THANH THANH CONG – BIEN HOA JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Tay Ninh, 07 October 2022

REPORT OF THE BOARD OF DIRECTORS

Regarding the implementation of the fiscal year 2021-2022 and orientation for the fiscal year 2022-2023

Attention: **General Meeting of Shareholders**

The Board of Directors (BOD) of Thanh Thanh Cong - Bien Hoa Joint Stock Company (SBT) would like to report to the General Meeting of Shareholders (AGM) on the implementation of the fiscal year 2021-2022 and orientation for the fiscal year 2022-2023 as follows:

PART I - REPORT ON THE IMPLEMENTATION OF THE FISCAL YEAR 2021-2022:

1. Assessment of governance activities in the fiscal year 2021-2022:

The fiscal year 2021 - 2022 started at the peak months of the Covid-19 epidemic, but this seemed to only become a catalyst to support the creative flexibility of Thanh Thanh Cong - Bien Hoa JSC, the Company's Board of Management maintained performing very well in production and business activities, ensuring income for employees, and successfully completed the tasks assigned by the General Meeting of Shareholders. A detailed report on business results will be presented in detail in the Report of the Board of Management.

Therefore, within the framework of this report, we focus on the activities of the Board of Directors with the following Committees and members:

No.	Member of the BOD	Independent members of the Board of Directors, Non-executive members of the Board of Directors	The date becoming/ceasing to be the member of the Board of Directors	
			Date of appointment	Date of dismissal
1.	Mrs. Huynh Bich Ngoc	Chairwoman of the BOD	12/07/2019	
2.	Mrs. Dang Huynh Uc My	Vice Chairwoman of the BOD	29/07/2021	
3.	Mr. Hoang Manh Tien	Independent Member of the BOD	12/07/2019	
4.	Mr. Vo Tong Xuan	Member of the BOD	14/10/2019	
5.	Mrs. Vo Thuy Anh	Independent Member of the BOD	09/09/2020	

No.	Member of the BOD	Independent members of the Board of Directors, Non-executive members of the Board of Directors	The date becoming/ceasing to be the member of the Board of Directors	
			Date of appointment	Date of dismissal
6.	Mrs. Huang Lovia	Independent Member of the BOD	29/07/2021	
7.	Mr. Nguyen Van De	Member of the BOD	20/10/2021	
8.	Mr. Pham Hong Duong	Member of the BOD		13/10/2021
9.	Mr. Henry Chung	Independent member of the Board BOD		29/07/2021

Structure of the Board of Directors:

No.	Member of the BOT	Title	Audit Committee	Strategy Committee	Nomination & Remuneration Committee
1.	Mrs. Huynh Bich Ngoc	Chairwoman	-	Chairwoman	Chairwoman
2.	Mrs. Dang Huynh Uc My	Vice Chairwoman	-	Member	Member
3.	Mr. Hoang Manh Tien	Independent Member	Chairman	-	-
4.	Mr. Vo Tong Xuan	Member	-	Member	-
5.	Mrs. Vo Thuy Anh	Independent Member	-	Member	-
6.	Mrs. Huang Lovia	Independent Member	Member	-	Member
7.	Mr. Nguyen Van De	Member	-	Member	-

2. Meetings of the Board of Directors:

In the fiscal year 2021-2022, the Board of Directors has made great efforts to improve the Corporate governance capacity, complying with the provisions of the Enterprise Law, the Company's charter and the Regulations on organization and operation of the Board of Directors, as well as the Internal Regulations on Corporate governance. At the same time, in order to ensure responsibility before the General Meeting of Shareholders and the Company's employees, the Board of Directors held 67 meetings to discuss and approve key issues related to business activities, capital strategy implementation, especially decisions on care and health assurance for all employees as well as ensuring the source of products to serve the community.

