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SBT Q2 19-20 - REVENUE COMPLETED NEARLY 60% OF PLAN, DEBT CONTINUOUSLY DECREASED

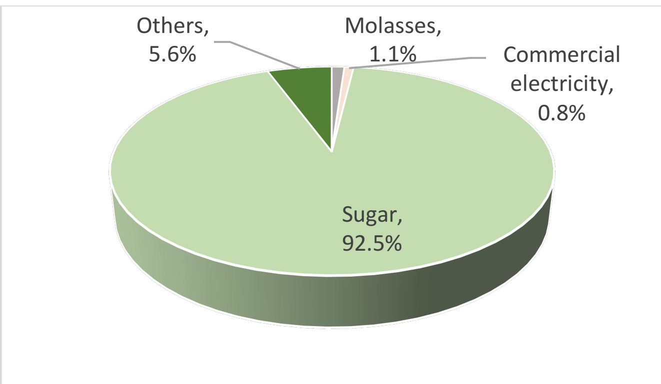
Output increased by 32% over the same period for the first half of the Fiscal year

The Sugar industry ended the half operating Fiscal year (FY) 19-20, Thanh Thanh Cong Bien Hoa Joint Stock Company (TTC Bien Hoa, SBT, the Company) continued to maintain the growth momentum in business operation. Consumption of the first 6 months of the FY was 476 thousand tons of Sugar, up 32% over the same period. Strategies to increase competitiveness, expand market share are maintained to target consumption of 1.2 million tons of Sugar in 20-21.

Net revenue was recorded at VND 6,261 billion, up 11% year-on-year and reached 57% of the year plan. Gross profit grew by 21% due to better structured Cost of goods sold while Sales volume and Net revenue grew positively. Financial expenses and interest expenses were managed better the same period, recording a decrease of 10% and 6% respectively when the Company has initially succeeded in the capital restructuring roadmap towards better optimization. In the first 6 months, SBT saved VND 43 billion in financial expenses and VND 21 billion in interest expenses. According to the Board of Directors, the effort to reduce costs in the second half of the FY 18-19 and the first half of the FY 19-20 is the premise for the Company to be able to increase its competitiveness with the regional big Sugar enterprises when ATIGA was officially in effect 1 month ago. At the same time, the General and Administration (G&A) expenses and Selling expenses are still under good control despite increasing by 10%, but the increasing rate of expenses is still 3.2 times lower than the sales volume. Although the Company is focusing on research and development of products, as well as distribution system to maintain growth in market share and business result, the proportion of G&A and Sales expenses/Net revenue still recorded a slight decrease by 1% over the same period, reaching about 6%. Profit before tax was VND 96 billion, up 51%, particularly Profit after tax was VND 45 billion, up 22 times over the same period last year.

By the end of Q2, Sugar still played a key role in revenue structure when Sugar product lines recorded VND 5,790 billion, accounting for 93%, up nearly 20% over the same period. SBT is currently the most diversified Company in the Line of Sugar products in Vietnam with over 50 Line products, including 16 RE, 14 RS, 6 Gold Sugar, 5 Rock Sugar, 5 Functional and Diet Sugar, 4 Organic Sugar and 2 Liquid Sugar products, serve virtually all the needs of Customers from B2B, B2C, Export and Trade Key channels. With a long-term strategy of diversifying the Sugarcane Value Chain, minimizing revenue risk when world Sugar prices fluctuate as well as affirming the brand upon joining ATIGA, the Company has been exploiting 5 By-products includes Sugarcane flavored Water Miaqua, Bagasse, Biomass Power, Molasses and Microbial fertilizer. Molasses, Commercial electricity, and Fertilizers also contributed in the first 6-month revenue structure, notably Electricity recorded a 21% increase.

Revenue structure by type of products accumulated first 6 months of the Fiscal year 19-20



Source: TTC Bien Hoa

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The financial picture is noticeably improved as Debt continues to decline

As of December 31st, 2019, Total assets increased slightly by 4% compared to the beginning of the year, reaching VND 17,335 billion, most of which came from the increase of short-term investments and long-term financial investments such as investing in joint ventures, investing capital in other entities ... In order to ensure effective investment rates and maximize benefits for Shareholders as well as the Company, besides the main business line of Sugarcane, the Company has also restructured its portfolio, thereby investing in potential units and industries in accordance with the Company's development strategy.

