

Novaland Investment Group Corporation Reports Fourth Quarter 2019 Financial Results

Ho Chi Minh City, January 30th, 2020 – Novaland Investment Group Corporation (HSX: **NVL**) ("Novaland" or the "Company") announced today its consolidated financial results for the fourth quarter of 2019 ("Q4/2019"). In 2019, the Company recognized accumulated net revenues of VND10,931 billion and net profit after tax of VND3,382 billion. The Company handed over 3,468 units. As at December 31st, 2019, the Company's total assets were recorded at VND89,973 billion, of which cash and cash equivalent were VND6,513 billion.

Financial Highlights

Income Statement

- **Revenue:** Accumulated net revenue of the Company was VND10,931 billion, declined by 29% compared to 2018 mainly due to the higher number of handover units and the recognized revenue from the partial transfer of Con Au ecotourism project in 2018. In 2019, the Company handed over 3,468 units that were lower than expected due to the delay of legal process that most real estate companies are facing with; however, handing over the remaining of existing projects is expected to contribute to the Company's future revenue. Handover units in 2019 mostly came from significant existing projects such as: The Sun Avenue, Sunrise Riverside, Richstar, Saigon Royal, Newton Residence, Orchard Parkview, newly handed over project in 2019 – Victoria Village and other projects.
- **Gross Profit:** As at the end of December 31st, 2019, gross profit was VND3,153 billion, a decrease compared to the same period of 2018, mainly due to lesser revenue recognition from handover units in 2019 compared to 2018. Gross profit margin was 29% - declined by 5 percentage points y.o.y, caused by lower profit margin of transferring of completed units of projects in 2019 (including land and construction) than the margin of transferring projects in 2018.
- **Financial expenses:** Compared to 2018, financial expenses were VND2,094 billion, slightly increased by 8%.
- **Profit/(loss) from affiliates/associates:** In 2019, there was no significant change compared to 2018. In 2018, the profit was recorded from revaluation of fair value of investment in associates related to the projects: The Grand Manhattan and Victoria Village.
- **Other income:** As at the end of December 31st, 2019, other income was VND3,874 billion, a substantial increase compared to 2018. Because there was a revaluation of fair value of investments in subsidiaries that were completed consolidation in 2019 and related to projects such as NovaWorld Phan Thiet, NovaWorld Ho Tram, NovaHills Mui Ne, NovaBeach Cam Ranh and other projects in Binh Thuan.
- **Net profit after tax (NPAT):** According to the announced unaudited consolidated financial statements, net profit after tax was VND3,382 billion, achieved 2019 business plan and slightly increased by 3% compared to the results of 2018.

Balance Sheet

- **Total assets:** The Company's total assets increased by 30% from VND69,122 billion as at December 31st, 2018 to VND89,973 billion as at December 31st, 2019. Short-term assets amounted for 79% of total assets, equivalent to VND71,272 billion, growing by 42% y.o.y.
- **Cash and cash equivalents:** Were VND6,513 billion, decreased by 47% compared to December 31st, 2018, mainly due to the use of capital to acquired new subsidiaries.
- **Short-term receivables:** Increased by 6% from VND5,622 billion as at December 31st, 2018 to VND5,980 billion as at December 31st, 2019. Of which, other short-term receivables accounted for the majority, was VND3,310 billion, an increase of 10% compared to December 31st, 2018 mainly due to the increase of receivables from deposits for M&A activities. Short-term trade receivables increased by 42% to VND1,077 billion, mainly due to the remaining receivables from handed over projects.

