

SOLID FOUNDATION STEADY FUTURE



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Implementing unit
Thanh Thanh Cong Tay Ninh Joint Stock Company

Head of the Steering Committee
Mr. **Pham Hong Duong**
Chairman

Standing Deputy committee
Mrs. **Tran Que Trang**
Standing Deputy Chief Executive Officer

The Editorial Board & In charge of overall content
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Mr. **Nguyen Quang Thai**

In charge of designing and images
Mrs. **Nguyen Mai Dai Loan**

Consulting Unit
Lapphuong Design Co., Ltd.



MESSAGE
FROM THE CHAIRMAN



“A DIFFICULT AND CHALLENGING FUTURE IS STILL AHEAD. I STRONGLY 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 2017-2018 AND THE FOLLOWING YEARS.”

Dear honorable Shareholders, Customers and Partners!

Fiscal year 2016-2017 has folded in fluctuations. The economy still faced difficulties, slow growth of demand. The global and regional political situation continued to witness complex developments. Sugar industry encountered big challenges (for both enterprises and farmers) when sugar price was below expectations. This has directly affected profit of sugar companies and material purchasing policies for sugarcane farmers. According to Vietnam Sugarcane and Sugar Association (VSSA), until May 2017, sugar inventory reached the highest ever level due to sugar illegally imported into Vietnam.

Given that situation, Thanh Thanh Cong Tay Ninh Joint Stock Company (TTCS) has made every effort and overcome difficulties to fulfill the profit target assigned by the General Meeting of Shareholders (GMS) and continue to affirm its reputation in the market. Fiscal year 2016-2017 recognized satisfactory results. Total profit before tax over VND367 billion, exceeding +19% against target assigned by GMS; total assets reached nearly VND8,000 billion with the owner's equity of more than VND3,113 billion. TTCS continued to be named as one of the companies having largest capitalization value on HCMC Stock Exchange (HOSE).

Under pressure from incoming AFTA integration, TTCS has made good preparation to be ready for this moment for more than 3 years. In the fiscal year 2016-2017, with the motto "Solid foundation - Steady future", TTCS has pushed M&A with the same companies, applied advanced technologies to farming to reduce production cost, and enhanced corporate governance. The Company has also optimized customer satisfaction by diversifying product portfolio and consolidating and expanding market share of all product lines. Thanks to that, TTCS continues to affirm its position as a leader in national sugar industry, ready able to conquer all challenges and reach to international market.

In fiscal year 2016-2017, TTCS stepped into its second year of the 2016-2020 development strategy with message "Green - Clean - Sustainable development". With sustainable development orientation, TTCS continues to maintain and strengthen programs and activities to bring sustainable economic - social - environmental values for farmers, customers, employees, partners, shareholders and communities. The awards such as National Quality 2016,

UNDER PRESSURE FROM INCOMING AFTA INTEGRATION, TTCS HAS MADE GOOD PREPARATION TO BE READY FOR THIS MOMENT FOR MORE THAN 3 YEARS.

National Green Brand, eco-friendly factory, eco-friendly products for consumers, Top 50 Best listed companies in Vietnam and Top 50 Most valuable brands in Vietnam have proven the achievements of TTCS development strategy.

Stepping into fiscal year 2017-2018, TTCS continues to expand business with M&A activities, stabilize and develop material area, enhance electricity output for sales besides sugar products, consolidate human resource management after M&A, restructure investment portfolio, make investments into sugar companies with high dividend rate and companies operating in agriculture, consolidate documentary system, ERP, FRM, HRM, etc. to maximally support new management model.

On the basic of outstanding achievements, for and on behalf of TTCS management, I would like to express our sincere thanks to Shareholders, Customers and Partners for your ongoing trust and support to TTCS during the last time. A difficult and challenging future is still ahead. I strongly 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 2017-2018 and the following years.

Chairman

PHAM HONG DUONG



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

Staff are valuable assets.



Farmers are great partners.



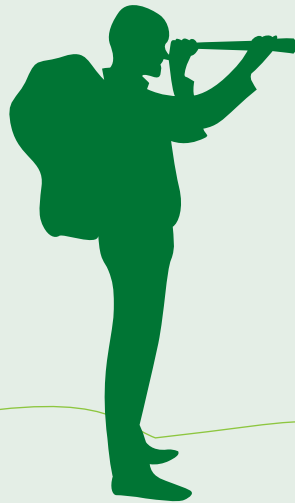
Take high corporate responsibility for community and environment.



Customer satisfaction is the top priority.



Always be the pioneer.



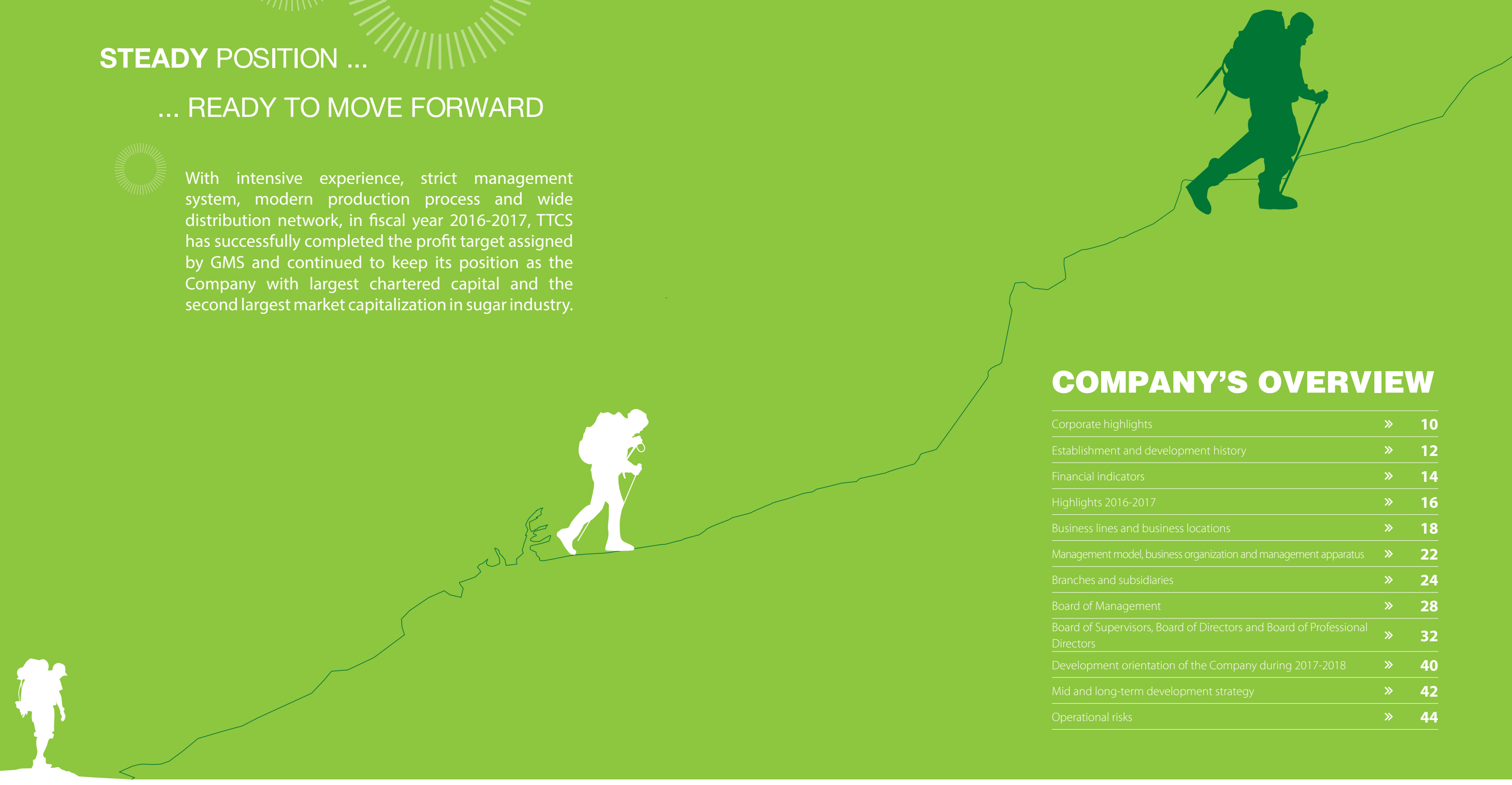


STEADY POSITION ...

... READY TO MOVE FORWARD



With intensive experience, strict management system, modern production process and wide distribution network, in fiscal year 2016-2017, TTCS has successfully completed the profit target assigned by GMS and continued to keep its position as the Company with largest chartered capital and the second largest market capitalization in sugar industry.



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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 fourth time on 4th November 2016.

Charter capital (as at 30/6/2017): VND2,531,882,680,000 (two thousand five hundred thirty one billion, eight hundred eighty two million and six hundred eighty thousand dong)

Number of voting shares in circulation (as at 30/6/2017): 253,188,268 shares

MAJORITY SHAREHOLDERS *(as at 30/6/2016)*

- » Thanh Thanh Cong Investment Corporation
- » Global Mind Vietnam JSC

CONTACT INFORMATION

- » Head office: Tan Hung Commune, Tan Chau District, Tay Ninh Province
- » Tel: 0276 3753250
- » Fax: 0276 3839834
- » Website: <http://www.ttcsugar.com.vn>
- » Email: ttcs@ttcsugar.com.vn

AUDITOR

- » Ernst & Young Limited Vietnam
- » Address: 28th Floor, Bitexco Financial Tower, 2 Hai Trieu Street, District 1, HCMC, Vietnam
- » Tel: 028 38245252
- » Fax: 028 38245250

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 commenced 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.

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 Thermolectricity JSC to extend market and intensify competitive strength.

2013

In Quarter III, 2013, the Company successfully issued 6,574,200 shares under the Employee Option Program and raised its charter capital to VND1,485,000,000,000 (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.

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.

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 Thermolectricity JSC with TTCS, with the increase of the charter capital of the Company to VND1,856,423,580,000, 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 VND1,000,000,000,000 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 VND1,947,610,330,000, stabilizing the financial sources of the Company for developing projects for the period of 2016-2020.

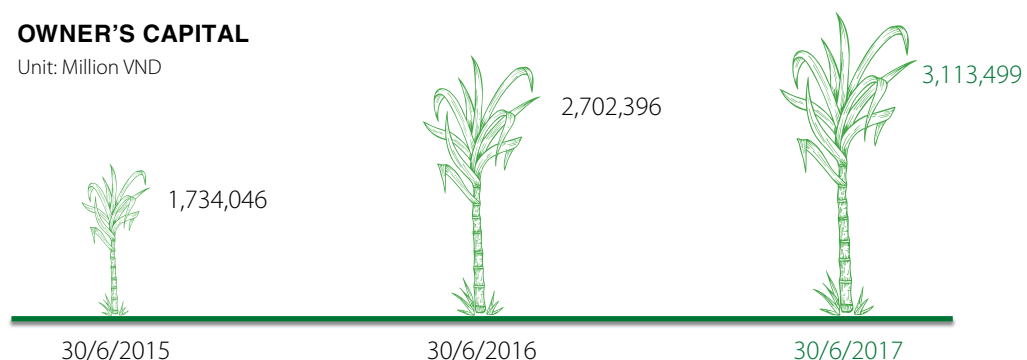
2017

The Company issued 58,427,235 shares to existing shareholders to increase charter capital by 30% and pay dividends for fiscal year 2015-2016. Increasing charter capital up to VND2,531,882,680,000 helped TTCS become one of the largest listed companies in sugar industry. In 2017, TTCS completed capital contribution into TTC Attapeu Sugarcane Co., Ltd. (formerly known as Hoang Anh Gia Lai Sugarcane Co., Ltd.). This investment helped TTCS increase resonance values to maintain leading position in Vietnam sugar industry.

FINANCIAL HIGHLIGHTS

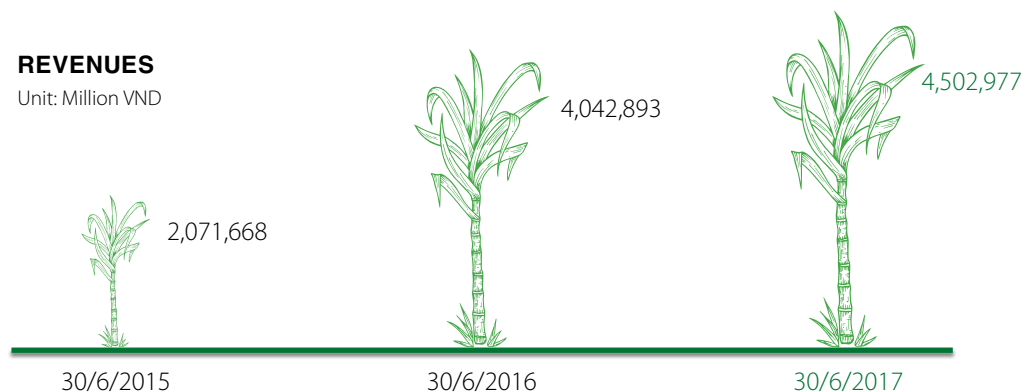
OWNER'S CAPITAL

Unit: Million VND



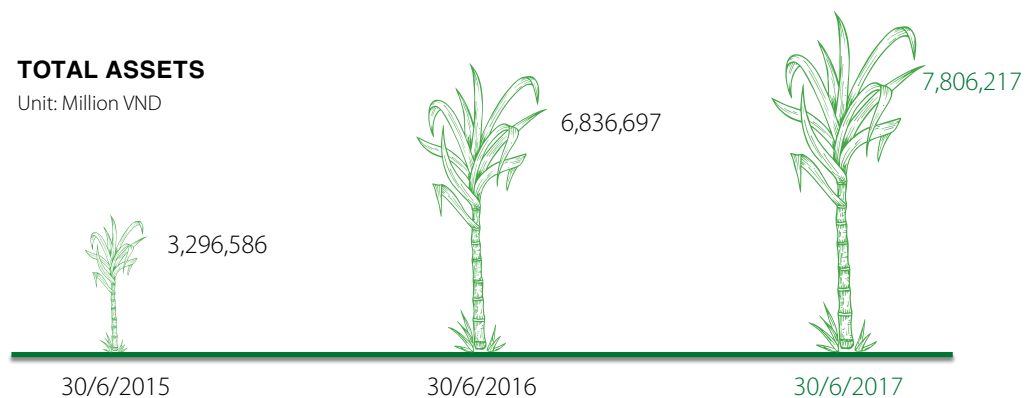
REVENUES

Unit: Million VND

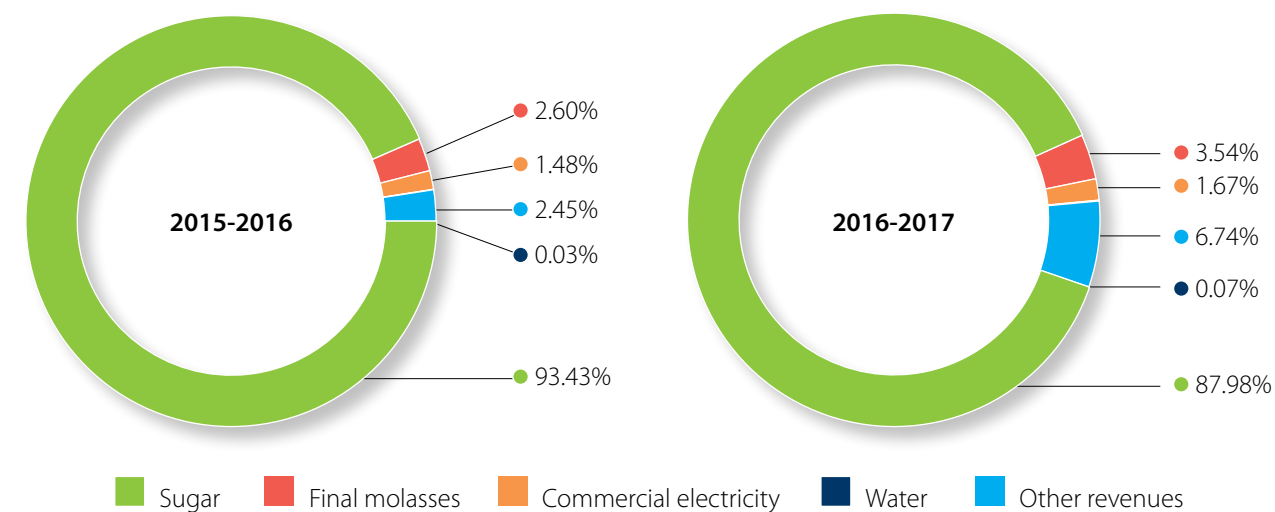


TOTAL ASSETS

Unit: Million VND

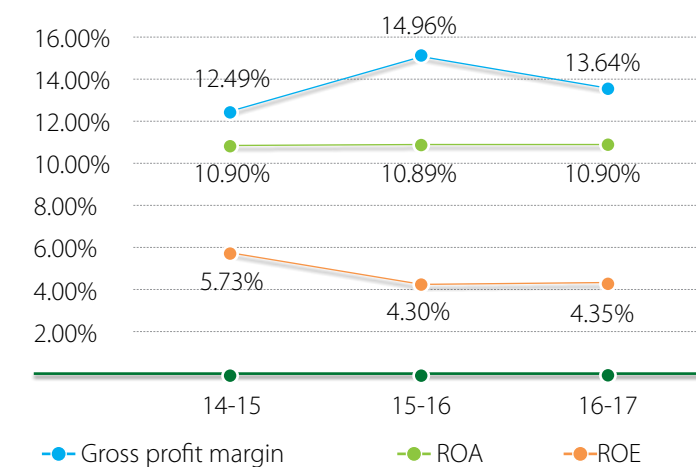
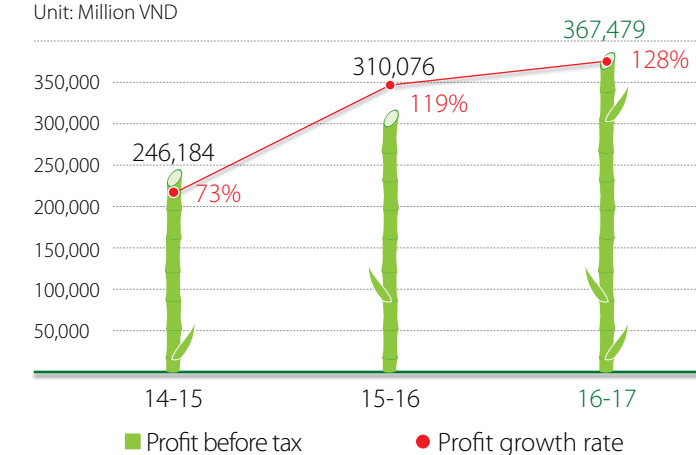


REVENUE STRUCTURE



PROFIT GROWTH RATE

Unit: Million VND



No.	Date	Name of events
1	24/10/2016	Disclosed share issuance result to pay dividends in advance and increase capital from owner's equity. Totally 58,427,235 shares were issued, increasing charter capital by 30% as closing list of shareholders.
2	31/10/2016	The Company successfully organized Annual General Meeting of Shareholders to announce reports, profit distribution, business plan, etc. as well as elected BOM and BOS for 2016-2021 term.
3	15/11/2016	BOM released Decision No.103/2016/QĐ-HĐQT appointing Mrs. Tran Que Trang as Standing Deputy CEO.
4	19/05/2017	BOM held a meeting and released Resolution No.09/2017/NQ-HĐQT making strategic investment into Hoang Anh Gia Lai Sugarcane Co., Ltd. TTCS will acquire contributed capital equivalent to 40% of charter capital of Hoang Anh Gia Lai Sugarcane Co., Ltd. from other partners.
5	21/03/2017	Established a branch in Long An: » Name of branch: Thanh Thanh Cong Tay Ninh Joint Stock Company - Long An Branch. » Address: Tan Kim Industrial Park, Tan Kim Commune, Can Giuoc District, Long An Province. » Main business operation: Trading real estate, land use rights owners, users or leased land.
6	25/04/2017	Established a subsidiary with 100% ownership rate by TTCS: » Name of company: Miaqua Water Co., Ltd. » Charter capital: VND1,000,000,000. » Address: Group 2, Tan Loi Quarter, Tan Hung Commune, Tan Chau District, Tay Ninh Province. » Operational objective: Manufacturing non-alcoholic beverages, mineral water.
7	25/05/2017	The Company held extraordinary General Meeting (EGM) of fiscal year 2016-2017 to approve the policy of merging with Bien Hoa Sugar Joint Stock Company (stock code: BHS). Accordingly, TTCS will issue 304 million swap stocks to obtain 100% ownership of Bien Hoa Sugar Joint Stock Company (Swap ratio: Each BHS share is equal to 1.02 shares of TTCS). After the merger, TTCS will become the largest sugar company in Vietnam, holding 30% market share; owning a wide material area up to 40,000 hectares, occupying 16% of total national area; and reaching 3.4 million tons of sugarcane, accounting for 22% of national sugarcane output. Entirely owning Bien Hoa Sugar Joint Stock Company, TTCS will directly and indirectly owns a range of other sugar companies such as Bien Hoa - Ninh Hoa Sugar, TTC Gia Lai, Phan Rang Sugarcane, Tanisugar, TTC Attapeu, etc.





BUSINESS LINES AND BUSINESS LOCATIONS

BUSINESS LINES

No.	Code	Description	Proportion over total revenues of 2014 (%)	Proportion over total revenues of 2015 (%)	Proportion over total revenues of 2016 (%)
1	10720	Sugar production	89.6	90.4	90.8
2	10709	Production and trading products made from sugar, by-products and scraps of sugar	8.6	8.3	7.1
3	35101	Commercial electricity production	1.8	1.3	2.1

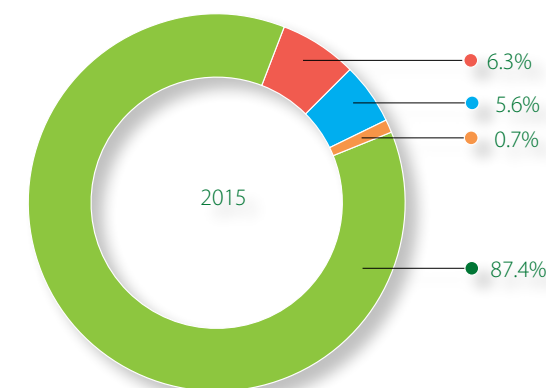
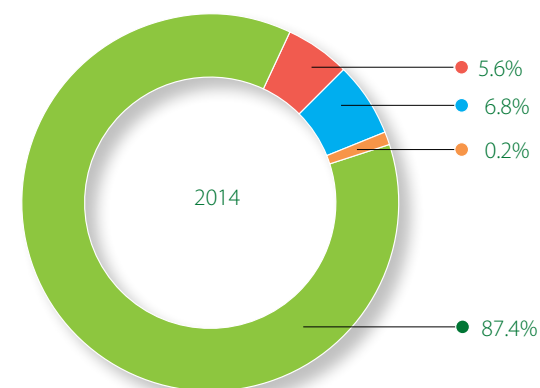
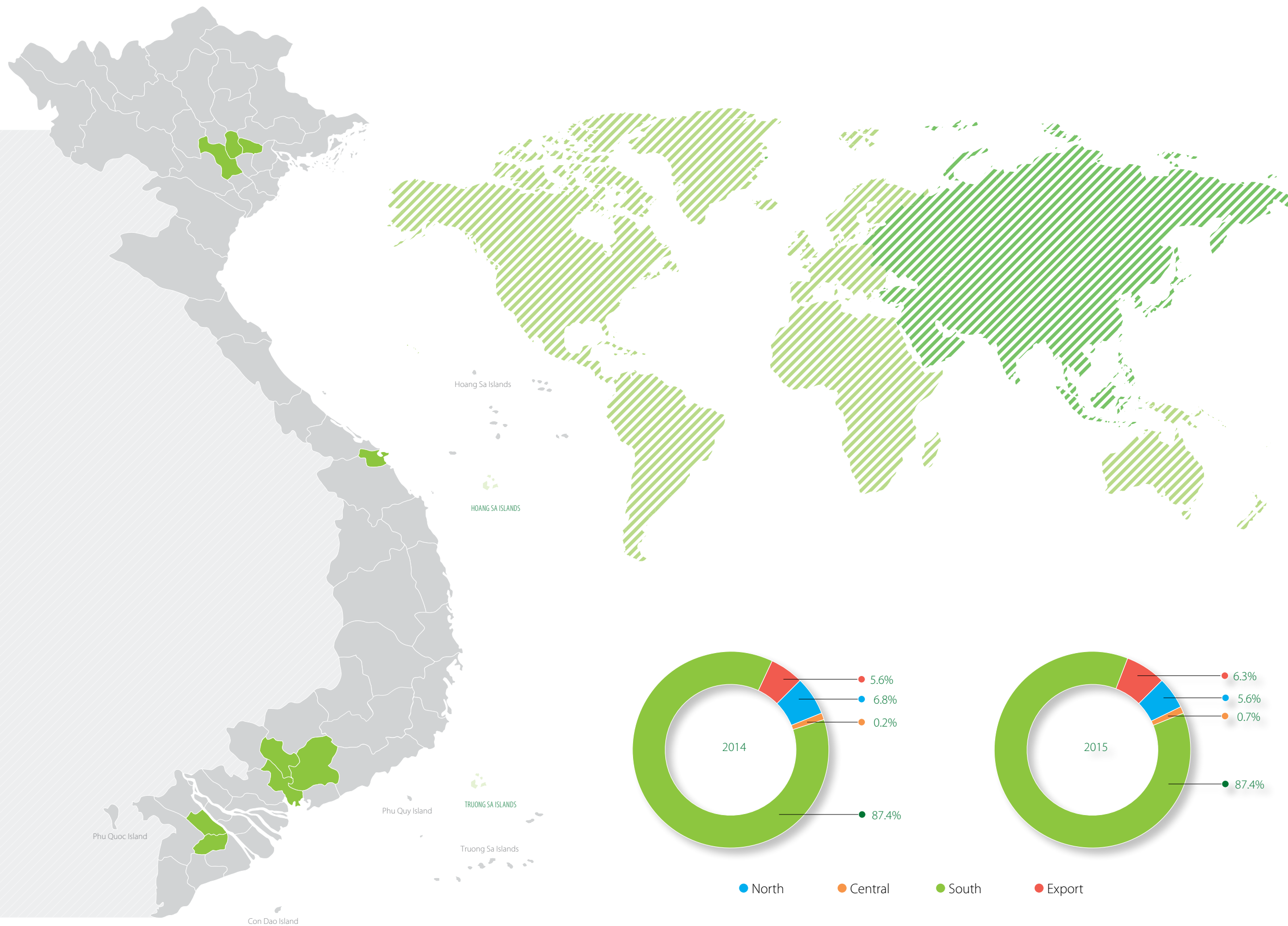
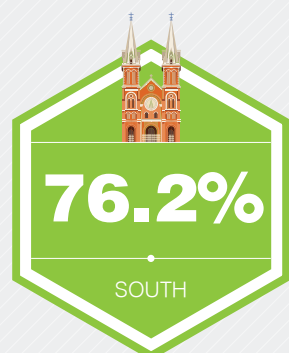
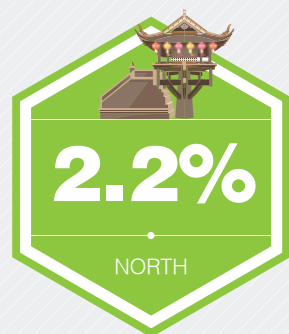
QUALITY OF TTCS PRODUCTS

Products	Specifications	Strengths of 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 » SO ₂ (mg/ kg) ≤ 2	The best sugar for the beverage and pharmaceutical industry, meeting the strictest requirements of the market, without precipitation after bottling.
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 » SO ₂ (mg/ kg) ≤ 2	Serves high-class customers with demanding requirements on sugar particle diameter for making instant coffee, tea or pharmaceuticals.
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 » SO ₂ (mg/ kg) ≤ 2	A special refined sugar serves high-end customers in the industry of beverages, with high specifications requirements of international standards.
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 » SO ₂ (mg/ kg) ≤ 2	A type of standard refined sugar, used to produce most of food/beverage products in the market.
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 » SO ₂ (mg/ kg) ≤ 2	A type of standard refined sugar, used to produce most of food/beverage products in the market.

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 » SO ₂ (mg/ kg) ≤ 10	MIMOSA Premium White Sugar is a refined sugar product of high standard and satisfies the industrial customers with high quality and technical standards.
T.SU 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, T.SU Extra Premium Sugar is recognized the key for good tastes of every dish and drink at your family.
T.SU PREMIUM 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, T.SU 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.
T.SU DIAMOND High Quality Rock Sugar	» Pol (OZ) ≥ 99.5 » Calories (Kcal): 390 » Carbohydrate (%): 99.7	The sugar canes are carefully selected to ensure best quality, through a product line combining modern technology and traditional refinery technique to deliver absolutely pure and clean product. With sweet and cool taste, T.SU Diamond is a secret to flatter tastes of nutritional foods and drinks for your family.
T.SU SPECIAL Organic Sugar	» Pol (OZ) ≥ 82 » Calories (Kcal): 370 » Carbohydrate (%): 90	This high quality organic sugar is produced under stringent organic standards of the United States and Europe. All processes from planting sugarcane to producing sugar and distributing product strictly comply with organic standards, absolutely not using inorganic fertilizers and chemicals. The product is completely natural and super clean to be safe for health. Not only does it enhance the taste of foods and drinks, T.SU Organic also contains many natural minerals and is suitable for daily use.
Miaqua sugarcane-flavored drink	» Distilled water from sugar refining process	Manufactured with state-of-the-art production chain, Miaqua sugarcane-flavored drink is a pure, colorless, nonchemical featuring sugarcane flavor distilled from the sugar refinery process, which shall satisfy all your thirst.

BUSINESS LOCATIONS

2016

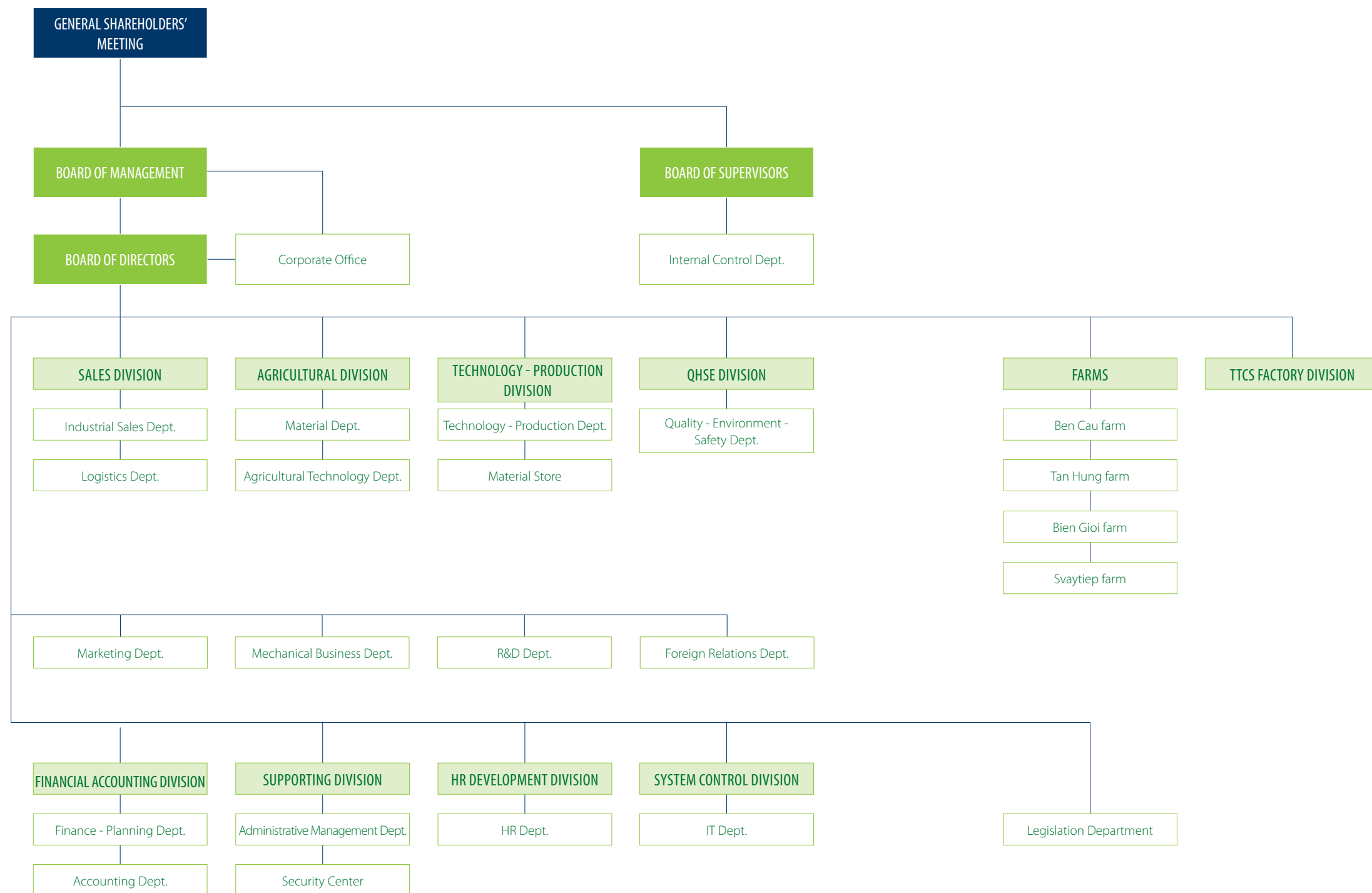


North Central South Export



MANAGEMENT MODEL, BUSINESS ORGANIZATION AND MANAGEMENT APPARATUS

ORGANIZATIONAL CHART

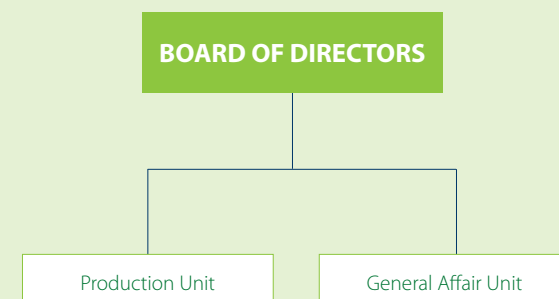


ORGANIZATIONAL STRUCTURE

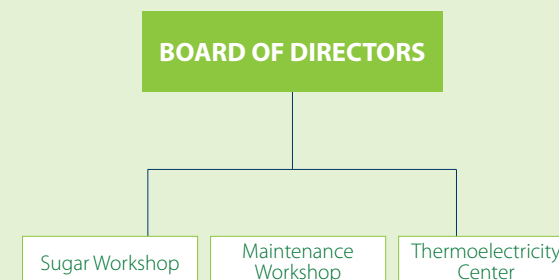
Organization structure of the Company
comprise of:

- » General Shareholders' Meeting
- » Board of Management
- » Board of Supervisors
- » Board of Directors
- » Divisions: Sales Division, Finance Division, Technology - Production Division, Material Division, Supporting Division, QHSE Division, HR Development Division, System Control Division
- » Production entity: TTCS Factory Division
- » Functional Departments: 21

FARM ORGANIZATION



TTCS FACTORY ORGANIZATION





BRANCHES AND SUBSIDIARIES

BRANCHES



TTCS COMMERCIAL CENTER

[Add] 1st floor, 512 Ly Thuong Kiet St., Ward 7, Tan Binh Dist., HCMC

[Tel] 028 62926918 - 028 62926919

[Fax] 028 62926920

WAREHOUSE AT TAN KIM INDUSTRIAL PARK

Investment Certificate No.: 8326055276 issued by Department of Planning and Investment of Tay Ninh Province on 12 April 2017.

Address: Zone K3, CN1 St., Tan Kim Industrial Park, Tan Phuoc Hamlet, Tan Kim Commune, Can Giuoc Dist., Long An Province

Objective and scale of the project: Warehouse for rent;
Scale of 52,000 m²



TTC PLAZA COMMERCIAL CENTER

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

Objective and scale of the project: Trade center - Conference, wedding center, office, hotel

Principal activities: Doing business in Trade center - Conference, wedding center, office, hotel



CENTER TESTING AND PRODUCTION OF SUGARCANE VARIETIES IN TAY NINH

[Add] Tan Chau Commune, Tan Hung District, Tay Ninh Province

[Tel] 0276 3753802



BEN CAU TTCS FARM

[Add] Long Phuoc Commune, Ben Cau District, Tay Ninh Province

[Tel] 0276 3760828



SUGAR WAREHOUSE AT HCMC

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

CHAU THANH SUGARCANE EXPERIMENTAL FARM

[Add] Thai Binh Commune, Chau Thanh District, Tay Ninh Province

[Add] 0663 823843

BIEN GIOI FARM

[Add] Bien Gioi Commune, Chau Thanh District, Tay Ninh Province

SVAYTIEP FARM

[Add] SvayTiep District, SvayRieng Province, Cambodia

SUBSIDIARIES AND AFFILIATES

THANH THANH CONG GIA LAI ONE MEMBER CO., LTD

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 by-products

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: GTC

Principal activities: Producing and transmitting electricity

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 by-products

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: 100% of charter capital



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: An Hoi Hamlet, An Hoa Commune, Trang Bang District, Tay Ninh Province.

Principal activities: 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.

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

BEN TRE IMPORT EXPORT JOINT STOCK COMPANY

Business Registration Certificate no. 1300104040 dated 26 May 2006 initially granted by Department of Planning and Investment of Ben Tre Province and the 15th amended business registration certificate dated 13 January 2016.

Address: No.75, 30/4 Street, Ward 3, Ben Tre City, Ben Tre Province

Abbreviation: BETRIMEX

Operational objective: Producing and trading products made from coconut.

Capital contribution of TTCS: 48.99% 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.

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

Abbreviation: NUTROJSCO

Principal activities: Producing white refined sugar and cultivating sugarcanes.

Capital contribution of TTCS: 30.54% of charter capital

TAY NINH SUGAR COMPANY LTD

Business License No. 3900243272 dated 17 February 2016, granted by the Department of Planning and Investment of Tay Ninh Province.

Address: 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: 39.23% of charter capital

TTC ATTAPEU SUGARCANE CO., LTD

Business Registration Certificate no. 5900764381 dated 26 January 2011 initially granted by Department of Planning and Investment of Gia Lai Province and the 6th amended business registration certificate dated 30 May 2017.

Address: 114 Truong Chinh Street, Phu Dong Ward, Pleiku City, Gia Lai Province

Abbreviation: TTC Attapeu

Operational objective: Producing, importing and exporting sugar; planting sugarcane, rubber, oil plant and other annual plant; producing and transmitting electricity; selling agricultural machinery and spare parts.

Capital contribution of TTCS: 40% of charter capital

MIAQUA WATER CO., LTD.

Business Registration Certificate no. 3901241327 dated 27 April 2017 initially granted by Department of Planning and Investment of Tay Ninh Province.

Address: Group 2, Tan Loi Hamlet, Tan Hung Commune, Tan Chau District, Tay Ninh Province

Operational objective: Producing non-alcoholic beverages, mineral water.

Capital contribution of TTCS: 100% of charter capital

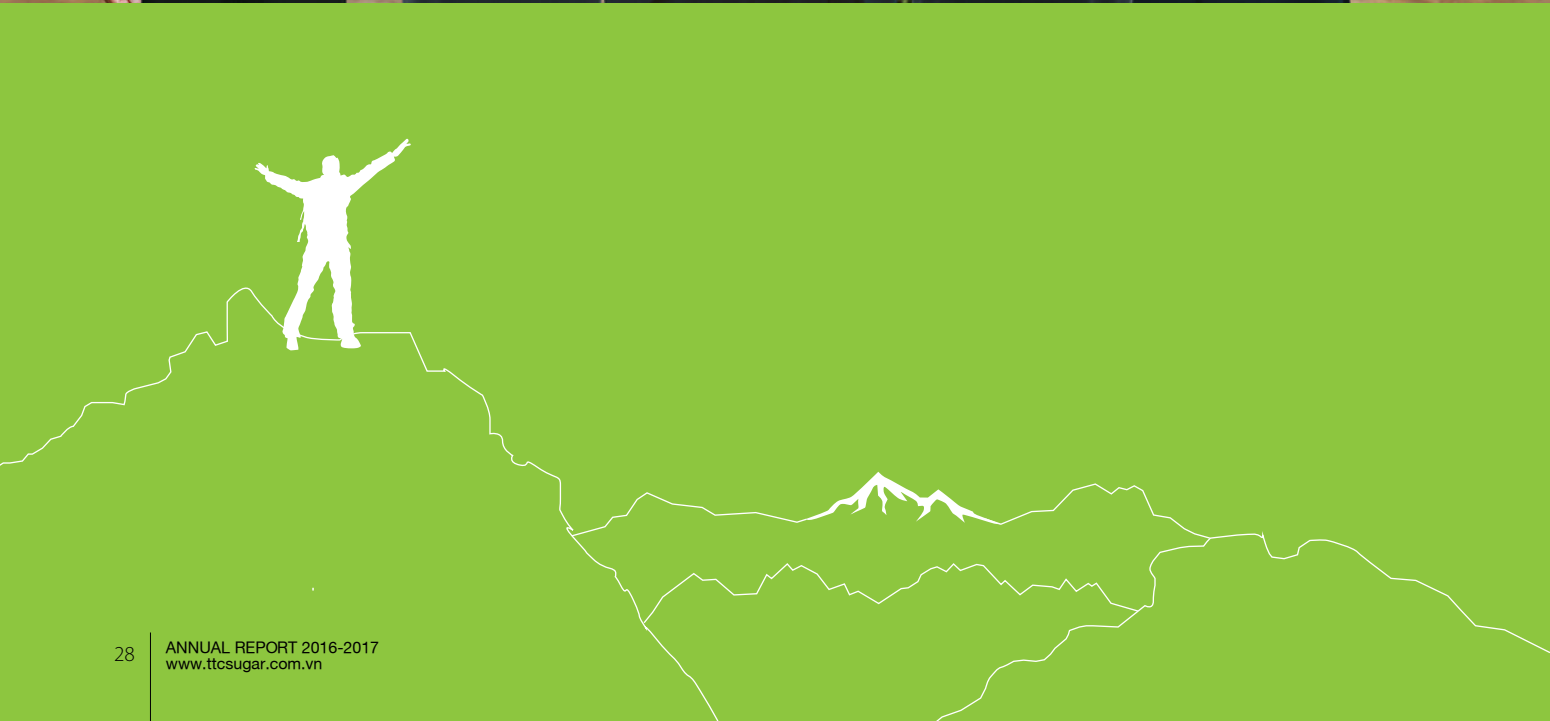
TAY NINH CHEMICAL INDUSTRY JOINT STOCK COMPANY

Business Registration Certificate No. 3900914957 first issued on 18 August 2010 and the 7th amendment issued on 2 November 2016 by the Department of Planning and Investment of Tay Ninh Province.

Address: Tan Hoi Industrial Complex, Hoi An Hamlet, Tan Hoi Commune, Tan Chau District, Tay Ninh Province

Operational objective: Manufacturing sorbitol with major material of cassava flour

Capital contribution of TTCS: 19.13% of charter capital



Mr. **PHAM HONG DUONG**
BOM Chairman

Professional qualifications:

Bachelor of Chemical Engineering, MBA in Production Management

Highlights in employment history and working experiences:

- » 27/02/2015 - present: BOM Chairman - Thanh Thanh Cong Tay Ninh JSC
- » 2014 - 30/6/2015: BOM member - Gia Lai Sugarcane Thermoelectricity JSC
- » 2013 - 30/6/2015: BOM member - Thanh Thanh Cong Trading Production Package JSC
- » 2012 - 30/6/2015: BOM member - Bien Hoa Sugar JSC (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. Pham Hong Duong has spent nearly 20 years of cooperation and contribution. With constant self-learning and development spirit, he continued to be entrusted as BOM Chairman of TTCS in fiscal year 2015-2016. Under his leadership and direction and BOM members, TTCS has experienced a lot of positive transformation, become a leading sugar company in Vietnam, constantly developed and served Vietnamese consumers better and better.

His current positions in other organizations:

- » BOM Chairman - Thanh Thanh Cong Alcohol Trading Production JSC
- » BOM Chairman - Hai Vy Co., Ltd.



Mrs. **NGUYEN THI HOA**
Standing Vice Chairwoman

Professional qualifications:

Bachelor of Financial - Accounting, Bachelor of Laws

Highlights in employment history and working experiences:

- » 11/2016 - present: Standing Vice Chairwoman - Thanh Thanh Cong Tay Ninh JSC
- » 2014 - present: Bien Hoa Sugar JSC
- » 4/2006 - present: Bien Hoa - Ninh Hoa Sugar Co., Ltd. (formerly known as Ninh Hoa Sugar JSC)
- » 2001 - 2005: Nha Trang Centrifugal Concrete JSC
- » 1990 - 2000: Khanh Hoa Sugar Company
- » 1987 - 1989: People's Committee of Dien Khanh District

Newly joining in TTCS management team, with recognized qualification, experience and reputation, Mrs. Nguyen Thi Hoa obtained trust from GSM and BOM and she is elected as Standing Vice Chairwoman of TTCS. In fiscal year 2016-2017, Mrs. Nguyen Thi Hoa has assisted and counseled for plan and implementation of TTCS's key projects, helping speed up project progress, save costs and enhance investment efficiency. In addition, she has supported and counseled for management and human resource planning for M&A activities of the Company.

Her current positions in other organizations:

- » BOM Chairwoman - Bien Hoa - Ninh Hoa Sugar Co., Ltd.
- » BOM Chairwoman - Bien Hoa Sugar JSC
- » BOM member - Thanh Thanh Cong Sugarcane Research and Application JSC
- » BOM member - Hai Vy Co., Ltd.



BOARD OF MANAGEMENT (CONTINUED)



Mr. **LE VAN DINH**
Vice Chairman

Professional qualifications:

Technology Engineer (1954 - 1960)

Highlights in employment history and working experiences:

- » 1994 - present: Founder and the BOM member - Thanh Thanh Cong Tay Ninh 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

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. Mr. Le Van Dinh is an honorary member of many prestigious organizations, associations and forums in the world.

His current position in other organizations:

- » BOM member - Gia Lai Cane Sugar Thermoelectricity JSC.



Mrs. **DANG HUYNH UC MY**
BOM member

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- » 2012 - present: BOM member - Thanh Thanh Cong Tay Ninh Sugarcane JSC
- » 7/2009 - 12/2012: General Director - Thanh Thanh Cong Investment JSC
- » 7/2007 - 7/2009: Standing Deputy General Director - Thanh Thanh Cong Trading Production JSC
- » 12/2006 - 7/2007: Deputy CEO - Thanh Thanh Cong Trading Production JSC

Mrs. Dang Huynh Uc My majored in business administration. With experiences in management and operation in large scaled companies such as TTC Investment JSC, Ben Tre Import - Export JSC 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, Mrs. 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 brining TTCS to reach the regional and ASIAN level.

