



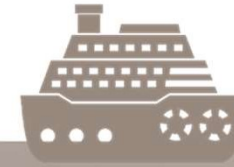
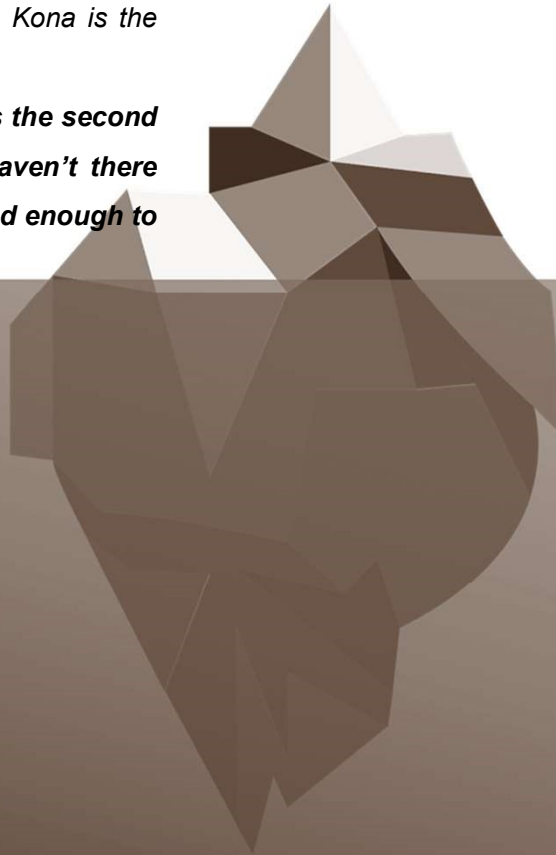
HANCOFFEE

FINE coffee, AUTHENTIC experience

The paradox in Vietnamese coffee market ...

When someone mentions Italian coffee, *illy* is the brand that is mentioned the most. For the American counterpart, Kona is the representative brand in customers' minds.

→ **What about Vietnam - the country that exports the second highest amount of coffee in the world? Why haven't there any Vietnamese "coffee business" that is qualified enough to be known by even foreign customers?**



Having a gigantic number of coffee outlets, as well as a huge number of coffee drinkers, yet why haven't there any Vietnamese coffee chain that is able to compete with Starbucks, Costa, etc.?

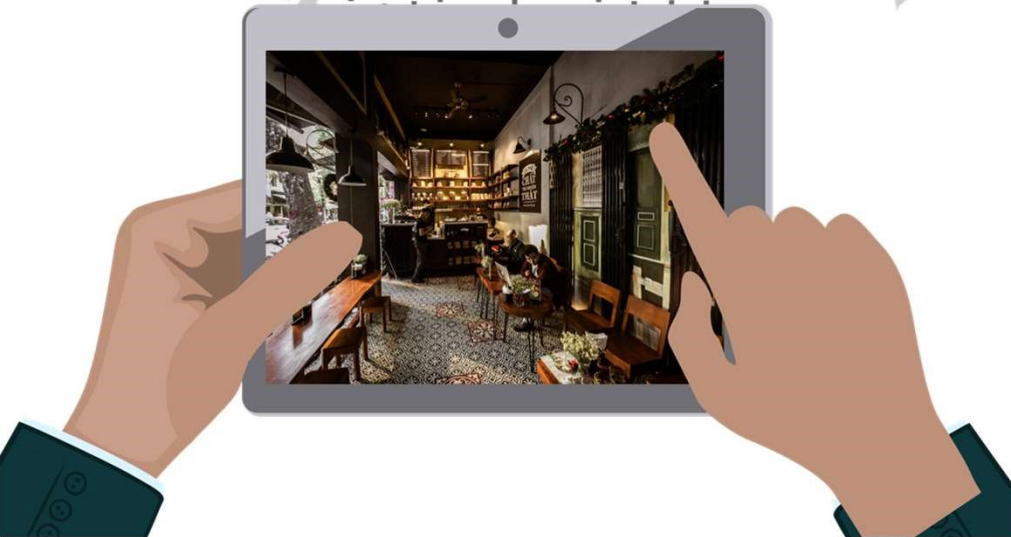
→ **Is the problem of Vietnamese coffee market being wrongly analyzed and solved?**

... and the solution-finding journey



*Being ambitious about making Vietnamese coffee industry proud, **HANCOFFEE** was founded, with the mission to make the "fine & authentic" Vietnamese coffee beans known nationwide and worldwide.*

***HANCOFFEE** has been, and is still, developing the "Farm to Cup" ecosystem which brings to the customers not only high-quality beverage products but also complete and flawless experiences.*



Outline

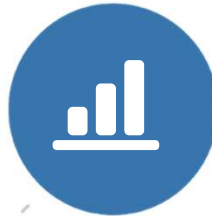
THE PRODUCTS & SERVICES
OF **HANCOFFEE**



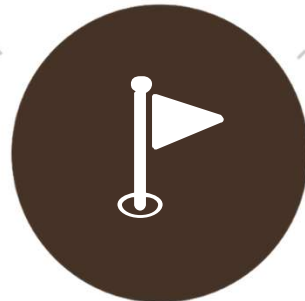
THE PROBLEM OF THE
COFFEE MARKET



THE JOURNEY TO
CAPTIVATE MARKET



THE
HANCOFFEE
BRAND



THE RESOURCES &
ACHIEVEMENTS OF
HANCOFFEE



THE SOLUTIONS
OF **HANCOFFEE**



HANCOFFEE THE BRAND

- ❖ Overview of HANCOFFEE
- ❖ The vision of HANCOFFEE
- ❖ The missions HANCOFFEE
- ❖ The business model of HANCOFFEE

HANCOFFEE the brand

Founded in 2017, HANCOFFEE is a Vietnam-based coffee brand, which belongs to IDD Corp. Owing more than 200 employees, 3 coffee fields, 2 coffee manufacturing factories, an R&D system that meets European standards, etc.; HANCOFFEE is the leading brand in manufacturing and distributing pure high quality coffee.



