

## Performance summary\* 31 December

NAV per share** (USD):	0.88
Change (Quarter-on-quarter)	2.5%
Total NAV** (USD 'm):	314.8
Share price (USD):	0.69
Market cap (USD 'm):	246.1
Premium/(discount):	-21.8%

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

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

## Cumulative change (% change)

	3mth	1yr	3yr	5yr
NAV per share	2.5	3.3	6.4	-17.9
Share price	4.4	27.3	68.8	17.8

## Quarterly performance history (% change)

	2016	2015	2014	2013
Q1	0.6	-3.3	-0.4	-1.0
Q2	1.4	1.1	1.2	-5.8
Q3	-1.2	0.6	0.0	-5.2
Q4	2.5	3.9	0.0	-1.0
YTD	3.3	2.2	0.8	-12.4

## Key investments

Project	Location	Type	% portfolio NAV
Pavilion Square	South	Mixed Use	14.9%
VinaSquare	South	Mixed Use	13.6%
Dai Phuoc Lotus	South	Township	12.7%
Times Square Hanoi	North	Mixed Use	11.3%
Aqua City	South	Township	8.8%
Trinity Garden	South	Residential	8.1%
Capital Square	Central	Mixed Use	7.8%
Green Park Estate	South	Mixed Use	6.5%
Phu Hoi City	South	Residential	5.1%
Total			88.8%

## Additional portfolio information

Current assets	17
Divestments	29 full and residential unit sales
Debt	Fund level (ZDPs): fully redeemed Project level (Bank): 18.7% of NAV Fund Cash: 13.8% of NAV
Shares outstanding	357,939,461

All figures are after the distribution of capital in June 2016 (USD35.06m or USD0.0876 per share)

## Manager's comment

As at 31 December 2016, VinaLand Limited (the "Company" or "VNL")'s unaudited net asset value ("NAV") was USD314.77 million or USD0.88 per share. This represented a 2.46% increase from a NAV per share of USD0.86 from its close of business on 30 November 2016. VNL's share price slightly decreased 0.36% to USD0.688 from a closing price of USD0.690 in November 2016, and the Company's share price to NAV discount now stands at 21.82% compared to 19.61% in November. VNL repurchased and cancelled 8.35 million ordinary shares in December, bringing the total since October 2011 to 142.03 million ordinary shares or 28.41% of the total shares in issue prior to the commencement of the share buyback program.

During December, the Manager continued to purchase shares which has reached 22,417,333 and equates to 6.26% of the company's total voting rights.

## Fund update

Nine VNL project revaluations were undertaken for the period ending 31 December 2016 by international property valuation consultants as part of the ongoing appraisal program. Five of these projects were located in Ho Chi Minh City and Hanoi with the remaining projects located in the southern and central regions of Vietnam. The overall results were upward, demonstrating some continued improvement in the market and overall confidence which has flowed through to real estate land valuations.

Following the 2016 Extraordinary General Meeting (EGM) in November 2016, VNL will continue to focus on project disposals enabling further distributions to shareholders. The combination of improving market conditions in conjunction with the new term for VNL enables the Investment Manager to continue to focus on the ongoing disposal program to complete distributions to shareholders over the next 2-3 years.

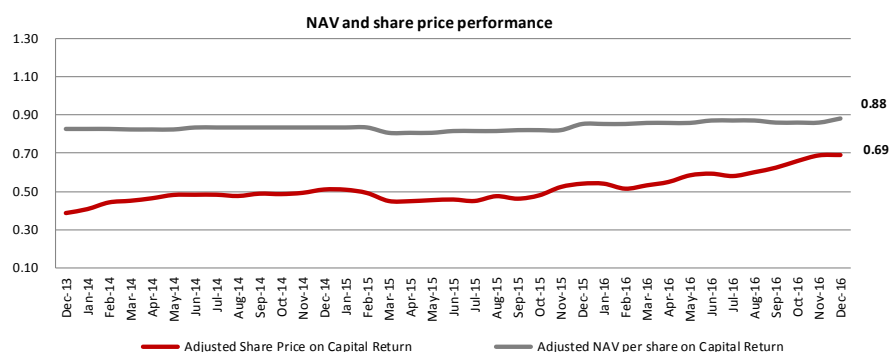
On 16 December 2016, VNL announced that Mr. Nicholas Brooke, a member of the Board of Directors resigned which took effect on 31 December 2016. Mr. Brooke was appointed on 13 January 2006 as a Non-Executive Director of VNL when launched in 2006 and served on the Board since then in the capacity of Director and Chairman. Mr. Brooke was appointed as Chairman in 2010 until October 2013 however continued to serve as both Director and a member of VNL's various Board committees. Mr. Brooke resigned to pursue new challenges thus the total number of VNL Board members, effective on 1 January 2017, was reduced to four members. As the Company's portfolio is reducing, the VNL Board resolved to maintain four Board Directors going forward.