Her current positions in other organizations:

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



Mr. **HENRY CHUNG**
BOM member

Professional qualifications:

Bachelor of Financial - Accounting

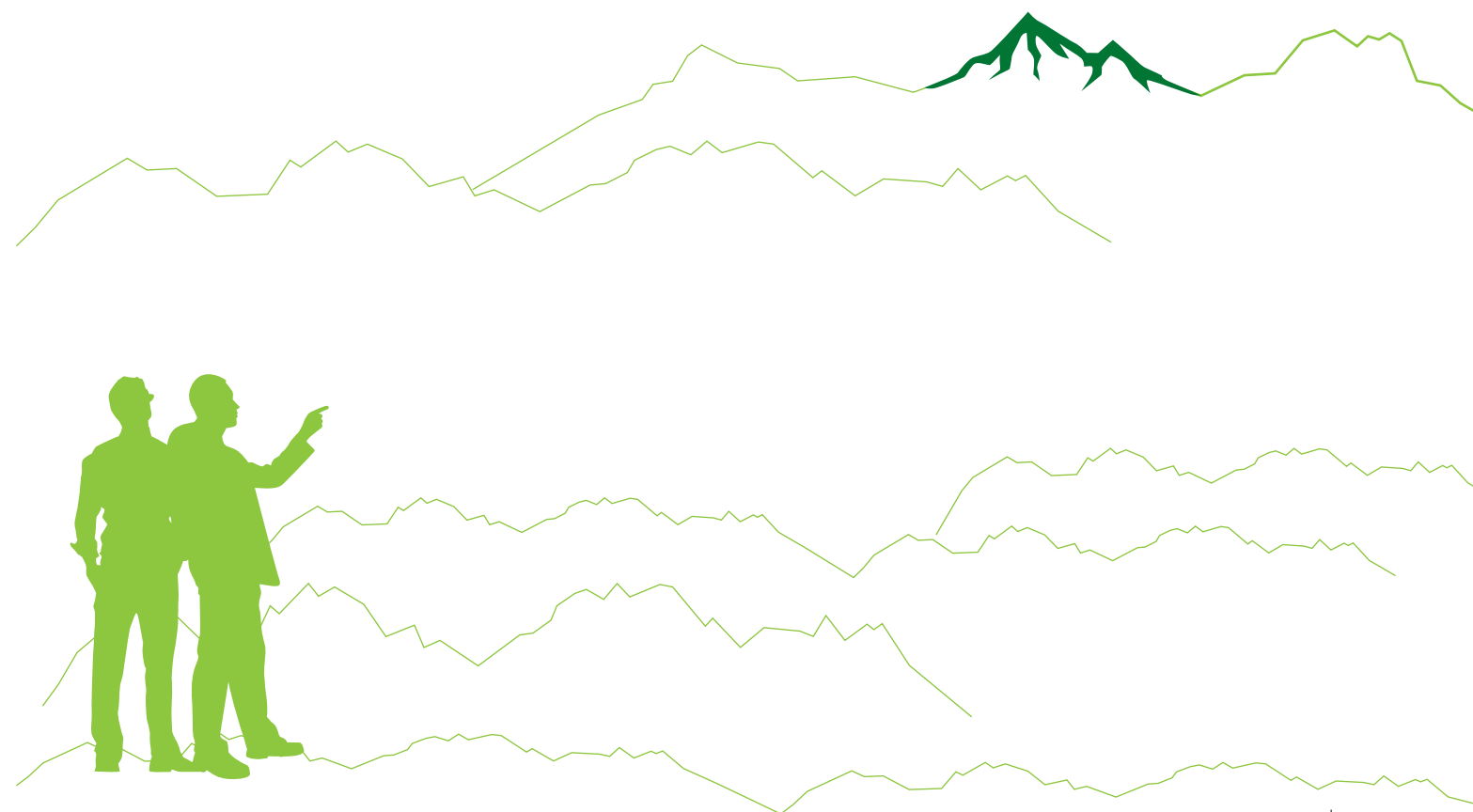
Highlights in employment history and working experiences:

- » 10/2016 - present: BOM member - Thanh Thanh Cong Tay Ninh JSC
- » 12/2015 - present: BOM member - Bien Hoa Sugar JSC

Taking responsibilities of supervision and counseling for the Company's management work, Mr. Henry Chung, a non-executive independent member, has had many positive contribution to the balance of shareholders' benefit as well as save benefit of minority shareholders. In the next fiscal year, he will continue to accompany TTCS, fulfill his assignments with high sense of responsibilities and, together with other BOM member, Mr. Henry Chung positively contribute to the issuance of right and transparent policies and decisions of the Company.

His current position in other organizations:

- » BOM member - Bien Hoa Sugar JSC





BOARD OF SUPERVISORS



Mrs. **NGUYEN THUY VAN**
Chief Supervisor

Professional qualifications:
Bachelor of Economics, MBA

Highlights in employment history and working experiences:

- » 2012 - present: Chief Supervisor - Thanh Thanh Cong Tay Ninh JSC
- » 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

With profound knowledge and intensive experience in financial and accounting, sugarcane industry and especially supervision and risk management, Mrs. Nguyen Thuy Van 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 bring highest value to shareholders. With her achievements in previous term, Mrs. Nguyen Thuy Van continued to be entrusted by GMS and BOM to hold the position of Chief Supervisor in 2016-2021 term.

Her current position in other organizations:

- » BOS member - Bien Hoa Sugar JSC



Mr. **HUYNH THANH NHAN**
BOS member

Professional qualifications:
Bachelor of Economics

Highlights in employment history and working experiences:

- » 18/12/2015 - present: Supervisor - Thanh Thanh Cong Tay Ninh JSC
- » 7/2015 - present: Internal Control Department - Thanh Thanh Cong Investment JSC
- » 10/2010 - 6/2015: Chief Auditor - A&C Auditing & Consulting Co., Ltd

With intensive experience in auditing firm, Mr. Huynh Thanh Nhan has supported BOS in supervising accounting issues, appraising business position report, auditing final and interim financial statements, and assessment report on BOM management to ensure all decisions of GMS and BOM to comply with the legal regulations, GMS resolutions and save benefit of shareholders.

His current position in other organizations:

- » Chief Supervisor - Tay Ninh Sugar JSC.



Mrs. **PHAM NGOC THANH MAI**
BOS member

Professional qualifications:
Bachelor of Economics

Highlights in employment history and working experiences:

- » 10/2016 - 2017: BOS member - Thanh Thanh Cong Tay Ninh JSC
- » 10/2016 - 2017: Chief Supervisor - Tin Viet Investment JSC
- » 2015 - 2017: BOS member - Thanh Thanh Cong Tourist JSC
- » 2015 - 2017: BOS member - Thanh Thanh Cong Trading JSC

Mrs. Pham Ngoc Thanh Mai, as the BOS member of the Company, has made positive 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.



Mr. **NGUYEN THANH NGU**
Chief Executive Officer (CEO)

Professional qualifications:

Bachelor of Business Administration

Highlights in employment history and working experiences:

- » 01/11/2014 - present: CEO - Thanh Thanh Cong Tay Ninh JSC
- » 5/2014 - 31/10/2014: CEO - Gia Lai Sugarcane Thermoelectricity JSC
- » 01/2013 - 3/2014: Standing Deputy CEO - Ninh Hoa Sugar JSC
- » 4/2012 - 01/2013: Office Deputy Chief - Thanh Thanh Cong Investment JSC

In fiscal year 2016-2017, TTCS faced to many challenges when undertaking business operations of more enterprises after a range of M&A activities and acquiring TTC Attapeu Sugarcane Co., Ltd. (formerly known as Hoang Anh Gia Lai Co., Ltd.). With his excellent leadership, Mr. Nguyen Thanh Ngu has successfully completed targets and duties assigned by BOM. Under his management, both human resource activities and business operations of newly merged company has caught up the development of TTCS.

His current positions in other organizations:

- » CEO - Hoang Anh Attapeu Sugarcane Co., Ltd.
- » BOM Chairman - Tay Ninh Sugarcane JSC
- » BOM Chairman - Thanh Thanh Cong Gia Lai Co., Ltd.
- » Vice Chairman - Thanh Thanh Cong Sugarcane Research and Application JSC
- » BOM Chairman - Nuoc Trong Rubber JSC
- » Vice Chairman - Tay Ninh Tapioca JSC
- » Vice Chairman - Viet Nam Tapioca Co., Ltd.



Mrs. **TRAN QUE TRANG**
Standing Deputy CEO

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- » 15/11/2016 - present: Standing Deputy CEO - Thanh Thanh Cong Tay Ninh JSC
- » 26/6/2015 - present: BOM member - Bien Hoa Sugar JSC
- » 6/3/2015 - present: CEO - Bien Hoa Sugar JSC
- » 19/6/2015 - 12/2015: Vice Chairwoman - Bien Hoa Sugar JSC
- » 11/2013 - 5/3/2015: Deputy CEO - Bien Hoa Sugar JSC
- » 8/2010 - 10/2013: Deputy CEO - Thanh Thanh Cong Investment JSC

Engaging in sugar industry as CEO of Bien Hoa Sugar JSC, Mrs. Tran Que Trang is one of outstanding faces in this field. Constantly learning and dedicating to the Company's development, Mrs. Tran Que Trang is invited to join in management team of TTCS in order to undertake important issues of M&A. She was officially appointed as Deputy CEO of TTCS from 15 November 2016 and took responsibility for merging activities between TTCS and Bien Hoa Sugar JSC.

Her current positions in other organizations:

- » BOM member - Nuoc Trong Sugar JSC
- » BOM Chairwoman - Bien Hoa - Phan Rang Sugar JSC
- » BOM Chairwoman - Bien Hoa Import Export Trading JSC
- » BOM member - Tay Ninh Sugar JSC
- » BOM member - Bien Hoa - Ninh Hoa Sugarcane JSC
- » BOM member cum CEO - Bien Hoa Sugar JSC



Mrs. **DUONG THI TO CHAU**
Deputy General Manager of Sales Division

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- » 13/10/2014 - present: Deputy General Manager of Sales Division - Thanh Thanh Cong Tay Ninh JSC
- » 12/2013 - 2014: Commercial Director - Thanh Thanh Cong Tay Ninh JSC
- » 10/2010 - 12/2013: Commercial Director - Societe De Bourbon Tay Ninh
- » 2007 - 9/2010: Manager of Sales and Marketing Department - NIVL JSC

With over 20-year experience in trading sugar products, Mrs. 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, Mrs. 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.

Her current position in other organizations:

- » Sale Manager - Bien Hoa Sugar JSC



BOARD OF DIRECTORS (CONTINUED)



Mr. **NGUYEN VIET HUNG**

Deputy General Manager of Material Division (Resigned from 01/7/2017)

Professional qualifications:

Bachelor of Agricultural Economics

Highlights in employment history and working experiences:

- » 15/11/2015 - 01/7/2017: Deputy General Manager of Material Division - Thanh Thanh Cong Tay Ninh JSC
- » 2014 - 2015: Manager of Agriculture Division - Thanh Thanh Cong Tay Ninh JSC
- » 7/11/2013 - 02/12/2013: Deputy Manager of Agriculture Division - Bourbon Tay Ninh JSC
- » 7/2013 - 11/2013: Director of Thanh Long Farm - Bien Hoa Sugar JSC

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, he successfully developed a lot of sustainable and long-term strategic solutions to help the Company expand the material area to potential areas including Long An, Binh Phuoc, Cambodia, etc. In addition, he proposed policies for designing role-model farms, comprehensive mechanization from cultivation, building a sustainable material area of TTCS.



Mrs. **Ho Nguyen Duy Khuong**

Manager of Supporting Division

Professional qualifications:

Technology Engineer

Highlights in employment history and working experiences:

- » 8/5/2017 - present: Manager of Supporting Division - Thanh Thanh Cong Tay Ninh JSC
- » 20/12/2015 - 01/6/2016: Deputy General Manager cum Chief of Office - Thanh Thanh Cong Tay Ninh JSC
- » 15/7/2015 - 19/12/2015: Deputy General Manager - Thanh Thanh Cong Tay Ninh JSC
- » 01/12/2014 - 15/7/2015: Manager of Office Division and Chief of Office - Bien Hoa Sugar JSC
- » 01/3/2014 - 31/12/2014: Chief of BOM's Office and Chief of General Director's Office - Thanh Thanh Cong Tay Ninh JSC

With intensive experience in many years working for Supporting Division, Mrs. Ho Nguyen Duy Khuong has effective initiatives to help save costs, improve welfare for employees as well as develop relations with associations and local governments. She was officially appointed as Manager of Supporting Division from 8 May 2017.

Her current position in other organizations:

- » Manager of Supporting Division - Bien Hoa Sugar JSC



Mrs. **NGUYEN THI THUY TIEN**

Chief Financial Officer

Professional qualifications:

Master of International Accounting

Highlights in employment history and working experiences:

- » 16/7/2016 - present: Chief Financial Officer, Thanh Thanh Cong Tay Ninh JSC
- » 20/01/2015 - 16/7/2015: Chief Financial Officer cum Chief Accountant - Thanh Thanh Cong Tay Ninh JSC
- » 10/2007 - 20/01/2015: Chief Accountant - Thanh Thanh Cong Tay Ninh JSC

With more than 20 years in charge of accounting at Bourbon Tay Ninh Company (now is Thanh Thanh Cong Tay Ninh Joint Stock Company), Mrs. Nguyen Thi Thuy Tien is one of key persons and deeply understanding financial position of the Company. She has excellently completed her duties in fiscal year 2016-2017 as assigned by GMS and BOM, bringing high efficiency in financial activities, stabilizing cash flows, increasing capital use efficiency, and restructuring financial system.

Her current positions in other organizations:

- » BOM member - Tay Ninh Chemical Industry JSC
- » BOM member - Thanh Thanh Cong Industrial Zone JSC



Mr. **LE PHAT TIN**

Chief Accountant

Professional qualifications:

Bachelor of Economics

Highlights in employment history and working experiences:

- » 16/7/2015 - present: Chief Accountant - Thanh Thanh Cong Tay Ninh JSC
- » 5/2013 - 15/7/2015: Accounting Deputy Manager - Thanh Thanh Cong Tay Ninh JSC
- » 9/2006 - 5/2013: Working at Vietnam Dairy Products JSC
- » 02/2006 - 9/2006: Working at Kinh Do JSC

Mr. Le Phat Tin has gained trust from BOM and was appointed as Chief Accountant of the Company. He is responsible for implementing accounting policies and disclosing information of the Group, ensuring compliance with applicable regulations. 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 Company's accounting system, properly complying with the State standards and regulations, organizing the Company's accounting system in a professional and scientific manner etc.

His current position in other organizations:

- » Chief Accountant - Thanh Thanh Cong Alcohol Trading Production JSC



BOARD OF PROFESSIONAL DIRECTORS



Mr. **LE DUC TON**
Factory Manager

Professional qualifications:
Chemical - Technology Engineer



Mr. **HUYNH VAN PHAP**
Sale Manager

Professional qualifications:
Bachelor of Business Administration



Mr. **NGUYEN HUNG VIET**
Technical Manager cum Director of
Long An Branch

Professional qualifications:
Mechanical Engineer

SENIOR PERSONNEL APPOINTED AFTER 01/07/2017



Mr. **TRAN QUOC THAO**
Deputy CEO

Professional qualifications:
Bachelor of Economics



Mr. **NGUYEN THANH KHIEM**
Bachelor of Economics

Professional qualifications:
MBA



Mr. **NGUYEN QUOC VIET**
Deputy CEO

Professional qualifications:
Bachelor of Business Administration



Mr. **LE HUY THANH**
Director of Agricultural Division cum
Director of Material Development Area No.1

Professional qualifications:
Finance and Banking



Mr. **NGUYEN VIET HUNG**
Director of Material Development
Area No.2

Professional qualifications:
Bachelor of Agricultural Economics



Mr. **NGUYEN TRONG HOA**
Director of Material Development
Area No.3

Professional qualifications:
Bachelor of Food Technology





DEVELOPMENT ORIENTATION OF THE COMPANY DURING 2017-2018



TTCS SETS GOAL TO REACH USD:

USD 850-950 MILLION

OF MARKET CAPITALIZATION VALUE IN FISCAL YEAR 2017-2018 TO BE BECOME THE COMPANY HAVING LARGEST CHARTER CAPITAL AND 2ND LARGEST MARKET CAPITALIZATION VALUE IN VIETNAM SUGAR INDUSTRY AND ONE OF THE LEADING COMPANIES IN AGRICULTURE AND FOOD.



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. During the season year of 2017-2018, TTCS shall continue to implement its strategy and develop the additional performance of M&A deal with Bien Hoa Sugar JSC. 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.

CHOOSE YOUR HEALTH CHOOSE ORGANIC





MID AND LONG-TERM DEVELOPMENT STRATEGY



- MARKET**
- » Focusing on B2C marketing with distribution network across 63 provinces/cities;
 - » B2B marketing: enhancing advantages in service in combination with flexibly regulating customer's demand and production capability;
 - » Focusing on customers in handicrafts industry, optimizing production costs and logistic expenses;
 - » Developing information technology in system management, building and operating management software and customer care i.e. DMS, CRM & BI.

- PRODUCTION**
- » Target to 2020: Total designed extracting capacity reaches 51,100 TMN;
 - » Regulating centralized production;
 - » Continuing to promote efficiency of by-product such as commercial electricity to reduce costs.

- AGRICULTURE**
- » Continuing to expand material area to reach more than 53,000 hectares in fiscal year 2019-2020, increasing by 11,000 hectares compared to that at the current time.
 - » Invested sugarcane productivity until 2020 reaches average 77 ton/ha; farm sugarcane productivity reaches over 80 ton/ha. The Company also sets goal to reach 35% of invested sugarcane area and 96% of farm sugarcane area to be irrigated in 2020.

PRODUCTION CAPABILITY - PRODUCTIVITY ORIENTATION UNTIL 2020 (TMN)

Design capacity	Products	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
TTCS	RE	9,800	9,800	9,800	9,800	9,800
BH-ĐN (*)	RE	9,600	10,800	10,800	10,800	10,800
BH-TN	raw	4,000	4,000	4,000	4,000	4,000
BH-TA	RE	2,500	2,500	2,500	2,500	2,500
BHS-NH	RE	5,200	6,000	6,000	6,000	6,000
TTCS-GL	RS	6,000	6,000	6,000	6,000	6,000
TTCA (Laos)	RS	7,000	7,000	7,000	7,000	7,000
PRS	RS	1,500	1,500	1,500	4,000	4,000
NTS	RS	1,000	1,000	1,000	1,000	1,000
Total CSE (TMN)		46,600	48,600	48,600	51,100	51,100

(*) BH-ĐN sugar refinery capacity: 400 - 450 ton per day, equivalent to CSE of 9,600 - 10,800 TMN

Note: The above-mentioned target excludes merged entities from 2017-2018 onwards.

FINANCIAL OBJECTIVES

No.	Item	Unit	2016-2017	Strategy 2019-2020
1	Charter capital	VND million	5,570	7,332
2	Owner's capital	VND million	6,854	8,944
3	Net revenues	VND million	9,900	14,891
4	Profit before tax	VND million	680	1,135



EXTERNAL 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

- » Controlling over costs, optimizing resources, ensuring safe capital structure.
- » Developing 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.



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.



INTERNAL RISKS

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, postproducts, 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.





ORIENT **TARGET ...**

... EXPAND MISSION



With consistent orientation in sustainable development strategy, in fiscal year 2017-2018, TTCS continues to promote resonant effectiveness from M&A activities and push restructuring to strengthen internal power and reach to market capitalization value of USD850 - 950 million.

COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2016-2017

Company's operational performance in the fiscal year 2016-2017	»	50
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COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2016-2017

COMPANY'S OPERATIONAL PERFORMANCE

REVENUES

Unit: VND million			
No.	Items	FY 2015-2016	FY 2016-2017
1	Total revenues	4,042,893	4,502,977
2	Net revenues	4,027,233	4,498,383
3	Revenue from financial activities	141,668	221,887
4	Other revenues	11,751	18,913

(Source: The Audited Consolidated Financial Statements)

Revenue structure in the fiscal year 2016-2017

Unit: VND million					
No.	Items	2016-2017 Plan	2016-2017 Performance	%+/- Performance/Plan	%+/- 16/17 against 15/16
1	Total revenues	3,986,828	3,422,710	-14.15%	4.73%
-	» Sugar	3,730,845	3,011,537	-19.28%	-1.39%
-	» Final molasses	98,803	121,045	22.51%	42.77%
-	» Commercial electricity	51,685	57,198	10.67%	18.31%
-	» Other revenues	105,495	232,930	120.80%	187.83%
2	Revenue from financial activities	96,628	258,988	168.03%	112.98%
3	Other revenues	140,000	16,273	-88.38%	102.17%

(Source: The Audited Separated Financial Statements)



Sugar continues to be the key product of the Company. In fiscal year 2016-2017, consolidated revenue from sugar reaches VND3,890 billion in total consolidated revenue of VND4,503 billion of the Company, accounting for 88% in net revenue (RE occupies 62% and RS occupies 26%). Apart from refined sugar (RE), the Company has developed premium refined sugar (RS) which is manufactured at Thanh Thanh Cong Gia Lai Sugarcane Co., Ltd. to meet the demand of customers in industry and handicrafts industry.

In fiscal year 2016-2017, total net revenue increases by VND161 billion, up 5% compared to the same period. In which, revenue from RS and export increases by 30% and 6%, respectively, corresponding to VND135 billion and VND51 billion.

COST

Cost structure in the fiscal year 2016-2017

Unit: VND million			
No.	Items	FY 2015-2016	FY 2016-2017
1	Cost of goods sold	3,422,230	3,884,366
2	Financial expenses	216,333	280,226
3	Selling expenses	95,464	87,357
4	General and administrative expenses	143,594	149,592
5	Other expenses	5,503	10,375

(Source: The Audited Consolidated Financial Statements)

Unit: VND million					
No.	Items	2016-2017 Plan	2016-2017 Performance	%+/- Performance/Plan	%+/- 16/17 against 15/16
1	Cost of goods sold	3,378,576	2,997,143	-11.29%	8.52%
2	Financial expenses	207,597	191,221	-7.89%	27.33%
3	Selling expenses	79,329	59,630	-24.83%	-22.38%
4	General and administrative expenses	112,656	102,998	-8.57%	-6.45%
5	Other expenses	132,730	7,656	-94.23%	270.48%

(Source: The Audited Separated Financial Statements)

In fiscal year 2016-2017, the Company has well controlled costs in both cultivation production by strictly monitoring sugarcane material cost, production norm, sub-material consumption, direct and indirect labor cost to be lower than those in the previous period. The Company also sets up central heating boiler to save bagasse consumption, contributing to reduction of production cost. During the period, the cost of goods sold has decreased by 1% compared to the plan.

Financial costs during the period decrease mainly thanks to taking advantages of low-interest-rate capital source, well controlling short-term and medium-and-long-term loan interest rate.





COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2016-2017 (CONTINUED)



Operating profit

		Unit: VND million		
No.	Items	FY 2015-2016	FY 2016-2017	% +/- 16/17 against 15/16
1	Profit before tax	310,076	367,479	19%
2	Profit after tax	294,166	339,305	15%

(Source: The Audited Consolidated Financial Statements)

		Unit: VND million				
No.	Items	2016-2017 Plan	2016-2017 Performance	% +/- Performance/ Plan	FY 2015-2016	% +/- 16/17 against 15/16
1	Profit before tax	312,569	334,730	7.09%	288,026	16.22%
2	Profit after tax	312,125	306,462	-1.81%	269,383	13.76%

(Source: The Audited Separated Financial Statements)

The economy in general and the sugar industry in particular still have to face many difficulties and challenges. However, the Company increasingly makes every effort to enhance competitive capability, well control cost of goods sold, and properly control expenses to exceed business plan set out for fiscal year 2016-2017. Although sugar sale volume does not satisfy the plan and revenue from sugar just reaches 83% of the plan, cost of goods sold and transportation expense decrease by 14% and 23%, respectively, thanks to the Company's good control of costs. These factors contributed to the Company's profitability in 2016-2017 and reached an before-tax profit of VND367 billion, up nearly 19% yoy.

EUROPEAN TECHNOLOGY INTERNATIONAL STANDARD





COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2016-2017 (CONTINUED)

COMPANY'S FINANCIAL POSITION IN THE FISCAL YEAR 2016-2017

Unit: VND million			
Items	FY 2015-2016	FY 2016-2017	% +/- 16/17 against 15/16
Total assets	6,836,697	7,806,217	14%
Net revenue	4,027,233	4,498,383	12%
Operating profit	303,829	358,942	18%
Other profit	6,248	8,537	37%
Profit before tax	310,076	367,479	19%
Profit after tax	294,166	339,305	15%

Assets	30/06/2017	30/06/2016	% Increase/ Decrease
1. Current assets	4,472,667	4,216,029	6%
2. Non-current assets	3,333,549	2,620,668	27%
Total assets	7,806,216	6,836,697	14%

Equity	30/06/2017	30/06/2016	
1. Liabilities	4,692,718	4,134,301	14%
2. Owners' equity	3,113,499	2,702,396	15%
Total equity	7,806,217	6,836,697	14%

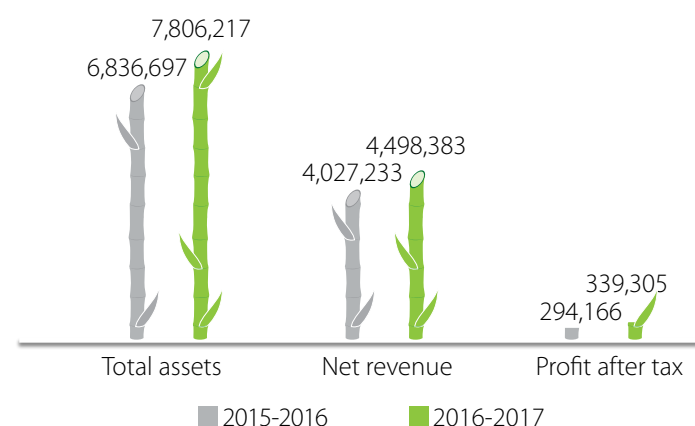
(Source: The Audited Consolidated Financial Statements)

Total consolidated assets in fiscal year 2016-2017 increases by VND970 billion compared to the same period. Receivables, inventories and fixed assets occupy a high proportion in total assets.



Chart of the Company's financial position in 2016-2017

Unit: VND million



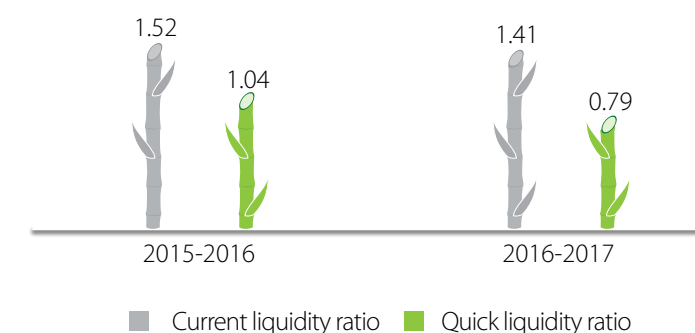
KEY FINANCIAL RATIOS

Liquidity ratios

Items	FY 2015-2016	FY 2016-2017	% Increase/ Decrease
Current liquidity ratio: Current assets/Current liabilities	1.52	1.41	-7.16%
Quick liquidity ratio: (Current assets - Inventories)/Current liabilities	1.04	0.79	-23.71%

(Source: The Audited Consolidated Financial Statements)

Current ratio reached 1.41 times and quick ratio reached 0.8 times as of 30 June 2017. Current ratio higher than 1 shows the Company's assurance in payment for short-term borrowings. However, since inventories made up a high rate as of 30 June 2017 to serve the business plan in fiscal year 2017-2018 and meet the demand of customers, quick ratio as of 30 June 2017 was only 0.8 times.

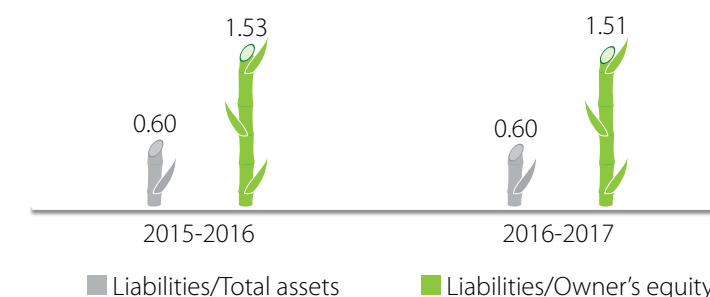


Indicators of capital structure

No.	Item	FY 2015-2016	FY 2016-2017	% Increase/ Decrease
1	Liabilities/Total assets	0.60	0.60	0%
2	Liabilities/Owner's equity	1.53	1.51	-1%

(Source: The Audited Consolidated Financial Statements)

The debt to total asset ratio of 0.6 and the debt to equity ratio of 1.51 as of 30 June 2017 show no change compared to those in the same period and these are the good indicators in general situation of sugar industry.





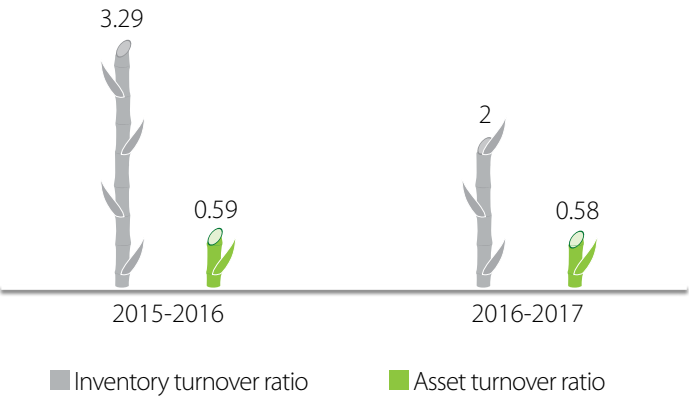
COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2016-2017 (CONTINUED)

Operation ratios

No.	Item	FY 2015-2016	FY 2016-2017	% Increase/ Decrease
1	Inventory turnover: (Costs of goods sold/Average inventory)	3.29	2	-39.21%
2	Net revenues/Total assets	0.59	0.58	- 1.69%

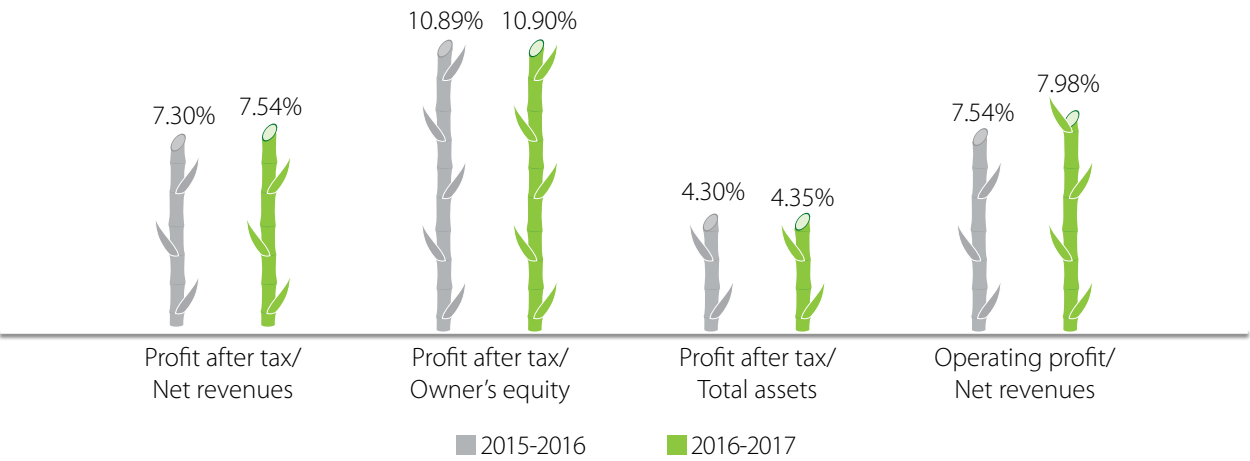
With the typical characteristics of sugarcane industry, production takes place only for 5 - 6 months per year and there should be inventories to supply the customer's order for the year. Therefore, the inventory turnover ratio of 2 - 3 is appropriate. In fiscal year 2016-2017, the inventory turnover ratio decreased by 39% year-on-year due to the common difficulties in sugar industry such as exceeded import (by 100,000 tons), long-lasting rainy season leading to lasting storage duration.

The asset turnover ratio = Net revenue/ Total assets is to measure the efficiency of a company's assets. This ratio shows that each dong of asset creates 0.58 dongs of revenue. This ratio is maintained stably compared to that in 2015-2016.



Profitability ratios

No.	Item	FY 2015-2016	FY 2016-2017	% Increase/ Decrease
1	Profit after tax/Net revenues	7.30%	7.54%	3.22%
2	Profit after tax/Owner's equity	10.89%	10.90%	0.07%
3	Profit after tax/Total assets	4.30%	4.35%	1.07%
4	Operating profit/Net revenues	7.54%	7.98%	5.51%



In fiscal year 2016-2017, the Company's profitability ratios are better than those in previous period. To be specific, Profit after tax/Net revenues, Profit after tax/Owners' equity, Profit after tax/Total assets and Operating profit/Net revenues reaches 7.54%, 10.90%, 4.35% and 7.98%, respectively.

The profitability ratios show that the Company has well control costs, and has been proactive to promote business in the current difficult situation of sugar industry.

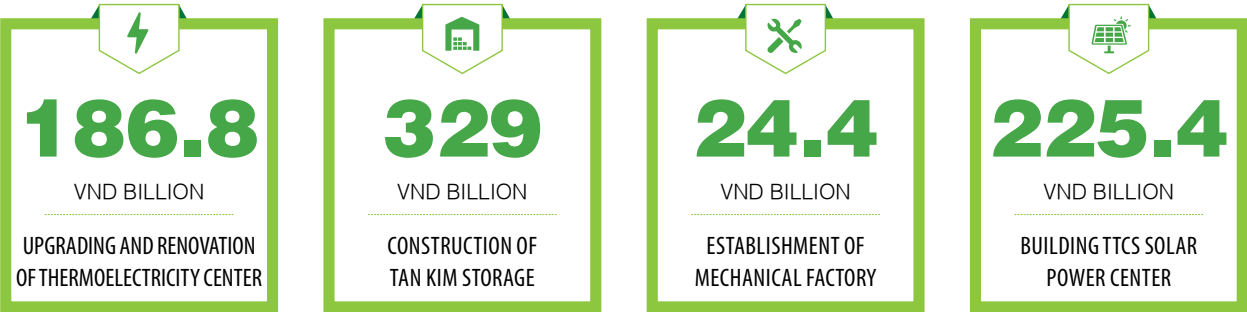
The financial management has also gained a good result, ensuring capital use efficiency, saving costs, increasing profit and ensuring liquidity.





COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2016-2017 (CONTINUED)

INVESTMENT AND PERFORMANCE OF PROJECTS



KEY INVESTMENT PROJECTS

No.	Name of project	Cost of project (VND billion)	Time of completion
1	Upgrading and renovation of Thermoelectricity Center	186.8	30/10/2017
2	Construction of Tan Kim Storage	329	26/10/2018
3	Establishment of Mechanical Factory	24.4	31/12/2018
4	Building TTCS Solar Power Center	225.4	31/12/2018



UPGRADING AND RENOVATION OF THERMOELECTRICITY CENTER



- » This is a key and essential project of TTCS in fiscal year 2016-2017 to optimize production technology and increase refinery duration of raw sugar in and out of the crop. The project also helps increase commercial electricity and maximally exploits equipment capacity, avoiding waste of investment value. In addition, the project will enhance efficiency of technology, save energy and fuel consumption, increase annual electricity sale volume, and bring revenue to the Company. The main objective of the project is to reduce steam consumption, increase commercial electricity, increase redundant bagasse and increase dissolved sugar.
- » The project was deployed from June 2016 and completed approximately 42% as of 30 June 2017. The project is expected to complete at the end of October 2017 to timely serve the coming crop year 2017-2018.
- » With the success of this project, TTCS will gain a good benefit: selling electricity, strengthening annual refinery capacity of raw sugar, increasing finished product output, etc.
- » Cost control: Implemented cost made up 80% of the planned target. The costs are controlled effectively and appropriately.

» Some major packages of the project

- » The package of "Designing and supplying pressure raising equipment, superheated steam temperature, safe valves and installing boiler": The completion progress has reached 66% of the plan. The important work items are always under close supervision.
- » The package of purchasing Turbines 25MW and 12MW: The turbines are under fabrication, testing and transfer. The completion progress has reached 73% of the plan.
- » The package of "Installing Turbine of generator 25MW, steam system and valves": Already signed contracts with suppliers. Delivery schedule is ensured. The completion progress has reached 35% of the plan.
- » The package of "Constructing foundation and house for Turbine 25MW": On going. The completion progress has reached 52% of the plan.

WITH THE SUCCESS OF THIS PROJECT, TTCS WILL GAIN A GOOD BENEFIT: SELLING ELECTRICITY, STRENGTHENING ANNUAL REFINERY CAPACITY OF RAW SUGAR, INCREASING FINISHED PRODUCT OUTPUT, ETC.

- » The package of supplying and installing transformer: The delivery to TTCS will be done on 17 September 2017.
- » The package of supplying cassette blocks, pumps, valves and pipes and the package of "Cassette installation": On going. The completion progress has reached 49% of the plan.
- » The package of foundation for cassette: already completed.

Supervision consultant for construction and equipment installation is doing their work. The completion progress has reached 42% of the plan.





COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2016-2017 (CONTINUED)

CONSTRUCTION OF TAN KIM STORAGE



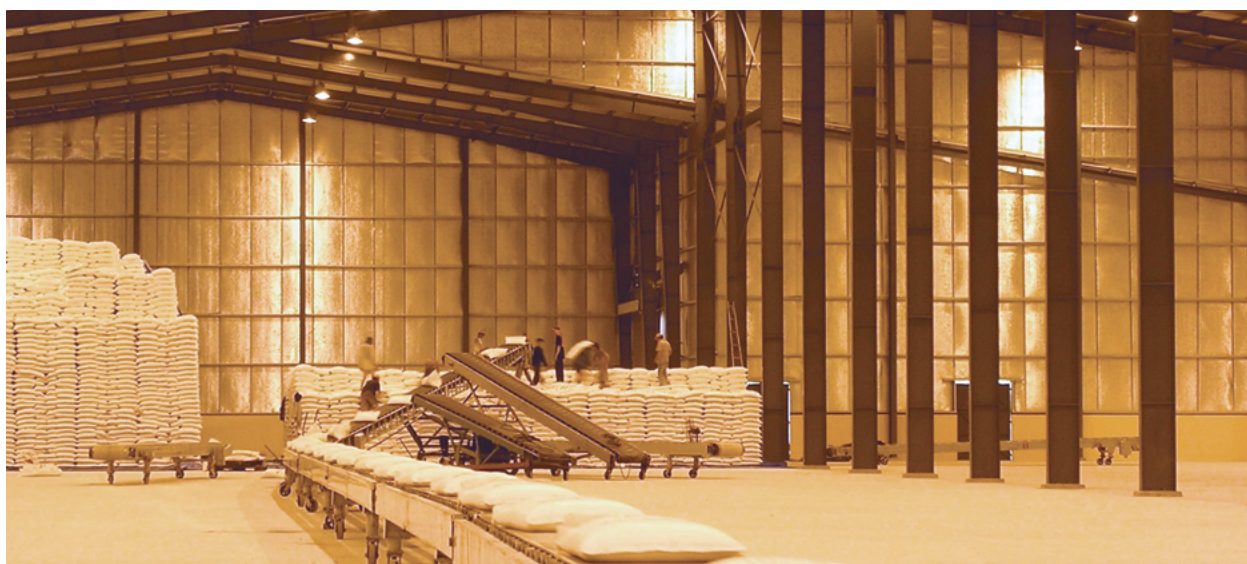
THE PROJECT OF WAREHOUSE CONSTRUCTION AT THE EXPANDED TAN KIM INDUSTRIAL PARK SHALL HELP GAIN PROFIT AND CREATE A NEW IMAGE AND POSITION FOR TTCS.

56

THOUSAND M² OF
WAREHOUSE

**THE GOAL OF
CONSTRUCTING**

- » In 2016, expansion of warehouse business in the regions is stated in long-term and urgent strategy of Thanh Thanh Cong Group (TTC) in general and of Thanh Thanh Cong Tay Ninh JSC (TTCS) in particular.
- » 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.
- » Therefore, the project of warehouse construction at the expanded Tan Kim Industrial Park shall help gain profit and create a new image and position for TTCS.
- » With the goal of constructing 56,000m² of warehouse and 7,500m² of yard for lease, the project is newly invested from owner's equity and loan (buying land and constructing warehouse and yard for lease).
- » Some major packages are being implemented including: design consultancy, 1000KVA transformer construction. The progress is ensured, reaching 19% of the plan and is expected to complete in October 2018.



ESTABLISHMENT OF MECHANICAL FACTORY



- » To catch up the trend of integration, Vietnam's mechanical industry is oriented to develop with high technology and precision engineering to meet the demand of domestic market and foreign partners. Currently, most machinery and equipment are imported from foreign countries. Some of them are not suitable and do not serve production effectively. Therefore, establishing a mechanical factory for sugar industry and auxiliary industries is a right orientation, in conformity with the trend, ensuring durability for sugar industry as well as other mechanic-related industries.
- » The mechanical factory will be constructed, based on TTCS Tay Ninh Mechanical Workshop with good facilities (foundation, plant, power system, internal roads, water supply and drainage, environmental solutions, etc.). The team of engineers with profound professional qualifications and more than 20 years of experience in sugar mechanical industry together with high-skilled technical workers will own modern technology and help maintain leading position of sugar plant in the country and in the region. This human resource is also a valuable asset that TTCS need to maintain and promote to ensure the orientation of centralized management.
- » This is an important foundation for TTCS to expand business and earn revenue and profit.

TO AFFIRM ITS CAPABILITY IN MECHANICAL FIELD, TTCS IS PROCESSING AND FABRICATING AGRICULTURAL EQUIPMENT FOR PARTNERS WITH THE VALUE UP TO VND10 BILLION



- » To affirm its capability in mechanical field, TTCS is processing and fabricating agricultural equipment for partners with the value up to VND10 billion. TTCS is pushing progress to ensure delivery schedule for the partners.

BUILDING TTCS SOLAR POWER CENTER



WITH THE OUTPUT OF 15,657,000 KWH, SOLAR POWER CENTER IS EXPECTED TO CONNECT TO NATIONAL POWER GRID TO SUPPLY ELECTRICITY FOR THE COUNTRY.

- » Wind and solar electricity is clean energy source which is focused by many developed countries. TTCS is researching and building a solar power plant with capacity of 10 MWp and output of 15,657,000 KWh. Solar Power Center is expected to connect to national power grid to supply electricity for the country. In which, the plant will supply electricity in Tay Ninh first, in December 2018 as planned.





COMPANY'S OPERATIONAL PERFORMANCE IN THE FISCAL YEAR 2016-2017 (CONTINUED)

SUBSIDIARIES, AFFILIATES

Current investment portfolio of TTCS includes 06 subsidiaries and 06 associates. All the enterprises having contributed capital from TTCS operate within value chain of sugar industry in Vietnam.

	% Owners' equity
SUBSIDIARIES	
Thanh Thanh Cong Alcohol Trading Production JSC (*)	90%
Thanh Thanh Cong Gia Lai One Member Co., Ltd	100%
TSU Investment Pte. Limited Company	100%
Tay Ninh Sugarcane Research and Application JSC	62%
Gia Lai Thermoelectricity One Member Co., Ltd	100%
Miaqua Water One Member Co., Ltd	100%
AFFILIATES	
Ben Tre Import - Export JSC	48.99%
Thanh Thanh Cong Industry Zone JSC	49%
Tay Ninh Sugarcane JSC	39.23%
Nuoc Trong Sugar JSC	30.54%
Tay Ninh Chemical Industry JSC	19.13%
TTC Attapeu Sugarcane Co., Ltd	40%

(*) Currently, the Company is in the stage of capital contribution and feasibility study so it has not been put into operation.



4,498 VND BILLION NET REVENUES	367.5 VND BILLION PROFIT BEFORE TAX	339.3 VND BILLION PROFIT AFTER TAX	1,182 DONG EPS
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The asset and equity sources during 2016-2017.

Unit: VND million

	TTCS (Separated Financial Statements)	TTCS Gia Lai (Separated Financial Statements)	GTC	MIAQUA	TTCE	SRDC	TSU
Assets	30/06/2017	30/06/2017	30/06/2017	30/06/2017	30/06/2017	30/06/2017	30/06/2017
Current assets	3,241,680	953,365	15,431	1,269	184,868	26,234	279,442
Non-current assets	3,480,478	847,940	273,478	200	13,887	3,830	-
Total assets	6,722,158	1,801,305	288,909	1,469	198,755	30,064	279,442
Equity	30/06/2017	30/06/2017	30/06/2017	30/06/2017	30/06/2017	30/06/2017	30/06/2017
Liabilities	3,642,057	1,113,029	162,835	399	390	1,572	84
Owners' equity	3,080,101	688,276	126,074	1,070	198,365	28,492	279,358
Total equity	6,722,158	1,801,305	288,909	1,469	198,755	30,064	279,442

Business results during 2016-2017

Unit: VND million

	FY (01/07/2016 - 30/06/2017)	FY (01/07/2016 - 30/06/2017)	FY (01/07/2016 - 30/06/2017)	FY (01/07/2016 - 30/06/2017)	FY (01/07/2016 - 30/06/2017)	FY (01/07/2016 - 30/06/2017)	FY (01/07/2016 - 30/06/2017)
Items	30/06/2017)	30/06/2017)	30/06/2017)	30/06/2017)	30/06/2017)	30/06/2017)	30/06/2017)
Revenue from sales and service provisions	3,418,117	1,010,991	48,776	571	-	6,846	185,718
Cost of goods sold	2,997,143	832,651	34,535	393	-	5,703	184,743
Operating profit	326,112	79,038	267	70	(0.89)	(994)	(4,331)
Profit before tax	334,730	79,677	176	70	(0.88)	(1,281)	(4,287)
Corporate income tax	28,268	148	-	-	(0.37)	-	-
Profit after tax	306,462	79,528	176	70	(1.25)	(1,281)	(4,287)



OVERVIEW OF MACROECONOMICS



THIS IMPROVEMENT IN COUNTRY RANKING HAS SHOWN THE ACHIEVEMENTS IN ECONOMIC DEVELOPMENT AS WELL AS THE BRIGHT PROSPECTS OF VIETNAM

GENERAL SITUATION

According to National Union, the global economy has shown a good growth during the last 6 months, but many regions still keep low growth rate. The world's industrial output slowly recovered while the global commercial activities mainly go up mainly thanks to the increase in import demand in East Asia. As forecast by National Union, the world's economic growth rate will reach 2.7% in 2017 and 2.9% in 2018, no change compared to their forecast in January 2017. The National Union also emphasizes the fluctuations of international policies may cause effects to the recovery of international private business. In this situation, the National Union recognizes pushing the efforts relating international policies is necessary to promote economic growth in medium term.

Fitch Ratings Inc., one of "Big Three credit rating agencies", has raised the prospect of issuer default rating (IDR) in both foreign and local currencies of Vietnam from "stable" to "positive" and maintained country ranking at "BB-". This improvement in country ranking has shown the achievements in economic development as well as the bright prospects of Vietnam. Debt and interest payment is under control. Current account surplus and FDI inflows increasingly flow into Vietnam.

(Source: UBGS TCQG)



SUGAR INDUSTRY

Sugar shortage in the last 2 years, which is the main factor making sugar price strongly go up during the last time, is forecast to end in crop year 2017-2018 thanks to the increase in rainfall volume in key production area – Asia, the positive changes in EU policies to promote trading volume, and the increase in sugar output in Brazil. According to FO Licht's latest forecast in April 2017, the global sugar output will increase by 13 million tons in 2017-2018 as EU, India and Thailand strengthen production. The global sugar output in 2017-2018 is estimated to reach 190.3 million tons from 176.9 million tons of the crop year 2016-2017, surplus of 2.8 million tons after 2 years of shortage. Price of raw sugar as of 03 June 2017 was 13.74 cent and of refined sugar USD410, nearly the bottom level in 2016. The difference between the ISO white sugar price index and the ISA daily price maintained at 102.63 USD/ton.

