

TTC LAND – INCREASE OPERATION EFFICIENCY THROUGH ASSET STRUCTURE

In the context of complicated COVID-19 pandemic that has affected to the Vietnamese economy, Vietnamese's GDP in Q3 / 2020 increased only 2.62%, the lowest increase in the period 2011- 2020. That has affected heavily to the Real Estate industry. According to CBRE releases Q3 2020 Quarterly Report Highlights in Ho Chi Minh City, the total number of new supply apartments in nine months is still 57% lower than the same period last year but improved q-o-q. In Ho Chi Minh City, only four projects were launched in Q3 / 2020 with 3,964 units (up 141% q-o-q and down 70% y-o-y), of which mainly from the Vinhomes Grand Park (The Origami) project.

In order to overcome the difficult period of the real estate industry, the Company has oriented 5-year strategy (the period of 2021 – 2025) with the aim of reviewing, restructuring the investment portfolio and liquidating existing assets to increase efficiency in using capital. Company will find partners to divest less profitable investments to improve operational efficiency. Reviewing, restructuring investment portfolios and liquidating existing assets will improve management efficiency, streamline the apparatus and collect cash flow to focus on project development and investing in potential land bank.

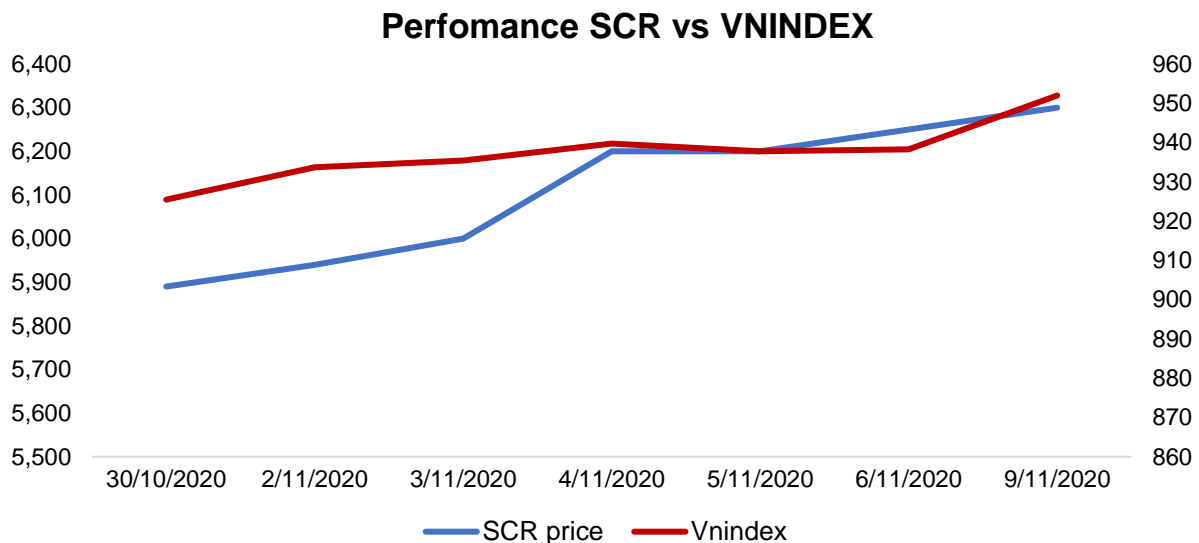
In the above strategic orientation, on November 6, 2020, the Company has just divested 11% shares of Kim Thanh Real Estate Investment Joint Stock Company (Kim Thanh Company) after holding more than 3 years, reducing the Company's ownership down to 48%. In addition, TTC Land and its subsidiary also reached an agreement to sell 39% of the shares of Tin Nghia - A Chau Investment Joint Stock Company with a value of up to VND 956 billion. This transfer will contribute significantly to the business results in Q4 / 2020 as well as additional cash flow for business activities and project development.

In addition, the Company is promoting the liquidation of assets. In which, 3 out of 18 land lots scattered in many places that not suitable for project development with a total area of 18 land lots about 4.7 ha located in Thanh Da area, Binh Thanh District were liquidated with value up to VND 97.1 billion. TTC Land will continue to liquidate the remaining land lots to gain a cash flow and profit in the next time.

The above portfolio restructuring, and asset liquidation are expected to contribute an estimated profit about VND 560 billion. With the cash flow from portfolio restructuring and asset liquidation will create good liquidity for TTC Land to ensure the safety for the operation in the current period and the project development plan in the next time. Besides, the Company will continue to invest in residential real estate projects such as Panomax, Carillon 7, Charmington Iris, Charmington Dragonic, Charmington Tan San Nhat ... expected to increase gross profit margin for the Company in the future. At the same time, continue to increase the investment in leasing activities at TTC Plaza project Duc Trong, Belleza ... to increase the stable income for the Company from leasing activities.

Consolidated Profit before tax (EBT) in the first 9 months of 2020 reached VND 82.5 billion. Along with the restructuring of investment portfolio as well as asset liquidation, the Company will continue to reduce costs to complete the 2020 plan which assigned by the General Meeting of Shareholders.

From November 1, 2020 to November 9, 2020, SCR's share price continued to maintain momentum with an increase of 7% from VND 5,890 to VND 6,300. Liquidity remained actively with an average trading volume of nearly 900,000 shares / session, equivalent to VND 5.3 billion / day.



Source: Vietstock

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