

TTC LAND - REVENUE AND PROFIT RESULTS IN 2018 INCREASE 41% AND 8% RESPECTIVELY

Financial year 2018 ended with many challenges for the real estate industry, requiring efforts from all related businesses. With accumulative 1,440 products handed over, 8% exceeding target, TTC Land surpassed the Revenue and EBIT year target of 41% and 8% with VND 2,929 billion and VND 334 billion, which increase 61% and 21% (yoy). Consolidated profit after tax (NPAT) also increased 10%, to VND 241 billion for the whole year 2018.

Business results continue to recognize steady growth for many years

In the structure of sales and service revenue, the revenue from real estate transfer still accounts for the largest proportion (94%); Service, Office for Rent and Other revenue are 3%, 2% and 1% respectively. Particularly in the 4th quarter, TTC Land has handed over 5 key projects with 603 products in accordance with the progress and commitment to clients, bringing the total number of delivered products in 2018 to 1,440 products. Charmington La Pointe Project has been finished and completely handed over. The remaining projects, which are Jamona Golden Silk (98%), Carillon 5 (86%), Jamoma City (64%), and Jamona Home Resort (43%), will continue to be handed over and recorded in 2019 Revenue. Average absorption rate of those projects reached 98%, playing an important role in the fulfillment of the yearly target. Especially, Charmington La Pointe, Jamona Golden Silk, and Carillon 5 have outstanding gross profit margin: 44%, 41%, and 34% respectively, contributing to the 22% Company's gross profit margin, with gross profit of 2018 reaching VND 638 billion, increasing 16% compared to 2017.

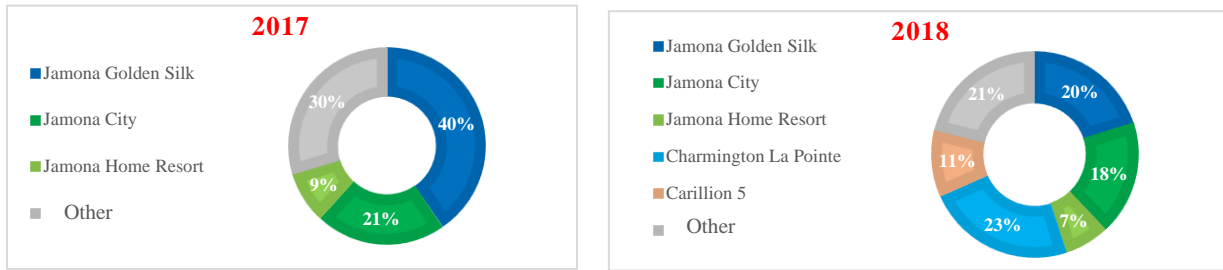
The handover project in 2018 by TTC Land

#	Projects	District	Type	Total products	Handed Over		Absorption Rate	Revenue Structure 2018
					2018	Rate		
1	Jamona Home Resort	Thu Duc	Villa	238	62	43%	99%	7%
2	Jamona Golden Silk	District 7		226	78	98%	97%	20%
3	Jamona City		Complex	1,491	595	64%	97%	18%
4	Charmington La Pointe	District 10	Apartment	508	508	100%	100%	23%
5	Carillon 5	Tan Phu		229	197	86%	98%	11%
Total				2,692	1,440	78%	98%	79%

Source: TTC Land

In addition to the timely project construction to handover to clients as committed, TTC Land has also recognized financial income approximately 230 billion, increasing 56% comparing with the same period last year, in which 45 billion is from the interest of share transfer from the 3rd quarter, and 29 billion is from associated companies' dividend in Q4. By implementing reasonable portfolios, those incomes contribute a major part to the Company's revenue structure.