VSSA stated, as of 19 May 2017, the inventory at the beginning of the year was 479,915 tons; total production output reached 1,361,379 tons and sale volumes gained 1,093,070 tons. The inventory up to now is 748,224 tons, the highest level ever. There are 4 main reasons:

- » Due to climate effects, the sugar plants start production later than previous years;
- » High gap between prices of domestic sugar and illegally imported sugar at the beginning of the crop year;
- » Imported sugar according to tariff-rate quota is deferred;
- » Illegal sugar imports highly increase compared to the previous year.

Price of domestic RS, after reaching the highest rate at VND17,000/kg (included VAT), has constantly decreased and is VND15,000/kg in the South at present due to the effects of sugar illegally imported from Thailand (updated to 05 June 2017). Price of RE also decreases due to the effects of import quota of 100,000 tons (2016) and depressed demand from beverage companies.



VSSA STATED, AS OF 19 MAY 2017, THE INVENTORY AT THE BEGINNING OF THE YEAR WAS 479,915 TONS; TOTAL PRODUCTION OUTPUT REACHED 1,361,379 TONS AND SALE VOLUMES GAINED 1,093,070 TONS





REPORT AND ASSESSMENT FROM BOARD OF DIRECTORS (CONTINUED)

BUSINESS PERFORMANCE ASSESSMENT

In the fiscal year 2016-2017, TTCS has achieved the following items:

No.	Item	Unit	16-17 Plan	16-17 Performance	% Plan/ Performance
A	Cane crush output	Tons	860,000	912,941	106%
B	Raw sugar material output	Tons	55,000	78,292	142%
C	Manufacturing output				
1	Sugar	Tons	168,083	154,375	92%
2	Final molasses	Tons	50,300	51,157	102%
3	Commercial electricity	Mwh	39,600	42,500	107%
D	Consumption output				
1	Sugar	Tons	230,500	192,077	83%
2	Final molasses	Tons	47,156	69,590	148%
3	Commercial electricity	Mwh	39,606	43,325	109%
(Source: Department of Planning and Finance)					
E	Business result				
1	Net revenue	Mil. VND	3,986,828	3,418,117	86%
2	Profit before tax	Mil. VND	312,569	334,730	107%

(Source: The Audited Separated Financial Statements)

154.4
THOUSAND OF TONS
SUGAR MANUFACTURING
OUTPUT

42,500
Mwh
COMMERCIAL ELECTRICITY
MANUFACTURING OUTPUT

Result: In fiscal year 2016-2017, total profit before tax reached VND334.7 billion, exceeding 7% of the plan. In which, profit from main business operation reached VND326 billion, accounting for 97% of total profit before tax.



OUTSTANDING PERFORMANCE IN FISCAL YEAR 2016-2017



» **Material:** Total sugarcane crush output reached 1,537,168 tons (including 608,841 tons in TTCS Gia Lai). At TTCS, 912,941 tons of sugarcane were extracted, increasing by 52,941 tons against the target. This is an outstanding success of the Company in the difficult context of sugar industry. During the crop year, the Company has actively applied mechanization from planting, caring to harvesting sugarcane, contributing to the increase in productivity and quality of sugarcane and minimizing negative effects of rainy season to harvesting stage. The average proportion of impurities was reduced; burnt sugarcane percentage was controlled at 8%. Thanks to good pest control, enhanced sugarcane irrigation, and selection of good sugarcane breed, average productivity reached 65 tons/ha.

» **Production:** Total finished sugar yield reached 215,439 tons (including 61,065 tons RS of TTCS Gia Lai). Particularly, TTCS produced 154,375 tons of finished sugar in fiscal year 2016-2017. Commercial electricity is the key product of the Company. The revenue from electricity makes up 2% in net revenue. During the year, the electricity output exceeded by 9% and the revenue from electricity increased by 11% against the target. This has shown the good performance of recovery and has turned the Company's objective of developing by-products into reality, contributing to the development of renewable energy and environmental protection until 2030 of the Government. Equipment safety factor maintained high rate at 99.85%, exceeding the target. This is a good outcome of maintenance process in a scientific and active manner which helps reduce production loss and optimize production efficiency. Maintenance cost also decreased by 12% against the target. Sugar quality is evaluated quite good, overcoming perfectly the inappropriateness of products, improving clotted sugar and so customers' complaints. The inappropriateness rate was 0.08% < 0.20% against the target.

» **Sales:** Sugar sale volume in fiscal year 2016-2017 was 192,077 tons, in which RS increased more than 2,000 tons against the target, accounting for 30% of total

THE COMPANY HAS ACTIVELY APPLIED MECHANIZATION FROM PLANTING, CARING TO HARVESTING SUGARCANE, CONTRIBUTING TO THE INCREASE IN PRODUCTIVITY AND QUALITY OF SUGARCANE AND MINIMIZING NEGATIVE EFFECTS OF RAINY SEASON TO HARVESTING STAGE

sale volume. This has contributed to the divarication of consuming channels and the implementation of objective to win all customer segments. Besides, sugar export increased by more than 9,400 tons, exceeding 27% against the target. Revenue from sugar export increased by 30% against the target and increased 211% from the same period. This has shown the Company's long-term development strategy in reaching the world's market.

» **Finance:** The Company's financial indicators were maintained at a stable rate. Financial cost was controlled well, in which loan interest reduced by 12% against the target. In fiscal year 2016-2017, the Company successfully issued VND440 billion of bonds to invest in Hoang Anh Gia Lai Sugarcane Co., Ltd. The purpose of this action is to expand material area in Laos. In the coming time when the factory in Laos comes into stable operation, the Company will develop low-cost sugar source, solve the shortage of input material and so enhance competitive advantages for the Company. In addition, financial investments exceeded the target, in which financial income exceeded 169% of the target and was 114% higher than the same period. This good result comes from the right market research and forecast of the Company's management team.



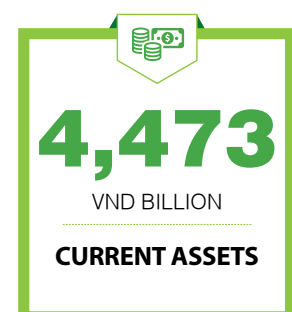
REPORT AND ASSESSMENT FROM BOARD OF DIRECTORS (CONTINUED)

FINANCIAL POSITION

ASSETS

No.	Item	30/06/2016		30/06/2017		Unit: VND million	
		% Increase/Decrease					
		Value	%	Value	%	Value	%
1	Current assets	4,216,029	62%	4,472,667	57%	282,517	6%
2	Long-term assets	2,620,668	38%	3,333,549	43%	710,940	21%
3	Total assets	6,836,697	100%	7,806,216	100%	993,457	13%

(Source: The Audited Consolidated Financial Statement)



Total assets of Thanh Thanh Cong Tay Ninh Joint Stock Company as of 30 June 2017 reached VND7,806 billion, increasing by 13% from that as of 30 June 2016, equivalent to VND993 billion. In which, current assets reached VND4,473 billion, increasing by 6% so from the same period and long-term assets reached VND3,334 billion, increasing by 21% from that as of 30 June 2016.

The Company's asset structure shifts in the direction of increasing long-term assets and decreasing current assets. These shows the Company's development orientation in the coming years when the projects and assets which are put into operation will contribute to the increase in revenue and profit for the Company. The proportion of long-term assets was 57% of total assets while current assets accounted for 43%.

Chart of assets

Unit: VND billion



LIABILITIES

No.	Item	30/06/2016		30/06/2017		Unit: VND million	
		% Increase/Decrease					
		Value	%	Value	%	Value	%
1	Current liabilities	2,774,321	67%	3,169,470	68%	404,001	13%
2	Long-term liabilities	1,359,980	33%	1,523,248	32%	182,035	12%
3	Total liabilities	4,134,301	100%	4,692,718	100%	586,036	12%

(Source: The Audited Consolidated Financial Statements)

Total liabilities as of 30 June 2017 were VND4,692 billion, increasing by VND586 billion, up 12% from that as of 30 June 2016. In which, current liabilities and long-term liabilities respectively increased by VND404 billion and VND182 billion, equivalent to 13% and 12% compared to the same period.

Reason: The Company issued bonds to make investment into Hoang Anh Gia Lai in Laos and other companies in sugar industry to increase value chain, enhance competitive advantages and integrate into the world's economy.

Chart of liabilities

Unit: VND million



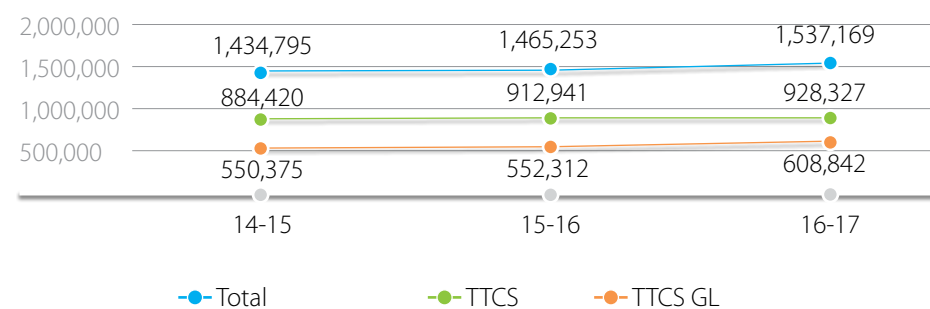


IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES AND MANAGEMENT

MATERIAL

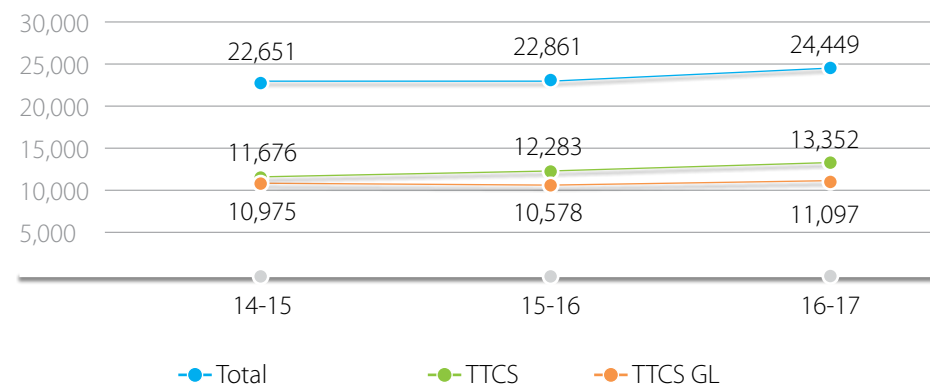
Sugarcane crush output: The complicated climate change has caused many effects to the material area. The material area is gradually narrowed, leading to decrease in crush output. Given that difficult situation, the Company has still ensured the source of sugarcane material to stabilize production and gain crush output of 1,537,169 tons (including 928,327 tons from TTCS and 608,842 tons from TTCS Gia Lai).

Unit: Ton



Investment area: In the line of narrowed material area, to ensure material meeting the extracting capacity of the plant, Material Division has expanded material area to Cambodia and Long An. Total investment area in crop year 2016-2017 was 24,449 hectares (including 13,352 hectares of TTCS and 11,097 hectares of TTCS Gia Lai). Moreover, aiming to the objective of developing self-controlled material zones, the Company actively increases its owned land area (prioritizing the land areas which are located near the plants, have reasonable price and have a large area to be suitable for mechanization in cultivation and production cost reduction). The Company also build centralized material zones and applies model of large sample field. Total owned land area as of 30 June 2016 was 703 hectares (including 374 hectares of TTCS and 329 hectares of TTCS Gia Lai).

Unit: Ha



FARMING ENCOURAGEMENT PROGRAM

- » **Breed:** The Company has surveyed and selected the sugarcane breed suitable to each region as well as sorted sugarcane breed according their harvest duration, including 3 kinds i.e. early ripening, medium ripening and late ripening. The Company focuses on the key breed with good quality, bringing high productivity of 69 ton/ha and average sugar concentration of 8.58 CCS.
- » **Plant protection and pest control:** The Company actively recommends the farmers to regularly care the sugarcane, timely detect and solve pests. Therefore, rate of stem borer has increasingly decreased. The Company also usually holds seminars about methods to detect and prevent pests in sugarcane, continues to install light traps, issues farming encouragement handbook, etc.
- » **Sugarcane irrigation:** The Company is aware that sugarcane irrigation is the most effective and cost-saving method for productivity improvement. 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 2016- 2017 is 5,422 hectares (increasing by 4% compared to the target of 5,210 hectares).
- » **Media:** In fiscal year 2016-2017, the media activities were strongly promoted than ever. Through multidimensional media such as press, television, broadcast, website, seminar, etc. the Company's policies and orientations are timely informed to the customers. Sugarcane caring techniques are also regularly updated to support the farmers in their cultivation. Besides, many visits at the Company are organized for farmers to help them have an objective view to the Company's operations.



69

TON/HA

PRODUCTIVITY OF
THE KEY BREED



5,422

HA

TOTAL IRRIGATION
AREA DURING
2016- 2017





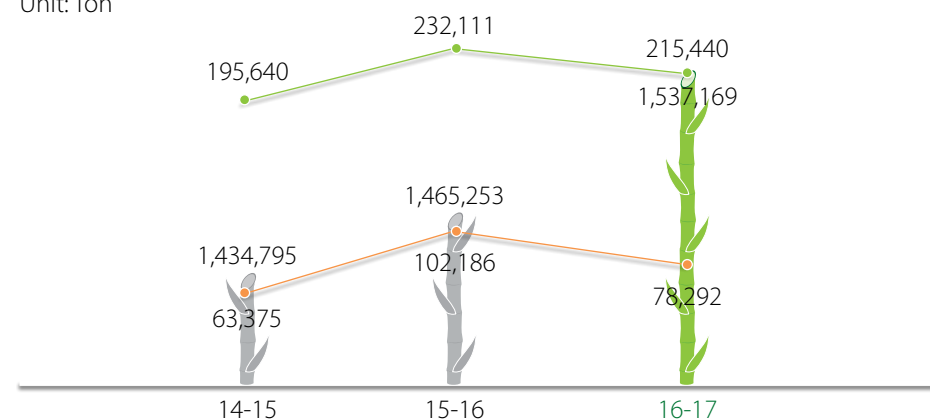
REPORT AND ASSESSMENT FROM BOARD OF DIRECTORS (CONTINUED)

ORGANIZATION IN PRODUCTION

Finished sugar yield

Unit: Ton

215.4
THOUSAND OF TONS
**TOTAL FINISHED SUGAR
PRODUCTION**



■ Cane crush output ● Finished sugar product ● Dissolved raw sugar output

Total finished sugar production of the whole season was 215,440 tons (including 154,375 tons of RE from TTCS and 61,065 tons of RS from TTCS Gia Lai), reaching 97% of the target and decreasing by 7% compared to the previous season. The main reason for this decrease is long-lasting rainy season, causing difficulties to harvest process, high contamination rate, and low sugar concentration. In which, cane crush output meets the target (reaching 1,537,169 tons); dissolved raw sugar output hits the record (reaching 102,186 tons), exceeding by 86% against the target and by 61% of the previous period.

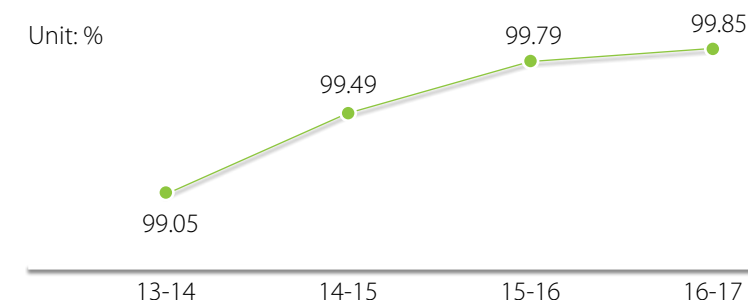
Quality of finished sugar products

Chemical-physical criteria of finished sugar products are stable based on the announced standards, perfectly overcoming the inappropriateness of products, improving clotted sugar and reducing customers' complaints.



MANAGEMENT IN PRODUCTION

» **Equipment safety factor:** Production line is quite stable. The incidents are under control. Current equipment safety factor is 99.85%, reaching 101% against the target and keeping the same as previous fiscal year.



99.85
%
**EQUIPMENT SAFETY
FACTOR**

» **Environment:** In fiscal year 2016-2017, COD indicator is well controlled and much better than the planned target, contributing to loss reduction and increase of sugar collection. Wastewater treatment system works stably. Vacuum creation in water is also controlled, avoiding sugar loss. There is no violation relating to environmental protection during the year.

» **R&D activities:** The Company has successfully produced yeast from molasses, fungicides, microbiological fertilizers, and membrane filtration for brown sugar manufacturing in laboratory. At present, the Company continues to research to improve efficiency and study production parameters of these products. In addition, the Company studies to remedy the leakage of sugarcane juice at hammer to reduce loss of sugarcane juice as well as save environmental costs.





REPORT AND ASSESSMENT FROM BOARD OF DIRECTORS (CONTINUED)

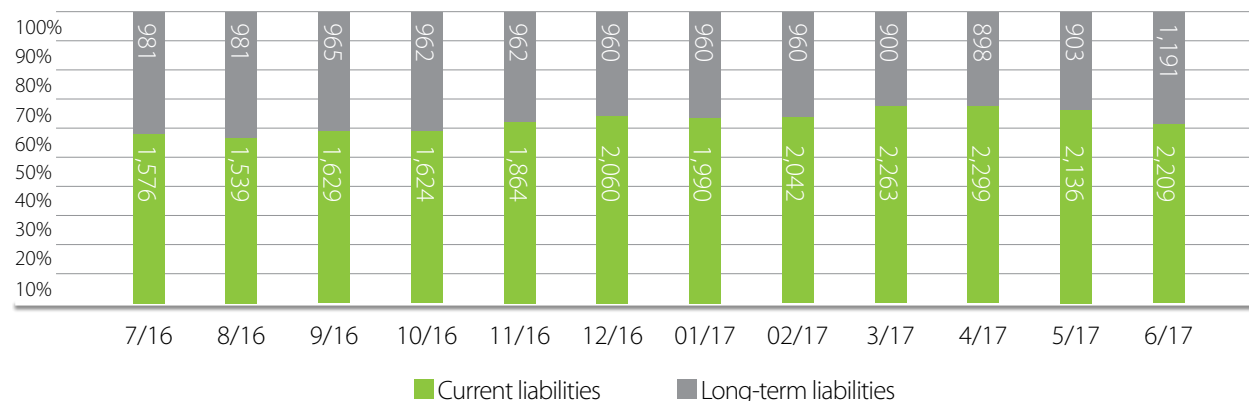
BUSINESS ACTIVITIES

- » **Sales:** In the line of sugar shortage in domestic and foreign markets, the Company has taken opportunities to enhance production and consumption in fiscal year 2016-2017. Revenue reaches VND3,007 billion, completing 81% of the plan and equal to 99% of the same period. Profit before tax reaches more than VND288 billion, exceeding by 42% against the target and 60% against the same period.
- » **New customer development:** Apart from maintaining stable number of customers and keeping market share, the Company has developed new 88 customers, exceeding by 10% against the target for the whole fiscal year. In which, the customers in medium and small industries are prioritized.
- » **Miaqua drinking water:** At present, TTCS has launched Miaqua drinking water to the market and manufactured 1.5 million of bottles of new model. The product is delivered to the distributors for sales.
- » **Logistics:** Logistic activities have been well done during the year. Raw sugar packaging in sacks is omitted to save cost.

FINANCE - ACCOUNTING

During the fiscal year 2016-2017, TTCS has successfully issued the bonds valued at VND425.6 billion to invest in Hoang Anh Gia Lai Sugarcane Co., Ltd. in order to expand and develop self-control material area. Moreover, the Company has completed charter capital increase for TTCS Gia Lai, contributing to the consolidation of business scale and operation stabilization towards the sustainable development objective.

Structure of current and long-term liabilities



TTCS's current investment portfolio as of 30 June 2017 reached VND2,448 billion, accounting for 36% of total assets. The investments in the companies operating the same industry made up 70% of total investment value. Those investments aim to enhance the Company's operational efficiency thanks to value resonance, promote internal power through experience exchange, forward to sustainable development, and enhance competitive advantages in the integration period.

During the fiscal year, the Company regularly balances financial structures according to the regulations of the Group's Financial Committee, regulars capital to ensure liquidity for the companies in sugar industry, supervises and runs the works under the plan, and timely give warnings to effectively promote the counseling duty.

HUMAN RESOURCES

- » **Human resources:** In fiscal year 2016-2017, TTCS made an investment in Hoang Anh Gia Lai Co., Ltd., expanded business in Laos and developed B2C sales. The development in both quality and quantity, in both width and depth requires larger human resources with more professional qualifications to manage and run the affiliates as well as implement the projects of member companies in the Group.
- » **Training:** Implementing the goal of developing human resources and increasing labor productivity, in fiscal year 2016-2017, the Company has successfully organized 48 training courses, completing 94% of the plan (51 courses) with the cost up to VND638,654,000, accounting for 68% of training budget. In which, the planned training cost was VND411,346,000 and the arisen training cost was VND227,308,000. The Company will pay more attention to internal training activities in order to build a strong succession team as well as focus on recruitment strategy, prioritizing the staff with university degree to improve human resource quality to best serve the Company's long-term development strategy.

SYSTEM MANAGEMENT

To control the quality of finished sugar better, ensure 5S in production and minimize legal risks, the Company has:

- » Checked and issued regulatory documents in compliance with those of other sugar companies in the Group.
- » Successfully organized the contest of learning about the Company's regulatory documents to effectively popularize new regulatory documents to employees.
- » Trained about food hygiene and management systems for new employees, manufacturing workers, and maintenance workers who directly work with the products in order to ensure quality of finished sugar products.
- » Applied Food Defense Program in the Company.
- » Implemented HSE-5S through HSE-5S Committee; held cross-checking to maintain and improve environmental protection, occupational safety and health, and 5S performance.

In fiscal year 2016-2017, the Company won media awards for its good environmental performance: Top 50 Vietnam's Green Brands, Top 10 Eco-friendly Products, and Top 50 Green Factories.



REPORT AND ASSESSMENT FROM BOARD OF DIRECTORS (CONTINUED)

OUTSTANDING ACHIEVEMENTS IN FISCAL YEAR 2016-2017

Date	Medal and Title	Granted by
09/2016	Top 50 Most Valuable Vietnamese Brands 2016	Brand Finance Vietnam (Headquartered in Britain)
	Top 30 Best Annual Reports 2016; The best sustainable development report	HOSE and Investment Newspaper
09/2016	Top 50 Typical Brands in Asia-Pacific Economic Integration	The Journal of the Asia Pacific Economy coordinated with Vietnam Business Council, Asia-Pacific Business Club, Asia Pacific Economic Review and VINABRA – Vietnamese Brands
	Top 50 Green Brands; Top 50 Eco-friendly Factories; Top 10 Eco-friendly Products	Vietnam Association for Environmental Economics (VIASEE), the Program of Communication, Building and Developing National Green Economy
	Top 10 Leading Brands – Products – Services in Vietnam 2016	Vietnam Association for Anti-counterfeiting and Trademark Protection (VATAP) and the Journal of Goods and Brands
16/09/2016	Typical Agricultural Products 2015	Vietnam Farmers Association's Central Committee
	The M&A deal between Thanh Thanh Cong Tay Ninh JSC (TTCS) and Bien Hoa Sugar JSC (BHS) was voted as the typical M&A deal in 2017	Voted by Investment Newspaper and AVM Vietnam under the support of the Ministry of Planning and Investment
	Merit for “Good performance in implementing tax policy in 2015”	General Department of Taxation
2017	Top 10 most trusted enterprises in Vietnam 2016	Enterprise Credit Rating Appraise Science Center (CRC)
	National Quality Gold Award 2016	Prime Minister/Ministry of Science and Technology
2017	Vietnam Strong Brand Award	Vietnam Economic Times
	Top 50 Best Listed Companies in Vietnam	Forbes Vietnam



NATIONAL QUALITY
GOLD AWARD



REPORT AND ASSESSMENT FROM BOARD OF DIRECTORS (CONTINUED)



DEVELOPMENT PLAN FOR FISCAL YEAR 2017-2018

OBJECTIVES FOR FISCAL YEAR 2017-2018

In fiscal year 2017-2018, the Company will implement the policy of stabilizing and developing self-control material zone; building model field and large sample field to apply mechanization and reduce production cost. Total material area reaches 27,800 hectares, in which farm sugarcane area is expected to reach more than 1,000 hectares. Particularly, TTCS will set up a stable material area not less than 13,600 hectares with average productivity more than 69 ton/ha.

Focus on develop the key product which is commercial electricity in order to utilize scraps, minimize production costs, protect environment, and create renewable energy. This is oriented in the Company's strategy to develop by-products.

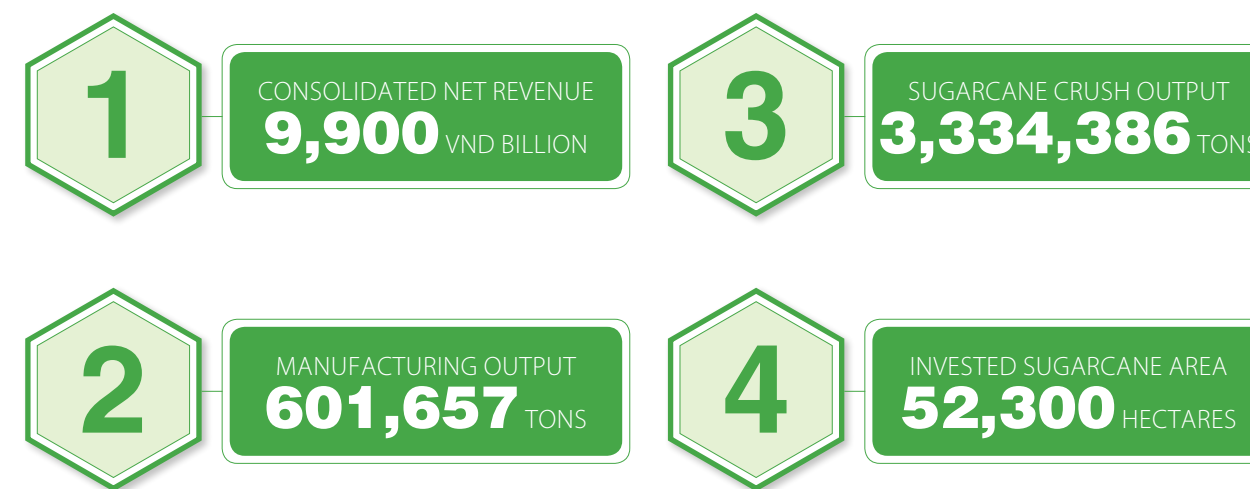
Maintain and consolidate human resources and maximally promote their professional qualifications to increase labor productivity. In fiscal year 2017-2018, promote internal training activities and apply post-training evaluation to save training cost and enhance training quality. Build and complete regulations to ensure consistent implementation in human resource activities in compliance with the Company's orientation, enhancing competition in the labor market.

Continue to complete customer database and promote development of new technologies, especially for RS product having high development potential. Implement the objective of occupying all market segments. Every 3 months, review transportation fee, transportation agencies, and fuel price to have plan for cost saving.

Restructure investment portfolio, make investment in the sugar companies having high dividend share and the companies manufacturing agricultural products. Strongly exploit low-cost sources of capital, build appropriate loan structure, ensure liquidity, take advantages of leverage, reduce financial cost, and enhance capital use efficiency to contribute to increasing value of TTCS.

Consolidate regulatory documents and management systems such as ERP, FRM, HRM, etc., maximally supporting the Company's corporate governance.

PLANNED TARGETS FOR FISCAL YEAR 2017-2018



PLANNED TARGETED OF PARENT COMPANY TTCS

Items	Unit	16-17 Performance	17-18 Plan	% Performance/ Plan
Cane crush output	Ton	880,124	937,615	107%
Raw sugar material	Ton	75,865	90,189	119%
Sugar product	Ton	154,375	177,767	115%
Sugar consumption RE + RS	Ton	192,077	238,800	124%
Net revenues	VND billion	3,420	3,962	116%

CONSOLIDATED PLANNED TARGETED OF TTCS

Planned target	Unit	Parent Company	
		16-17 Performance	17-18 Plan
Consolidated net revenues	VND billion	10,660	9,900
Manufacturing output	Ton	525,156	601,657
Cane crush output	Ton	3,089,098	3,334,386
Invested sugarcane area	Ha	47,923	52,300



REPORT AND ASSESSMENT FROM BOARD OF DIRECTORS (CONTINUED)

KEY SOLUTIONS IN FISCAL YEAR 2017-2018



Material

The Company has determined key solution in fiscal year 2017-2018 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 efficient investment policy suitable to each customer segment. Survey and research status of material zones, seeking potential areas for sugarcane development. Strengthen development of land fund. Research potential areas for developing large sample field. Organize seminar to encourage sugarcane farming in combination with popularizing policies and method to implement large sample field.
- » 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; and organize performance on sample sugarcane models and performance score. Control sugarcane breed suitable to each material zone.

- » Well control harvest activities: Release criteria on mature sugarcane, pure sugarcane, fresh sugarcane, sugarcane cutting standard; control rate of burned sugarcane under 8%.
- » Complete harvest management and IT application: Deploy remained functions of FRM to meet the needs on effective management of agricultural processes.
- » Enhance management, training and stabilization of human resources and efficient management scheme: Assign KPIs to each individual and entities. Give training in professional qualifications and skills to agricultural staffs, farming encouragement staffs and succession team.

Production technology

- » R&D: Push researches on new by-products to meet the market demand and improve the Company's competitiveness.
- » New investment, maintenance - Technical improvement: Research, learn and apply new appropriate project management solutions; apply efficient project management processes in compliance with the Company's regulations and the law; review project progress, give warnings to deferred projects as well as give out remedies to technical errors and deferred projects.
- » Training and human resources: Give training in professional knowledge and skills, prioritizing internal training. Build market research unit to master market demand as a basis for new product development. Improve performance assessment, encourage working spirit and enhance sense of responsibility of all employees.

Business operation

- » Focus on market development driven to consumption channel restructuring: Develop new industrial customers, especially for RS product which have high development potential; use data to seek new customers to optimally serve handicraft customers; increase proportion of products delivering high profit; maintain relations with big customers and keep market share.
- » Optimize logistics and customer care: Simultaneously implement processes, management and warehouse report of TTCS Gia Lai and Nuoc Trong Sugar JSC. Regularly evaluate transportation fee, transportation agencies and fuel price to save cost. Comprehensively improve quality and service. Develop Customer Care Center to timely solve customers' complaints.
- » Ensure product and service quality: Regularly coordinate production and business to create sugar products with absolutely stable quality before delivering to customer's warehouse; 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: Enhance training for sale team. Build succession team and promotion roadmap. Change salary scale. Deploy monthly bonus to B2B sale team.



Financial activities

- » Optimize financial activities: Strengthen exploitation of low-cost sources of capital to fund the projects. Build a healthy and efficient financial structure. Build appropriate loan structure, balance current liabilities and long-term liabilities, ensure liquidity, take advantages of leverage, reduce financial cost, enhance capital use efficiency, contributing to increase value for TTCS.
- » Effectively restructure investment portfolio: Invest in sugar companies having high dividend share and the companies operating in agricultural production to increase competitive capability.
- » Promote counseling role in plan making. Closely coordinate with financial – accounting departments of subsidiaries and member companies.

Other activities

- » **Human resource activities:** Consolidate human resources, promote professional qualifications and improve labor productivity. In fiscal year 2017-2018, it is expected to deploy Talent Network to increase brand identification of recruiter, increase candidate sources and manage recruitment database effectively. Prepare a good succession team for the future and serving the projects.
- » **System management**
 - » Consolidate system management: Release all regulatory documents according to TTCS form; propose solutions to enhance compliance; organize Contest of learning about regulatory documents 2017-2018.
 - » ERP, FRM, HRM, E-Office, etc.: ERP maintenance is expected to complete in August 2017; Deploy remained functions of FRM.



ORGANIZATION AND PERSONNEL IN THE FISCAL YEAR 2016-2017

RECRUITMENT

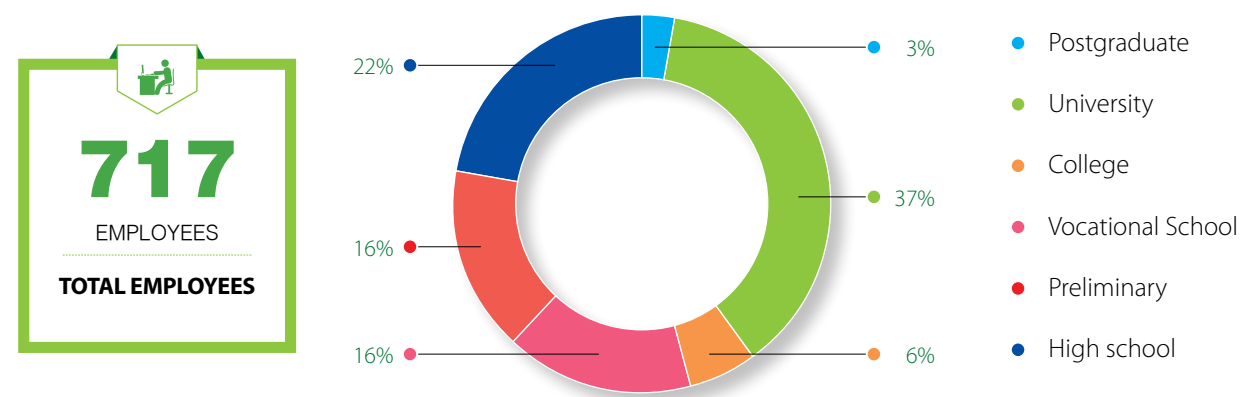
Number of staff and employees in the fiscal year 2016-2017:

No.	Position	TTCS	
		Employees	Rate
	Total	717	100%
I.	Full-time employees	518	72%
1	CEOs, Consultants to CEOs	9	1.2%
2	Directors, Consultants to Directors	13	1.8%
3	Middle-level managements: (Senior Managers/Managers or equivalent positions)	43	6%
4	Low-level managements: (Head/Vice Head of Shifts/Head of Stations/Supervisor or equivalent positions)	47	7%
5	Professional staffs	374	52%
6	Unskilled workers, cleaners and maids	32	4%
II.	Part-time employees	199	28%

In which, 16% of employees in TTCS are manager; 52% are specialist and 4% are common labor. Seasonal employees account for 28%.

Qualification structure of official employees:

Labor structure by education level



ASSIGNING EMPLOYEES TO MEMBER COMPANIES IN 2016-2017 IS RATED AT 11%, A QUITE HIGH RATE DUE TO M&A STRATEGY AND IMPLEMENTATION OF THE PROJECTS OF MEMBER COMPANIES IN THE GROUP.

In term of qualifications, with characteristics of a manufacturing company, the employees having vocational certificate and common labor account for 54%. This is a labor force with high professional skills and good practical skills, meeting the requirements of the plants. 46% of employees have college degree and above, who are office staffs, engineers, technical specialists and managers.

In fiscal year 2016-2017, the Company has recruited 88 new staffs to serve the functional departments. Most of them are agricultural and technical specialists.

Resignation rate in fiscal year 2016-2017 is 6.39%. This rate is quite low (under 10%) since the Company has paid more attention to improvement of working environment.

This rate also shows the effectiveness of the Company's remuneration policy, contributing to the stabilization of labor force.

TTCS focuses on advertising brand of recruiter in the current fiscal year. HR Department has successfully organized recruitment day at three large universities i.e. Nong Lam University, HCMC University of Technology and Education, and Hochiminh City University of Technology. The Company also took part in the student meeting in New Year 2017 organized by People's Committee of Tay Ninh Province to attract students to the Company's brand and recruit on spot. Moreover, in 2017, for the first time, the Company participated in the program of surveying Vietnam's 100 best places to work for the purposes of evaluating brand identification degree and advertising brand of recruiter.

Assigning employees to member companies in 2016-2017 is rated at 11%, a quite high rate due to M&A strategy and implementation of the projects of member companies in the Group.



ORGANIZATION AND PERSONNEL IN THE FISCAL YEAR 2016-2017 (CONTINUED)

TRAINING ACTIVITIES

Operational efficiency of an enterprises depends on many factors, in which quality of human resources plays a key role. Human resources include the managers and the workers who directly and indirectly take part in the production process. If they are regularly trained in professional qualifications, occupational ethics, and working skills, their performance will be maintained and developed. Through training, the employees can deeply understand their works, master working skills, enhance sense of responsibility, engage to the enterprise and, therefore, increase labor productivity. Thanks to that, the income of employees is improved and the enterprise develops sustainably.

Quality of human resources is the leading competitive advantage of an enterprise. High-quality human resources plays an important role in the development of the enterprise. Given awareness of the importance

QUALITY OF HUMAN RESOURCES IS THE LEADING COMPETITIVE ADVANTAGE OF AN ENTERPRISE. HIGH-QUALITY HUMAN RESOURCES PLAYS AN IMPORTANT ROLE IN THE DEVELOPMENT OF THE ENTERPRISE.

of high-quality human resources, the Company has annual training plan for all employees from management team to office staffs. Training activities of the Company in fiscal year 2016-2017 are as follows:

Training method	TTCS			
	Number of courses	Number of participants	Planned training cost	Actual training cost
External training	39	1,499	905,462,500	487,794,000
TTC On-site internal training	7	79	0	75,700,000
TTCS On-site internal training	2	24	36,000,000	75,160,000
Total	48	1,602	941,462,500	638,654,000

The Company's management team is aware that employees are the most valuable assets of an enterprise. In human resource management, the management team always give priority to training and nurturing capabilities to enhance performance as well as develop human resources. Training plan is annually made and fully implemented by the entities. Training activities are regularly reviewed and evaluated.

In fiscal year 2016-2017, the Company promoted training activities, focusing on internal training such as seminars, workshop, etc. to discuss and exchange experience in practical environment and activities of the Company. In addition, the Company's management team pays high attention to training professional qualifications and soft skills for the employees at management level to improve management efficiency at the entities.

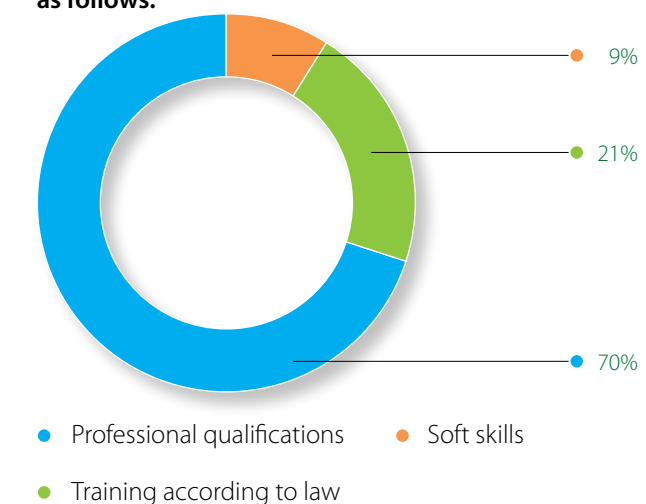
TTCS is proud to create an increasingly learning organization where knowledge, skills and experience are shared in an open-minded manner among employees and between managers and staffs. The Company's management team encourages and give support to internal training activities and build TTCS's knowledge bookshelf.



Training safety for workers is one of the most important ways to minimize risks, expenses and ensure production safety. In order to popularize knowledge of occupational safety and create a self-discipline working environment, the Company regularly organizes training courses about occupational safety and hygiene, electrical safety – checking safety degree, fire prevention and protection, etc.

The Company also focuses on updating and enhancing professional qualifications as well as training soft skills for employees such as sale skills, supervision skills, customer care skills, mid-level management skills, etc. to help the employees be confident in their works and improve problem solving capability to gain individual objectives and contribute to the Company's general objectives.

Training courses according to training objectives are as follows:





ORGANIZATION AND PERSONNEL IN THE FISCAL YEAR 2016-2017 (CONTINUED)



CHANGES IN BOM MEMBERS

No.	NAME	POSITION	NOTE
1	Mr. Nguyen Thanh Ngu	CEO	
2	Mrs. Tran Que Trang	Standing Deputy CEO	Appointed on 15/11/2016
3	Mr. Nguyen Van De	Deputy CEO	Resigned on 09/01/2017
4	Mrs. Duong Thi To Chau	Deputy General Manager of Sales Division	
5	Mr. Nguyen Viet Hung	Deputy General Manager of Material Division	Resigned on 01/07/2017
6	Mrs. Nguyen Thi Thuy Tien	Chief Financial Officer	
7	Mr. Le Duc Ton	Factory Manager	
8	Mr. Nguyen Hung Viet	Technical Manager cum Director of Long An Branch	
9	Mrs. Nguyen Thi Thu Trang	Support Manager	Appointed on 18/10/2016, resigned on 08/05/2017
10	Mrs. Ho Nguyen Duy Khuong	Support Manager	Appointed on 08/05/2017
11	Mr. Huynh Van Phap	Sale Manager	
12	Mr. Thai Ba Hoa	Material Manager	Resigned on 01/07/2017
13	Mr. Le Phat Tin	Chief Accountant	

BRIEF OF POLICIES AND CHANGES IN POLICIES TO EMPLOYEES

To enhance performance and connect labor force, the Company increasingly gives out transparent policies and systems suitable to the expectations of employees in order to motivate each individual. The Company is implementing the following policies and systems:

Salary policy

The Company releases a clear and transparent Regulation on Salary in order to:

- » Pay salary fairly in satisfaction with position, capability and performance.
- » Pay salary in conformity with the Company's financial position and in compliance with the Labor Code.
- » Get agreement on salary payment of the Company.
- » Recognize the contribution of the employees and keep talents of the Company.

Apart from complying with the legal regulations, after operation and adjustment, the Company's salary scale is more perfect and fair to employees. The Company annually adjusts salary for employees on the basis of business results to improve income of employee, motivate their working spirit and to enhance labor productivity.

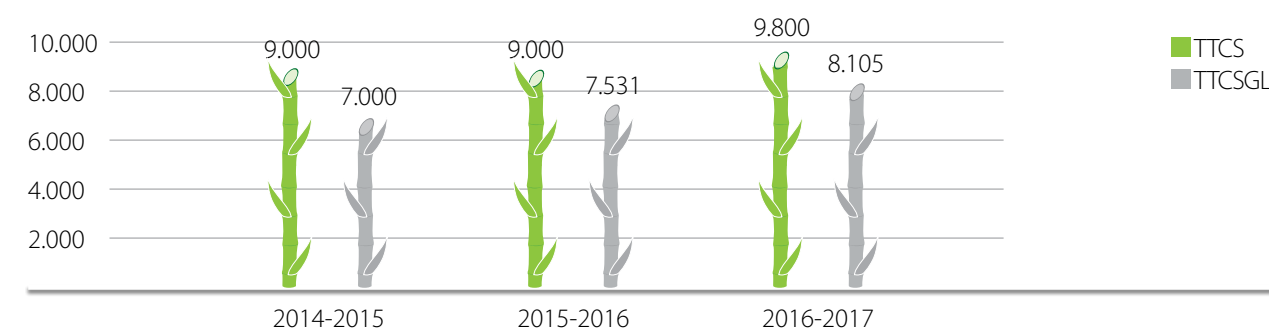


Average income of the Company's employees is gradually improved year by year, to be specific, VND9.0 million/month/person in 2015-2016 and VND9.8 million/month/person in 2016-2017. Particularly, in 2017, the Company has changed salary payment form, from net salary to gross salary. This payment form is ensured to comply with the nature of the Law on Personal Income Tax (PIT), in which PIT is reduced into the tax payer's income instead of the Company before and to comply with the regulations on the obligations related to mandatory insurance of the employees and the employers as in the Law on Social Insurance.

At TTCS Gia Lai, the average income of employees also gradually increase year by year, from VND7.5 million/month/person in 2015-2016 up to VND8.1 million/month/person in 2016-2017.

Average income of the Company's employees

Unit: VND million/month/person





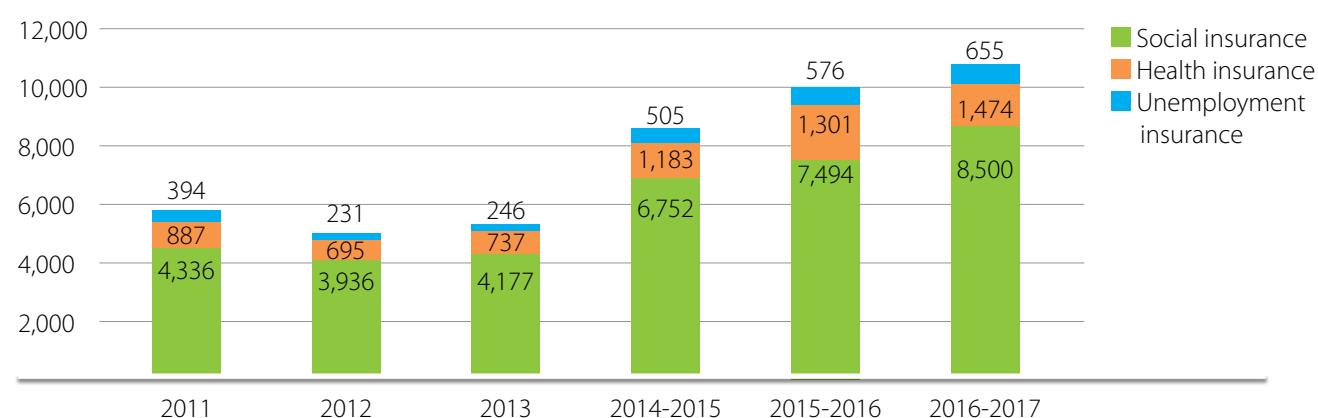
ORGANIZATION AND PERSONNEL IN THE FISCAL YEAR 2016-2017 (CONTINUED)

Insurance policy

The Company always ensures to fulfill social insurance, health insurance and unemployment insurance to the employees according to law. Details are as follows:

Payment of social insurance, health insurance and unemployment insurance in recent years

Unit: VND Million



On the other hand, the Company cares for material and spiritual life of employees through buying 24/24 accident insurance for all employees with the compensation value up to USD10,000/person/year (Bao Minh Tay Ninh Insurance), buying health insurance for mid-level managers (illness, pregnancy, maternity, etc.) with the highest value up to VND210,000,000/person/year (PVI Dong Do Insurance).

Bonus policy

Performance bonus

To encourage and motivate the employees as well as connect individual objective to the objective of the entity/the company, TTCS applies performance bonus based on KPIs.

Assessment criteria for the individual, entity and Company are as follows:

- » As for the individual: Based on the actual works of individual as stipulated in KPIs, which is built based on:
 - » Job description;
 - » Annual planned target assigned to the individual;
 - » The works arisen or assigned by direct manager during the period;



- » The compliance with the Company's internal regulations on working time, breaking time, security, etc. and the implementation of instructions from direct manager.
- » As for the entity: Based on the objectives and the targets assigned by the Company's management team to the Chief of entity.
- » As for the Company: Based on the objectives and the targets assigned by GMS to the Company

Performance assessment is regularly carried out to recognize working results of employees and to be able to timely regulate activities of individual and entity to ensure completion of planned targets, to be specific:

- » As for the individual: annual and monthly assessment
- » As for the entity and Company: annual and quarterly assessment

The Company has regulations on bonus ratio of individual to connect the performance of individual to that of entity and Company.

