock Commercial Bank for Industry and Trade plus margin 2.6% per annum for subsequent periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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23. LOANS (continued)

23.6 Finance leases

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

	Ending balance			Beginning balance			VND
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities	
Current liabilities							
Less than 1 year	13,588,475,534	4,425,646,448	9,162,829,086	-	-	-	-
Non-current liabilities							
From 1 – 5 years	45,997,402,004	9,346,085,666	36,651,316,338	-	-	-	-
More than 5 years	7,134,980,474	262,858,659	6,872,121,815	-	-	-	-
TOTAL	66,720,858,012	14,034,590,773	52,686,267,239	-	-	-	-

24. OWNERS' EQUITY

24.1 Increase and decrease in owners' equity

										VND
		Issued share capital	Share premium	Treasury shares	Foreign exchange difference reserve	Investment and development fund	Financial reserve fund	Other fund belonging to owners' equity	Undistributed earnings	Total
Previous year										
Beginning balance		1,485,000,000,000	14,732,000,010	(61,577,199,043)	-	120,999,110,932	99,511,076,572	(4,960,381,269)	80,341,517,451	1,734,046,124,653
Net profit for the year		-	-	-	-	-	-	-	188,337,154,266	188,337,154,266
Dividends declared		-	-	-	-	-	-	-	(666,542,350)	(666,542,350)
Profit appropriation		-	-	-	-	4,610,310,854	2,305,155,427	-	(10,603,714,964)	(3,688,248,683)
Other decrease		-	-	-	-	-	-	2,919,523,230	-	2,919,523,230
Ending balance		1,485,000,000,000	14,732,000,010	(61,577,199,043)	-	125,609,421,786	101,816,231,999	(2,040,858,039)	257,408,414,403	1,920,948,011,116
Current year										
Beginning balance (reclassified – Note 34)		1,485,000,000,000	14,732,000,010	(61,577,199,043)	-	227,425,653,785	-	(2,040,858,039)	257,408,414,403	1,920,948,011,116
Increase in capital (*)		462,610,330,000	137,426,724,600	-	-	-	-	-	-	600,037,054,600
Reissuance of treasury shares		-	3,015,679,213	21,270,336,750	-	-	-	-	-	24,286,015,963
Net profit for the year		-	-	-	-	-	-	-	293,814,330,822	293,814,330,822
Foreign exchange differences arisen from conversion from USD to VND for the year		-	-	-	(2,165,210,735)	-	-	-	-	(2,165,210,735)
Profit appropriation	-	-	-	-	-	16,283,606,416	-	-	(16,283,606,416)	-
Transfer to bonus and welfare fund		-	-	-	-	-	-	-	(21,140,258,788)	(21,140,258,788)
Dividends declared		-	-	-	-	-	-	-	(127,661,462,600)	(127,661,462,600)
Other increase		-	-	-	-	-	-	2,040,858,039	-	2,040,858,039
Ending balance		1,947,610,330,000	155,174,403,823	(40,306,862,293)	(2,165,210,735)	243,709,260,201	-	-	386,137,417,421	2,690,159,338,417

24. OWNERS' EQUITY (continued)

24.1 Increase and decrease in owners' equity(continued)

(*) On 30 September 2015, the Company completed the issuance of 37,142,358 new ordinary shares at price of VND 13,700 per share to swap all shares of Gia Lai Cane Sugar Thermoelectricity Joint Stock Company, which was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the second amended BRC dated 22 October 2015.

On 17 June 2016, the Company completed the issuance of 9,118,675 new ordinary shares to its employees under the Employee Stock Ownership Plan program, which was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the third amended BRC dated 18 July 2016.

24.2 Capital transactions with owners and distribution of dividends

	VND	
	Current year	Previous year
Issued share capital		
Beginning balance	1,485,000,000,000	1,485,000,000,000
Increase during the year	462,610,330,000	-
Ending balance	1,947,610,330,000	1,485,000,000,000
<i>Dividends declared</i>	<i>127,661,462,600</i>	<i>666,542,350</i>
<i>Dividends paid</i>	<i>(127,607,494,420)</i>	<i>(634,303,200)</i>

24.3 Shares

	Number of shares	
	Ending balance	Beginning balance
	(shares)	(shares)
Authorised shares	194,761,033	148,500,000
Shares issued and fully paid		
<i>Ordinary shares</i>	194,761,033	148,500,000
Treasury shares		
<i>Ordinary shares</i>	(3,268,840)	(4,993,840)
Shares in circulation		
<i>Ordinary shares</i>	191,492,193	143,506,160

