

## **TTC LAND HAS ALMOST GAINED THE REVENUE AND PROFIT RESULTS IN 2018**

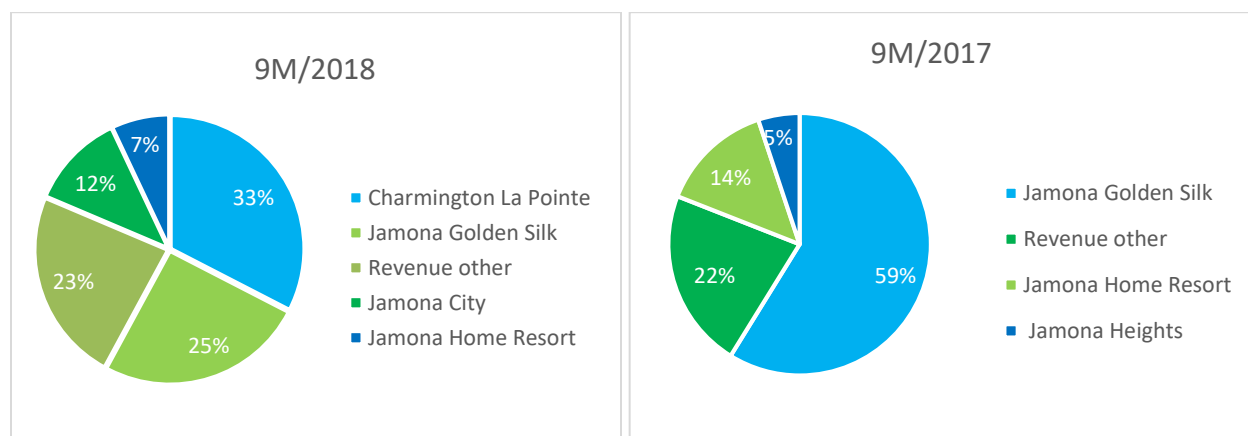
Figures of the Financial Statement in 3<sup>rd</sup> Quarter in 2018 have been published. Some real estate giant corporations may not complete their plans in 2018 due to the impact of the deceleration of the market compared to 2017. For TTC Land, although not listed on the list of major real estate companies today, but the business results of TTC Land are very positive and show a stable growth. Although only 3 months to finish the fiscal year in 2018, with accumulative 837 products handed over, although it completed nearly 70% of the year plan, it contributed 99% of accumulative net revenue to the plan with VND 2,060 billion, up to 151% increased dramatically over the same period. Accumulative profit after tax has also been increased 202% from VND 74 billion to VND 222 billion, fulfilling 90% of the full year target.

### ***Business results continue to recognize steady growth for many years***

In the 3<sup>rd</sup> Quarter, the company has handed over 3 key projects - 46 products in accordance with the progress and commitment to clients in which the Jamona Home Resort project (Thu Duc District) is the villa product which has been finished and handed over 35%; Jamona Golden Silk (District 7) building villas has been completed 94% and Charmington La Pointe (District 10) building the apartments has been completed 92%. At present, the absorption rate of these projects has reached 99%, 97% and 96%, respectively, contributing significantly to the completion of the plan before the term of the company. Particularly, Jamona Golden Silk and Charmington La Pointe projects have had a gross profit margin approximately 41% and 34%, contributing to support the gross profit margin of the 3<sup>rd</sup> Quarter and accumulative profit growth of 9 months has grown 30% and 119% respectively, reaching VND 73 billion and VND 511 billion respectively. The accumulative gross profit margin of 9 months is 25%, equivalent to the average level of the current real estate sector.

In addition to the implementation of project construction for handover as the plan, TTC Land has also recognized financial income of over VND 93 billion, up 82% comparing with the same period, in which VND 45 billion has come from the interest of share transfer. Implementing reasonable portfolios to bring revenue to the Company at an appropriate time also contributes an important part of the Company's revenue structure. Accumulative 9 first months of the year, financial income has reached VND 153 billion, up 14% comparing with the same period, contributing 7% to the revenue.