Attendance in meetings of each member of the Board of Directors:

No.	Member of the BOD	Number of meetings attended by Board of Directors	Attendance rate	Reasons for absence
1.	Mrs. Huynh Bich Ngoc	67/67	100%	
2.	Mrs. Dang Huynh Uc My	67/67	100%	
3.	Mr. Hoang Manh Tien	67/67	100%	
4.	Mr. Vo Tong Xuan	67/67	100%	
5.	Mrs. Vo Thuy Anh	66/67	98.5%	Other businesses asigned
6.	Mrs. Huang Lovia	60/67	90%	Appointment dated: 29/07/2021
7.	Mr. Nguyen Van De	43/67	64%	Appointment dated: 20/10/2021
8.	Mr. Pham Hong Duong	24/67	35%	Dismissed dated: 13/10/2021
9.	Mr. Henry Chung	7/67	10%	Dismissed dated: 29/07/2021

3. Supervision activities of the Board of Directors to the Board of Management:

The Company's Board of Management has shown the strength in youth and creativity, flexibly handling "force majeure" situations during the last fical year on the basis of strict compliance with current legal regulations, policies and procedures of the Government in the context of the epidemic, while balancing the Company's internal regulations on governance and administration. In which, the Board of Directors has:

- Directed the activities *"to live with the epidemic"* with the criterion of *"No one left behind"* by helping 100% of the Company's employees in all countries have access to vaccines. Organized task force teams in every regions; whenever employees recorded to have disease were reported directly to the Board of Directors to ensure receiving special care packages;

- Organized and supervised the implementation of key projects in which the Company is the Investor;
- Prepared capital for key projects being implemented by the Company;
- Presided and directed the successful organization of the Annual General Meeting of Shareholders in the fiscal year 2020-2021 on 20th October 2021, which was held in the online form for the very first time of the Company with all stages from registration, vote counting to election digitized 100%;
- Organized and strictly directed the regime of quarterly financial statements, semi-annual financial statements and annual reports;
- Supervised the implementation of resolutions/decisions issued by the General Meeting of Shareholders and the Board of Directors;
- Supervised and directed the implementation of information disclosure to ensure transparency and timeliness in accordance with regulations;
- Directed and supervised the implementation of *"Digital transformation - Enterprise transformation"* activities of the Company after the "go-live" and entering a new phase of putting technology into operation, creating new positive working habits – technology-based work habits;
- Directly participated in expanding research and investment activities in Queensland, Australia.

4. Remuneration of the Board of Directors in the fiscal year 2021-2022:

No.	Full name	Title	Working Period		Amount (VND)
			From	To	
1	Mrs. Huynh Bich Ngoc	Chairwoman of the BOD	01/07/2021	30/06/2022	4.100.000.000
2	Mrs. Dang Huynh Uc My	Vice Chairwoman of the BOD	01/07/2021	30/06/2022	3.840.000.000
3	Mr. Hoang Manh Tien	Independent Member of the BOD	01/07/2021	30/06/2022	1.800.000.000
4	Mr. Nguyen Van De	Member of the BOD	20/10/2021	30/06/2022	1.360.000.000
5	Ông Vo Tong Xuan	Member of the BOD	01/07/2021	30/06/2022	1.800.000.000

No.	Full name	Title	Working Period		Amount (VND)
			From	To	
6	Mrs. Vo Thuy Anh	Independent Member of the BOD	01/07/2021	30/06/2022	-
7	Mrs. Huang Lovia	Independent Member of the BOD	29/07/2021	30/06/2022	-
8	Mr. Pham Hong Duong	Permanent Vice Chairman of BOD	01/07/2021	13/10/2021	680.000.000
9	Mr. Henry Chung	Independent member of the Board BOD	01/07/2021	29/07/2021	340.000.000
10	Mr. Dinh Vu Quoc Huy	The Company Secretary	01/07/2021	30/06/2022	1.080.000.000

- Total remuneration of the Board of Directors: 15,000,000,000 VND (*In words: Fifteen billion dong).*

