THANH THANH CONG - BIEN HOA JOINT STOCK COMPANY
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SBT - 1ST QUARTER FY 19-20 CASH AMOUNT REACHED NEARLY VND1,180, NET REVENUE INCREASED BY 26% OVER THE SAME PERIOD

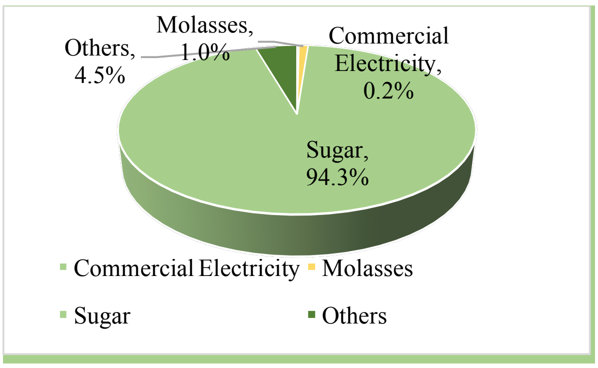
Increasing cash, decreasing cost and restructuring finance

FY 19-20 officially began on July 1st, 2019 with the positive prospects of the World Sugar Industry. By the end of the first quarter, TTC Bien Hoa (SBT, the Company) have consumed more than 220,000 tons of Sugar, up 27%, recording Net Revenue of VND3,181 billion, increased by 26% over the same period, equivalent to the increase of VND658 billion, completing nearly 30% of the yearly plan. Gross Profit reached VND164 billion, up 16% and PBT was VND44 billion, an increase of 5% compared to the 1st Quarter of the FY 18-19. Throughout the latest Annual report, *"Future profit comes from the current market share"* message from SBT Leaders was mentioned shows that this is an important strategy in the sprint period from 17-18 to 20-21 to consolidate the solid foundation and ready to accompany integration. In FY 19-20, SBT will continue to dominate and grow the domestic market share, proactively seeking and expanding potential export markets. According to forecasts of J.P Morgan Bank - United States, Global Sugar output in FY 19-20 will deficit 6.4 million tons, double the last forecast in June, due to the low price of Sugar in the past 2 years, causing factories to reduce quantity and production capacity.

By the end of the 1st Quarter, Sugar still played a key role in the Revenue structure when Sugar Revenue recorded VND3,000 billion, accounting for 94%, up 38% over the same period. SBT is currently the Company with the most diversified lines of Sugar Products with over 50 Sugar product lines including 16 RE Sugar products, 14 RS Sugar products, 6 Golden Sugar products, 5 Rock Sugar products, 5 Function Sugar, 4 Organic Sugar products and 2 Liquid Sugar products, serving almost the needs generated by groups of Clients from the Key Channels as B2B, B2C, Export and Trading. With the long-term strategy of diversifying the Sugarcane Value Chain, minimizing Revenue risk when world Sugar price fluctuates, the Company has been exploiting 5 By-products including Sugarcane-flavored mineral bottled water Miaqua, Bassage, Commercial Electricity, Molasses and Microbial Fertilizer. Highlights in the first 3 months of the Year are Commercial Electricity Revenue increased strongly by 6,357% and Molasses Revenue increased by 14%.

Compared with the Value Chain of some major companies in the World Sugar Industry, SBT has been realizing over 50% products of Chain. The Company plans to officially launch 2 new products in the 2nd Quarter, Brown Sugar Flower Tea and Caramel, 3 planned products for implementation, Mushroom Planting, Paper / Pulp and Ethanol / Biofuels. The Company has researched the production of Mushroom sprouts from Bassage to support the cultivation of many kinds of Mushrooms. Regarding the production of paper from Bassage, the Company is conducting a feasibility study on the investment into pulp factory to make materials for producing tools and utensils such as boxes, trays, cups from Bassage. According to the Boards, this project is also to limit emissions and plastic waste to contribute to environmental protection. Producing bio-materials is an indispensable trend of the world, to support that goal the Company has plan to produce Ethanol from Molasses and associated By-products from Ethanol production such as CO2, Vinass ..., seizing growth opportunities in the future. In addition, Financial Revenue also increased slightly by 3% compared to the 1st Quarter of last year to VND226 billion, mainly from interest liquidation of investments and bank deposits.

Product revenue structure 1st Quarter FY 19-20



Source: TTC Bien Hoa

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Streamlining system, reducing cost, efficiency using the distribution system in the first months of the year have been reflected in the administration and selling expenses, which are better controlled by the Company when the proportion of Cost of Sales and Administration/Net Revenue decreased by 31% over the same period. With the roadmap to restructure capital sources in the more optimal way, the interest expense in the first 3 months of the FY has also decreased by nearly 10%. Liabilities decreased by VND189 billion, equivalent to 2%, especially short-term debt decreased by 12% and long-term debt also decreased slightly by 0.2%. The Debt/Equity ratio and the Debt/Total Assets ratio have dropped sharply by 26% and 15% compared to the beginning of the FY at 1.16 times and 0.46 times.

At September 30th, 2019, Total assets increased slightly by 7% to VND17,841 billion. Cash and cash equivalents continued to change positively when increasing 17%, equivalent to VND174 billion to VND1,179 billion, bringing the Cash ratio to increase sharply by 20% over the same period. Inventories were also better controlled by a decrease of 14%, equivalent to a decrease of VND389 billion compared to the beginning of the year. The Charter capital of the Company at September 30th, 2019 reached VND6,084 billion, an increase of 4% after the Company successfully issued 21.6 million Preferred Shares and disbursed VND649 billion from Strategic Shareholder DEG. SBT is currently the only Vietnamese Sugar Enterprise to conduct an international capital raising deal with a well-known partner in the world financial market. Earlier, SBT was also the Pioneer to bring Organic Sugar exported to European markets in 6 countries through ED&F Man - UK as a strategic partner.

Ms. Huynh Bich Ngoc became Chairwoman of the Board
On October 28th, 2019, Ms. Huynh Bich Ngoc officially became the Chairwoman of the SBT Board of Directors, as well as, Ms. Dang Huynh Uc My and Mr. Pham Hong Duong became Vice Chairwoman and Vice Chairman, respectively, consolidating the Administration apparatus for completing the proposed strategy at the inception of integration. On October 17th, 2019, Ms. Huynh Bich Ngoc completed buying 52 million SBT shares, bringing the total owned number to over 67.5 million shares, equivalent to 11.1% of the Charter capital. These shares at SBT's market worth are valued VND1,276 billion compared to SBT's total market capitalization of VND11,499 billion, equivalent to USD500 million. Currently, SBT's Board of Directors consists of 6 Members, 100% of Non-executive Members including Mr. Vo Tong Xuan, 2/6 of the remaining Independent Members are Mr. Henry Chung and Mr. Hoang Manh Tien.

SBT stock price has recovered positively when increasing from VND15,900 to VND19,000 per share on October 28th, 2019, up nearly 20% in the last 45 sessions. In particular, although the trading week from October 21st, 2019 to October 25th, 2019 is the 6th consecutive net selling week of foreign investors, SBT has been actively bought and reached the Top 10 foreign-bought stocks on HOSE with over 1.3 million shares worth about VND25 billion.

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