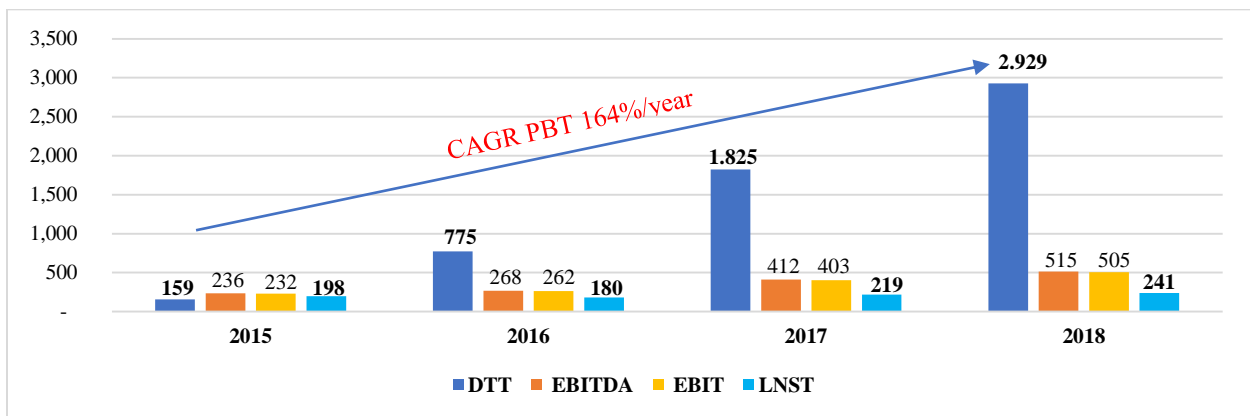
Revenue structure and service provision 2017-2018



Source: TTC Land

In the current project list, TTC Land is selling 5 projects - 2,516 products including Charmington Iris, Jamona City - Sky Villas, Jamona Heights, Carillon 5, and Carillon 7; at the same time, TTC Land also implemented a series of 17 projects expected to be handed over by 2019-2022 period. Selling expenses and Corporate Governance Costs (G&A expenses) have been accordingly recorded an increase over the same period in order to achieve the target of sales volume as well as commitment on delivery time for clients. However, the ratio of Selling expenses and G&A expenses on net revenue remained at 11% (within 14% in 2018 plan), slightly decrease compared to 12% in 2017; which demonstrates company’s efforts in controlling costs to increase operational efficiency. Consolidated Profit before Tax (PBT) was nearly VND 334 billion, exceeding 8% of the plan and growing more than 21% compared to 2017.

Net Revenue- Profit Growth in 2015-2018 period



Source: TTC Land

Completing the revenue and profit targets for the whole year with strictly controlled costs, TTC Land's profitability ratios recorded positive figures compared to other companies in the same industry. Specifically, TTC financial gross margin ratio is 22%, EBITDA margin 18% and EBIT margin was 17%, equivalent to the industry average.

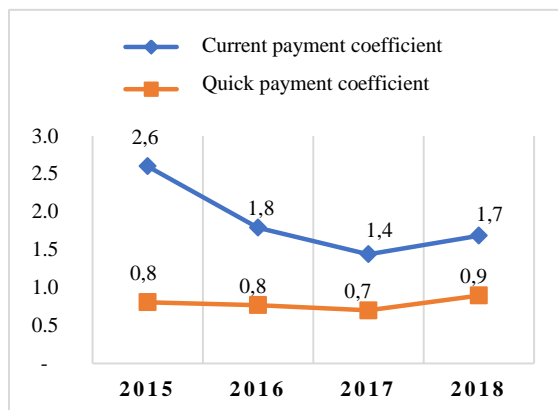
Safe capital structure, ensuring sustainable operation in the medium and long term

As of December 31, 2018, TTC Land's total assets (TTTS) increased by 13% compared to the beginning of the year, reaching VND 10,789 billion. From 2017 till now, despite actively accumulating new land bank, company still maintains cash and cash equivalents approximately VND 158 billion, increase 52% compared to the beginning of the year. Inventories (HTK) remained at VND 4,009 billion, slightly lower than the beginning of the year and the proportion on TTS decreased to 37% compared to 42%; thanks to the continued handover of Jamona City, Jamona Golden Silk, Jamona Home Resort, Charmington La Pointe, and Carillon 5 projects.