General information about the brand:

- Belongs to IDD Corp JSC.
- Charter capital: 50.000.000.000 VND
 - Share price: 10.000 VND
- Total amount of share: 5.000.000
- Business number: 0107755395

HANCOFFEE the brand

HANCOFFEE is operated with the mission of connecting and empowering the Vietnamese coffee industry.

Despite being new in the industry, **HANCOFFEE** has been, and is still, growing fast. In the past 3 years, **HANCOFFEE** has researched, developed, and provided the market with over 20 product lines that meet the requirements of demanding customers (ground roasted, instant, drip bag, etc.).

HANCOFFEE has also been providing raw and processed coffee to the national and international markets, of which Asian countries are the highly targeted markets.



HANCOFFEE the brand



Besides the FMCG products, HANCOFFEE has also developed the high-class F&B coffee chain which emphasizes in enhancing customer experiences. The coffee chain is divided into 3 models: **HANCOFFEE** Community, **HANCOFFEE** Original, and **HANESPRESS**. Tens of thousands of coffee lovers has been chosen HANCOFFEE as a frequent destination.

Moreover, the "Farm to Cup" cycle is also one of the unique competitive advantages that HANCOFFEE has developed in order to guarantee our customers the best quality of our coffee products.

HANCOFFEE the brand



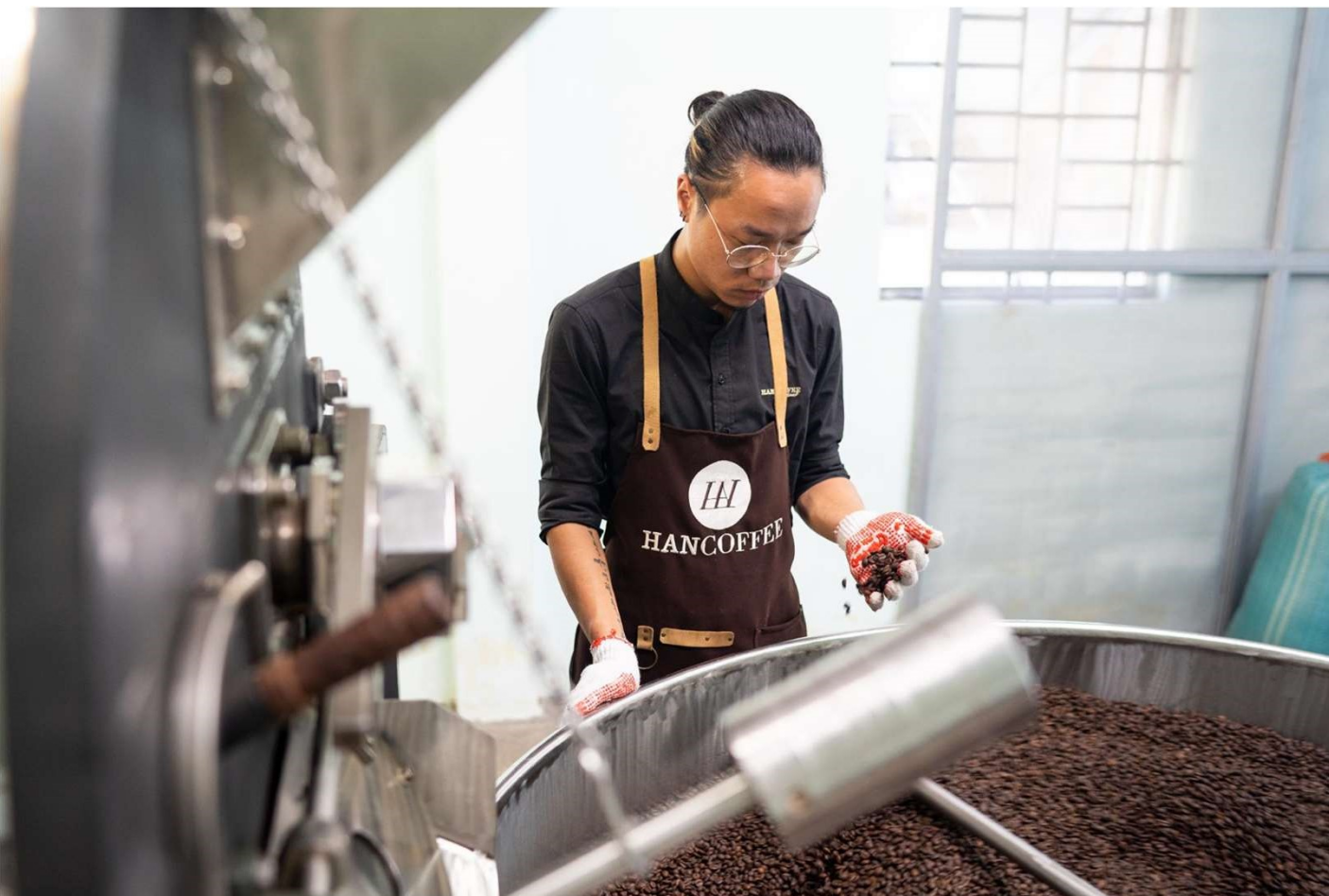
The "Farm to Cup" cycle

Owning the larger-than-1,500ha coffee field in Western Highlands, each of HANCOFFEE product is guaranteed to have the highest possible quality, as HANCOFFEE is able to control the whole production cycle - from planting, harvesting, processing to packaging and serving.

The productive capacity of HANCOFFEE's field is 5,000 tonnes of green beans per year (1,500 tonnes of Arabica beans and 3,500 tonnes of Robusta beans).



HANCOFFEE the brand



Manufacturing ability

Owning the most modern manufacturing factories and equipments, HANCOFFEE is certainly able to meet the requirements of both national and international consuming markets.

