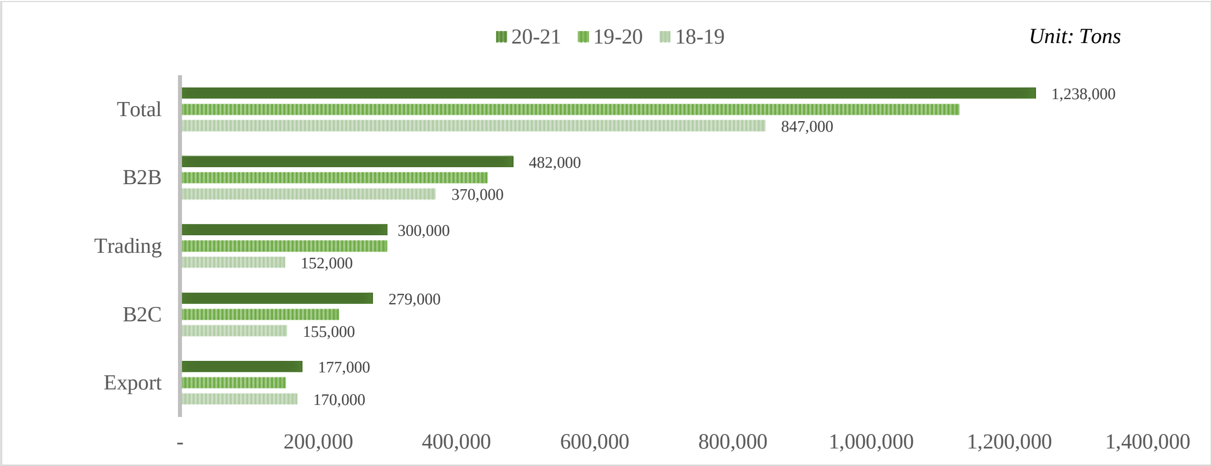
THANH THANH CONG - BIEN HOA JOINT STOCK COMPANY
Tan Hung Commune, Tan Chau District, Tay Ninh Province
T. [+84 - 276] 375 3250 | F. [+84 - 276] 383 9834
E. info@ttcsugar.vn | W. www.ttcsugar.vn

SBT PERSISTS WITH MARKET SHARE OBJECTIVE, ACTIVELY INTEGRATES

"*Profit is transient upturn, market is eternal power*" is the message of Board of Directors (BOD) of Thanh Thanh Cong Bien Hoa Joint Stock Company (TTC Bien Hoa, Company, SBT) sharing with Shareholders, Investors in the recent Annual General Meeting of Shareholders (AGM) fiscal year (FY) 18-19. This strategy can help SBT to best integrate with other competitors in the regional market when ATIGA officially comes into effect in 2020. It is expected that FY 18-19, SBT will sell nearly 847 thousand tons of Sugar with CAGR of 23% which will brings the consumption volume of FY 20-21 up to 1.23 million tons of Sugar, accounting for 50% market share in Vietnam compared to the current of 40%.

Strategic consumption volume of TTC Bien Hoa



Source: TTC Bien Hoa

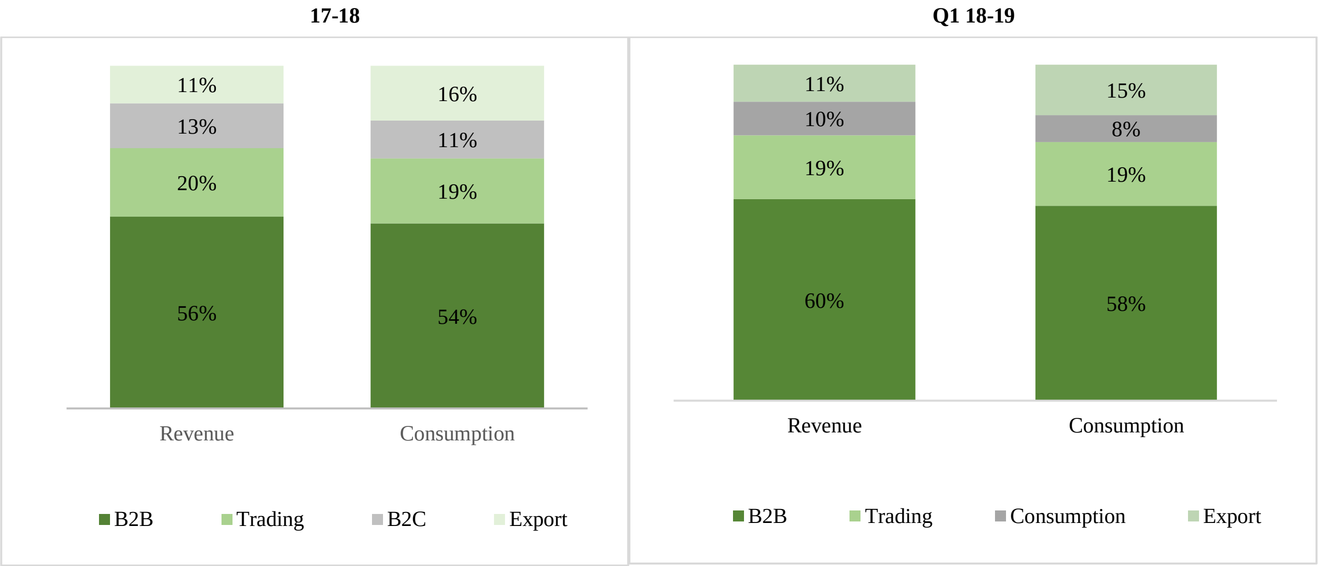
In terms of manufacturing technology, SBT's factory system can meet European technology standards, superior to other power Sugar producing countries such as Brazil, India and even higher than the average of Thailand. *In terms of quality*, SBT owns dozens of important international certifications such as the US Food and Drug Administration (FDA), US Department of Agriculture (USDA) and EU organic certification by Control Union, Food safety in Middle East certification by HCA, Kosher Certification, FSSC 22000 Certification, ISO 9001: 2008, ISO 14001: 2004 ... and passes a series of strict quality inspections of pharmaceutical or premium beverage partners.

