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SBT – 3RD QUARTER FY 18-19 PROFIT AFTER TAX UP BY 106% OVER THE SAME PERIOD

Positive business results thanks to the good growth of the consumption and well management of raw material costs

The third quarter of FY 18-19 recorded SBT's significant efforts when the business results shown the preeminence as compared to the first half as well as the same period last year. It is a combination of good growth of the consumption, well management of raw material costs as well as effective financial activities. Profit before tax (PBT) and Profit after tax (PAT) of Q3 reached VND 287 billion and VND 284 billion, respectively, an increase of 80% and 106% over the same period. Accumulated the first 9 months, SBT's performance has rebounded with PBT of VND 350 billion and PAT of VND 286 billion, thanks to the effective utilization and optimization of production lines, expanding distribution channels, as well as a strong focus on R&D activities with more than 26 new products to satisfy the diverse needs of customers. Compared to the first 6 months of the fiscal year, these profitability ratios even increased dramatically with 6 times and 143 times.

Accumulated net revenue reached VND 8,165 billion, fulfilling 71% of the plan and equivalent to the same period last year thanks to the consumption of nearly 540,000 tons of Sugar, up 19% and reaching 64% of the budget. 4 key distribution channels play an important role in revenue structure as well as in line with SBT's long-term direction, including B2B, Trading, B2C and Export. Particularly in Q3, total sales volume recorded 163,000 tons, up 26% yoy:

- *Business to Business – B2B Channel:* The consumption increased more than 29%, continued to take an important role in the consumption structure and sugar revenue, accounting for 45% and 47% respectively. The B2B channel consists of 2 customer group: Multinational Corporations - MNC and Small and Medium Enterprise - SME. Currently, besides MNC, the Company also strongly focus on SME segment. By the end of the third quarter, total sugar consumption through SME channel reached about 68,000 tons, increased by 40% yoy. In Vietnam, more than 90% businesses are small and medium enterprise, contributing to 45% of GDP; therefore, this is really an important segment. With a list of more than 10,000 potential customers in the SME segment which operated in F&B, SBT reached 10% market share and expected to increase to 16% market share for FY 20-21. For MNC segment, SBT dominates the market with 61% market share and is expected increase to 76% in FY 20-21;
- *Trading*: Consumption increased more than 36% yoy, accounting for 35% of total sugar consumption and contributing 33% to total sugar revenue;
- *Business to Customer - B2C Channel:* Consumption increased by more than 10%, accounting for 10% of total sales volume and 12% of total sugar revenue. SBT has continued to launch new products serving the affordable consumer market with guaranteed quality based on the strength of available distribution channels. Especially, the introduction of products with packing specifications of 5 kg per bag and 12kg per bag in addition to previous packing specifications (50 kg, 25 kg, 1 kg and 500 gram) to meet the customer demand. SBT currently owns 91 distributors, 3,600 convenience stores, supermarkets, stores and more than 60,000 retail stores. Notably, SBT is in the first step of applying e-commerce channel. It is expected that when this channel is put into operation, it will increase SBT's profit, bringing TTC Bien Hoa products to consumers more quickly and easily. The market share of modern trade - MT reached to 50% and is expected to increase to 73% for FY 20-21. Particularly, General Trade - GT Channel only reached a modest level of 10% but is expected to grow to 54% in the next 2 years;
- *Export:* Production growth is nearly 4%, accounting for 10% of output and 8% of Sugar revenue. In this quarter, the Company has developed 3 new markets, numbering the total export market to 17 countries including China, Myanmar,

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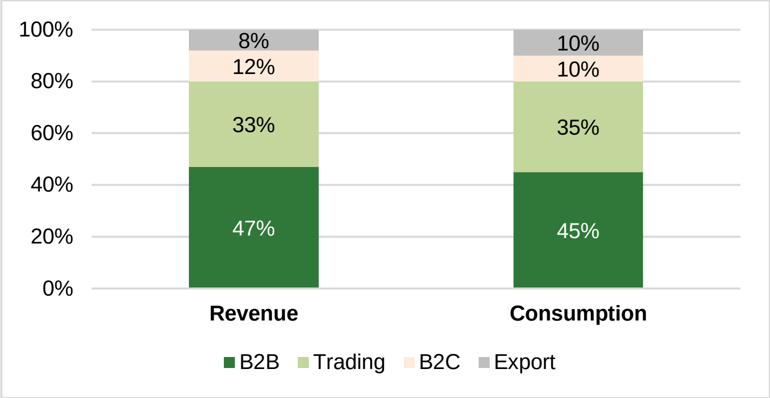
Kenya, USA, Bulgaria, Czech, France, Italy, Korea, Singapore, Philippines, Indonesia, Cambodia, Sri Lanka, Samoa, Nauru and Tahiti.

