

VinaLand Limited

Update – May 2017

18 May 2017
Zurich, Switzerland

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Vietnam – Real estate

- ✓ **GDP** : Growth will be at 6.5% by end of 2017
- ✓ **INFLATION** : CPI is expected to remain stable at 5% by year end.
- ? **LIQUIDITY** : Liquidity has been flowing freely into the RE mkt over the past 2 years. However new restrictions imposed by the SBV on lending into the real estate sector since January 2017 will restrict lending to real estate projects.
- ✓ **INTEREST RATES** : Remained stable in 2016. The lending rate (10 – 11%) may increase slightly in 2017 slightly as a result of tighter liquidity.
- ✓ **CURRENCY FX** : The Vietnamese dong (VND) has remained stable over the previous two years and will remain stable going forward with steady depreciation of approx. 2% against the USD in 2017.
- ✗ **NPL's** : Taking longer than expected to resolve.
- ✓ **FDI DISBURSEMENTS** : Foreign investment increasing, expect to reach USD17bn by year end, under-pinning the local investor demand
- ✓ **OVERALL CONFIDENCE IN REAL ESTATE**: remains good for 2017.
- ? **REGIONAL STABILITY**: Post U.S. Presidential election, regional affairs remain unclear including trade agreements and confirmation the TPP is not proceeding. Ongoing tension in the East Sea has subsided for the time being however concerns over North Korea have increased.



Dai Phuoc Lotus Project divested in April 2017 at 11.2% above the NAV at the time of exit and 21.8% above the NAV at the time of the November 2016 EGM

CONDOMINIUMS

- New supply in 2016: 67,447 units launched in HCMC and Hanoi, reduced 10% - 13% YOY.
- Sales in 2016: declined by 2% - 4% YOY.
- Average selling prices: increased slightly 2% - 6% YOY.
- High sale rates in non-CBD locations.
- New supply in Q1 2017: 5,083 units in HCMC and 9,398 units in Hanoi.
- **New supply 2017: 73,000 units (HCMC + Hanoi).**

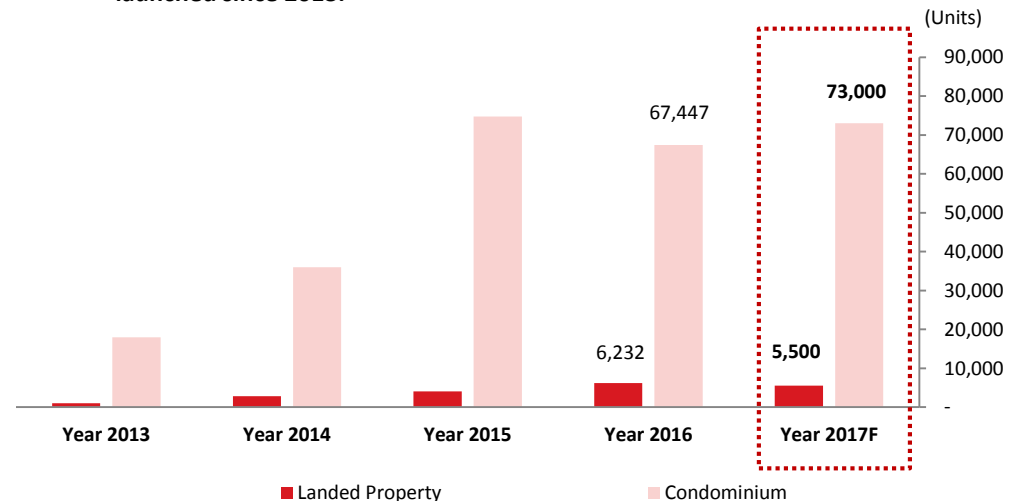
LANDED PROPERTY¹

- New supply in 2016: 6,232 units launched in HCMC and Hanoi, increased 30% YOY.
- Sales in 2016: increasing by 10% YOY.
- Average selling prices: increased 5% - 20% YOY.
- High sale rates in non-CBD locations.
- New supply in Q1 2017: 500 units in HCMC and 1,238 units in Hanoi.
- **New supply 2017: less than 6,000 units (HCMC + Hanoi).**

Condominiums : Even with the decreases in condominium launches in 2016, this market remains over supplied and will negatively impact prices and inventory movement in near future.

