

### Fund background

VinaLand Limited (VNL) is a closed-end fund trading on the AIM Market of the London Stock Exchange.

ISIN KYG936361016  
Bloomberg VNL LN  
Reuters VNL.L

### Investment objective

VNL targets medium to long term capital gains with some recurring income through investment in the following real estate sectors: office; residential; retail; township (large scale); and hospitality and leisure.

[View VNL details.](#)  
[Download VNL factsheet.](#)

### Fund managing director

David Blackhall

### Manager

VNL is managed by VinaCapital Investment Management Ltd ("VCIM" or the "Investment Manager"), a Cayman Islands company. VCIM was established in 2008 and manages three listed and several unlisted investment companies.

More information about VCIM is [available here](#).

### Manager comment

VNL's share price decreased 2.1 percent to USD0.46 as at 28 February 2013, from a closing price of USD0.47 as at 31 January 2013. In February, VNL repurchased and cancelled 250,000 ordinary shares. Since October 2011, the Company has cancelled a total of 17.7 million ordinary shares, representing 3.55 percent of the total shares in issue prior to the commencement of the share buyback programme.

### Real estate market update

The month of February was slower than January for residential sales mainly as a result of the Tet holiday season, where Vietnamese traditionally avoid purchasing new assets during the first month of the Lunar New Year. To counter this slow period some developers offered large discounts and incentives to attract potential buyers immediately after the holiday ended. Our approach was to hold a series of sales and marketing events to promote VNL residential products to prospective home buyers using the VinaLiving brand. These launches took place in mid February resulting in the closure of five sales during the month at the My Gia project in Nha Trang and the Azura project in Danang. This demonstrates that while some of the longstanding macroeconomic issues in Vietnam have improved over recent months, a meaningful impact on the residential (local) property market has yet to formalise.

However, recent indications are showing signs of a slight improvement in the number of Vietnamese investors and developers looking to re-enter the real estate market, with express interest in land and assets. We are progressing with sourcing potential investors while continuing with ongoing discussions on project divestment opportunities. However, liquidity in the market remains low and financing or re-financing to enable deals to close has been challenging.

On 24 February 2013, Mr. Michael Arnold resigned as an independent non-executive Director of the Company with immediate effect. Mr. Arnold retired from the Board to take up a senior advisory role with VinaCapital, the investment manager to the Company.

31 December 2012

NAV\* **1.07** per share (↓3.6% q-o-q)

Total NAV (unaudited): USD516.3 million

### Performance summary\*\*

	28 Feb 2013	Cumulative change:		
		3mth	1yr	3yr
NAV per share	1.07	-3.6%	-9.4%	-19.6%
Share price	0.46	13.8%	-18.6%	-42.7%
Premium/ (discount)	(56.6%)			
Market cap	223.6m			
Total NAV	516.3m			

### Other information

Shares outstanding 482,198,227

\* NAV and NAV per share data is calculated on a quarterly basis

\*\* Figures in USD. Return percentages are for the period, not annualized.

### Portfolio summary

Current assets	35
Divestments	11 full, 1 partial and residential unit sales
Debt level	Fund: Nil      Projects: 16% of NAV

### Performance history (% change on NAV)

	2012	2011	2010	2009	2008	2007
Q1	-1.7	0.7	3.0	-3.3	12.5	22.0
Q2	-1.7	-2.2	-0.7	-9.0	9.4	6.1
Q3	-2.6	0.7	3.7	-0.8	-2.5	0.2
Q4	-3.6	-12.6	-3.5	1.5	-4.5	3.2
YTD	-9.4	-13.2	2.3	-11.3	14.8	33.8

## Macroeconomic update

Many macroeconomic comparisons against the prior year were distorted as a result of the Tet holiday season occurring in February 2013, versus January in 2012.

**Vietnam's CPI increased 1.3 percent month-on-month in February.**

Vietnam's February consumer price index rose 1.30 percent month-on-month, representing a 7.0 percent increase from a year ago, according to the General Statistics Office (GSO). Notably, food and foodstuff prices increased by 2.28 percent month-on-month in February, caused mainly by the seasonal effect on demand during the Tet holiday season. Health care costs grew by just 0.58 percent in February month-on-month, a sharp contrast to the 7.7 percent increase recorded in January.

**Vietnam's trade surplus reached USD780 million year to date.**

Vietnam's originally reported trade surplus of USD900 million was revised to a trade deficit of USD90 million by Vietnam's Customs Office for the month of February. Thus, the overall trade surplus is now USD780 million, year to date. Total exports came to USD7.15 billion led by mobile phones, garments, oil and footwear. Imports totaled USD7.24 billion in February, driven by personal computers, machinery and phone components. This initial trade surplus has helped to alleviate some of the VND devaluation against USD pressure that occurred immediately following the Tet holiday season. In February, the interbank currency exchange rate temporarily reached the ceiling of VND21,020 per USD, before retreating back to VND20,900 at the close of the month, essentially unchanged from a year ago.