The highlight of the Asset - Capital structure of the Company is Inventories continued to be well controlled when it decreased by 16%, equivalent to VND 435 billion and maintained at VND 2,346 billion. Short-term and long-term debt dropped sharply is the next positive factor when Liabilities decreased by VND 901 billion, about 8%, of which Short-term debt decreased by 9%, equivalent to VND 773 billion, Long-term debt decreased by 7%, equivalent to VND 128 billion. Especially, SBT's loans continued to fall sharply when short-term debt decreased by 16%, equivalent to VND 1,157 billion and long-term debt decreased by VND 132 billion, about 7%. According to the Board of Directors, financial restructuring has been on the right track, reducing the burden of loan interest, creating a safe financial picture to continue international capital mobilization transactions in 2020. The capital structure indexes improved markedly when Debts/Equity and Debt/Total assets reached 1.07 times and 0.45 times, down by 32% and 17% respectively, compared to the beginning of the FY. The solvency indexes were maintained at the safe level to limit risks and ensure working capital for business operations in which Current payment increased by 7% to 1.2 times, Quick payment increased by 13%, reaching approximately 1 time. Chartered capital increased by nearly 4% after the deal with DEG - Investment fund owned by the German Government disbursed nearly VND 650 billion to invest in SBT preferred stock.

Take the initiative in product diversity, grow domestic market share and increase export markets

"Future profit come from the current market share", SBT is consistent with this strategy to create a competitive platform in ATIGA. The Company aims to grow its domestic market share from 42% to 50% in 2020, actively seek and expand potential export markets from the current 21 countries.

For the domestic market, the Company has researched and released new Sugar products to meet the consumption needs of all customers from high-end to affordable level of B2C channel including Modern channel 70% market share, Traditional channel 10% market share and Key Account channel 4% market share, there is plenty of room to grow. After the success achieved with “Nu Hoang” Dark Brown Sugar in October 2019, the Company has just launched the product line of “Co Ba” Brown Sugar which is aimed at all types of customers, especially the affordable segment with affordable price while still keeping the golden color, rich natural flavor and valuable nutrients of Honey cane. Products are being packed with a weight of 1 kg, suitable and handy for every household.

For the international market, China currently leads the export markets in terms of priority for SBT as it is the largest Sugar import market in the world with a stable demand of about 16 million tons per year, while the country's domestic production was only 11 million tons. This deficit of 5 million tons will be offset by imported Sugar. SBT is one of the names that soonly brought Vietnamese Sugar products to the Chinese market. Bringing Vietnamese Sugar products to the market of billion people initially had quite good results, on November 22nd, 2019, 2 containers of SBT’s Liquid Sugar were also officially shipped to China. This is the first test shipment, opening for more than 100 containers of Liquid Sugar that have been contracted and completed procedures, ready to be exported to this market. In order to improve the profitability index, the Company also focuses on exporting value-added products such as Organic Sugar, Rock Sugar, Gold Sugar, Brown Sugar in which the selling price of Organic Sugar is 3-4 times higher than normal Sugar and the profit margins of these sugars are extremely attractive. Although it has just finished the 2nd quarter, the Company has closed nearly 9,000 tons of Organic Sugar exported to the European market for the FY 19-20, 87% higher than the total Organic Sugar exported by the FY 18-19.

About the macro industry, positive signs are gradually appearing when the supply of Sugar decreases and the price of Sugar increases. Sugar experts in the world forecast that a significant recovery will come in the coming time for the world Sugar industry as well as

Vietnam, difficulties will be over if the situation continues to turn positive as recent time. According to forecasts of J.P Morgan bank of the US, global Sugar production in 19-20 will deficit 6.4 million tons, double the forecast in June, due to the low price of Sugar in the past 2 years that caused factories reducing output and production capacity. Especially in Asia, the deficit is strongly at 9.5 million tons. For Vietnam, the deficit of 19-20 is expected to be about 0.8 million tons of Sugar when consumption in this year is expected to be 1.8 million tons of Sugar along with the consumption rate per capita in Vietnam is only 18 kg/person/year in 2019, expected to increase to 26 kg/person/year about 45% in 2020, but still much lower than 39 kg of Indonesia, 50 kg of Thailand and 66 kg of Malaysia, according to PWC. World Sugar price is also on the rise, when the price of raw Sugar in March 2020 ended on January 22nd, 2020 session sharply increased of 24% to 14.66 UScent/lb, recovering from the lowest level in the last 5 months.

SBT is the only enterprise operating in Agricutural industry presenting in VN30 basket in January 2020

Ho Chi Minh Stock Exchange - HOSE has announced the list of component stocks in the basket of the VN30 Index for the first restructuring period in 2020. In which, 2 shares PLX and POW officially entered the VN30 basket, replacing DPM and GMD was disqualified due to inadequate capitalization. Recently, before the competition and strong increase in the number of large stocks listed on the market, SBT still maintained in the VN30 List by meeting all the strict conditions in the basket screening process such as (1) Market capitalization is among the Top 40 Enterprises listed on HOSE, on January 22nd, 2020 reaching VND 10,913 billion - USD 475 million, (2) High and stable liquidity with average trading volume was 2.4 million shares/session, (3) The ratio of free-float reached 63%, satisfying > 10% of HOSE, (4) The stock turnover ratio was always >= 0.05%.

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