Landed Property : Demand for landed property in coming years is expected to increase due to steady absorption and limited supply.

New supply of landed property sector (HCMC and Hanoi) has not increased significantly over recent years while a numerous condominium units has been launched since 2013.



RETAIL

Year 2016 witnessed several sizeable M&A deals and retail supply is accelerating.

- Average rentals and occupancy rates dropped slightly.
- Many foreign developers are now entering the retail market with their own brands and modern retail strategies i.e Takashimaya (Japan), Zara (Spain)...
- New supply in 2017: 380,000sqm (HCMC + Hanoi).

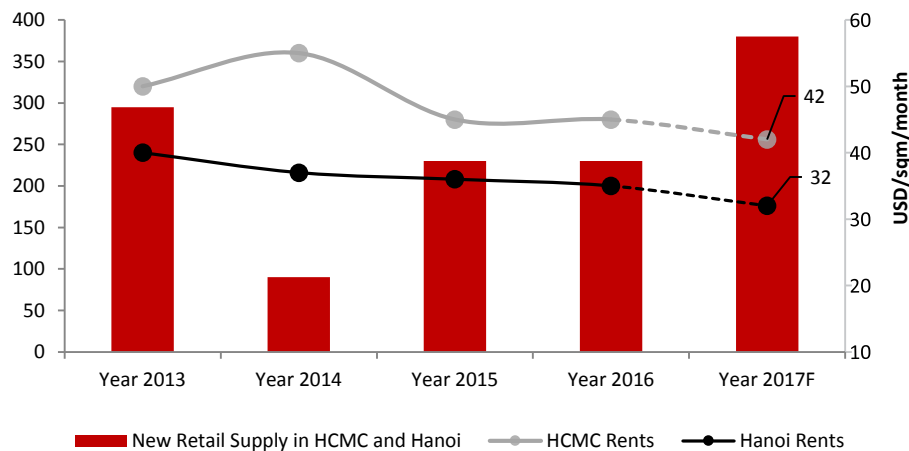
OFFICE

Market remained stable in 2016. Expansion and relocation to newer buildings continues. Growing demand for good quality office buildings is driving new supply.

- Average rentals & occupancy has plateaued and reduced slightly
- The strongest demand for office space came from the Finance – Banking, Logistics and Technology sectors.
- New supply during 2017: 225,000sqm (HCMC + Hanoi).

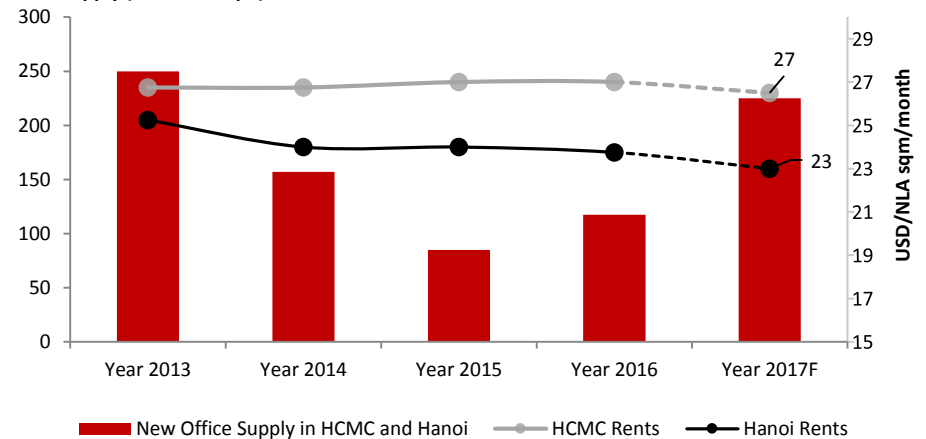
Retail sector in HCMC and Hanoi (CBD and non-CBD)
From 2013A to 2017F

New Supply (thousand sqm)



Office sector in HCMC and Hanoi (Grade A and B)
From 2013A to 2017F

New Supply (thousand sqm)



Source: CBRE and Savills Vietnam

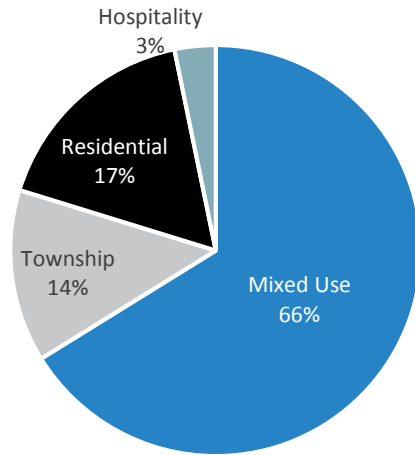
¹Retail and Office rents are asking rent, exclusive of VAT and serviced charge.

