THANH THANH CONG - BIEN HOA
JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Tay Ninh, date month year 2018

REPORT ON COMPANY'S PERFORMANCE IN THE FISCAL YEAR 2017-2018 OF THE BOARD OF MANAGEMENT

Dear Shareholders,

Dear the General Meeting of shareholders,

Implementing the Resolution of the General Meeting of Shareholders of the Company 2017 - 2018, the Board of Management would like to report to the General Meeting of shareholders the Company's performance in the fiscal year 2017 - 2018 with the following highlights:

I. Overview of macroeconomic situation and sugar industry:

1. General situation

The US economy has changed dramatically after one year of President Donald Trump. With many uncertainties, President Donald Trump's policies have also had a positive impact on the world economy. Regarding to forecasts of world economic growth prospects in 2018, most international economic and financial organizations are expected to achieve higher growth compared to 2017. Specifically, according to IMF experts, world economic growth in 2018 could reach 3.7%, higher than the growth rate of 2017 (3.6%). Emerging markets and developing economies are expected to see the highest growth (4.9%).

The General Statistics Office (Ministry of Planning and Investment) has just released statistics on Gross Domestic Product (GDP) in the first half of 2018. Accordingly, Vietnam's GDP is estimated to increase by 7.08% in the first two quarters compared with year on year 2017. This is the highest increase of 6 months since 2011.

2. Sugar industry

According to forecasts of the International Sugar Organization (ISO), global sugar production in the 2017/18 season reached 185.2 million tons, up 17.4 million tons, or 10.34% increase over 2016 / 17. Meanwhile, sugar consumption reached only 174.6 million tons, which means the supply exceeded the demand of 10.5 million tons of sugar. This is especially in the context of a slight decrease in the world population as well as the consumption of sugar in the EU and North American markets is approaching saturation, leading to a reduction in sugar consumption. However, this year's sales still recorded a 1.85% increase compared to the previous season.

In fact, when the supply exceeding demand will affect the sugar price of many places in the drastically reduce. Specifically, the sugar price (ISA Daily Price) in May 2018 was 16.2% lower than in December 2017. Typically, Brazil is down by 20.8% in this period. At the same time, China's domestic sugar price also fell 16.3% due to rising supplies. In India, the average domestic sugar price in May was also 17.9% lower than in December 2017.

Thanh Cong Bien Hoa (TTC Bien Hoa), as a leading sugar company in Vietnam, has a turnover of 88% of its total revenue. The company is also affected when world sugar prices fall, Accordingly, the sugar price of BTC in Bien Hoa in season 17-18 average decreased 6.7% over 16-17 years, of which sugar export sugar price reduced to 16.5%.

II. Evaluating the Company's performance

Dear the General Meeting of Shareholders,

In the fiscal year 2017-2018, TTC Bien Hoa has achieved the following targets:

No	Targets	Unit	Performance at the same period	Plan for the year 17-18	Performance for the year 17-18	% Performance compared to	
						The same period	Plan
A	Pressed sugarcane output	Ton	1,537,169	3,792,749	3,721,857	242%	98%
B	Dissolved raw sugar output	Ton	78,292	304,587	245,911	314%	81%
C	Sugar production output	Ton	217,148	659,011	600,619	277%	91%
D	Sugar consumption output	Ton	190,494	515,000	572,300	300%	111%
E	**Business results**						
1	Net revenue	Billion dong	4,498	9,900	10,285	229%	104%

		s					
2	Profit before tax	Billion dongs	310	680	682	220%	100%

In the fiscal year 2017-2018, the total profit before tax of the company reached 682 billion reaching 100% of the plan; Of which, profit from main business activities was 539.45 billion VND, accounting for 80% of total profit before tax.

About materials: The Company has pressed 3,721,857 tons of sugarcane, an increase of 142% year on year. In addition, dissolved raw sugar in the season yielded a remarkable 245,911 tons, exceeding 214% compared with the plan.

About production: Production output in the fiscal year 2017 - 2018 reached 600,619 tons of finished product sugar, up 177% year on year.

About business: Sugar consumption output in the fiscal year 2017-2018 reached 572,300 tons, up 200% year on year and exceeded the plan by 11% thanks to the expansion of the existing customer network as well as the continuous development of new customers.

III. Implementation of focused works

Dear the General Meeting of Shareholders,

In order to achieve positive results and exceed the profit plan, the Board of Management presented to General Meeting of Shareholders the achievements in 2017 - 2018 as follows:

1. About materials:

The total output of sugar cane mobilized all the plants reached 3,721,857 tons, equivalent to 242 % year on year and reached 98% of the annual plan. Of which, sugarcane production exceeded the target and sugarcane production was limited. The average yield of sugarcane was 67.16 tons / ha higher than the previous crop of 3.94 tons / ha. The cost of buying sugarcane was mostly controlled by the units, lower than the plan and lower than the same period. Agricultural work is increasingly promoted in depth through mechanization and irrigation programs to increase productivity and save costs. The percentage of impurities decreased over the same period. The investment return of 2017 - 2018 is 98% thanks to good control of capital recovery. The materials in the fiscal year 2017 - 2018 also has some highlights as follows:

- **Implementation of effective irrigation works for sugar cane investment:** Most of the irrigated area was with an average yield of 22% higher than not -irrigated areas.
- **Efficient mechanization - underground plowing:** Most of the cultivated sugarcane areas with underground plowing have an average yield more than 8%. The

underground plowing promoted strength that helped sugarcane prevent drought-resistant (in areas without conditional irrigation) and anti-fall (reduce CCS losses).

