

NEWSLETTER

NOVALAND

NOVALAND NEWSLETTER | QUARTER I/2019



DEPLOYING PHASE 2 OF BUSINESS STRATEGY WITH 2 KEY AREAS:
PROPERTY AND TOURISM SERVICES

**NOVALAND PARTICIPATES IN CAM RANH HOSPITALITY REAL ESTATE
MARKET WITH NOVABEACH CAM RANH RESORT AND VILLAS**



NOVALAND NEWSLETTER

Dear Customers and Shareholders!

Novaland Group closed the year of 2018 with many important activities and created solid premises for the business plan in 2019.

Besides the core business as Residential Products, Novaland Group has officially introduced NovaTourism, the tourism service ecosystem with 3 main product brands as NovaHills, NovaBeach and NovaWorld.

To implement this strategy, Novaland is step by step coordinating with consultants, professional operating brands to create excellent destinations, to turn these places into tourism - hospitality – entertainment center of the region, contributing to the imprint of Vietnam on the world travel map.

By the efforts in business operations and sustainable development, Novaland continues to be highly appreciated by reputable domestic and foreign organizations, especially the awards for sustainable development, finance, human resource sectors.

Besides, the newsletter also updates the latest information on the construction progress of projects that have been and will be handed over in 2019.

Novaland Group would like to thank the companion and support of our customers and shareholders.

Wish you a new year 2019 Good Health - Prosperity & Great success!

Best regards,
Novaland Newsletter Editorial Board



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NOVALAND FINISHES 2018 WITH PRESTIGIOUS AWARDS

In the last months of 2018, Novaland Group's efforts continue being recognized in many prestigious awards, further affirming its position as the leading real estate brand in Vietnam.

The only real estate brand has been honored in The Vietnam Listed Company Awards 2018

On November 2, 2018, in The Vietnam Listed Company Awards 2018 by Ho Chi Minh City Stock Exchange (HOSE), Hanoi Stock Exchange (HNX) in coordination with the Investment Newspaper organized, it was the second time in a row Novaland Group has been honored with Top 10 Annual Report and Top 10 Sustainability Report.

As a prestigious award for listed companies, businesses participating in The Vietnam Listed Company Awards 2018 has been carefully selected and must meet strict conditions. All reports on the final round of all categories has been reviewed by four leading auditing companies as Deloitte, EY, KPMG and PWC. The application of international standards in financial statements, English-Vietnamese bilingual annual reports is an important factor to help Novaland be highly appreciated and continuously won prizes in 2 years 2017 - 2018.



Representative of Novaland at sustainable enterprises awards 2018

Top 11 Sustainable Enterprises 2018

The award has been presented to Novaland by Vietnam Business Council for Sustainable Development (VBCSD), under the Vietnam Chamber of Commerce and Industry (VCCI) at a ceremony to honor Top100 Sustainable Enterprises in 2018 on November 22, 2018.

With the position of a leading listed company, Novaland always strives and determines to get sustainable development goals, contributing to the successful implementation of Vietnam's green growth strategy as well as towards 17 United Nations sustainable development goals.

The second time in a row was honored at Vietnam HR Awards

On November 27, 2018, the Vietnam HR Awards Awards 2018 officially announced and awarded to enterprises with excellent HR policies. In particular, Novaland Group in 2 consecutive years was honored in 2 important award categories: Good working environment and Effective salary, bonus and welfare

Vietnam HR Awards is the first and only award to honor outstanding HR policies in Vietnam sponsored by the Ministry of Labor, War Invalids and Social Welfare. The award uses exclusive expertise from Singapore Human Resources Institute (SHRI) - Singapore's largest HR research organization with 48 years of experience.



Representative of Novaland received Vietnam HR Awards 2018



MANY STUNNING COLORS, 2019 FORECASTED CONTINUED STABLE GROWTH.

Over 2018, a year of strong volatility, the real estate market is expected to rise in 2019.