5. Assessment of Independent Member of BOD on the activities of the Board of Directors and Board of Management:

5.1. Assessment on the activities of the Board of Directors:

- The Board of Directors, with a sense of responsibility, has periodically and regularly held meetings to discuss and make many decisions under authority such as Strategy, policies, regulations on governance, risk management, capital raising, system management... to meet the actual operation situation of SBT. Towards the best governance standards according to international practices to enhance transparency for Shareholders, Investors and Stakeholders.
- The Board of Directors supervised and directed the Board of Management to organize the implementation of the Resolutions/Decisions of the General Meeting of Shareholders. In addition, because of some force majeure factors and restrictions on trade between countries during the Covid-19 pandemic, so in the last fiscal year, the Board of Directors agreed to temporarily not implement 4 resolutions of the General Meeting of Shareholders including: Resolution No. 15/2021/NQ-DHDCD on approving the profit distribution plan for the fiscal year 2020-2021; Resolution No. 23/2021/NQ-DHDCD v/v approving the private placement of common shares; Resolution No. 24/2021/NQ-DHDCD on approving the issuance of shares under the employee share ownership plan of the Company and Resolution No. 25/2021/NQ-DHDCD on approving the merger of subsidiaries under the capital restructuring plan to optimize the operational efficiency of SBT.

- The members of the Board of Directors have seriously performed their assigned functions and tasks; fully participated in activities of the Board of Directors and affiliated Committees; contributing to the completion of the overall business plan of SBT.
- The Chairwoman has fulfilled the rights and duties in accordance with the Enterprises law, the Company's charter, the regulations and authorization of the Board of Directors: Assigning duties for members of the Board of Directors; organizing meetings and issuing minutes, resolutions and notices of the Board of Directors; assign tasks to the Committees under the Board of Directors. In addition, the Vice Chairwoman of the Board of Directors regularly directed, accompanied and timely supported the activities of the Board of Management.
- The Board of Directors has closely inspected and supervised the activities of the Board of Management.

5.2. Assessment on the activities of the Board of Management:

- In general, in the fiscal year 2021-2022, the CEO and members of the Board of Management proactively grasped the situation, identified opportunities and challenges during the Covid-19 epidemic to have appropriate policies in order to ensure the effective operation and business of the Company:
  - Making efforts to complete the business target indicators, gross profit reached 2,308 billion VND, equivalent to the gross profit margin of 13%/NR, 1% higher than Budget.
  - Well implementing the business plan approved by the General Meeting of Shareholders and the Board of Directors.
  - Flexibility in supply planning activities, taking measures to cope with the increase in raw material prices and transportation costs, ensuring timely supply in the period of supply chain disruption due to post-recovery after the Covid-19 pandemic. In addition, the application of technology has brought convenience in inventory management.
  - Implementing self-review measures to avoid wasting resources and limiting unnecessary costs.
  - Investor relations are met in terms of compliance, towards international standards; organizing events to connect with Investors, Shareholders, Banks; enhancing the image of SBT via media publications.
  - Implementing the structure of domestic and foreign capital, successfully opening a new credit limit of USD 100 million at foreign banks as well as their branches in Vietnam and increasing the internal capital limit of domestic banks to VND 3,500 billion.
  - Updating the 5-year strategic plan to the fiscal year 2024-2025 according to the strategic direction of the Board of Directors.
  - Investment capital mobilization packages have come to the appraisal stage.
  - Launching and recognizing many technical innovations to optimize production efficiency at Factories.
  - Applying technology to agricultural management activities has improved productivity and promoted the development of modern agriculture in accordance with the strategy set out by the Board of Directors.

- The CEO regularly reported on the implementation of production and business activities and difficulties in the operating process. The Board of Directors and the Board of Management discussed and provided timely solutions.
- The members of the Board of Management have all performed well their role of *"keeping the fire"* for the staff. Promoting the cultivation of specialized knowledge and skills to strengthen the entire operation machinery of the Company.
- During the management process, the activities of the Board of Management totally ensured compliance with the provisions of law, the Company's charter and the resolutions of the General Meeting of Shareholders and the Board of Directors.