The full redemption of the VinaLand Zero Dividend Preference (VNL ZDP) Shares occurred on 19 December 2016 and VNL ZDP shares are no longer traded. Following the redemption, the VNL debt at the fund level reduced to zero, so only debt at the project company level remains. VNL project level debt will also diminish as existing projects are divested.

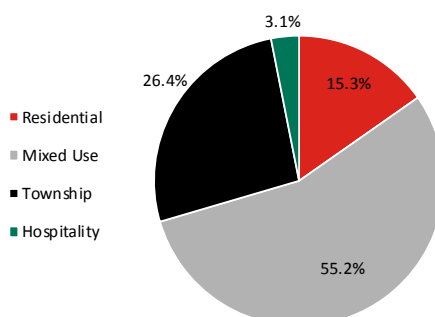
On a final note, the Board has decided effective from 1st January 2017 to cease the issue of monthly reports, however the quarterly reports will continue to be issued. The reasons for this change include; there was considerable duplication of information in both the monthly and quarterly reports, the Company NAV is revised and announced quarterly and this will continue to be included in the quarterly reporting, and finally, projects disposals and other market sensitive news are announced at the time of closure and also again in the quarterly report so the monthly reports had become obsolete. The quarterly reports will continue with the next report scheduled to be issued being the Q4 2016 quarterly report, which will be released shortly.

## Real estate market update

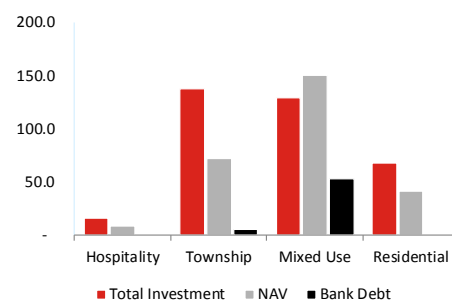
Developers actively pushed to sell units to buyers before the year-end, resulting in a number of new



## VNL portfolio by sector (NAV %)



## VNL NAV by sector (USDm)



condominiums launched in both Ho Chi Minh City and Hanoi during the last quarter of 2016. According to CBRE Vietnam, an additional 9,145 condominium units in Ho Chi Minh City and additional 9,128 condominium units in Hanoi were launched in Q4 2016. Total new launches in 2016 reached 37,419 condominium units in Ho Chi Minh City and 30,028 condominium units in Hanoi, a drop of 10% and 13% year-on-year, respectively. As a result, the average selling price in 2016 increased by 5% year-on-year in both Ho Chi Minh City and Hanoi. Vietnam's condominium market continued to see some signs of improvement with more launches and transactions within the mid-end property segment during 2016. A number of new condominiums will continue to launch during the next three years hence the developers will be under pressure to soften the sale prices or offer new projects with longer repayment terms.

The landed property sector has also had more new launches in the vicinity of future infrastructure development around Ho Chi Minh City and Hanoi. An additional 500 units in Ho Chi Minh City and 600 units in Hanoi were launched in the fourth quarter of 2016, based on Savills Vietnam. Due to limited supply, the volume of successful transactions in both Ho Chi Minh City and Hanoi continued to improve during the fourth quarter of 2016 while average selling price in 2016 increased by between 5% to 15% year-on-year, especially in fast developing residential areas with consistent construction progress and quality. Project designs and unit layouts have changed to favour smaller unit sizes to meet buyers' budgets.