“

MR. LE HOANG CHAU - CHAIRMAN OF REAL ESTATE ASSOCIATION, HO CHI MINH CITY

"The market has ups and downs in 2018, but has basically achieved its goal and kept its position stable. In 2019, the real estate market will face to many challenges as well as opportunities. And the advantage belongs to projects with good location, good infrastructure, good and smart living environment, integrating many unique facilities, services, and safety".

”

“

MS. DUONG THUY DUNG, CBRE SENIOR DIRECTOR

In 2019, the high-end and luxury real estate segments in HCMC are forecasted to have fewer offers, while consumption rate remains high. In particular, projects in the central area of the city due to the limited supply make prices and consumption continue to be the center of the market in the coming time. Regarding hospitality real estate, the strong development of the infrastructure system connecting potential emerging tourism destinations will be a "kick" for the marine tourism real estate market in the next few years. Projects of domestic and foreign corporations will turn deserted lands or poor infrastructure and service into potential hospitality markets, providing great opportunities for pioneering investors".

”

“

MR. SU NGOC KHUONG, DIRECTOR OF INVESTMENT DEPARTMENT SAVILLS VIETNAM

"FDI waiting to be invested in real estate is very large. However, they invest selectively, invest in companies with large land and clean land, as this has the potential to record revenue. How to possess clean land to develop projects for sale is a big challenge in the next 2-3 years. Enterprises must generate revenue and profit to attract investors."

”

“

MR. MAURO GASPAROTTI, DIRECTOR OF SAVILLS HOTELS ASIA PACIFIC

"The coastal real estate segment, which is the investment segment of interest in recent years, is expected to continue to grow in the coming year. Tourism demand is expected to continue to grow in the number of both international tourists and national tourists. This is a leverage for this market to continue growing strongly in 2019".

”

Source: Summary

MANY PRESTIGIOUS BRANDS COLLABORATE WITH THE REAL ESTATE & TOURISM SERVICES DEVELOPMENT PLAN IN 2019 OF NOVALAND

Deploying the Phase 2 of business plan, Novaland concentrates on building strategic partnerships with many leading brands in the world and in the country, including:



▲
Signing strategic cooperation
with Minor Hotels Global Group in
managing and operating 07 hotel
- hospitality zones with a total of
over 3,500 rooms.

▲
Signing a partnership with Greg
Norman Golf Course Design
Company to develop 04 Greg
Norman branded golf courses.



► Signing with leading construction brands such as Hoa Binh Group, Ricons Joint Stock Company in the construction of NovaBeach Cam Ranh Resort & Villas project (Cam Ranh, Khanh Hoa); NovaHills Mui Ne Resort & Villas project (Phan Thiet, Binh Thuan).



◄ Signing with well-known food service brands such as Mesa Corporation, MyLife Company to develop F&B system in hospitality.



In particular, continuing the series of activities in the implementation of the project "Developing Mekong Delta tourism to adapt to climate change", mid-week in November 2018, Novaland Group and Boston Consulting Group (The Boston Consulting Group - BCG) had a discussion with leaders of Dong Thap, Ben Tre, An Giang and Vinh Long provinces about the specific and essential roles of each province to building and developing tourism brands together. Mekong Delta follows the vision "#MyMekong - Asia's No.1 riverside destination".

The Group's goal is to work with consultants and professional operators to create excellent destinations for domestic and international tourists, to turn these places into tourism - hospitality - entertainment center in the area; contribute to the imprint of Vietnam on the world travel map. Novaland will focus on developing cities with great tourism potentials such as Phu Quoc, Can Tho, Ho Chi Minh City, Ba Ria - Vung Tau and Phan Thiet - Binh Thuan, Ninh Thuan, Cam Ranh - Khanh Hoa and Quang Nam, Danang...



◄ Representative of Novaland Group, BCG met leaders of Ben Tre province



TOURISM SERVICES DEVELOPMENT PLAN

NOVATOURISM

Besides Real Estate, in 2019, Novaland Group will strongly deploy tourism services – NovaTourism with 03 main product brands as NovaHills, NovaBeach and NovaWorld, and introduce about more than 2,400 real estate products.

Increasing the value of assets for investors and the value of experience for tourists, the Group aims to implement an ecosystem of 8 main areas of activities in the tourism services sphere in selected localities.