In terms of the products, the Company always aims to provide clean and high-quality products to improve the body energy index, height... especially suitable for labour demand of Vietnamese as well as regional markets such as Organic Sugar, Rock Sugar, Diet Sugar, Vitamin Added Sugar ... These are just a few of the more than 45 products that are being sold in the domestic market as well exported under the brand name of TTC Bien Hoa.

In terms of consumption market, the Company actively approach and expand the export markets to Europe, America, Singapore ...; this brings SBT's total Sugar export market to 14 nations including North America (USA), Europe (Britain, Czech Republic) as well as Asia (China, South Korea, Singapore, Philippines, Cambodia, Sri Lanka, Myanmar), even Africa (Kenya) and many Pacific Islands

(Samoa, Tahiti, Nauru). In addition, SBT also cooperates with prestigious partners in the world such as ED&F Man on product consumption, John Deere on mechanical equipment. In more detail about the recent collaboration with ED&F Man, they are not only committed to consume organic Sugar of TTC Bien Hoa and sell Sugar products produced in FY 18-19 to the European market but also helps transform TTC Attapeu - Laos from producing a purely commodity item to a high-end product that is conducive to health and has high added value. From a Sugar importing country, 10 years later, Vietnam is not only able to meet the needs of domestic demand but also marked on the World Sugar export map. Also sharing at the AGM, the BOD plans to expand the scope of production activities not only in South East Asia but also to countries with developed sugarcane industry such as US and Australia. Currently, SBT is the only Sugar company in Vietnam that can take these initiatives to bring modern science and technology into production and diversify products to boost sales as well as bring Vietnam Sugar brand to all over the world.