6. Assessment of the Board of Directors on the activities of other Committees:

6.1. Assessment on the activities of Audit Committee:

- Over the fiscal year 2021-2022, the Audit Committee has successfully completed the functions and tasks of the internal control and risk management systems: The controlled environment has had positive changes; the units have proactively identified and localized key risks; the control activities integrated with the system are fully decentralized and delegated, ensuring the information controlling system throughout from top-down and from bottom-up, gradually forming a methodical and specialized risk monitoring system at the Head Quarter and its business units; promptly, quickly handle and advise the Board of Directors on how to handle the crisis during the Covid-19 period.
- The Audit Committee maintained the structure of 2 members in the Committee and held 12 face-to-face meetings with full participation of the members to handle issues under its authority, including:
  - Supervising the implementation of Resolutions and Decisions issued by the General Meeting of Shareholders and the Board of Directors.
  - Monitoring the implementation of information disclosure to the outside, ensuring transparency and timeliness in accordance with the current laws.
  - Advising the Board of Directors on completing the system of documents and policies to manage significant risks, ensuring compliance with the legal regulations, and moving towards advanced risk management standards.
  - Supervising the executive activities of the Board of Management in the implementation of policies and the Company's strategy through attending meetings of the Board of Management, in order to improve business efficiency to complete the set targets.
  - Supervising the organization and implementation of investment projects of the Company, making risk management assessment reports, urging handling and proposing plans to limit risks.
  - Completing the review and update of the Enterprise Risk Management framework applied at the Head Quarter and its business units, including the Risk Management Regulation and the Risk Management Process.

6.2. Assessment on the activities of Strategy Committee:

- The Strategy Committee has successfully completed the responsibility of advising the management plan for the Company to achieve its long-term strategic goals, including participating in the implementation of important projects in the fiscal year 2021-2022 and evaluating the implementation results of business strategy to make appropriate strategic proposals for the upcoming fiscal year 2022-2023.
- Promoting the implementation and planning of investment strategies; well performing the supervisory role in the formulation and implementation of strategies in mergers and international business expansion projects. Especially, the Strategy Committee has done a good job of timely updating the Company's investment strategy in Australia.

6.3. Assessment on the activities of Nomination & Remuneration Committee:

- The Nomination and Remuneration Committee is mainly responsible for human resource management activities. In the fiscal year 2021-2022, the Committee has advised the Board of Directors on issues related to human resource, salary, bonus and remuneration policies and developed the human resources in foreign markets which contributed to improving the performance of employees, promoting the development of the Company's overall operations.
- Actively contributing ideas to improve the Company's apparatus, advising the Board of Directors in structuring the positions of senior managers and develop policies to attract talents for the operation of the Company.
- Successfully fulfilling the function of advising the Board of Directors on the performance results of the members of the Board of Management.
- In the fiscal year 2021-2022, the Nomination and Remuneration Committee directed and advised the Board of Management to design and successfully implement the Management Competencies Framework in line with domestic and international standards, aiming to enhance the level of the organization and improve the capacity of the management staff.

PART II – ORIENTATION FOR THE FISCAL YEAR 2022-2023:

Based on the achieved results of the fiscal year 2021-2022, the Board of Directors and the Board of Management have determined the overall goals and orientation of SBT for the fiscal year 2022-2023 revolving around the key goals of **transforming the corporate governance model from production techniques to import-export trade**:

- **The first goal:** To transform from an Enterprise with strengths in production techniques to an international commercial Enterprise with technology as a solid development foundation, to comprehensively complete the product value chain.
- **The second goal**: To promote Research and Development (R&D) activities in order to accelerate the Company's roadmap to transform new business models, and this is also the Company's cross-cutting mission.
- **The final and cross-cutting goal for the fiscal year 2022-2023**: To transform pure business activities into the Commercial Center model – *Multi-channel business model* in order to optimize the strength of the sales team by diversifying product lines for the same customer group; expand the multi-channel distribution system; optimize supply chain and logistics

costs on the basis of combining multiple delivery channels; focus on distribution activities with after-sales service, taking customers as the center.

Above is the Report on the implementation of the fiscal year 2021-2022 and the orientation for the fiscal year 2022-2023 that the Board of Directors would respectfully submit to the General Meeting of Shareholders for approval. SBT believes that with the trust, sharing and support of the Shareholders together with the high solidarity of the Board of Directors, the Board of Management and the Company's staff, SBT will definitely realize the goal to become a pioneer in providing sustainable agricultural solutions not only in Vietnam but also in the international market.

Wishing all good health, wishing the AGM a great success.

Best regards./.

OBO. THE BOARD OF DIRECTORS

CHAIRWOMAN

M.S.D.N: 3900244 C.T.C.P
CÔNG TY
CỔ PHẦN
THÀNH THÀNH CÔNG
-BIÊN HÒA
H.TÂN CHÂU - T.TÂY NINH

HUYNH BICH NGOC