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

DEG FUND - UNDER KFW BANK - INVESTS NEARLY VND650 BILLION INTO SBT

On July 26th, 2019, SBT (the Company) officially announced that DEG - one of Europe's well-known Financial Institutions owned by the German Government - invests into SBT 28 million USD, equivalent to VND 649 billion in the form of convertible prefered dividend stocks, with the price of VND 30,000 per share, 84% higher than SBT's market price on July 25th, 2019. The preferred stock will be subject to transfer restriction for at least 1 year from the issuance day. Preferred dividend period will be 6.5 years, with a fixed dividend of 5.5% per year for the first 1.5 years and up to agreement between the Company and DEG in the following years. Total preferred stocks will not have voting rights but can be converted into common stocks by agreement between DEG and SBT. Conversion price will be decided by the Company and DEG at the time of conversion and not exceed VND 38,000 per share. This investment is expected to disburse in September 2019 and SBT's capital will reach over VND 6,084 billion, increasing 3.7%. This international rising capital has proved the sugar industry's prospect as well as the SBT's development.

This disbursment will be used to make strategic investments in the Sugar business of HAGL in Laos that SBT bought in 2017 and changed its name to TTC Attapeu; along with investment costs for mechanization, expanding production of Organic Sugar. TTC Attapeu with a capacity of crushing sugarcane of 7,500 tons per day; producing 700 tons of sugar per day; Raw Material area up to 7,000 hectares in Attapeu Province, Laos. The investment from DEG will greatly contribute to the long-term capital restructuring; ensure stable resources for SBT's sustainable development process. In 2019, SBT also invests in Cambodia to affirm the Company's initiative in expanding material areas in Indochina to 70,000 ha.

SBT's sugarcane segment in Laos has a lot of advantages such as concentrated material areas, high CCS and clean soil that can develop Organic Sugar for high-end customer segment as well as gain better profit margin than other products; in line with the Company's strategy to focus on developing Organic Sugar Area in the period of 2018-2021. This merge has become an important link to complete SBT's value chain, reduce costs and diversify products to compete with Thai Sugar.

TTC Attapeu has successfully developed the first Organic factory in Laos following the model of large-scale fields with an area of nearly 2,640 hectares. In December 2018, Organic Sugar products were completed and officially exported to Europe – one of the most rigorous market in the world in terms of quality standards. The Company has contracted to export 4,500 tons Organic Sugar to Europe. In the future, the Company will continue to increase Organic Sugar production to serve the domestic market as well as export to maximize Revenue and Profit.

Besides the commitment in financial indicators such as capital structure, liquidity ratio, dividend payment, profitability, etc. SBT must also meet and comply with other non-financial standards. During the negotiation process, DEG conducted due diligence all non-financial information relating to corporate governance, information disclosure standards, environment, and society, as well as an independent assessment from a third party in terms of social environment to meet the requirements of DEG, etc. Periodically, the Company must build, implement and operate according to local IFC's standards of environmental and social activities; Basic labor standards by the World Labor Organization. This is not only a challenge but is also an opportunity for the Company to reach and meet the sustainable development goals of the United Nations in 2030.

DEG is not merely a financial institution when it has been investing in private companies in emerging markets for the past 55 years, providing necessary support for sustainable development and result in stable job creation goal in the various sectors of Agriculture, Industry, Infrastructure and Financial Services. The close connection between DEG's investment strategy and SBT is expected to help this deal achieve positive results during the process of cooperation between the two parties. In 2018, the total investment value of DEG is EUR 8.4 billion, available in Asia, Africa, Latin America, Europe, North America, Middle East, etc. DEG has been operating at Vietnam since 1993 and currently manages a portfolio of over EUR 100 million. DEG identifies Vietnam as an important market and plans to significantly expand its operations in this market.

For the VN30 review in July 2019, BID and BVH replaced CII and DHG, SBT continued to be the only one enterprise from Sugar industry in VN30 basket. SBT satisfied all the strict conditions in the screening process including (1) Market capitalization in the Top 40 listed companies on HOSE with the latest 12-month average of VND 9,657 billion, (2) High and stable liquidity with an average trading volume of 3.05 million shares per session, (3) High free float rate of 50%, meeting the requirement > 10% and (4) Stock turnover ratio ≥ 0.05%.

For more information, please contact:
Ms Vu Thi Le Giang
Investor Relation Manager
Email: giangvtl@ttcsugar.com.vn