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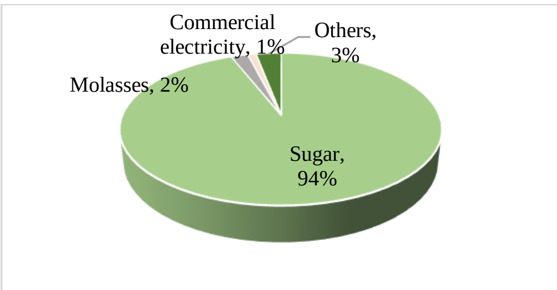
SBT 4^{TH} QUARTER FY 19-20 – REVENUE, PROFIT EXCEEDED TARGET, SUGAR CONSUMPTION SURPASSED THE MILESTONE OF 1 MILLION TONS

Revenue, profit exceeded 20% of the business year plan, Consumption surpassed the milestone of 1 million tons for the first time

The fiscal year (FY) 19-20, Thanh Thanh Cong Bien Hoa Joint Stock Company (TTC Bien Hoa, SBT, the Company) successfully consumed 1.06 million tons of Sugar, up 41% over the same period, recording the revenue of VND 12,850 billion, up 18% yoy and reached 118% of the year plan. Profit before tax reached more than VND 504 billion, up 20% yoy and reached 117% of the year plan. Profit after tax reached VND 372 billion, up 44% over the same period. This is really a remarkable result of SBT in the context that the Sugar industry has not had any positive developments due to the cyclicality, challenges from ATIGA integration as well as significant impacts caused by the Covid-19 pandemic. However, with the initiative, flexibility and continuous efforts of the board and officers, TTC Bien Hoa successfully completed the plan, closing a year with a lot of achievements in almost activities.

Match with the orientation of becoming "Leading Sugar and Nutrition energy solutions supplier in Vietnam and the region", at the end of Quater 4 (4^{th} Q), Sugar still plays a key role in the revenue structure as Sugar products recorded accumulated revenue of VND 12,035 billion, accounting for 94%, up 27% over the same period. SBT is currently the Company with the most diversified line of Sugar products in Vietnam with over 50 products, including 16 RE, 14 RS, 6 Gold Sugar, 5 Rock Rugar, 5 Functional Sugar, 4 Organic Sugar and 2 Liquid Sugar products, serving almost the needs of customer from the key channels in B2B, B2C, Export and Trade. With a long-term strategy of diversifying the Sugarcane Value Chain, minimizing revenue risk when world Sugar price fluctuates, the Company has also been exploiting 5 By-Products includes Sugarcane flavored water Miaqua, Bagasse, Commercial electricity, Molasses and Microbial fertilizer.

Revenue structure by products FY 19-20



Source: 4^{th} Q consolidated financial statements FY 19-20, TTC Bien Hoa

FY 19-20, the Company's gross profit climbed to VND 1,403 billion, up sharply by 61% yoy. Gross profit margin is also noteworthy when improving of 11%, an increase of 36% over the same period. This result comes from the Company’s appropriate policies, good control of input costs, especially taking advantage of ATIGA with more competitive input materials.

In the past FY, both General & Administration (G&A) and Sales expenses were better controlled, specifically, G&A expenses were lower than the same period by VND 57 billion, equivalent to a decrease of 13%, together the proportion of G&A expenses/Net revenue also decreased by 26% to only 3.0%. At the same time, while Sugar consumption increased by 41%, the proportion of Sales expenses/Net revenue remained stable at 3.6%, down 4% yoy. SBT Board’s efforts to reduce costs are the premise for the Company to increase its competitiveness with peers in the region after joining ATIGA.

The capital structure positively continued to change, Debt gradually decreased

As of June 30th, 2020, Total assets reached VND 18,063 billion, up 8% compared to the beginning of the year, which mainly came from Short-term and Long-term financial investments. This reflected the orientation of restructuring financial system that the Company set out with the goal of diversifying revenue sources and taking the available advantages of TTC Bien Hoa. Inventories were well controlled when decreased over 9%, equivalent to VND 258 billion and remained at VND 2,523 billion, accounting only about 14% of Total assets, down 16% over the same period.

With the roadmap to restructure capital sources in the optimal direction, Liabilities decreased by VND 484 billion, equivalent to a decrease of 4% thanks to the reduction of Short-term debt by 5%, equivalent to VND 334 billion and Long-term debt by 23%, equivalent to VND 416 billion. With the Company's Debt as of June 30th, 2020 decreasing by 8%, equivalent to VND 750 billion, the Debt/Equity ratio and the Debt/Total assets ratio reached 1.1 times and 0.5 times, respectively decreased by 30% and 15% compared to the beginning of the year. The Solvency ratios maintained at a safe level to limit risks and ensure working capital for business operations in which the Current ratio increased by 4% to 1.1 times, Quick ratio increased by 9% to approximately 0.9.

SBT promotes the development of rooftop solar power at all member units

In the context that Vietnam Electricity industry is making efforts to ensure increasing supply of consuming and producing electricity, the development of renewable energy projects including rooftop solar power is considered as one of the solutions, helping reduce the pressure on the current electricity industry. Solar energy is considered an alternative source of energy with endless supply, green, clean, does not cause greenhouse gas emissions, contributing to environmental protection and climate change. Realizing this, SBT has soon implemented the development program of rooftop solar power and renewable energy combined with the Sugar and by-products production model. This project is being applied to all 13 factories, member companies and sugarcane farms in Tay Ninh, Dong Nai, Ninh Thuan, Khanh Hoa and Gia Lai province with the total roof area of 20 ha that ready for installation. The Company has prepared an investment capital of about VND 400 billion to implement this project, expected in the FY 20-21 the total capacity will reach 22MW. In fact, using rooftop solar power will help reduce the temperature in the workshop from 4 - 5^{o}C, decrease electricity consumption leading to cost reductions, green - clean energy supply, environmental protection, and at the same time connect to the national grid with the electricity price of 8.35 cents/KW until December 31st, 2020 during the next 20 years.

Rooftop solar power system of SBT at TTC Gia Lai

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SBT is honored to continue being the only Sugar company maintained in the review period of VN30 on July 2020

The Ho Chi Minh City Stock Exchange (HOSE) has just released a stock list of VN30 index in the July 2020 period. Accordingly, besides the strong participation of many stocks that have been the focus of the market recently, SBT continues to be maintained in the VN30 list by meeting all the strict conditions in the stage of index selection as (1) Market capitalization is among the Top 50 listed enterprises on HOSE (reached VND 8,537 billion on June 26th, 2020), (2) High and stable liquidity with daily average trading volume of 2.6 million shares/session, (3) High free float ratio at 40% - satisfying HOSE's condition of 10%, (4) The stock turnover ratio is always >= 0.05%.

Performing the right to collect written opinions of shareholders

On July 24th, 2020, SBT announced the right to collect shareholders' written opinions, through the following issues: (1) Changing the number of the Board of Directors (BOD) members; (2) Approve the list of nominated candidates, self-nominating independent members of the BOD; (3) Electing additional independent members of the BOD; (4) Amendment of the Company's Charter; (5) Amend the Internal regulations on corporate governance; (6) Other issues within the authority of the General meeting of shareholders (if any). The final registration date is August 14th, 2020, the expected time for the implementation of the right to collect shareholders' written opinions is before September 30th, 2020.

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