VNL performance

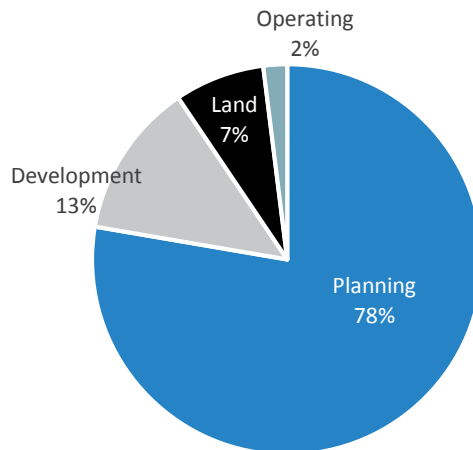
Fund summary		
NAV:	USD 298.8m	31-Mar-17
NAV per share:	USD 0.921	31-Mar-17
Share price:	USD 0.740	12-May-17
Discount:	-19.7%	12-May-17
Market cap:	USD 228.4m	12-May-17
Total shares outstanding:	308,620,531	12-May-17
Debt - project level (bank):	USD 59.9m 20.0% NAV	12-May-17
Fund Cash balance (After future commitments):	USD55.0m	12-May-17

Portfolio summary	
Current assets:	14 (after Times Square exit)
Full disposals:	32
Distributions:	
EGM November 2012 to EGM November 2016	
Total: USD 100.9m	
	<ul style="list-style-type: none"> • USD 65.8m via share buy back • USD 35.1m via capital return June 2016
EGM November 2016 to present (12 May 2017)	
Total: USD 43.3m	
	<ul style="list-style-type: none"> • USD 43.3m via share buy back
<i>On 17 May 2017 VNL announced a distribution of USD 40m via a tender offer to be paid in June 2017</i>	