- **Promotion of the mechanics business effectiveness:** During the fiscal year 2017 - 2018, the Company introduced the Mechanical Business Department to operate, contribute to boosting mechanical investment in raw material areas, enhancing the sustainable attachment between the plant and sugarcane farmers, ensuring that the Company has profit, farmers have benefits.

2. Organization of production management:

Production output in the period of 2017 - 2018 reached 600,619 tons of finished product sugar, up 177% year on year. In addition, with the aim of improving the efficiency of recovery, minimizing the total loss in production, in the fiscal year 2017-2018, the plant operation was quite good, and the production targets are both satisfied and higher than the plan and the same period. Specifically, the equipment safety performance reached 99.5%, the recovery yield of sugar from sugarcane exceeded 2% contributed to reduce production costs and contributed to reduce production costs. In the season, sugar quality is quite good, the quality of the inappropriate product was improved, the rate of inappropriate products was controlled at 0.18%, better than the plan rate of 0.38%, lump sugar decreased more than 93% over the same period. The company has always paid much attention to environmental protection, which is 0.13 kg COD / ton of sugarcane, which is better than the plan target of 0.27 kg COD / ton of sugarcane. Other activities related to production activities include:

- ***R & D work:*** Focusing on the development investment and scientific research to improve the quality of products and develop new products to meet the diverse needs of consumers and industrial customers, to meet strict standards for the fastidious export markets, oriented to produce environmentally friendly products, ensure safety and proper nutrition. Diversify sugar products such as sugar, alum sugar, yellow sugar, liquid sugar and sugar-based products such as bio-organic fertilizer, bottled water

  Project management: Total number of projects implemented in 2017 - 2018 was 98 projects with total estimated value of 851 billion VND. The total disbursement in the period was 269 billion VND, equivalent to 32% of the total estimated value. The cost of the project is well controlled and does not exceed the initial approved cost. Most of the projects progress.

3. Business:

Sugar consumption output in the period of 2017 - 2018 reached 572,300 tons, an increase of 200% over the same period. Despite over the consumption plan, in the past year, the business has experienced many difficulties in the market.

Consumer channels face fierce price competition with other competitors in the supermarket and the traditional market, distributors, retailers, agents Beside the price difference with cheap RS without label, this season recorded many RS bags of many other companies such as Can Tho, La Nga, Lam Son, Life Viet, Viet Sugar Vinamilk and compete directly at the stalls of the GT channel board. However, the Company still maintains its selling price and distribution system as well as opening 40 new distributors and agents. Consumption of products with high added value such as yellow sugar, organic sugar increased sharply than the previous crop.

For industrial customers, the demand is down on beverage customers, as customers switch to using about 40% liquid HFCS and reduce the sweetness in the product. Confectionery reduces sweetness in the product, using approximately 30% liquid HFCS. Medium and small industry channels appear new competitors (Binh Thuan Sugar Factory). Export channels are directly affected by smuggled Thai sugar at low prices.

4. Finance - Accounting:

For the year 2017 - 2018, the Company controlled compliance, costs in contributing to the achievement of a profit target of 680 billion VND. The Company has maintained a good gross profit margin despite the market fluctuations in the 2017-2018 Sugar Market is still unfavorable to the world market. In order to achieve good business results in the past year, the Company has implemented information technology solutions, approached modern management and science to optimize resources such as: Converting the Financial Reporting System 15/16 - 16/17 - 17/18 from VAS to IFRS, developing the financial strategy and model for 2018-2021, developing the COA and cost structure IFRS. Simultaneously, the technical infrastructure is integrated into the AX system and AX is deployed in all member companies.

Financial expenses and selling expenses were well under control, with selling expenses down 31% and operating expenses down 8%. In addition, in order to realize the strategic target of consuming 1,237,000 tons of sugar by 2020-2021, the Company will focus on strengthening the organizational apparatus and resources of the Back Office to be ready for the operation of the Corporation covering all market channels.

a) Volatility of capital assets and operating scale

Targets	Unit	Year 2016-2017	Year 2017-2018	% 17-18/16-17
The total value of assets	Million	7,748,341	17,693,558	128%

	dongs			
Net revenue	Million dongs	4,498,383	10,284,696	129%
Profits from business operations	Million dongs	301,066	539,451	79%
Other profits	Million dongs	8,537	142,840	1573%
EBIT	%	566,388	1,396,366	147%
Profit before tax	Million dongs	309,603	682,292	120%
Profit after tax	Million dongs	287,216	545,090	90%

(Source: BCTC KT HN 2017-2018)

Total assets as of 30/6/2018 TCT reached 17,693 billion, up 128% compared with the beginning of the year. Net revenue was 10,284 billion VND, up 129% and Profit before tax was 682 billion VND, up 120% year on year. Considering the difficulties in the sugar industry, the results come from the efforts to maintain the market, control costs, ensure business efficiency of the Company.