Bonus for completion of planned target

Through Regulations on Competition and Remuneration, the Company considers bonus to employees at the end of fiscal year. For the purpose of recognizing and encouraging the outstanding achievement of individual and collective which contributes to the Company's general success, the Company considers and chooses the individuals and collectives that have outstanding outcomes, corresponding to three levels i.e. Good, Very Good and Excellent.

Other bonuses

- » Bonus in the beginning of the crop: The Company's management team considers giving bonus to all employees in the beginning of each crop year to motivate working spirit and enhance production efficiency. The bonus in beginning of fiscal year 2016-2017 is equal to a haft of monthly salary per person.
- » Sudden bonus: To timely encourage and compliment the outstanding efforts of some departments and units to complete the planned target, the Company has given bonus nearly VND400 million to these units.
- » Initiative bonus: To promote initiatives in production technology, bringing practical values to the Company, the Company annually considers and chooses to give bonus to some individuals and collectives having helpful initiatives.
- » On the occasion of establishment anniversary of the Group on 28 July 2016, the Company gives bonus of VND7 million/person.





ORGANIZATION AND PERSONNEL IN THE FISCAL YEAR 2016-2017 (CONTINUED)

Welfare policy

- » Besides mandatory policies according to law such as health insurance, social insurance, and unemployment insurance, the Company has welfare policy for employees, to be specific:



- » The Company's medical station has a doctor and a nurse and is equipped with an ambulance and necessary equipment for initial medical examination.
- » Annually, the Company coordinates with organizations and associations to hold musical shows, sport competitions, etc. and facilitates the employees to participate in. The Company also organizes periodic health examination in July, occupational illness examination in September, special health examination for female employees, etc.
- » Additionally, the Company sets forth on-spot caring policy for employees such as improving shift-break meal quality, giving toxicity allowance to ensure health and create the best mood for employees in their work. The shift-break meal is offered at VND25,000/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 creates a clean and fresh working environment. 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 also promotes the initiative competition to put into application for noise reduction. In addition, the Company has a particular policy for those who work in toxic environment, giving toxicity allowance according to law and offering protective equipment such as earplugs, face mask, etc.
- » The Company calls for contribution from its employees to support the families and individuals in difficult circumstances.
- » At the same time, the Company focuses on creating a green – clean – beautiful working environment together with mottoes and images to help employees have thorough awareness of policies on protecting common house and common environment.



Training policy

- » Human resource development is considered the most important factor in the Company's sustainable development strategy. The Company annually makes budget for employee training and extracts welfare fund to care for employees and successors.
- » To create breakthrough values, the Company's leaders are the pioneers in updating knowledge and improving their skills. The Company's leaders are the people being chosen, challenged and trusted by GMS. They not only enhance knowledge and skills but also actively attend related activities to develop relationships, exchange and develop skills by themselves.
- » Actively train in professional qualifications, soft skills and management skills for employees, determines successors and orients their capability development road, etc.
- » Attend in training and leading programs.
- » Attend in CEO club, business club, TTC Talent, etc. to exchange experience.
- » Attend in the contest "Apply initiatives of TTCS products/services to reality".
- » Visit and study abroad.

Shareholder information and changes in owner's equity (according to the list dated 30/06/2017)

STOCK INFORMATION

» Total shares	253,188,268 shares
» Types of outstanding shares	Common shares
» Treasury shares	0 share
» Number of shares subject to unlimited transfer	248,628,931 shares
» Number of shares subject to limited transfer	4,559,337 shares
Reason for limited transfer: Shares subject to limited transfer are those issued under employee stock option program. Already released 50%, equivalent to 4,559,338 shares as of 19 June 2017; the remained 50% will limit transfer until 17 June 2018.	

SHAREHOLDER STRUCTURE

Ownership rate

No.	Shareholders	Number of shares	Ownership rate (%)	Number of shareholders	Shareholder structure (*)	
					Organization	Individual
1	State shareholder	-	-	-	-	-
2	Founding shareholder/FDI shareholders	-	-	-	-	-
	» Domestic	-	-	-	-	-
	» Foreign	-	-	-	-	-
3	Major shareholders (holding from 5% or of share capital or over)	103,493,743	40.88	2	2	-
	» Domestic	103,493,743	40.88	2	2	-
	» Foreign	-	-	-	-	-
4	Labor Union	-	-	-	-	-
	» Domestic	-	-	-	-	-
	» Foreign	-	-	-	-	-
5	Treasury stocks	-	-	-	-	-
6	Shareholders holding preferred shares (if any)	-	-	-	-	-
7	Other shareholders	149,694,525	59.12	2,479	68	2,411
	» Domestic	137,100,992	54.15	2,378	41	2,337
	» Foreign	12,593,533	4.97	101	27	74
	TOTAL	253,188,268	100	2,481	70	2,411
	In which:					
	» Domestic	240,594,735	95.03	2,380	43	2,337
	» Foreign	12,593,533	4.97	101	27	74

Shareholders structure is major shareholders and professional securities investors

No.	Subject	Quantity	Rate of ownership (%)	Number of shareholders	Shareholder structure (*)	
					Organization	Individual
1	Major shareholders, owning 5% of share capital and above, not professional securities investors	103,493,743	40.88	2	2	-
	» Domestic	103,493,743	40.88	2	2	-
	» Foreign	-	-	-	-	-
2	Professional securities investors are major shareholders owning 5% of share and above	-	-	-	-	-
	» Domestic	-	-	-	-	-
	» Foreign	-	-	-	-	-
3	Professional securities investors are shareholders owning under 5% of share capital	12,915,288	5.10	57	57	-
	» Domestic	321,759	0.13	32	32	-
	» Foreign	12,593,529	4.97	25	25	-
	Total	116,409,031	45.98	59	59	-

Type of ownership

Shareholders	Number of shares limited transfer	Number of shares unlimited transfer	Total	Ownership rate (%)
1	2(**)	3	4=2+3	5
I. Special shareholders	1,841,987	10,467,142	12,309,129	4.86%
1. Board of Management	1,094,237	7,462,920	8,557,157	3.38%
2. Board of Director	419,500	952,520	1,372,020	0.54%
3. Board of Supervisors	240,100	1,963,552	2,203,652	0.87%
4. Chief Financial Officer cum authorized person to disclose information	51,600	51,600	103,200	0.04%
5. Chief Accountant	36,550	36,550	73,100	0.03%
II. Treasury stock	-	-	-	
III. Labor Union	-	-	-	
IV. Shareholders holding preferred shares (if any)	-	-	-	
V. Other shareholders	2,717,350	238,161,789	240,879,139	95.14%
1. Domestic	2,717,350	225,568,256	228,285,606	90.16%
1.1 Individual	2,717,350	57,055,130	59,722,480	24.47%
1.2 Organization	-	168,513,126	168,513,126	42.97%
2. Foreign	-	12,593,533	12,593,533	4.97%
2.1 Individual	-	3,829,875	3,829,875	1.51%
2.2 Organization	-	8,763,658	8,763,658	3.46%
TOTAL	4,559,337	248,628,931	253,188,268	100.00%



SHAREHOLDER STRUCTURE (CONTINUED)

Major shareholders (owning 5% of share capital and above)

No.	Name of organizations and individuals	ID card no./Passport no./ Business registration no.	Issuance date		Address	Number	Ownership rate (%)	Transfer limit (**)		
1	Thanh Thanh Cong Investment JSC	0301466073	25/07/2007		291/56 Truong Chinh Street, Ward 14, Tan Binh District, HCMC	59,729,015	23.59	-	-	-
2	Global Mind Vietnam JSC	0303125287	21/03/2017		No. 75, Street 30/4, Ward 3, Ben Tre City, Ben Tre Province	43,764,728	17.29	-	-	-

OUTSTANDING SHARES HAVING VOTING RIGHT

No.	Content	Before change	Change		After change	Changing date	Reason
1	Charter capital (VND)	1,947,610,330,000	584,272,350,000		2,531,882,680,000		
2	Total number of shares	194,761,033	58,427,235		253,188,268		
3	Treasury stocks	0	0		0	24/10/2017	Issuing shares to existing shareholders to increase capital from owner's equity and pay dividend of 2015-2016 in form of shares.
4	Number of outstanding shares having voting right	194,761,033	58,427,235		253,188,268		
5	Number of preferred shares/others (if any)	0	0		0		

SITUATION OF OWNER'S EQUITY

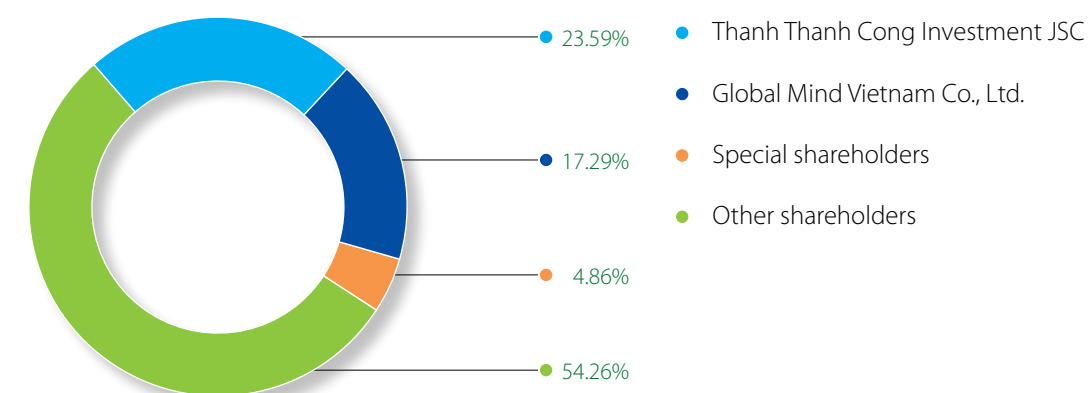
The Company conducted 01 share issuance in 2016-2017. Details are as follows:

Issuance purpose	Closing date	Issuance result reporting date	Number of shares issued	Issuance rate
Issuing shares to existing shareholders to increase capital from owner's equity and pay dividends of fiscal year 2015-2016 in form of shares	12/10/2016	24/10/2016	30%	58,427,235

CHANGE IN NUMBER OF TREASURY STOCKS

From 01 July 2016 to 30 June 2017, there is no transaction related to treasury stock. Number of treasury stocks as of 30 June 2017 was 0 share.

Structure of shareholders holding SBT





ENHANCE COLLABORATION ...

... PROMOTE STRENGTH



In the trend of strong global integration, TTCS always expresses a comprehensive spirit of collaboration as well as actively finds solutions to reduce production costs and cost of products to shorten the gap in sugar industry of Vietnam and the world.

CORPORATE GOVERNANCE

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BOM MEMBERS AND STRUCTURE

No.	BOM members	Position	The number of shares held on 30/6/2017	Ownership rate (%)	Position held at other Companies
1	Mr. Pham Hong Duong	Chairman	1,592,119	0.63%	» Chairman - Thanh Thanh Cong Alcohol Trading Production JSC » Chairman of Members Board - Hai Vy Co., Ltd.
2	Mrs. Nguyen Thi Hoa	Standing Vice Chairwoman	0	0%	» Chairwoman of Members Board - Bien Hoa - Ninh Hoa Sugar One Member Co., Ltd » Chairwoman - Bien Hoa Sugar JSC » BOM Member - Thanh Thanh Cong Sugarcane Research and Application JSC » Chairman of Members Board - Hai Vy Co., Ltd.
3	Mr. Le Van Dinh	Vice Chairman	20,670 (not yet deposited)	0.01%	» Member of Members Board - Thanh Thanh Cong Gia Lai One Member Co., Ltd
4	Mrs. Dang Huynh Uc My	Member	6,944,368	2.74%	» Chairwoman - Thanh Thanh Cong Investment JSC » Chairwoman - Ben Tre Import - Export JSC
5	Mr. Henry Chung	Member	0	0	» BOM Member - Bien Hoa Sugar JSC

Changes in the Board of Management and Board of Supervisors for the fiscal year 2016-2017

No.	BOM members	Position	Working period		Reason for changes
			From	To	
1	Mr. Pham Hong Duong	Chairman	01/07/2016	30/06/2017	Attending new term of BOM according to Resolution No. 02/2016/NQ-ĐHĐCĐ
2	Mrs. Nguyen Thi Hoa	Standing Vice Chairwoman	31/10/2016	30/06/2017	Attending new term of BOM according to Resolution No. 02/2016/NQ-ĐHĐCĐ
3	Mr. Le Van Dinh	Vice Chairman	01/07/2016	30/06/2017	Attending new term of BOM according to Resolution No. 02/2016/NQ-ĐHĐCĐ
4	Mrs. Dang Huynh Uc My	BOM Member	01/07/2016	30/06/2017	Attending new term of BOM according to Resolution No. 02/2016/NQ-ĐHĐCĐ
5	Mr. Henry Chung	BOM Member	31/10/2016	30/06/2017	Attending new term of BOM according to Resolution No. 02/2016/NQ-ĐHĐCĐ
6	Mrs. Pham Thi Thu Trang	BOM Member	30/06/2016	31/10/2016	Ended term
7	Mr. Nguyen Quoc Viet	BOM Member	30/06/2016	31/10/2016	Ended term
8	Mrs. Nguyen Thuy Van	Chief Supervisor	01/07/2016	30/06/2017	Attending new term of BOM according to Resolution No. 02/2016/NQ-ĐHĐCĐ
9	Mr. Huynh Thanh Nhan	BOS Member	01/07/2016	30/06/2017	Attending new term of BOM according to Resolution No. 02/2016/NQ-ĐHĐCĐ
10	Mrs. Pham Ngoc Thanh Mai	BOS Member	31/10/2016	30/06/2017	Attending new term of BOM according to Resolution No. 02/2016/NQ-ĐHĐCĐ
11	Mr. Nguyen Xuan Thanh	BOS Member	30/06/2016	31/10/2017	Ended term

SUB-COMMITTEES UNDER BOM

In fiscal year 2016-2017, BOM did not establish subcommittees. The BOM is planning to submit to GMS for approval on revising the Company's Charter and corporate governance regulations so as to establish subcommittees under BOM (Please see "Plan to establish and activities of subcommittees under BOM as set forth" page 127).





BOARD OF MANAGEMENT (CONTINUED)

BOM OPERATION REPORT IN FISCAL YEAR 2016-2017



ALL BOM ACTIVITIES ARE CONSIDERED CAREFULLY, IN COMPLIANCE WITH THE LAW ON ENTERPRISE, THE APPLICABLE LAWS AS WELL AS THE COMPANY'S CHARTER, ENSURING OBJECTIVENESS AND TRANSPARENCY ON THE BASIS OF RIGHTS, OBLIGATIONS AND RESPONSIBILITIES ACCORDING TO LAW, RESPECTING LEGAL RIGHTS AND BENEFITS OF SHAREHOLDERS.

Dear Honorable Shareholders,

- » Pursuant to the Law of Enterprise and documents guiding implementation thereof;
- » Pursuant to functions, obligations and rights 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 2015-2016.

Implementing Resolutions of GMS in fiscal year 2015-2016, BOM has fulfilled its duty of supervising the business plan and ensuring benefit of shareholders in compliance with its functions. BOM also implemented many activities to enhance the Company's brand to be willing for integration. The BOM operation in fiscal year 2016-2017 focuses on the following points:

- » Plan and control development orientation and strategy of the Company.
 - » Instruct and supervise the implementation of issues relating to business operations, capital and assets of TTCS.
 - » Supervise the increase of capital by issuing shares to existing shareholders and the dividend payment for fiscal year 2015-2016 in form of share.
 - » Orient and instruct the deployment of M&A activities and supporting the activities of subsidiaries and associates.
 - » Supervise extraordinary meeting of shareholders in fiscal year 2016-2017 to approve the merger with Bien Hoa Sugar JSC and deploy the merger after being approved GMS.
 - » Supervise the strategic investment in TTC Attapeu Sugarcane Co., Ltd.
 - » Supervise the activities of BOD and key managers.
 - » Instruct the information disclosure in compliance with regulations, ensuring transparency, timely manner and accuracy.
- All BOM activities are considered carefully, in compliance with the Law on Enterprise, the applicable laws as well as the Company's Charter, ensuring objectiveness and transparency on the basis of rights, obligations and responsibilities according to law, respecting legal rights and benefits of shareholders.

In fiscal year 2016-2017, to ensure compliance with the internal regulations and development demand of the Company, through periodic meetings/extraordinary meetings in forms of direct meeting or dialogue or email, BOM has coordinated with BOS to support BOD in timely responding to the market fluctuations.

From 01 July 2016 to 30 June 2017, BOM had 47 meetings as follows:

Time	Number of meetings	Main contents
7/2016	5	» Supporting operations of Thanh Thanh Cong Trading JSC. » Approving tendering plan phase 2 of Tay Ninh Commercial Center Project. » Selling treasury stock. » Increasing capital and revising the Company's Charter. » Approving credit line at Tien Phong Bank. » Changing the form of EGM into taking shareholders' opinions in written.
8/2016	2	» Approving the use of credit line and transactions at Techcombank. » Approving credit line at Vietcombank – North Saigon. » Issuing bonds to increase capital from owner's equity and paying dividends for fiscal year 2015-2016.
9/2016	4	» Extending operating time of Ben Cau TTCS Farm. » Adjusting closing date of shareholder list. » Organizing GMS of fiscal year 2015-2016. » Signing contract to purchase materials, spare parts, fuels, and tools used for production and agricultural machinery.
10/2016	5	» Selling components of pulling machine and harvest machine to Hoang Anh Attapeu Sugarcane Co., Ltd. » Approving credit line at Mizuho Bank. » Approving credit line at HD Bank.
11/2016	3	» Supporting Thanh Thanh Cong Trading JSC. » Electing Chairman, Vice Chairman and members of BOM in 2016-2021 term. » Increasing capital and revising the Company's Charter. » Approving credit line at Military Bank – Eastern Saigon Branch. » Approving short-term credit line at Shinhan Vietnam – HCMC Branch. » Approving credit line at HD Bank.
12/2016	8	» Supporting Thanh Thanh Cong Gia Lai One Member Co., Ltd. » Approving the policy on transactions with stakeholders, of which the value under 35% of total assets. » Adjusting objectives and scale of the project according to business registration certificate No. 451031000014. » Selecting auditor for financial statements of fiscal year 2016-2017. » Approving the contents relating to TTCS Gia Lai which are under the competency of owner.
1/2017	3	» Dismissing Deputy CEO and changing legal representative of TSU Investment Pte., Ltd. » Rewarding the individuals with outstanding achievements in 2015-2016. » Transactions with stakeholders.
2/2017	4	» Assigning authority to sign executive documents. » Increasing charter capital of Thanh Thanh Cong Gia Lai Co., Ltd. » Approving credit line at BIDV » Establishing a branch in Long An and assigning Chief of Branch.
3/2017	3	» Approving credit line at Vietcombank – Northern Saigon Branch. » Organizing extraordinary general meeting of shareholders (EGM) in 2017. » Approving credit line at ACB. » Establishing Miaqua Water Co., Ltd. » Approving credit line at OCB – Dak Lak.
4/2017	4	» Meeting document of EGM for the fiscal year 2016-2017. » Making strategic investment in Hoang Anh Gia Lai Sugarcane Co., Ltd. » Issuing corporate bonds 2017. » Approving the policy of financial investment valued at VND100 billion.
5/2017	3	» Signing contract to buy John Deere equipment under agency policy. » Implementing the approved contents of EGM in fiscal year 2016-2017. » Investing fixed assets for fiscal year 2017-2018.
6/2017	3	» Supporting Tay Ninh Sugarcane JSC. » Supporting Thanh Thanh Cong Gia Lai One Member Co., Ltd. » Approving the policy to give loan to Labor Union.



Attendance rate of BOM members:

Period: From 01/07/2016 to 31/12/2016

No.	BOM member	Position	Number of meetings	Rate of attending	Reasons for not attending
1	Mr. Pham Hong Duong	Chairman	27	100%	-
2	Mrs. Nguyen Thi Hoa	Standing Vice Chairwoman	10	100%	-
3	Mr. Le Van Dinh	Vice Chairman	27	100%	-
4	Mrs. Dang Huynh Uc My	Member	27	100%	-
5	Mr. Henry Chung	Member	10	100%	-
6	Mrs. Pham Thi Thu Trang	Member	16	100%	-
7	Mr. Nguyen Quoc Viet	Member	16	100%	-

Period: From 01/01/2017 to 30/06/2017

No.	BOM member	Position	Number of meetings	Rate of attending	Reasons for not attending
1	Mr. Pham Hong Duong	Chairman	20	100%	-
2	Mrs. Nguyen Thi Hoa	Standing Vice Chairwoman	20	100%	-
3	Mr. Le Van Dinh	Vice Chairman	20	100%	-
4	Mrs. Dang Huynh Uc My	Member	20	100%	-
5	Mr. Henry Chung	Member	20	100%	-

ASSESSMENT ON BOM PERFORMANCE

In fiscal year 2016-2017, BOM has enhanced quality, capability and transparency in corporate governance in compliance with the prevailing regulations and international practices. Those efforts are recognized through the following results:

- » BOM has successfully completed their roles. Accordingly, the role of non-executive members is very important and has been shown clearly and transparently. This helps to ensure maximal interest of minority shareholders of the Company.
- » BOM maintains regular meetings to get consensus on orientation in the spirit of closely following up the duties assigned by GMS, continuously updating the progress and result of performance and strictly supervising BOD. Quantity and quality of the meetings are ensured in accordance with the Company's regulations. The number of attendee is also ensured to meet the requirements in legality and effectiveness of the meetings.

» BOM gives orientation and supervision to the implementation of key projects such as risk management, internal control, and improvement of management process.

» The sub-committees under BOM have complied with the operational principles stipulated in the Company's regulatory documents. Each member actively completes their responsibilities and has practical contributions to the corporate governance as well as the general development of TTCS.

Best regards,

For and on behalf of the BOM

Chairman

Pham Hong Duong





BOM REPORT ON CEO AND BOD

Dear Honorable Shareholders,

- » Pursuant to the Law on Enterprise and documents guiding implementation thereof;
- » Pursuant to functions, obligations and rights 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 2015-2016.

BOM has supervised activities of CEO in implementation of Resolutions of GMS and BOM in fiscal year 2016-2017. The results are as follows:

Supervision method

- » Through the periodic meetings (monthly and quarterly) and extraordinary meetings, BOM makes questions and discussions to BOD on the activities of BOD and CEO to implement the business plan and targets assigned by GMS.
- » BOM releases Resolutions/Decisions after periodic and extraordinary meetings to give approval on plan for the following quarter and other relevant matters as a basis for BOD's implementation.
- » In addition, through management programs applied in fiscal year 2015-2016 such as FRM, ERP, EOffice, etc., business results of the Company are updated thoroughly, consistently and transparently by BOM. On the other hand, CEO actively reports to BOM



about performance progress as well as difficulties and impediments to timely discuss and get instruction from BOM for best solution.

- » On the basis of determining the works prioritized by BOM and actual situation at the Company, BOM makes assessment on BOD members, based on the CEO's assessment results. The assessment is focused on BOD's implementation of BOM's resolutions. BOD members are assessed in respects of KPI completion of each member and KPI completion of the division that BOD member is in charge. Assessment Council evaluates performance of each BOD member and CEO based on the results of fiscal year 2016-2017 through KPIs of each member.
- » BOM has closely coordinated with BOS to supervise and handle the business situation at the Company. BOS members are invited to attend the meetings of BOM. Thanks to that, BOM and BOD have a chance to discuss and receive useful opinions and proposals from BOS. The opinions of BOS are always recognized and considered an important basis for BOM and BOD in making decisions, ensuring to comply with the resolutions of GMS and the legal regulations.

Supervision results

- » Implementation of targets assigned by GMS: Revenue reaches nearly VND4,502 billion and profit before tax reaches more than VND367 billion, exceeding the planned target by 19%. The Company has extracted and distributed profit and given dividend of fiscal year 2015-2016. The Company has fully given remuneration for BOM and BOS. The Company has also selected Ernst & Young Vietnam Ltd to audit financial statements for fiscal year from 01 July 2016 to 30 June 2017 and revised the Company's Charter. The BOM members who were elected on 31 October 2016 have been assigned duties and made positive contributions to TTCS's corporate governance. The merging progress of Bien Hoa Sugar JSC into TTCS according to the policy approved on 25 May 2017 has been completed up to 70% and ensured schedule of disclosing information in Prospectus for share swap.
- » Implementation of Resolutions/Decisions of BOM: Material area development, investment withdrawal and caring have been completed according to the planned targets. The implementation of projects are ensured to follow the total investment value and the approved progress. Besides traditional customers,



the Company has approached to new customer segments, developing B2C sales and handicraft channel. The financial investments deliver high efficiency and makes positive contributions to the profit of fiscal year 2016-2017.

- » Violation against the regulations: In fiscal year 2016-2017, BOM has coordinated with BOS to regularly inspect and support BOD. Therefore, there was no serious violation in corporate governance.

Conclusion on assessment

- » BOM high appreciates the efforts of BOD in implementing the business plan and assigned targets and exceeding the planned target on profit.
- » Assessment results on BOD members are fully provided and explained to the Company's Assessment Council to consider and review before making conclusion. Closing fiscal year 2016-2017, according to the BOM's assessment, all BOD members, including CEO and Executive Directors obtained Excellence assessment in their performance.

Best regards,

For and on behalf of the BOM

Standing Vice Chairwoman

Nguyen Thi Hoa



PERFORMANCE OF NON-EXECUTIVE MEMBER

Mr. Henry Chung meets all requirements and standards to become a non-executive member of BOM of TTCS, including:

- » Not working for the Company or subsidiaries of the Company; not worked for the Company or subsidiaries of the Company in recent 3 years;
- » Not enjoying any salary or remuneration from the Company, excluding the allowance for BOM member as regulated;
- » Not having wife, parents or parents-in-law, children or children-in-law, brothers and sisters who are the shareholders or managers of the Company or subsidiaries of the Company;
- » Not directly or indirectly owning at least 1% of total shares with voting right in the Company.

With the roles of making questions, supervising and counseling the Company's corporate governance, non-executive BOM member contributes to balance interest

of shareholders, especially save rights and benefits of minority shareholders. BOM assesses Mr. Chung has successfully fulfilled his duties, including:

- » Support and counsel BOD in M&A deals.
- » Control the decision making and supervising the implementation of BOD.
- » Give proposals and counsel BOM in maximize financial resources, human resources and remunerations for employees.
- » Supervise the implementation of rights and save benefits of shareholders by supervising custody and listing shares issued to existing shareholders to increase capital and pay dividends by share; supervise the organization of EMS in fiscal year 2016-2017 to approve the merger with Bien Hoa Sugar JSC. In the next fiscal year, Mr. Henry Chung will continue to accompany TTCS and complete his duties in high sense of responsibility. Together with other BOM member, he will make positive contributions to the issuance of right, fair and prompt policies and decisions of the Company.



OPERATIONAL ORIENTATION OF BOM IN FISCAL YEAR 2017-2018

Dear Honorable Shareholders,

- » Pursuant to the Law on Enterprise and documents guiding implementation thereof;
- » Pursuant to functions, obligations and rights 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);

Fiscal year 2017-2018 is an important time of TTCS in particular and Vietnam's sugar industry in general. As one of the leading and orienting enterprises in restructuring sugar industry in Vietnam, TTCS has been and will continue to pursue the strategies set forth for the period 2016-2020. The objectives and action plans for fiscal year 2017-2018 are as follows:

Investment, production and business

- » Maintain the Company's development progress by building business plan for 2017-2018 and detailed action plans to complete the targets.
- » Affirm the Company's brand, continuing to develop in line with the orientation to become "a leader in sugar industry in Vietnam and Indochina"; consolidate position and market share of industry channel; expand market share of consumer channel; promote handicraft channel, medium and small customers, and export.

- » Be willing to integrate by reducing production costs; continue to modernize agriculture; expand material area; push R&D activities, developing by-product lines with high profit; expanding market through modern marketing practices.
- » Continue M&A activities to own more subsidiaries in the same industry.
- » Continue to support subsidiaries in strategy building, corporate governance and management to maximally promote potential and improve business efficiency.

Internal administration

- » Standardize, complete and enhance quality of human resources after the merger such as classifying personnel levels, standardizing positions, salary, allowance, and bonus so as to be worthy of the performance and contribution of each position.
- » Complete risk management system to limit negative effects to business efficiency by releasing regulatory documents; strengthening inspection and completion of regulations to create a legal framework and administration for the operations of TTCS and its subsidiaries and associations; well control of risks at the entities.
- » Comply with the Law on Enterprises, prevailing legal regulations, the Company's Charter, and internal regulations; ensure objectiveness and transparency on the basis of preventing benefit conflicts between the Company and the members of BOM, BOD, BOS and stakeholders, respecting rights and benefits of shareholders.

With the above-mentioned orientations, BOM will continue to strengthen its management, instruction and supervision on the Company's operations in all respects, ensuring to implement the resolution of GMS for fiscal year 2017-2018 in a good manner.

Best regards,

For and on behalf of the BOM

Chairman

Pham Hong Duong



THE LIST OF BOM MEMBER HAVING CERTIFICATE ON CORPORATE MANAGEMENT

In order to enhance quality of corporate governance in public companies, contribute to improve operational efficiency and capital mobilization of the companies, enhance transparency of the market, update knowledge and skills about corporate governance in conformity with Vietnamese laws and international standards, etc., the Company's leaders have attended and completed training courses about corporate governance for public companies which was organized and certified by State Securities Commission (SSC) - Securities Science Research and Training Center, to be specific:

No.	Full name	Position	Certificate No.	Date of issuance
1	Mrs. Dang Huynh Uc My	BOM member	No. 30 QTCT 292/QĐ-TTNC	15/11/2013
2	Mr. Le Van Dinh	BOM member	No. 06 QTCT 292/QĐ-TTNC	15/11/2013
3	Mrs. Nguyen Thi Thuy Tien	Chief Financial Officer	No. 59 QTCT 292/QĐ-TTNC	15/11/2013

Apart from the training courses about corporate governance, supervisors and personnel in charge of information disclosure attend seminars held by SSC and HOSE to enhance corporate governance capability, to be specific:

No.	Full name	Position	Training contents
1	Mrs. Nguyen Thuy Van	Chief Supervisor	» Attend in training about Internal Audit Handbook. » Update new legal regulations and development of Internal audit in Vietnam.
2	Mr. Huynh Thanh Nhan	Supervisor	» Role of Internal audit in listed company.
3	Mr. Nguyen Minh Tri	Head of Internal Control Dept.	» Attend in training about Internal Audit Handbook.
4	Mr. Nguyen Quoc Huan	Chief Office	» Training about making sustainable development report according to IFC standards. » Training about corporate governance according to IFC standards. » Attend in training about Information disclosure on Annual Report and standards of ASEAN corporate governance scorecard. » Training about secretary professional qualification and enhance corporate governance standards in Singapore.
5	Mrs. Nguyen Thi Hong Phan	Deputy Head of System Management (in charge of Legal)	» Update regulations on information disclosure according to Circular No.155/TT-BTC. » Update regulations on information disclosure of HOSE.
6	Mr. Nguyen Quang Thai	Specialist of BOM's Office	» Training about making sustainable development report according to IFC standards. » Training about corporate governance according to IFC standards. » Update regulations on information disclosure according to Circular No.155/TT-BTC. » Update regulations on information disclosure of HOSE. » Attend in training about Information disclosure on Annual Report and standards of ASEAN corporate governance scorecard.



MEMBERS AND STRUCTURE OF THE BOARD OF SUPERVISORS (BOS)

No.	Supervisor	Position	Number of shares owned by date 30/06/2017	Rate (%)	Positions held at other companies
1	Mrs. Nguyen Thuy Van	Chief Supervisor	1,350,520	0.53	Supervisor - Bien Hoa Sugar JSC
2	Mrs. Pham Ngoc Thanh Mai	Supervisor	-	-	No
3	Mr. Huynh Thanh Nhan	Supervisor	21,500	0.01	Chief Supervisor - Tay Ninh Sugar JSC

CHANGING SUPERVISORS IN FISCAL YEAR 2016-2017

In fiscal year 2016-2017, according to the Resolution of GMS for fiscal year 2015-2016 dated 31 October 2016, GMS has approved the Submittal on election of supervisors for the term from 01 July 2016 to 30 June 2021 and approved election result for supervisors, including Mrs. Nguyen Thuy Van, Mrs. Pham Ngoc Thanh Mai and Mr. Huynh Thanh Nhan. The supervisors has consented to choose Mrs. Nguyen Thuy Van as Chief Supervisor.



MEETINGS OF BOS

BOS of TTCS includes 3 members, entrusted by GMS to be responsible for supervising all operations of the Company according to law. In fiscal year 2016-2017, closely coordinating with BOM and BOD, BOS has successfully completed their duties as well as proposed prompt suggestions to limit risks and enhance management quality in the Company's operation.

BOS has organized meetings to re-arrange personnel and given assessment on supervision of the Company's operation. Details of the meetings are as follows:

- » October 2016: Meeting to vote Chief Supervisor for 2016-2021 term and assign tasks for supervisors.
- » November 2016: Meeting to evaluate the Company's operation in first quarter of 2016-2017 and make discussion on supervision of corporate governance and management of BOM and BOD; Make discussion and evaluate the supervision of harvesting activities in crop year 2016-2017.
- » March 2017: Meeting to evaluate all the Company's operations in the first 6 months of fiscal year 2016-2017 and plan for the last 6 months of fiscal year 2016-2017; make discussion and give assessment on

the supervision of construction projects of Production Technical Division, the supervision of investments in crop year 2016-2017.

- » May 2017: Meeting to assess the Company's financial situation in the 3rd quarter of fiscal year 2016-2017 and make discussion on the supervision of corporate governance and management of BOM and BOD; make discussion on the supervision of financial activities and preparation of financial statements of Finance – Accounting Division, the supervision of activities of Tay Ninh Commercial Center – TTC Plaza.
- » August 2017: Meeting to evaluate all the Company's operations in fiscal year 2016-2017 and plan for 2017-2018; make discussion and give assessment on results of checking and supervising the preparation of financial statements for fiscal year 2016-2017.

The supervisors have agreed with the opinions in the meetings.

Besides main meetings, BOS makes discussion through email and telephone; organizes and attends many meetings with BOM, Internal Control Dept. and potential consultants to fulfill the duties of BOS.



REPORT ON BOARD OF SUPERVISOR'S PERFORMANCE



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.

Supervision on the implementation of resolutions of GMS and the compliance to the law

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 fully paid remuneration for BOM and BOS; distributed dividends for fiscal year 2015-2016; selected auditor for financial statements of fiscal year from 01 July 2016 to 30 June 2017 - Ernst & Young Vietnam Ltd.; revised the Company's Charter; completed the merging plan and signed merging agreement with Bien Hoa Sugar JSC according to the

resolutions of GMS and EMS.

- » 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 in compliance with the Company's Charter and the laws.
- » BOD has fully implemented the instructions according to the resolutions of GMS. BOS highly appreciates the efforts of BOD in running the Company's operations as well as timely response to the fluctuations in the market. With the good outcomes, the Company has affirmed its position as an entity having efficient operation, potential power and internal power.

Supervision on financial position

The BOS verified the quarterly, 6-month and annual financial statements for the fiscal year from 01 July 2016 to 30 June 2017. 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 01 July 2016 to 30 June 2017 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 30 June 2017 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.

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 our 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 2016-2017 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

The periodic or extraordinary meetings of BOM are informed to and attended by BOS. Thanks to that, the resolutions of BOM are implemented strictly, timely and effectively.

The monthly meetings of BOD are also attended by BOS. Accordingly, the decisions of BOD get consensus among members and comply with the instructions of BOM.

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 2017 - 2018

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

WITH THE MOTTO TO SUPPORT AND STRENGTHEN THE INTERNAL CONTROL SYSTEM, THE BOARD OF SUPERVISORS ALWAYS PLAYS A KEY ROLE IN REVIEWING, IDENTIFYING AND IMPROVING THE OPERATION SYSTEM, ASSURING THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS TO BE CONFIDENT IN MANAGEMENT & ADMINISTRATION.

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.

With the motto to support and strengthen the internal control system, the Board of Supervisors always plays a key role in reviewing, identifying and improving the operation system, assuring the Board of Management and the Board of Directors to be confident in management & administration.

Best regards,
For and on behalf of the BOS
Chief Supervisor

Nguyen Thuy Van



TRANSACTIONS, REMUNERATION AND BENEFITS TO BOM, BOD AND BOS



REMUNERATIONS FOR BOM MEMBERS, BOS AND SALARY, BONUS OF BOD DURING FISCAL YEAR 2016-2017

Remunerations for BOM members during fiscal year 2016-2017

No.	Full name	Position	Working period		Cost (VND Million)				Rate			
			From	To	Salary	Bonus	Remuneration	Total	Salary	Bonus	Remuneration	Total
1	Mr. Pham Hong Duong	Chairman	01/07/2016	30/06/2017	0	0	360	360	0%	0%	100%	100%
2	Mr. Le Van Dinh	Vice Chairman	01/07/2016	30/06/2017	0	0	420	420	0%	0%	100%	100%
3	Mrs. Dang Huynh Uc My	Member	01/07/2016	30/06/2017	0	0	1,200	1,200	0%	0%	100%	100%
4	Mr. Nguyen Quoc Viet	Member	01/07/2016	31/10/2016	0	0	120	120	0%	0%	100%	100%
5	Mrs. Pham Thi Thu Trang	Member	01/07/2016	31/10/2016	0	0	120	120	0%	0%	100%	100%
6	Mrs. Nguyen Thi Hoa	Standing Vice Chairwoman	01/11/2016	30/06/2017	0	0	240	240	0%	0%	100%	100%
7	Mr. Henry Chung	Member	01/11/2016	30/06/2017	0	0	240	240	0%	0%	100%	100%

Remunerations for BOS members during fiscal year 2016-2017

No.	Full name	Position	Working period		Cost (VND Million)				Rate			
			From	To	Salary	Bonus	Remuneration	Total	Salary	Bonus	Remuneration	Total
1	Mrs. Nguyen Thuy Van	Chief Supervisor	01/07/2016	30/06/2017	0	0	240	240	0%	0%	100%	100%
2	Mr. Huynh Thanh Nhan	Member	01/07/2016	30/06/2017	0	0	240	240	0%	0%	100%	100%
3	Mr. Nguyen Xuan Thanh	Member	01/07/2016	31/10/2016	0	0	80	80	0%	0%	100%	100%
4	Mrs. Pham Ngoc Thanh Mai	Member	01/11/2016	30/06/2017	0	0	160	160	0%	0%	100%	100%



TRANSACTIONS, REMUNERATION AND BENEFITS TO BOM, BOD AND BOS (CONTINUED)

Salary, bonus for BOD in the fiscal year 2016-2017: VND8,653,361,716
(including PIT, social insurance, health insurance, Union dues)

No.	Full name	Position	Working period		Rate			
			From	To	Salary	Bonus	Remuneration	Total
1	Mr. Nguyen Thanh Ngu	CEO	01/07/2016	30/06/2017	83%	17%	0%	100%
2	Mrs. Tran Que Trang	Standing Deputy CEO	15/11/2016	30/06/2017	94%	6%	0%	100%
3	Mr. Nguyen Van De	Deputy CEO	01/07/2016	08/01/2017	72%	28%	0%	100%
4	Mrs. Duong Thi To Chau	Deputy General Manager of Sales Division	01/07/2016	30/06/2017	82%	18%	0%	100%
5	Mr. Nguyen Viet Hung	Deputy General Manager of Material Division	01/07/2016	30/06/2017	83%	17%	0%	100%
6	Mrs. Nguyen Thi Thuy Tien	Chief Financial Officer	01/07/2016	30/06/2017	83%	17%	0%	100%
7	Mr. Le Duc Ton	Factory Manager	01/07/2016	30/06/2017	83%	17%	0%	100%
8	Mr. Nguyen Hung Viet	Technical Manager	01/07/2016	30/06/2017	88%	12%	0%	100%
9	Mrs. Nguyen Thi Thu Trang	Manager of Supporting Division	01/07/2016	07/05/2017	78%	22%	0%	100%
10	Mr. Le Phat Tin	Chief Accountant	01/07/2016	30/06/2017	85%	15%	0%	100%
11	Mr. Huynh Van Phap	Manager of Sales Division	01/07/2016	30/06/2017	83%	17%	0%	100%
12	Mr. Thai Ba Hoa	Manager of Material Division	01/07/2016	30/06/2017	82%	18%	0%	100%





TRANSACTIONS, REMUNERATION AND BENEFITS TO BOM, BOD AND BOS (CONTINUED)



SHARE TRANSACTIONS OF INTERNAL SHAREHOLDERS, MAJOR SHAREHOLDERS

Share transactions of internal shareholders

Share transactions of internal shareholders and related people as from 01/07/2016 to 31/12/2016.

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		Reasons for increase/decrease (buy, sell, conversion, bonus ...)
			Number of shares	Rate	Number of shares	Rate	
1	Mr. Pham Hong Duong	Chairman	1,319,485	0.68%	1,650,329	0.65%	Sell 50,000 shares, receive 30% of additional shares issued to existing shareholders and receive dividends by shares.
2	Mr. Le Van Dinh	Vice Chairman	1,158,600	0.59%	20,670	0.01%	Buy 106,570 shares, sell 1,249,270 shares, receive 30% of additional shares issued to existing shareholders and receive dividends by shares.
3	Mrs. Nguyen Thuy Van	Chief Supervisor	1,060,370	0.51%	1,350,520	0.5%	Net sell 27,960 shares, receive 30% of additional shares issued to existing shareholders and receive dividends by shares.
4	Mr. Huynh Van Phap	Manager of Sales Division	81,700	0.04%	81,700	0.03%	Sell 24,510 shares, receive 30% of additional shares issued to existing shareholders and receive dividends by shares.
5	Mr. Thai Ba Hoa	Manager of Material Division	93,200	0.05%	93,200	0.04%	Sell 27,960 shares, receive 30% of additional shares issued to existing shareholders and receive dividends by shares.
6	Mrs. Nguyen Thi My Tien	CFO's young sister	93,200	0.05%	93,200	0.04%	Sell 27,960 shares, receive 30% of additional shares issued to existing shareholders and receive dividends by shares.
7	Mrs. Nguyen Thi Bich Ngoc	BOM Member's young sister	0	0%	487,500	0.19%	Buy 375,000 shares, receive 30% of additional shares issued to existing shareholders and receive dividends by shares.

Share transactions of internal shareholders and related people as from 01/01/2017 to 30/06/2017

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		Reasons for increase/decrease (buy, sell, conversion, bonus ...)
			Number of shares	Rate	Number of shares	Rate	
1	Mr. Pham Hong Duong	Chairman	1,650,329	0.65%	1,592,119	0.6%	Net sell 58,210 shares
2	Mrs. Dang Huynh Uc My	BOM member	3,944,368	1.56%	6,944,368	2.65%	Net buy 3,000,000 shares
3	Mr. Huynh Thanh Nhan	Supervisor	27,950	0.01%	21,500	0.01	Net sell 6,450 shares
4	Mrs. Duong Thi To Chau	Deputy General Manager	113,750	0.04%	87,500	0.03%	Net sell 26,250 shares
5	Mr. Nguyen Viet Hung	Deputy General Manager	134,030	0.05%	103,100	0.04%	Net sell 30,930 shares
6	Mr. Huynh Van Phap	Manager of Sales Division	81,700	0.03%	61,600	0.03%	Net sell 10,000 shares
7	Mr. Le Duc Ton	Factory Manager	134,166	0.05%	103,206	0.04%	Net sell 30,960 shares
8	Mrs. Nguyen Thi Thu Trang	Manager of Supporting Division	109,980	0.04%	84,000	0.03%	Net sell 25,380 shares (Up to the day before no longer related people)
9	Mrs. Nguyen Thi Thuy Tien	Chief Financial Officer	134,160	0.05%	103,200	0.04%	Net sell 30,960 shares
10	Mr. Le Phat Tin	Chief Accountant	95,030	0.04%	73,100	0.03%	Net sell 21,930 shares
11	Mrs. Vo Thi Bich Hanh	Chief Accountant's wife	50,310	0.02%	38,700	0.01%	Net sell 11,610 shares
12	Mrs. Tran Huyen Tran	BOM Member's wife	831,260	0.33%	0	0%	Net sell 831,260 shares



TRANSACTIONS, REMUNERATION AND BENEFITS TO BOM, BOD AND BOS (CONTINUED)

Transactions with major shareholders

- » On 13 July 2016, Thuan Thien Investment Trading JSC sold 1,064,000 shares to restructure investment portfolio. The number of shares held by this company after the transaction was 31,899,015 shares, accounting for 16.66% of total outstanding shares.
- » On 11 August 2016, Market Vectors Vietnam ETF sold 1,721,870 shares. The number of shares held by this company after the transaction was 8,337,900 shares, accounting for 4.35%. This company is no longer a major shareholder.
- » On 20 October 2016, Son Tin Commodity Exchange JSC – a subsidiary of Thuan Thien Investment Trading JSC bought 4,783,540 shares. After the transaction, Son Tin Good Exchange JSC held 6,593,063 shares, equivalent to 1.48%.
- » On 23 December 2016, Son Tin Good Exchange JSC sold 1,800,000 shares. After the transaction, this shareholder held 3,735,919 shares, equivalent to 3.39%.
- » On 27 December 2016, Thuan Thien Investment Trading JSC bought 1,435,061 shares. The number of shares held by this company after the transaction is 42,253,777 share, equivalent to 16.69%.
- » On 28 December 2016, Bien Hoa Sugar JSC – related to Mrs. Nguyen Thi Hoa – Standing Vice Chairwoman, Mr. Henry Chung – BOM member, Mrs. Tran Que Trang – Standing Deputy CEO and Mrs. Duong Thi To Chau sold 5,009,575 SBT shares, accounting for 1.98% of total shares. The transaction was conducted from 19 December 2016 to 27 December 2016 according to agreement form.
- » On 09 March 2017, Thuan Thien Investment Trading JSC sold 5,000,000 shares. The number of shares held by this company after the transaction was 35,753,777, equivalent to 14.12%.
- » On 15 April 2017, Bien Hoa – Ninh Hoa Sugar One Member Co., Ltd. – related to Mrs. Nguyen Thi Hoa – Standing Vice Chairwoman and Mrs. Tran Que Trang – Standing Deputy CEO sold 4,014,285 shares. The number of shares held by this company after the transaction was 6,880,951.
- » On 28 April 2017, Bien Hoa – Ninh Hoa Sugar One Member Co., Ltd. – related to Mrs. Nguyen Thi Hoa – Standing Vice Chairwoman and Mrs. Tran Que Trang – Standing Deputy CEO sold 6,880,951 shares. The number of shares held by this company after the transaction was 0, equivalent to 0%.

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 managers 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 managers, or their related people or company, partner, association, or

organization of which member(s) of BOM, BOS, CEO, other managers, or their related people 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.





