

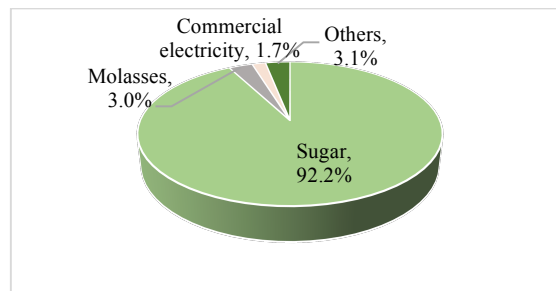
**SBT - 3<sup>RD</sup> QUARTER FY19-20 BUSINESS RESULTS EXCEEDED PLAN THANKS TO THE INCREASE IN OUTPUT**

**Revenue of 9 months reached 84% of the year plan, Profit from core business recorded a strong growth**

Accumulated 9 months of the fiscal year (FY) 19-20, the Sugar consumption of Thanh Thanh Cong Bien Hoa Joint Stock Company (TTC Bien Hoa, SBT, Company) reached 699,000 tons, up 33% over the same period, Net revenue achieved VND9,122 billion, an increase of 12% compared to the same period and reached nearly 84% of the year plan. Gross profit reached VND891 billion, up 54% over the same period. This is really a remarkable result of SBT in the context of the ongoing Covid-19 pandemic, this disease is truly an unprecedented global crisis when all countries and sectors have been caught up in turn with blockade and isolation measures involving half of humanity to date. In just over three months of outbreaks, the Covid-19 epidemic has become a traumatic screening for businesses in almost sector, with virtually all industries facing difficulties, however, with the proactively and soon having good coping plans, SBT still achieved remarkable business results, especially good growth from profit in core business.

By the end of Quarter 3 (3<sup>rd</sup> Q), Sugar still played a key role in the Revenue structure when Sugar product lines recorded accumulated revenue of VND8,404 billion, accounting for 92%, up 25% 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 groups 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, Biomass Power, Molasses and Microbial fertilizer.

*Revenue structure by type of products accumulated first 9 months of the FY 19-20*



*Source: TTC Bien Hoa*

Gross profit margin of Sugar segment in the 3<sup>rd</sup> Q is also noticeable when there have been remarkable improvements reaching 20.7%, a sharp increase of nearly 270% compared to the average of 5.6% of the first 6 months. This result is due to the fact that all high-cost Sugar inventories were consumed in the previous 2 quarters, and the new Sugar production was well controlled input costs, especially when the Company took advantage of ATIGA with more competitive price for input materials. Thanks to that, the 3<sup>rd</sup> Q gross profit margin also recorded a good growth when breaking out again to reach 17.6%.

In line with the increasing market share target that the Company is pursuing, accumulated 9 months consumption of SBT has increased by 33% over the same period, meanwhile, G&A and Selling expenses are still under good control with an increase of only 19%, equivalent to a slower increase of 1.7 times compared to the growth rate of output. The effort to reduce costs of SBT's Board of Directors during the past time has created a prerequisite step for the Company to increase its competitiveness with big Sugar enterprises in the region when joining ATIGA.

**The capital structure is noticeably improved as Debt continues to decrease**

As of March 31<sup>st</sup>, 2020, Total assets increased by 10% compared to the beginning of the year, reaching VND18,400 billion, most of which came from the increase in long-term investments such as Securities trading and Long-term investments such as Investments in subsidiaries, associates ... In fact, in order to ensure effective investment rates and maximize benefits for shareholders as well as the



Company, besides the main business segment of Sugarcane, TTC Bien Hoa has also restructured its portfolio, thereby investing in potential units and industries in accordance with the Company's development strategy.

In terms of capital structure, the sharp decrease in short and long-term debt is also a bright spot in the financial picture in the first 9 months of the year, in particular, Liabilities decreased by VND308 billion, equivalent to a reduction of nearly 3%, in which short-term debt increased slightly by 1%, equivalent to VND81 billion; Short-term borrowings decreased by 4%, equivalent to VND300 billion. Especially, long-term debt also saw significant improvements when it recorded a decrease of 20%, equivalent to VND389 billion; in which long-term debt decreased by VND402 billion, equivalent to 22%. The debt reduction has proved that the restructuring of the Company has been on the right track, supporting the reduction of interest burden and increasing operational efficiency. In the first 9 months, SBT has saved a total of VND67 billion interest expenses yoy, down 13% over the same period. As a result, the Leverage ratios recorded a clear improvement when the Debt/Equity ratio and Debt/Assets ratio reached 1.1 times and 0.5 times, respectively decreased by 31% and 16% compared to beginning of the year. In addition, the Solvency ratios are guaranteed by the Company at safety limits to minimize risks and ensure working capital for business operations, in particular, Current ratio and Quick ratio recorded an increase of 7% and 10% compared to the beginning of the year, equivalent to 1.2 times and 0.9 times respectively. The Efficiency ratios also improved significantly, in particular, the Inventory turnover ratio was recorded to increase by 40% to reach 2.9 times, mainly because the Company had effective sales policy, fast delivery and good inventory management.

#### **Continue to cooperate with the large Companies and multinational Corporations in the world to develop the chain of agricultural products**

On March 17<sup>th</sup>, 2020, after many months of thorough investigation, testing and hard work, SBT officially signed an investment cooperation contract with Dole Asia Holding PTE. LTD., on the investment of cover trading and technical transfer for the project of growing South American bananas at Thanh Long farm of Bien Hoa - Dong Nai Co., Ltd. with the area of 200 ha. This cooperation will help the Company diversify agricultural products alongside the main products from Sugarcane to take advantage of large land bank as well as increase the efficiency of arable land, and take advantage of the Sugarcane production process value such as compost is the input of the fruit production process to increase the value of SBT's products. All South American bananas from the project will be consumed domestically and for export.

Dole Asia Holding PTE. LTD., is known as the leading American agricultural company with nearly 170 years of experience in manufacturing and exporting high quality fresh agricultural products with the largest scale in the world. In addition to fresh vegetables, Dole Asia Holding always manufactures and trades canned frozen vegetables in more than 90 countries. One of the advantages of Dole Asia Holding is always fully control the input and output of bananas, GAP and GMP, meeting MRL standard of each market. The project of growing South American bananas on a 200-hectare area in Thanh Long farm is expected to extend new opportunities for SBT in particular to promote the advantages of the domestic market, and Vietnam Agriculture in general by diversifying the market with green, clean, high quality and safe products, towards the sustainable development.

Earlier, SBT also became the distributor of John Deere in Vietnam. John Deere is known as the largest manufacturer and supplier American agricultural equipment in the world. Currently, TTC Bien Hoa has established a distribution system in 4 areas in Tay Ninh, Ninh Hoa, Gia Lai and An Giang to provide mechanical equipment and machines for farmers. This is a very potential investment segment, expected to contribute relatively to the total revenue of TTC Bien Hoa in the coming fiscal years.

#### ***For further information please contact:***

*Ms. Vu Thi Le Giang*

*Investor Relations Department*

*Email: [giangvtl@ttcsugar.com.vn](mailto:giangvtl@ttcsugar.com.vn)*