

SBT - 3 UNITS DEVELOPMENT STRATEGY - GOAL TO COMPETE SINCE ATIGA IS NEARBY

With a milestone of M&A with Bien Hoa Sugar Joint Stock Company in September 2017, TTC Bien Hoa has been the largest Sugar Company in Vietnam in terms of operation scale and market share and on the way of maintaining a stable growth momentum, combining the strengths of Brand, Technology, Distribution System and Human Resources. ATIGA will officially come into effect in January 2020, Vietnamese Sugar companies want to survive and develop in a competitive environment with the regional big Sugar companies must plan the strategy properly and logically. From Fiscal year 19-20, SBT will focus on boosting production and business activities to get ready for strategic action “**3 Units: Manufacturer - Distributor - International Trade**”.

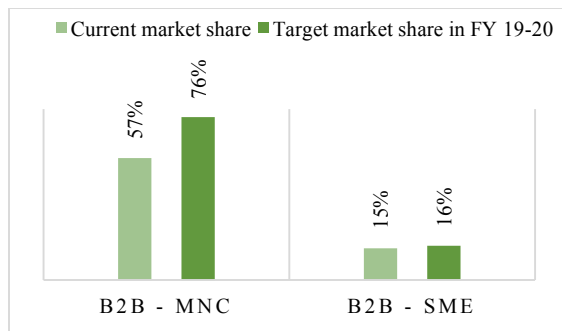
Manufacturing - Exploiting the Sugarcane value chain

Main product line diversification

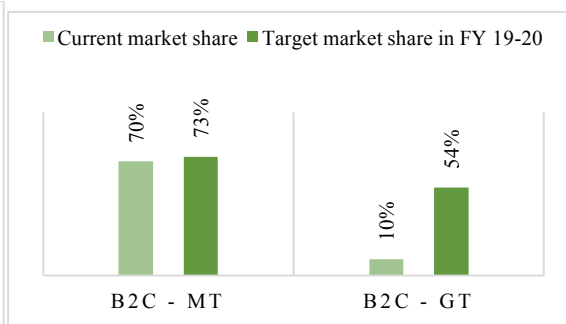
To 2021, TTC Bien Hoa will consistently achieve 3 principal goals (1) To maintain a leading position in B2B - MNC Channel with the best Customer service (2) To focus on opening markets in order to increase market share of B2B - SME Channel (3) To maintain the position of No.1 Sugar brand in Vietnamese Consumers.

SBT's strategy is implemented throughout all Customer channels, that means not only providing products but also solutions to Customers. For B2B Channel, the Company will offer specialized product lines for each Customer, based on the criteria of cutting cost and facilitating the Partner's technology system. Regarding B2C Channel, the Company will provide a wide range of products catching up with modern culinary trends but still keeping the traditional essence including Black Sugar, Sugar Syrup, Rock Sugar and etc. In FY 19-20, the Company plans to launch new Sugar products with quality, design, and packaging in response to various Customer demands.

B2B - Core Channel



B2C - Growth Motivation



Source: TTC Bien Hoa

Promoting the development of high-tech By-products as well as Agricultural product chain

With 24 years of experience in integrated and mechanized farming, applying the latest science and mechanical technology to production, combining with the available advantages in the Agricultural machinery business, at the same time, optimizing Raw Material Areas' strength of nearly 70,000 hectares in 3 Indochina Countries; SBT aims at developing a clean, high-tech Agricultural Product Chain to maximize Revenue and Profit. In order to well-prepare for the diversification of Revenue, the Company has added 11 new professions, mainly in the field of breeding and cultivation of crops beside Sugarcane

The Company plans to enhance the proportion of By-products, significantly adding to the proportion of products in the Agriculture Chain for fulfilling the stable and Sustainable Development goals. Revenue from By-products in FY 20-21 are expected to escalate 30% of total Revenue compared to 15% in FY 18-19. Total number of 8 By-products will be deployed comprising Drinking Water from Sugarcane, Bagasse, Mushrooms, Biomass Power, Molasses, Microbial Fertilizers, Liquid Fertilizers, Ethanol/ Biological Fuels. In addition, the Company will expand their own business by other products including Agricultural mechanics, Industrial park lease, Logistics and the Agricultural Product Chain to prove its dynamism, deep understanding of the economy development and taking appropriate actions to minimize risks of one main product focus. Currently, TTC Bien Hoa is in the process of negotiating to link and cooperate with a various Asian large Corporations in the field of cultivation and breeding to take available advantages of relevant Parties in boosting and optimizing Profitability indicators for the Company.

