

RESOLUTION

**ANNUAL GENERAL MEETING OF SHAREHOLDERS
FOR THE FISCAL YEAR 2021 - 2022**

(Regarding the approval on The Board of Management Report on business operation for the 2021-2022 and Action plans statement for the fiscal year 2022 – 2023)

- Pursuant to the Law on Enterprise No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June, 17th, 2020 and guiding documents;
- Pursuant to the Charter of Thanh Thanh Cong - Bien Hoa Joint Stock Company;
- Pursuant to The Minute of General Meeting of Shareholders No. 03./2022/BB-DHDCD dated October 28, 2022 of Thanh Thanh Cong – Bien Hoa JSC.

RESOLVE

Article 1. Approval on The Board of Management Report on business operation for the 2021-2022 and Action plans statement for the fiscal year 2022 – 2023.

(The content of Report comply with the Appendix 01 – attached)

Article 2. The Resolution validates since the date signed.

The Board of Directors, the Board of Management take responsibility to execute, monitor and report the implementation this Resolution.

Recipient:

- Members of BOD;
- Members of BOM;
- Archived: Secretary & Assistant department.

**FOR AND ON BEHALF OF GMS
THE CHAIRWOMAN**



HUYNH BICH NGOC

APPENDIX 01

REPORT ON PRODUCTION AND BUSINESS PERFORMANCE PERSONAL PERFORMANCE FOR THE YEAR 2021-2022 AND OPERATION PLAN 2022 - 2023 OF THE BOARD OF MANAGEMENT

*(Attached to the Resolution of the General Meeting of Shareholders No: .05../2022/NQ-DHĐDD
on Approval of the report on business activities for the year 2021-2022 and the plan for the year
2022-2023 of the Board of Management)*

Pursuant to the Resolution of the General Meeting of Shareholders of the Company in the year 2021 – 2022, the Board of Management would like to report to the General Meeting of Shareholders the operations results for the year 2021 – 2022 of the Company with the following main contents:

I. Overview of macroeconomic condition and sugar industry:

1. Surplus/deficit forecast over the years

- In the 2021-2022 season, total global production reached 191.47 million tons, while global demand reached 187.13 million tons.
- Demand will continue to grow mainly due to population growth in poor/developing countries and the recovery from the Covid pandemic.
- Sugar prices have entered a recovery phase since mid-2020. Currently, sugar prices are reaching resistance and accumulation levels at the 18-20 cents/lb zones in anticipation of a new cycle.

2. Production for the crop 2021 – 2022

- Total domestic sugar production in the 2021-2022 season will reach about 735,000 tons of sugar with 26/41 factories still operating.
- The State will organize bidding for imported sugar quotas to meet domestic consumption demand. Participants are sugar factories and B2B customers wanting to secure raw materials for production of finished products. Meanwhile, the official source of imported sugar in 2022 of domestic traders will be limited, the cost of imported sugar will be added to bidding fees (quota bidding).
- The policies of imposing trade remedies on sugar originating from Thailand, although helping domestic sugar prices to rise higher, also contribute more to increase in smuggled sugar and cause consumers to suffer more and farmers to benefit less.

II. Evaluation of production and business results

In the year 2021 – 2022, TTC Bien Hoa has achieved the following targets:

In the year 2021 – 2022, total consumption continues to exceed 1 million tons. Net revenue reached VND 18,319 billion, completing 108% of the plan and up 23% over the same period. Profit before tax of the whole company reached VND 1,046 billion, completing 139% of the plan and up 33% over the same period.

III. Implementation of key tasks

In order to achieve positive results and exceed the set profit plan, the Board of Management of the Company would like to present to the entire General Meeting of Shareholders the points achieved in the year 2021 – 2022 as follows:

1. Agriculture

- In the year 2021 – 2022, the total sugarcane output of Vietnam of 26 factories reached 7.3 million tons, up 7%, of which the sugarcane volume of the whole company increased by 25% and accounted for 30% of vietnam's total sugarcane production.
- In terms of the quality of raw sugarcane, the average CCS of the whole Company, although there was a slight decrease over the same period, remained high.
- The company has also applied digital farming technology through the FRM management platform to control investment norms, self-cultivation, supervise the care disbursement process, complete the TMS sugarcane transport vehicle management project and drone management project to monitor operation to detect waterlogging, pests and diseases to recommend the station, farmers timely process.