ACCOMODATION

Novaland shall develop integrated resort projects managed and operated by renowned international brands. The hotels and resorts will become ideal destinations for both local and international visitors. Novaland will also develop hospitalities products for sales (villa, condotel, second-home) with high liquidity and profitability in the long run for customers.



LOGISTICS

Novaland shall organize or partner with professional suppliers to optimize logistics services (goods transportation, roomcleaning, laundry etc.)



CUISINE

Novaland shall organize (franchise) or partner with reputable cuisine brands to develop restaurants, cafes, tea houses, pubs, beach clubs, lounges etc. within Novaland's tourism complexes, to bring outstanding resort experiences to visitors.



SHOPPING

Novaland creates shopping spaces for visitors right inside our tourism complexes. Novaland shall operate the retail sector or partner with major retailers and collaborate with local players to introduce traditional products (specialty products, handicrafts).



PASSENGER TRANSPORTATION

Novaland shall organize or partner with transportation operators: over land, airway, waterway, and so on. Moreover, Novaland collaborate with travel agencies to bring tourists to Novaland's tourist destinations and accommodation locations.



RECREATION

Novaland shall organize and operate diverse recreational activities such as waterpark, theme park, aquarium, safari, zoo, golf course, integrated recreational centres (games, racing, karaoke etc.), stunning performance shows etc. to attract and increase the length of stay for local and foreign visitors.



TRAVEL SERVICES

Novaland shall organize or partner with local and international travel agencies to develop short-day tours (including transportation services) at outstanding local landmarks and splendid sights.



TOURISM PROMOTION

Novaland shall organize or partner with local authorities, international consulting organizations, as well as local and foreign travel organizations to form a series of "tourism products" (cultural events, festivals etc.) which applies technology into the tourism management model to bring profound experiences in Vietnamese heritage (traditional, spiritual tourism etc.) to develop a local "tourism brand" on the world's tourism map.





NOVAWORLD

As an integrated resort complex, NovaWorld offers all resorts and tourism activities along with diverse accommodation options such as resort villas, apartments, and townhouses along with premium recreational and entertainment centers.

Each NovaWorld complex shall occupy over 100ha in area and follows a main theme, to create a unique and distinct highlight for local tourism of selected provinces for development like Hochiminh City, Ba Ria - Vung Tau, Phan Thiet - Binh Thuan, and so on.



DIVERSE ACCOMMODATION OPTIONS

- + Township: apartment, townhouse, villa (second-home)
- + Resort villa (branded villa)
- + Hotel and Resort

SHOPPING MALL - INTERNATIONAL CUISINE CENTER

INTEGRATED RECREATIONAL & ENTERTAINMENT CENTER

- + Kids/family playground
- + Water park
- + Beach Club water sports
- + Square
- + Theater/International performance shows



THEME PARK

- + Aquarium
- + Zen garden/ maze garden
- + Thrill/ dark ride
- + Tree house/ rock climbing
- + Paintball field...

SAFARI

- + Mini safari
- + Day safari
- + Night safari
- + Kid zoo



NOVAGOLF:

Golf courses designed by Greg Norman





CAM RANH, NEW TOURIST DESTINA- TION IN KHANH HOA PROVINCE

For many years now the south-central province of Khanh Hoa has been a popular destination on the Vietnamese tourism map with its very famous tourism city of Nha Trang.

In recent times, however, Cam Ranh has become an alternative choice for people visiting Khanh Hoa. With wild beaches, including Dai, and primeval forests, Cam Ranh is becoming an attractive destination with many features different from Nha Trang.

Demand for leisure tourism keeps increasing

A report from the province Department of Tourism said the number of visitors coming to the province grew by 17 per cent a year in 2010-17.

As of the end of November this year the province received over 5.8 million visitors, a 14.7 per cent jump year-on-year. Of the arrivals, nearly 2.6 million were foreigners, a 39 per cent rise.

This year there has been a sharp rise in the number of tourists from South Korea, Malaysia, China, and Russia.

