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SBT TO UPDATE ON THE PROGRESS OF PRIVATE PLACEMENT FOR FOREIGN STRATEGIC INVESTORS

On May 27th, 2019, SBT officially announced the temporary cancellation of the Application for private placement offering to strategic investors according to the Offering form dated on January 29th, 2019 approved by the State Securities Commission (SSC) on February 28th, 2019. After negotiating with potential foreign strategic investors, currently, SBT has finalized the list of investors who fully meet the criteria including matching with strategy and business culture, being willing to accompany the Company in the long run. These are strategic investors from Europe, not just the financial institutions but their investment objectives and development strategy are also closely linked with SBT's direction. They specialize in investing in private companies in Emerging markets for the past 55 years and supporting for sustainable development, creating stable jobs for many workers in the Agriculture, Industrial, Infrastructure and Financial sectors. However, this is also the first time they have directly invested in a listed company in Vietnam stock market; therefore, the time to complete internal and legal procedures related to the transfer of capital under the Issuance Contract signed with SBT on December 20th, 2018 is longer than expected.

As stipulated in Clause 6, Article 1, Decree 60/2015/NĐ-CP *"Organize executes the Offering under the registered plan and have to complete the issuance within 90 days from the date of receiving SSC's notice to receive full application documents for private placement"*. SBT received the SSC's approval of issuance on February 28th, 2019, thus, the issuance approval will be officially expired on May 29th, 2019. In order to support strategic investors to complete procedures in accordance with regulations, SBT has proactively sent an official letter to the SSC to cancel the previous registration application and planned to submit the second ones on May 30th, 2019. The company is currently rushing to complete the issuance to strategic investors in the shortest time.

The plan of issuing convertible preferred dividend shares through private placement will not change as compared to the previous approved by the General Meeting of Shareholders Resolution No. 01/2018/NQ-DHDCD dated October 17th, 2018, BOD Resolution No. 32/2018/NQ-HĐQT dated on December 12th, 2018 and BOD Resolution No. 06/2019/NQ-HĐQT dated on January 28th, 2019. Accordingly, the Company plans to issue 44,466,667 convertible preferred dividend shares, equivalent to nearly 7% of the total number of shares after successful issuance. The lowest expected selling price for strategic investors is VND 30,000/share and the highest price is VND 45,000/share. SBT can raise the capital at least USD 60 million after this issuance. With SBT's current strategy, strategic investors are evaluating the fair value of SBT shares in the long term of almost 67% - 150% higher than the closing price on May 23th, 2019. This shows the expectation of strategic investors in the future of the Company in particular and the Sugar Industry in general.

From the beginning of the year to May 23th, 2019, foreign investors net bought more than VND 8,713 billion, especially with active movements from reputable ETF funds, in part thanks to the expectations of a market upgrade to Emerging market. SBT's ownership of foreign investors by the end of April 2019 is 10.4%, of which ETFs accounts for 4.1%, Agri Asia Pacific (foreign major shareholder) accounts for 5.7%, the rest is other foreign investors. In fact, ETFs currently hold a total of 21.7 million shares, up 24% from the beginning of the year, equivalent to 4.2 million shares of net buying. The most important ETFs on the Vietnam stock market is the VNM ETF - MVIS VN Index which has bought about 3.9 million SBT shares since the beginning of the year and currently holds 14 million SBT shares, accounting for about 3% of total outstanding shares of SBT. SBT is also contributing 2.7% in the portfolio of this Fund. The remaining ETFs also made net purchases since the beginning of the year including DB XTRACKER FTSE VN SWAP UCITS ETF, iShares MSCI Frontier 100 ETF, currently these ETFs are holding a total of 5.4 million SBT shares, equivalent to 1% of the outstanding shares.

SBT is also one of the component indicators of VN 30 - the Index consists of leading blue-chip stocks according to market capitalization and liquidity. SBT has also been selected as one of 26 stock codes to become the underlying asset for the second derivative product in the Vietnam Stock Exchange as a Covered Warrant (CW). Accordingly, the total number of SBT can be sold through CW is nearly 24 million shares, equivalent to 4.6% of the outstanding shares. CW is a security issued by securities companies, allowing holders the right to buy (Call) or sell (Put) an underlying asset at a specified price on or before a specified date to organization, or to receive the difference between the executed price and the underlying asset price at the time of implementation. At the present, because it is in the beginning of deployment, securities companies will firstly issue the CW Call. Currently, 7 securities companies are allowed to issue CW Call including SSI, HSC, VCI, MBS, BSC, VND and VPBS and are expected to implement in June 2019. The selection of stocks for securities companies to issue CW based on the criteria (1) Customer demand, (2) Potential capital of securities companies for stock protection and (3) Price fluctuations, potentials and risk levels of selected stock.

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