According to the State Bank of Vietnam (SBV), lending rates fell to 13.0 percent in February from 14.0 percent in the previous month. This was a result of increased competition between commercial banks to provide loans to the small supply of qualified borrowers. Deposit rates remained unchanged at the rate cap of 8.0 percent during the month of February.

**USD702 million in government bonds were issued in January 2013, an increase of 9.0 percent from January.**

## Fixed income

Market demand for Vietnam government and government sponsored bonds remained strong in February, with a total of USD702 million worth of State Treasury and Vietnam Bank for Social Policy bonds issued, an increase of 9.0 percent from January. Bond yields fell slightly for 2- and 3-year State Treasury bonds; however, longer term yields remained stable, at 9.30 and 9.15 percent for 5- and 10-year bonds, respectively.

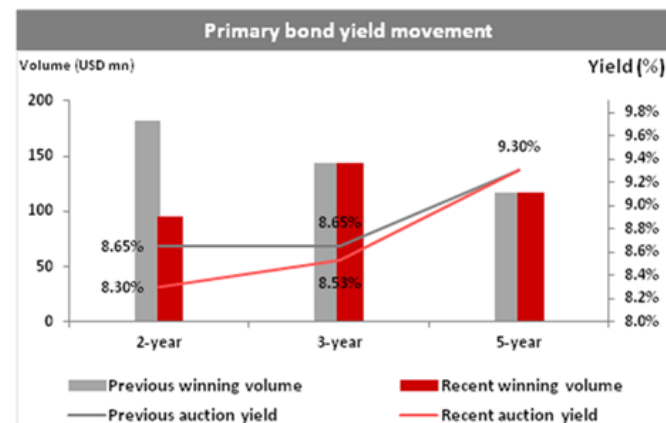
In contrast, market participation on the secondary market in February was muted, with USD563 million worth of government bonds exchanging hands, a decline of 37.0 percent from January.

## Macro-economic indicators and forecast

	2012	Feb 2013	YTD	Y-o-Y change
<b>GDP growth<sup>1</sup></b>	5.0%	-	-	-
<b>Inflation</b>	6.8%	1.3%	2.6%	7.0%
<b>FDI (USDbn)</b>	13.0	0.3	0.6	-47.5%
<b>Imports (USDbn)</b>	114.3	7.2	17.9	10.2%
<b>Exports<sup>2</sup> (USDbn)</b>	114.6	7.2	18.7	23.9%
<b>Trade surplus/(deficit) (USDbn)</b>	0.8	(0.09)	0.8	-
<b>Exchange rate<sup>3</sup> (USD/VND)</b>	20,855	20,900	0.2%	0.1%
<b>Bank deposit rate (VND, %)</b>	8.0%	8.0%	0.0%	-33.3%

Sources: GSO, SBV, VCB.

<sup>1</sup> Annualized rate, updated quarterly. <sup>2</sup> Includes gold. <sup>3</sup> Vietcombank ask rate



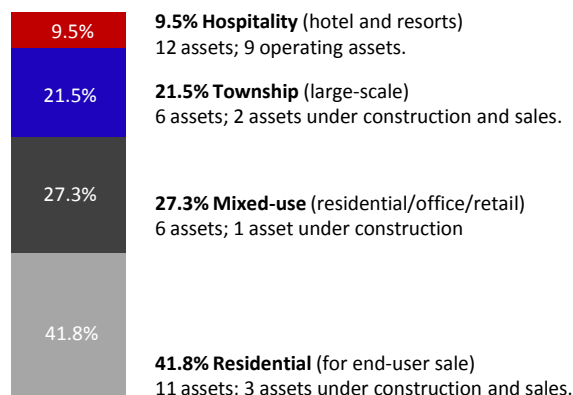
Source: HNX

## Top holdings (31 Dec 12)\*

Project	Location	Type	NAV%
Century 21	South	Residential	13.8%
Danang Beach Resort	Central	Residential	13.4%
Pavilion Square	South	Mixed-use	7.9%
Dai Phuoc Lotus	South	Township	6.4%
Times Square Hanoi	North	Mixed-use	5.5%
VinaSquare	South	Mixed-use	5.2%
My Gia	Central	Township	4.8%
Aqua City	South	Township	4.5%
Trinity Park	South	Residential	4.2%
World Trade Centre	Central	Mixed-use	3.9%

**Top 10 assets: 69.7%**

## Portfolio by sector (31 Dec 12)\*



**Total: 35 assets**

## Projects pending final investment licensing (31 Dec 12)\*

Project	Location	Type	Site Area (ha)
Long An	South	Township	1,780
Vung Bau	South	Hospitality	238
Trinity Park	South	Residential	34
Green Park Estate	South	Mixed-use	16
Long Truong	South	Residential	20
Hao Khang	South	Residential	5