It is notable that the average stay by travellers, especially foreigners, at hotels in Khanh Hoa is quite high compared to other coastal cities. It now stands at 3.95 days and is increasing year after year.

Chinese tourists stay for three to four days when visiting Khanh Hoa while Russian travellers often stay between 10 and 12 days.

It is this long period of stay that has spurred the development of the luxury hospitality market in Khanh Hoa.

They staying-time in Khan Hoa is quite high than other coastal provinces

While the tourism sector in Nha Trang is steady and has little land for further development, Cam Ranh is becoming an alternative tourism destination in Khanh Hoa.

The place will be developed with many facilities like leisure tourism areas, airport and trade and conference centres that meet national and international standards.

Cam Ranh, choice of high-income tourists

Cam Ranh has a plethora of tourism attractions with its many bays and islands.

Thanks to its nice, warm weather all year round, Cam Ranh has become an ideal destination for tourists who prefer to enjoy sunny summer and avoid cold winters.

Three-star hotels, which account for 36 per cent of the rooms available in Nha Trang, are now the main segment. In Cam Ranh all the hotels that have opened since the second quarter of this year are five-star properties. The average occupancy rate is 75 per cent.



Bãi Dài - Cam Ranh - Khánh Hòa

Transportation infrastructure has developed strongly here. Cam Ranh is also at the crossroads of roads, railway, air transport, and international and domestic maritime transport. Thanks to this, Cam Ranh will surely become the key tourism destination in the south-central region.

At the end of June terminal 2 at the Cam Ranh International Airport was put into operation with a capacity of four million passengers a year, and the capacity will be doubled by 2030.

Novaland put its foothold to Cam Ranh hospitality market in Cam Ranh with a new project called Novabeach Cam Ranh

Giant investor flocks to the market

Novaland entered the Cam Ranh hospitality market with a new project called Novabeach Cam Ranh.

The million-dollar resort hub in Cam Ranh is along the 8km Dai Beach between Cam Ranh International Airport and Nha Trang. Dai beach has attracted many giant developers and foreign hospitality players.

Giant developer Novaland Group has announced its 2019 strategy, which will see it develop NovaBeach Cam Ranh Resort in Cam Ranh.

It will have a 350m beach and be situated 10 minutes from Cam Ranh International Airport.

NovaBeach Cam Ranh Resort will be a complex containing villas, bungalows, hotels, condotels, and many international-standard amenities.

Novaland Group signs agreement contact with Minor Hotels Group

NovaBeach will be operated by Minor Hotels group, which is famous for brands like AVANI, Tivoli and Oaks.

Minor operates 530 hotels with 76,000 rooms in 51 countries around the world.

Being a member of the Global Hotel Alliance, the biggest luxury hotel manager in the world, it had over 10 million loyalty members in 76 countries as of the second quarter

of this year.

The tie-up between Novaland and Minor Hotels surely augurs high profits for the project when it is up and running.

NOVALAND SALES GALERY

26 Mai Chi Tho, An Phu Ward, Dist. 2, HCMC
Hotline: 0903 69 4888



Terminal 2, which opened at the Cam Ranh International Airport last June, is expected to boost local tourism.



NovaBeach Cam Ranh Resort & Villas



FINANCIAL HIGHLIGHTS FOR 2018

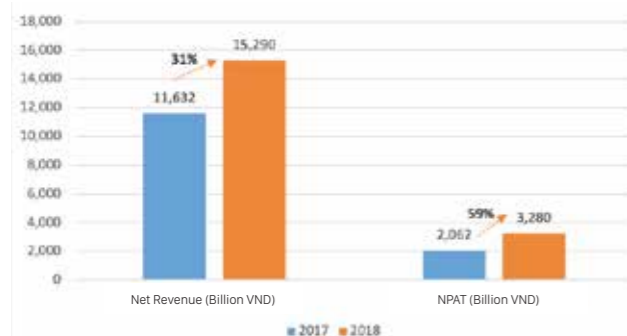
Novaland has achieved encouraging growth in results for the year ended 2018. Typically, net revenue from sales of goods and rendering of services reached VND 15,290 billion, an increase of 31% y.o.y; net profit after tax reached VND 3,280 billion, up 59% y.o.y; handed over 4,591 products, up 28% y.o.y. Total assets at the end of 2018 increased by 41% compared to the same period in 2017. Owner's equity also achieved a high growth rate of 54%, reached VND 20,473 billion, up 54% compared to 2017.