*Revenue structure of sales and services from 9M/2017-9M/2018*



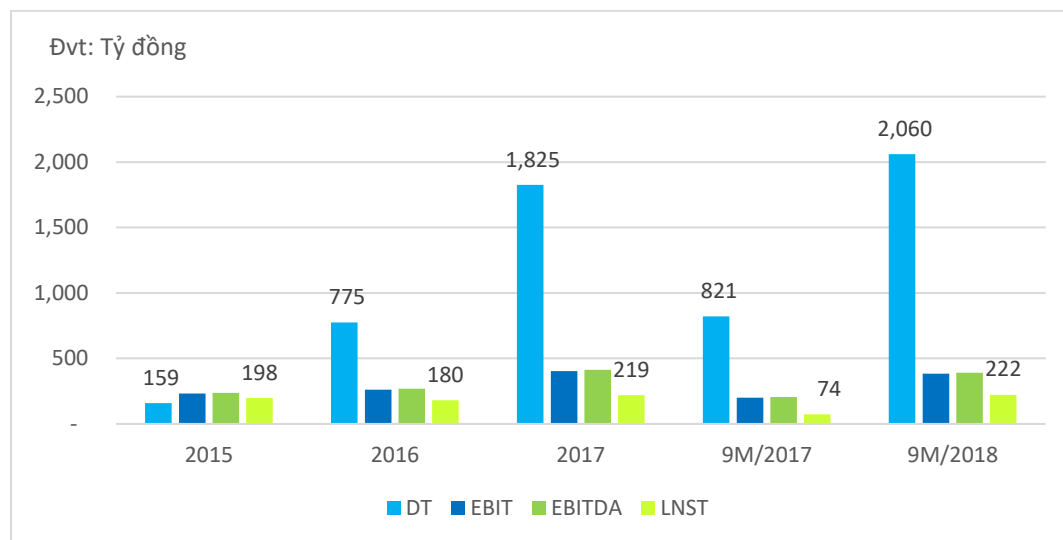
Source: TTC Land

TTC Land is promoting its marketing activities to further develop its strengths in sales, ensuring consistent revenue recognition over each year and at the same time enhancing the quality of human resources in line with the long-term development strategy of the Company; this has resulted in higher sale expenses and corporate management expenses over the same period. However, the revenue growth rate has been 151%, but the proportion of sale expenses and corporate management expenses has been 6% lower than the same period of last year and belongs to the plan which has proved the company's efforts in controlling expenses.

Accumulative profit after tax for the 9 first months significantly increased from 202% comparing the same period to VND 222 billion, fulfilling 90% of the plan on the after-tax profit for the whole year 2018. With the pre-completion of the plan for the targets in the business activities but still controlling expenses, profitability indicators of TTC Land recognizes the positive numbers against real estate companies operating in the same market; EBITDA margin is 19%, gross profit margin is 25%, equivalent to the sector average level and EBIT margin is 19%, higher than the sector average level.