2. Production

- Production output in the year 2021 – 2022 decreased slightly over the same period due to the lack of input materials, but still met the demand for consumption. With the policy of improving recovery efficiency and minimizing total losses in production, factory operation has been improved.
- Some prominent projects were implemented during the year such as: the project to increase refinery capacity at BHNH from 600 tons of RE/day to 760 tons of RE/day, the project to renovate the boiler from bagasse-fueled to coal-fueled, the sludge conveyor project. Subsidiaries have completed project investment items and prepared well for the production season. Project costs are well controlled and do not exceed the original approved costs.
- Digital transformation and operation optimization are also implemented through the construction of DigiFactory software integrating Oracle ERP data to monitor and manage production reports, production orders, build acceptance process, check the quality of production materials, semi-finished products, finished products.

3. Sales

- With a flexible business strategy, in the year 2021 – 2022, TTC-BH has provided customers and consumers with more than 1 million tons of sugar of all categories, continuing to maintain its leading position in the domestic sugar industry. Although consumption volume decreased slightly over the same period due to being heavily affected by the Covid-19 epidemic in the first months of the year, the Company has flexibly adjusted its sales policy, proactively seizing the market to meet the planned revenue and profit targets.
- With the advantage of owning "Trading house" - International commodity trader, TTC Bien Hoa continues to promote the search for new export markets, proving its role as one

of the pioneers actively involving in the international commodity market, bringing Vietnam's clean sugar to the world.

- The average selling price of most channels was higher than the same period thanks to the trend of rising world sugar prices and the application of the defensive tariffs.
- In addition, in the past year, TTC-BH has also successfully launched the sugarcane juice line Miaha. Despite the unfavorable timing of the launch (i.e during beginning of the year) that was heavily affected by the Covid-19 epidemic, causing many big cities to be locked down, the product promotion campaign with youthful creative content was still widely deployed across the mass media. With leverage from utilizing celebrities' social networks, the campaign contributes to increased brand recognition among consumers during its initial launch.

4. Supply Chain

In the year 2021 – 2022, the Supply Chain Division has achieved the following targets:

- Fully and promptly meet the demand for consumption in the context of domestic supply constraints, especially the B2C sugar segment with strong demand.
- The application of information technology helps to make inventory management more convenient from an overall perspective.
- Carry out the analysis of the supply market for key industries, update and adjust strategies and plans in a timely manner to optimize costs, manage risks to ensure sufficient supply for production demand, control budgets in the context of market fluctuations, loss of supply and demand congestion and global supply chain bottlenecks.

5. Finance and Accounting

- In the year 2021 – 2022, the Company improves financial compliance and cost control, contributing significantly to achieving pre-tax profit milestone 1,046 billion. The company has made efforts to maintain stable profitability from business activities despite adverse market movement of the Sugar industry in the 2021 – 2022 period.
- To achieve the above business results, the Company has simultaneously implemented solutions to digitize operations, successfully implement ERP system for both VAS and IFRS financial reporting standards, integrated E-invoices for all 14 business units in Vietnam, implementing the domestic and foreign capital structuring to be more aligned with production and business activities.

Fluctuations in business activities results

Indicators	UOM	Year 2020-2021	Year 2021-2022	% variance
Net revenue	Billion	14,925	18,319	23%
Operating profit	Billion	791	1,170	48%
Profit before tax	Billion	784	1,046	33%

Indicators	UOM	Year 2020-2021	Year 2021-2022	% variance
Profit after tax	Billion	650	873	34%

(Source: Audited consolidated financial statements)

The scale of net revenue reached VND 18,319 billion, up 23%, profit before tax reached 1,046 VND billion, up 33% over the same period. This is also the first time TTC Bien Hoa has surpassed the one trillion VND profit before tax mark since its establishment.