- **Inventories:** As at December 31st, 2019, inventories increased by 84% to VND57,198 billion compared to December 31st, 2018, in which under construction projects accounted for more than 89.5% of inventories, mainly due to the newly acquired projects such as NovaWorld Phan Thiet, NovaWorld Ho Tram, NovaHills Mui Ne, NovaBeach Cam Ranh, Aqua City, Grand Manhattan, Palm Marina and other projects in Binh Thuan.
- **Long- term investments:** As at December 31st, 2019, long-term investments were VND5,744 billion, decreased by 25% compared to December 31st, 2018, mainly because of the reduction of investments in associates when associated company relating to The Grand Manhattan project became the Company's subsidiary in 2019.
- **Liabilities:** As at December 31st, 2019, liabilities were VND65,517 billion, increased by 33% compared to as at December 31st, 2018, mainly due to the increase in long-term liabilities. Short-term liabilities decreased by 36%, was VND17,993 billion compared to VND27,955 billion as at December 31st, 2018, accounted for 27% of total liabilities, mainly due to decrease in matured loans and short-term advances from customers. Long-term liabilities increased to VND47,524 billion, mainly contributed by the increase of new loans and payables from investment and development cooperation with third parties relating to the Group's projects.
- **Deferred income tax liabilities:** Was VND6,254 billion as at December 31st, 2019, rapidly increased compared to as at December 31st, 2018, mainly due to the increase in deferred corporate income tax caused by the difference of asset revaluation of newly acquired projects in 2019.
- **Non-controlling interests:** Was VND2,183 billion as at December 31st, 2019, increased by 122% compared to as at December 31st, 2018, mainly due to an increase in non-controlling interests regarding Aqua City project.
- **Owner's equity:** Reached to VND24,456 billion, which is 23% higher than that of as at December 31st, 2018, in which charter capital was VND9,695 billion, increased by 4% following ESOP shares issuance and converting preferred shares into common shares. Undistributed profits after tax was VND8,718 billion, increased by 55% compared to as at December 31st, 2018.

Recent developments

- **Fundraising:** In the fourth quarter of 2019, Novaland Group successfully raised offshore capital, which was arranged by a reputable financial institution - Credit Suisse, with a credit limit of US\$600 million. In 2019, US\$310 million was disbursed and the remaining of US\$290 million is available for the Company's operations in 2020.
- **Investor relations activities:** In the fourth quarter of 2019, the Company successfully organized Novaland EXPO events, where meetings with local and international strategic partners were held. Institutional investors, domestic and foreign analysts had the opportunity to meet and discuss directly with the Company's Board of Directors, attend the event as well as witness the strong attraction of Novaland products to individual customers.
- **Awards:** Novaland was honored among Top 10 sustainable businesses in 2019 by meeting more than 100 rigorous criteria in the Corporate Sustainability Index - CSI. On November 27th, 2019, the annual poll for listed companies held by HOSE, HNX and the Vietnam Investment Review officially awarded Novaland in the Top 10 annual reports and Top 5 sustainability development reports for the third consecutive time. At the fourth Dot Property Southeast Awards 2019 award ceremony on December 12th, 2019, Novaland Group was named in the Developer of the Year 2019 category. At this award, NovaWorld Phan Thiet project was also awarded as the Best Entertainment and Tourism Complex 2019.
- **ESOP 2019 shares issuance and shares conversion from preferred shares to common shares:** In the fourth quarter of 2019, Novaland Group completed the issuance of ESOP 2019 with 18,604,123 shares that were bought and finished converting 6,830,000 preferred shares into 20,490,000 common.

Novaland Group – Corporate Information

Novaland Group is the leading and reputable real estate developer in the property investment and development industry in Vietnam. Over a quarter century of establishment and development, Novaland currently has been developing more than 40 real estates, with a diverse range of products both being implemented and in operation, including: apartments, villas, shop house, office-tel, urban areas...; scalable land banks at prime locations in Ho Chi Minh City and surrounding provinces; and more than 5 tourism real estate projects in major provinces.

According to the Group's development strategy for the period of 2019 - 2024, Novaland continues to implement Phase 2 – focusing on the core business of real estate in mid to high segment, including real estates in central of Ho Chi Minh City, satellite urban areas and residence projects & integrated resorts.

With the focused and clear business strategy, stable land bank, solid financial structure, sophisticated risk management framework, the attitude of respecting the law, Novaland will always strive to contribute to the society. At the same time, the Novaland workforce is committed to the company's core value: **Integrity – Efficiency – Professionalism**, thus, in the next 5 years, Novaland will develop outstandingly and stably. Novaland firmly believes that the mission of “**Creating Community – Building Destinations – Cultivating Happiness**” will surely bring valuable products to the society. Therefore, the society will recognize Novaland as a national and reputable brand in accordance with international standards, always actively contributing to the overall national development.

Novaland Group was listed on Ho Chi Minh Stock Exchange (HOSE: NVL) in December 2016. As at December 31st, 2019, Novaland's total market capitalization was approximately VND58 trillion.

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