NAV by sector

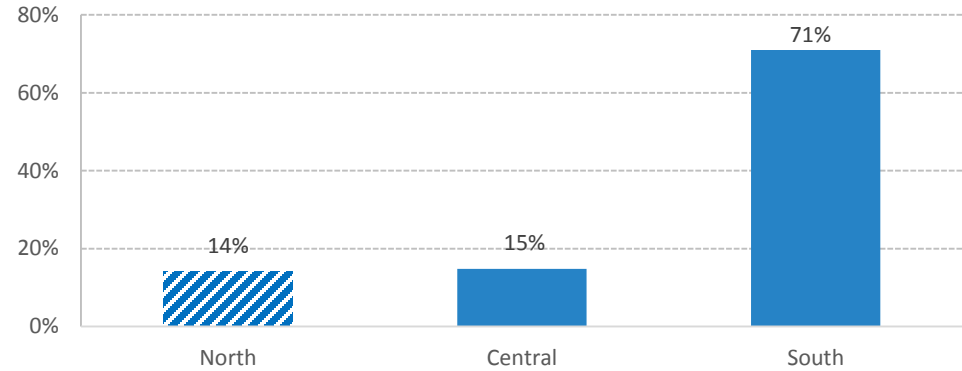


NAV by development status



Note: NAV as at 31 March 2017

NAV % by region



Key investments

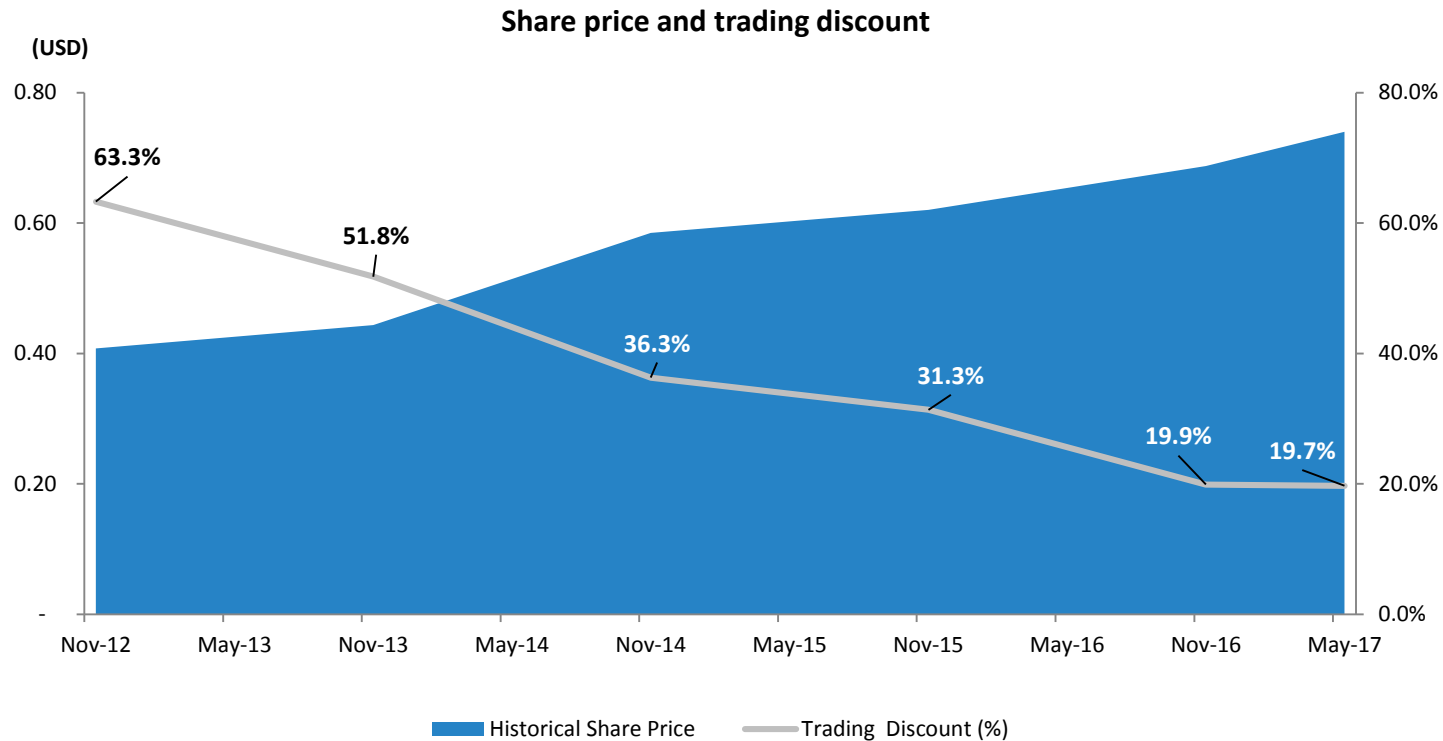
Project	Location	Type	31 Mar 2017 unaudited NAV (USDm)	% Portfolio NAV
Pavilion Square	South	Mixed Use	41.8	17%
VinaSquare	South	Mixed Use	41.0	17%
Times Square*	North	Mixed Use	34.1	14%
Aqua City	South	Township	23.6	10%
Capital Square	Central	Mixed Use	21.9	9%
Trinity Garden	South	Residential	21.7	9%
Green Park Estate	South	Mixed Use	17.7	7%
Phu Hoi City	South	Residential	13.9	6%
My Gia	Central	Township	9.0	4%
Total			224.7	93.4%

Notes

NAV excludes Dai Phuoc Lotus and My Gia parcels 3 & 7A - divested in April 2017.

*Times Square disposal proceeding and expected to close no later than July 2017

- Share price increased steadily from 41 cents (Nov 2012) to 74 cents (12 May 2017)
- Trading discount narrowed from 63.3% (Nov 2012) to 19.7% (12 May 2017)