In 2016, the average asking rents in the office sector improved approximately 8% year-on-year in Ho Chi Minh City but decreased by 3% year-on-year in Hanoi due to new supply. Rents for retail sector both in Ho Chi Minh City and Hanoi improved by approximately 3 – 15% year-on-year in CBD locations but reduced by approximately 4% – 6% year-on-year in non-CBD locations. New supply will come online in the next three years and landlords may soften their rents in an effort to reduce vacancy rates and make the office and retail markets more competitive.

### Macroeconomic update

The Vietnamese economy concluded the year with a total GDP growth rate of 6.2%, lower than the government's target of 6.7% set at the start of 2016. Nevertheless, the economy showed stable and sustainable growth despite unfavourable global economic conditions and a severe drought affecting agriculture earlier in the year. With major indicators demonstrating that domestic consumption and manufacturing growth will continue to rise, we project that GDP growth in 2017 will be 6.5%.

**Manufacturing:** The Nikkei Purchasing Manager's Index for Vietnam slowed down to 52.4 in December, from a record high of 54 in November. Despite the monthly slowdown in manufacturing, the sector continued to see strong growth in exports and new orders.

**Domestic consumption:** Retail sales increased 10.2% year-to-date year-on-year in nominal terms and 7.8% in real terms in December. Furthermore, the General Statistics Office (GSO) reported that Vietnam's 2016 total retail revenue was USD118 billion.

**Inflation:** The Consumer Price Index rose 5% year-on-year in December with the major inflation drivers being government controlled (e.g., transportation, education and healthcare costs). Therefore, it comes as no surprise that full-year inflation would meet the government's target of 5% for the year.

**Vietnam Dong:** The Vietnam Dong (VND) experienced some FX turbulence with the USD/ VND interbank rates reaching 22,720 by year end. For the full year in 2016, the VND depreciated approximately 1.2% against the USD. We expect the State Bank of Vietnam (SBV) to maintain a depreciation of 2-3% against the USD and we are confident that the government's estimated USD40 billion FX reserve will be sufficient to support the currency.

**Trade:** The GSO estimated a trade deficit of USD300 million in December, bringing the year end trade surplus down to USD2.7 billion.

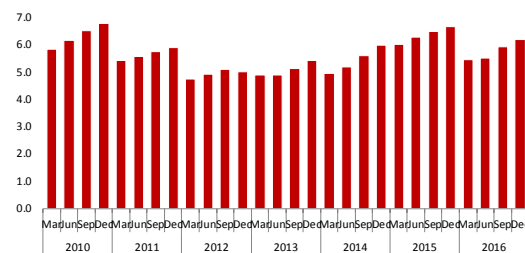
**Foreign Investment:** Committed foreign direct investment (FDI) reached USD24.4 billion at the end of December, a 7.1% increase from the previous year, whereas actual FDI disbursements reached USD15.8 billion, a 9% year-over-year increase.

### Macroeconomic indicators

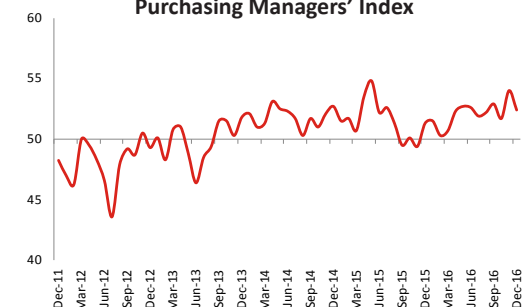
	2015	Dec-16	2016 YTD	Year-on-year
GDP growth <sup>1</sup>	6.7%	6.2% <sup>2</sup>		
Inflation (%)	0.50%	0.2%	4.7%	4.7%
FDI commitments (USDbn)	22.8	2.8	21.0	7.1%
FDI disbursements (USDbn)	14.5	1.5	15.8	9.0%
Imports (USDbn) <sup>3</sup>	165.6	16.3	173.3	14.0%
Exports (USDbn) <sup>3</sup>	162.4	16.0	175.9	16.5%
Trade surplus/(deficit) (USDbn)	(3.2)	(0.3)	2.6	
Exchange rate (USD/VND) <sup>4</sup>	22,450	22,720	-1.2%	
Bank deposit rate (VND)	5.0%	5.8%	80 bps	

Sources: GSO, Vietnam Customs, SBV, VCB | 1. Annualized rate, updated quarterly | 2. GSO estimate | 3. Data as of 20 Dec 2016 | 4.(-) Denotes a devaluation in the currency, Vietcombank ask rate