Sugar revenue and consumption structure by channel of SBT



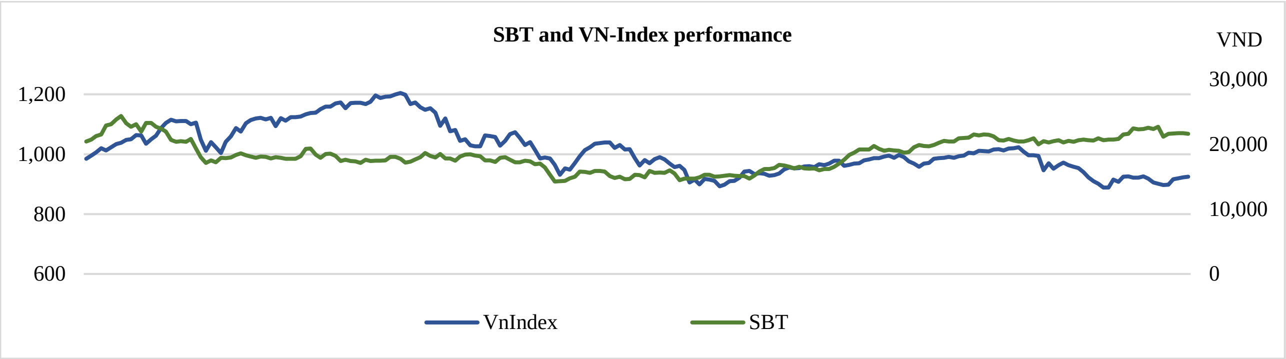
Source: TTC Bien Hoa

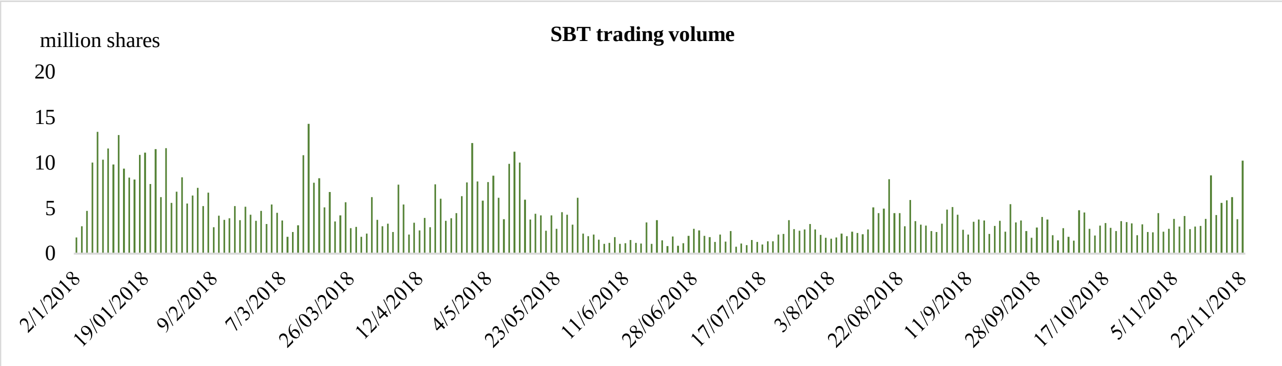
Regarding cooperation with strategic partners, the BOD confirmed the positive status of the progress although the foreign strategic investors always have strict requirements when doing *Due Diligence*. This process is not just about negotiating business strategy, but a journey of improvement in corporate governance, organizational structure and international financial standard which means improving the "intrinsic value" of the Company ... Although in the cyclical downtrend of Sugar industry, SBT is still appealing to foreign investors. Leader of SBT affirmed that "*TTC Bien Hoa is very confident and active regarding collaborating with foreign strategic investors and believe in further international cooperation in the future* "

Regarding the resonance relationship with other stakeholders, before the competition of other crops as well as the cyclical effects of any industry and ATIGA's impact, many factories even have to use its own product to pay for the farmer. SBT is one of the rare Sugar companies which always fulfill the commitment with the farmers, ensure that they are profitable, retain domestic Sugar brand name. In the development trend of the Vietnamese economy, when the labor force is increasingly scarce, mechanization and modernization is an irreversible trend which is also a strength of TTC Bien Hoa. The Company has succeeded in linking farmers, forming large fields to facilitate the deployment of mechanization. In addition, the projects about production of biomass electricity, sugarcane bagasse to improve production efficiency have increased the number of By-product to 5 including Molasses, Organic fertilizer, Commercial electricity, Miaqua Water and Puraqua Pure Water.

Regarding macro Sugar industry, according to the Vietnam Sugar and Sugarcane Association, domestic Sugar prices are recovering well after reaching their bottom in May 2018. Especially in October, the wholesale price of white Sugar from VND 10.400-10.800/kg, by the end of the month has increased to VND 11.400-11.900/kg. The main reason for the increase in domestic Sugar prices was thanks to the increase in world Sugar prices as well as the tighter control of smuggled Sugar. On November 22nd, the Ministry of Agriculture and Rural Development (MARD) officially released the Decision 4612/QD-BNN-CBTTNS on the Competitiveness Enhancement Plan Sugar Industry 2018-2020. Accordingly, the MARD promulgated guidelines to ensure the benefits of sugarcane farmers through the implementation of incentive policies for farmers' Sugar production, assisting in the construction of infrastructures; supporting agricultural extension, materials for sugarcane planting ... By 2020, the target is to retain sugarcane area at 300,000 ha, sugarcane output of over 20 million tons; average yield of 68-70 tons/ha; the average CCS of 11-12; Sugar yield of 7 tons Sugar/ha. This resolution plays a very important role in helping Vietnam Sugar industry have a chance to develop strongly as well as to increase its competitiveness with imported Sugar, especially from Thailand.