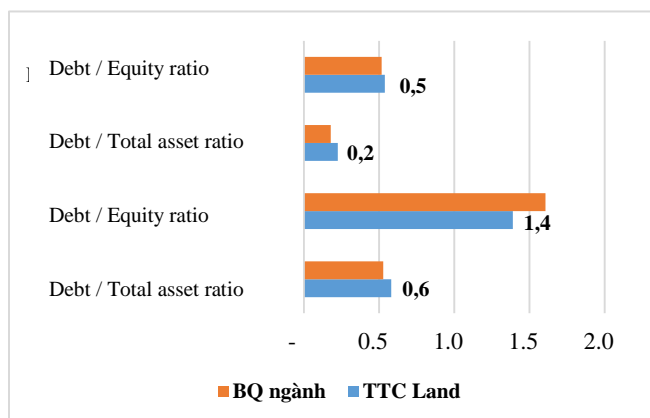
Projects will be handed over in 2019-2020 of TTC Land

#	Projects	Sector	District	Type	Product	Investment (VND Billion)	Expected to hand over
1	Charmington Plaza	Center	5	Commercial Apartment	420	1,700	2022
2	TTC Plaza Binh Thanh	East	Binh Thanh	Shopping mall	N/A	270	2019
3	Jamona Home Resort		Thu Duc	Villa	238	400	2017-2019
4	Jamona City	South	7	Complex	1,491	2,500	2017-2019
5	Carillon 5	West	Tan Phu	Apartment	229	270	2018-2019
6	Carillon 7				639	840	2019-2020
7	Jamona Cau Tre				1,218	2,800	2022-2023
Total					4,235	8,780	

Short-term Solvency Measures



Capital structure compared to average



Source: TTC Land

At the end of 2018, TTC Land has about VND 1,648 billion Deferred Revenue, accounting for 15% of the total capital, recorded from positive absorption rate of nearly 90% from 7 projects in the open-selling list. These are prepayments or deposits of customers under real estate transfer contracts for sale from the Company's projects. Accumulated for 2018, TTC Land opened 7 projects with 1,366 products received by the market, growing by 140% over the same period. The revenue corresponding to this volume of about VND 4,100 billion is expected to be recorded

in the period from 2019-2021 when TTC Land completes and handover the finished product to clients.

With collected capital from customers, TTC Land can continue to develop 17 projects but still reduce interest expenses. Currently, the average capital structure of projects accounts for about 20% of equity capital; 35% is prepaid from customers and 45% is loans, ensuring TTC Land's capital structure is always in safe level compared to other competitors from the same industry. Debt/Equity structure and Debt/Total Assets structure are only 0.54 times and 0.23, respectively, equivalent to the industry average and much lower than large-scale real estate enterprises in the market. Debt/Equity ratio at the end of 2018 decreased by 3% compared to the beginning of the year and financial expense also decreased by 2% compared to 2017. Good debt management will reduce financial risks and increase the ability to access to new loans in the future when TTC Land currently owns a portfolio of projects that have been handed over and developed is 27 projects with nearly 15,800 products. Total products sold and delivered by 2018 reached 7,270 and 5,450 products, accounting for 46% and 35% of TTC Land's total products.

During the period when the stock market suffered many negative impacts from the world, these results prove that the commitment of the BOM has been implemented as well as contributed to share with shareholders in the unstable period of the market. TTC Land still implements to distribute stock dividends at the rate of 7% shares, raising charter capital from VND 3,170 billion to VND 3,392 billion. Owner equity, accordingly, also increased by 29% from VND 3,483 billion to VND 4,508 billion.

TTC Land is one of the few real estate companies in the market diversifies its operating model on all five main product types including the real estate industry including Industrial, Civil, Warehouse, Resort and Commercial - Office. Land bank for development of these types of products accounts for 55%; 24%; 11%; 10%, and 0.1% in the 1,767 ha land bank, enough for the Company to shape the strategy within the next 15 years.