Even though 2018 results did not meet the targets approved by 2018 General Shareholders' Meeting, it will be reinforced into Group's efforts and determination to improve business operations in next period. Specifically, in 2019, the Group will continue to build and develop in parallel housing projects in Ho Chi Minh City and tourism property projects in potential destinations across the country.

For the year 2019, the Group targets to introduce 6,500 products, hand over 5,900 products, which is translated into a target revenue of VND 18,000 billion and net profit after tax of VND 3,300 billion.

Source: Company's Unaudited Consolidated Financial Statements Q4/2018 and Business Plan

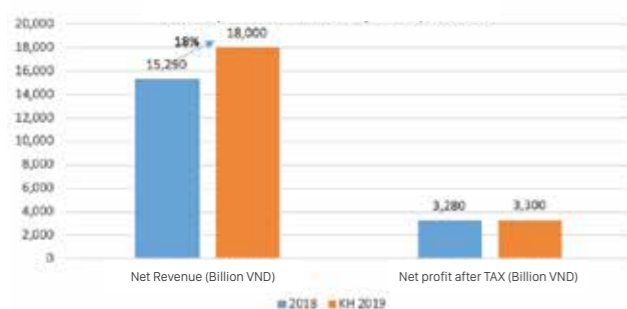
REVENUE - PROFIT



TOTAL ASSETS - OWNER'S EQUITY



BUSINESS PLAN 2019



SALES PLAN



HIGHLIGHTS OF INVESTOR RELATIONS IN 2018

In 2018, Novaland strongly attracted investors' interest, both locally and internationally. Over 130 investors requested to meet and learn about Novaland and more than 110 meetings have taken place during the year. Besides, in 2018, the Investor Relations Department (IR) successfully organized 2 quarterly analyst meetings and 2 earning calls for foreign investors in the second and third quarters. Various other non-periodical analyst meetings and online conferences were conducted to address investors' requests. These events have received positive feedbacks from financial and investment community.

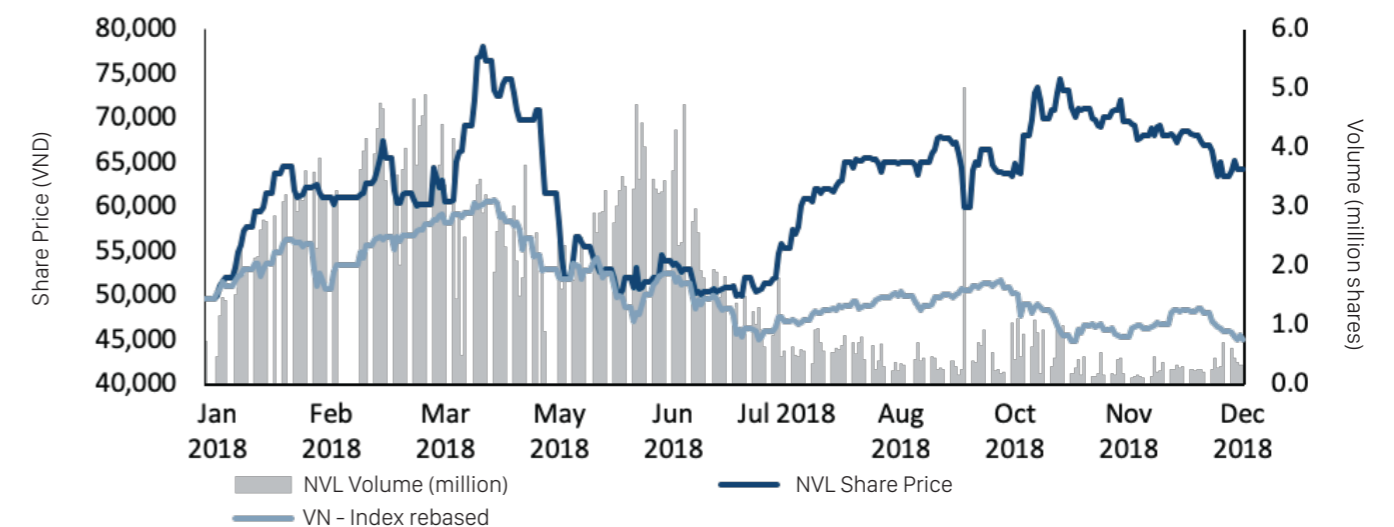
The Group has made a number of fundraising transactions in both local and global markets. In 2018, Novaland successfully raised new USD520 million, including a loan of USD 70 million arranged by Credit Suisse, another loan of USD60 million arranged by Standard Chartered Bank, USD 240 million in convertible bonds (CB) and USD 150