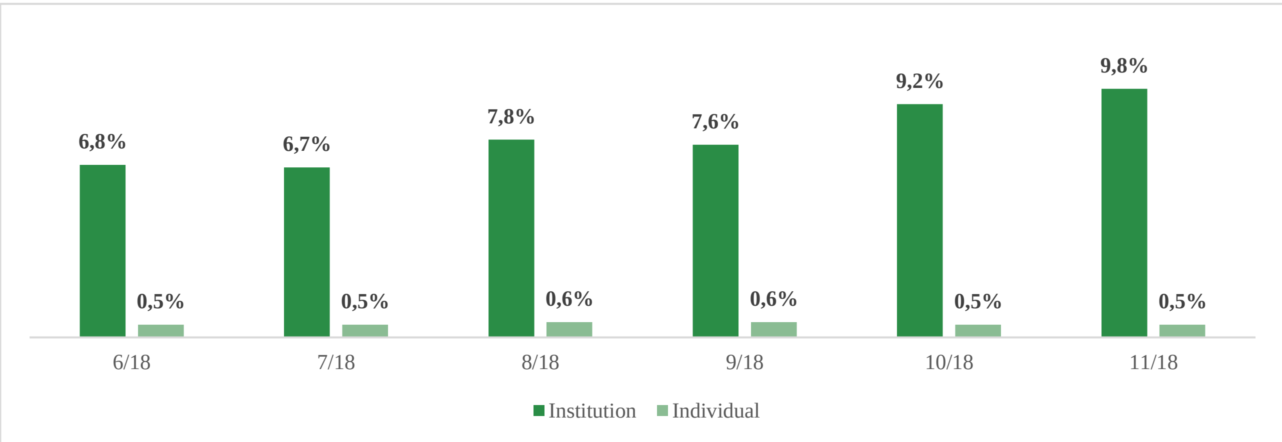
November is closing with many difficulties for Vietnam stock market, but SBT continues with positive transactions. As of November 26th, 2012, SBT closed at VND 21,600, an increase of 52% from its bottom of VND 14,250 at May 28th, 2018, with 52-week average trading volume of at 4.8 million shares, equivalent to nearly VND 92 billion per session. Compared to peers, SBT's liquidity was the best when accounted about 2% of trading day volume of VN-Index in July while QNS's liquidity was 289,000 shares/day and LSS is 71,100 shares/day. This is one of the remarkable efforts of SBT in the context of Vietnam stock market continuously losing the momentum of recovery and liquidity; particularly in the trading session on November 26th, trading volume on HOSE was only 89 million shares, the lowest since February 2nd, 2017. According to data from IndexQ, Vietnam was ranked third in the list of the world's largest market in the last month, down 8.22%.





With recent positive developments, SBT shares attracted a great deal of interest from Foreign Investors and Shareholders. Only in October and November, while Foreign Investors continued to net sell more than 30.7 million shares with the net sale value of more than VND 3,600 billion on HOSE, SBT was net bought by Foreign Investors nearly 15 million shares, worth more than VND 311 billion. Currently, SBT is still on the list of many prestigious ETF fund in the market, namely VNM ETF (8.9 million), DB x-Tracker FTSE Vietnam ETF (1.4 million), iShares MSCI Frontier 100 ETF (0.9 million), VFMVN30 ETF (2.1 million), SSIAM VNX50 ETF (43 thousand) as well as famous index such as MSCI Frontier Market 100, MSCI Vietnam Small Cap Index, FTSE Vietnam All-Share Index Vietnam Index, VN30, VN100, VNSI. Recently, SBT received the participation of a major foreign Shareholder, AGRI ASIA PACIFIC LIMITED with the number of shares held up to nearly 31.5 million, equivalent to 6.36% number of outstanding shares.

Increasing rate of foreign ownership of SBT



With the interest of domestic and foreign investors with SBT, on November 22nd, 2018, HSC - one of the leading securities companies in the market has continued to issue updated reports after the review period of June and October 2018. HSC has maintained a positive view on the Company's business performance and believes in SBT's market leading edge when offering a ***HOLD*** with a target price of VND 21,724. According to HSC, despite modest prospect for FY 2018-2019, SBT's outlook is more positive longer term given (1) that SBT is the biggest player in the domestic sugar market with a 40% market share enjoying (2) economies of scale which should reduce production cost steadily to a more competitive level and (3) having a wide range of products and distribution platform plus (4) there is some speculation that the price for biomass electricity might be increased in due course from 5.8 cent/kWh to 7.5 cent/kWh.

In addition, on November 10th, 2018, a well-known research and market research firm providing market data and analysis - Morningstar, Inc., the United States has also released a new valuation of VND 27,416, 27% higher than the previous valuation on June 4th, 2018 of VND 21,666 per share. At the same time, this valuation is nearly 23% higher than SBT's current market price of VND 22,350 at the time of this announcement. The optimistic analysis and assessment of the SBT's future as well as the resonance effect of Foreign Shareholders and the successful completion of the deal with Strategic Foreign Investors will bring more psychological support to Shareholders and Investors, who are interested in Vietnam Sugar Industry in general and SBT in particular.

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As cited in ndh.vn