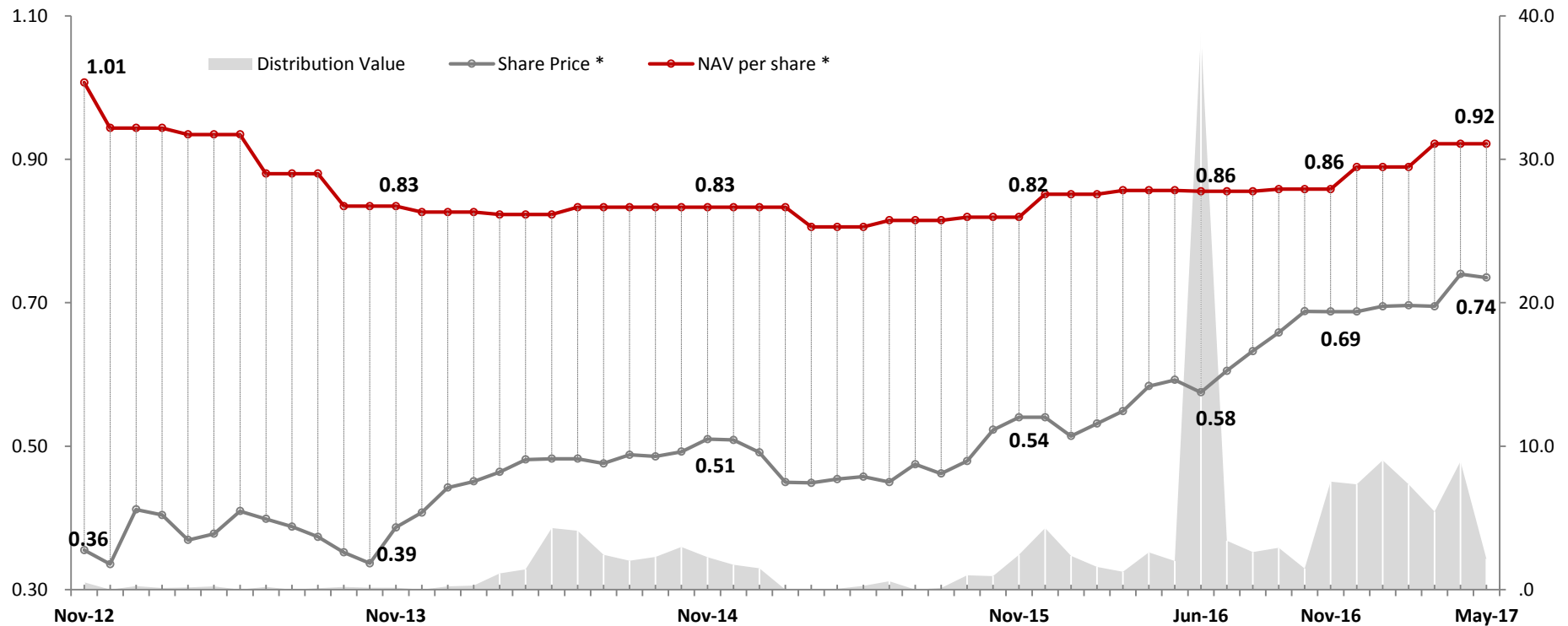
Share price is obtained from <http://www.londonstockexchange.com>

- Distribution of capital from share premium account of 8.76 cents per share (USD 35.1m) paid 6 June 2016.
- Distribution of USD109.1m via share buy back since Nov 2012 whereby the shares have been cancelled.
- NAV per share decreased 9% to 92 cents from 101 cents (adjusted NAV per share Nov 2012).

Share price and NAV per share (USD)

Share price, NAV per share and Distribution

Distribution value (USDm)



(*): Share price and NAV per share take into consideration the capital return in June 2016



Times Square Hanoi project

- ✓ Land area: 4ha
- ✓ Location: Hanoi
- ✓ Proposed exit date: May 2017
- ✓ NAV at exit: USD 34.1m
- ✓ **Net proceeds to VNL: USD 41.0m**
- ✓ Net proceeds vs. NAV: 20.2%
- ✓ **Net proceeds vs. 2016 EGM NAV: 48.1%**

My Gia project (Parcel 3 & 7A)

- ✓ Land area: 32.1ha
- ✓ Location: Khanh Hoa Province
- ✓ Exit date: April 2017
- ✓ NAV at exit: USD 5.5m
- ✓ **Net proceeds to VNL: USD 5.5m**
- ✓ Net proceeds vs. NAV: 0.2%
- ✓ **Net proceeds vs. 2016 EGM NAV: 5.6%**