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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24. OWNERS' EQUITY (continued)

24.4 Earnings per share

	Current year	Previous year (restated)
Net profit for the year attributable to the Company's shareholders (VND)	293,814,330,822	188,337,154,266
Appropriation to bonus and welfare fund (*)	(35,257,719,699)	(22,600,458,512)
Net profit attributable to ordinary holders of the Company's shareholders adjusted for appropriation to bonus and welfare fund	258,556,611,123	165,736,695,754
Weighted average number of ordinary shares in circulation (shares)	173,159,938	143,506,160
Basic and diluted earnings per share (VND/share)	1,493	1,155

(*) Net profit used to compute earnings per share for the year ended 30 June 2015 was restated following the actual distribution to Bonus and welfare funds from 2015 retained earnings as approved in the Resolution of Annual Shareholders Meeting No. 02/NQ/DHDCD dated 18 December 2015.

Current year's bonus and welfare fund is intended to be accrued in accordance with the Resolution of Annual Shareholders Meeting No. 02/NQ/DHDCD dated 18 December 2015.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

25. NON-CONTROLLING INTERESTS

	VND
	Amount
Beginning balance	635,917,590
Increase due to the acquisition of a new subsidiary	11,248,495,007
Net profit for the year	351,990,642
Ending balance	12,236,403,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26. REVENUES

26.1 Revenues from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	4,042,892,882,215	2,071,667,869,305
<i>Of which:</i>		
Sales of sugar	3,668,742,052,016	1,856,723,222,826
Sales of molasses	147,824,094,685	110,143,954,086
Sales of fertilizer	92,273,215,003	50,853,743,786
Sales of electricity	80,766,375,106	37,339,285,513
Other	53,287,145,405	16,607,663,094
Less	(15,660,161,470)	(4,767,867,003)
Sale returns	(9,809,063,773)	(3,221,861,315)
Sale allowances	(5,851,097,697)	(1,546,005,688)
Net revenues	4,027,232,720,745	2,066,900,002,302
<i>Of which:</i>		
Sales of sugar	3,653,102,237,820	1,851,955,355,823
Sales of molasses	147,824,094,685	110,143,954,086
Sales of fertilizer	92,273,215,003	50,853,743,786
Sales of electricity	80,766,375,106	37,339,285,513
Other	53,266,798,131	16,607,663,094
<i>Of which:</i>		
Sales to other parties	3,558,233,286,826	1,934,583,347,582
Sales to related parties	468,999,433,919	132,316,654,720

26.2 Finance income

	VND	
	Current year	Previous year
Interest income	92,244,471,783	79,209,358,798
Income from change in ownership interest of investment	24,842,024,273	-
Gains from disposal of investments	13,593,010,093	43,141,297
Dividends income	7,611,466,400	3,019,902,000
Foreign exchange gains	3,375,908,252	1,493,954,916
Others	970,601	25,524,408
TOTAL	141,667,851,402	83,791,881,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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27. COST OF GOODS SOLD AND SERVICES RENDERED

		VND
	Current year	Previous year
Cost of sugar	3,064,044,572,444	1,602,003,973,065
Cost of molasses	139,977,576,019	110,584,361,555
Cost of fertilizer	89,830,881,251	48,506,318,581
Cost of electricity	83,054,088,022	33,470,324,847
Others	45,323,027,192	13,674,623,203
TOTAL	3,422,230,144,928	1,808,239,601,251

28. FINANCE EXPENSES

		VND
	Current year	Previous year
Interest expense	152,781,586,342	80,244,824,475
Foreign exchange losses	42,346,316,435	3,696,995,640
Reversal of provision	(340,294,354)	(25,070,001,931)
Loss from disposal of investments	2,937,679,680	1,671,484,804
Others	18,607,555,081	7,726,943,250
TOTAL	216,332,843,184	68,270,246,238

29. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

		VND
	Current year	Previous year
Selling expenses		
Expenses for external services	67,561,967,987	55,982,017,408
Labour cost	12,323,635,178	5,203,459,952
Depreciation	2,699,773,694	-
Other expenses	12,879,084,501	7,179,309,221
TOTAL	95,464,461,360	68,364,786,581
General and administrative expenses		
Labour costs	52,473,712,022	29,120,099,452
Expenses for external services	28,448,944,596	10,193,168,518
Provision expenses	16,418,117,070	-
Depreciation and amortisation	7,991,952,353	3,403,731,557
Other expenses	38,261,040,919	22,825,929,574
TOTAL	143,593,766,960	65,542,929,101

