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Novaland's head office on Nguyễn Du, District 1, HCM City. Photo vinhomecitys.com

HÀ NỘI — Novaland (NVL) has just approved a resolution on mobilising 500 billion bonds, which are backed by NVL shares owned by NovaGroup or other legally owned assets.

On the stock market, NVL shares moved sideways at VNĐ103,000 per share after a strong rally. Since the beginning of the year, Novaland has continuously mobilised share-backed bonds as its share prices rose strongly.

Statistics show that Novaland has raised funds by issuing about 10 trillion bonds since the beginning of the year.

Most recently, Residence Development and Investment JSC also attracted VNĐ2.5 trillion (US\$109.6 million) through five lots of ordinary, non-convertible bonds. Of which, a lot of bonds with collateral of NVL shares and future-formed assets, which are 130 real estate projects under the Ocean Valley Tourism Complex (NovaWorld Phan Thiet).

Novaland is not the only property developer issuing share-backed bonds. The second-quarter report of SSI Research showed that the ratio of using shares to secure bond issuance in real estate companies continued to climb sharply.

Notably, up to VNĐ29 trillion of real estate bonds were fully secured by shares or without collateral. If combining real estate bonds that are partially secured by shares, the amount was nearly VNĐ60 trillion, accounting for 64 per cent of the total amount of real estate bonds issued in the first six months of the year.

For the whole market, about 9.3 per cent of the issued bonds were fully secured by shares, equivalent to more than VNĐ19.4 trillion.

Share-banked issuance is only valid when the company's share prices are in the bull market and at a high price. And the market price must be in line with the businesses' situations. — VNS

Source: *VNN*