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SBT WITH THE 5-YEAR STRATEGIC ROADMAP FY 17/18 – 21/22

Over 50 years of formation and development, TTC Bien Hoa has constantly made efforts and consistent on its way to become ***"The leading Sugar and Sweetener solution provider in Vietnam and the region"***. The 5-year strategic roadmap marked by the acquisition of BHS into TTC Bien Hoa in the Fiscal year (FY) 17-18, this deal is one of the important strategic steps and a prerequisite for a "hedgehog armor" with the new stature reinforced by a scientific and transparent "backstage" through restructuring and building a healthy financial system, streamlining and improving the apparatus as well as accelerating the digitalization roadmap until the end of the FY 21-22.

Restructuring & building a strong financial foundation through the Financial governance & Capital allocation process

During 3 years of post-merger, SBT has gradually completed the strategy set out by building a healthy financial picture, being ready for the pathway to enter the international market when meeting international financial standards. Typically, pioneering IFRS transformation and releasing IFRS financial statements for FY 18-19, completing a planning management system according to cost structure from sugarcane seed to finished products and to customers, etc., marking the first turning point of the transition roadmap and comparing with industry companies in the region. In addition, the fact that DEG - a German Government Investment Fund officially became a SBT shareholder in September 2019. This demonstrated the trust of major international investors into the financial strength, transparency, long-term prospects of SBT.

The FY 19-20 is gradually closing with many imprints in almost activities of SBT and initially reaping positive business results. 3rd Quarter of the FY 19-20 ended impressively with 9-month cumulative revenue of VND 9,122 billion, up 12% over the same period and completed nearly 84% of the year plan, along with a strong growth from core activity when gross profit reached VND 891 billion, up 54%, gross profit margin reached 10%, up 37% over the same period. Expected the FY 19-20 will be the first year SBT successfully conquers the consumption milestone *"One million tons of clean Sugar to all families"* as well as the commitment to growth of financial indicies from the Management Board, creating the ready and firm premise for the first year of integration with the international market.

Accompanying with the development and transformation strategy in the next 2 years, TTC Bien Hoa has built the process of Financial management and Capital allocation to enhance financial stability and contribute to the healthy growth of the Company, including developing a strategic capital plan, selecting appropriate investment projects (M&A), investing in strategic partner companies and managing portfolio, strictly complying with the risk management process. An important key in SBT's method of capital allocation is the willingness to pay a reasonable dividend to shareholders in the form of cash, stocks and stock repurchases. Based on the strength of the business model, the Company expects that paying dividends at a competitive rate will continue to maximize shareholders' profits.

Pioneer operating model - Excellent team & Strong digital transformation roadmap for business transformation

The Sugar industry is experiencing many impacts not only from the industry cycle and challenges of ATIGA integration but also from the Covid-19 pandemic, however, these impacts are accelerating SBT's transformation and adaptation. With the initiative, flexibility and continuous efforts of all employees and the Management Board during the past 3 years, we believe that the 5-year roadmap to conquer the regional market is approaching and initially achieving success.

Currently, the operating and business model is being gradually transformed from the traditional business to service business, ready to provide Sugar & Sweetener solutions as well as ensure abundant clean supply for the young and dynamic market in Vietnam and the region. Pathway to build market segments, core products and diversified distribution networks with R&D teams who are leading experts, ready to accompany the customers and their business philosophy.

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Successful penetration into the leading tough markets of beet Sugar such as Europe, America, etc., also recognizes SBT's impression with international markets on a quality Vietnamese Sugar brand. Moreover, we have gradually established a distribution network throughout the country with the commitment of "*Bring clean Sugar to all families*" over 50-year journey. This is also the most powerful message that TTC Bien Hoa has chosen to declare war directly on smuggled and low-quality Sugar. Recently, more than 40 Sugar products of our Company have been available on the e-commerce platform of Sendo and Tiki to meet the consumers' modern shopping needs.

In parallel with the implementation of operational model transformation and process improvement, TTC Bien Hoa has completed the integration of agricultural experience based on information technology, effective labor management on the basis of modern governance processes and leaders with international knowledge and vision along with skilled local human resources. Within its 5-year roadmap, TTC Bien Hoa has been applying technology in operation management, implementing digitalization of operations through ERP software with business intelligence (BI) and strictly follow risk management processes. Up to now, the Company has completed setting up a risk management process with industry best practices aligned with the strategy; together with the high experienced resources equipped with in-depth industry knowledge, contributing to the effectiveness improvement, supply chain optimizatiom and competency enhancement.

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