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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30. PRODUCTION AND OPERATING COSTS

	VND	
	Current year	Previous year
Raw materials and merchandise goods	3,136,881,170,408	1,605,220,025,182
Depreciation and amortisation (Notes 12, 13 and 14)	162,019,427,999	88,574,404,824
Labour costs	152,267,920,385	88,162,865,829
Expenses for external services	127,955,074,112	84,528,186,253
Other expenses	82,164,780,344	75,661,834,845
TOTAL	3,661,288,373,248	1,942,147,316,933

31. 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 sugarcane 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 be changed at a later date upon final determination by the tax authorities.

31.1 CIT expense

	VND	
	Current year	Previous year
Current CIT expense	21,026,046,712	18,317,918,389
Adjustment for over accrual of tax from prior years	(4,264,673,671)	-
Deferred tax (income) expense	(851,395,319)	1,014,642,696
TOTAL	15,909,977,722	19,332,561,085

31.2 Current CIT

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

31. CORPORATE INCOME TAX (continued)

31.2 Current CIT(continued)

A reconciliation between the accounting profit before tax and estimated taxable profit is presented below:

	VND	
	Current year	Previous year
Accounting profit before tax	310,076,299,186	208,305,632,941
<i>Adjustments:</i>		
Change of provisions for long-term investments	7,126,677	44,418,335,096
Share of profit in associates	(12,549,340,671)	(59,890,974,620)
Gains from change in ownership interest of investments	(24,842,024,273)	(15,026,900,196)
Gains from disposal of investments	17,103,494,817	-
Unrealized profits	8,513,953,189	(2,908,588,077)
Non-deductible expenses	2,058,554,553	644,861,974
Amortization of goodwill	1,451,830,630	-
Dividends income	(7,611,466,400)	(3,019,902,000)
Estimated current taxable profit	294,208,427,708	172,522,465,118
<i>In which:</i>		
Sugar produced from sugar cane activity	134,408,208,577	106,604,974,493
Others	159,800,219,131	65,917,490,625
Estimated current CIT expense	21,026,046,712	18,317,918,389
Over-accrued CIT from previous years	(4,264,673,671)	-
Current CIT expense	16,761,373,041	18,317,918,389
CIT overpaid at beginning of year	(1,278,990,594)	(1,536,386,539)
Offsetting with VAT payables	3,999,310,886	-
Increase due to business combination	(50,638,595)	-
CIT paid during the year	(11,656,363,496)	(18,060,522,444)
CIT payable (overpaid) at end of year	7,774,691,242	(1,278,990,594)
<i>In which:</i>		
CIT payable	7,849,822,920	822,397,891
CIT overpaid	(75,131,678)	(2,101,388,485)

31.3 Deferred tax

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

	VND			
	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Unrealized profit	851,395,319	-	851,395,319	-
Change in short-term accrued expenses	-	-	-	(1,014,642,696)
Deferred tax asset	851,395,319	-		
Deferred tax income (expense)			851,395,319	(1,014,642,696)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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32. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the year were as follows:

Related parties	Relationship	Transactions	VND	
			Current year	Previous year
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Sale of goods	292,260,639,908	129,196,707,607
		Purchase of service	15,159,353,947	11,583,767,151
		Interest income	7,583,979,359	17,050,557,748
		Lending	1,000,000,000	-
		Purchase of goods	971,622,886	-
		Service rendered	771,309,661	40,909,091
		Payment on behalf	155,920,000	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Purchase of goods	141,741,761,971	196,821,222,523
		Lending	214,000,000,000	80,000,000,000
		Sale of goods	115,703,484,343	1,187,618,116
		Interest income	18,014,550,229	2,355,680,555
		Purchase of service	7,251,712,022	2,734,839,036
		Service rendered	229,090,911	229,090,910
Thuan Thien Trading and Investment Limited Company	Affiliate	Sale of goods	147,617,738,785	-
		Purchase of goods	73,497,078,759	44,391,388,825
		Lending	18,000,000,000	-
		Purchase of materials	1,584,354,874	-
		Interest income	1,584,429,819	3,852,917,347
Nuoc Trong Sugar Joint Stock Company	Associate	Dividends	3,473,255,000	-
		Purchase of materials	2,611,878,826	-
		Sale of goods	1,232,684,000	1,517,060,000
		Purchase of service	949,970,222	-
		Interest income	23,333,333	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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32. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the year were as follows: (continued)