- Roasting factories' capacity: over **6,500 tonnes** per year.
- Instant coffee packaging capacity: **3 tonnes** per day, which equals to 187,500 bags per day, or 6,625,000 bags per month.
- Drip bag coffee packaging capacity: **3 tonnes** per day, which equals to 300,000 bags per day, or 9,000,000 bags per month.

The vision of HANCOFFEE

ENHANCING QUALITY

Aiming to enhance the quality of Vietnamese brands, HANCOFFEE put emphasis on completing the "Farm to Cup" cycle according to European standards.



IMPROVING PRODUCTION CAPACITY

By 2020, HANCOFFEE's production capacity is expected to double, compared to 2019. In order to achieve that goal, HANCOFFEE is planning to invest in high-tech manufacturing factories in Hung Yen.



RENOVATING FACILITIES

HANCOFFEE is expected to adding 2 manufacturing chains in September 2019, in order to better improve the production capacity and meet the market requirements.



The missions of HANCOFFEE

REGARDING THE COFFEE MARKET

Empowering the brand name of Vietnamese coffee industry.



REGARDING THE COFFEE PLANTERS

Aiding the farmers using the most developed technologies and state-of-the-art knowledge in nurturing coffee plants.



REGARDING THE COFFEE CONSUMERS

Bringing the highest quality coffee products to consumers.
Contributing to improve consumers' awareness about coffee.

The business model of HANCOFFEE

<p>8. Key Partners</p> <p>Distributors in targeted markets.</p> <p>Coffee associations</p> <p>Institutions in the industry (i.e. Vietnamese agricultural, specialty businesses, etc.)</p>	<p>6. Key Activities</p> <p>Researching, developing and controlling products' quality</p> <p>Building national and international distributing systems</p> <p>Completing customer solutions systems</p> <p>7. Key Resources</p> <p>Coffee plants fields</p> <p>Manufacturing equipments systems</p> <p>Enthusiastic and qualified R&D team</p> <p>Distributing and exporting channels system</p>	<p>2. Core Values</p> <p>A variety of high-quality products</p> <p>Potential exportation markets</p> <p>Flexible business model that can be easily adapt to meet the ever-changing requirements of the customers.</p>	<p>4. Customer Relationships</p> <p>The coffee-drinkers communities</p> <p>24/7 customer care services</p> <p>Training, educating and advising tools which could serve customers problems regarding the specialized services and knowledge online</p> <p>3. Distribution Channels</p> <p>Owned online and offline distribution channels</p> <p>Multi-platform, multinational distribution channels</p> <p>Direct sale systems approaching HORECA institutions</p>	<p>1. Customer Segments</p> <p>Contemporary coffee consumers</p> <p>Individual coffee business owners</p> <p>Businesses, tourists that have the needs for gift solutions</p>
<p>9. Cost Structure</p> <p>Production</p> <p>Research & developing products</p> <p>Market acquirements</p>	<p>5. Revenue Stream</p> <p>Exporting coffee products</p> <p>Selling and distributing coffee products</p> <p>Providing services and beverage products at HANCOFFEE coffee shops</p>			

The background image shows the interior of a coffee shop. In the center, there is a counter with menu boards above it. To the right, a person is sitting at a table working on a laptop. The shop has a rustic feel with wooden tables and chairs, and a patterned floor. A sign on the wall reads "CA PHE CHAT TRAI NGHIEM THAT".

THE PRODUCTS & SERVICES OF HANCOFFEE

- ❖ FMCG products
- ❖ F&B products
- ❖ Coffee business solutions
- ❖ Gift solutions for companies



"Cà phê Chất, trải nghiệm Thật"

The products and services of HANCOFFEE

HANCOFFEE provides 04 types of product and services as follows:

#1
FMCG products



#3
Coffee business
solutions



#2
F&B products



#4
Gift solutions
for companies



FMCG products

HANCOFFEE develops a variety of products that meet every requirement of coffee consumers

01 Ground roasted coffee

Being closely controlled from the plating to harvesting and processing stages, HANCOFFEE's ground roasted coffee is the quintessence of Vietnamese coffee.

03 Drip bag coffee

HANCOFFEE's drip bag coffee is the highly creative product which allows consumers to enjoy a tasty cup of beverage in only 2 minutes.

02 Instant coffee

HANCOFFEE's instant coffee lures the customers with the combination of the original flavor of Vietnamese coffee beans and the sweetness of sữa, milk.

HANCOFFEE products are divided into 4 lines: **Traditional** line which embraces traditional flavors, **Standard** line which embraces rich Vietnamese flavor, **Premium** line which embraces pure aromas, and **Original** line which embraces rare aroma notes found only in high-class beans. Each product line above is specially designed for one customer segment according to their unique demands. Therefore, HANCOFFEE is the brand that can satisfy everybody.



F&B products

HANCOFFEE outlets always try the best to enhance customer experiences.

01 Place

HANCOFFEE has been presented in different locations nationwide. All of these locations are convenient to commute and visit.

03 Menu

The beverages served at HANCOFFEE is researched and developed by our thoughtful and sophisticated R&D team. Therefore, each beverage embraces the most original and purest flavor.

02 Atmosphere

Each HANCOFFEE branch is uniquely designed so as to satisfy different needs of customers. By doing so, HANCOFFEE guarantees that every customer is best served when visiting our branches.



F&B products



5 outlets:



Hanoi

46 Nguyen Huu Huan str., Hoan Kiem

22 Thanh Cong str., Ba Dinh



Hung Yen

31 - 34 Pho Truc, Ecopark Township, Van Giang



Da Nang

517 Tran Hung Dao str., Son Tra



Hoi An

139 Phan Chu Trinh str., Hoi An

Coffee business solutions

HANCOFFEE provides coffee business owners with unique competitive advantages so as to win the highly competitive race in the coffee market.

01 Materials

Coffee outlets can trust the quality of HANCOFFEE's products, as they are closely controlled according to European standards.

03 Costs

HANCOFFEE is always willing to share our knowledge and resources about operation, promotion, etc. Thus, by collaborating with HANCOFFEE, coffee business owners are able to reduce the cost and risks of running their businesses.