TRANSACTIONS, REMUNERATION AND BENEFITS TO BOM, BOD AND BOS (CONTINUED)



Statistic of transactions with relevant organizations

Company name	Transaction content	Total transaction value in the fiscal year 2016-2017
Thanh Thanh Cong Alcohol Trading Production JSC	Purchases of service	3,875,687,517
	Sales of goods	7,821,905
	Provisions of services	5,917,273
Thanh Thanh Cong Investment JSC	Sales of goods	190,038,071,444
	Purchases of service	9,781,195,193
	Purchases of goods	1,725,041,495
	Loan interest income	1,033,524,398
	Provisions of services	7,007,273
	Loan	764,880,000,000
Thanh Thanh Cong Trading JSC	Purchases of goods	110,199,000,000
	Purchases of service	36,452,448,928
	Sales of goods	35,265,678,600
	Loan interest income	31,105,458,559
	Purchases of materials	15,410,000,000
	Accrued service charge	1,061,596,000
	Provisions of services	229,090,911
	Purchases of goods	68,742,132,077
Global Mind Vietnam JSC	Loan interest income	11,730,084,208

Company name	Transaction content	Total transaction value in the fiscal year 2016-2017
Nuoc Trong Sugar JSC	Purchases of goods	95,409,481,361
	Purchases of material sugarcane	89,289,893,376
	End of season bonus	18,146,144,900
	Purchases of materials	8,766,656,219
	Sales of materials	972,903,604
	Loan interest income	648,487,510
	Sales of goods	531,776,327
	Provisions of services	150,000,000
	Dividend	694,651,000
Tay Ninh Sugarcane JSC	Purchases of goods	12,745,126,277
	Loan	14,000,000,000
	Loan interest income	1,241,597,218
	Loan interest expense	441,302,143
	Provisions of services	420,818,182
	Purchases of assets	350,000,000
	Sales of goods	40,221,818
	Purchases of materials	270,646,283,729
	Purchases of assets	550,172,700
Bien Hoa Sugar JSC	Sales of goods	172,824,993,270
	Purchases of material sugarcane	53,356,868,223
	Purchases of goods	4,166,166,391
	End of season bonus	2,512,722,500
	Sales of fixed assets	1,819,397,390
	Purchases of material sugarcane	643,075,598
	Purchases of services	539,756,677
	Provisions of services	346,234,133
	Sales of materials	20,017,144,035
Thanh Thanh Cong Sugarcane Research & Application JSC	Purchases of services	1,471,130,200
	Sales of goods	434,369,428
	Purchases of material sugarcane	299,196,860
	Sales of services	240,000,000
	End of season bonus	11,014,500



TRANSACTIONS, REMUNERATION AND BENEFITS TO BOM, BOD AND BOS (CONTINUED)

Company name	Transaction content	Total transaction value in the fiscal year 2016-2017
Thanh Thanh Cong Gia Lai One Member Co., Ltd	Loan	269,000,000,000
	Increase of charter capital	150,000,000,000
	Purchases of goods	134,690,971,342
	Dividend	50,000,000,000
	Purchases of materials	15,600,000,000
	Loan interest expense	2,419,666,664
	Sales of goods	488,571,428
	Sales of assets	365,954,964
	Purchases of machinery	316,914,846
Dang Huynh Industrial Zones Exploitation and Management JSC	Provisions of services	28,995,174
	Purchases of services	1,008,785,960
Ben Tre Import - Export JSC	Purchases of goods	33,857,142,857
	Sales of goods	1,368,349,500
	Loan interest income	1,219,501,112
SvayRieng Sugarcane One Member Co., Ltd	Purchases of materials	109,922,074,914
	Sales of goods	20,332,350,522
	Profit	7,288,838,895
	End of season bonus	4,121,947,000
	Loan interest income	45,424,928
Bien Hoa Ninh Hoa Sugar One Member Co., Ltd	Purchases of goods	130,953,619,050
	Purchases of materials	49,938,237,531
	Purchases of materials	443,929,500
Son Tin Commodity Exchange JSC	Purchases of goods	48,710,142,857
	Purchases of materials	149,472,871,475
	Interest income on purchases	13,598,051,703
Bien Hoa Phan Rang Sugar JSC	Purchases of goods	9,343,263,809
	Sales of assets	7,261,165,198
Thanh Thanh Cong Attapeu Sugarcane Co., Ltd.	Loan	3,000,000,000
	Loan interest income	174,666,668

Company name	Transaction content	Total transaction value in the fiscal year 2016-2017
Global Mind Commodities Trading Pte. Ltd	Purchases of materials	788,103,596,768
	Sales of goods	576,614,234,980
	Accrued material expense	253,120,000
Hai Vy One Member Co., Ltd.	Accrued service charge	23,429,454,343
	Payment on behalf	14,795,241,668
	Sales of services	3,830,908,734
	Sales of goods	2,544,098,559
	Purchases of material sugarcane	534,242,200
Thanh Thanh Cong Tourist JSC	Purchases of services	6,539,345,301
Toan Thinh Phat Techniques - Construction Co., Ltd (TTP Cons.)	Purchases of services	6,811,361,927
Thanh Thanh Cong Trading Production Package JSC	Purchases of goods	22,925,346,869
	Sales of goods	8,438,095
Hoang Anh Attapeu Sugarcane Co., Ltd.	Sales of goods	71,011,016,282
	Sales of assets	3,789,946,332
Miaqua Water One Member Co., Ltd.	Sales of goods	342,139,704

(Source: Audited Financial Statement 2016/2017)

IMPLEMENTATION OF CORPORATE GOVERNANCE REGULATIONS

All regulations and operations of the Company are in compliance with the legal regulations on corporate governance and the best international practices.

Outstanding activities to comply with and enhance corporate governance of the Company are:

- » **Comply with corporate governance regulations:** In fiscal year 2016-2017, the Company has continued to adjust the Company's Charter to make it suitable to the new provisions of the Law on Enterprise and applicable regulations. In fiscal year 2017-2018, the Company will continue to get approval from GMS to revise the Company's Charter and corporate governance schemes in accordance with Decree No.71/2017/NĐ-CP giving guidance on corporate governance for public company which was come into effect from 01 August 2017.
- » **Organize General Meeting of Shareholders (GMS):** The Company fully complies with the regulations on information disclosure and rights of shareholders in annual general meetings of fiscal year 2015-2016 on 31 October 2016 and extraordinary meetings of fiscal year 2016-2017 on 25 May 2017.
- » **Ensure transparency and benefits of all shareholders and investors:** TTCS fully complies with the obligations on information disclosure according to Circular No.155/2015/TT-BTC which was come into effect on 01 January 2016 of the Ministry of Finance regarding information disclosure in the securities market and the guiding documents of Vietnam Securities Depository and HOSE.
- » **Awards for corporate governance and information disclosure:** In fiscal year 2015-2016, the Company was honorably ranked 17th in Top 30 Best annual report 2016 and received the award for the report with best sustainable development contents.
- » **Scope of corporate governance and information disclosure:** In fiscal year 2016-2017, the Company has no violations against corporate governance and information disclosure that were reminded by HOSE and SSC.



TRANSACTIONS, REMUNERATION AND BENEFITS TO BOM, BOD AND BOS (CONTINUED)

PLAN TO IMPROVE CORPORATE GOVERNANCE

Apply IFC standards on corporate governance

In fiscal year 2016-2017, TTCS has made effort to step-by-step conduct advanced corporate governance and meet all requirements for a public company according to law. However, due to the difficulties in actual situation, the Company has not completed some contents recommended and legal regulations on corporate governance, to be specific:

No.	Contents	Reasons	Solutions/Remarks
1	Build corporate governance model according to international standards, IFC and ASEAN.	Not yet established sub-committee under BOM since there is no relevant regulations in the Company's Charter and Corporate governance regulations.	Start to partially apply from fiscal year 2016-2017.
2	BOM members attend in training courses about corporate governance.	Busy	Arrange BOM member to fully attend according to regulations.

- » Continue to supplement and amend regulatory documents, based on the actual situation: In fiscal year 2017-2018, the Company will continue to get approval from GMS on revising the Company's Charter and Corporate governance regulations in line with Decree No. 71/2017/ND-CP giving guidance on corporate governance for public company which was come into effect from 01 August 2017. This will help create a legal framework for conducting management activities and completing internal regulations/processes to improve corporate governance capability and management efficiency of TTCS, ensuring consistency and strengthening the compliance of the Company.
- » Continue to standardize Annual Report toward international standards: The Company continues to study and complete annual report as recommended by HOSE, in accordance with IFC and ASEAN Balance Score Card. In fiscal year 2017-2018, the Company will separate sustainable development report to sufficiently and clearly provide information as advised by SSC, HOSE and IFC standards.



Action plan and establishment of Sub-committees under BOM

BOM of fiscal year 2016-2017 has not established 3 sub-committees since the contents of these sub-committees are not mentioned in the Company's Charter and corporate governance regulation. In fiscal year 2017-2018, BOM will get approval from GMS to revise the Company's Charter and corporate governance regulation and then standardizing activities of 3 sub-committees, including:



Sub-committee of Strategy



Sub-committee of Audit and Risk Management



Sub-committee of Human Resources and Remuneration

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 2017-2018, the sub-committees will make report, suggestions and consultation to BOM for specific works in the work scope of sub-committees, to be specific:

- » **HR and Remuneration Sub-Committee**
 - » Report HR situation quarterly (labor headcount, salary, recruitment, etc.)
 - » Coordinate with Human Resources Committee TTC to deploy Human Resources Management Project.
 - » Build, amend and release salary and bonus policy for Business Division, Agricultural 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 2017-2018.
 - » Organize regular health examination for employees.
 - » Update, build and make plan for human resources, training, and succession team.



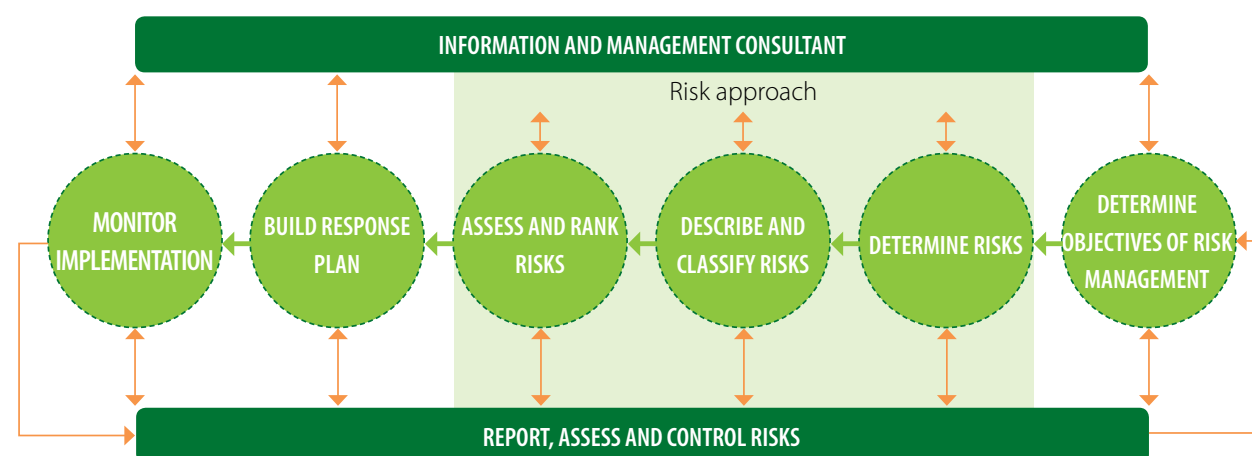
TRANSACTIONS, REMUNERATION AND BENEFITS TO BOM, BOD AND BOS (CONTINUED)

» Internal Audit and Risk Management Sub-Committee

- › Coordinate to check and evaluate financial statements and coordinate with Ernst & Young Vietnam (EY) to complete 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.

» 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.



INTERNAL AUDIT AND RISK MANAGEMENT

Establish Internal Audit Committee

TTCS Internal Audit Committee is established for the main purposes:

- › Ensuring that material risks are managed and controlled effectively through a policy clearly stipulating obligations, rights and responsibilities of relevant units;
- › Preventing operational risks, enhancing risk management efficiency, improving control system and corporate governance;
- › Enhancing the Company's operational efficiency by consulting, reporting and orienting BOM and BOD about risk management; setting up methods, programs, and approaches to audit effectively.

Risk management model

TTCS chooses the key corporate governance principle through "Three Lines of Defense" risk management model. Details are as follows:

- › The 1st Line of Defense: includes the divisions directly attending in production and business such as Agricultural Division, Factory Division, and Business Division. Main duties to these divisions are assessing, preventing, reporting and monitoring the risks arisen in business activities and other operational processes; protect benefits of the unit through evaluating risks and controlling efficiency of each unit.
- › The 2nd line of Defense: includes Compliance, Internal control, and Risk management. This line makes an important role in giving independent assessment and

control the efficiency of the system in the 1st Line of Defense; monitoring internal audit, compliance, etc., ensuring to timely detect mistakes and improving processes more effectively.

- › The 3rd Line of Defense is Internal Audit Committee. This is a sub-committee under BOM and is separated from BOD. Therefore the assessment of Internal Audit Committee on the 1st and 2nd lines of defense and possible risk is conducted independently and objectively.

Risks and solutions to risk prevention

(See "The risks affecting TTCS business operations" in page 44).

Operational orientation of risk management in fiscal year 2017-2018

- › Apply best risk management practices to maintain high-quality operational standards, contributing to the consolidation of corporate governance.
- › Documenting the regulations about risk management as basis for guiding and ensuring consistent implementation in member entities.
- › Enhance effectiveness of information exchange and coordination among 3 Lines of Defense.
- › Continue to promote risk management culture, train and update knowledge about risk management in the Company, develop human resources who are responsible for risk management in member entities.



EFFORTS FOR COMMUNITY CONNECTION



Given awareness that success is always associated with social responsibilities, during the past years, apart from offering high-quality products to consumers, TTCS has made positive contributions to the charity activities, joining hands for the community and operating towards the sustainable development of the society.

SUSTAINABLE DEVELOPMENT REPORT

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SUSTAINABLE DEVELOPMENT MESSAGE



WITH THROUGHOUT VIEWPOINT AND CONSISTENT ORIENTATION IN SUSTAINABLE DEVELOPMENT STRATEGY, TTCS WILL CONTINUE TO MAINTAIN AND ENHANCE THE ACTIVITIES AND PROGRAMS TO BRING SUSTAINABLE VALUES IN RESPECTS OF ECONOMY – SOCIETY – ENVIRONMENT FOR STAKEHOLDERS INCLUDING FARMERS, CUSTOMERS, EMPLOYEES, PARTNERS, SHAREHOLDERS AND COMMUNITIES IN FISCAL YEAR 2017-2018.

Dear honorable Shareholders, Customers, Partners, Employees and Sugarcane Farmers!

Fiscal year 2016-2017 is the second year in the development strategy for the period 2016-2020 with the motto of “Green – Clean – Sustainable development” of Thanh Thanh Cong Tay Ninh Joint Stock Company (TTCS). Although facing many difficulties and challenges, looking back on the achievements in fiscal year 2016-2017 of TTCS in both business operation and social and environmental performance, I am extremely proud of what we have achieved, to be specific:

- » Ensure stable profit growth and good working environment with worthy salary and bonus, offering sustainable benefits to shareholders and employees.
- » Consolidate agricultural and food foundation by applying modern technology in cultivation, enhancing brand value in the market.
- » Improve and modernize corporate governance with initiatives and a strict and professional organizational model, helping optimize operational efficiency and risk management.
- » Do business in responsible manner: preserving natural resources, protecting environment and complying with the law are the key principles for all the Company's activities.

- » Join hands to support the localities and contribute to the State Budget; be one of the most active enterprises in developing local economy and activities for community.

With throughout viewpoint and consistent orientation in sustainable development strategy, TTCS will continue to maintain and enhance the activities and programs to bring sustainable values in respects of economy – society – environment for stakeholders including farmers, customers, employees, partners, shareholders and communities in fiscal year 2017-2018.

For and on behalf of the Board of Management of Thanh Thanh Cong Tay Minh Joint Stock Company, I would like to express my sincere thanks to you who always believe, accompany and support sustainable development strategy of TTCS. I strongly believe in the success of TTCS in fiscal year 2017-2018 and a more bright future for the farmers and the agricultural and food industry of Vietnam.

Best regards,

**For and on behalf of BOM
Standing Vice Chairwoman**

NGUYEN THI HOA





STANDARDS OF SUSTAINABLE DEVELOPMENT REPORT

To evaluate the positive and negative effects of the Company to the sustainable development objectives in a fair and reasonable manner, in fiscal year 2017-2018, TTCS applies GRI standards (which are updated from GRI4 standards and restructured into a set of relevant standards) to make report on impacts of the Company to the economy, environment and society. In which, we choose core approach to present the most necessary information about the nature of TTCS, material issues, the related impacts and how to manage these impacts at TTCS. Because this sustainable development report is integrated into Annual Report, some information according to GRI standards has been presented in Annual Report with reference to the guidelines for disclosure of environmental and social information by State Securities Commission, IFC and Circular No.155/2015/TT-BTC to make report conveniently, transparently and effectively.



TO EVALUATE THE POSITIVE AND NEGATIVE EFFECTS OF THE COMPANY TO THE SUSTAINABLE DEVELOPMENT OBJECTIVES IN A FAIR AND REASONABLE MANNER, IN FISCAL YEAR 2017-2018, TTCS APPLIES GRI STANDARDS (WHICH ARE UPDATED FROM GRI4 STANDARDS AND RESTRUCTURED INTO A SET OF RELEVANT STANDARDS) TO MAKE REPORT ON IMPACTS OF THE COMPANY TO THE ECONOMY, ENVIRONMENT AND SOCIETY.

SCOPE 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

REPORTING PERIOD

Information and data in the report are updated for fiscal year 2016-2017, starting from 01 July 2016 to 30 June 2017. Sustainable Development Report of TTCS is carried out annually and published together with the annual report.

CONTACT INFORMATION

TTCS makes every effort to meet expectation of related parties. 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: (276) 3753250 - Fax: (276) 3839834

Mrs. **DINH THI NGOC THAO**

» Email: co.mgr@ttcsugar.com.vn

» Position: Chief of Office

Mr. **NGUYEN QUANG THAI**

» Email: thainq1@ttcsugar.com.vn

» Position: Specialist of BOM's office



With the motto of honesty, publicity and transparency in all activities, TTCS has actively researched and developed a reasonable mechanism to take opinions from stakeholders. Accordingly, TTCS will provide practical solutions and strategic directions to improve the management and operation of the Company, aiming to bring sustainable value chain to the stakeholders.



Related parties	Approach	Main concerns and topics
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.	» Good quality and safe for health. » A wide range of products meet the needs of different groups of customers. » Reasonable price. » Good customer service.
Customers – 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.	» Brand reputation and product quality. » The variety and quality of the products. » Preferential sales policies. » Dedicated, thoughtful customer service.
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, union activities, etc.	» Comfortable and non-discriminatory working environment. » Training policies and promotion opportunities. » Good welfare, salary and remuneration policies.
Partners	» Meet and discuss directly. » Hold conference of carriers, logistics, and forwarders. » Approve tender regulations, cooperation contracts, procurement process, etc.	» Business performance. » The social environment, especially in the locality where the factory is located. » Cooperation in the spirit of mutual benefit.
Shareholders and investors	» Meet and discuss directly with securities companies, investment fund representatives, investment institutions. » Collect opinions through email, phone, fax,... » Holding the General Meeting of Shareholders, Extraordinary General Meeting of Shareholders. » 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.	» Business performance achievements. » Effectiveness of investment capital. » Management capacity of enterprises. » Information transparency and assurance of the interests of investors. » The market value of the stock and the value of the business. » Dividend payment for investors.



PARTICIPATION OF STAKEHOLDERS (CONTINUED)

Related parties	Approach	Main concerns and topics
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. » Hold Sugarcane International Conference annually to update the information, the latest industry trends through Vietnam and in the world.	» Underwriting output. » Minimum purchase price of sugarcane. » Price stability policy. » Diversification of effective farming practices, transfer of science and technology.
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.	» Create jobs and raise incomes for local people. » Activities for the community. » Mitigation measures affecting the environment.
Government, state agencies	» 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.	» Comply with the law. » Comply with the obligation to pay the State budget. » Carry out production and business activities that are responsible for consumer health, the environment and society.
Newspapers	» Press interviews answers. » Press releases when there is an event. » Company website, social network. » Coordinate to conduct series of reports, TV programs in Tay Ninh and newspapers about development of sugarcane material zones and community development.	» Disclosure information, properly, timely and transparently. » Information and communication with the press agencies must be clear and accurate about the activities of the Company and the industry.



IDENTIFY KEY AREAS AND CONTENT OF THE REPORT



On the basis of assessing overall situation of sugar industry and considering main concerns of stakeholders, TTCS has selected the material issues that reflect the Company's economic, environmental and social impacts and have influence on the decisions of stakeholders to mention in the report. Details are as follows:



BUSINESS OPERATIONS

In fiscal year 2016-2017, TTCS has continued its practical activities contributing to improving brand value in the market such as expanding distribution network, launching organic sugar products, organizing seminars about food defense, and so on. These activities not only contribute to bring the Company's products closer to consumers but also show the role and responsibility of TTCS in the fight against the storm of dirty food that millions of Vietnamese people are facing. Details are as follows:

Develop Brandshop

With the orientation of sustainable brand development in sugar industry, TTCS always focuses on the programs for farmers, modernizing cultivation and production process, etc. At present, TTCS owns a wide range of products and continues to research and develop healthy sugar products, participate in price stabilization programs, expand consumer and industrial customers based on the network of more than 40 distributors nationwide.

In particular, Brandshop model is a unique highlight in the value chain of TTCS.

The Company is collaborating with some partners to build Brandshop chain across the country and expand to international market in 2020. Accordingly, in 2017 TTCS installed Brandshop model at tourist areas under TTC Group such as TTC World – Love Valley, TTC World – Ta Cu and Vinh Dam Complex Area – Phu Quoc.

These are the ideal destinations for visitors where the Company can access many sources of customers and enhance effectiveness of brand identification. With this model, the Company wishes to offer essential products (sugar, tea, water) with high nutrient values and safe for health to the consumers, implementing the Company's motto of "Quality makes brand, clean products for public health".



OWNING THE SUPERIOR QUALITY OF INTERNATIONAL STANDARDS AND NOW WEARING A NEW APPEARANCE, T.SU BRAND IN PARTICULAR AND TTCS PRODUCTS IN GENERAL ARE READY TO CONQUER THE CHALLENGES IN THE FUTURE. T.SU CONTINUES TO BE A RELIABLE COMPANION OF ALL VIETNAMESE FAMILIES.

Repositioning T.SU: New face accompanying every family

In early October 2016, T.SU brand name was launched in its new appearance with three initial sugar products i.e. Extra premium, Premium and Family. After that, a series of high-class products from T.SU were introduced in the market, meeting the increasing demand of consumers.

With the desire to diversify product lines, serving the needs of customers in all segments from medium to high level, TTCS has restructured and standardized the imagines of all products. In particular, T.SU is positioned as a high-end product line. Therefore, after nearly 2 years of launching (from July 2015), T.SU brand name continues to be introduced with a new face, more modern and more luxurious.

First of all, the brand name "T.SU" is still kept because it is the core spirit of this product line. T.SU stands for "Trust Sugar" – the leading sugar in Vietnam which is manufactured by European technology meeting international standards. T.SU gives consumers a peace of mind in quality and safe for their health.

In addition, T.SU font is revised in consistency with TTC and TTCS logo. The letters have a rounded shape, easier to read and creating the feelings of friendliness. In terms of meaning, this font is intended to assure consumers that this is a quality product of TTC Group. Moreover, not only showing an agricultural product with the applied science and technology, the package images also express the brand story and meaningful message of the manufacturers to consumers. Besides changing

appearance in the direction of a harmonious, modern and luxurious look, new package of T.SU get inspired from the story of crystal sugar which is the main concept for package design.

Accordingly, the outstanding feature of crystal is perfect transparency, symbolizing purity and lightness. To get a clear and bright crystal product requires an absolutely meticulous processing technology. Similar to crystal, T.SU has almost absolute purity level, up to 99.9%, thanks to the European modern technology with closed production lines imported from England, Belgium, France, etc., offering the consumers the products meeting food hygiene standards for export. This difference is indicated by the symbol "Export Sugar" on the package.

Unlike other products, T.SU is packaged in vertical and transparent bags so that the consumers can verify the superior whiteness and purity of the product. Each T.SU product is the crystallization of natural materials, which are strictly selected and manufactured under advanced production line.

Owning the superior quality of international standards and now wearing a new appearance, T.SU brand in particular and TTCS products in general are ready to conquer the challenges in the future. T.SU continues to be a reliable companion of all Vietnamese families and, at the same time, forwarding to the world, welcoming the integration trend and confidently matching with foreign products.

Through this innovation campaign, TTCS once again reaffirms its commitment to always developing for customers, constantly researching, improving quality and image for better products as well as ensuring full accountability for shareholders, employees and the community. This is also a firm foundation for T.SU brand name to launch new premium products such as organic sugar, rock sugar, liquid sugar, etc. meeting the increasing demand of customers.

T.SU Special Organic Sugar: Important strategy to offer clean and health products

Sugar is an essential ingredient in most daily foods and drinks. Therefore, using quality sugar products with appropriate dosage not only contributes to enhance the taste of food but, more importantly, ensures food hygiene and health benefit.

Facing to the storm of contaminated food at present, the people has a trend to choose healthy products which helps create market share for organic foods. However, both producers and consumers currently focus on essential



foods such as rice, fish, meat, vegetables and so on. The supply source of popular food additives such as sugar, salt, etc. is still limited.

The consumers in Vietnam having demand on organic sugar have to buy it at the store selling imported goods with a quite high price. Due to limitation in capital source, distribution channel and demand, the local enterprises are not confident enough to invest in this potential field.

After studying and testing at organic farms, the project of “Organic sugar – A choice for your life” of TTCS has been commenced since 2015 to produce the first organic sugar product in Vietnam. The project operates in a closed production process from planting and harvesting sugarcane to manufacturing and packaging. Accordingly, TTCS has collaborated with Control Union and Peterson Consultancy – international accreditation organizations to make investment in the first project of organic sugar production in Vietnam, get certificate of European standards (EC 834/2007) and US standards (USDA- NOP) and produce organic sugar products with the capacity of one ton per day.

This is considered an important part of the strategy to improve the value chain and sustainable development of TTCS on the basis of optimally meeting the demand for diversified quality products and ensuring the health of consumers in the line of contaminated foods at present.

Holding a list of customers and reputable partners in the field of food and beverage and distribution network throughout the country, TTCS is expected to bring these organic products closer to the consumers, gradually enhancing the awareness of people in selecting healthy products for their family.

With the spirit of pioneering, innovation, creativity and continuous improvement, the next goal of TTCS is, together with other sugar companies across the country, to continue research and development for higher quality products at more appropriate prices in the coming time.

Food defense program: Continue to implement the activities to enhance awareness of consumers

Food defense is an effective system to prevent and reduce the intentional impacts to the food such as using chemicals, biological agents or other harmful substances.

Given awareness of the importance of food defense, TTCS constantly researches and draws experience to build the process of production and quality control of finished products. Each product sold in the market has a bar code to trace production date, moisture, color, etc., helping the consumers to be assured when using the products, avoiding fake products and poor-quality products.

During the year, the Company has successfully organized the seminar “Raising Awareness of Food Defense”, attracting more than 200 customers from the enterprises and schools in Dong Nai, Long An and surrounding areas. Expectedly, in the next fiscal year, this program will be held in both the Central and the North of Vietnam. The program has received the support and coordination from Department of Trade and Industry and the partners such as Vissan and Nong Lam University.

In 2014, TTCS organized this program in Ho Chi Minh City. Seeing the positive effects from the program, in 2015 and in 2016, TTCS continued to expand the implementation scope in Ho Chi Minh City, Tay Ninh and Binh Duong.

The seminar has made positive contributions to enhancing awareness, providing methods to build Food Defense System, sharing practical experience on building and operating the system, and forming awareness of security in production and distribution of products from the farm to the dining table with the goal of protecting consumers.

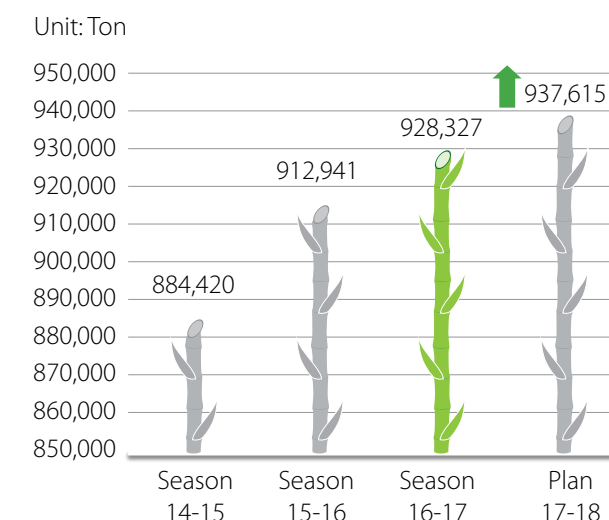
AGRICULTURE

In the line of AFTA integration in 2018, to make Vietnam’s sugar industry in general and TTCS in particular be able to compare with the largest countries in the world sugar producing such as Thailand, Australia, Brazil, etc., it should be planned to increase competitive capacity and reduce production costs. Raw material is an important factor, accounting for 80% of sugar production cost. To reduce cost, it is required to reduce sugarcane material. However, with the motto “Our responsibility is to enrich the farmers”, TTCS has been not and will not reduce the prices of purchasing sugarcane from the farmers. To reduce material cost, in fiscal year 2016-2017, the Company has made a reasonable policy to harvest sugarcane in combination with enhancing breed quality, properly planning the sugarcane fields and modernizing cultivation process through the following activities:

Sugarcane material	Unit: Ton
Season 14-15	884,420.07
Season 15-16	912,941.25
Season 16-17	928,327.34
Plan 17-18	937,615



Chart of sugarcane material





Material development is a priority of the Company, which is the decisive factor for the existence and development of the Company. With the strategy of developing sustainable and high-productivity material areas, aiming to self-control material areas, apart from underwriting purchase of sugarcane and investment in width, the Company intensifies the investment in depth through the programs such as developing centralized production with high-tech application; expanding the model of large sample field, applying modern science and technology, closed cultivation from sugarcane breed supply to harvesting and delivery to the plant; promoting mechanization; developing agricultural science and technology research; improving and creating sugarcane breeds with high productivity, etc. Thanks to the above policies, the Company has maintained a stable material zone to supply sugarcane for the plant.

Outstanding points in sugarcane purchasing policy in fiscal year 2016-2017

During the crop year 2016-2017, TTCS has purchased 10-CCS fresh sugarcane from the beginning of the crop to 01 January 2017 at the price of VND1,050,000/ton and applied sugar concentration insurance at the rate of 8 CCS for farmers. This insurance has contributed to ensuring income for sugarcane growers in the line that sugarcane productivity and quality are affected by drought and salinity during the last time.

In order to minimize damages caused by unfavorable weather conditions as well help the farmers timely start a new crop, the Company has organized flexible harvesting schedule, prioritizing the sugarcane re-planted, waterlogged or affected by pests. Currently, the harvesting schedule has been completed, on the appropriate and prompt basis, to ensure the highest productivity and quality of sugarcane and bring maximum profit for farmers.

Specifically, the sugarcane varieties such as K83-29 and VN84-4137 can be harvested early at 10-11 months of age; the medium ripening sugarcane varieties such as K84-200 can be averted at the age of 11-12 months; and the late ripening sugarcane varieties such as K94-2-483 and K88-92 with be harvested at 11.5-12.5 months of age.

In technical respect, TTCS has promulgated the harvesting regulations on root and top cutting and germ reduction to minimize contaminations and losses due to labor. Thanks to that, supplying a clean material source will help increase income of the farmers, reduce production costs for the plant, and improve productivity of collection and quality of sugar.

To ensure accuracy and transparency in determining quality of sugarcane material, all the trucks carrying sugarcane to the plant are sampled to evaluate contaminations. Accordingly, the Company will not deduct sugarcane quantity if the impurity is below 3%. In case the impurity exceeds 3%, only excess impurity is deducted. If the impurity exceeds 6%, the Company will suspend that sugarcane truck for consideration and treatment. Similar to the previous crops, to encourage clean sugarcane material, ensuring harvesting standards and sugar concentration, the Company applies a reward

of VND10,000/ton for the sugarcane trucks having the impurity below 4%.

From the beginning of the crop year to 01 January 2017, the Company also applied a reward of VND10,000/ton for the sugarcane having sugar concentration from 9.5 CCS to 10 CCS and VND20,000/ton for the sugarcane having sugar concentration from 10 CCS to 10.5 CCS. If the average sugarcane productivity reaches from 6.5 to 8 ton/ha, the reward is VND10,000/ton. If the sugarcane productivity exceeds 8 ton/ha, the reward is VND20,000/ton. Moreover, the Company applies preferable price for newly planted sugarcane areas nearly the plant or locating in priority areas, to be specific, VND2,000,000/ha for the average sugarcane productivity under 70 ton/ha and VND3,000,000/ha for the average sugarcane productivity from 70 ton/ha.

In addition, the Company also applies reward for good sugarcane cutting and well control of burnt sugarcane, to be specific, VND5,000/ton for sugarcane cut root under 5cm, and VND3,000/ton for the burnt sugarcane rate under 8% of total sugarcane output.

During the crop year, the Company continues to apply mechanization simultaneously and guide the farmers to apply modern cultivation techniques. As a result, there are more and more farmers applying mechanization and technology, omitting traditional cultivation process.

Starting time of sugarcane crushing in this year is later than that in the previous year due to the effects from climate changes, leading to unfavorable weather conditions. However, with determination to partially stabilize the income and life of farmers, in this crop year, TTCS continues to maintain a flexible sugarcane purchasing policy, ensuring reasonable prices compared to other crops in the same locality.

It is forecast the crop year 2017-2018 continues to face many challenges. However, with the active co-operation of TTCS, it is believed that both the plant and the farmers will have a successful crop.



TTCS HAS PROMULGATED THE HARVESTING REGULATIONS ON ROOT AND TOP CUTTING AND GERM REDUCTION TO MINIMIZE CONTAMINATIONS AND LOSSES DUE TO LABOR.



DURING THE PAST YEARS, GIVEN AWARENESS OF THE IMPORTANCE OF MATERIAL ZONE DEVELOPMENT AND DESIRING TO BUILD A SUSTAINABLE RELATION WITH THE FARMERS, TTCS – GIA LAI HAS COORDINATED WITH THE LOCAL AUTHORITIES TO IMPLEMENT MANY PROGRAMS TO PROPAGANDIZE AND INSTRUCT THE FARMERS TO APPLY TECHNOLOGY AS WELL AS CULTIVATION METHOD AND THE COMPANY'S POLICIES TO SUPPORT THE FARMERS.

Cultivation technology: Planting sugarcane one time but harvesting 2 times brings high profit to the mountain farmers

How to increase income for sugarcane farmers when they still keep traditional cultivation habits of individual farming and fear to changing sugarcane fields, without condition to apply mechanization and irrigation is always a concern of the leaders of the Company. Therefore, Thanh Thanh Cong Gia Lai One Member Co., Ltd. (TTCS – Gia Lai) is the pioneer in solving this problem.

During the past years, given awareness of the importance of material zone development and desiring to build a sustainable relation with the farmers, TTCS – Gia Lai has coordinated with the local authorities to implement many programs to propagandize and instruct the farmers to apply technology as well as cultivation method and the Company's policies to support the farmers. Thanks to the output underwriting, non-refundable support and stable purchasing policy, the income of the farmers has been improved.

TTCS – Gia Lai is aware that the propaganda will be unconvincing and it is difficult to change the cultivation habits of farmers if not proving the practical benefits of the new cultivation method. Therefore, in crop year 2015-2016, TTCS – Gia Lai is determined to "Make the farmers believe". The company has applied mechanization and cultivation techniques on 20 hectares of investment land in Duc Lap Village, Ia Rô Commune, Ayun Pa Town, Gia Lai Province. Accordingly, the Company used mud and applied underground plowing to improve soil and install fixed irrigation sprinkler. With this cultivation technique, the Company has taken full initiative in caring for sugarcane and can harvest two times in the crop 2016-

2017. The profit per hectare is estimated at VND 30 -35 million. This is an encouraging outcome, acknowledging the great effort of TTCS – Gia Lai and gaining trust from the sugarcane growers.

Apart from improving income from each sugarcane hectare, this cultivation helps TTCS – Gia Lai well control sugarcane breed, reduce pest infection and be proactive in local source of breed. The model applied at Duc Lap Village is considered a sample model in the material zone of TTCS – Gia Lai and gains the positive support from the local authority and people. According to Mr. Huynh Vinh Huong – Vice Chairman of Ia Pa District, sugarcane is the cure for farmers to escape poverty. Therefore, application of technology to cultivation is the first condition to enhance the economic effectiveness from sugarcane.

After visiting the model at Duc Lap, Mr. Ama Luyen – one of the farmers pioneering to apply large sample field in Chu Mo Commune, Ia Pa District shared in cheer, "the cultivation model applied in Duc Lap including sprinkler irrigation and underground plowing is what we are expecting. The fact that sugarcane is watered and applied high technology will bring good output and improve income for farmers, who usually have to suffer from the fluctuations in prices of agricultural products.

It can be said that, this success is the motivation for TTCS – Gia Lai and the local authority to encourage the farmers to apply large sample field, underground plowing and sprinkler irrigation to increase productivity, improve income and create a good relation and gradually omit

poverty for farmers. Closing the crop year 2016-2017, TTCS – Gia Lai continues to expand 20 large sample fields on 200 hectares of land. TTCS – Gia Lai has also applied underground plowing in 1,000 hectares and installed sprinkler irrigation in 1,200 hectares.

TTSC sugarcane breed: A breakthrough success – the foundation to build stable material zones

To develop sugar industry in the line of global integration, stabilizing material resources and taking initiative in sugarcane breed play an important role, in which breeding is the first factor. A good variety of sugarcane not only delivers high productivity and good quality (high sugar concentration) but can also withstand adverse environmental conditions such as pests, drought, waterlogging, wind, sour soil, salinity, etc.

Recently, a large number of sugarcane varieties have been imported from China, Taiwan, and Thailand and then quickly put into cultivation. There are no or very few studies about cultivation techniques or plant protection related to these varieties to be carried out. Therefore, the sugarcane is unadoptable with local weather and climate and has no resistance to pests and diseases, leading to unstable sugarcane material supply, delaying production. Facing this situation, the State, scientists, enterprises and sugarcane farmers are aware that only when there are sugarcane breeds created in Vietnam to be suitable to each area of land, the sugar industry has enough conditions to develop. Cross-breeding of sugarcane varieties in Vietnam should be concerned.

Accordingly, Thanh Thanh Cong Sugarcane Research and Application JSC (SRDC) – an associate company of TTCS has conducted sugarcane breeding in two ways i.e. selecting from imported source and sexual hybrids. In which, selection from sexual hybrids is focused by SRDC. Although it takes a long time to choose a new breed, it will be more active in breeding and combining good characteristics of parent breed. The new breed is more stable and suitable to the natural environment in local material areas.

Since 2014, besides importing sugarcane breed from Australia, the Philippines, CIRAD, China, Thailand, etc. SRDC has cooperated with Sugar Sugarcane Research Institute in Vietnam to breed new sugarcane varieties with suitable characteristics and resistance to adverse weather conditions such as drought, heat and waterlogging.

Annually, after the harvest, hybrid seeds are planted and spent selection stages in accordance with the breeding standards of Vietnam and the world. At present, among

more than 3,000 hybrid lines of TTC, spending the steps of planting, monitoring and evaluation, SRDC has selected 22 promising lines to conduct pre-selection tests and then complete new sugarcane varieties that show high quality and stable productivity. Some hybrid lines having good phenotype and high productivity are TTC 14-15-181, TTC 14-3-118, TTC 14-16-112, TTC 14-37-69, TTC 14-19-02, TTC 14-22-22, TTC 14-15-03, TTC 14-19-182, TTC 14-3-194, TTC 14-64-101, and TTC 14-3-142. After the first step, 144 samples of TTC2015 have been chosen from more than 4,000 trees and are being screened for the 2nd step.

Sugarcane breeding at SRDC has always been carried out under high attention from TTCS. Planting new sugarcane varieties with TTCS brand on the sugarcane fields in Vietnam is still not a far dream. At the same time, in the line that most of the sugarcane varieties are imported from foreign countries, new varieties studied by TTCS not only diversifies the sources of sugarcane varieties for material areas but also creates a breakthrough in sugarcane breeding in Vietnam, affirming position of TTCS in the domestic and overseas market.

Breakthrough in basic scientific research: TTCS aims to high-tech and sustainable agricultural performance

In addition to creating new sugarcane varieties suitable to each material area, the key of TTCS's agricultural researches is the "vertical" connection between the Company and its partners in production chain in order to specialize and optimize the values. In fiscal year 2016-2017, TTCS has cooperated with typical partners such as John Deer Company, Japan Vietnam Fertilizer Company and Southern Fertilizer Joint Stock Company to improve sugarcane quality, reduce production costs and enhance competitiveness in the integration period.

With the available advantages in terms of soil analysis and the team of experts and consultants, JVF and Southern Fertilizer Joint Stock Company have supported TTCS to step-by-step complete the map of soil nutrients for the entire material area. To be specific, annually JVF takes hundreds of soil samples in the sugarcane material areas of TTCS to and analyze for using of fertilizers reasonably and, at the same time, carried out a lot of experimental models for efficiency assessment and product improvement. These activities have contributed to increasing sugarcane yield by 5-10 ton/ha, equivalent to VND6-10 million/ha in the areas using sugarcane specialties. This is the basis to improve economic efficiency, reduce production costs and enhance the competitiveness of both parties to jointly develop.





PROMOTION OF IT APPLICATION

Information technology (IT) is developing strongly, impacting and changing all fields of life and social economics. In the world and in Vietnam, the enterprises are trending to update IT applications. Keeping up with this trend, TTCS has been confident to invest and actively deploy IT applications in corporate governance and administration.

To foster the investment efficiency, serve business objectives and be suitable to technology exploitation capacity, TTCS has chosen appropriate IT investment models to accomplish the specific objectives such as investing in IT facilities; strengthening executive and operational applications; deploying comprehensive application to improve management and production

capacity; investing for business transformation and enhancement of international competitive advantages.

TTCS applies IT to manage 04 objectives of agricultural, manufacturing, business and Back Office activities of the two sugarcane branches. To be specific:

- » For agriculture: FRM system (Farmer Relationship Management) controls agricultural activities of sugarcane industries, including 5 objectives i.e. customer, investment, caring, harvest, and accounts.
- » For business: CRM and DMS application manages sale activities of all B2B and B2C channels

TO FOSTER THE INVESTMENT EFFICIENCY, SERVE BUSINESS OBJECTIVES AND BE SUITABLE TO TECHNOLOGY EXPLOITATION CAPACITY, TTCS HAS CHOSEN APPROPRIATE IT INVESTMENT MODELS TO ACCOMPLISH THE SPECIFIC OBJECTIVES SUCH AS INVESTING IN IT FACILITIES; STRENGTHENING EXECUTIVE AND OPERATIONAL APPLICATIONS; DEPLOYING COMPREHENSIVE APPLICATION TO IMPROVE MANAGEMENT AND PRODUCTION CAPACITY; INVESTING FOR BUSINESS TRANSFORMATION AND ENHANCEMENT OF INTERNATIONAL COMPETITIVE ADVANTAGES.

- » For management: ERP system (Enterprise Resource Planning) manages accounting, production, maintenance and logistics.
- » E-Office application helps manage business operations with 14 Back Office activities such as internal signature, signature, notification, working schedule, contact, project, etc....

In fiscal year 2017-2018, TTCS will continue to deploy widely and deeply IT applications in corporate governance to manage 04 key goals: personnel, asset, finance and information. To be specific:

- » Software application is used for human resource management, salary policy, recruitment and training for human resources development.
- » Asset software helps manage asset status, property ownership and asset reinvestment recommendations.
- » Financial accounting system in line with COA (Chart of Accounts) is used to control the available data at TTCS and capital, revenue, profit, and cash flow.
- » BI (Business Intelligence) reporting system analyzes figures to make management decision.

The effectiveness of IT application in corporate governance is clearly reflected through the improvement in management efficiency, enhancement of employee performance and reduction of administrative overheads. E-office submission system is an evidence for this effectiveness. Since E-office was applied in September 2016, the Company's management team has thoroughly applied "An office without paper". Dossiers after

being composed will be circulated through advisory departments in accordance with the default process before being submitted to the leaders for approval. The average time to approve a document in E-office system is 40% faster than that of traditional process. The policy being approved more quickly helps run the works smoothly. The employees also work more effectively. In addition, cost for paper and ink is saved over 60% (about VND300 million), contributing to the Company's profit.

It can be seen that the application of IT to the management and business operations TTCS has become a regular activity, actively implemented and achieved encouraging results. This is an important foundation for TTCS to promote IT application and development, aiming to build a modern and effective IT system to better serve the internal management and provide more utilities to the partners and customers of TTCS.





THE MAJOR CURRENT ENVIRONMENTAL ISSUES INCLUDING WASTE WATER, EMISSION, BAGASSE, MUDDY RESIDUE AND ASH OF SUGAR COMPANIES HAVE BEEN DEVELOPED BY TTCS TO FORM OUR OWN COMPETITIVE ADVANTAGE, MINIMIZING ENVIRONMENTAL IMPACTS, ENSURING COST SAVING AND INCREASING PROFIT FOR THE COMPANY – AIMING TO SUSTAINABLE DEVELOPMENT. THEREFORE, IN FISCAL YEAR 2016-2017, THERE ARE NO ENVIRONMENTAL INCIDENTS AND NO VIOLATIONS AGAINST ENVIRONMENTAL PROTECTION AT TTCS.

WATER AND WASTEWATER

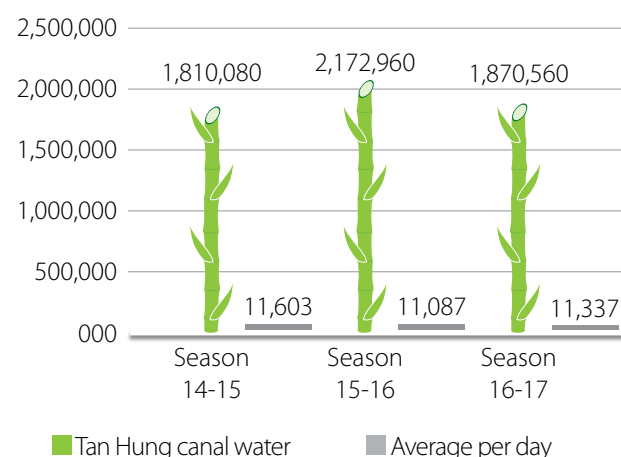
Water source management

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.

Chart of buying water from Tay Ninh Irrigation Company

Unit: m³



Surface water

The demand for surface water supply for the plant is mainly obtained from Tan Hung channel, with the approved exploitation capacity of 0.1 - 0.15 m³/second. The water volume taken from this source accounts for the majority of the total water volume used for production. During the season of 2016-2017, the total surface water volume (purchased) is 1,870,560 m³/165 days. This slight rise due to weather changes, the regular rain in the production of sugarcane material, the water consumption for cleaning machines. In the fiscal year 15-16: The amount of water purchased is 2,172,960 m³/195 days.

Groundwater

A groundwater volume 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 2015-2016 of 93,607 m³, lower than that of the season 2014-2015, which was 98,704 m³. It is because the Company has optimized deployment of groundwater, which means they strive to use less water year-on-year.

The groundwater volume in the fiscal year 16-17: 151,771 m³. It increases due to area of trees in the Company.

