

**Performance summary\* 30 June 2017**

NAV per share** (USD):	0.95
Change (Quarter-on-quarter)	2.7%
Total NAV** (USD 'm):	244.1
Share price (USD):	0.78
Market cap (USD 'm):	199.9
Premium/(discount)	-18.1%

\* Figures in USD. Return percentages are for the period, not annualized. Please note that NAV and share price figures in this report takes into consideration the capital distribution in June 2016.  
\*\* NAV and NAV per share data are calculated on a quarterly basis

**Portfolio information 30 June 2017**

Current assets	14
Divestments	32 full and residential unit sales
Debt	Project level (Bank): 24.8% of NAV Fund level: Nil
Cash after future commitments (USD 'm)	29.6
Shares outstanding	257,987,620

**Cumulative change (% change)**

	3mth	1yr	3yr	5yr
NAV per share	2.7	8.9	13.6	-6.1
Share price	11.5	33.6	60.7	85.3

**Key investments**

Project	Location	Type	% portfolio NAV
Pavilion Square	South	Mixed Use	20.4%
VinaSquare	South	Mixed Use	19.3%
Aqua City	South	Township	14.8%
Trinity Garden	South	Residential	10.6%
Capital Square	Central	Mixed Use	10.2%
Green Park Estate	South	Mixed Use	8.6%
Phu Hoi City	South	Residential	6.8%
Total			90.8%

**Manager's comment**

As of 30 June 2017, VinaLand Limited (the "Company" or "VNL") posted an unaudited net asset value (NAV) of USD244.1 million or USD0.95 per share, a 2.7% increase from the previous quarter's unaudited NAV per share of USD0.92. The NAV per share on 30 June 2017 was determined incorporating adjustments for operating costs and fees, gains from disposals and revaluations, as well as distributions to shareholders in the form of both on-market share repurchase (buyback) and the USD40 million share repurchase conducted via the tender offer in June 2017, plus accrual of the disposal and alignment fees. VNL's share price increased by 11.5% to USD0.78 as at 30 June 2017, from the closing price of USD0.70 reported on 31 March 2017. The company's share price to NAV discount, as a result, is currently 18.1%. Since the commencement of the share buyback program, VNL has cancelled 48.4% of the fund's total issued shares prior to the program. In addition to the share buyback programme, VNL repurchased 50.63 million shares in June 2017 via a tender offer at a fixed price of USD0.79. With regard to shareholder distributions, VNL repurchased and cancelled 66.32 million ordinary shares in the second quarter of 2017, including those repurchased via the tender offer, bringing the total of cancelled ordinary shares since October 2011 to 241.98 million.

**Fund update**

VNL project revaluations were undertaken for the period ending 30 June 2017 with three projects appraised by international valuation consultants while six projects were appraised by the Valuation Committee. Five of these projects are located in Ho Chi Minh City and four projects in the south and central regions of Vietnam. As a result, the project valuation movement was upward due to the steady market across the country during the second quarter of 2017 and this confidence flowed through to real estate land values.

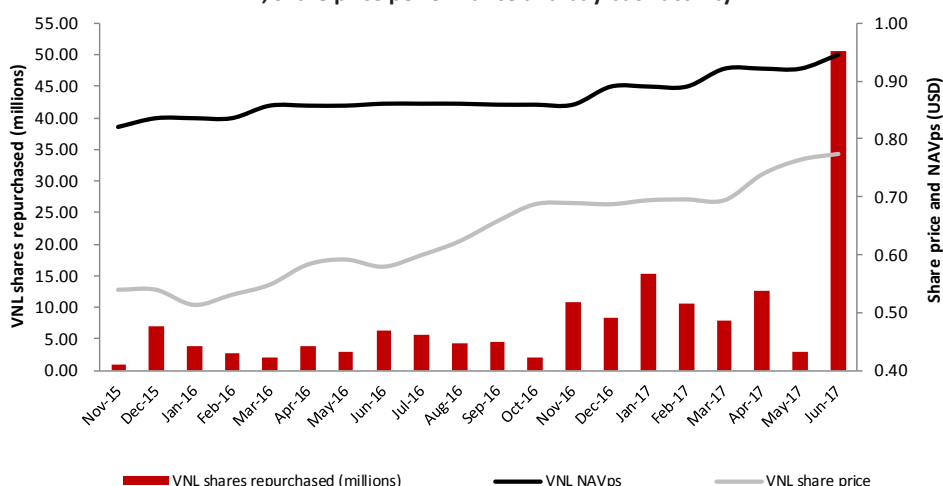
On 10 April 2017, VNL announced that it divested its entire stake in the Dai Phuoc Lotus project located in Dong Nai province on the outskirts of Ho Chi Minh City. The project consists of a total site area of 198.5 hectares and was acquired by VNL in 2007. VNL disposed of its entire stake in the Project receiving net proceeds of approximately USD48.8 million. The total valuation was 11.2% above the 31 December 2016 audited NAV and 21.8% above the unaudited NAV at the time of VNL's extraordinary meeting (EGM) in November 2016, including adjustments for additional investments up to the date of exit.

