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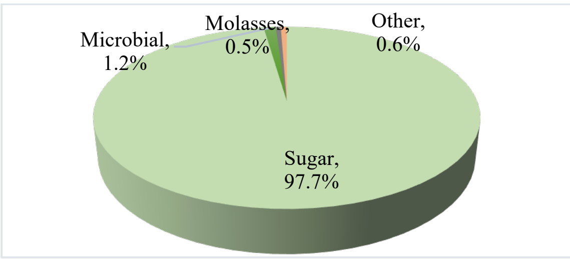
SBT 1ST QUARTER FY 2020-2021 - PROFIT AFTER TAX INCREASED MORE THAN 190% OVER THE SAME PERIOD

The revenue reached over 25% of the year plan, Profit after tax increased sharply over the same period

The 1st Quarter of fiscal year (FY) 2020-2021, Thanh Thanh Cong Bien Hoa Joint Stock Company (TTC Bien Hoa, SBT, the Company) successfully consumed 312 thousand tons of Sugar, up 42% over the same period, recording the Revenue of VND 3,656 billion, up 15% qoq and completed more than 25% of the year plan. Gross profit reached VND 465 billion, up 184% and Profit after tax reached VND 104 billion, up 192% compared to the same period.

At the end of 1st Quarter, Sugar still plays a key role in the revenue structure as Sugar products achieved revenue of VND 3,574 billion, accounting for 98%, up 19% qoq. SBT is currently the Company with the most diversified line of Sugar products in Vietnam with over 72 products, including 6 Organic Sugar products, 8 Gold Sugar products, 6 Rock Sugar products, 4 Functional Sugar products, and 3 Liquid Sugar products, 19 RE products, 17 RS products, serving almost the needs of Customers 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 9 By-Products includes Sugarcane flavored water Miaqua, Bagasse, Commercial electricity, Molasses, Caramel and Microbial fertilizer,… Highlights in the first 3 months, the revenue of Microbial fertilizer increased significantly 181% and Commercial electricity increased 50% over the same period.

Product revenue struture 1st Quarter Fiscal year 2020-2021



Source: The SBT's 1st Quarter Financial Statement Fiscal Year 2020-2021

The 1st Quarter's gross profit margin was also a bright spot with remarkable improvements of 13%, up sharply by 150% qoq. This result comes from the Company's appropriate policies, also the good control of input costs.

The financial structure has been improved, Inventories are under good control

As of September 30th, 2020, Total assets reached VND 18,403 billion, up 2.5% compared to the beginning of the year, which mainly came from Short-term investments as Securities trading and Long-term investments such as Investments in subsidiaries, associates,… besides the main business segment of Sugar, TTC Bien Hoa has also restructured its portfolio, thereby investing in potential units and industries in accordance with the Company's development strategy.

In this Quarter, Inventories continued to be well controlled when it decreased by 10%, equivalent to VND 250 billion and achieved VND 2,279 billion. Short-term loans decreased by 0.3%, reducing the burden of loan interest and increasing operational efficiency, SBT saved VND 10 billion in interest expenses, decreased to 7% qoq. The Capital structure improved markedly as Debts/Equity and Debt/Total assets ratios still maintained at a safe level, reached 1.12 times and 0.47 times, respectively. The financial restructuring has been on track, helping the Company to reduce the interest burden, creating a safe financial picture to continue to rase fund from international market in the FY 2020-2021. In addition, The Solvency ratios also maintained at a safe level to limit risks and ensure working capital for business operations in which the Current ratio increased by 2% to 1.2 times and Quick ratio increased by 6% to 0.9 compared to the beginning of the year.

Increasing the export volume of Organic Sugar products, focusing on accessing new export markets

In the 1st Quarter of 2020-2021, Bien Hoa's export revenue increased sharply over the same period thanks to the increase in Sugar export quantity of high added-value products, at the same time, SBT has developed new export markets, increasing the total number of international markets to 24 countries. In particular, the Company is focusing on developing and increasing the revenue contribution propotion of Organic Sugar product line. Currently, this line is exported to 17 European countries and reaching other major markets such as the US - the largest Organic Sugar consumer with an average consumption of 250,000 tons/year, besides Korea and Japan are also tough markets that SBT plans to conquer.

SBT owns the material area of nearly 64,000 ha in 3 countries Vietnam, Laos and Cambodia. The Company's goal is to continue promoting the development of Organic material areas in Laos and Cambodia, in particular the Organic sugarcane areas in TTC Attapeu, Laos continues to be invested to produce Organic Sugar with international quality standards recognized by prestigious organizations. It is expected that the total output of Organic Sugar from the area planted here in the crop 2020-2021 can reach ~ 42,000 tons, an increase of more than 3 times compared to the crop 2019-2020. It is estimated that from the crop 2024-2025 onwards, more than 10,000 ha of TTC Attapeu's harvested area is entirely Organic Sugarcane with a total output of ~ 800,000 tons of Organic Sugarcane and more than 100,000 tons of Organic Sugar, an increase of more than 766% compared to the crop 2019-2020.

TTC Bien Hoa's Organic Sugarcane material area at Attapeu, Laos

Recently, TTC Bien Hoa has overcome the most difficult requirements, successfully exported the first 500 tons of Organic molasses to the US market. In addition, the entry into force of the CPTPP and EVFTA agreements has greatly supported Vietnam's export sector to diversify markets and export goods, of which for the Sugar industry, the tariff quota for Sugar imported into Europe is 0%. These agreements have opened up a new potential market for exports, especially SBT's high value-added products such as Organic Sugar, Yellow Sugar, Mineral Premix Sugar,etc. TTC Bien Hoa is going to continue to exploit new countries, increase orders and boost market share in international markets.

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