Asset

Total assets as of 30/06/2022 reached VND 27,730 billion, up 35% yoy, corresponding to an increase of VND 7,259 billion. In which, short-term assets reached VND 18,027 billion, up VND 5,449 billion, equivalent to 43% yoy increase while long-term assets reached VND 9,704 billion, up 23% yoy. Trade Receivables and Inventories increased by 825 billion and 1,467 billion, respectively.

The detailed structure of short-term and long-term assets is as follows:

No	Items	30/06/2021		30/06/2022		% increase and decrease	
		Value (billion)	%	Value (billion)	%	Value (billion)	%
1	Short-term Asset	12,577	61%	18,027	65%	5,449	43%
2	Long-term Asset	7,894	39%	9,704	35%	1,810	23%
*	Total assets	20,471	100%	27,730	100%	7,259	35%

(Source: Audited consolidated financial statements)

Liabilities and Equity

Total Liabilities at 30/06/2022 was VND 18,061 billion, up 48% yoy, in which long-term liabilities decreased by 24% yoy from VND 3,661 billion VND to 2,767 billion while short-term liabilities increased by 78% yoy from VND 8,572 billion to VND 15,295 billion. The fluctuation in liabilities is mainly due to reduction of long-term debt and increase in short-term debt. For TTC-BH, the restructuring of debt, signaled by increase in proportion of short-term loans and reduction of proportion of long-term loans, demonstrates that the Company has flexible tactics, in line with market fluctuations to seize business opportunities.

No	Items	30/06/2021		30/06/2022		% increase and decrease	
		Value (billion)	%	Value (billion)	%	Value (billion)	%

1	Short-term Liabilities	8,572	70%	15,295	85%	6,723	78%
2	Long-term Liabilities	3,661	30%	2,767	15%	-895	-24%
*	Total Liabilities	12,233	100%	18,061	100%	5,829	48%
1	Capital contribution	6,388	78%	6,508	67%	120	2%
2	Undistributed earnings	844	10%	1,435	15%	591	70%
3	Other capital	1,007	12%	1,727	18%	720	71%
*	Equity	8,238	100%	9,669	100%	1,431	17%

(Source: Audited consolidated financial statements)

IV. Conclusion

Against the backdrop of unstable economic conditions in Vietnam and other parts of the world, the Board of Management and employees of TTC Bien Hoa have constantly been proactive and flexible to adapt, turning challenges into opportunities and closing the 2021 -2022 fiscal year with many spectacular results.

In the time ahead, the Board of Management will continue to promote R&D activities and improve to overcome existing limitations, as well as leverage potential strengths to step-by-step conquer the strategic goals and fulfill the business plan in manners satisfactory to shareholders and investors' expectations.

The Board of Management of the Company sincerely express gratitude for the support of shareholders, the observant guidance from the Board of Directors, as well as the trust and perseverance of all employees over the years.

ORIENTATION OF ACTIVITIES IN THE YEAR 2022 – 2023 OF BOARD OF MANAGEMENT

Pursuant to the Report on Business operations results of the Company in the year 2021 – 2022 published in the Company's website, the Board of Management would like to report to the General Meeting of Shareholders the Activity orientation for year 2022 – 2023 of the Company with the following main contents:

I. Overview of macroeconomic condition and sugar industry:

1. Global sugar market condition

- Brazil's sugarcane output in the 2022-2023 crop is likely to fall to 29 million tons, compared with the initial forecast of 32.8 million tons, while sugar production in China is also forecast to decline.
- The Indian government has officially decided to limit sugar exports in the 2021-2022 crop (October 2021 - October 2022) at 10 million tons to ensure the supplying sources.
- The global supply chain is forecast to continue to face difficulties in the year 2022 - 2023, fertilizer prices and input costs are forecast to continue to rise due to inflationary pressures.
- The trend of hoarding food and goods, especially essential goods such as sugar, is still a concern if a crisis occurs.
- Production in Asian countries increased thanks to a favorable monsoon climate along with the recovery of global sugar prices.
- Sugar prices: In the medium-term market, raw sugar prices in 2022-2023 may fluctuate in a range of 17 - 23 cents/lb, with a reasonable deviation level around 19 cents/lb.