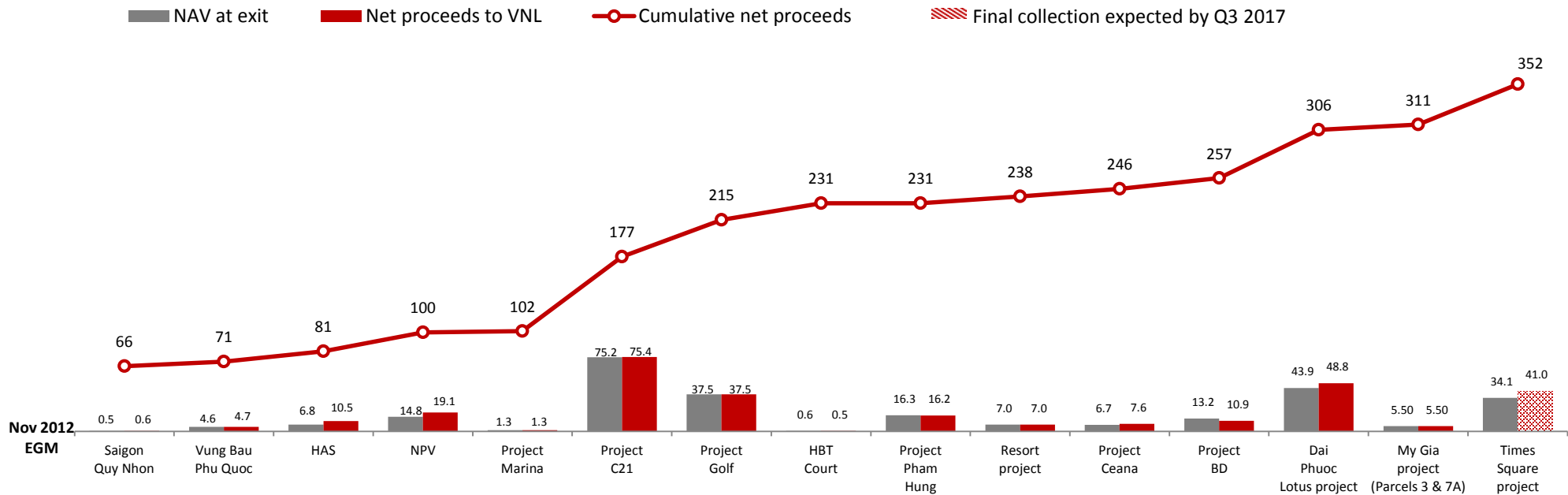
Project BD

- ✓ Land area: 94.7ha
- ✓ Location: Binh Duong Province
- ✓ Exit date: January 2017
- ✓ NAV at exit: USD 13.2m
- ✓ **Net proceeds to VNL: USD 10.9m**
- ✓ Net proceeds vs. NAV: -17.4%
- ✓ **Net proceeds vs. 2016 EGM NAV: -27.2%**

