

Novaland Investment Group Corporation Reports First Quarter 2019 Financial Results

Ho Chi Minh City, April 27th, 2019 – Novaland Investment Group Corporation (HSX: **NVL**) ("Novaland" or the "Company") announced today its consolidated financial results for the first quarter of 2019 ("Q1/2019"). As at March 31st, 2019, the Company recognized positive accumulated net revenues and net profit after tax (NPAT). Net revenues reached VND 4,910 billion and net profit after tax achieved VND 282 billion. Total assets amounted to VND 69,661 billion, in which accumulated cash and cash equivalents as at the end of Q1/2019 was VND 8,616 billion.

Highlights

- **Revenues:** In Q1/2019, accumulative net revenues reached VND 4,910 billion, representing an increase of 157% compared to Q1/ 2018. The group handed over 1,832 units from existing projects, increasingly 1,382 units (approximately 307%) compared to Q1/2018, of which 95% was attributable to the projects of The Sun Avenue, Sunrise Riverside, Richstar and Saigon Royal Residence. Total revenue of those four projects accounted for 93% of total revenue recorded from total handover units in this quarter. Significant handovers of existing projects are expected in 2019 which will further drive revenues.
- **Gross Profit:** compared to Q1/2018, the Company's gross profit increased by 133% to VND 1,281 billion, thanks for the increase of handover units.
- **General and administration expenses:** reached VND 267 billion, representing an increase of VND 128 billion, compared to Q1/2018, mainly due to an increase of VND 134 billion from allocation of goodwill.
- **Net profit after tax (NPAT):** As at March 31, 2019, NPAT was VND 282 billion, grew by 119% from the results of Q1/2018, mainly attributed by the increase of handover units compared to Q1/2018.
- **Total assets:** The Company's total assets as of March 31st, 2019 amounted to VND 69,661 billion, staying flat from December 31st 2018, current assets accounted for 75% of total assets.
- **Cash and cash equivalents:** Compared to December 31st, 2018, cash and cash equivalents decreased by 30% to VND 8,612 billion, mainly due to the payment of borrowings and the payments of buying subsidiary companies: Truong Tay Real Estate Investment Joint Stock Company and Dat Viet Development Joint Stock Company.
- **Short-term financial investment:** reached VND 399 billion, presenting an increase of VND 303 billion compared to December 31, 2018, mainly due to the increase of deposits at banks.
- **Short-term receivables:** reached VND 6,260 billion, increased 34% compared to December 31st, 2018, of which short-term trade receivable was VND 918 billion, increased VND 159 billion (approximately 21%); other short-term receivables recorded at VND 3,418 billion, increased VND 1,433 billion (approximately 72%) mainly because the Group increased the deposits and advanced payments for M&A transactions.
- **Inventories:** Compared to December 31st, 2018, inventories increased 9% to VND 35,706 billion as at March 31^s 2019, mainly due to the consolidation of Grand Manhattan project causing increase inventories and significant handovers from the Sun Avenue and Sunrise Riverside decreased a portion of inventories.
- **Long- term investments:** as at March 31st, 2019, the Company decreased long-term investment to VND 5,654 billion, dropping by 25% from December 31st 2018, due to the Group increased its ownership in associates and changed the investments in associates to subsidiaries.
- **Short-term advances from customers:** reached VND 4,839 billion, declined 38% compared to December 31st 2018, mainly due to the handover and revenue recognition of units from current projects. However, short-term advances from customers also recoded increases from Victoria Village projects and others.
- **Other short-term payables:** reached VND 6,610 billion, presenting an increase of VND 3,898 billion (approximately 144%) compared to December 31st 2018, majority contributed by the capital

contribution for project development and investment cooperation from third parties. The Group is obliged to refund this amount in full to counter parties at the end of the projects.

- **Long-term and short-term borrowings and finance leases liabilities:** decreased VND 1,847 billion (approximately 7%) to VND 26,061 billion compared to December 31st 2018, as the Group made payments for financial institutions at borrowing's maturity date.

Recent developments

- **Annual General Shareholders Meeting:** on April 26th 2019, GMS approved the company's 2019 business plan, of which net revenue targets to VND 18,000 billion showing an increase of 18% YOY, NPAT is expected at VND 3,300 billion, grow 0,7% YOY. GMS also approved for the share issuance under 2019 Employee Stock Ownership Plan (ESOP) with the term of maximum 2% of total outstanding share at the time of issuance and the price must be approved by the BODs. In 2019, the Group plans to hand over 12 projects located in HCMC including District 2, 4, 9, Tan Phu, Phu Nhuan, Tan Binh and Nha Be.
- **Hospitality real estate and tourism strategy:** in 2018, Novaland embarked on Phase 2 of its business strategy and sizable projects carrying such brands as NovaWorld, NovaBeach, and NovaHills have been launched to create impeccable destinations. The Group will continue to develop projects based on the land resources available in HCMC and will focus on products based in adjacent provinces. The Group will also attach importance to recreational properties in provinces rich in tourism potentials including Binh Thuan, Ba Ria - Vung Tau, Can Tho, and so on. In 2018, NovaHills Mui Ne Resort & Villas and NovaBeach Cam Ranh Resort & Villas were introduced to the market.
- **New projects:** In Q2/2019, the Company is planning to introduce NovaWorld Mui Ne project that converges all tourism activities with various forms of accommodation such as resort villas, apartments, townhouses, amusement parks and high-end entertainment.

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