02 Beverage products

Specially developed by the sophisticated R&D team, HANCOFFEE's beverages are always unique and could make even the most demanding customers happy.



Gift solutions for companies

HANCOFFEE develops a range of gift solutions for companies, as well as supporting them to present their identities on the packages.

01 Various choices

According to the companies' budgets, preferences, etc.

03 Time-effective

Helping companies to save lots of time, compared to researching the gift market, gathering information on their own.

02 Brand identities

Supporting companies to design and present their brand identities on the packages in the best way.



The background image shows the interior of a coffee shop. On the left, there is a long wooden table with several chairs. In the center, a counter area is visible with menu boards on the wall and shelves stocked with coffee products. To the right, there are more tables and chairs, and a sign on the wall that reads "CA PHE CHAT TRAI NGHIEM THAT". The lighting is warm and ambient, with pendant lights hanging from the ceiling.

HANCOFFEE'S RESOURCES & ACHIEVEMENTS

- ❖ Resources: Human, production, and products
- ❖ Achievements: Business and market acquiring

The resources of HANCOFFEE



01. PRODUCTION RESOURCES

HANCOFFEE is one of the few coffee brands in Vietnam that owns coffee fields in Cau Dat, Da Lat. As a result, HANCOFFEE is able to actively control the quality of ingredients and reduce the cost per product.



02. HUMAN RESOURCES

Unlike general coffee chains, HANCOFFEE is the home of a team of R&D executives who obtain international professional degrees, which means they do know things about coffee. Every year, HANCOFFEE's R&D executives head to the coffee fields so as to directly participate in the harvesting and processing procedures.



03. PRODUCT RESOURCES

HANCOFFEE's motto is to bring only the best products to our customers. Regarding the products' quality, due to the two resources mentioned above, HANCOFFEE's products are always of the best quality. Regarding the products' packaging, HANCOFFEE always puts efforts in involving traditional Vietnamese elements in our designs.

The resources of HANCOFFEE

Production resources

HANCOFFEE owns 3 coffee fields that are blessed with the most favourable conditions for coffee plants in Vietnam: Cau Dat - Da Lat - Lam Dong, Dak Glei - Kon Tum, Yasao - Chu Pah - Gia Lai.



HANCOFFEE only harvests from over 8-year-old plants, in order to have the best quality beans.



The farmers are all carefully selected, based on their agriculture-related knowledge and techniques, as well as stable production capacity through the years.



After being gathered, the coffee beans are made to go through a processing procedure employed by HANCOFFEE's R&D executives.

The resources of HANCOFFEE

Production resources

HANCOFFEE invests in manufacturing factories and equipments that are aimed to raise the production capacity.

Coffee fields occupy a total area of over 1,500ha.

The production capacity is 5,000 tonnes per year. (1,500 tonnes of Arabica beans, 3,500 tonnes of Robusta beans)

Roasting factories' capacity at 6,500 tonnes per year - guarantee to satisfy all of the market's requirements.

Instant coffee packaging capacity stays at 3 tonnes per day, or 5,625,000 bags per month.

Drip bag coffee packaging capacity stays at 3 tonnes per day, or 9,000,000 bags per month.



The resources of HANCOFFEE

Production resources



HANCOFFEE is expected to adding 2 manufacturing chains in September 2019, in order to better improve the production capacity and meet the market requirements.

By 2020, HANCOFFEE's production capacity is expected to double, compared to 2019. In order to achieve that goal, HANCOFFEE is planning to invest in high-tech manufacturing factories in Hung Yen.

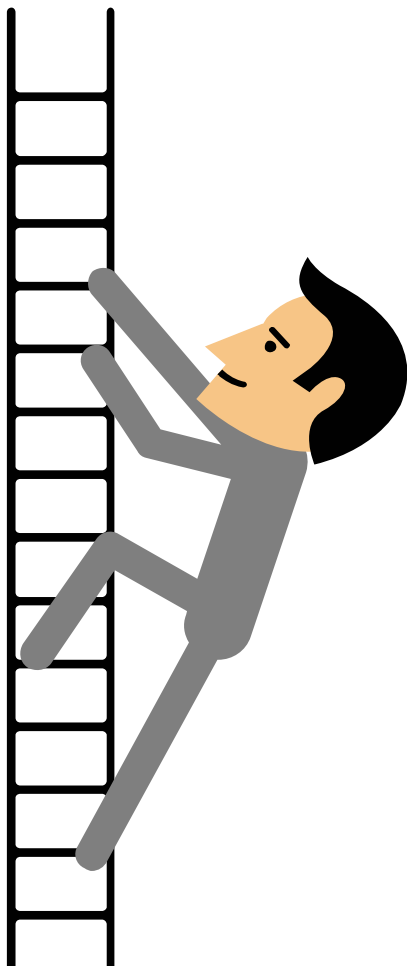
HANCOFFEE's factories occupy a total area of over 20,000 square meters.

The total amount of investments: US\$2 million.

HANCOFFEE has been using Italian high-tech automatic manufacturing chains, to produce European standardized products.