2. Domestic sugar market condition

- It is forecast that domestic sugar production will find it hard to grow in the coming years due to difficulties in raw material areas, of which TTC Bien Hoa accounts for about 40-45 % of total domestic sugar production from sugarcane. Thus, to meet domestic demand, Vietnam must import more than 1 million tons per year.
- The imposition of evasive defensive tax limits sugar from Cambodia, Indonesia, Malaysia, Myanmar and Laos to be imported into Vietnam, which helps domestic sugar prices remain high.
- The USD/VND exchange rate is forecast to continue to increase, which affects the increase in input cost of imported sugar.

II. FY 2022-2023 operating targets

In the year 2022 – 2023, TTC Bien Hoa sets the following targets:

In the year 2022 – 2023, total consumption is expected to increase slightly and maintain market share in the business segments as planned. The target revenue is forecast to reach VND 17,017 billion and the target profit before tax is estimated at VND 850 billion.

III. FY 2022-2023 action plan 2022 – 2023

In order to achieve the set plan, the Board of Management of the Company presented to the entire General Meeting of Shareholders the general solution for the operating plan of the year 2022 – 2023 as follows:

1. Sales:

- **Focus on transforming to become an integrated business center (Commercial Center)** developed on technology platforms: In which:
 - ✓ The focus is on shifting strengths from a pure production and distribution enterprise to a trading and consumer goods business
 - ✓ Focusing on developing the consumer goods business, in which, shaping the route to market in the direction of being a commercial center, with the goal of promoting distribution system deployment in the year 22-23
- **For the development of new markets and customers:** focus on exploiting in markets that still have room for growth, specifically the North
- **For export market:**
 - ✓ Take advantage of the declining logistics costs on maritime routes from Vietnam to the EU in order to increase the export volume of organic sugar to the EU in the near future
 - ✓ Leverage the advantages of the ASEAN-Australia-New Zealand Free Trade Agreement (“AANZ FTA”) to increase on-spot export volumes for GMA
- **For digital technology application:** continue to deploy digital technology to manage the sales system and optimize distribution channels

2. Agriculture

- Focusing on expanding raw material areas - **Pioneering in developing IT applications towards "comprehensively smart agricultural economic business model" in Vietnam;** in particular:
 - ✓ With the foundation of owning sugarcane material areas of more than 68,000 hectares in Vietnam, Laos, Cambodia and Australia, the Company aims to expand the material areas to 90,000 hectares by 2025
 - ✓ Consistent with the "green" business strategy, whereby: the Company's raw material areas are always invested and strongly developed in a green and modern direction, which is the foundation for the transformation to become a Commercial Center
 - ✓ The expansion of raw material areas in Laos and Cambodia will be promoted in the direction of converting into organic farming models, optimizing the value of Sugarcane
 - ✓ Promoting the application of digital technology of TTC Bien Hoa in agricultural production will actively contribute to mitigating the effects of climate change, limiting the impact on the environment, increasing profits, and improving the living quality of the community and stakeholders in the agricultural value chain

- ✓ In addition, the Company continues to standardize agronomy and restructure the agricultural governance model. At the same time, promoting scientific and technical cooperation with Farmacist – a leading company in the agricultural sector in Australia, and implementing a cooperation program with the Australian Sugar Research Institute and with the University of Agriculture and Forestry in Ho Chi Minh City for consulting and technology transfer

3. For the production organization and management

- Building and upgrading the production capacity of TTC-BH to become a Production Center integrated with the Company's Commercial Center model and, simultaneously, providing partners with technical solutions (food processing solution); in particular:
 - ✓ Focus on process standardization and regularly take initiatives to improve production activities
 - ✓ Control production costs and ensure product quality
 - ✓ Implement investment projects in automation/semi-automation technology and digitalization to improve operational efficiency and reduce dependence on manual labor; synchronized with the Modules of the Digifactory, a part of the smart factory management project
 - ✓ Promote R&D activities to diversify the portfolio of goods and types of products to meet the needs of business according to the Commercial Center model, in which the customer needs are at the center (Customer Centric)