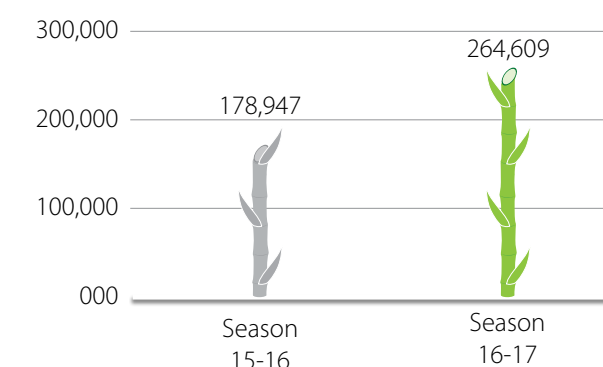
Circulating water system

The water after cooling system has high temperature. Therefore, it is unusable and must be discharged to the environment. The Company has to buy water (taken from the canal) to supply for cooling operation. The volume of water to be used and discharged is very high.

To save cost for water supply, the Company has installed Cooling Tower since 2010 to reuse the water after cooling system. Thanks to that, the Company has saved a considerable amount for water expense. Previously, when this system was not invested, the plant had to pay more than VND6 billion to buy water. At present, this amount is about VND1.6 billion. The water after treatment is circulated and reused for cooling system, minimizing impacts to related parties and bringing considerable economic and environmental benefits. In fiscal year 2016-2017, the plant has reused nearly 264,609m³, accounting for over 14% of total volume of water bought for production, higher than that of previous crop year (178,947 m³ in 2015-2016).

Water reused from wastewater treatment system

Unit: m³





Wastewater and wastewater discharge management

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

The wastewater discharged into wastewater treatment system includes:

- » The volume of wastewater from production activities is 133,114m³ in the season 2016-2017 (This number in the season 2015-2016 is 143,088 m³). The wastewater of this year decreases although production activities are ceased many times and equipment and machinery cleaning activities are carried out more due to the interruption in sugarcane delivery to the plant caused by inconvenient weather.
- » Wastewater discharged from the bottom of Cooling Tower: A part of water at the bottom of Cooling Tower, which is dirty, is passed to wastewater treatment system to clean and supply Cooling Tower again. Average volume of this kind of water is 1,545m³ per day and the water after treatment is reused for Cooling Tower.

The monitoring and inspection are regularly performed by the Company, local authorities, neighboring households and relevant departments to evaluate the effective performance and manage environmental impacts.

Wastewater discharge

The Company is licensed to discharge at a point located behind the factory's wastewater treatment area where treated wastewater 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. COD, pH, color and wastewater flow rates are measured daily by monitoring tools and laboratories.

Control COD

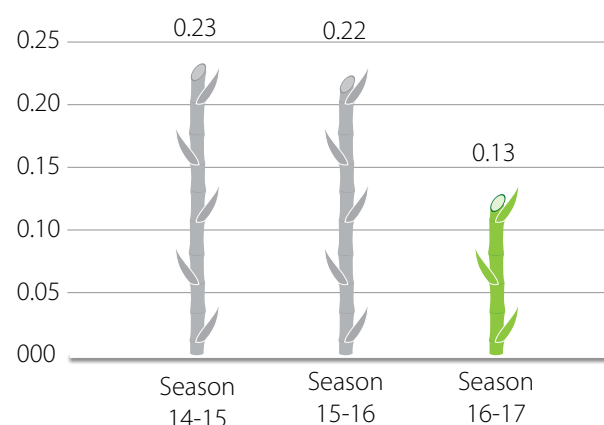
The sugar lost through factory sanitation and wastewater treatment system not only increases the loss of sugar but also increase COD in wastewater. Therefore, controlling this indicator will help assess the sugar recovery and equipment hygiene.

The low COD helps wastewater treatment system work easier and consume less substances.

COD	Kg COD/Ton of sugarcane
Season 14-15	0.23
Season 15-16	0.22
Season 16-17	0.13
Norm	0.3

COD

Unit: Kg COD/Ton of sugarcane



Wastewater treatment system

Wastewater treatment system meets the prevailing regulations: Column A QCVN 40:2011/BTNMT. More than 90% of post-treatment wastewater is reused, contributing to saving cost for the Company and protecting water resource. The Company daily takes samples of post-treatment wastewater to analyze the major indicators (COD, pH, color). The Company also periodically sends samples to the external entity for analyzing and then sends report to Department of Natural Resources and Environment of Tay Ninh. The Company actively coordinates with Department of Natural Resources and Environment of Tay Ninh in the environmental inspection at the Company. In addition, wastewater treatment system is regularly inspected and monitored by local authorities, surrounding households and relevant departments to assess performance.

Wastewater quality

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

The company always performs publicly, transparently and consistently on information sharing related to wastewater quality data, sends monthly reports to relevant agencies as well as cooperates actively in the environmental inspections.

Wastewater volume after treatment discharged into the environment:





Measurement criteria	01/07/2016 - 30/06/2017
The total water consumption by sources (m³)	
Groundwater: used for daily activities, fire prevention and crop irrigation. (According to annual groundwater report)	7/2014 - 6/2015: 98,704 m³ (drought during the first half of 2015) 7/2015 - 6/2016: 93,607 m³ Season 16-17: 151,771 m³
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 canal)	Season 14-15: 1,810,080 m³ = 11,603 m³/day Season 15-16: 2,172,960 m³ = 11,087 m³/day Season 16-17: 1,870,560 m³ = 11,337 m³/day
Standards, methods and assumptions are used	Groundwater QCVN 09:2015-MT/BTNMT Water used for daily activities QCVN 02:2009/BYT
Water classification by usage purpose (m³)	
Production: Water for cooling system (Tan Hung canal water)	Season 15-16: 2,172,960 m³/195 days = 11,143.4 m³/day Season 16-17: 1,870,560 m³/165 days = 11,336.7 m³/day
Water reused from wastewater treatment system	Season 15-16: 178,947 m³ Season 16-17: 264,609 m³
Water used for daily activities of Company's employees	Season 15-16: There are 723 employees: 57.84 m³/day Season 16-17: There are 717 employees: 57.36 m³/day
Average volume of production water per product (m³/ton of products) The water used is higher than the previous year. However, thanks to the increase in reused water, the average volume of production water per one ton of products is nearly equal to that of the previous year.	Season 15-16: 2,172,960 m³/180,619.5 ton of products = 12 m³/ton of products Season 16-17: 1,870,560 m³/154,375 ton of products = 12.1 m³/ton of products
Average volume of water used for daily activities (m³/person)	0.08 m³/person
Recycle/reuse in production (reuse of water after wastewater treatment system)	Season 15-16: 178,947 m³/195 days = 917.7 m³/day Season 16-17: 264,609 m³/165 days = 1,603.7 m³/day
Percentage of recycled water compared to purchased water from canal	Season 15-16: 8.2% Season 16-17: 14.1%
Cost savings from water recirculation	Season 15-16: 178,947 x 900 = 161,052,300 VND Season 16-17: 264,609 x 900 = 238,148,100 VND
Wastewater management (m³)	
Factory wastewater (daily observation using specialized tools)	Season 15-16: 143,088 m³/season, finished product: 180,619.5 tons => 0.79 m³/ton of products Season 16-17: 133,114 m³/season, finished sugar: 154,375 tons => 0.86 m³/ton of products
Standards, methods and assumptions are used	Wastewater after the wastewater treatment system: QCVN 40:2011/BTNMT column A



WASTEWATER IN THE SEASON 15-16

143,088 m³

FINISHED PRODUCT

180,619.5 tons

0.79 M³/TON OF PRODUCTS

WASTEWATER IN THE SEASON 16-17

133,114 m³

FINISHED PRODUCTS

154,375 ton

0.86 M³/TON OF PRODUCTS



ENVIRONMENTAL PROTECTION IS ALWAYS PAID ATTENTION BY THE ENTERPRISES AND THE ENTIRE SOCIETY. THANH THANH CONG TAY NINH JOINT STOCK COMPANY AS WELL AS MEMBER COMPANIES OF THANH THANH CONG GROUP ALWAYS FOCUS ON ENVIRONMENTAL PROTECTION AND HAVE GAINED MANY ACHIEVEMENTS, AIMING TO SUSTAINABLE DEVELOPMENT OF GREEN ECONOMY. THE COMPANY HAS COMPLETED CERTIFICATE OF CONFORMITY WITH NATIONAL STANDARDS IN ENVIRONMENT (TCVN ISO 14001:2004 DATED 28 DECEMBER 2012 BY BUREAU VERITAS CERTIFICATION VIETNAM), WHICH IS MAINTAINED ANNUALLY.



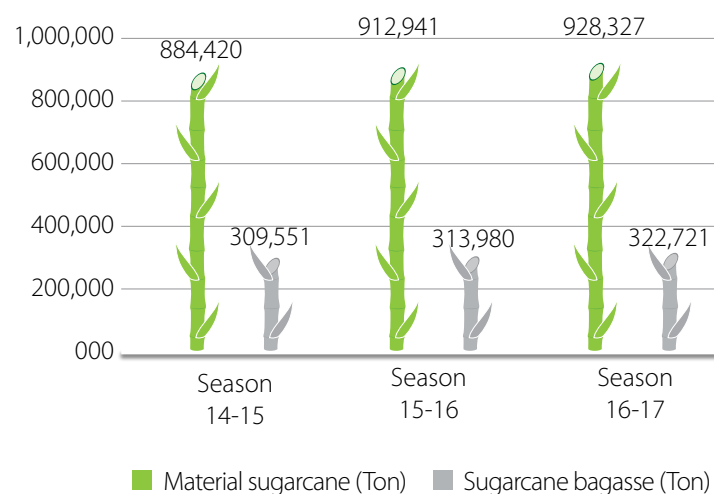
WASTE

Bagasse

With a capacity of nearly 1 million tons of sugarcane for 1 season, the amount of sugarcane bagasse reached 320 thousand tons, which is a problem for storage and disposal. Since its construction in 1995, the Company determined to build a power generation system based on sugarcane bagasse 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. sugarcane bagasse-fueled electricity supply is mainly used for sugar production and other operations of the Company, the remaining is sold to EVN approximately 50,000,000 kWh in the whole season, 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, as well as minimizing CO₂ emissions and other harmful gases for the environment.

The amount of sugarcane bagasse:

	Material sugarcane (Unit – Ton)	Sugarcane bagasse produced (Unit – Ton)
Season 14-15	884,420.07	309,551
Season 15-16	912,941.25	313,980
Season 16-17	928,327.34	322,721

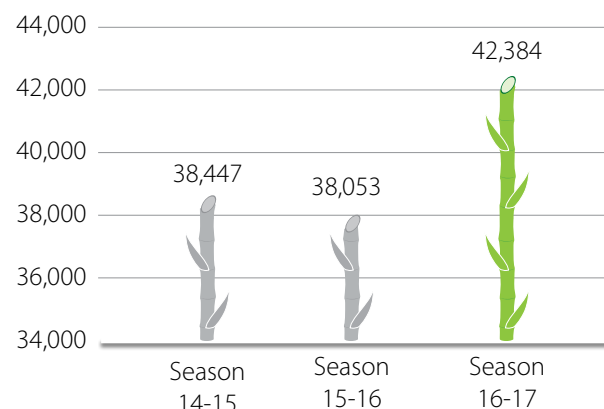


- » Commercial electricity output increases in the season 16-17 due to more electricity produced, connected to the national grid better.

Commercial electricity	MWH
Season 14-15	38,446.7
Season 15-16	38,053.0
Season 16-17	42,384.0

Commercial electricity

Unit: Mwh



Mud and ash

With the motto “what belonging sugarcane will be returned to sugarcane”, ash and mud from sugarcane crushing process is mixed with microbial enzyme to make fertilizer for sugarcane farms.

The Company is planning to build micro-organic fertilizer workshop of which the materials are ash and mud from the plan.

Waste

Domestic waste, industrial waste and hazardous waste are handed over to other company that specializes in waste treatment to limit negative impact to the environment.

EMISSIONS

CO₂ reduction

Boiler is used in production process. The boiler of TTCS's plant uses biomass fuels (bagasse), not using coal, to limit CO₂ emission to the air.

Mineral carbonation technology is applied in sugarcane production process, in which, CO₂ and lime are used to remove contaminations. CO₂ is extracted and collected from the boiler emission treatment system to minimize the CO₂ emission volume.

The boiler emission treatment system is stably working and is conformable with the legal standards (QCVN 19:2009/BTNMT – Column B). The Company is installing continuously automatic emission monitoring system to monitor the emission treatment system.



ENERGY

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. In fiscal year 2016-2017, the Company has put into operation Thermoelectricity Center with high pressure of 40bar.a (33bar.a previously); therefore, the steam consumption rate for 1 Decreased from 9.56 ton to 9.02 ton.

We increasingly research and find suitable biomass fuels for the boiler to prolong the operation time of the plant when ending the sugarcane crop. In fiscal year 2016-2017, we have successfully burnt 163 ton of grinded rubber wood and 17 ton of grinded sugarcane leaf in trial. Although this is not a good outcome, we keep trying to find a solution meeting economic and technical conditions to put into production.

However, in fiscal year 2016-2017, we have faced many difficulties due to objective factors; therefore, fuel consumption rate per one ton of finished sugar product increased in comparison with that in fiscal year 2015-2016.

- » Average moisture of bagasse of fiscal year 2016-2017 higher than that of 2015-2016 has made difficulties in boiler operation, leading to decrease in boiler capacity and rate of steam/bagasse.
- » In raw sugar recovery process, the Company has used bagasse in stock. The transportation of bagasse was seriously affected by heavy rain; as a result, the moisture of bagasse was high. Moreover, contamination rate in bagasse was also higher than that of fiscal year 2015-2016. Therefore, the capacity of boiler was decreased considerably.
- » Sugarcane material supply was not enough for crushing. Downtime was increased due to waiting for sugarcane. Thermoelectricity Center changed capacity many times, making difficulties in operation.



ENVIRONMENTAL ISSUES (CONTINUED)

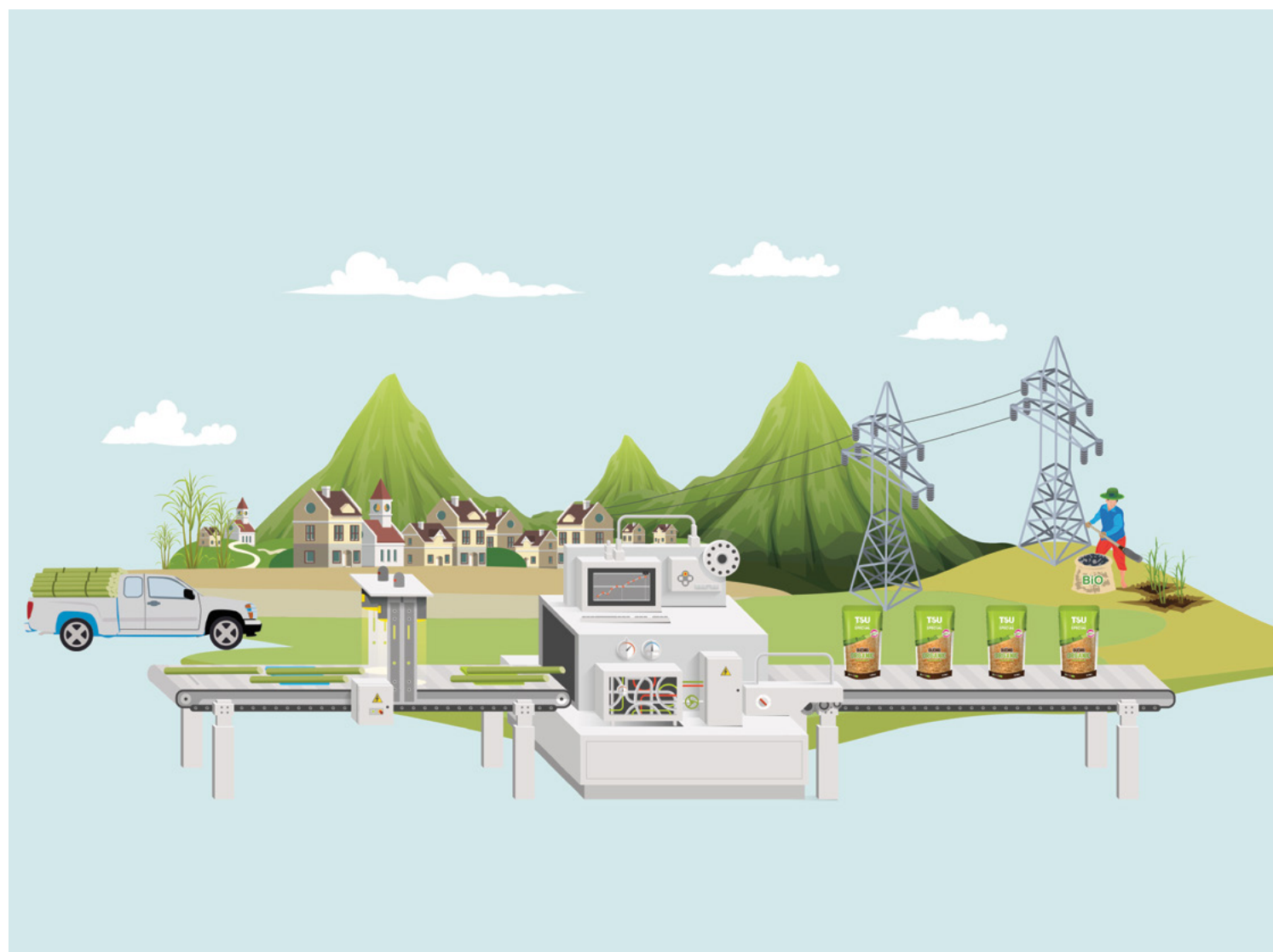
Energy consumption	Unit	FY 2014-2015		FY 2015-2016		FY 2016-2017	
		Quantity	Energy/Ton of finished sugar	Quantity	Energy/Ton of finished sugar	Quantity	Energy/Ton of finished sugar
Coal	Ton	0	0	623	0.00345	0	0
DO oil	Liter	59,776	0.427	73,632	0.407	73,839	0.478
Bagasse	Ton	302,547	2.16	324,579	1.797	332,074	2.151
Rice husk	Ton	450	0.00321	165	0.00091	902	0.00584
Electricity	KWh	34,210,800	244	39,156,000	216	39,135,000	253

To remedy the above-mentioned difficulties, we has promoted to study and consider the feasibility of utilizing heat from the boiler to dry bagasse, decreasing the moisture of bagasse before burning from 52% down to 39%. This helped increase the boiler capacity and save approximately 11,880 tons of bagasse per crop.

At present, we are implementing the project of improving Thermoelectricity Center to put into operation in fiscal year 2017-2018. This project will help increase commercial electricity volume up to 63,000 MWh, higher than that of 2016-2017 by 20,555 MWh.

In addition to fossil fuel, TTCS has been and is strongly investing in renewable energy. In fiscal year 2016-2017, TTCS continues to put into use the solar panel system serving Tay Ninh Trade Center (TTC Plaza Tay Ninh). This system includes a system of solar panels with designed capacity of 54 KW, 77 KW and 175 KW, respectively, in the root of TTC Plaza Tay Ninh and parking lot. The fact that new solar panel system is put into use has increased solar power generation capacity of TTCS up to 363.56 KW.

In fiscal year 2017-2018, TTCS will apply for investment license for two solar power systems with the scales of 10MW in the 32-ha campus of TTCS factory and 5MW at the project of "Warehouse and workshop of expanded Tan Kim Industrial Park", respectively. Total investment value is nearly VND230 billion. This project not only helps save cost for eternal power of TTCS plant but also supplies power for national electrical grid. TTCS will become a leader in applying renewable energy into production.



MATERIAL MANAGEMENT IN PRODUCTION

Refined sugar meeting European standards to supply the customers is the leading criteria of TTCS plant. To reach this goal, good coordination among production processes, machinery and materials is required.

To effectively manage production of fiscal year 2016-2017, we have:

- » Increased safety factor up to 99.83% from 99.78% of the previous year. To reach this target, we have effectively implemented maintenance process.
- » Output of finished sugar product gained 154,374.95 tons.
- » Substances used for production decreased in comparison with previous year and controlled below the target, but still ensuring the sugar passing flocculation to supply to Pepsi, Coca-Cola, etc.
- » To maximally save material substances, we have effectively controlled unsuitable products in production line, limiting returning to production line.

The situation of using raw materials in the season 2016-2017:

Sugarcane material

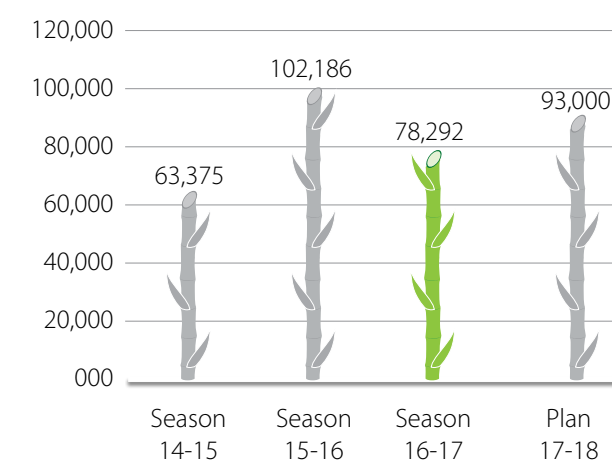
(See "Agriculture" for details on page 143.)

Raw sugar

Raw sugar materials	Unit of ton
Season 14-15	63,375.26
Season 15-16	102,185.79
Season 16-17	78,292.34
Plan 17-18	93,000

Raw sugar materials

Unit: Ton



Thanks to stable source of sugarcane material, the plan of buying raw sugar has been revised to be suitable to the demand and the market.



ENVIRONMENTAL ISSUES (CONTINUED)

Raw materials - chemicals

- » The cost of chemical production, experiment tools, analysis on CCS:

Chemical production + experiment tools + analysis on CCS	VND/kg
Season 14-15	304.15
Season 15-16	247.18
Season 16-17	236.21

- » Quicklime material

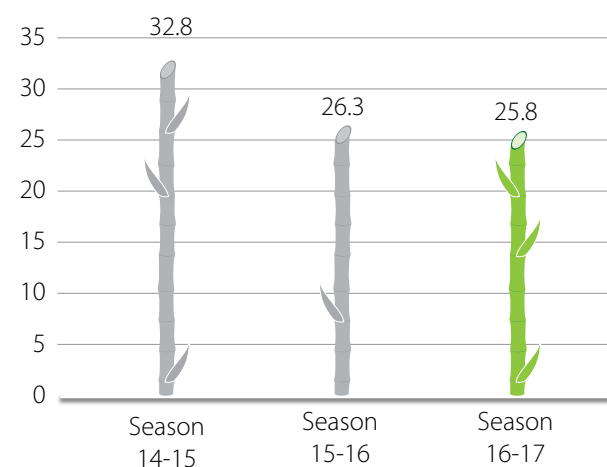
Quicklime for sugarcanes	Kg/Ton
Season 14-15	32.8
Season 15-16	26.3
Season 16-17	25.8

Quicklime for raw sugar	Kg/Ton
Season 14-15	22
Season 15-16	21.03
Season 16-17	18.29

Quicklime reduced due to more efficient usage in the production process.

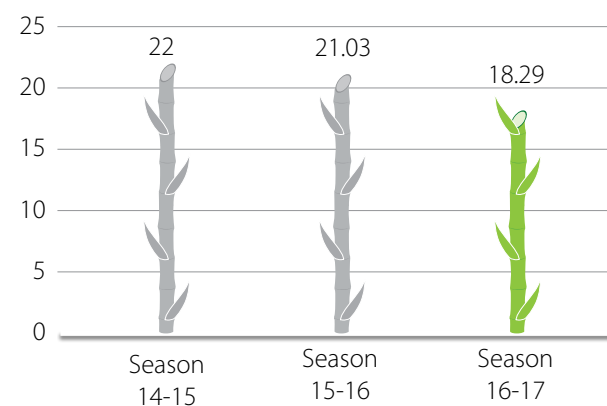
Quicklime for sugarcanes

Unit: Kg/Ton



Quicklime for raw sugar

Unit: Kg/Ton

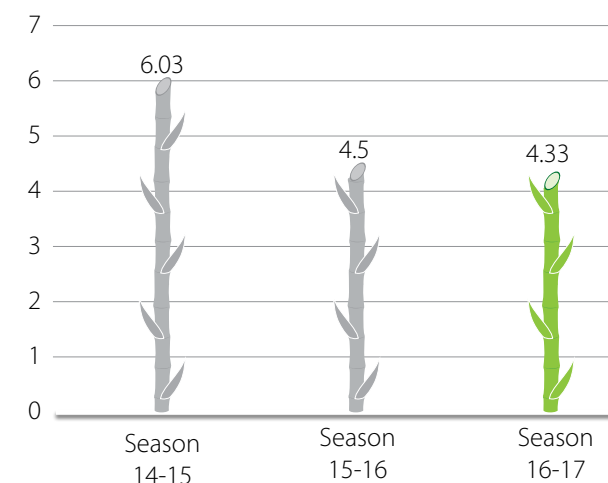


- » Raw materials of salt:

Salt	Kg/Ton
Season 14-15	6.03
Season 15-16	4.5
Season 16-17	4.33

Salt usage

Unit: Kg/Ton



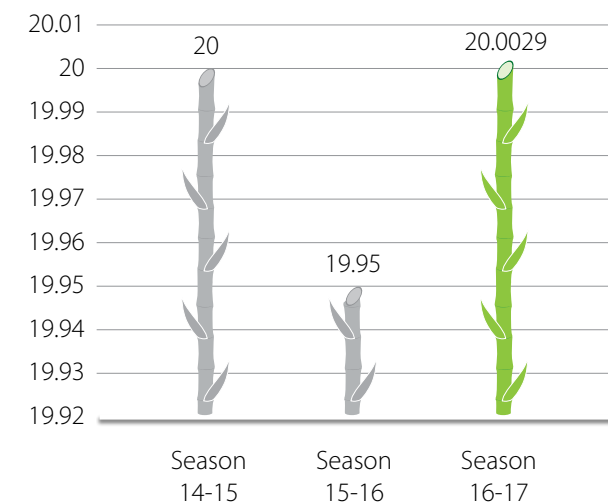
More effectively using materials and better manual

- » Packaging

PP - PE plastic	Unit / Ton
Season 14-15	20
Season 15-16	19.95
Season 16-17	20.0029

Packaging product

Unit: Unit / Ton



Control

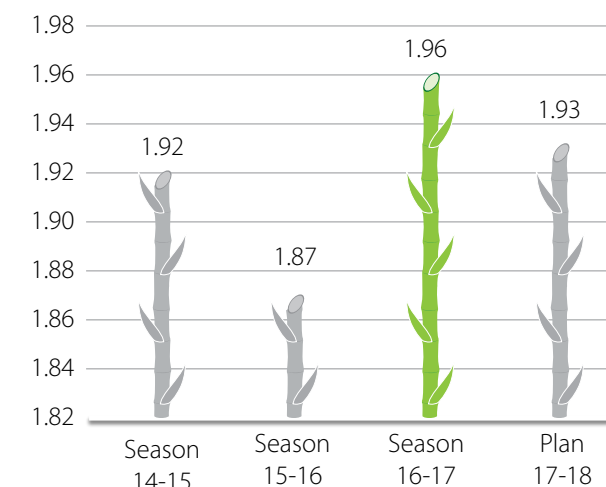
Performance safety equipment	%
Season 14-15	99.49
Season 15-16	99.78
Season 16-17	99.83

Well control thanks to good maintenance process.

Total loss	% Pol/ sugarcane
Season 14-15	1.92
Season 15-16	1.87
Season 16-17	1.96

Total loss in production

Unit: % Pol/sugarcane



Total loss in production lightly increased due to inconvenient weather. Much rain in the crop season has led to unstable supply of sugarcane, increasing downtime of the plant.



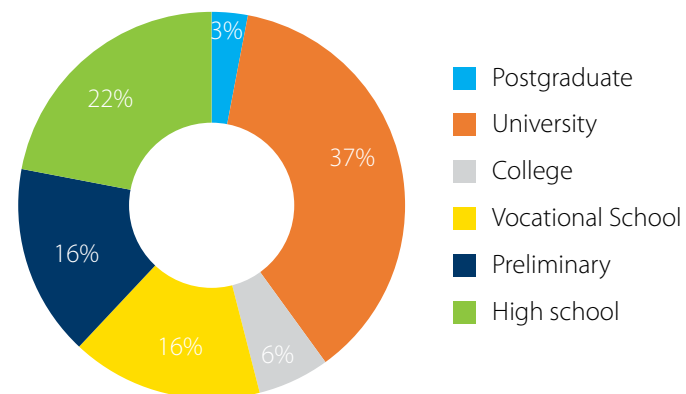
SOCIAL INDICATORS

Employee-related policies

Number of employees, average salary for employees

By end of the fiscal year of 2016-2017, the total number of full-time employees is 518, down to 4% against that of 2015-2016. The total number of employees (including full-time and seasonal) during the fiscal year of 2016-2017 is 717, down to 1% against that of 2015-2016. At TTCSTGL, full-time employees are 435 and seasonal ones are 158.

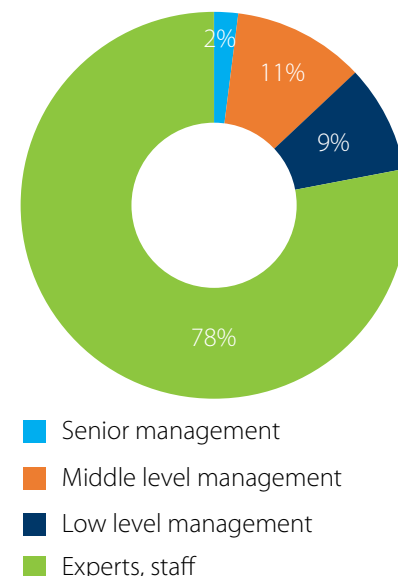
Employee structure by qualifications:



In respect of qualification, with the characteristics of a manufacturing company, the labor with vocational education and common labor occupies for 54%, including the people who have high skill level and good practical skill, meeting the requirements of the plant. 46% of employees from college degree and above are office staff, engineers, production specialists and managers.

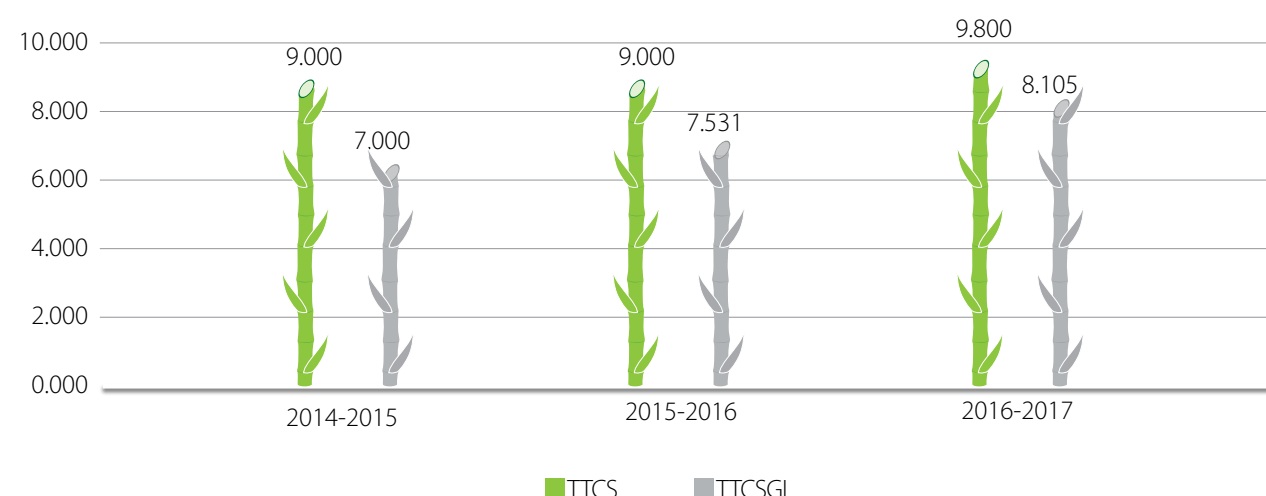
During the fiscal year of 2016-2017, the management accounts for 22% of the total number of full-time employees of the Company. At TTCSTGL, the management accounts 12% (54/435) of the total number of full-time employees.

Employee structure by management level



Average income of employees

Unit: VND million/month/employee



The average income of employee has gradually risen over the years, particularly that of the fiscal year 2015-2016 was VND9.0 million/month/employee. The average income of the fiscal year 2016-2017 is VND9.8 million per month.

At TTCSTGL, the income of employees has steadily increased over the years. The average income of employee of 2015-2016 is VND7.531 million per month and the one of 2016-2017 is VND8.105 million.

The Company conducts review and adjust annual income based on the business situation and profit results to take care of the living standards, motivate and improve working performance of employees.

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

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 USD10,000/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 VND210,000,000/person/year (PVI Dong Do Insurance Company).

Additionally, the Company sets forth on-spot training policy for employees including improvement in shiftbreak 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 VND25,000/ 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. Employees who work in hazardous locations are entitled to the allowance in accordance with the regulations of the State and depending on the location, the Company will provide labor protection equipment such as noise buttons, protective mask,...

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.





SOCIAL ISSUES (CONTINUED)



DURING THE PROCESS OF INTENSIVE INTEGRATION OF VIETNAMESE 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.

Employee training

At TTCS, the average number of training is 20 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:

Training courses	Participants	Costs	Organization time
Middle management	33	150,000,000	15/07/2016 - 15/08/2016
Senior management	4	56,000,000	16/08/2016 - 31/08/2016
Strategic human resource management for senior manager	1	5,176,000	06/10/2016 - 07/10/2016
Leadership class	1	2,512,000	26/11/2016 - 04/12/2016
Customer relationship management for executive team	1	9,200,000	10/02/2017 - 11/02/2017
General productivity conservation	2	1,800,000	17/02/2017
Problem solving skill and effective decision-making	5	4,300,000	06/05/2017 - 21/05/2017
Construction project secretary	3	450,000	24/02/2017

- » **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.

Skill development and continuous learning programs to ensure jobs for employees and developing the career.

Plan and development of Management team are strategies of TTCS. In fiscal year 2016-2017, the Company has successfully organized training courses for management team, to be specific:

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.

During the process of intensive integration of Vietnamese 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.

Appropriate labor and employment practices

Work

Employees	TTCS	TTCSGL
Total number of employees classified by kind of work	518	435
» Front Office (FO)	304	281
» Back Office (BO)	214	154
Total number of employees classified by labor contract	518	435
» Non-fixed term labor contract	286	260
» Fixed term labor contract (from 1 year to 3 years)	232	175
Total number of employees classified by areas	518	435
» Northern	0	0
» Central	7	435
» Southern	511	0

Notes:

- » FO: includes the job positions in which the people directly participate in creating products or services, contributing to the Company's business targets.
- » BO: includes the job positions in which the people carry out auxiliary works, support, management or instruction to create products or services, indirectly contributing to the Company's business targets.

TTCS is a manufacturing company; therefore, direct labor is more than indirect labor.

The number of employees signing fixed term labor contract accounts for more than 50% of total employees (286/516 persons). This figure shows the Company's attention to engage the employees and the Company's compliance to the legal regulations in labor contract.

The Company has its head office, factory and main sugarcane raw material area in the South, therefore, most of the employees work in the South. In addition, the Company assigns some employees working in central region to develop material zone in this region.



Turnover

In the fiscal year 2016-2017, turnover at TTCS is relatively low, 34 employees and 21 ones in TTCSGL. Of which are mostly male employees who want to change career development in line with their capacity and family conditions.

Turnover	TTCS		TTCSGL	
	Number (employee)	Ratio	Number (employee)	Ratio
Turnover of employee by age	34		21	
» 18 – 25 age	4	12%	1	4.8%
» 24 – 35 age	13	38%	13	61.9%
» 35 – 45 age	9	26%	6	28.5%
» >45 age	8	24%	1	4.8%
Turnover of employee by gender	34		21	
» Male	28	82%	18	85.7%
» Female	6	18%	3	14.3%
Turnover of employee by areas	34		21	
» Northern	0	0%	0	0%
» Central	0	0%	20	95.2%
» Southern	34	100%	1	4.8%



Allowances for full-time employees

Allowances for full-time employees include allowance for petroleum and motorbike maintenance, telephone charge, etc., depending on each job position, to facilitate the employees to fulfill their works in the best way.

Relation between employer and employee

“Employee is asset” is one of the core values of TTCS. This acts decisional role in the Company’s sustainable development. This is also an important element that the Company always focuses on in developing human resources.

TTCS is built by the people who have:



This is considered the Company’s long-term strategy. It is necessary to build a working environment with high spirit of solidarity on the basic of code of ethics, training professional quality and ethical standards, and corporate culture.

The values created by the employees and their contributions to the Company are always recognized and appreciated. A fair, dynamic and creative working environment, irrespective of location, age, gender, qualification, social status, ethnic origin, etc., where each individual has a chance to work and train for the general success and development of the Company is the priority goal of TTCS in the coming years.

In the fiscal year 2016-2017, thanks to the effective operation of the Labor Union, the understanding and concerning of the Board of Directors in taking care of employees’ daily life, on 5 October 2016, the collective labor agreement was signed at the Company aiming to ensure the rights and interests of employees as well as employers. This agreement is negotiated on the principle of voluntariness, equality and publicity by the representative of the labor collective and the employer. 100% of employees in TTCS are entitled to collective labor agreement.

In addition to the collective labor agreement, TTCS also focuses on establishing a harmonious relationship between the employer and the employees through a number of activities such as:

- » Dialogue organizations: Monthly, quarterly and annually, the Executive Committee of the Labor Union in coordination with the employer to hold meetings, dialogue between the employer and employees to exchange information and listen to the opinions of the parties in order to build a harmonious, stable and progressive labor relation.
- » Labor contract in line with regulations: TTCS commits all employees are entitled to sign labor contracts in accordance with regulations and not to use child labor and forced labor in any form.
- » Equity in evaluation and reward: Board of Management not only explain the process, purpose, meaning, but also publicize widely the rating and reward for employees.
- » Equality in treatment: All employees in the Company are treated equally and protected against any discrimination in employment or occupation.

Occupational health and safety

The Labor Code stipulates responsibilities to all parties in ensuring safety at workplace and requires all enterprises, agencies, organizations and individuals involved in labor and production to comply with the regulations. In which, the employer has to ensure a working environment meeting necessary standards, improve working conditions and care for health of employees as well as have solutions to eliminate or minimize hazards and risks to occupational health and safety.

TTCS ensures that our workplace always meets the requirements of space, air, dust, gas, toxic gas, radiation, electromagnetic field, heat, humidity, noise, vibration, and other harmful factors that are prescribed in relevant technical regulations and those elements must be periodically

inspected and measured. The Company always monitors and evaluates dangerous and harmful factors, improves working conditions and health care for employees. The Company periodically inspects and maintains machines, equipment, workshops, and warehouses.

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.

The number of injuries, occupational diseases, sick leave days, absences and deaths related to each area of the Company in the season 2016-2017 is as follows:

No.	Criteria	Unit	Figure
1	Labor accident		
	» Total number of accidents	Case	8
	› Of which, the number of cases with deaths	Case	0
	» Total number of employees having labor accidents	Person(s)	8
	› Of which, the number of deaths due to labor accidents	Person(s)	0
	» Total cost for labor accidents (emergency, treatment, salary for leave days, compensation, allowances, etc.)	VND Mil.	311.6
	» Asset damage (in cash)	VND Mil.	0
	» Number of days off for labor accidents	Day(s)	152
2	Professional sickness:		
	» Total number of employees having occupational diseases at the time of report	Person(s)	0
	» Of which, new number of employees having occupational diseases	Person(s)	0
	» Number of employees retiring early because of occupational diseases	Day(s)	0
	» Total cost for employees having occupational diseases during the year (expenditures exclusive from the plan for labor safety – hygiene including: treatment, salary for leave days, compensation, allowances, etc.)	Person(s)	0
	» Result of health classification of employees:	VND Mil.	0
3	Result of health classification of employees:		
	» Type I	Person(s)	496
	» Type II	Person(s)	06
	» Type III	Person(s)	137
	» Type IV	Person(s)	200
	» Type V	Person(s)	132
4	Number of sick leave days	Day(s)	589

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.

Prevention and control of risks

It can be said that, in order to stabilize and develop the business activities in the current economic situation, building an internal control system towards risk management should be considered as a priority matter.

- » As for environment of control: To clearly specify and define the functions, duties and rights of functional departments in the Company, avoiding overlapping in functions and duties, causing dependence and lack of responsibility in resolving and handling the issues that are related to various departments, the Company regularly organizes internal audit to control risks.
- » As for regulations and procedures of control to manage risks: The Company has set up risk management process in developing the Company's strategy and identifying possible transactions and events that may negatively affect the Company. At the same time, the risks are managed in allowable scope to achieve the goal. Risk management is an important function of the Internal Control System which is considered to be effective when the risk assessment and management elements are established and operate effectively.

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.

At present, in the line of fierce competition in the market, global depression and economic difficulties, the enterprises pay more attention to risk management and internal control to minimize loss and enhance operational efficiency.

In 2017, TTCS continues to organize training courses on risk control to meet the huge demand for human resources 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.



Education and training

Average hours of 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 20 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

Aiming to building a strong human resource for the Company in M&A period, TTCS determines its priority duty which is training and developing skills and continuously studying. Therefore, all activities of the Company aim to create the most favorable conditions to help the employees with their career development.

Training activities are always concerned by the Company. Employees are provided with opportunities to participate in research programs and academic exchanges with the teachers from prestigious corporations and training organizations. Employees are also facilitated to attend international scientific conferences.

Skill development programs at TTCS such as business culture, communication skills, negotiation skills, sales skills, problem solving skills, and decision making skills are to help employees accumulate experience and knowledge.



THE COMPANY HAS YOUNG, DYNAMIC AND ENTHUSIASTIC EMPLOYEES WITH THE NUMBER OF EMPLOYEES UNDER 45 ACCOUNTING FOR 70%, FROM WHICH THE COMPANY HAS THE ADVANTAGE IN TRAINING SUCCESSORS AND DEVELOPMENT INTEGRATION.

The employees who access to training and development programs will have more advantages than the employees of others companies or those who seek training opportunities by themselves. The Company's training development has created a difference in value, which will create a supportive working environment. The employees are highly appreciated and have opportunity to develop thanks to the training programs.

Performance assessment and career development

There are many methods to assess the performance, but KPIs is the most common way that is applied by many enterprises in Vietnam. TTCS is not an exception. KPIs is a modern tool for the managers to develop leadership strategies into specific management goals and action plans for each department and each individual. Thanks to that, the performance assessment will be more fair and transparent, ensuring that the employees fulfill their responsibilities in job description.

The capability and the completion of work of employees are assessed on a scientific basis. KPIs will help the Company increase its competitiveness. The Company can maximally promote the ability of employees and create a close reaction among the departments. Specifying direction and objectives of the Company helps the departments and individuals do their works according to the Company's strategy.

Assessing employees through KPIs gives the Company an overall view on its business. The employee's capability are recognized in fair manner, the employee will work more enthusiastically, thereby increasing performance

efficiency and saving costs. This also motivates employees and keeps talents. Improving employee's efficiency is improving the Company's efficiency.

Composition of management team and labor structure

The Company operates in form of a joint stock company, including:

- » General Meeting of Shareholders: is the highest decision-making body of the Company and operates according to laws.
- » Board of Management: Operates in a centralized, democratic, and collective manner in compliance with laws, the Company's Charter and Regulations on organization and operation of the Board.
- » Board of Supervisors: Complies with laws, the Company's Charter and Regulations on organization and operation of the Board.
- » Board of Directors: Operates under the leadership formation; Obligations: Obey the law, assign works to Board members; Rights: According to the system of delimitation of powers and competency of documentary signature in each period or prevailing regulatory documents of the Company (if any).
- » Functional departments: Operates under the assignment of BOM. Accountabilities: According to the system of delimitation of powers and competency of documentary signature in each period or prevailing regulatory documents of the Company.



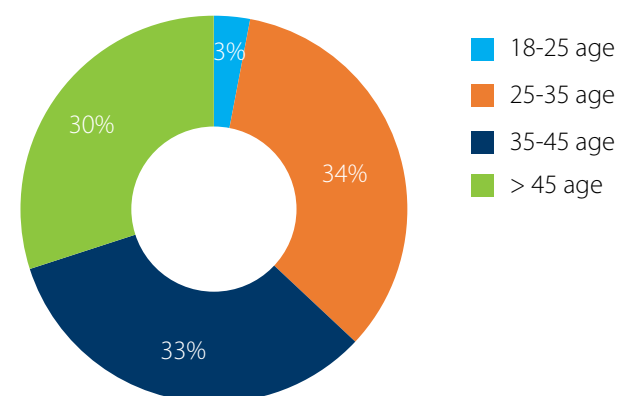
SOCIAL ISSUES (CONTINUED)

The Company has young, dynamic and enthusiastic employees with the number of employees under 45 accounting for 70%, from which the Company has the advantage in training successors and development integration.

Employees	TTCS		TTCSGL	
	Number (employees)	Ratio	Number (employees)	Ratio
Groups of age	518	100%	435	100%
» 18 – 25 age	18	3%	62	14%
» 25 – 35 age	174	34%	169	39%
» 35 – 45 age	173	33%	112	26%
» >45 age	153	30%	92	21%
Gender	518	100%	435	100%
» Male	406	78%	372	86%
» Female	112	22%	63	14%

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.

Employee structure by age



Employee structure by gender

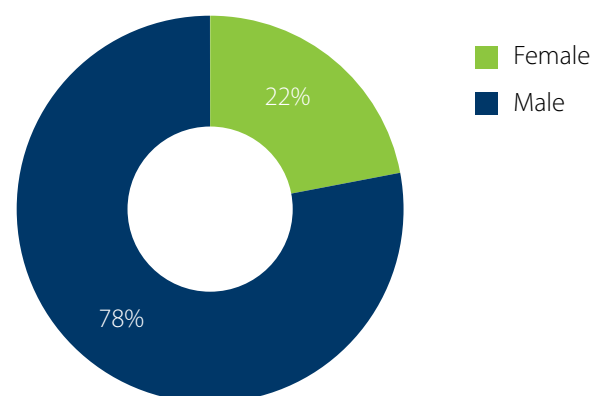
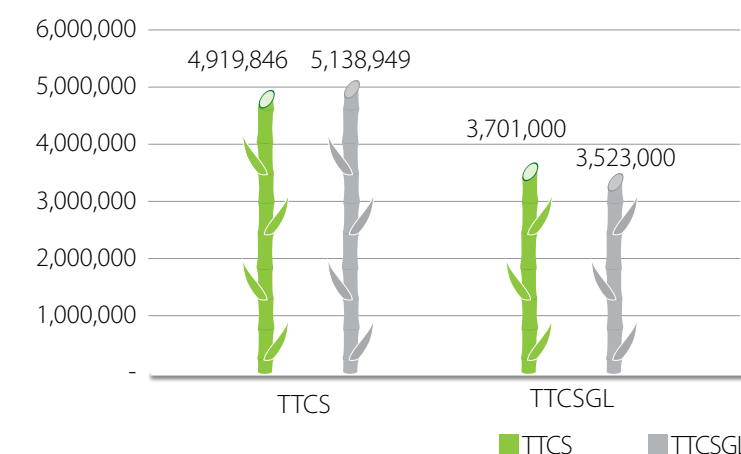


Chart of basic salary of employees by gender in the fiscal year 2016-2017

Unit: VND



Basic salary of female employees during the fiscal year of 2016-2017 is generally 4.5% 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.