**Total: 6 assets representing NAV of USD64m**

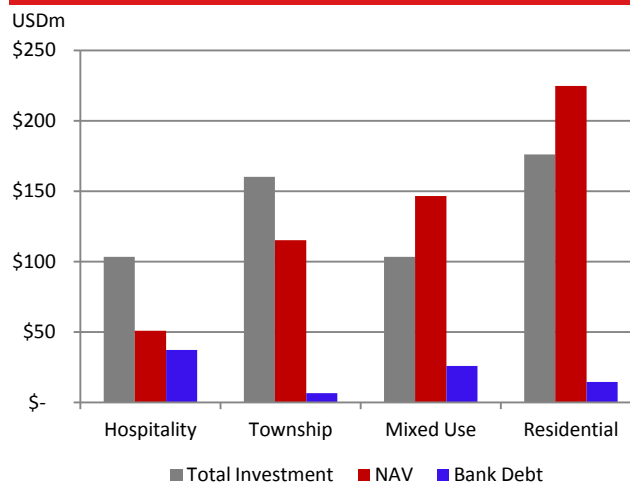
## Portfolio breakdown (31 Dec 12)\*

Portfolio by geographic location	NAV%
Hanoi region	8.2%
Central region	28.6%
Ho Chi Minh City region	63.2%
Valuation breakdown	
Assets not yet revalued **	11.5%
Assets revalued	88.5%
Development status	
Land banking	6.0%
Planning stage	56.3%
Development stage	31.3%
Operating assets	6.4%

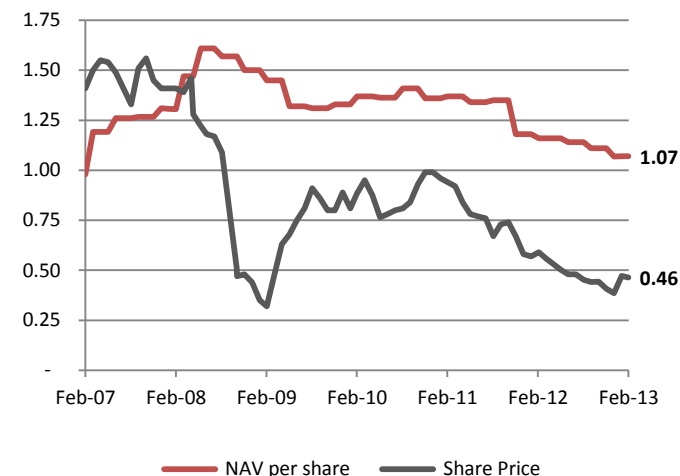
\* All NAV and NAV per share data is calculated on a quarterly basis

\*\* held at cost or below cost

## NAV by sector (31 Dec 12)\*



## NAV and share price performance (28 Feb 13)



## VNL Board of Directors

VinaLand Limited (VNL) is led by a Board of Directors composed of a majority of independent non-executive directors.

<b>Nicholas Brooke</b>	Chairman (Independent)
<b>Nicholas Allen</b>	Director (Independent)
<b>Michel Casselman</b>	Director (Independent)
<b>Stanley Chou</b>	Director (Independent)
<b>Charles Isaac</b>	Director (Independent)

## VinaCapital

VinaCapital Investment Management Ltd (VCIM) is the investment manager of VNL.

<b>Don Lam</b>	Chief Executive Officer
<b>Brook Taylor</b>	Chief Operating Officer
<b>David Blackhall</b>	Managing Director, Real estate
<b>Anthony House</b>	Deputy Managing Director, Real estate

Contact	
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<b>Brokers</b>	Edmond de Rothschild Securities +44 (0)20 7845 5960 or <a href="http://funds@lcr.co.uk">funds@lcr.co.uk</a> Numis Securities + 44 (0)20 7260 1327, <a href="mailto:mail@numis.com">mail@numis.com</a>
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## Fund summary

VinaLand Limited ("VNL") is a closed-end fund trading on the AIM Market of the London Stock Exchange. Download the VNL Factsheet at [www.vinacapital.com](http://www.vinacapital.com)

### Fund launch

22 March 2006, new three year term commenced 21 November 2012.

### Term of fund

Originally seven years, but now subject to shareholder vote for continuation every three years.

### Fund domicile

Cayman Islands

### Legal form

Exempted company limited by shares

**Structure:** Single class of ordinary shares trading on the AIM market of the London Stock Exchange plc.

### Auditor

PricewaterhouseCoopers (Hong Kong)

### Nominated advisor (Nomad)

Grant Thornton Corporate Finance

### Custodian and Administrator

HSBC Trustee

### Brokers

Edmond de Rothschild Securities (Bloomberg: LCFR)  
Numis Securities (Bloomberg: NUMI)

### Lawyers

Lawrence Graham (UK), Maples and Calder (Cayman Islands)

**Management and performance fee:** Management fee fixed at USD8.25 million per annum until 22 November 2013, reducing each year thereafter until 22 November 2015. No performance fees, but the recovery of the accrued performance fee is linked to distributions to shareholders.

**Investment manager:** VinaCapital Investment Management Ltd

**Investment policy:** The Fund is now in a cash return period and will not make any investments, except where funds are required for existing projects. The Fund will seek to realise assets in the existing portfolio and continue with the development of selected projects to maximize value.

**Investment focus by geography:** All existing investments are located in Vietnam. There will be no new investments during the current cash return period.