By-products will be deployed according to the operational strategy

STT	Product	Having deployed	Being under planning
1	Drinking water from Sugarcane	x	
2	Bagasse	x	
3	Mushrooms		x
4	Biomass Power	x	
5	Molasses	x	
6	Microbial Fertilizer	x	
7	Liquid Microbial Fertilizer		x
8	Ethanol / Biological fuels		x

Source: TTC Bien Hoa

Distributors expanding business network and operation scale

The Company will promote HORECA - Hotel, Restaurant, Catering/ Cafe system of B2C Channel which is a familiar term referring to the product distribution channel through Restaurants - Hotels and Food Service Units. In Developed Countries, HORECA is not a new concept, however in Vietnam this can be considered as an unfamiliar and attractive market that having momentums for development with a young age population structure leading to push consumption demand. The large number of businesses in the field of FMCG and F&B have been significantly grown in recent years.

With a number of unexploited potentials, TTC Bien Hoa has quickly penetrated this Segment through making use of the existing distribution system, as well as high recognition of well-known Brand to Customers. By end of FY 18-19, the Company exploited nearly 3,500 points of the total 90,000 points of sale from this Channel. Despite gaining a sharp growth of 77% yoy, it still accounted for a very modest proportion of about 4% market share. This demonstrates the plenty of room for growth potential of the HORECA Channel which, if reasonably developed, will bring tremendous market share.

Sugar products is expected to conquer the HORECA Channel consist of RE Sugar, Rock Sugar and Baking Sugar, Brown Sugar and Dark Brown, Cube Sugar, Molasses, Sugar Syrup and Diet Sugar. It is expected that by 2022, the points of sales in the Southern, Central and Northern Region will cover up to 30,000 points, an expansion of 9 times compared to FY 18-19 with an output of 54,000 tons and a Revenue of VND1,200 billion. Orientation of the HORECA Channel will gain 5 core goals (1) To be a Leader in Sugar Industry in the Domestic market (2) To develop and boost the output of Sugar Bag and Sugarcane Juice products (3) To rapidly widen and cover in the wide area (4) To be available in at least 13 major Cities and Provinces (5) To cooperate with 10,000 Partners at the end of FY 19-20.

With the increasingly rapid urbanization rate, promoting the product distribution to the B2C Channel in areas with numerous development potentials consisting of the Countryside and the Northern Region will support the Company to remain a Leading in controlling market share, at the same time, affirming the position of brand, thereby promoting growth for the retail channel of Consumer goods. With a wide distribution network from the Southeast Region to the Central Coast, the Company will push up and expand the distribution system of the Northern Region through the approach of mid-range and near mid-range Customer segments. In FY 18-19, the output structure of Sugar consumption by Areas in the Northern Region was only 3%. The number of distribution points in this Area arriving in 10,000 is the Company's FY 19-20 target, a raise of 27% yoy. Thereby, the Sugar consumption in the North can be doubled compared to the FY 18-19.

International trade company smart opening, integration welcome

October 2018 marked a milestone for the Organic Sugar segment when SBT officially signed a Strategic Cooperation Agreement with ED&F Man Sugar Company - the United Kingdom on offtaking Organic Sugar products produced in Laos and other Sugar Products in the Fiscal year 18-19 to the European market. An agreement between TTC Attapeu and the Strategic Partner was signed on product supply and consumption, including Organic Golden Cane Sugar and Golden Cane Sugar in the following 5 years at European Countries which require the most demanding standards for quality. The Organic Sugar products currently are significantly lucrative segment in the Company's business with the Profit Margin being much higher than the others average. In the future, the Company will continue to accrete Organic Sugar production in both Domestic and Export markets to optimize Revenue and Profit.

According to Market Research Future & Absolute Market Insights statistic, Global demand for Organic Sugar was forecasted to stand at nearly USD1.4 billion by 2022 with CAGR of 16% in the period 2017-2022. To fully exploit the potential of this market, make careful preparation and proactive steps into the Organic Sugar segment, continue to invest and widen the Organic Farms in



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the upcoming time are TTC Bien Hoa's roadmap to International market share. In FY 17-18, the export scale of TTC Bien Hoa is only 6 markets, but in 1 year, the Company has increased the number of Export markets to 3.5 times to 21 Countries including the US, Europe, Singapore and etc. with high value-added Products of Organic Sugar and Gold Sugar. TTC Bien Hoa will continue to exploit new Import markets, boost orders and expand International market shares. It is expected that the export Sugar consumption for FY 19-20 of TTC Bien Hoa will grow by 80% yoy, and FY 20-21 will record a 4-year CAGR of 26%.

In addition, in order to be proactive in competitive sources, the Company will study International trade markets, give specific plans for purchasing Raw Materials at forward prices/negotiated prices to minimize production costs, in consistency with different Customer channels.

On November 15th, 2019, KIS Vietnam Securities Company issued 2 million SBT warrant, the price is VND 21,212/share, 17% higher than the closing price at the time of November 22nd, 2019 is VND 18,200/share, the duration of warrant is 3 months and will expire on February 14th, 2020. Earlier, in June 2019, SBT was also officially selected as one of the 26 stocks to become the base asset for Warranties - 2nd derivative product in Vietnam's stock market. Accordingly, the total limit that can be offered through SBT's warrants is nearly 24 million shares, equivalent to 4.1% of the outstanding shares.

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