The resources of HANCOFFEE

Human resources



01 A member of Specialty Coffee Association.

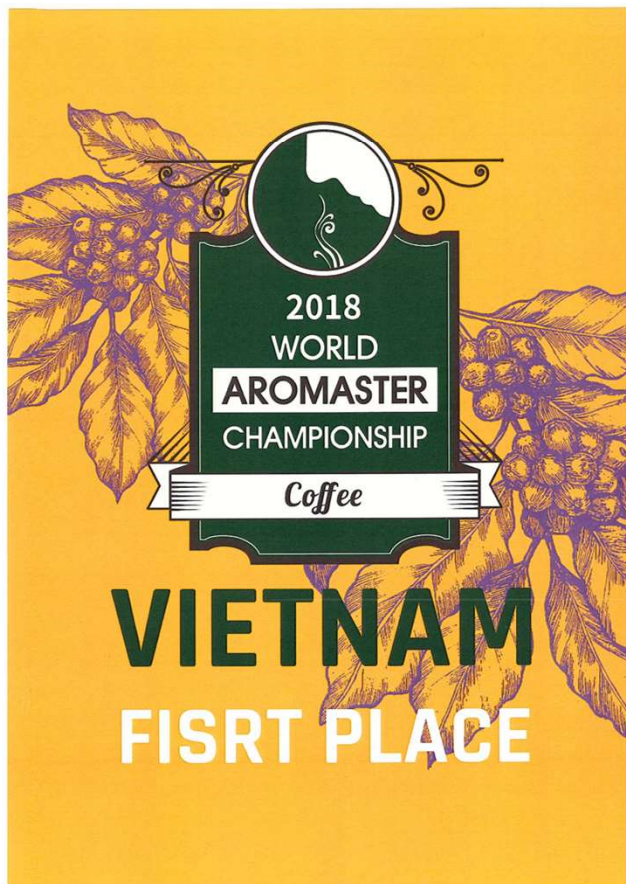
02 Top 5 World Aromaster Championship 2018.

03 Knowledgeable R&D team who obtain international and national degrees.

04 Native and foreign professional trainers specialized in coffee on a regular basis.

The resources of HANCOFFEE

Human resources



The resources of HANCOFFEE

Products resources



HANCOFFEE Arabica Catimor Washed beans is the only wet-processed coffee beans that achieve the mark of 81.75 - categorized as specialty coffee.

HANCOFFEE's products' quality is certified by FDA.

Having been recognized by hundreds of coffee professionals and specialists in international exhibitions and fairs.

The resources of HANCOFFEE

Products resources

HANCOFFEE Traditional:

This product line is HANCOFFEE's own way to tribute to the traditional Vietnamese coffee. With strong flavor and pure aroma, HANCOFFEE Traditional brings to customers impressive experience.

HANCOFFEE Standard:

Carefully made from the finest coffee beans, **HANCOFFEE Standard** is the quintessence of Vietnamese coffee. Embracing light sourness and hints of bitterness, with the aroma of dark chocolate, fruits and herbs; this product line is the best choice for customers who want to enjoy coffee of its purest form.

HANCOFFEE Premium:

Being medium-roasted, which allows the beans to fully keep their shiny light brown color, HANCOFFEE Premium makes even the most demanding customers satisfied. This product line lures customers with the aroma of butter, chocolate, herbs, walnuts and almonds. The unique experience of tasting a whole forest will be found only in this product line.

HANCOFFEE Original:

HANCOFFEE Original use 100% of Arabica beans, provides customers with artistic coffee experience. This product line is a gift specially made from HANCOFFEE to coffee lovers.



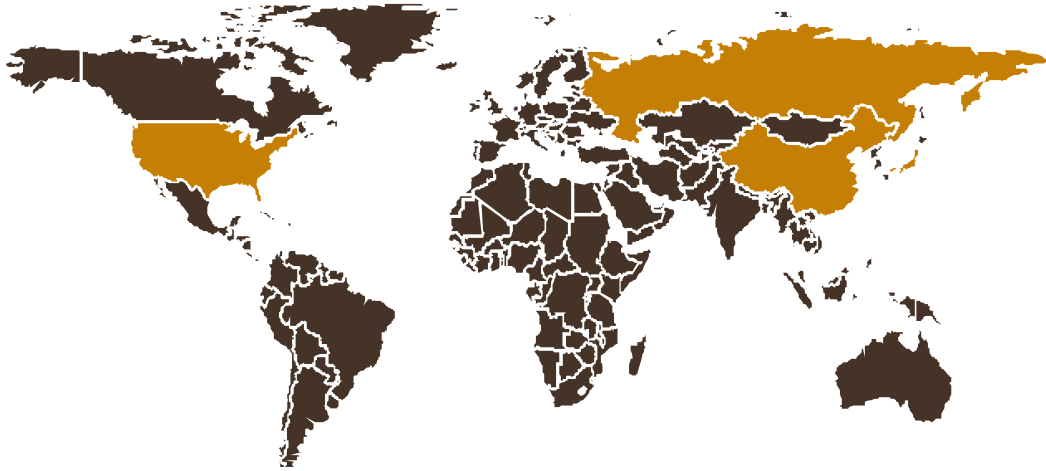
The achievements of HANCOFFEE

Business achievements



The achievements of HANCOFFEE

International markets acquiring achievements



- *The markets in which HANCOFFEE products are available for consumption.*

HANCOFFEE has been the highly trusted manufacturer and distributor of high-quality coffee in numerous international markets i.e. Japan, South Korea, Central Asia, China, etc.

The achievements of HANCOFFEE

Chinese market acquiring achievements



China is HANCOFFEE's targeted market, due to the unlimited potential it promises.

Employing several efforts in this ever-developing market, HANCOFFEE is becoming a trusted brand, thanks to high quality products and rich provision ability.