Growth of the net revenue - Profit from 2015- 9 first months in 2018

*Increase of Net Revenue – Profit from 2015-9M/2018*

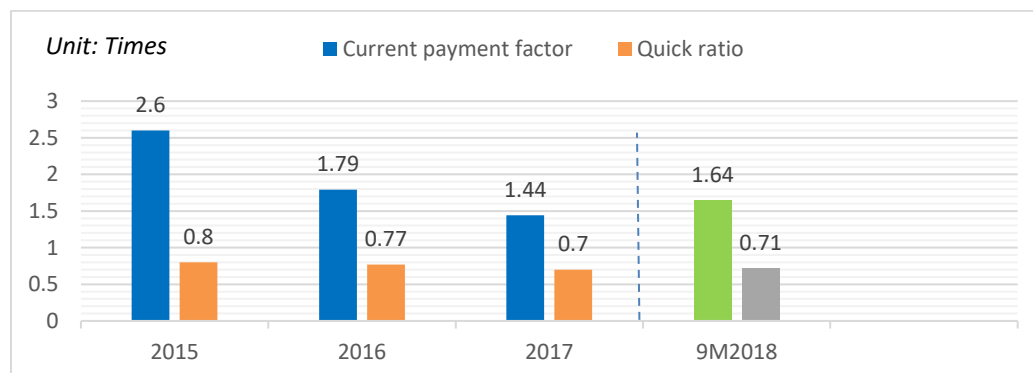


Source: TTC Land

***Business growth is strong but still ensures a safe capital structure***

By 30<sup>th</sup> September 2018, TTC Land's Total Assets increased slightly by 8% compared to the beginning of the year, gaining VND 10,269 billion mainly coming from cash growth of 132%, fixed assets 65% and other long-term assets 147%. In the period of 2017-2018, the Company is taking the first steps in accumulating new land funds in addition to existing land funds but still maintaining the amount of money and cash equivalents of about VND 196 billion, increased 87% comparing with the begin of the year. Inventories (HTK) increased slightly by 15% equal to VND 4,635 billion, accounting for 45% of total assets compared to 42% at the beginning of the year but the major expenses are expenses of production and business in progress accounting for 99%. The inventories focuses on Jamona City project (District 7) to be handed over by 2017-2020, absorption rate of 97%; Charmington Plaza (District 5) to 2021, Jamona Home Resort (Thu Duc District) in period of 2017-2019; Jamona Cau Tre (Tan Phu District) to 2022; Carillon 5 (Tan Phu District) in period of 2018-2019, absorption rate 97%; Charmington La Pointe (District 10) to 2018; Jamona Heights (District 7) to 2019, absorption rate nearly 70%; TTC Plaza Binh Thanh (Binh Thanh District) 2018, expected to be put into operation by the end of 2018. In the period of 2018-2022, a series of projects will be handed over and put into operation in which the plan 2018 is 5 Projects with 1,312 products will contribute to stable growth in revenue of the year and volume of inventories will decrease accordingly.

### *Indicators of solvency*

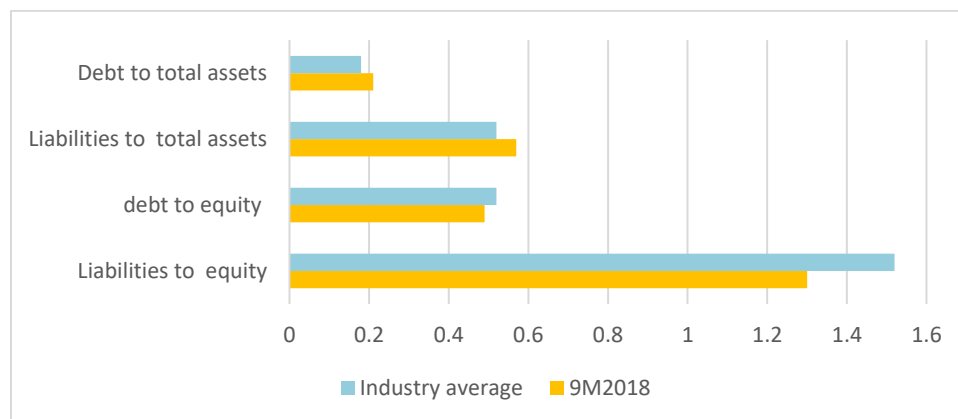


Source: TTC Land

As of 30<sup>th</sup> September 2018, TTC Land owns about VND 1,735 billion in which the purchasers make short-term prepayments for about 17% of total assets, reflecting the trust of clients to on TTC Land products being sold in the market. These are prepaid amounts or deposits from clients under real estate transfer contracts for sale from the Company's projects. In the 9 first months of this year, TTC Land has opened 6 projects with 1,197 products received by the market. These amounts are expected to be recognized in 2019-2021 when TTC Land completes and hands over finished products to clients.