4. Supply Chain

- Continue to develop sustainably on the basis of an integrated, green supply chain; in particular:
 - ✓ Build a Supply Chain Control Tower system that covers the supply chain to help promote flexible operating processes, continuously improve service quality and closely control costs
 - ✓ Continue to promote integrated supply chain management activities towards the application of high digitalization and automation to help transform from traditional supply models to a modern one in accordance with the orientation to establish green and sustainable supply chain models with the goal of optimizing costs, being environmentally friendly and meeting the requirements of the market
 - ✓ Accelerate the implementation of automation programs to solve the problem of labor shortage and increase operational efficiency
 - ✓ Build more warehouses to increase the distribution capability to consumers

5. Finance and Accounting

- Implement PBCS budget planning system and OAC management reporting system into operation. At the same time, combining economic crisis scenario analysis, cost control,

exchange rate risk control and prevention and budget control for investment activities, especially for new development projects in the year 22-23

- In addition, in order to serve the expansion of production and business activities to be deployed in the coming period, the Company sets out an appropriate action plan for the year 2022 – 2023:
 - ✓ Synchronously implement financial solutions to balance capital for new investment activities
 - ✓ Continue to raise capital for the 5-year development strategy with the goal of increasing the capital by 20%
 - ✓ Building optimal capital structure, continuing to structure loans in phase 2 (short - long; VND-USD), searching for long-term credit packages to balance short-term debt: implementing international credit packages and increase short-term credit limits to ensure capital for production and business activities
 - ✓ Strongly restructure the investment portfolio to ensure a healthy financial structure, ready to enter a new phase of investment expansion

Variances in business activities

Criteria	Unit	Expected 21-22	Actual 21-22	Expected 22-23	% +/- expected 22-23 compared with expected 21-22
Net revenue	Billion VND	16.905	18.319	17.017	+0,6%
Profit before tax	Billion VND	750	1.046	850	+13%

Net revenue is estimated to be VND 17,017 billion. Pre-tax profit is estimated to reach VND 850 billion, **increasing by 13% compared with the expected value for the year 21-22**. In a period of unstable macroeconomic situation and at a time when the sugar industry is intensely competitive and challenging, the Company still aims to maintain the market dominance, control cost and ensure operating efficiency

IV. Conclusion

In the context that the market is still reeling with many uncertainties related to geopolitical risks, liquidity risks and risks of public debt crisis for the economy, interest rates and USD/VND exchange rate are continuously increasing sharply in recent years under the pressure of the USD appreciation, and it is forecast that the USD will continue to appreciate until the end of this year and into next year.

Thus, the economic situation of Vietnam in general and of SBT in particular are still under pressure due to macroeconomic challenges. However, with the careful preparation of solutions and action plans and grounded steps, SBT's Board of Management believes that in the year of 2022-2023, although business activities still face many challenges, SBT also will seize the opportunities and realize with impressive business results. Specifically, SBT's Board of Management strives to complete the goals submitted to the General Meeting of Shareholders of 22-23, while the key task of 22-23 is to transform the corporate governance model from production techniques to import and export trade in services, in which:

- **The first goal:** To actively pursue the international business strategy and enhance the global competitiveness of SBT not only in Vietnam but also in the international market; selecting Global Mind Agriculture Pte. Ltd. (a subsidiary of SBT in Singapore) as a core company for the expansion of both business size and capital of international investment projects through the reinvestment by using partly or total profits of these projects themselves. At the same time, promoting the mobilization of investment capital through share issuance activities for Global Mind Agriculture Pte. Ltd. on the international market, thereby gradually creating a solid premise for the listing of shares in Singapore or international market.
- **The second 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 third 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 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.

With the spirit of confidence and careful preparation, the Board of Management believes and expects to conquer the set goals and achieve the expectations of shareholders and investors.

The Board of Management gives our most sincere appreciation for the support of our shareholders, the guidance of the Board of Directors, and the faith and trust of all employees until now.

Above is the strategy of production and operating activities for the year 2022 - 2023 of Thanh Thanh Cong - Bien Hoa Joint Stock Company, reporting to the General Meeting of Shareholders.

Respectfully submit to the General Meeting of Shareholders