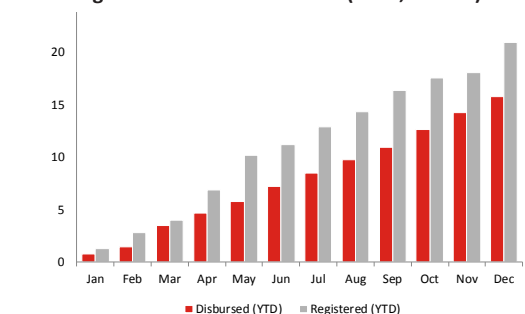
### Quarterly GDP growth (%)



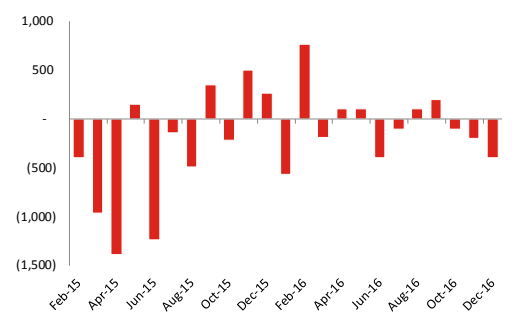
### Purchasing Managers' Index



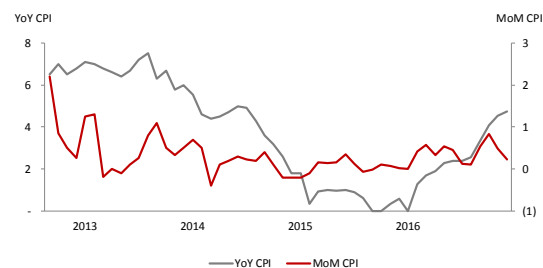
### Registered and disbursed FDI (2016, USDbn)



### Monthly trade balance (USDm)



### Year-on-year and month-on-month inflation (%)



Sources: GSO, Bloomberg

Board of Directors		VinaCapital Investment Management Ltd	
VNL's Board of Directors is composed entirely of independent non-executive directors.			
Member	Role	Member	Role
Michel Casselman	Non-executive Chairman	Don Lam	Chief Executive Officer
Ian Lydall	Non-executive Director	Brook Taylor	Chief Operating Officer
Charles Isaac	Non-executive Director	David Blackhall	Managing Director, VNL
Tran Trong Kien	Non-executive Director	Anthony House	Deputy Managing Director, Real Estate
		Oai Nguyen	Deputy Managing Director, Real Estate
Fund background			
ISIN	KYG936361016		
Bloomberg	VNL LN		
Reuters	VNL.L		
Fund summary			
Fund launch	22-Mar-06, current term is for a period of approximately 3 years and commenced 22 November 2016		
Term of fund	Originally seven years, but now subject to shareholder vote for continuation, with the next such vote to occur no later than 21 November 2019		
Fund domicile	Cayman Islands		
Legal form	Exempted company limited by shares		
Investment manager	VinaCapital Investment Management Ltd		
Structure	Single class of ordinary shares trading on the AIM market of the London Stock Exchange plc		
Auditor	PricewaterhouseCoopers (Hong Kong)		
Nominated adviser	Grant Thornton UK LLP		
Custodian, Administrator and Transfer Agency	Standard Chartered Bank (Singapore & Vietnam)		
Registrar	Vistra Corporate Services (Cayman) Limited		
Brokers	Numis Securities (Bloomberg: NUMI)		
Lawyers	Gowling WLG (UK), Maples and Calder (Cayman Islands)		
Fee structure	A combination of a disposal fee which is 3% of distributable funds in Year 1, 2.75% in Year 2 and 2.25% in Year 3, and an alignment fee which is calculated on distribution to shareholders over a 3-year term. A monthly prepayment advance will be paid to the Manager as follows; Year 1: USD200,000, Year 2: USD150,000, and Year 3: USD100,000 and these prepayments will be deducted from the disposal and alignment fees calculated above.		
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 objective by geography	All existing investments are located in Vietnam. There will be no new investments during the current cash return period.		

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ir@vinacapital.com  
+84 8 3821 9930  
www.vinacapital.com

Broker  
Numis Securities  
+44 (0)20 7260 1000  
funds@numis.com