This item is also a significant source of support for TTC Land to continue to develop its portfolio of 13 growing projects, contributing to lower interest expenses. At present, the average capital structure of the projects accounts for about 20% of their own capital, 3 5% is prepaid from clients and the rest amount is borrowing, contributing to the capital structure of TTC Land is always in the safe level with companies in the same sector. Structure of Borrowing Debt/Equity and Borrowing Debt/Total Assets ratio is 0.49 times and 0.21 times, respectively, lower than the sector average level. Debt/Equity ratio of 9 first months in 2018 even decreased by 10% and financial expenses decreased 18% compared to the same period. Good management of the loan structure will reduce the Company's financial risk and increase access to new loans in the future when TTC Land currently owns a total portfolio of projects which are and have carried out is 24 projects with approximately 13,000 products.

***Indicators of capital structure vs. sector industry average***



Source: TTC Land

***Fourth quarter business plan continues to hold vibrant growth rate***

Although the revenue and profit plan has been satisfactorily completed, in the fourth quarter, TTC Land will continue to bring into full play the advantages of sales and handing over products according to clients' commitments. In 2018, TTC Land's sales plan is ambitious as it plans to open and sell 1,848 products, up 335% from the number of products sold in 2017 to be 425 products; in which it includes the diversified types of apartments and villas of 8 projects in the series of the company's residential products. A total of 1,197 products were absorbed on the market in 9 first months of the year, primarily from Charmington Iris (District 4), Jamona Heights, Jamona Golden Silk (District 7), Charmington La Pointe (District 10), Carillon 5 (Tan Phu District) with an average absorption rate of approximately 90%.

In particular, Charmington Iris Project (District 4, Ho Chi Minh City) has become a hot name for investors interested in the location of the area in the context of land fund in this area is becoming increasingly rare. With the outstanding value in terms of location, segment, price, absorption rate of this project reached 96% in the first two opening phases for sale. In the fourth quarter, the company plans to sell 651 products to complete the sales target in 2018. The company has opened the third opening phase for sale of the Charmington Iris Project in October and is expected to continue to the last opening phase for sale in December 2018 to recognize revenue in 2021 as committed handover plan, in addition there are the two projects which are Jamona Heights and Sky Villas (District 7).

Especially, Da Nang Complex project, one of the projects in the commerce-office and apartment chain, both to diversify sources of revenue and to guarantee a stable source of long-term profits

for the Company instead of focusing on the development of residential real estate field. This is appropriate with TTC Land's long-term strategy to focus on building a closed-end product chain that includes residential real estate, Commerce-Offices, Resorts, Industrial and Warehousing zones. The project is located on a land of 14,615 square meters with a total GFA of nearly 116,000 square meters in Thanh Khe District, Da Nang City, scheduled to provide commercial space as well as 552 high-graded housing products. The project is expected to commence in 2019 and handed over in 2021 with a total investment cost of over VND 2,000 billion, approximately 92 million US dollars. This is an annual business project, which is expected to recognize annual revenue of about VND 150 billion, to guarantee a stable source of revenue for TTC Land for many coming years.

Along with the plan to open for selling the projects, the handover plans are always carried out closely to the commitment. With the total products handed over in 2018 is expected to exceed the plan by 32%; Revenue of real estate sale will be recognized at around VND 570 billion and net revenue excluding other sources of revenue is expected at VND 2,630 billion, exceeding 27% comparing with the plan in 2018.

During the period when the stock market suffered many negative impacts from the world, these results prove 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.

Although there are only 3 months to finish the fiscal year of 2018, with the accumulation of 837 products handed over, although it has only fulfilled nearly 70% of the year plan, it has contributed 99% accumulated net revenue as the plan to reach VND 2,060 billion, increased dramatically 151% over the same period. Accumulated profit after tax has also increased 202% from VND 74 billion to VND 222 billion, fulfilled 90% of the full year target.