Dai Phuoc Lotus project

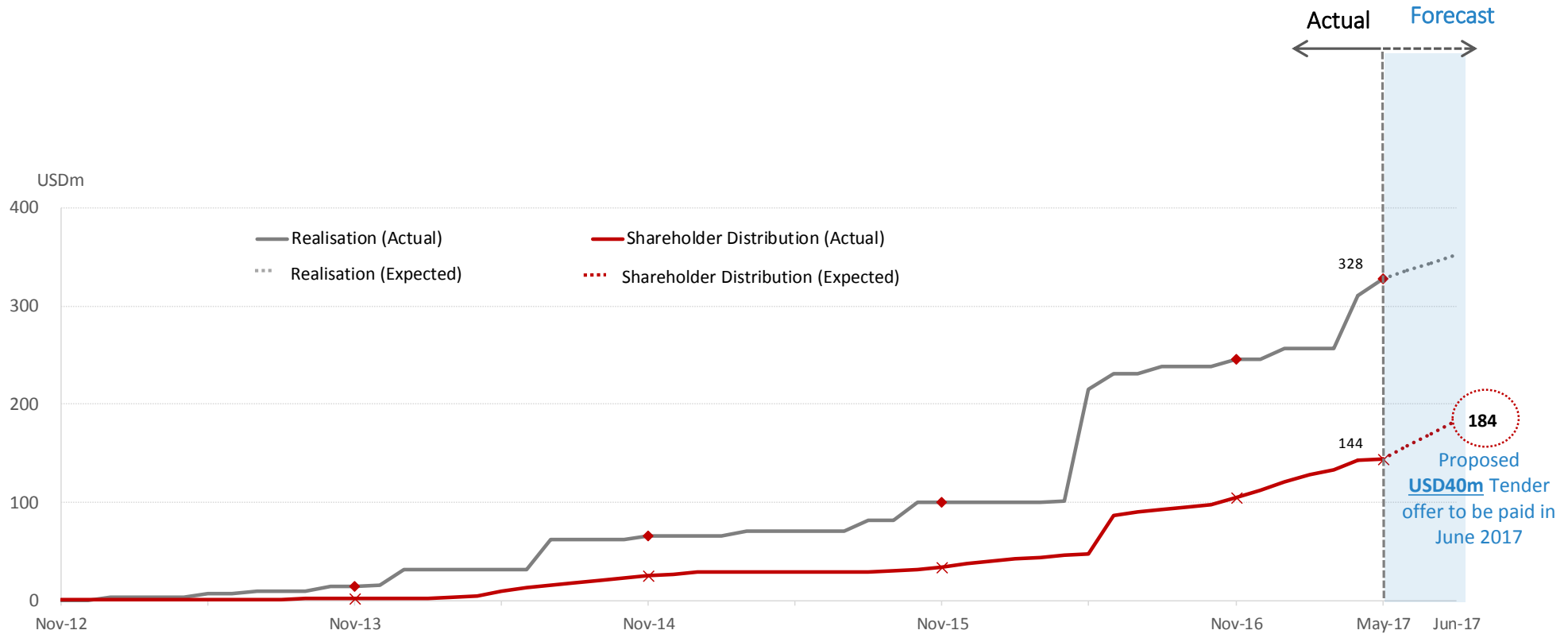
- ✓ Land area: 198.5ha
- ✓ Location: Dong Nai Province
- ✓ Exit date: April 2017
- ✓ NAV at exit: USD 43.9m
- ✓ **Net proceeds to VNL: USD 48.8m**
- ✓ Net proceeds vs. NAV: 11.2%
- ✓ **Net proceeds vs. 2016 EGM NAV: 21.8%**

- Completed 14 full project disposals since 2015, at an average premium of 7.1% when compared to the NAV at the time of disposal.



2015				2016							2017			
Mar-15	Mar-15	Aug-15	Oct-15	Apr-16	May-16	May-16	May-16	Jun-16	Aug-16	Nov-16	Jan-17	Apr-17	Apr-17	May-17

Note: Cumulative net proceeds calculated since Nov 2012 EGM.



Note: The forecast figures shown on this slide are illustrative estimates only. Due to various risks and uncertainties, actual events or results or the actual performance of the VNL Fund or any investment discussed in this presentation may differ materially from those reflected or contemplated in such illustrative estimates. Any projections, market outlooks or illustrative estimates are forward-looking statements and are based upon certain assumptions. Other events which were not taken into account may occur and may significantly affect the performance of the VNL Fund or any investment. Any outlooks and assumptions should not be construed to be indicative of the actual events which will occur.

- On 17 May 2017 VNL announced a distribution of USD40 million to shareholders through a tender offer to purchase ordinary shares of USD0.01 each.
- The Tender Offer is offered to all shareholders at a fixed price which will be set at a 15% discount to the unaudited NAV per share on the Pricing Date of 25 May 2017
- The Tender Price will be determined by applying a 15% discount to the NAV per share using the 31st March 2017 NAV and adjusted only for the share buyback during the period 1 April 2017 to the Pricing Date of 25 May 2017. To clarify, this excludes proceeds of the Dai Phuoc Lotus and Times Square disposals and any other adjustments post 31 March 2017.
- Shareholders can elect to accept or decline participation in the Tender Offer.
- The maximum value of Ordinary Shares repurchased will not exceed USD40 million
- The share buy back will be put on-hold during the Tender Offer period

Tender Offer	Details
Tender Value Cap	Maximum of USD40 million
Tender Price	15% discount to the NAV per share calculated using the 31 st March 2017 NAV and adjusted only for the share buyback during the period 1 April 2017 to 25 May 2017.
Pricing Date	Thursday 25 May 2017
Tender Offer Record Date	6.00 p.m. (UK time) on Friday 26 May 2017
Latest time and date for receipt of Election Forms	5.00 p.m. (Singapore time) on Friday 23 June 2017
Results of the Tender Offer announced	Monday 26 June 2017
Settlement Date for the Tender Offer	Friday 30 June 2017

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