Related parties	Relationship	Transactions	VND	
			Current year	Previous year
Tay Ninh Sugar Joint Stock Company	Associate	Lending	14,500,000,000	-
		Service rendered	381,818,182	-
		Interest income	381,222,220	-
		Interest expenses	352,949,858	-
		Purchase of goods	292,000,000	-
Bien Hoa Sugar Joint Stock Company	Affiliate	Purchase of materials	609,764,174,914	-
		Sale of materials	384,201,411,514	-
		Sale of goods	99,603,355,639	1,603,214,378
		Dividends	10,465,910,000	13,630,296,000
		Purchase of goods	7,497,706,782	70,605,510,379
		Sale of fixed assets	1,480,000,000	-
		Purchase of service	611,685,911	1,036,116,057
		Service rendered	130,230,303	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Land rental	67,491,898,320	67,491,898,320
		Purchase of service	2,010,338,018	651,265,000
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Purchase of goods	117,265,955,634	-
		Sale of goods	115,783,891,785	-
		Interest income	7,251,913,101	-
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of materials	47,856,405,042	-
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Affiliate	Sale of goods	186,791,428,571	-
		Purchase of goods	51,981,452,387	-
		Sales of fixed assets	529,637,837	-
Son Tin Commodity Exchange Joint Stock Company	Affiliate	Sale of goods	195,714,285,717	-
		Purchase of goods	144,300,952,381	-
		Interest income	12,674,082,003	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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32. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the year were as follows: (continued)

Transactions with other related parties

Details of remuneration of the Board of Directors, Board of Management and Board of Supervision during the year are as follows:

	VND	
	Current year	Previous year
Salaries, bonus and related expenses	8,659,515,086	7,939,480,663

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

				VND
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivables				
Son Tin Commodity Exchange Joint Stock Company	Affiliate	Sale of goods	170,234,000,000	-
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Affiliate	Sale of goods	112,847,096,621	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Sale of goods	73,238,930,627	3,584,250,000
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Sale of goods	70,643,555,625	-
Bien Hoa Sugar Joint Stock Company	Affiliate	Sale of goods	16,055,201,714	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Sale of goods	5,764,013,889	-
		Service rendered	24,000,000	-
Tay Ninh Sugar Joint Stock Company	Associate	Service rendered	323,333,334	-
Nuoc Trong Sugar Joint Stock Company	Associate	Sale of goods	-	930,167,900
			449,130,131,810	4,514,417,900

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32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

				VND
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term advance to suppliers				
Thuan Thien Trading and Investment Limited Company	Affiliate	Purchase of materials	107,533,442,140	-
Nuoc Trong Sugar Joint Stock Company	Associate	Purchase of goods	15,000,000,000	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Purchase of materials	14,011,549,910	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Purchase of goods	-	30,400,000
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Purchase of goods	-	100,000,000,000
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Associate before 1 October 2015	Purchase of materials	-	112,840,138
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of materials	36,487,077,117	13,560,595,589
			173,032,069,167	113,703,835,727
Other short-term receivables				
Son Tin Commodity Exchange Joint Stock Company	Affiliate	Interest income	4,483,602,557	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Interest income	1,978,780,938	271,244,461
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Interest income	800,877,048	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Interest income	713,263,264	1,304,953,646
Thuan Thien Trading and Investment Limited Company	Affiliate	Interest income	710,136,810	328,877,705
Tay Ninh Sugar Joint Stock Company	Associate	Interest income	193,333,332	-
Nuoc Trong Sugar Joint Stock Company	Associate	Interest income	23,333,333	-
Svayrieng Sugar and Cane Company Limited	Affiliate	Interest income	2,894,599,398	3,941,208,303
			11,797,926,680	5,846,284,115

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32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

				VND
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term loan receivables (*)				
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Lending	100,000,000,000	179,000,000,000
Tay Ninh Sugar Joint Stock Company	Associate	Lending	14,500,000,000	-
Thuan Thien Trading and Investment Limited Company	Affiliate	Lending	18,000,000,000	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Lending	1,000,000,000	-
			133,500,000,000	179,000,000,000
Other long-term receivable				
Svayrieng Sugar and Cane Company Limited	Affiliate	Business Co-operation Contract	12,707,425,000	12,707,425,000
Loan				
Tay Ninh Sugar Joint Stock Company	Associate	Loan	9,545,366,000	-
Short-term trade payables				
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Purchase of service	3,413,845,227	1,642,310,824
Thuan Thien Trading and Investment Limited Company	Affiliate	Purchase of materials	3,207,560,200	3,522,333,535
			6,621,405,427	5,164,644,359