On 28 April 2017, VNL announced it had divested its stake in both Parcel 3 and Parcel 7A of the My Gia project. VNL's disposal of its entire stake in both Parcels resulted in net proceeds of USD5.5 million being VNL's stake at a total valuation 0.2% above the unaudited NAV at 31 March 2017 and 5.6% above the NAV at the time of VNL's EGM in November 2016.

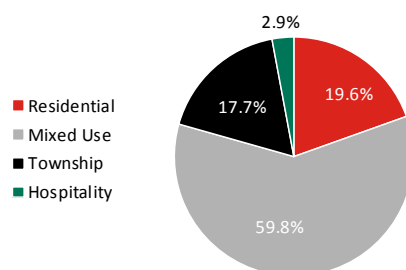
Furthermore, on 17 May 2017, VNL announced it had divested its entire stake in the Times Square project, located in Hanoi. The project consists of a total land area of approximately 4.0ha and was acquired by VNL in 2007. VNL divested its stake in the project for net proceeds of approximately USD41.0 million. The total valuation was 20.4% above the unaudited NAV at 31 March 2017 and 48.1% above the unaudited NAV at the time of VNL's EGM in November 2016, both figures include adjustments for additional investments up to the date of exit.

A VNL shareholder update was presented on 18 May 2017 in Zurich, Switzerland where the Manager had the opportunity to provide shareholders with up to date information on the Company including progress

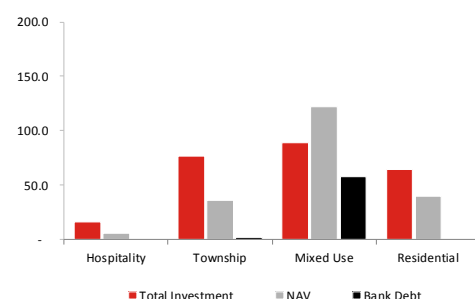
**NAV, share price performance and buy back activity**



**VNL portfolio by sector (NAV %)**



**VNL NAV by sector (USDm)**



with the disposal of projects and distributions to shareholders. An electronic copy of the presentation can be downloaded from the Company's website at <http://vnl-fund.com/information-briefs/>.

On 17 May 2017, VNL announced it would re-purchase up to USD40 million worth of shares from shareholders through a tender offer to purchase ordinary shares of USD0.01 each Ordinary Shares in the Company. As set out in the Tender Offer Circular dated 17 May 2017 and Pricing Notice dated 25 May 2017, the Tender Offer was offered to all shareholders on the register on 26 May 2017 being the Tender Offer Record Date at a fixed price of USD0.79 per ordinary share. Shareholders were able to elect to accept or decline participation in the off-market share buyback via the Tender Offer. The deadline for submitting completed and signed Tender Forms and to Standard Chartered Bank (SCB), was 5:00 pm Singapore time on Friday, 23 June 2017. Based on the valid Tender Forms received by SCB, by the deadline, 100.0% per cent of the Distribution of Capital allocated, totaling USD40.0 million, was paid in the form of a cash payment. The tender offer was oversubscribed therefore tenders were scaled back, on a pro-rata basis, to approximately 38.7% so that the maximum amount of Ordinary Shares repurchased did not exceed the value of the Tender Offer. Results of Distribution of Capital to Shareholders via the Tender Offer were announced on 26 June 2017. Shareholders' accounts (including those held through Euroclear and/or Clearstream) were credited shortly after the Settlement Date of 30 June 2017.

The Investment Manager will continue to work towards the disposal of additional projects that that will result in further distributions to shareholders during Q3 2017.

### Macroeconomic Update

Vietnam's GDP growth rate accelerated from 5.2% yoy in 1Q17 to 6.2% in 2Q16, leading to a GDP growth of 5.7% yoy for 1H17. The acceleration in GDP growth was driven by improvements in both manufacturing and consumption growth. In Q1, manufacturing growth was impeded by a reported 38% fall in Samsung's production due to issues with the company's Galaxy Note 7 phone, but the launch of the Samsung's new S8 smartphone helped lift Vietnam's manufacturing activity from 8.3% year-on-year (yoy) rate of growth in Q1 to an estimated 12% yoy pace in Q2 (manufacturing activity grew 10.5% yoy in 1H17).

Export growth accelerated from a 5.9% pace in 1H16 to 18.8% yoy growth in 1H17, which was Vietnam's fastest H1 export growth in the last five years, but imports rose 24.1% yoy, degrading Vietnam's trade balance from a circa 1.7% of GDP surplus in 1H16 to a 2.7% of GDP deficit in 1H17. However, the country's import growth was driven by a 37.8% increase in purchases of tools and machinery in the first half of the year – signaling that Vietnam's manufacturing production is likely to continue expanding in 2H17 and 2018.