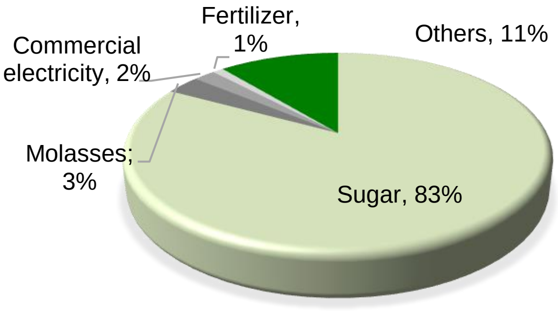
Sugar structure by revenue and consumption in Q3 FY 18-19



Sources: SBT

Along with that is the recognition of the growth rate of the products of By Sugar - After Sugar including molasses, electricity and fertilizer. Specifically, Sugar contributes 83% of accumulated revenue and is still the leading product. Taking the initiative in maximizing the advantages of sugarcane value chain, SBT recorded molasses revenue comprising 3%, increased 121%; Electricity revenue of 2%, up 79%; Revenue of fertilizer 1%, 22% increase and other revenue 11% which was not changeable.

Product revenue structure in the first 9 month of FY 18-19



Sources: SBT

Gross profit margin in the 3rd Quarter is also a notable point with remarkable improvement of 13%, a strong increase of 160% compared to the average of 5% of 6-month accumulated and as previous expectation announced by SBT. This result is due to the total volume of Sugar inventory with high cost of goods sold out in the last 2 quarters, as well as the new Sugar output which has been well controlled in term of input cost. Cost of goods sold thus dropped 7%, resulting the Gross Profit margin reached 12% for Q3 18-19. In addition, financial income in 3Q also recorded an increase of 107% year-on-year, reaching VND 348 billion, mainly from interest on liquidation of effective investments and bank deposits.

Accumulated 9 months recorded the proportion of Selling expense, General and Administrative expenses to Revenue
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unchangeable even though the Company is actively implementing the strategy of expanding market share, promoting the distribution system B2C through channels and retail distribution chains. Besides, with the orientation of streamlining and applying of information technology to Corporate Governance, the management expenses have been well controlled when decreasing 8% over the same period, this is a premise for SBT to compete fairly with regional businesses after joining ATIGA.

Capital structure improved dramatically with continuous restructure.

At the time of March 31st, 2019, total assets decreased slightly by 3% compared to the beginning of the year, reaching VND 17,247 billion, partly because the Company continued to perform good control of Inventories when the target decreased by 19% and is maintained at VND 3,215 billion, only about 19% of total assets. SBT's owners' equity increased by nearly 2% to VND 6,201 billion, mainly due to the Company's charter capital increase of more than 5% after the issuance of shares to pay dividends to shareholders.

Liabilities decreased by 5%, in which short-term debts decreased by nearly 4% and especially short-term loans decreased by 11%, equivalent to VND 834 billion. Long-term debt also decreased by 9%, of which long-term debt decreased by VND 244 billion, equivalent to over 9%.

With the significant improvement of inventories, short-term financial investment and the efficiency of debt restructures, SBT's liquidity ratio and capital structure recorded positive improvements. At the end of the 3rd quarter, current and quick ratios reached 1.17 times and 0.80 times, equivalent to the industry average; 7% and 21% increase compared to the beginning of the period, ensuring the stability of short-term operating cash flow. Debt / Asset and Debt / Equity ratios at the end of March 2019 reached 0.53 times and 1.48 times, down 9% and 12% respectively compared to the beginning of the Decree. Debt ratio is improved, within the limits of financial risk control and ensure the Company's performance to accompany the strategy of increasing output and expanding market share.

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