

Novaland Investment Group Corporation reports its 1Q 2020 business results

Ho Chi Minh City, April 29th, 2020 – Novaland Investment Group Corporation (HSX: NVL, “Novaland” or “the Company”) announced today its consolidated financial results for the first quarter of 2020 (“1Q 2020”).

In 1Q 2020, the Company recognized VND 489 billion for profits before tax and VND 303 billion for net profit after tax, up by 6% y-o-y; Pro-forma consolidated revenue, including revenue from sales of goods and rendering of services and financial income was VND 1,925 billion.

As at March 31st, 2020, Novaland’s total assets were VND 92,270 billion, up by approximately 2.6% compared to December 31st, 2019, of which Inventories were VND 58,551 billion, mostly attributed to under construction projects (inclusive of the Company’s under construction landbank), accounted for nearly 90% of total inventories. Cash and cash equivalent, deposits at commercial banks were VND 4,338 billion.

As at March 31st, 2020, the Company’s borrowings and finance lease liabilities were VND 34,598 billion, of which short-term borrowings and finance lease liabilities accounted for 31% of total borrowings, equivalent to VND 10,744 billion; long-term borrowings and finance lease liabilities accounted for 69% of total borrowings, equivalent to VND23,854 billion. In 1Q 2020, the Company made repayment and early repayment for its VND4,194 billion debts’ principal from the Company’s cash and cash equivalent, stable collection from sales and rendering of services. Other long-term payables was VND 16,771 billion, mainly due to the increase of payables from investment and development such as Grand Manhattan, NovaWorld Ho Tram, NovaWorld Phan Thiet and Aqua City.

As a leading real estate developer in Vietnam, executing M&A transactions through raising capital has been the first priority of the Company. In 1Q 2020, Novaland received the second disbursement of USD 101 million from its USD 250 million inaugural syndicated secured term loan facility from international financial institutions, consulted by Credit Suisse AG (Singapore), who was the Original Mandated Lead Arranger and Bookrunner (OMLAB) of the transaction. The Company has also received more than VND 1,500 billion from domestic commercial banks and has been approved credit line for M&A transactions of upcoming projects in 2020. While both domestic and international financial markets have been experiencing a fragile period with low liquidity, Novaland continues to receive support from major financial institutions which has drawn impressive attention from the capital markets. These financial supports affirm the investors’ strong conviction in the development and project execution capability of Novaland.

M&A expenses in 1Q 2020 were recorded as short-term receivables, which were VND 9,349 billion, up by 59% y-t-d, of which other short-term receivables were VND 5,982 billion, increased 86% compared to December 31st, 2019, mostly due to the increase of deposits for new M&A transactions.

The recent COVID-19 outbreak has resulted in manufacturing disruption and business slowdown around the world and also in Vietnam. Thoroughly assessing the outbreak’s uncertainties, Novaland has actively implemented appropriate measures to mitigate possible impacts from Covid-19 to the Company, its employees, shareholders and customers. The Company has separated the employees into different workplaces. Remote working facilities have been deployed and back-up plans are in place to assure the Company’s continuous business operations. The Company has also performed its financial model’s stress tests for business stability assessment under different scenarios to assure stable liquidity and decent financial capabilities in 2020 and 2021. The Company’s Board of Directors has also been managing and controlling all operating expenses, carefully reviewing operating procedures, revaluating suppliers and contractors, and implementing reasonable working shifts in compliance with the government’s social distancing measure to ensure construction progress besides negotiating with its business partners for expenditures payment extension.

In 1Q 2020, Aqua City's townhouse and villas product suite has recognised a positive take-up rate amid some slowdown on the real estate market as the result of Covid-19. In March 2020, Aqua City continued introducing its new phase named Valencia, inspired by Valencia city located at the magnificent coastal line of the Mediterranean Sea in Spain, expecting to draw a bright spot on the Southern real estate market amid limited supply, positive development of infrastructure projects, Covid-19 is well managed, and social distancing measure ease.

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 March 31st, 2020, Novaland's total market capitalization was approximately VND 50.3 trillion.

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