(*) This represent the short-term loan receivables with the term of six months and earns interest at the rate ranging from 8.0% to 9.5% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

				VND
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term advances from customers				
Bien Hoa Sugar Joint Stock Company	Affiliate	Sale of goods	11,906,304,482	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Sale of materials	1,588,600,160	-
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Affiliate	Service rendered	1,214,000,000	-
Nuoc Trong Sugar Joint Stock Company	Associate	Sale of materials	371,692,100	-
Thuan Thien Trading and Investment Limited Company	Affiliate	Sale of materials	72,922,918	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Sale of materials	-	8,697,734,000
			15,153,519,660	8,697,734,000
Other short-term payables				
Bien Hoa Sugar Joint Stock Company	Affiliate	Lending of materials	15,648,984,731	-
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Interest expense	1,500,345,515	-
Tay Ninh Sugar Joint Stock Company	Associate	Business Co-operation Contract	1,200,000,000	1,200,000,000
		Interest expense	100,449,068	-
			18,449,779,314	1,200,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2016

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33. COMMITMENTS

Operating lease commitment

The Group leases lands under operating lease arrangements. The future minimum lease commitment as at the balance sheet date under the operating lease agreements is as follows:

		VND
	Ending balance	Beginning balance
Less than 1 year	361,607,368	884,237,386

Capital expenditure commitments

At 30 June 2016, the Group has a commitment of VND 42,473,797,613 (30 June 2015: VND 58,651,577,936) principally related to construction of Project Espace Bourbon Tay Ninh.

34. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the consolidated financial statements for the year ended 30 June 2015 have been reclassified to reflect the presentation of the current year's consolidated financial statements in accordance with Circular 200. Details are as follows:

			VND
	Beginning balance (previously presented)	Reclassification	Beginning balance (reclassified)
CONSOLIDATED BALANCE SHEET			
Short-term investments	187,124,761,428	(187,124,761,428)	-
Held-for-trading securities	-	8,124,761,428	8,124,761,428
Short-term loan receivables	-	179,000,000,000	179,000,000,000
Other short-term receivables	49,186,917,643	12,179,555,500	61,366,473,143
Other current assets	12,162,955,500	(12,162,955,500)	-
Long-term advances to suppliers	-	35,904,299,058	35,904,299,058
Other long-term receivables	48,611,724,058	(35,904,299,058)	12,707,425,000
Other long-term assets	16,600,000	(16,600,000)	-
Financial reserve fund	101,816,231,999	(101,816,231,999)	-
Investment and development fund	125,609,421,786	101,816,231,999	227,425,653,785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2016

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34. RECLASSIFICATION OF CORRESPONDING FIGURES(continued)

			VND
	Beginning balance (previously presented)	Reclassification	Beginning balance (reclassified)
CONSOLIDATED INCOME STATEMENT			
Other income	17,394,161,133	(6,793,066,132)	10,601,095,001
Other expenses	(9,253,823,362)	6,793,066,132	(2,460,757,230)
CONSOLIDATED CASH FLOW STATEMENT			
Increase in held-for-trading securities	-	(8,124,761,428)	(8,124,761,428)
Payment for investments in other entities	(52,916,845,313)	8,124,761,428	(44,792,083,885)

35. EVENTS AFTER THE BALANCE SHEET DATE

On 12 July 2016, the Group completed the acquisition of 20,124,764 shares equivalent to 48.99% ownership interest of Ben Tre Import and Export Joint Stock Corporation from individual shareholders.

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



Nguyen Ngoc Han
Preparer

28 September 2016



Le Phat Tin
Chief Accountant



Nguyen Thanh Ngu
General Director





WWW.TTCSUGAR.COM.VN

Head office

Address: Tan Hung Commune, Tan Chau District,
Tay Ninh Province

Phone: (066) 3753250

Fax: (066) 3839834

Email: ttcs@ttcsugar.com.vn

Trading office

Address: 1st Floor - 62 Tran Huy Lieu Street, Ward 12,
Phu Nhuan District, HCMC

Phone: (08) 629 269 18 - 629 269 19

Fax: (08) 629 269 20