Human rights

TTCS considers human rights as the basic prerequisite in all its business activities. This is clearly reflected in the vision, mission and core values of the Company, which always aim to bring benefits for workers and farmers. TTCS aims to meet the stringent requirements of human rights at a higher level than required by law.

Regulations on investment and procurement

TTCS always integrates sustainable development issues in regulations on procurement and investment, to be specific:

- » TTCS always prioritizes to choose the suppliers meeting requirements on management, progress, compliance with law and environmental and social responsibility.
- » In investment decisions, Organic sugar – the first project of manufacturing organic sugar in Vietnam is a typical example of TTCS in sustainable development. This project will create “clean” sugar in line with international standards, made from sugarcane without chemical fertilizers and pesticides, which is good for health thanks to containing more nutrients and minerals than normal sugars.

Non-discrimination

- » TTCS 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. In the fiscal year 2016-2017, there were no complaints about discrimination at TTCS.
- » 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.
- » With the spirit of respecting the equality right of each person and focusing on training and development of human resources, TTCS cannot ignore the quality of its own security team, as this team has influences on the interests of people and is considered one of the factors making up the Company's image. TTCS provides training

and guidance for security staffs about the policies and processes related to the human rights of employees, partners and customers.

Child labor and forced labor

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

Rights of local people

In the fiscal year 2016-2017, TTCS has no record of any breach of the laws and regulations relating to local people.

Together with expansion of the material area, production, TTCS offered over 717 jobs, especially local employees, indirectly created jobs for hundreds of households and labor involved in the crop 2016-2017. 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.





RESPONSIBILITY TO COMMUNITY AND LOCALITY



In fiscal year 2016-2017, Charity Fund of TTC Group was established and TTCS officially joined in the Fund. Together with TTC Group and its other member companies, TTCS has built a strong network in charities and responsibilities to community and society. This is a basis for TTCS to promote and enhance its efficiency in social works in the coming time through the Charity Fund of TTC Group, which has a higher influence to the community.

During the past year, TTCS has jointly sponsored some programs of TTC Charity Fund such as supporting flood victims in central region 2016, caring for Tet holidays for the poor in Hoc Mon District, HCMC, presenting food and gifts to the army and people in Truong Sa Island in April 2017, supporting members and women with difficult circumstances of Ho Chi Minh City Women Union in 2017-2021 period, etc.

Apart from actively participating in TTC Charity Fund, to be a company operating in agricultural field, closely associated with local communities, in fiscal year 2016-2017, TTCS continued to maintain and coordinate with local authorities to make positive contributions to the security social programs, improvement of infrastructures, development of living and economy, etc. at the localities having material area and the borders with Cambodia, especially in Tay Ninh Province where TTCS plant is located.

Some typical social programs are supporting to build solidarity houses in Long An, giving the 3rd "Dream lighting" scholarship 2016 organized by the Tay Ninh Fund for Children's right protection, installing camera in Tay Ninh City for crime prevention, coordinating with authorities of districts and communes to present gifts to the poor on Tet holidays, giving financial support to repair or renovate local infrastructures, sponsoring "Ao am" program in Cao Bang in 2016, and so on.

In addition, apart from developing material zones in Cambodia, the border area between Vietnam and Cambodia and developing economy for the local people here, TTCS actively participates in security social programs by giving financial support such as coordinating with Vietnam Fatherland Front of Tay Ninh to support the poor in Cambodia, renovating headquarters of Cambodian agencies, constructing police station of Prey Ta Ey Commune, giving gifts for Cambodian on Tet holidays, etc.

These activities not only contribute to developing the relationship and friendship between Vietnam and Cambodia but also express the concern and sense of responsibility of the Company to the community and society when the Company invests in Cambodia and accompany the local people with the motto of "For community, developing locality".



Moreover, the Company regularly presents sugar products on the occasions of holidays, Tet holidays, Middle Autumn Festival, etc., gives the Company's products to the poor and social programs at localities, etc. As estimated, the Company gave more than **16 tons of sugar** valued at VND320,000,000 in 2016-2017.

In regard of the activities for children, besides giving scholarship to poor students, giving gifts to the children in Middle Autumn Festival, Tet holidays, etc., in 2016-2017, TTCS organized many meaningful programs such as "Full-moon Night Festival 2016" for children of the Company's employees and the children at Tay Ninh Social Protection centers, which was organized at Tay Ninh Center for Children and Youth. The program has shown the Company's concern and sharing for the children, bringing love and cheer to the children and partially helping them become the useful persons in the future.

On this occasion, the Company also gave 4 **"Book cabinet for Future"** to the children in Tay Ninh Center for Social Protection, Tay Ninh Education Center for Deaf and Hard of Hearing, Tay Ninh Center for Disabled Children and Tu Phuoc Pagoda. This is a meaningful activity of

the Company to cultivate knowledge and nurture soul, compensating the disadvantages in education which the disadvantaged children have no chance to enjoy, thereby contributing to the families and the society in caring for the future generations.

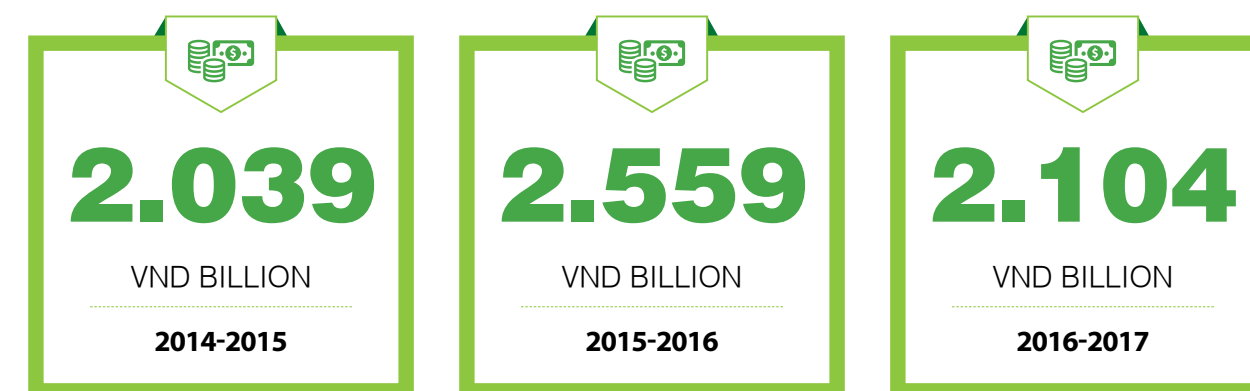
In addition, the Company has cooperated with TTC Group and Thanh Thanh Cong Education Joint Stock Company to hold a seminar on "Joining hand to protect children against molestation" for the pupils and thier parents in Luong Dinh Cua Primary School in Tan Hung Commune to timely equip the pupils and their parents with knowledge and skills to help them raise awareness and protect themselves against molestation.

All charity and social activities of TTCS in fiscal year 2016-2017 have continued to inherit and promote the culture of "For community, developing locality" of the Group, ensuring to implement the commitments on social responsibilities, aiming at sustainable development and enhancing the meanings and efectiveness of the contributions to community and society through the increasing development of the Company.

 SOME NOTABLE SOCIAL RESPONSIBILITY PROGRAMS FOR THE COMMUNITY DURING THE PERIOD OF 2016-2017

	Unit: VND
Giving the 3 rd "Dream lighting" scholarship 2016 organized by the Tay Ninh Fund for Children's right protection.	20,000,000
Donating 500 sweaters for "Ao am" program in Cao Bang.	50,000,000
Funding support with local police to to install cameras in Tay Ninh City for crime prevention.	50,000,000
Supporting the Central region affected by floods in 2016.	250,000,000
Contributing to the Disaster Prevention Fund of Tay Ninh 2016.	100,000,000
Funding support for the construction of charity houses in Ben Luc district, Long An province.	50,000,000
Supporting the Tet holiday for the poor in Hoc Mon district - HCMC.	50,000,000
Supporting for livelihoods for disadvantaged members of the Women's Union of Ho Chi Minh City during 2017-2021.	200,000,000
Funding support for Tay Ninh Department of Agriculture and Rural Development to organize performances and workshops in Southeast in 2017.	50,000,000
Supporting the "Gratitude" fund of Tay Ninh province on the occasion of the 70 th anniversary of War Invalids and Martyrs' Day.	10,000,000
Funding support for Trinh Don Phuoc, 17 years old to treat blood cancer at Ho Chi Minh City Hospital of Hematology and Blood Transfusion.	50,000,000
Giving 3,000 notebooks to poor students in Long Phuoc, Long Giang, Long Chu, Mo Cong.	13,500,000
Funding support for the installation of water drainage pipes for Long Phuoc border-guard station.	14,000,000
Funding support for Cambodian units to upgrade and repair their offices.	19,000,000
Funding support for Cambodian units to organise Lunar New Year 2017.	30,450,000
Donating 2,000 kg of refined sugar for the Vu A Dinh scholarship fund and the club "For Hoang Sa - Truong Sa" - Ho Chi Minh Communist Youth Union; visiting and giving gifts to the people of Truong Sa island in April 2017.	40,000,000
Giving 4 "Book cabinet for Future" to the children in Tay Ninh Center for Social Protection, Tay Ninh Education Center for Deaf and Hard of Hearing, Tay Ninh Center for Disabled Children and Tu Phuoc Pagoda.	32,000,000
Giving more than 1,600 gifts to the disadvantaged children in the local material areas of communes and districts in Tay Ninh province and the children in schools and social protection centers for Mid-Autumn Festival 2016.	160,000,000
Giving Tet gifts to the children in Tay Ninh Education Center for Deaf and Hard of Hearing, Tay Ninh Center for Disabled Children, Tu Phuoc Pagoda, Tay Ninh Fund for the poor, Tay Ninh Center for Social Protection, etc. (640 kg of sugar and 70 gifts valuing at VND224,000 per gift).	28,480,000

TOTAL BUDGET FOR SOCIAL RESPONSIBILITY PROGRAMS FOR THE COMMUNITY 2016-2017: VND2.1 BILLION



GRI STANDARDS	DISCLOSURE ITEM	REPORT 2017	PAGE
GRI 102: GENERAL DISCLOSURES 2016			
ORGANIZATIONAL PROFILE			
GRI 102-1	Name of the organization	Corporate highlights	10
GRI 102-2	Activities, brands, products, and services	Business lines and business locations	18-19
		Quality of TTCS products	
GRI 102-3	Location of headquarters	Corporate highlights	10
GRI 102-4	Location of operations	Business locations	20-21
		Branches and subsidiaries	24-27
GRI 102-5	Ownership and legal form	Corporate highlights	10
		Establishment and development history	12-13
GRI 102-5	Ownership and legal form	Management model, business organization and management apparatus	22-23
GRI 102-6	Markets served	Business locations	20-21
		Financial highlights	14
GRI 102-7	Scale of the organization	Number of operating establishments	62
		Number of products	66
		Total number of employees	82,162
GRI 102-8	Information on employees and other workers	Organization and personnel in the fiscal year 2016-2017	82-91
		Number of employees	162
GRI 102-12	External initiatives	TCNV 14001:2004	155
		IFC standards	106
		QCVN 40:2911/BTNMT	152
		Organic standards	
GRI 102-13	Membership of associations	TTCS is currently a member of the Vietnam Sugar Association	

GRI STANDARDS	DISCLOSURE ITEM	REPORT 2017	PAGE
STRATEGY			
GRI 102-14	Statement from senior decision-maker	Message from the Chairman	4-5
		Sustainable development message	132-133
GRI 102-15	Key impacts, risks, and opportunities	Operational risks	44-47
ETHNICS AND INTERGRITY			
GRI 102-16	Values, principles, standards, and norms of behavior	Core values	7
GOVERNANCE			
GRI 102-18	Governance structure	Management model, business organization and management apparatus	22-23
GRI 102-19	Delegating authority	Risk management model	129
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Risk management model	129
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Participation of stakeholders	136-138
GRI 102-22	Composition of the highest governance body and its committees	Board of Management, Board of Supervisors, Board of Directors and Board of Professional Directors	28-38
GRI 102-23	Chair of the highest governance body	Board of Management	29-31
		The Chairman does not participate in the Executive Board	29,34
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	BOM operation report in fiscal year 2016-2017	100-101
GRI 102-27	Collective knowledge of highest governance body	Training BOM on corporate governance	108
GRI 102-28	Evaluating the highest governance body's performance	Assessment on BOM performance	103
GRI 102-29	Evaluating the highest governance body's performance	Operational risks	44-47
		Risk management	129



GRI CONTENT INDEX (CONTINUED)

GRI STANDARDS	DISCLOSURE ITEM	REPORT 2017	PAGE
GRI 102-31	Review of economic, environmental, and social topics	BOM's meetings	101
GRI 102-32	Highest governance body's role in sustainability reporting	The BOM is the highest level of reporting on sustainable development. The Editorial Board is in charge of drafting content and submitting for approval	
GRI 102-35	Remuneration policies	Remunerations for BOM, BOS and salary, bonus of BOD during the fiscal year 2016-2017	114-115
GRI 102-38	Annual total compensation ratio	Average salary of employees	162
GRI 102-39	Percentage increase in annual total compensation ratio		
STAKEHOLDER ENGAGEMENT			
GRI 102-40	List of stakeholder groups	Participation of stakeholders	136
GRI 102-41	Collective bargaining agreements	Relation between employer and employee	167
GRI 102-43	Approach to stakeholder engagement	Participation of stakeholders	136-138
GRI 102-44	Key topics and concerns raised		
REPORTING PRACTICE			
GRI 102-45	Entities included in the consolidated financial statements	Scope and boundary of report	134
GRI 102-46	Defining report content and topic Boundaries	Identify key areas and content of the report	139
GRI 102-47	List of material topics		
GRI 102-50	Reporting period	Scope of report	134
GRI 102-51	Date of most recent report		134
GRI 102-52	Reporting cycle		134

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GRI 102-55	GRI content index	GRI content index	178
GRI 200: ECONOMIC STANDARDS			
GRI 201: ECONOMIC PERFORMANCE			
	Management approach	Vision - Mission - Core values	6
		Development orientation of the Company during 2017-2018	40
		Mid and long-term development strategy	41
		Development plan for fiscal year 2017-2018	78-81
GRI 201-1	Direct economic value generated and distributed	Company's operational performance	50-53
		Company's financial position in the fiscal year 2016-2017	54-57
		Investment and performance of projects	58
		Payment of social insurance, health insurance and unemployment insurance in recent years	88
		Average income of employees	87
		Total budget for social responsibility programs for the community 2016-2017	176-177
		GRI 201-2	Financial implications and other risks and opportunities due to climate change
Outstanding points in sugarcane purchasing policy in fiscal year 2016-2017	144		
Situation of energy sources and solutions in the usage of energy	157-158		
Total loss in production	161		
GRI 202: MARKET PRESENCE			



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GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Chart of basic salary of employees by gender in the fiscal year 2016-2017	172
GRI 203: INDIRECT ECONOMIC IMPACTS			
	Management approach		
GRI 203-1	Infrastructure investments and services supported	Responsibility to community and locality	174
		Creating jobs for local people	173
GRI 203-2	Significant indirect economic impacts	Cultivation technology: Planting sugarcane one time but harvesting 2 times brings high profit to the mountain farmers	146-147
		Responsibility to community and locality	174
GRI 204: PROCUREMENT PRACTICE			
		Farming encouragement program	71
	Management approach	Agriculture	143-147
		Regulations on investment and procurement	173
GRI 204-1	Proportion of spending on local suppliers	Outstanding points in sugarcane purchasing policy in fiscal year 2016-2017	144
GRI 300: ENVIRONMENTAL STANDARDS			
GRI 301: MATERIALS			
	Management approach	Material management in production	159

GRI STANDARDS	DISCLOSURE ITEM	REPORT 2017	PAGE
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GRI 301-2	Recycled input materials used	Material management in production	159-161
GRI 301-3	Reclaimed products and their packaging materials		
GRI 302: ENERGY			
	Management approach		
GRI 302-1	Energy consumption within the organization		
GRI 302-2	Energy consumption outside the organization	Energy	157-158
GRI 302-3	Energy intensity		
GRI 302-4	Reduction of energy consumption		
GRI 303: WATER			
	Management approach	Water source management	150
		Water purchased from Tay Ninh Irrigation Company	150
GRI 303-1	Water withdrawal by source	Surface water and groundwater extraction	151
		Total amount of water used by each source; Water classification by usage purpose	154
		Circulating water system	151
GRI 303-3	Water recycled and reused	Reused of water in production; Percentage of recycled water compared to purchased water from canals; Cost savings from water circulation	154



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GRI 305-1	Direct (Scope 1) GHG emissions	Reducing CO ₂ emission	157
GRI 306: EFFLUENTS AND WASTE			
	Management approach	Managing the major environmental issues for the sugar industry	150
		Wastewater and wastewater discharge management	152-153
GRI 306-1	Water discharge by quality and destination	Wastewater and wastewater discharge management	152-153
		Wastewater discharge management	154, 155
GRI 306-2	Waste by type and disposal method	Waste	156
GRI 306-3	Significant spills	In the fiscal year 2016-2017, TTCS has no any spills	150
GRI 306-5	Water bodies affected by water discharges and/or runoff	The quality of the waste water of TTCS is always within the limit value of column A so it does not affect the environment	153
GRI 307: ENVIRONMENTAL COMPLIANCE			
	Management approach	Managing the major environmental issues for the sugar industry	150, 155
GRI 307-1	Non-compliance with environmental laws and regulations	In fiscal year 2016-2017, there are no Non-compliance with environmental laws and regulations at TTCS	150
GRI 400: SOCIAL STANDARDS			
GRI 401: EMPLOYMENT			
	Management approach	Brief of policies and changes in policies to employees	87-91
		Employee-related policies	162-172

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		Turnover in the fiscal year 2016-2017	166
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		Employee-related policies	162-172
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GRI 402-1	Minimum notice periods regarding operational changes	Relation between employer and employee	167
GRI 403: OCCUPATIONAL HEALTH AND SAFETY			
	Management approach		
GRI 403-1	Workers representation in formal joint management-worker health and safety committees		
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost day, and absenteeism, and number of work-related fatalities	Occupational health and safety	168-169
GRI 403-3	Workers with high incidence or high risk of diseases related to their occupation		
GRI 403-4	Health and safety topics covered in formal agreements with trade unions		
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	Management approach	Training policy	91
GRI 404-1	Average hours of training per year per employee	Average hours of training	170



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GRI 405: DIVERSITY AND EQUAL OPPORTUNITY			
	Management approach	Equity in evaluation and reward; Equality in treatment	167
		No discrimination	173
GRI 405-1	Diversity of governance bodies and employees	Employee structure	172
GRI 405-2	Ratio of basic salary and remuneration of women to men	Chart of basic salary of employees by gender in the fiscal year 2016-2017	172
GRI 406: NON-DISCRIMINATION			
	Management approach	Non-discrimination	173
GRI 406-1	Incidents of discrimination and corrective actions taken	In the fiscal year 2016-2017, there are no incidents of discrimination at TTCS	173
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
	Management approach	Relation between employer and employee	167
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	Management approach	Relation between employer and employee	167
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GRI 409: FORCED OR COMPULSORY LABOR			
	Management approach	Relation between employer and employee	167
		Child labor and forced labor	173
GRI 411: RIGHTS OF LOCAL PEOPLES			
	Management approach	Rights of local people	173
GRI 411-1	Incidents of violations involving rights of local peoples	In the fiscal year 2016-2017, there are no incidents of violations involving rights of local peoples at TTCS	

GRI STANDARDS	DISCLOSURE ITEM	REPORT 2017	PAGE
GRI 413: LOCAL COMMUNITIES			
	Management approach		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Responsibility to community and locality	174
GRI 416: CUSTOMER HEALTH AND SAFETY			
		Risks of consumption trend	45
		Measures to control the quality of finished products	75
	Management approach	T.SU Special Organic Sugar: Important strategy to offer clean and health products	141-142
		Food defense program: Continue to implement the activities to enhance awareness of consumers	142
GRI 416-1	Assessment of the health and safety impacts of product and service categories	In the fiscal year 2016-2017, there are no incidents of non-compliance concerning the health and safety impacts of products and services affected by the products of TTCS.	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417: MARKETING AND LABELING			
	Management approach		
GRI 417-1	Requirements for products and service information and labeling	Quality of TTCS products	18-19
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	In the fiscal year 2016-2017, there are no incidents of non-compliance concerning product and service information, labeling and marketing communications.	
GRI 417-3	Incidents of non-compliance concerning marketing communications		
GRI 419: SOCIOECONOMIC COMPLIANCE			
	Management approach	All BOM activities are considered carefully, in compliance with the Law on Enterprise, the applicable laws as well as the Company's Charter	100
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	In the fiscal year 2016-2017, there is no non-compliance with laws and regulations in the social and economic area	



HONOR **VALUES** ...

... **SUSTAINABLE DEVELOPMENT**



TTCS always pays attention to mechanization in production, actively responds to climate changes, researches and develops high-quality products to bring benefits to consumers and increase added value to the farmers and Vietnam's economy, aiming at a sustainable agricultural development.

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THANH THANH CONG TAY NINH JOINT STOCK COMPANY

Consolidated financial statements
30 June 2017

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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 ("HOSE") with trading code as SBT in accordance with License No. 27/QD-SGDCKHCM issued by HOSE 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 No. 512, Ly Thuong Kiet Street, Ward 7, Tan Binh District, Ho Chi Minh City, Vietnam.

SIGNIFICANT EVENT

In accordance to Resolution No. 01/2017/NQ-DHDCD dated 25 May 2017, the Extraordinary General Meeting of Shareholders approved the merger of Bien Hoa Sugar Joint Stock Company into the Company. Accordingly, the Company completed the issuance of 303,830,405 new shares on 6 September 2017 to swap the entire shares of Bien Hoa Joint Stock Corporation at a ratio of 1:1.02. this increase in share capital was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the fifth amended BRC dated 18 September 2017.

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 Permanent	
Ms Nguyen Thi Hoa	Vice Chairman	appointed on 31 October 2016
Mr Le Van Dinh	Vice Chairman	
Ms Dang Huynh Uc My	Member	
Mr Henry Chung	Member	appointed on 31 October 2016
Mr Nguyen Quoc Viet	Member	resigned on 31 October 2016
Ms Pham Thi Thu Trang	Member	resigned on 31 October 2016

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	
Ms Pham Ngoc Thanh Mai	Member	appointed on 31 October 2016
Mr Nguyen Xuan Thanh	Member	resigned on 31 October 2016

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	
Ms Tran Que Trang	Permanent Deputy General Director	appointed on 15 November 2016
Ms Duong Thi To Chau	Deputy General Director of Business	
Mr Nguyen Quoc Viet	Deputy General Director	appointed on 1 July 2017
Mr Tran Quoc Thao	Deputy General Director	appointed on 7 July 2017
Mr Nguyen Thanh Khiem	Deputy General Director	appointed on 7 July 2017
Mr Nguyen Viet Hung	Material Development Director – Zone 2 Deputy General Director of Material	appointed on 1 July 2017 resigned on 1 July 2017
Mr Nguyen Van De	Deputy General Director	resigned on 9 January 2017
Mr Le Duc Ton	Factory Director	
Ms Nguyen Thi Thuy Tien	Finance and Accounting Director	
Mr Huynh Van Phap	Business Director	
Mr Nguyen Hung Viet	Technical Director	appointed on 15 June 2017
Mr Le Huy Thanh	Agriculture Director cum acting Material Development Director – Zone 1	appointed on 1 July 2017
Mr Nguyen Trong Hoa	Material Development Director – Zone 3	appointed on 1 July 2017
Ms Ho Nguyen Duy Khuong	Supporting Director	appointed on 8 May 2017
Mr Thai Ba Hoa	Material Director	resigned on 1 July 2017
Ms Nguyen Thi Thu Trang	Supporting Director	appointed on 18 October 2016 resigned on 8 May 2017

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Pham Hong Duong.

Ms Tran Que Trang is authorized by Mr Pham Hong Duong to sign the accompanying consolidated financial statements for the year ended 30 June 2017 in accordance with the Decision No. 04/2017/QĐ – CT.HDQT dated 20 February 2017.

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”) are pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 30 June 2017.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- » select suitable accounting policies and then apply them consistently;
- » make judgements and estimates that are reasonable and prudent;
- » state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- » prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

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 2017, and of the consolidated results of its operations and its consolidated cash flows for the year ended 30 June 2017 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:



Dang Huynh Uc My
Member of Board of Directors
Letter of Authorization No. 18/2017/GUQ-TTCS

Ho Chi Minh City, Vietnam
21 September 2017

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 21 September 2017 and set out on pages 196 to 251 which comprise the consolidated balance sheet as at 30 June 2017, 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 the 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.

INDEPENDENT AUDITORS’ REPORT

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 2017, 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 the consolidated financial statements.

ERNST & YOUNG VIETNAM LIMITED



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

Ho Chi Minh City, Vietnam
21 September 2017

Vuong Van Minh
Auditor
Audit Practicing Registration Certificate
No. 3446-2015-004-1

CONSOLIDATED
BALANCE SHEET

as at 30 June 2017

B01-DN/HN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A.CURRENT ASSETS		4,472,667,304,183	4,216,029,016,581
110	I. Cash and cash equivalents	4	202,593,033,644	855,375,120,630
111	1. Cash		202,593,033,644	431,443,246,481
112	2. Cash equivalents		-	423,931,874,149
120	II. Short-term investments		112,385,986,079	46,424,094,687
121	1. Held-for-trading securities	5	115,587,852,769	54,116,600,867
122	2. Provision for held-for-trading securities	5	(3,701,866,690)	(7,692,506,180)
123	3. Held-to-maturity investment	6	500,000,000	-
130	III. Current accounts receivable		2,067,763,576,522	1,930,581,676,173
131	1. Short-term trade receivables	7	562,526,221,534	822,334,756,561
132	2. Short-term advances to suppliers	8	1,161,739,185,942	938,582,888,061
135	3. Short-term loan receivables	33	285,800,000,000	133,500,000,000
136	4. Other short-term receivables	9	97,453,892,875	70,882,923,265
137	5. Provision for short-term doubtful receivables	8, 9	(39,755,723,829)	(34,718,891,714)
140	IV. Inventories	10	1,958,094,882,102	1,333,276,780,107
141	1. Inventories		1,959,735,521,352	1,334,096,271,683
149	2. Provision for obsolete inventories		(1,640,639,250)	(819,491,576)
150	V. Other current assets		131,829,825,836	50,371,344,984
151	1. Short-term prepaid expenses	11	63,048,737,092	40,887,927,016
152	2. Value added tax deductible		1,097,290,925	9,102,232,099
153	3. Tax and other receivables from the State	21	67,683,797,819	381,185,869

CONSOLIDATED
BALANCE SHEET

as at 30 June 2017 (continued)

B01-DN/HN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		3,333,549,293,991	2,620,667,782,014
210	I. Long-term receivables		247,604,257,836	194,048,412,209
212	1. Long-term advances to suppliers	8	87,265,337,933	58,769,761,197
215	2. Long-term loan receivables	33	200,000,000	-
216	3. Other long-term receivables	9	160,138,919,903	135,278,651,012
220	II. Fixed assets		1,442,294,352,074	1,555,356,440,558
221	1. Tangible fixed assets	12	1,223,071,433,345	1,305,729,123,707
222	Cost		3,148,451,311,003	3,051,892,253,773
223	Accumulated depreciation		(1,925,379,877,658)	(1,746,163,130,066)
224	2. Finance leases	13	62,692,225,631	67,610,055,686
225	Cost		73,767,448,385	73,767,448,385
226	Accumulated depreciation		(11,075,222,754)	(6,157,392,699)
227	3. Intangible assets	14	156,530,693,098	182,017,261,165
228	Cost		172,777,949,697	197,891,271,547
229	Accumulated amortisation		(16,247,256,599)	(15,874,010,382)
230	III. Investment properties	15	131,118,256,994	-
231	1. Cost		138,061,019,789	-
232	2. Accumulated depreciation		(6,942,762,795)	-
240	IV. Long-term asset in progress		78,656,574,346	124,818,704,027
242	1. Construction in progress	16	78,656,574,346	124,818,704,027
250	V. Long-term investments	17	1,372,916,355,311	686,067,887,183
252	1. Investments in associates	17.1	1,372,916,355,311	398,984,110,671
253	2. Investments in other entities	17.2	770,062,384	287,922,171,983
254	3. Provision for long-term investments	17.2	(770,062,384)	(838,395,471)
260	VI. Other long-term assets		60,959,497,430	60,376,338,037
261	1. Long-term prepaid expenses	11	44,416,155,370	41,619,031,610
262	2. Deferred tax asset	32.3	573,205,126	851,395,319
269	3. Goodwill	18	15,970,136,934	17,905,911,108
270	TOTAL ASSETS		7,806,216,598,174	6,836,696,798,595

CONSOLIDATED
BALANCE SHEET

as at 30 June 2017 (continued)

B01-DN/HN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		4,692,717,742,777	4,134,301,056,939
310	I. Current liabilities		3,169,470,067,090	2,774,320,638,118
311	1. Short-term trade payables	19	125,823,866,896	46,117,978,053
312	2. Short-term advances from customers	20	90,045,951,574	85,044,977,543
313	3. Statutory obligations	21	16,881,858,042	12,205,553,830
314	4. Payables to employees		8,634,282,071	10,133,880,337
315	5. Short-term accrued expenses	22	54,505,220,916	58,769,362,740
318	6. Short-term unearned revenues		3,466,732,320	-
319	7. Short-term other payables	23	7,293,806,406	24,174,187,980
320	8. Short-term loans and finance lease obligations	24	2,849,665,687,097	2,520,380,695,895
322	9. Bonus and welfare fund		13,152,661,768	17,494,001,740
330	II. Non-current liabilities		1,523,247,675,687	1,359,980,418,821
336	1. Long-term unearned revenues		15,600,295,440	-
337	2. Other long-term liabilities	23	6,338,567,960	185,500,000
338	3. Long-term loans and finance lease obligations	24	1,501,308,812,287	1,359,794,918,821
400	D. OWNERS' EQUITY		3,113,498,855,397	2,702,395,741,656
410	I. Capital		3,113,498,855,397	2,702,395,741,656
411	1. Share capital	25.1	2,531,882,680,000	1,947,610,330,000
411a	- Shares with voting rights		2,531,882,680,000	1,947,610,330,000
412	2. Share premium	25.1	75,894,194,065	155,174,403,823
415	3. Treasury shares	25.1	-	(40,306,862,293)
417	4. Foreign exchange differences reverse	25.1	6,812,245,007	(2,165,210,735)
418	5. Investment and development fund	25.1	39,217,460,174	243,709,260,201
421	6. Undistributed earnings	25.1	447,942,629,859	386,137,417,421
421a	- Undistributed earnings up to the end of prior year		111,025,631,641	93,923,017,688
421b	- Undistributed earnings of current year		336,916,998,218	292,214,399,733
429	7. Non-controlling interests	26	11,749,646,292	12,236,403,239
440	TOTAL LIABILITIES AND OWNERS' EQUITY		7,806,216,598,174	6,836,696,798,595

Dang Thi Diem Trinh
Preparer

Le Phat Tin
Chief Accountant

Tran Que Trang
Deputy General Director

21 September 2017

CONSOLIDATED
INCOME STATEMENT

for the year ended 30 June 2017

B02-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	27.1	4,502,976,571,901	4,042,892,882,215
02	2. Deductions	27.1	(4,593,193,827)	(15,660,161,470)
10	3. Net revenue from sale of goods and rendering of services	27.1	4,498,383,378,074	4,027,232,720,745
11	4. Cost of goods sold and services rendered	28	(3,884,365,645,355)	(3,422,230,144,928)
20	5. Gross profit from sale of goods and rendering of services		614,017,732,719	605,002,575,817
21	6. Finance income	27.2	221,886,524,205	141,667,851,402
22	7. Finance expenses	29	(280,225,773,821)	(216,332,843,184)
23	In which: Interest expense		(256,785,222,928)	(152,781,586,342)
24	8. Shares of profit of associates		40,212,488,665	12,549,340,671
25	9. Selling expenses	30	(87,356,899,046)	(95,464,461,360)
26	10. General and administrative expenses	30	(149,592,462,244)	(143,593,766,960)
30	11. Operating profit		358,941,610,478	303,828,696,386
31	12. Other income		18,912,677,772	11,750,741,251
32	13. Other expenses		(10,375,487,711)	(5,503,138,451)
40	14. Other profit		8,537,190,061	6,247,602,800
50	15. Accounting profit before tax		367,478,800,539	310,076,299,186
51	16. Current corporate income tax expense	32.1	(27,895,746,430)	(16,761,373,041)
52	17. Deferred tax (expense) income	32.3	(278,190,193)	851,395,319
60	18. Net profit after tax		339,304,863,916	294,166,321,464
61	19. Net profit after tax attributable to shareholders of the parent		339,791,620,863	293,814,330,822
62	20. Net (loss) profit after tax attributable to non-controlling interests		(486,756,947)	351,990,642
70	21. Basic earnings per share	25.4	1,182	1,117
71	22. Diluted earnings per share	25.4	1,182	1,117

Dang Thi Diem Trinh
Preparer

Le Phat Tin
Chief Accountant

Tran Que Trang
Deputy General Director

21 September 2017

CONSOLIDATED
CASH FLOW STATEMENT

for the year ended 30 June 2017

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		367,478,800,539	310,076,299,186
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets and investment properties (including amortisation of goodwill)	12, 13, 14, 15, 18	199,931,775,661	162,019,427,999
03	Provisions		1,799,007,212	18,509,923,228
04	Foreign exchange losses (gains) arisen from revaluation of monetary accounts denominated in foreign currency		228,630,602	(189,260,438)
05	Profit from investing activities		(248,674,307,088)	(109,948,071,965)
06	Interest expense	29	256,785,222,928	152,781,586,342
08	Operating profit before changes in working capital		577,549,129,854	533,249,904,352
09	Increase in receivables		(191,354,152,810)	(531,993,919,431)
10	Increase in inventories		(625,639,249,669)	(483,522,758,961)
11	Increase in payables		119,012,667,901	4,438,314,140
12	(Increase) decrease in prepaid expenses		(22,317,933,836)	41,687,725,284
13	Increase in held-for-trading securities		(61,471,251,902)	(45,991,839,439)
14	Interest paid		(253,009,593,869)	(130,730,947,864)
15	Corporate income tax paid		(26,193,402,027)	(11,656,363,496)
17	Other cash outflows from operating activities		(48,617,968,424)	(19,941,428,130)
20	Net cash flows used in operating activities		(532,041,754,782)	(644,461,313,545)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(183,499,708,180)	(429,473,441,007)
22	Proceeds from disposals of fixed assets		8,558,550,022	2,482,912,604
23	Loans to other entities and term deposits		(1,248,380,000,000)	(245,313,284,423)
24	Collections from borrowers and term deposits		1,095,380,000,000	293,000,000,000
25	Payments for investments in other entities		(834,605,279,975)	(285,996,689,279)
26	Proceeds from sale of investments in other entities		355,792,706,726	151,110,955,658
27	Interest and dividends received		111,174,717,491	63,346,523,587
30	Net cash flows used in investing activities		(695,579,013,916)	(450,843,022,860)

CONSOLIDATED
CASH FLOW STATEMENT

for the year ended 30 June 2017 (continued)

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Reissuance of treasury shares		107,097,422,535	115,472,765,963
33	Drawdown of borrowings		5,957,144,296,648	6,713,690,612,483
34	Repayment of borrowings		(5,480,015,161,840)	(4,882,110,827,299)
35	Finance lease principal paid		(9,162,829,080)	(6,872,121,810)
36	Dividends paid	25.2	(63,122,250)	(127,607,494,420)
40	Net cash flows from financing activities		575,000,606,013	1,812,572,934,917
50	Net (decrease) increase in cash and cash equivalents for the year		(652,620,162,685)	717,268,598,512
60	Cash and cash equivalents at beginning of year		855,375,120,630	138,062,494,402
61	Impact of exchange rate fluctuation		(161,924,301)	44,027,716
70	Cash at end of year	4	202,593,033,644	855,375,120,630


Dang Thi Diem Trinh
 Preparer


Le Phat Tin
 Chief Accountant


Tran Que Trang
 Deputy General Director

21 September 2017

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 (“HOSE”) with trading code as SBT in accordance with License No. 27/QD-SGDCKHCM issued by HOSE 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 No. 512, Ly Thuong Kiet Street, Ward 7, Tan Binh District, Ho Chi Minh City, Vietnam.

The number of the Group’s employees as at 30 June 2017 was 1,367 (30 June 2016: 1,056).

1. CORPORATE INFORMATION (CONTINUED)

Corporate structure

As at the balance sheet dates, the Group’s corporate structure includes 6 subsidiaries, as follows:

Name of subsidiaries	Head office	Business activities	Status of operation	% ownership interest	
				30 June 2017	30 June 2016
1. 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
2. Thanh Thanh Cong Gia Lai Co., Ltd	Ayunpa Town, Gia Lai Province	Manufacturing sugar and other by-products from sugar-cane for sales; manufacturing electricity for sales; manufacturing and trading in fertilizer	Operating	100	100
3. TSU Investment Private Limited Company	Singapore	Trading and apart of manufacturing and packaging raw and refined sugar to sell in Singapore and export to region	Operating	100	100
4. Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Chau Thanh District, Tay Ninh Province	Researching and developing sugar cane sprouts; analysing cultivation and planting protection products; producing and developing mechanic machineries for sugar canes production	Operating	62	62
5. Gia Lai Thermoelectricity One Member Company Limited	Ayunpa Town, Gia Lai Province	Manufacturing, transmitting and distributing electricity	Operating	100	100
6. Miaqua Water One Member Company Limited	Tan Chau District, Tay Ninh Province	Manufacturing non-alcoholic beverages, mineral water; manufacturing and processing soft drinks, fruit juice and soy milk; manufacturing bottled water	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 consolidated financial position and the consolidated results of its operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

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

2.3 Fiscal year

The 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 2017.

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 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.

3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, merchandise	-	cost of purchase on a weighted average basis.
Finished goods and work-in-process	-	cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.3 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Assets held under finance leases are capitalised in the consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's fixed assets in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.6 Intangible 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 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	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

3.8 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	25 years
Land use right	50 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.9 Investments

Investment in associates

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not 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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Investments (continued)

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

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

Held-for-trading securities and investments in other entities

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

Provision for investments

Provision 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 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013.

Pre-season overhaul costs and fee for development of planting sugar cane 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.

3.12 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 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 transaction of 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 the 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).

3.14 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.

3.15 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the period 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 period.

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 period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Sale of electricity

Revenue is recognized based on the actual electricity sold and transferred to the grid at the pre-agreed tariff.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the lease term.

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.

3.18 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.19 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group.

Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influences over the Group, key management personnel, including directors and officers of the Group and close members of the families of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and geographical segment of the Group is in Vietnam only. Therefore, presentation of separate segmental information is not required.

4. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	2,051,075,445	1,006,576,157
Cash in banks	200,541,958,199	430,436,670,324
Cash equivalents	-	423,931,874,149
TOTAL	202,593,033,644	855,375,120,630

5. HELD-FOR-TRADING SECURITIES

	Ending balance		Beginning balance	
	Share	Value VND	Share	Value VND
Listed shares				
- Vietnam Dairy Products Joint Stock Company ("VNM")	217,400	32,072,009,925	-	-
- Ho Chi Minh Infrastructure Development Joint Stock Company ("CII")	421,100	16,296,563,595	-	-
- Song Da Urban & Industrial Zone Investment and Development Joint Stock Company ("SJS")	523,650	15,825,065,546	-	-
- Asia Commercial Bank ("ACB")	200,000	5,186,327,840	-	-
Other investments		46,207,885,863		54,116,600,867
TOTAL		115,587,852,769		54,116,600,867
Provision for held-for-trading securities		(3,701,866,690)		(7,692,506,180)
NET		111,885,986,079		46,424,094,687

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6. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investment represent 6-month deposit at Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ky Dong Branch, which earn interest at 5.3% per annum.

7. SHORT-TERM TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Due from other parties	345,338,250,199	322,705,840,976
<i>In which:</i>		
- URC Vietnam Co., Ltd	92,886,874,238	315,000,000
- Suntory PepsiCo Vietnam Beverage Limited Company	63,752,010,000	147,255,149,989
- Others	188,699,365,961	175,135,690,987
Due from related parties (Note 33)	217,187,971,335	499,628,915,585
TOTAL	562,526,221,534	822,334,756,561

Short-term trade receivables amounting to VND 400,486,653,299 were pledged as collateral for the short-term loans obtained from commercial banks (Note 24).

8. ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Short-term	1,161,739,185,942	938,582,888,061
Advances to related parties (Note 33)	578,198,519,644	447,900,516,983
Advances to other parties	583,540,666,298	490,682,371,078
<i>In which:</i>		
- Farmers (*)	492,196,315,484	353,028,961,685
- John Deere Asia (Singapore) Private Limited	40,558,172,143	-
- Others	50,786,178,671	137,653,409,393
Long-term	87,265,337,933	58,769,761,197
Advances to farmers (*)	87,265,337,933	58,769,761,197
TOTAL	1,249,004,523,875	997,352,649,258
Provision for doubtful short-term advances to suppliers	(29,822,442,780)	(24,882,892,556)
NET	1,219,182,081,095	972,469,756,702

(*) Advances to sugar cane farmers are partially secured by the farmers' land use rights and earned interest at rate ranging from 9.6% to 12% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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8. ADVANCES TO SUPPLIERS (CONTINUED)

Details of movements of provision for doubtful short-term advances to suppliers:

	Current year	Previous year
Beginning balance	24,882,892,556	14,078,838,504
Provision made during the year	9,620,395,279	18,246,884,961
Reversal during the year	(4,680,845,055)	(7,442,830,909)
Ending balance	29,822,442,780	24,882,892,556

9. OTHER RECEIVABLES

	Ending balance	Beginning balance
Short-term	97,453,892,875	70,882,923,265
Interest receivables	50,394,140,217	46,527,536,973
Staff advances	15,427,146,238	20,096,157,272
Receivables from disposal of investment	13,349,424,000	-
Dividend receivables	7,288,838,895	-
Payment made on behalf of a related party	3,197,194,328	-
Others	7,797,149,197	4,259,229,020
Long-term	160,138,919,903	135,278,651,012
Deposits for land rental	147,431,494,903	122,571,226,012
Receivables from Svayrieng projects in Cambodia (*)	12,707,425,000	12,707,425,000
TOTAL	257,592,812,778	206,161,574,277
Provision for doubtful other short-term receivables	(9,933,281,049)	(9,835,999,158)
NET	247,659,531,729	196,325,575,119
<i>In which:</i>		
Other receivables from other parties	154,928,057,701	171,820,223,439
Other receivables from related parties (Note 33)	92,731,474,028	24,505,351,680

(*) Other long-term receivables included an amount of VND 12,707,425,000 (30 June 2016: 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 has committed to purchase all sugar canes harvested from this project.

Details of movements of provision for doubtful other short-term receivables:

	Current year	Previous year
Beginning balance	9,835,999,158	9,208,437,046
Provision made during the year	1,968,471,294	4,990,369,865
Reversal during the year	(1,871,189,403)	(4,362,807,753)
Ending balance	9,933,281,049	9,835,999,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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10. INVENTORIES

	Ending balance	Beginning balance
Finished goods	1,623,410,045,466	1,062,686,165,328
Raw materials	226,442,965,630	98,843,087,846
Merchandise goods	64,744,311,694	86,807,366,465
Work in progress	37,815,300,158	30,573,298,646
Tools and supplies	5,413,700,752	1,866,121,009
Goods on consignment	1,909,197,652	4,089,182,494
Real estate properties	-	49,231,049,895
TOTAL	1,959,735,521,352	1,334,096,271,683
Provision for obsolete inventories	(1,640,639,250)	(819,491,576)
NET	1,958,094,882,102	1,333,276,780,107

Inventories amounting to VND 1,507,919,750,000 were pledged as collateral for the short-term loans obtained from commercial banks (Note 24).

Details of movements of provision for obsolete inventories:

	Current year	Previous year
Beginning balance	819,491,576	819,491,576
Provision made during the year	821,147,674	-
Ending balance	1,640,639,250	819,491,576

11. PREPAID EXPENSES

	Ending balance	Beginning balance
Short-term	63,048,737,092	40,887,927,016
Fee for development of planting sugar cane	39,628,442,299	14,923,128,424
Pre-season overhaul costs	16,234,914,961	18,867,517,391
Others	7,185,379,832	7,097,281,201
Long-term	44,416,155,370	41,619,031,610
Prepaid land rental	28,952,284,022	34,708,429,061
Tools and supplies	2,126,710,740	2,996,060,400
Others	13,337,160,608	3,914,542,149
TOTAL	107,464,892,462	82,506,958,626

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as at and for the year ended 30 June 2017 (continued)

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12. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Other assets	Total
Cost:						
Beginning 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
New purchase	2,275,550,084	8,172,741,397	9,492,561,494	1,964,067,392	3,009,425,277	24,914,345,644
Transfer from construction in progress	16,971,287,973	74,828,506,305	-	-	-	91,799,794,278
Disposal	(1,075,661,178)	(16,839,810,098)	(2,239,611,416)	-	-	(20,155,082,692)
Ending balance	482,570,872,562	2,541,179,284,521	48,706,683,631	12,814,990,998	63,179,479,291	3,148,451,311,003
<i>In which:</i>						
Fully depreciated	23,616,144,870	259,998,284,168	6,698,320,011	6,288,823,780	58,405,330,530	355,006,903,359
Accumulated depreciation:						
Beginning 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
Depreciation for the year	22,248,409,298	156,984,679,719	4,939,452,290	1,381,487,829	208,133,284	185,762,162,420
Disposal	(606,232,540)	(4,239,237,634)	(1,699,944,654)	-	-	(6,545,414,828)
Ending balance	253,340,065,442	1,583,082,034,461	21,658,460,904	8,433,759,500	58,865,557,351	1,925,379,877,658
Net carrying amount:						
Beginning 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
Ending balance	229,230,807,120	958,097,250,060	27,048,222,727	4,381,231,498	4,313,921,940	1,223,071,433,345
<i>In which:</i>						
Pledged as loan security (Note 24)	152,744,074,533	529,828,768,079	-	-	-	682,572,842,612

NOTES TO
THE CONSOLIDATED FINANCIAL STATEMENTS

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13. FINANCE LEASES

	Machineries and equipment
Cost:	
Beginning and ending balances	73,767,448,385
Accumulated amortisation:	
Beginning balance	6,157,392,699
Depreciation for the year	4,917,830,055
Ending balance	11,075,222,754
Net carrying amount:	
Beginning balance	67,610,055,686
Ending balance	62,692,225,631

14. INTANGIBLE FIXED ASSETS

	Land use rights	Computer software	Total
Cost:			
Beginning balance	186,262,211,459	11,629,060,088	197,891,271,547
New purchase	-	4,183,101,150	4,183,101,150
Transferred to investment properties	(29,296,423,000)	-	(29,296,423,000)
Ending balance	156,965,788,459	15,812,161,238	172,777,949,697
<i>In which:</i>			
Fully amortised	1,610,377,636	3,861,870,666	5,472,248,302
Accumulated amortisation:			
Beginning balance	10,627,513,423	5,246,496,959	15,874,010,382
Amortisation for the year	2,753,485,779	2,114,554,103	4,868,039,882
Transferred to investment properties	(4,494,793,665)	-	(4,494,793,665)
Ending balance	8,886,205,537	7,361,051,062	16,247,256,599
Net carrying amount:			
Beginning balance	175,634,698,036	6,382,563,129	182,017,261,165
Ending balance	148,079,582,922	8,451,110,176	156,530,693,098
<i>In which:</i>			
Pledged as loan security (Note 24)	130,626,608,621	-	130,626,608,621

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15. INVESTMENT PROPERTIES

VND

	Buildings and structures	Land use right	Total
Cost:			
Beginning balance	-	-	-
Transferred from construction in progress	108,764,596,789	-	108,764,596,789
Transferred from intangible fixed assets	-	29,296,423,000	29,296,423,000
Ending balance	108,764,596,789	29,296,423,000	138,061,019,789
Accumulated depreciation and amortisation:			
Beginning balance	-	-	-
Transferred from intangible fixed asset	-	4,494,793,665	4,494,793,665
Depreciation and amortisation for the year	2,157,412,824	290,556,306	2,447,969,130
Ending balance	2,157,412,824	4,785,349,971	6,942,762,795
Net carrying amount:			
Beginning balance	-	-	-
Ending balance	106,607,183,965	24,511,073,029	131,118,256,994
<i>In which:</i>			
<i>Pledged as loan security (Note 24)</i>	<i>106,607,183,965</i>	<i>24,511,073,029</i>	<i>131,118,256,994</i>

The fair values of the investment property as at 30 June 2017 had not yet been formally assessed and determined, but the management believed that it was much higher than the property's carrying values considering that the investment property (trading center) has been almost fully rented out as at the balance sheet date.