The achievements of HANCOFFEE

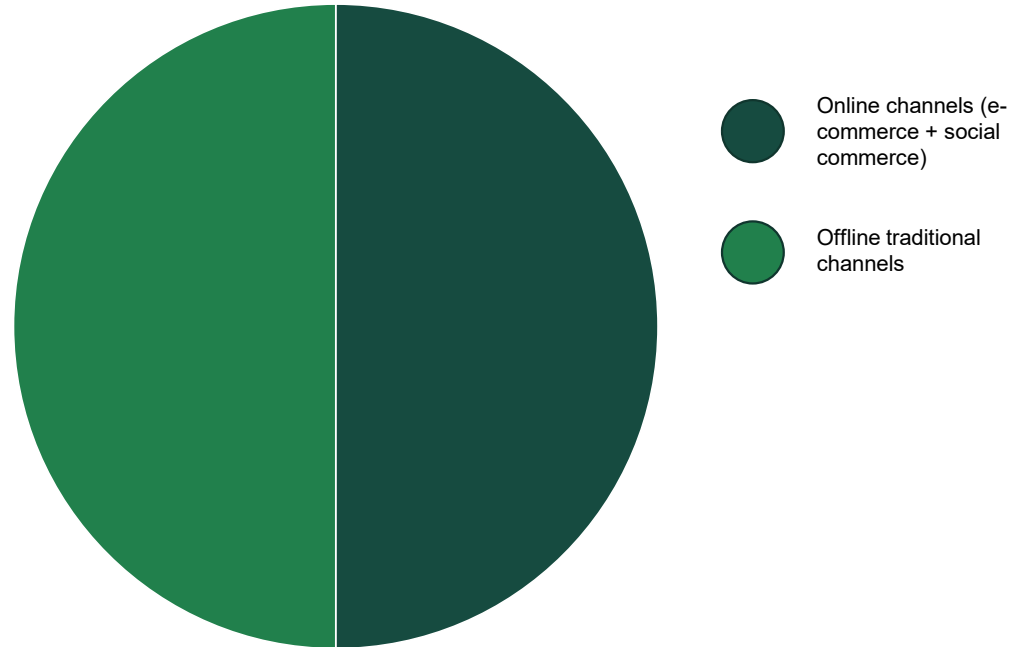
Chinese market acquiring achievements

HANCOFFEE has established a representative branch in

China:

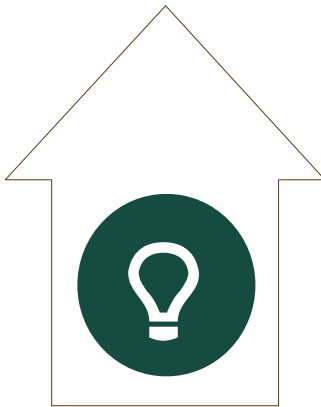
- + 100% of shares owned by IDD Vietnam.
- + Directly distribute products to major agents in China's largest cities.
- + Having lots of customers in major cities: Beijing, Shanghai, Guangzhou, Shenzhen, Chongqing, Yunan, Chiết Giang...
- + Operated by native knowledgeable employees who are also enthusiastic about coffee.

HANCOFFEE's revenue in Chinese market

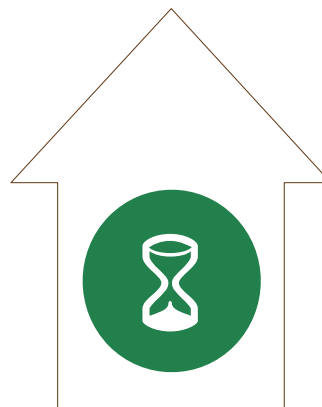


The achievements of HANCOFFEE

Chinese market acquiring achievements



HANCOFFEE has been collaborating with leading domestic distributors in KA, MT, coffee shops fields.



HANCOFFEE aims to serve the various needs of Chinese consumers by providing convenient-yet-of-best-quality products.



HANCOFFEE targets to own 5-10% of the market share in 5 years and lead the third wave of coffee in this potential market.



The problem of the coffee market

- ❖ Overview of the coffee market
- ❖ Trends in the coffee market
- ❖ Problems of the coffee market

Overview of the coffee market



“ Coffee is the second most popular beverage in the world (only after water). The world market value reaches a number of US\$1,489.565 billion.

- Consumers growth rate: 2% per year.
- Market buying value: 1.4 billion cups per day; 200-300 cups per outlet per day.
- "Mature" markets: USA, Europe (each person drinks over 3 cups of coffee per day on average)
- Developing markets: Asia - Pacific
- Asia – Pacific is also the market that has the highest rate of consumers growth.
- The habit of consuming coffee on a daily basis is becoming more and more popular in Asian countries as well.