About asset situation:

The total assets of TTC Bien Hoa Joint Stock Company as of 30/06/2018 were 17,694 VND billion, up 128% compared to 30/06/2017, respectively up 9,945 billion VND. In particular, short-term assets reached 9,813 billion VND, up 122% over the same period, while long-term assets reached 7,880 billion VND, up 36% over the same period as at 30/06/2017. The structure of short-term and long-term assets is kept stable, specifically:

No	Targets	6/30/2017		6/30/2018		% up and down	
		Value (Million dong)	%	Value (Million dong)	%	Value (Million dong)	%
1	Short-term assets	4,414,791	57%	9,813,282	55%	5,398,491	122%
2	Long-term assets	3,333,549	43%	7,880,276	45%	4,546,727	136%
*	**Total assets**	**7,748,341**	100%	**17,693,558**	100%	9,945,217	128%

(Audited consolidated financial statements source)

About the liability's situation:

The total debt as at 30/06/2018 was 11,596 billion VND, up 147% compared 30/06/2017, of which long-term debt increased by 77% from 1,523 billion VND to 2,694 billion VND and

181% from 3,163 billion VND in the same period to 8,902 billion VND. In the fiscal year 2017 - 2018, the Company's debt structure has shifted, increased short term debt and reduced the proportion of long-term debt. This move has put pressure on the liquidity of the Company. The Company is actively selecting strategic investors to issue shares to mobilize capital to restructure the financial structure of the Company towards a more secure and sustainable direction.

No	Targets	6/30/2017		6/30/2018		% up and down	
		Value (Million dong)	%	Value (Million dong)	%	Value (Million dong)	%
1	Short-term debt	3,163,682	68%	8,901,828	77%	5,738,146	181%
2	Long-term debt	1,523,248	32%	2,694,370	23%	1,171,122	77%
*****	**Total liabilities**	**4,686,930**	**100%**	**11,596,198**	**100%**	**6,909,268**	**147%**

(Audited consolidated financial statements source)

5. Human resources:

In the past year, the Company held 137 courses for 6,405 trainees, mainly professional skill training for staffs, most of which are front office workers such as production techniques, agriculture and business. Besides, the Company always focuses on programs to improve labor productivity and streamline apparatus.

6. System management:

In the fiscal year 2017 - 2018, the Company has reviewed and promulgated a written rule of the Company to ensure good application in practice. Continue reviewing and adjusting the organizational chart, issuing the necessary relevant document according to IFC's recommendations to improve the corporate governance model according to international standards, towards the goal of consolidating the organizational structure of the Corporation.

In addition, the plants have completed deployment of management systems under the new version. Particularly for the Halal standards, the plants adopt the Indonesian MUI standard that meets most customer requirements. At the TTCS plant, there are certifications of Villas 17025, Sedex SGP URSA, Ecova dis, preparation for the integration process of standards and new requirements of integration customers.

The Company conducts regular environmental control and holds cross-review meetings to maintain and improve the work of Environmental Protection, Safety, Occupational Health and 5S Work. The plants well control the target of COD emission according to the KPIs assigned.

7. Outstanding achievements in the period of 2017 - 2018

In the period of 2017-2015, the Company strives and achieves some remarkable achievements such as:

- Complete procedures for upgrading foreign room to 100% for TTC Bien Hoa
- Complete the issuance of bonds for two packages of 100 billion and 450 billion
- Won the Certificate of "2018 Vietnamese high-quality goods"
- Award "Top 100 Best Workplaces in Vietnam" (Top 6 in Manufacturing / Chemicals and Top 50 Vietnamese Enterprises with Attractive Employer Brand in 2017),
- Award "Golden Dragon and strong brand name of Vietnam 2017"
- Award "Typical Vietnamese Brand Enterprise"

IV. Conclusion

Although, in the fiscal year 2017-2018 the Company has faced adverse developments in the market, with the strive endless efforts of all employees, the Company has successfully completed the goal of profit and will continue to improve and overcome the existing limitations, as well as promote existing strengths, striving further to achieve the goals that shareholders and investors expected.

The Board of Management sincerely thanks for the support of Shareholders, close direction of the Board of Directors, thank all staffs have faith, close co-operation in the past few years.

The above is the Company's performance in fiscal year 2017 - 2018, Thanh Thanh Cong - Bien Hoa Joint Stock Company would like to report to the General Meeting of Shareholders.

Sincerely!

CEO

(Signed and sealed)

NGUYEN THANH NGU