16. CONSTRUCTION IN PROGRESS

VND

	Ending balance	Beginning balance
Machinery and equipment under installation	40,287,428,624	17,698,066,904
Espace Bourbon Tay Ninh project	16,454,088,618	93,957,120,070
Warehouse project	14,663,199,577	-
Others	7,251,857,527	13,163,517,053
TOTAL	78,656,574,346	124,818,704,027

Constructions in progress amounting to VND 16,454,088,618 were pledged as collateral for the short-term loans obtained from a commercial bank (Note 24).

During the year, the Group capitalized borrowing costs amounting to VND 4,933,384,539 (for the year ended 30 June 2016: VND 6,067,203,678) to Espace Bourbon Tay Ninh project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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17. LONG-TERM INVESTMENTS

VND

	Ending balance	Beginning balance
Investments in associates (Note 17.1)	1,372,916,355,311	398,984,110,671
Investments in other entities (Note 17.2)	770,062,384	287,922,171,983
TOTAL	1,373,686,417,695	686,906,282,654
Provision for long-term investments	(770,062,384)	(838,395,471)
NET	1,372,916,355,311	686,067,887,183

NOTES TO
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17. LONG-TERM INVESTMENTS (CONTINUED)
17.1 Investments in associates

Details of these investments in associates were as follows:

Name of associates	Business activities	Ending balance		Beginning balance	
		Carrying amount (VND)	% of interest	Carrying amount (VND)	% of interest
TTC Attapeu Cane Sugar Limited Company (*)	Producing and trading import-export of sugar; planting sugarcane, rubber tree, oil palm tree, short-term leguminous trees; producing, transmitting and distributing electricity and trading of agricultural machineries and spare-parts	522,424,985,089	40.00	-	-
Ben Tre Import Export Joint Stock Company (**)	Producing and trading products from coconut, agricultural products; rendering processing services, tourism services; and investing in financial markets	410,928,536,143	48.99	-	-
Thanh Thanh Cong Industrial Zone Joint Stock Company	Building industrial zone's infrastructure and leasing industrial zone	210,985,942,196	49.00	191,055,714,436	49.00
Tay Ninh Sugar Joint Stock Company	Planting sugarcane; producing and trading sugar and its by-products	136,237,450,556	39.23	115,952,253,112	39.23
Nuoc Trong Sugar Joint Stock Company	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	61,068,988,002	30.54	59,863,471,423	30.54
Tay Ninh Chemical Industry Joint Stock Company	Producing starch and products related to starch; producing artificial condensed products, non-alcohol and mineral water, nitrogen compound; installing machinery and industrial equipment	31,270,453,325	20.10	32,112,671,700	26.32
TOTAL		1,372,916,355,311		398,984,110,671	

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17. LONG-TERM INVESTMENTS (CONTINUED)
17.1 Investments in associates (continued)

Details of these investments in associates were as follows: (continued)

(*) On 22 May 2017, the Group completed the acquisition of 40% share capital in TTC Attapeu Cane Sugar Limited Company - formerly known as Hoang Anh Gia Lai Sugar Cane Company Limited ("TTC Attapeu") from Hoang Anh Gia Lai Agricultural Joint Stock Company in accordance with Contract dated 22 May 2017. This acquisition has been approved by the Planning and Investment Department of Gia Lai Province through the issuance of the sixth amended BRC dated 30 May 2017. Capital contribution by the Group to TTC Attapeu was pledged as collateral for bonds (Note 33).

(**) On 12 July 2016, the Group completed the acquisition completed the acquisition of 20,124,764 shares equivalent to 48.99% ownership interest of Ben Tre Import and Export Joint Stock Company from individual shareholders.

		VND
Cost of investment:		
Beginning balance		460,230,911,400
Increase due to new investment		934,605,279,975
Ending balance		1,394,836,191,375
Accumulated share in post-acquisition profit (loss) of the associates:		
Beginning balance		(61,246,800,729)
Share in post-acquisition profit of the associates for the year		40,212,488,665
Dividends received		(885,524,000)
Ending balance		(21,919,836,064)
Net carrying amount:		
Beginning balance		398,984,110,671
Ending balance		1,372,916,355,311

17.2 Investments in other entities

Details of the these investments in other entities were as follows:

	Ending balance		Beginning balance	
	Cost of investment (VND)	% of interest	Cost of investment (VND)	% of interest
Bien Hoa Sugar Joint Stock Company	-	-	201,395,138,816	9.75
Phuoc Hoa Rubber Joint Stock Company	-	-	67,004,967,683	4.73
Can Tho Sugar Joint Stock Company	-	-	18,752,003,100	6.43
Other long-term investment	770,062,384		770,062,384	
TOTAL	770,062,384		287,922,171,983	
Provision for diminution in value of long-term investment	(770,062,384)		(838,395,471)	
NET	-		287,083,776,512	

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18. GOODWILL

VND

Cost:	
Beginning and ending balances	19,357,741,738
Accumulated amortisation:	
Beginning balance	1,451,830,630
Amortization for the year	1,935,774,174
Ending balance	3,387,604,804
Net carrying amount:	
Beginning balance	17,905,911,108
Ending balance	15,970,136,934

19. SHORT-TERM TRADE PAYABLES

VND

	Ending balance	Beginning balance
Due to related parties (Note 33)	72,090,149,385	6,621,405,427
Due to other parties	53,733,717,511	39,496,572,626
<i>In which:</i>		
- Farmers	15,190,523,170	4,083,603,416
- The Southern Fertilizer Joint Stock Company	10,336,612,000	-
- Others	28,206,582,341	35,412,969,210
TOTAL	125,823,866,896	46,117,978,053

20. SHORT-TERM ADVANCES FROM CUSTOMERS

VND

	Ending balance	Beginning balance
Due to related parties (Note 33)	87,662,305,831	15,153,519,660
Due to other parties	2,383,645,743	69,891,457,883
<i>In which:</i>		
- Saigon Thuong Tin Commercial Joint Stock Bank	-	68,570,710,000
- Others	2,383,645,743	1,320,747,883
TOTAL	90,045,951,574	85,044,977,543

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21. STATUTORY OBLIGATIONS

VND

	Beginning balance	Increase	Decrease	Ending balance
Payables				
Corporate income tax	7,849,822,920	27,840,667,437	(26,193,036,513)	9,497,453,844
Value-added tax	4,194,768,372	518,316,441,002	(516,002,160,541)	6,509,048,833
Personal income tax	160,828,778	5,893,398,914	(5,313,952,094)	740,275,598
Others	133,760	256,415,407	(121,469,400)	135,079,767
TOTAL	12,205,553,830	552,306,922,760	(547,630,618,548)	16,881,858,042
Receivables				
Import duties	-	148,863,114,382	(81,208,736,275)	67,654,378,107
Personal income tax	282,072,007	-	(282,072,007)	-
Corporate income tax	54,713,479	-	(54,713,479)	-
Others	44,400,383	-	(14,980,671)	29,419,712
TOTAL	381,185,869	148,863,114,382	(81,560,502,432)	67,683,797,819

22. SHORT-TERM ACCRUED EXPENSES

VND

	Ending balance	Beginning balance
Interest expense	25,826,267,537	22,050,638,478
Purchase of sugar cane	9,680,034,780	-
Transportation and loading fees	3,066,398,571	4,593,855,727
Purchase of refined sugar	-	8,564,877,909
13 th month salary	-	4,467,090,266
Others	15,932,520,028	19,092,900,360
TOTAL	54,505,220,916	58,769,362,740

23. OTHER PAYABLES

VND

	Ending balance	Beginning balance
Short-term	7,293,806,406	24,174,187,980
Harvest and transportation payables	1,524,007,192	1,299,155,796
Deposits	1,116,657,796	-
Others	4,653,141,418	22,875,032,184
Long-term		
Deposits	6,338,567,960	185,500,000
TOTAL	13,632,374,366	24,359,687,980
<i>In which:</i>		
Other parties	12,432,374,366	5,909,908,666
Related parties (Note 33)	1,200,000,000	18,449,779,314

24. LOANS

VNII					
	Beginning balance	Increase	Decrease	Impact from foreign exchange difference	Ending balance
Short-term	2,520,380,695,895	5,753,487,610,676	(5,424,395,198,414)	192,578,940	2,849,665,687,097
Loans from banks (Note 24.1)	2,319,948,696,309	5,507,556,684,554	(5,221,425,247,792)	192,578,940	2,606,272,712,011
Current portion of long-term loans from banks (Note 24.2)	89,758,828,500	82,661,755,042	(89,700,779,542)	-	82,719,804,000
Current portion of long-term loan from another entity (Note 24.3)	1,720,000,000	1,720,000,000	(1,720,000,000)	-	1,720,000,000
Current portion of long-term loan from a related party (Note 24.4)	2,386,342,000	2,386,342,000	(2,386,342,000)	-	2,386,342,000
Current portion of long-term bonds (Note 24.5)	97,404,000,000	150,000,000,000	(100,000,000,000)	-	147,404,000,000
Current portion of finance leases (Note 24.6)	9,162,829,086	9,162,829,080	(9,162,829,080)	-	9,162,829,086
Long-term	1,359,794,918,821	451,973,954,094	(310,460,060,628)	-	1,501,308,812,287
Loans from banks (Note 24.2)	415,086,456,668	31,831,154,094	(149,830,889,542)	-	297,086,721,220
Loan from another entity (Note 24.3)	4,410,000,000	-	(1,720,000,000)	-	2,690,000,000
Loan from a related party (Note 24.4)	7,159,024,000	-	(2,386,342,000)	-	4,772,682,000
Bonds (Note 24.5)	889,616,000,000	420,142,800,000	(147,360,000,000)	-	1,162,398,800,000
Long-term finance leases (Note 24.6)	43,523,438,153	-	(9,162,829,086)	-	34,360,609,067
TOTAL	3,880,175,614,716	6,205,461,564,770	(5,734,855,259,042)	192,578,940	4,350,974,499,384

24. LOANS (CONTINUED)

24.1 Short-term loans from banks

Details of the short-term loans from banks are as follows:

Bank	Ending balance VND	Principal repayment term		Description of collateral
		Original currency (USD)		
Joint Stock Commercial Bank for Foreign Trade of Vietnam – North Saigon Branch	498,682,653,608	-	From 10 August 2017 to 30 December 2017	Land use right of land lot 3105 located at Tan Kim Commune, Can Giuoc District, Long An Province Land use right of land lot 49 located at Ward 2, Tay Ninh City, Tay Ninh Province and associated assets
Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch	399,244,720,271	-	From 6 August 2017 to 30 November 2017	Finished goods with the carrying value of VND 50,000,000,000
ANZ Bank (Vietnam) Ltd - Ho Chi Minh Branch	224,209,631,087	-	From 4 July 2017 to 17 September 2017	All of receivables, inventories with the carrying value of USD 18,750,000
	88,143,956,375	-	From 8 August 2017 to 30 November 2017	All of receivables, inventories with the carrying value of USD 12,500,000
Mizuho Bank, Ltd - Hanoi Branch	219,960,150,376	-	From 24 October 2017 to 11 December 2017	Unsecured
Vietnam International Commercial Joint Stock Bank – Dong Nai Branch	158,204,832,898	-	From 7 August 2017 to 28 December 2017	All of receivables, inventories with the carrying value of VND 200,000,000,000
DBS Bank Ltd. – Ho Chi Minh City Branch	136,886,795,082	-	From 3 October 2017 to 29 December 2017	All of receivables, inventories with the carrying value of USD 11,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam – Gia Lai Branch	109,209,739,340	-	From 24 July 2017 to 7 September 2017	3,200 tons of finished goods in store located at No. 561, Tran Hung Dao Street, Ayun Pa Town, Gia Lai Province

Bank	Ending balance		Principal repayment term	Description of collateral
	VND	Original currency (USD)		
BPCE IOM Bank – Ho Chi Minh City Branch	102,795,707,861	-	From 11 July 2017 to 9 December 2017	All of receivables, inventories with the carrying value of USD 6,600,000
Asia Commercial Joint Stock Bank – Hoa Hung Branch	100,000,000,000	-	From 4 August 2017 to 30 September 2017	All of receivables amount with the carrying value of VND 200,000,000,000
Orient Commercial Joint Stock Bank – Dak Lak Branch	99,315,396,371	-	From 3 November 2017 to 8 November 2017	All of inventories with the carrying value of VND 143,000,000,000
H5BC Bank (Vietnam) Ltd	70,000,000,000	-	28 July 2017	All of receivables, finished goods with the carrying value of VND 120,000,000,000
Malayan Banking Berhad - Ha Noi Branch	60,200,000,000	-	From 4 July 2017 to 22 December 2017	All of receivables, inventories with the carrying value of USD 5,000,000
Shinhan Bank Vietnam - Transaction Center	60,000,000,000	-	From 4 July 2017 to 9 July 2017	Unsecured
Military Commercial Joint Stock Bank – South Sai Gon Branch	42,459,536,000	-	From 8 August 2017 to 9 December 2017	All of inventories with the carrying value of VND 143,750,000,000
Malayan Banking Berhad - Ho Chi Minh Branch	40,000,000,000	-	29 November 2017	All of receivables, finished goods with the carrying value of USD 2,500,000
	42,933,541,088	1,241,249	From 3 July 2017 to 22 December 2017	All of receivables, inventories with the carrying value of USD 5,000,000

24.
24.1

LOANS (CONTINUED)
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)		
Vietnam Technological and Commercial Joint Stock Bank – Ho Chi Minh Branch	37,500,000,000	-	25 October 2017	All of receivables, inventories with the carrying value of VND 150,000,000,000.
Vietnam Maritime Commercial Stock Bank – Ho Chi Minh Branch	36,329,051,654	-	From 10 August 2017 to 10 November 2017	All of receivables with the carrying value of VND 100,000,000,000
Vietnam Bank for Agriculture and Rural Development – Gia Lai Branch	35,900,000,000	-	From 5 July 2017 to 20 July 2017	Unsecured
Tien Phong Commercial Joint Stock Bank – Binh Duong Branch	29,297,000,000	-	From 4 August 2017 to 10 August 2017	Capital contribution by the Company in Thanh Thanh Cong Gia Lai Co., Ltd with the value of VND 136,600,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank – Tay Ninh Branch	15,000,000,000	-	22 July 2017	Unsecured
TOTAL	2,606,272,712,011	1,241,249		

The Group obtained short-term loans from banks at the market interest rate for the purpose of financing its working capital.

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24. LOANS (CONTINUED)

24.2 Long-term loans from banks

Details of the long-term loans from banks are as follows:

Bank	Ending balance VND	Principal repayment term	Description of collateral
Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch	194,720,647,942	From 1 July 2017 to 9 October 2022	Land use right, machineries and fixed assets in factory upgrade projects, rights emerged from trading electricity contract with Central Power Corporation
	127,296,400,000	From 1 July 2017 to 9 October 2021	Machinery and equipment funded from the loan
	17,244,682,831	From 3 July 2017 to 29 March 2022	Machinery and equipment funded from the loan
	13,822,267,554	From 13 August 2017 to 13 February 2022	Land use right, machineries and fixed assets in factory upgrade projects, rights emerged from trading electricity contract with Central Power Corporation
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ninh Branch	17,864,000,000	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	8,858,526,893	From 26 June 2018 to 15 February 2022	Machinery and equipment funded from the loan
TOTAL	379,806,525,220		
<i>In which:</i>			
<i>Current portion</i>	<i>82,719,804,000</i>		
<i>Non-current portion</i>	<i>297,086,721,220</i>		

The Group obtained long-term loans from banks at the market interest rate for the purpose of purchase and construction of fixed assets.

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24. LOANS (CONTINUED)

24.3 Long-term loan from another entity

Details of the long-term loan from another entity is as follows:

Lender	Ending balance VND	Principal repayment term	Description of collateral
Vietnam Environment Protection Fund	4,410,000,000	From 25 September 2017 to 25 March 2020	Guarantee letter from Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch
<i>In which:</i>			
<i>Current portion</i>	<i>1,720,000,000</i>		
<i>Non-current portion</i>	<i>2,690,000,000</i>		

The Group obtained long-term loan from another entity at interest rate of 5.40% per annum for the purpose of purchase and construction of fixed assets.

24.4 Long-term loan from a related party

Details of the long-term loan from a related party is as follows:

Lender	Ending balance VND	Principal repayment term	Description of collateral
Tay Ninh Sugar Joint Stock Company	7,159,024,000	From 10 October 2017 to 10 April 2020	Unsecured
<i>In which:</i>			
<i>Current portion</i>	<i>2,386,342,000</i>		
<i>Non-current portion</i>	<i>4,772,682,000</i>		

The Group obtained long-term loans from a related party at interest rate of 4.62% per annum for the purpose of financing its working capital.

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24. LOANS (CONTINUED)

24.5 Bonds issued

Details of bonds are as follows:

	Ending balance VND	Principal repayment term	Purpose
Issued at par value			
Tien Phong Commercial Joint Stock Bank – Contract No. 01.2016/PL/TPBANK-SBT dated 30 May 2016 (*)	533,796,000,000	From 30 May 2018 to 30 May 2021	Loan restructuring and financing for working capital
Vietnam International Commercial Joint Stock Bank – Contract No. 06 – P/2016/VIB – TTCS dated 30 May 2016 (*)	355,864,000,000	From 30 May 2018 to 30 May 2021	Loan restructuring and financing for working capital
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Noi Branch – Contract No.01/2017/HDTP/TTCS-BIDV dated 23 June 2017 (**)	420,142,800,000	From 23 June 2018 to 23 June 2023	Investing in project to develop sugar industrial zone and material plating area located at Attapeu Province, The Lao People's Democratic Republic through the acquisition of shares in TTC Attapeu Cane Sugar Limited Company
1,309,802,800,000			
<i>In which:</i>			
<i>Current portion</i>	<i>147,404,000,000</i>		
<i>Non-current portion</i>	<i>1,162,398,800,000</i>		

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24. LOANS (CONTINUED)

24.5 Bonds issued (continued)

Details of bonds are as follows: (continued)

(*) *Interest rate*

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 Tien Phong 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.

Collateral

Land use right of land lot 97 located at Tan Hung Commune, Tan Chau District, Tay Ninh Province and associated assets owned by the Group, machinery and equipment and 51% capital contribution by the Company in Thanh Thanh Cong Gia Lai Co., Ltd.

(**) *Interest rate*

These bonds bear an interest rate defined by Joint Stock Commercial Bank for Investment and Development of Vietnam - Gia Dinh Branch on issued date for the first period or the seventh (7th) working date prior to the beginning day of each period for subsequent periods; and of the average of interest rate of individual saving deposit in VND with the term of twelve (12) months announced by Joint Stock Commercial Bank for Investment and Development of Vietnam - Ho Chi Minh City Branch, Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch, Vietnam Bank for Agriculture and Rural Development - Ho Chi Minh City Branch and Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch plus (+) margin 3.2% per annum.

Collateral

- Land lease right under Contract No. 8011/TNM dated 19 November 2012 between Hoang Anh Attapeu Cane Sugar Limited Company ("Hoang Anh Attapeu") and The Lao People's Democratic Republic for 51 hectare land area located at Phu Vong District, Attapeu Province, The Lao People's Democratic Republic and associated assets, real estates and all rights and obligations emerging from those assets owned by Hoang Anh Attapeu; and ownership and entitlement to indemnity for incidents arising under insurance policies for those assets;
- Land lease right under Contract dated 26 December 2013 between Hoang Anh Attapeu and The Lao People's Democratic Republic for 2,723.9 hectare land area located at Attapeu Province, The Lao People's Democratic Republic and associated assets, real estates and all rights and obligations emerging from those assets owned by Hoang Anh Attapeu; construction, machineries in use at farmsites, sugar manufacturing plan, thermo power plant and microbiological fertilizer manufacturing plant; and ownership and entitlement to indemnity for incidents arising under insurance policies for those assets; and
- Capital contribution by the Group in TTC Attapeu.

24. LOANS (CONTINUED)

24.6 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 dates 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	12,752,367,380	3,589,538,294	9,162,829,086	13,588,475,534	4,425,646,448	9,162,829,086	
Non-current liabilities							
From 1 – 5 years	40,380,015,099	6,019,406,032	34,360,609,067	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	53,132,382,479	9,608,944,326	43,523,438,153	66,720,858,012	14,034,590,773	52,686,267,239	

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25. OWNERS' EQUITY

25.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Foreign exchange difference	Investment and development fund	Other owners' capital	Undistributed earnings	Total	VND
Previous year									
Beginning balance	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)	-	
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	
Current year									
Beginning 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	
Increase in capital (*)	584,272,350,000	(146,070,770,000)	-	-	(233,713,240,000)	-	(204,488,340,000)	-	
Reissuance of treasury shares	-	66,790,560,242	40,306,862,293	-	-	-	-	107,097,422,535	
Net profit for the year	-	-	-	-	-	-	339,791,620,863	339,791,620,863	
Foreign exchange differences arisen from conversion from USD to VND for the year	-	-	-	8,977,455,742	-	-	-	8,977,455,742	
Profit appropriation	-	-	-	-	29,221,439,973	-	(29,221,439,973)	-	
Bonus and welfare fund	-	-	-	-	-	-	(44,276,628,452)	(44,276,628,452)	
Ending balance	2,531,882,680,000	75,894,194,065	-	6,812,245,007	39,217,460,174	-	447,942,629,859	3,101,749,209,105	

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25. OWNERS' EQUITY (CONTINUED)

25.1 Increase and decrease in owners' equity (continued)

(*) On 24 October 2016, the Company completed the issuance of 58,427,235 new shares to its existing shareholders under forms of bonus shares appropriated from share premium, investment and development fund and undistributed earnings; and stock dividends appropriated from undistributed earnings in accordance with the Shareholders' Resolution dated 3 August 2016. This increase was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the fourth amended BRC dated 4 November 2016.

25.2 Capital transactions with owners and distribution of dividends

	VND	
	Current year	Previous year
Issued share capital		
Beginning balance	1,947,610,330,000	1,485,000,000,000
Increase during the year	584,272,350,000	462,610,330,000
Ending balance	2,531,882,680,000	1,947,610,330,000
Dividends declared	-	127,661,462,600
Dividends paid	(63,122,250)	(127,607,494,420)

25.3 Shares

	Number of shares	
	Ending balance (shares)	Beginning balance (shares)
Authorised shares	253,188,268	194,761,033
Shares issued and fully paid		
<i>Ordinary shares</i>	253,188,268	194,761,033
Treasury shares		
<i>Treasury shares</i>	-	(3,268,840)
Shares in circulation		
<i>Ordinary shares</i>	253,188,268	191,492,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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25. OWNERS' EQUITY (CONTINUED)

25.4 Earnings per share

	Current year	Previous year (restated)
Net profit for the year attributable to the Company's shareholders (VND)	339,791,620,863	293,814,330,822
Appropriation to bonus and welfare fund (*)	(40,774,994,504)	(35,065,727,968)
Net profit attributable to ordinary holders of the Company's shareholders adjusted for appropriation to bonus and welfare fund	299,016,626,359	258,748,602,854
Weighted average number of ordinary shares in circulation (shares) (**)	252,898,723	231,587,173
Basic and diluted earnings per share (VND/share)	1,182	1,117

(*) Net profit used to compute earnings per share for the year ended 30 June 2016 was restated following the actual distribution to Bonus and welfare funds from 2016 retained earnings as approved in the Resolution of Annual Shareholders Meeting No. 02/2016/NQ-DHDCD dated 31 October 2016.

Bonus and welfare fund for current year is intended to be accrued in accordance with the Resolution of Annual Shareholders Meeting No. 02/2016/NQ-DHDCD dated 31 October 2016.

(**) The weighted average number of ordinary shares for the year ended 30 June 2016 was adjusted to reflect the additional issuance of 58,427,235 bonus shares and dividends shares appropriated from share premium, investment and development fund and undistributed earnings in accordance to VAS No. 30.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

26. NON-CONTROLLING INTERESTS

	VND
	Amount
Beginning balance	12,236,403,239
Net loss for the year	(486,756,947)
Ending balance	11,749,646,292

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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27. REVENUES

27.1 Revenues from sale of goods and rendering of services

VND

	Current year	Previous year
Gross revenue	4,502,976,571,901	4,042,892,882,215
<i>Of which:</i>		
Sales of sugar	3,890,626,622,497	3,668,742,052,016
Sales of molasses	186,801,226,683	147,824,094,685
Sales of fertilizer	123,099,383,747	92,273,215,003
Sales of electricity	105,973,587,594	80,766,375,106
Other	196,475,751,380	53,287,145,405
Less	(4,593,193,827)	(15,660,161,470)
Sale returns	(2,489,839,720)	(9,809,063,773)
Sale allowances	(2,103,354,107)	(5,851,097,697)
Net revenues	4,498,383,378,074	4,027,232,720,745
<i>Of which:</i>		
Sales of sugar	3,886,484,285,563	3,653,102,237,820
Sales of molasses	186,644,635,254	147,824,094,685
Sales of fertilizer	123,006,968,301	92,273,215,003
Sales of electricity	105,973,587,594	80,766,375,106
Other	196,273,901,362	53,266,798,131
<i>Of which:</i>		
Sales to other parties	2,490,584,444,530	3,558,233,286,826
Sales to related parties	2,007,798,933,544	468,999,433,919

27.2 Finance income

VND

	Current year	Previous year
Interest income	134,299,173,133	92,244,471,783
Gains from disposal of investments	70,255,215,430	13,593,010,093
Dividends income	10,573,166,005	7,611,466,400
Foreign exchange gains	6,750,235,844	3,375,908,252
Income from change in ownership interest of investment	-	24,842,024,273
Others	8,733,793	970,601
TOTAL	221,886,524,205	141,667,851,402

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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28. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year
Cost of sugar	3,318,772,406,411	3,064,044,572,444
Cost of molasses	170,970,100,490	139,977,576,019
Cost of fertilizer	122,543,063,779	89,830,881,251
Cost of electricity	109,800,763,623	83,054,088,022
Others	162,279,311,052	45,323,027,192
TOTAL	3,884,365,645,355	3,422,230,144,928

29. FINANCE EXPENSES

VND

	Current year	Previous year
Interest expenses	256,785,222,928	152,781,586,342
Foreign exchange losses	3,366,986,196	42,346,316,435
Provision (reversal of provision)	1,575,408,894	(340,294,354)
Loss from disposal of investments	-	2,937,679,680
Others	18,498,155,803	18,607,555,081
TOTAL	280,225,773,821	216,332,843,184

30. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

	Current year	Previous year
Selling expenses		
Expenses for external services	69,132,772,991	67,561,967,987
Labour cost	9,416,545,804	12,323,635,178
Depreciation	3,601,885,953	2,699,773,694
Other expenses	5,205,694,298	12,879,084,501
	87,356,899,046	95,464,461,360
General and administrative expenses		
Labour costs	66,041,843,774	52,473,712,022
Expenses for external services	32,270,873,968	28,448,944,596
Provision expenses	10,366,048,860	16,418,117,070
Depreciation and amortisation	9,114,777,992	7,991,952,353
Other expenses	31,798,917,650	38,261,040,919
	149,592,462,244	143,593,766,960
TOTAL	236,949,361,290	239,058,228,320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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31. PRODUCTION AND OPERATING COSTS

VND

	Current year	Previous year
Materials and merchandise goods	3,519,529,836,747	3,136,881,170,408
Labour costs	185,133,103,558	152,267,920,385
Depreciation and amortisation	199,092,198,747	162,019,427,999
Expenses for external services	136,469,477,678	127,955,074,112
Other expenses	81,090,389,915	82,164,780,344
TOTAL	4,121,315,006,645	3,661,288,373,248

32. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 10% of taxable profits from normal operating activities and 20% of taxable profits from other activities. The Company is entitled to an exemption from CIT in regards to taxable profits generated from manufacturing sugar from sugar-cane commencing from 1 January 2015 in accordance with Circular No. 96/2015/TT-BTC issued by the Ministry of Finance dated 22 June 2015.

The Company's subsidiaries have the obligations to pay CIT at the rates ranging from 10% to the normal applicable rate of their respective taxable profits their respective taxable profits. They are also entitled to CIT exemption and reduction in accordance with their respective business registration certificates and applicable tax regulations.

The tax returns filed by Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

32.1 CIT expense

VND

	Current year	Previous year
Current CIT expense	27,464,378,668	21,026,046,712
Adjustment for under (over) accrual of tax from prior years	431,367,762	(4,264,673,671)
Deferred tax expense (income)	278,190,193	(851,395,319)
TOTAL	28,173,936,623	15,909,977,722

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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32. CORPORATE INCOME TAX (CONTINUED)

32.1 CIT expense (continued)

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

VND

	Current year	Previous year
Accounting profit before tax	367,478,800,539	310,076,299,186
At CIT rates applied to the Group	54,834,225,398	42,628,675,113
<i>Adjustments:</i>		
Change of provisions for long-term investments	(283,260,313)	1,425,335
Share of profit in associates	(8,042,497,734)	(2,509,868,134)
Gains of change in ownership interest of investments	-	(4,968,404,855)
Gains from disposal of investments	5,597,015,335	3,420,698,963
Non-deductible expenses	458,617,574	367,135,621
Amortisation of goodwill	387,154,835	290,366,127
Dividends income	(1,057,316,600)	(2,624,547,360)
Adjustment for under (over) accrual of tax from prior years	431,367,762	(4,264,673,671)
Tax exemption	(24,151,369,634)	(16,430,829,417)
CIT expense	28,173,936,623	15,909,977,722

32.2 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.

32.3 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
Change in short-term accrued expenses	573,205,126	851,395,319	(278,190,193)	851,395,319
Deferred tax asset	573,205,126	851,395,319		
Deferred tax (expense) income			(278,190,193)	851,395,319

NOTES TO
THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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33. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during current and previous year were as follows:

VND				
Related parties	Relationship	Transactions	Current year	Previous year
Global Mind Commodities Trading Pte. Ltd	Related party	Purchase of materials	970,532,804,268	622,011,100,370
		Sale of goods	576,614,234,980	39,387,692,630
		Advances for purchase of goods	207,967,005,792	-
		Purchase of service	1,603,249,737	-
Thanh Thanh Cong Trading Joint Stock Company	Related party	Lending	840,880,000,000	214,000,000,000
		Purchase of goods	110,199,000,000	141,741,761,971
		Sale of goods	50,823,320,505	115,703,484,343
		Purchase of services	38,564,027,640	7,251,712,022
		Interest income	35,123,804,391	18,014,550,229
		Purchase of materials	15,410,000,000	-
		Interest expenses	5,398,350,000	-
		Service rendered	229,090,911	229,090,911
Thanh Thanh Cong Investment Joint Stock Company	Related party	Sale of goods	405,214,745,730	292,260,639,908
		Lending	163,800,000,000	1,000,000,000
		Interest income	12,807,296,002	7,583,979,359
		Purchase of services	11,294,834,190	15,159,353,947
		Interest expenses	10,454,818,345	-
		Purchase of goods	1,891,192,768	971,622,886
		Service rendered	7,007,273	771,309,661
		Payment on behalf	-	155,920,000
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Related party	Sale of goods	336,845,473,365	186,791,428,571
		Purchase of goods	130,953,619,050	51,981,452,387
		Purchase of materials	50,382,167,031	-
		Interest income	685,216,875	-
		Sales of fixed assets	-	529,637,837

NOTES TO
THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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33. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Significant transactions with related parties during current and previous year were as follows: (continued)

VND				
Related parties	Relationship	Transactions	Current year	Previous year
Bien Hoa Sugar Joint Stock Company	Related party	Purchase of materials	327,158,950,050	609,764,174,914
		Sale of goods	309,420,505,173	99,603,355,639
		Sale of materials	202,360,519,258	384,201,411,514
		Purchase of goods	4,236,360,280	7,497,706,782
		Sale of fixed assets	1,819,397,390	1,480,000,000
		Purchase of services	539,756,677	611,685,911
		Purchase of assets	550,172,700	-
		Service rendered	346,234,133	-
		Dividends	-	10,465,910,000
Son Tin Commodity Exchange Joint Stock Company	Related party	Purchase of materials	149,472,871,475	-
		Lending	109,000,000,000	-
		Purchase of goods	48,710,142,857	144,300,952,381
		Interest income	26,867,460,188	12,674,082,003
		Sale of goods	21,085,714,287	195,714,285,717
Nuoc Trong Sugar Joint Stock Company	Associate	Purchase of goods	104,275,671,837	-
		Purchase of materials	116,202,694,495	2,611,878,826
		Sales of materials	972,903,604	-
		Dividends	885,524,000	3,473,255,000
		Interest income	648,487,510	23,333,333
		Sale of goods	531,776,327	1,232,684,000
		Service rendered	150,000,000	-
		Purchase of services	-	949,970,222
Svayrieng Sugar and Cane Company Limited	Related party	Purchase of materials	114,044,021,914	47,856,405,042
		Sale of goods	20,332,350,522	-
		Profit shared	7,288,838,895	-
		Interest income	45,424,928	-

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as at and for the year ended 30 June 2017 (continued)

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33. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Significant transactions with related parties during current and previous year were as follows: (continued)

VND

Related parties	Relationship	Transactions	Current year	Previous year
Hoang Anh Attapeu Cane Sugar Company Limited	Related party	Sale of goods	71,764,811,282	-
		Sale of assets	6,217,019,332	-
		Service rendered	345,000,000	-
		Interest income	160,118,698	-
Global Mind Viet Nam Joint Stock Company	Related party	Purchase of materials	68,742,132,077	1,584,354,874
		Purchase of goods	63,889,944,023	73,497,078,759
		Interest income	13,872,769,071	1,584,429,819
		Sale of goods	-	147,617,738,785
Loc Tho Joint Stock Company	Related party	Deposit for land rental	57,865,463,900	-
		Land rental	4,134,487,500	-
Ben Tre Import Export Joint Stock Corporation	Associate	Sale of goods	35,214,778,071	115,783,891,785
		Purchase of goods	33,857,142,857	117,265,955,634
		Interest income	2,745,876,338	7,251,913,101
Thanh Thanh Cong Packing Trading - Production Joint Stock Company	Related party	Purchase of goods	32,758,189,637	147,594,183,402
		Sale of goods	8,438,095	8,028,857
Hai Vi Company Limited	Related party	Purchase of services	23,429,454,343	-
		Payment on behalf	13,094,209,628	-
		Service rendered	3,830,908,734	-
		Sale of goods	2,544,098,559	-
		Purchase of materials	534,242,200	-
Bien Hoa - Phan Rang Sugar Joint Stock Company	Related party	Purchase of goods	9,343,263,809	-
		Sale of scraps	154,545,455	-
		Sale of fixed assets	129,090,909	-

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33. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Significant transactions with related parties during current and previous year were as follows: (continued)

VND

Related parties	Relationship	Transactions	Current year	Previous year
Tay Ninh Sugar Joint Stock Company	Associate	Purchase of goods	12,745,126,277	292,000,000
		Lending	14,000,000,000	14,500,000,000
		Interest income	1,241,597,218	381,222,220
		Interest expenses	441,302,143	352,949,858
		Service rendered	420,818,182	381,818,182
		Purchase of assets	350,000,000	-
		Sale of goods	40,221,818	-
Thanh Thanh Cong Tourist Joint Stock Company	Related party	Purchase of services	7,989,089,060	-
TTC Attapeu Cane Sugar Limited Company	Associate	Sales of assets	7,947,165,198	-
		Lending	3,000,000,000	-
		Interest income	174,666,668	-
Toan Thinh Phat Architecture Investment Construction Co., Ltd	Related party	Purchase of services	6,811,361,927	13,836,635,496
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Related party	Purchase of services	1,008,785,960	2,010,338,018
		Land rental	-	67,491,898,320

Transactions with other related parties

Details of remuneration of the Board of Directors and Management during the year are as follows:

VND

	Current year	Previous year
Salaries and bonus	6,111,632,740	8,659,515,086

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THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2017 (continued)

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33. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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				
Hoang Anh Gia Lai Attapeu Cane Sugar Company Limited	Related party	Sale of goods	78,073,302,386	-
Global Mind Commodities Trading Pte., Ltd	Related party	Sale of goods	59,156,583,419	50,498,783,775
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Related party	Sale of goods	45,780,000,000	112,847,096,621
Bien Hoa Sugar Joint Stock Company	Related party	Sale of goods	10,281,485,332	16,055,201,714
Thanh Thanh Cong Investment Joint Stock Company	Related party	Sale of goods	10,520,376,000	73,238,930,627
TTC Attapeu Cane Sugar Limited Company	Associate	Sale of assets	7,261,165,198	-
		Sale of goods	754,600,000	-
Hai Vi Company Limited	Related party	Service rendered	4,096,638,534	-
		Sale of goods	318,505,825	-
Tay Ninh Sugar Joint Stock Company	Associate	Service rendered	420,000,000	323,333,334
Svayrieng Sugar and Cane Company Limited	Related party	Sale of goods	306,167,140	-
Bien Hoa - Phan Rang Sugar Joint Stock Company	Related party	Sale of goods	121,000,000	-
Thanh Thanh Cong Trading Joint Stock Company	Related party	Service rendered	48,000,000	24,000,000
		Sale of goods	4,525,001	5,764,013,889
Ben Tre Import Export Joint Stock Company	Associate	Sale of goods	45,622,500	70,643,555,625
Son Tin Commodity Exchange Joint Stock Company	Related party	Sale of goods	-	170,234,000,000
			217,187,971,335	499,628,915,585

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as at and for the year ended 30 June 2017 (continued)

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33. 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				
Global Mind Commodities Trading Pte. Ltd	Related party	Purchase of goods	211,978,074,672	274,868,447,816
Thanh Thanh Cong Trading Joint Stock Company (*)	Related party	Purchase of materials	157,687,000,000	14,011,549,910
Global Mind Vietnam Joint Stock Company (*)	Related party	Purchase of goods	118,988,721,305	-
Son Tin Commodity Exchange Joint Stock Company (*)	Related party	Purchase of materials	52,722,834,951	107,533,442,140
Svayrieng Sugar and Cane Company Limited (*)	Related party	Purchase of materials	20,015,194,100	36,487,077,117
Hai Vi Company Limited	Related party	Purchase of services	2,122,804,295	-
		Purchase of materials	2,450,466,821	-
Toan Thinh Phat Architecture Investment Construction Co., Ltd	Related party	Purchase of services	5,874,764,500	-
Bien Hoa Sugar Joint Stock Company	Related party	Purchase of materials	5,156,829,000	-
Thanh Thanh Cong Tourist Joint Stock Company	Related party	Purchase of services	1,075,030,000	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Related party	Purchase of services	126,800,000	-
Nuoc Trong Sugar Joint Stock Company	Associate	Purchase of goods	-	15,000,000,000
			578,198,519,644	447,900,516,983

(*) Short-term advances to suppliers earn interest rates ranging from 8.0% to 9.6% per annum.

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33. 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
Other short-term receivables				
Hai Vi Company Limited	Related party	Payment on behalf	2,973,460,912	-
Svayrieng Sugar and Cane Company Limited	Related party	Profit shared	7,288,838,895	-
		Payment on behalf	1,568,832,139	2,894,599,398
Son Tin Commodity Exchange Joint Stock Company	Related party	Interest income	3,235,305,007	4,483,602,557
Thanh Thanh Cong Investment Joint Stock Company	Related party	Interest income	1,882,678,534	713,263,264
Thanh Thanh Cong Trading Joint Stock Company	Related party	Interest income	1,831,084,444	1,978,780,938
Global Mind Vietnam Joint Stock Company	Related party	Interest income	930,358,121	710,136,810
Hoang Anh Attapeu Cane Sugar Company Limited	Related party	Payment on behalf	821,360,146	-
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Related party	Payment on behalf	742,647,317	-
Global Mind Commodities Trading Pte., Ltd	Related party	Deposit	355,059,818	-
TTC Attapeu Cane Sugar Limited Company	Associate	Interest income	280,785,366	-
		Payment on behalf	11,552,762	-
Bien Hoa Sugar Joint Stock Company	Related party	Payment on behalf	131,580,000	-
Tay Ninh Sugar Joint Stock Company	Associate	Interest income	105,041,667	193,333,332
Ben Tre Import Export Joint Stock Company	Associate	Interest income	-	800,877,048
Nuoc Trong Sugar Joint Stock Company	Associate	Interest income	-	23,333,333
			22,158,585,128	11,797,926,680

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as at and for the year ended 30 June 2017 (continued)

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33. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Amounts due from and due to related parties at the balance sheet dates were as follows: (continued)

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term loan receivables (*)				
Son Tin Commodity Exchange Joint Stock Company	Related party	Lending	109,000,000,000	-
Thanh Thanh Cong Investment Joint Stock Company	Related party	Lending	108,800,000,000	1,000,000,000
Thanh Thanh Cong Trading Joint Stock Company	Related party	Lending	35,000,000,000	100,000,000,000
Global Mind Vietnam Joint Stock Company	Related party	Lending	18,000,000,000	18,000,000,000
Tay Ninh Sugar Joint Stock Company	Associate	Lending	12,000,000,000	14,500,000,000
TTC Attapeu Cane Sugar Limited Company	Associate	Lending	3,000,000,000	-
			285,800,000,000	133,500,000,000
Long-term loan receivables (**)				
Thanh Thanh Cong Investment Joint Stock Company	Related party	Lending	200,000,000	-
Other long-term receivables				
Loc Tho Joint Stock Company	Related party	Deposit	57,865,463,900	-
Svayrieng Sugar and Cane Company Limited	Related party	Business Co-operation Contract	12,707,425,000	12,707,425,000
			70,572,888,900	12,707,425,000

(*) These represent the short-term loan receivables with the term of 12 months and earn interest at the rates ranging from 8.0% to 8.5% per annum.

(**) This represents long-term loan receivable with the term of 24 months and earns interest at 8.0% per annum.

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as at and for the year ended 30 June 2017 (continued)

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33. 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 trade payables				
Bien Hoa Sugar Joint Stock Company	Related party	Purchase of materials	36,562,958,884	-
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Related party	Purchase of goods	21,006,825,000	-
Thanh Thanh Cong Investment Joint Stock Company	Related party	Purchase of services	7,127,364,214	3,413,845,227
Global Mind Vietnam Joint Stock Company	Related party	Purchase of materials	2,461,183,000	3,207,560,200
Toan Thinh Phat Architecture Investment Construction Co., Ltd	Related party	Purchase of services	1,917,610,286	-
Bien Hoa - Phan Rang Sugar Joint Stock Company	Related party	Purchase of goods	1,060,000,001	-
Nuoc Trong Sugar Joint Stock Company	Associate	Purchase of materials	675,000,000	-
Thanh Thanh Cong Tourist Joint Stock Company.	Related party	Purchase of goods	577,340,000	-
Gia Lai Electricity Joint Stock Company	Related party	Purchase of goods and services	550,000,000	-
Thanh Thanh Cong Trading Joint Stock Company	Related party	Purchase of services	100,300,000	-
Ben Tre Tourist Joint Stock Company	Related party	Purchase of service	51,568,000	-
			72,090,149,385	6,621,405,427

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33. 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				
Thanh Thanh Cong Trading Joint Stock Company	Related party	Sale of goods	72,570,000,000	1,588,600,160
Thanh Thanh Cong Investment Joint Stock Company	Related party	Sale of goods	10,958,320,000	-
Global Mind Commodities Trading Pte. Ltd	Related party	Sale of goods	1,532,566,506	-
Bien Hoa Sugar Joint Stock Company	Related party	Sale of goods	1,280,449,618	11,906,304,482
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Related party	Service rendered	1,214,000,000	1,214,000,000
Global Mind Vietnam Joint Stock Company	Related party	Sale of goods	99,149,707	72,922,918
Tay Ninh Sugar Joint Stock Company	Associate	Service rendered	7,820,000	-
Nuoc Trong Sugar Joint Stock Company	Associate	Sale of goods	-	371,692,100
			87,662,305,831	15,153,519,660
Short-term accrued expenses				
Thanh Thanh Cong Trading Joint Stock Company	Related party	Purchase of services	1,061,596,000	-
Global Mind Commodities Trading Pte. Ltd	Related party	Purchase of services	253,120,000	-
Tay Ninh Sugar Joint Stock Company	Associate	Interest expenses	74,418,054	-
			1,389,134,054	-

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33. 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 other payables				
Tay Ninh Sugar Joint Stock Company	Associate	Business Co-operation Contract	1,200,000,000	1,200,000,000
		Interest expenses	-	100,449,068
Bien Hoa Sugar Joint Stock Company	Related party	Lending of materials	-	15,648,984,731
Ben Tre Import Export Joint Stock Company	Associate	Interest expenses	-	1,500,345,515
			1,200,000,000	18,449,779,314

34. COMMITMENTS

Operating lease commitment

The Group leases office and warehouses under operating lease arrangements. The future minimum lease commitment as at the balance sheet dates under the operating lease agreements is as follows:

VND		
	Ending balance	Beginning balance
Less than 1 year	3,804,307,240	361,607,368
From 1 – 5 years	1,148,588,760	-
TOTAL	4,952,896,000	361,607,368

Capital expenditure commitment

At 30 June 2017, the Group has a commitment of VND 1,046,537,970 (30 June 2016: VND 42,473,797,613) principally related to construction of Project Espace Bourbon Tay Ninh.

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as at and for the year ended 30 June 2017 (continued)

35. EVENTS AFTER THE BALANCE SHEET DATE

In according to the Resolution No. 01/2017/NQ-DHDCD dated 25 May 2017, the Extraordinary General Meeting of Shareholders approved the merger of Bien Hoa Sugar Joint Stock Company into the Company. Accordingly, the Company completed the issuance of 303,830,405 new shares on 6 September 2017 to swap the entire shares of Bien Hoa Sugar Joint Stock Corporation at a ratio of 1:1.02. This increase in share capital was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the fifth amended BRC dated 18 September 2017.

There is no other matter or circumstance that has arisen in the balance sheet date that requires adjustment or disclosure in the consolidated financial statements


Dang Thi Diem Trinh
Preparer


Le Phat Tin
Chief Accountant


Tran Que Trang
Deputy General Director



21 September 2017

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