million in private placement. The 5-year convertible bonds are listed on Singapore Stock Exchange, is the first "equity-linked" securities issuance in Vietnam market which has been quiet in the last 6 years.

In the first transaction, the Group made a combo deal by issuing to at the same time USD 160 million Convertible Bonds under Format Regulation S and USD 150 million equity under 144A of the US Securities Act for foreign investors. This is the first combo structure transaction ever done by a company from Vietnam and was chosen as "Best Vietnam equity-linked deal" within the award framework of the "The Asset Triple A Country Awards 2018" organized by the reputable magazine The Asset. The recapped convertible bond issuance in December 2018 was successful in raising an additional USD 80 million with the same terms and conditions.









Share price performance in 2018

(Source: Bloomberg)





PROJECT PROGRESS

		<p>Mai Chi Tho, An Phu Ward, Dist. 2</p> <p>Handing-over in progress SAV3 – SAV4 – SAV5</p>
		<p>Dong Van Cong, Thanh My Loi Ward, Dist. 2</p> <p>Hand-over Low-rise resident QIII/2019</p>
		<p>1W Dien Bien Phu Ward 25, Binh Thanh Dist.</p> <p>Handing-over in progress</p>
		<p>119 Pho Quang Ward 9, Phu Nhuan Dist.</p> <p>Handed over Tower 1, Tower 2 Tower 3 Handing-over in progress</p>

		<p>130 -132 Hong Ha, Ward 9, Phu Nhuan Dist.</p> <p>Handed-over</p>
		<p>241, 278 Hoa Binh, Hiep Tan Ward, Tan Phu Dist.</p> <p>Handing-over in progress RS2</p>
		<p>108 - 112B - 114 Hong Ha, Ward 2, Tan Binh Dist.</p> <p>Handing-over in progress B - C</p>
		<p>Nguyen Huu Tho, Phuoc Kien, Nha Be</p> <p>Handing-over in progress E1, G1, G3 G4, G5</p>
		<p>Nguyen Huu Tho, Tan Hung Ward, Dist. 7</p> <p>Handing-over in progress</p>



NOVALAND MAKES AN EFFORT FOR SUSTAINABLE DEVELOPMENT COMMUNITY

In parallel with sustainable business operation, in 2018, Novaland Group had set aside about nearly VND 255 billion on social corporate responsibilities activities, with hundreds of programs, for millions of beneficiaries across the country. In addition to the coordination with prestigious organizations and associations, Novaland's community support activities have been continued to be marked by the participation of a large number of employees, customers who share their social responsibility with the Group.

In the early days of 2019, Novaland Group spent over VND 3.7 billion focusing on caring for the poor to welcome the Lunar New Year.



Organizing community protection activities at the beach in Phan Thiet (Binh Thuan)



On January 20, 2019, more than 700 disadvantaged households in Long Khanh A, Long Khanh B and An Binh A belong to Hong Ngu, Dong Thap were delighted to receive Tet gifts filled with love from Novaland.



Accompanying the program named "Xuan nghia tinh - Tet den moi nha" in District 4, HCMC



Accompanying the Military New Year Program in Can Tho.



Poor students who overcome difficulties in Phu Yen were happy to receive new bikes before the new year.

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phồn hoa

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