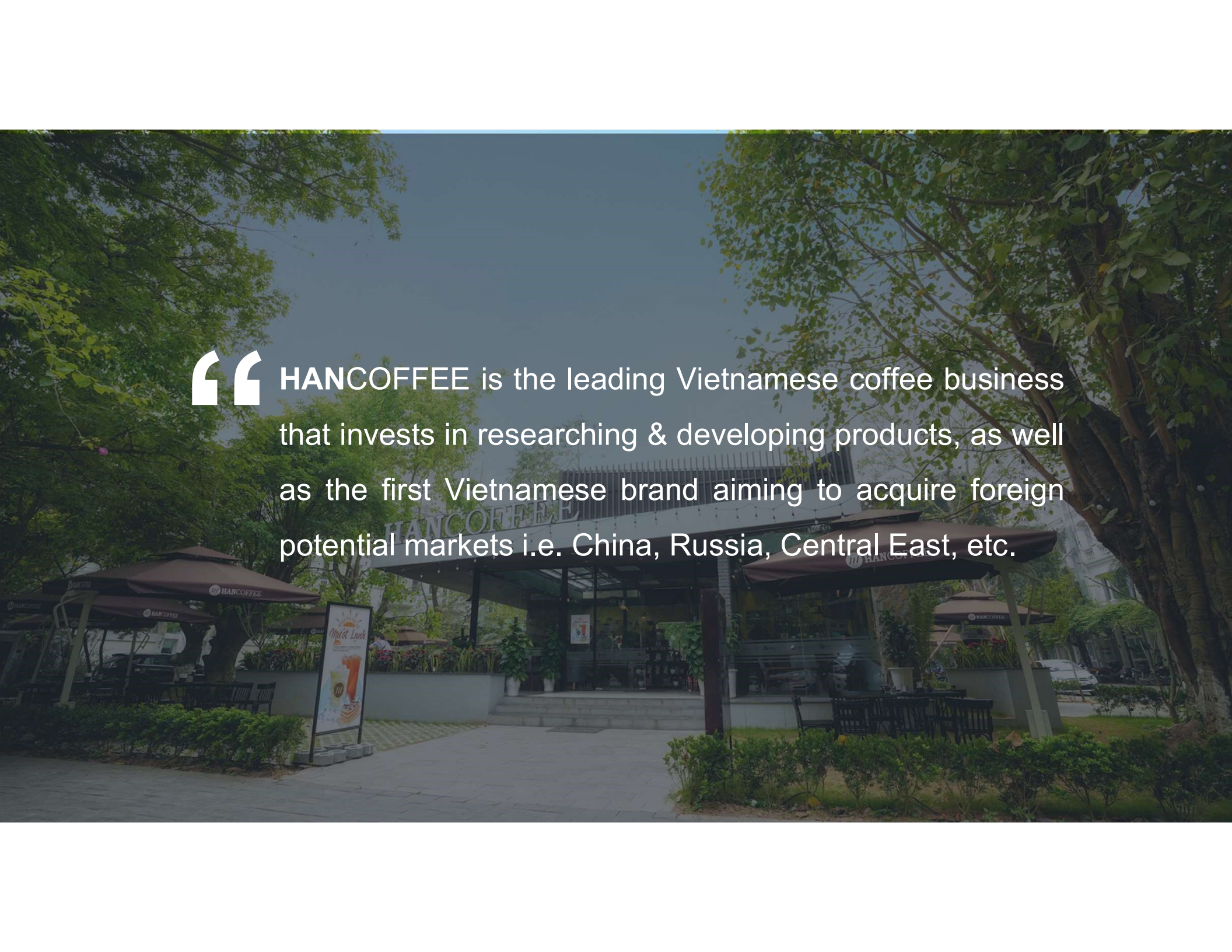
Overview of the coffee market



There are many rooms for development in Asian coffee market. This also poses an opportunity for any brand that can be able to set its value in these markets' customers' minds.



- An European drinks 5 cups of coffee on average. Meanwhile, a normal Chinese person drinks only 3 cups per **year**.
There are only 1.1% of Chinese people having the habit of drink coffee daily.
Yet, this is the market in which the number of coffee consumers grow the fastest (at 16% per year).
- There are only 11% of Indians drink coffee everyday
- The figure in Russia is 22.5%

A photograph of a HANCOFFEE cafe. The cafe has a modern, dark-colored facade with large glass windows. The name "HANCOFFEE" is visible on the building. In front of the cafe, there is an outdoor seating area with several tables and chairs. Large, dark brown umbrellas are positioned over the tables. The cafe is surrounded by lush green trees and foliage. The sky is a clear, light blue. The overall scene is bright and inviting.

“ HANCOFFEE is the leading Vietnamese coffee business that invests in researching & developing products, as well as the first Vietnamese brand aiming to acquire foreign potential markets i.e. China, Russia, Central East, etc.

Trends in the coffee market



The third wave of coffee



Cold brew coffee



Convenient coffee

Trends in the coffee market



The third wave of coffee

- ✓ Prioritizing the original flavor of the coffee beans.
- ✓ Raising awareness about enjoying coffee instead of simply drinking coffee as a beverage.
- ✓ Emphasizing creativity in processing coffee, yet guaranteeing to keep certain standards, instead of worshipping franchising.

Xu hướng dịch chuyển thị trường cà phê



Cold brew coffee is becoming more popular worldwide. In 2018, 31% of American coffee drinkers consume cold brew coffee on a regular basis.

Cold brew coffee

- ✓ Highlighting the original flavor of coffee beans by using room temperature and long period of extracting.
- ✓ Preservation-effective, being able to mass-produced as a result.
- ✓ Being able to easily combining with other ingredients, resulting in impressively tasty drinks.

Trends in the coffee market



Convenient coffee

- ✓ Modern lifestyle raises the needs for faster, more handy, yet of higher quality coffee.
- ✓ Drip bag coffee, coffee making machines are replacing instant coffee.
- ✓ Takeaway coffee, delivery coffee are replacing traditional cafeteria.



HANCOFFEE is the Vietnamese brand that leads the third wave of coffee, when prioritizing the standards as well as creativity in processing coffee beans.

At the same time, HANCOFFEE also recognizes the trend of cold brew coffee, and has developed a special menu of this type of coffee.

Both HANCOFFEE's FMCG and F&B products are created to satisfy the consumers' needs for more convenient, of higher quality coffee.

The problems of the coffee market

Coffee drinkers

Always want...



Clean coffee



Tasty coffee



Fast, handy,
quality coffee



Enjoyment coffee
(prioritizing flavor)

→ There haven't any brand that satisfy all of those needs in Vietnamese coffee market.

The problems of the coffee market

Coffee business owners

High competition

The coffee industry is a highly competitive one. Small to medium sized business owners are suffering the race.

Lack of knowledge

Due to not researching enough about the products, the market, and the rivalries.



Lack of competitive advantage

Mainly focusing on location, if any; instead of investing in developing products – the first and foremost P in doing business.

High cost of marketing

There is only a few that can afford the cost of promotion, the cost of running different marketing channels.

The problems of the coffee market

Coffee manufacturers



Products not personalized

Which go against the motto of the third wave of coffee. Many owners are still putting efforts to seizing the chains, instead of digging deeper in their current products.



Products not empowered

Coffee products are still viewed as a high-class FMCG products.




Products not positioned

Coffee products are still put in the category of FMCG products, while they should be classified as a natural specialty gift due to their uniqueness.



THE SOLUTIONS OF HANCOFFEE

- ❖ For coffee drinkers
- ❖ For coffee business owners
- ❖ For coffee manufacturers



“ By acquiring developing markets; leading in the major trends in the industry, as well as effectively solving the problems of the coffee market, HANCOFFEE is confident in setting our position in the world map of coffee.

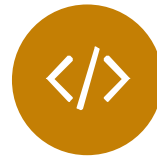
Solutions for coffee drinkers

Having been a member of the Specialty Coffee Association, HANCOFFEE has been closely follow the international standards in guaranteeing to provide the best cups of coffee to customers.



Clean coffee

The "Farm to Cup" cycle allows HANCOFFEE to wholly control the quality in general and the cleanliness in specific of the products.



Convenient coffee

With providing consumers with instant and drip bag coffee products, HANCOFFEE is aiming to provide consumers handy yet delicious beverages.



