THANH THANH CONG - BIEN HOA JOINT STOCK COMPANY
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SBT TO PAY DIVIDEND UP TO 10%, ISSUE CONVERTIBLE DIVIDEND PREFERRED SHARES

On September 12th, 2018, the Board of Directors (BOD) of Thanh Cong Bien Hoa Joint Stock Company (TTC Bien Hoa, the Company, SBT) published a notification of collection of shareholders' written opinions to approve important decisions related to the interests of shareholders, investors and corporate governance (CG). The last registration date is October 2nd, 2018, whereby the ex-rights date is October 1st. The Company has disclosed the entire Proposal, Draft Resolution and other related procedures on October 5th, 2018 with expiration date on October 15th. The contents of these document focus on (1) Dividend payment, (2) Issuance of convertible dividend preferred shares, (3) Shares transfer without conducting public offering procedure (4) Amendment and supplement to company's charter, (5) Amendment and supplement to the CG, (6) Amendment to business lines.

At the 2016-2017 Annual General Meeting (AGM), the Company promulgated Resolution No. 02/2017/NQ-DHCDD dated November 20th, 2017 about share dividend payment at the rate of 6%. However, due to unfavorable movements of the Vietnam stock market as well as macroeconomic factors of the Sugar Industry, the Company has rescheduled the payment of dividends to the fiscal year of 2018-2019 to ensure that diluted share price might affect investors' portfolio. This round of voting will approve two issues being interested by many shareholders (1) Issuance of shares to pay dividends for the year 2016-2017 and (2) Advance payment of cash dividends 2017-2018. The number of expected issued shares is 29,725,066, equivalent to total value of more than VND 297 billion. Resource is taken from undistributed earnings based on the latest audited financial statement of the Company. After the successful issuance, charter capital and owner's equity will increase to VND 5,867 billion and VND 6,394 billion, equivalent to 5.3% and 4.8% respectively. In order to ensure that the interests of shareholders are not affected by the delayed payment of share dividends, the Company planned to advance cash dividends for the year 2017-2018 with the rate of 4% before December 31st, 2018, equivalent to the amount of more than VND 199 billion; taken from the available undistributed earnings basis available based on the audited financial statement of the Company as at June 30th, 2018. Thus, total value of share dividend and advanced cash dividend payment will be about 496 billion. This is a remarkable effort of the Company in implementing commitments as well as guaranteeing the interests of shareholders and investors, although the Company has plans to expand business to maintain and occupy domestic market share, expand export markets to diversify revenue sources and improve profitability indicators.

In mid-2017, the Company strategically invested in the acquisition of sugar cane business of Hoang Anh Gia Lai Sugarcane Limited Company (HAGL Sugar). HAGL's sugarcane line possesses many advantages that any domestic sugar company dreams of. They are large concentrated material area of more than 7,000 hectares in Attapeu province are, Laos; high CCS sugarcane; clean land which is able to develop organic sugar - one of the key products of the company in the coming time, convenient location which help reduce transportation costs; crushing capacity of 7,500 tons of cane per day (TCD), 700 tons of sugar per day, only lower than the largest factory TTCS with the crushing capacity of 9,800 TCD and production capacity of 1,000 tons of sugar per day.

This acquisition activity along with a large investment plan for mechanization were financed mainly by short-term loans plus. In order to improve the capital structure in the long-term and in a more secure way to ensure stable resources for sustainable development, the Company plans to perform private placement of convertible dividend preferred shares to less than 100 strategic investors. The selected foreign investors must have adequate financial capacity, appropriate strategy and business culture, no conflicts of interest with the company's development strategy and demonstrate commitment with the development of the Company. Specifically, the type of shares to be issued is dividend preferred shares, which can be converted into ordinary shares with a preference period of 6.5 years from the date of issuance. The expected number of issued shares is below 10% charter capital at the time of the offering. Particularly on the time of conversion, conversion rate, method, price and time of buying back, other matters related to dividends; AGM will authorize the BOD to decide in the best interests of the Company, its shareholders and investors. Successful implementation of this issuance will contribute significantly to the optimization of capital structure in the direction of sustainable safety, mark as a milestone in the expansion of cooperation with reputable foreign partners.

On this occasion, the Company also consulted about the approval for Mrs. Dang Huynh Uc My, the major shareholder, which owns 5.84% by the end of September 2018 and the related parties to perform share transfer to raise the direct ownership ratio up to 55%

of the total number of issued and outstanding shares of the Company without carrying out the public offering procedure according to Vietnamese law at the time of transfer. By the end of September 30th, 2018, this group of shareholders owns more than 156 million shares, equivalent to 28.01%.

To well prepare for the strategic cooperation and development companion of foreign strategic investors, TTC Bien Hoa is applying and continues to improve the model of CG in accordance with good practice in the market. The BOD also asks for shareholders' opinions to amend and supplement the charter, internal regulations of CG and to pass the establishment of sub-committees supporting the BOD including the Audit committee, Strategy committee, Human resource committee. The amended issues focus on the latest issuance of CG rules in accordance with Decree 71, Circular 95 as well as higher standards on CG such as ASEAN Corporate Scorecard or CG principles of Organization for Economic Co-operation and Development; to efficiently and transparently improve the governance of TTC Bien Hoa. In addition, the business line of the company has been updated to meet the conditions of attracting foreign investment, consistent with the objectives and orientation of the Company.

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