Tasty coffee

Being developed by the in-house knowledgeable R&D executives, HANCOFFEE products always maintain the best characteristics.



Enjoyment coffee

Following the trends of the third wave of coffee, HANCOFFEE has developed recipes i.e. pour over, cold brew; so as to maximize customer experience.

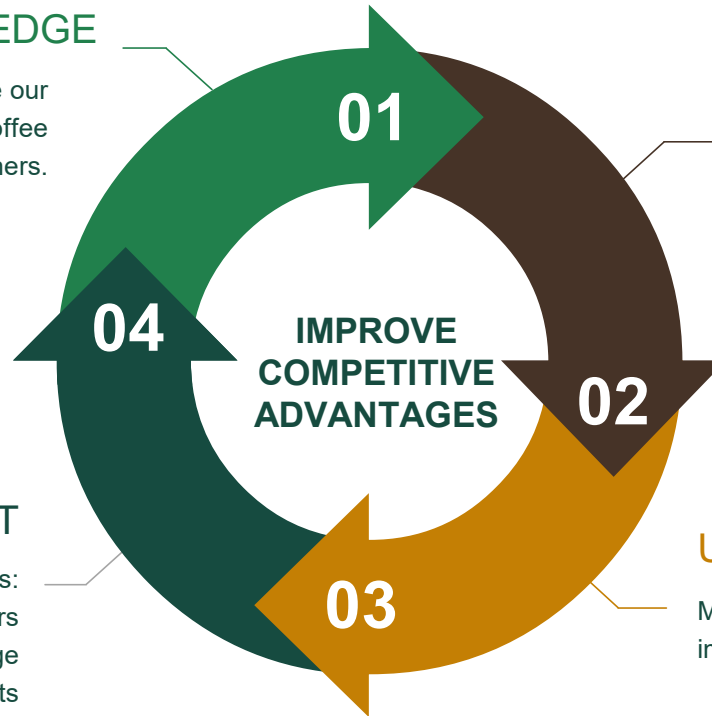
Solutions for coffee business owners

MAJORED KNOWLEDGE

HANCOFFEE is always willing to share our professional knowledge with the coffee business owners.

PRODUCTS ADVANTAGE

By using HANCOFFEE products, coffee business owners are guaranteed to serve their customers with only the best.



UNIQUE COMPETITIVE ADVANTAGE

Mastering in the industry, HANCOFFEE is able to create impressive beverages and menu that hits on the customers.

SAVINGS ON MARKETING COST

Due to making use of HANCOFFEE's existing resources:

- Customers
- Knowledge
- Processing-related investments
- Distribution and marketing systems

Solutions as a coffee manufacturer



01. PERSONALIZING PRODUCTS

Fully understand that every region has its own profile, HANCOFFEE always tries to highlight the uniqueness in every bean.



02. EMPOWERING PRODUCTS

HANCOFFEE beans are proudly recognized by a number of international well-known specialist and organizations.



03. POSITIONING PRODUCTS

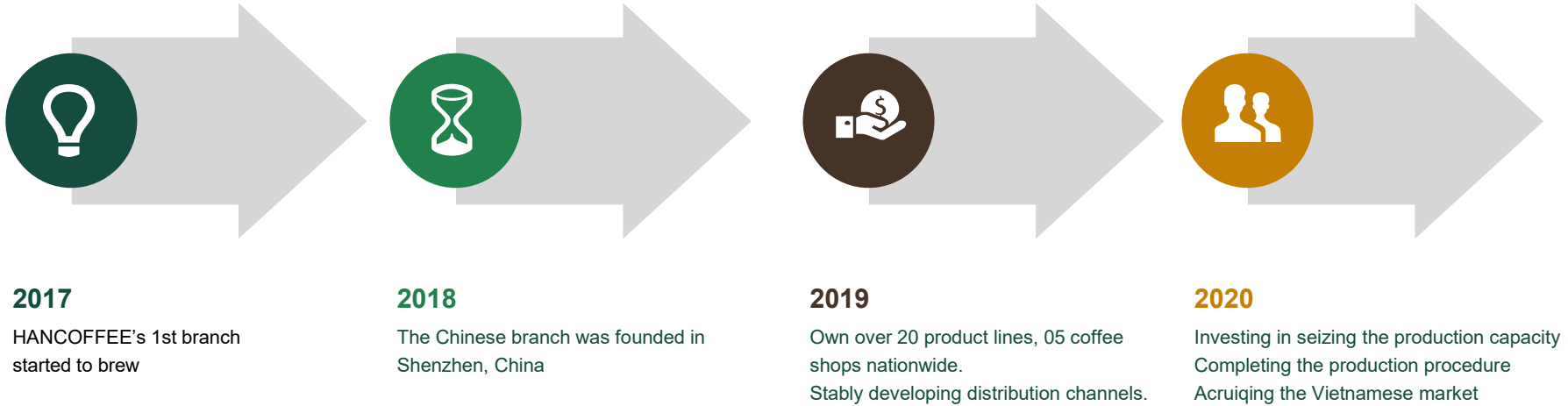
HANCOFFEE view our products as the gifts from mother nature instead of simple beverage products, which are also treated carefully by sophisticated artisans – which make the coffee quintessential.



THE JOURNEY TO CAPTIVATE MARKETS

- ❖ Short-term
- ❖ Middle-term
- ❖ Long-term

Short-term activities



Middle-term activities

Leading the Vietnamese coffee market

Leading the third wave of coffee in Vietnam and in the world

Leading the cold brew coffee trend in Asia

Promoting the co-promoting strategy in the coffee industry

Leading the 4.0 wave – that is to apply high-tech solutions in production

Long-term activities



Art

Positioning coffee enjoying
as a type of art.



Ecologic

Applying sustainable plans
in production



Technology

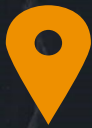
Developing high-tech
distribution chains that
distribute agricultural
products



Global market

Captivating the worldwide
market

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