The other notable improvement from the beginning of the year was an increase in Vietnam's reported real retail sales growth. Vietnam's General Statistics Office (GSO) reported a 6.2% yoy increase in real retail sales in 1Q17, and a 8.4% yoy increase in 1H17, implying an acceleration in real consumption growth in Q2 (the GSO does not report quarterly retail sales growth figures). However, the improvement in the reported real retail sales growth was partly attributable to a drop in the Consumer Price Index (CPI) inflation from 4.7% yoy at the end of 1Q17 to 2.5% at the end of 1H17.

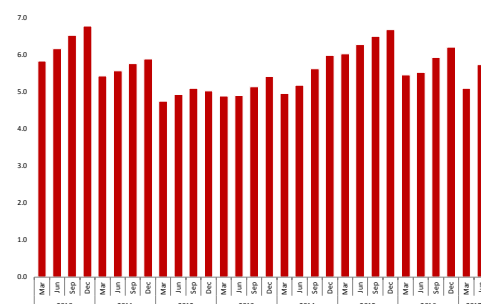
Finally, despite the acceleration in Vietnam's growth from earlier this year, the government's GDP growth target of 6.7% for 2017 now seems challenging. Oil production fell by about 13% in H1, without which Vietnam's GDP would have grown at about a 7% pace in H1. We do not expect this situation to improve in the second half of the year, so we expect GDP to grow by 6.3-6.5% this year. Achieving our forecast would necessitate an increase in Vietnam's GDP growth from 6.7% in 2H16 to above 7% in 2H17, but with the Vietnam's Purchasing Managers' Index (PMI) rebounding from a 14-month low of 51.6 in May to 52.5 in June, we are optimistic that our forecast can be reached.

### Macroeconomic indicators

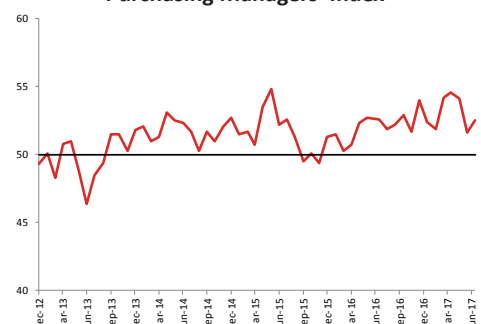
	2016	Jun-17	2017 YTD	YTD Y-O-Y
GDP growth <sup>1</sup>	6.2%	5.7%	5.7%	
Inflation (%)	0.5%			2.5%
FDI commitments (USDbn)	24.4	7.1	19.2	54.8%
FDI disbursements (USDbn)	15.8	1.6	7.7	6.5%
Imports (USDbn)	174.1	18.1	100.5	24.1%
Exports (USDbn)	176.6	17.8	97.7	18.8%
Trade surplus/(deficit) (USDbn)	2.5	(0.3)	(2.8)	
Exchange rate (USD/VND) <sup>2</sup>	22,720	22,700	0.1%	

Sources: GSO, Vietnam Customs, SBV, VCB | 1. Annualised rate, updated quarterly | 2.(-) Denotes a devaluation in the currency, Vietcombank ask rate

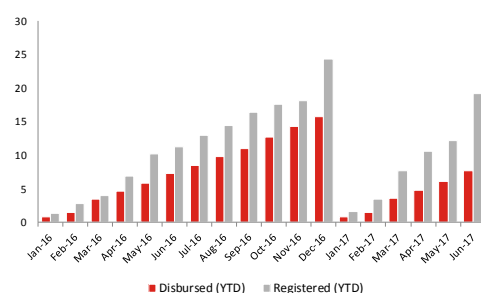
### Quarterly GDP growth (%)



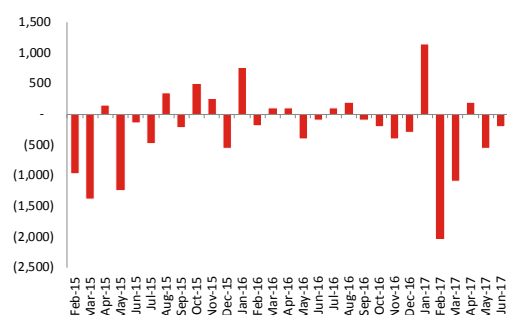
### Purchasing Managers' Index



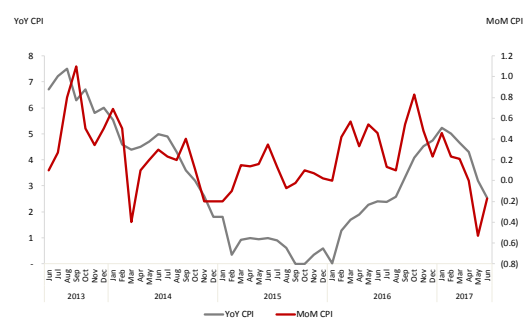
### Registered and disbursed FDI (2017, USDbn)



### Monthly trade balance (USDm)



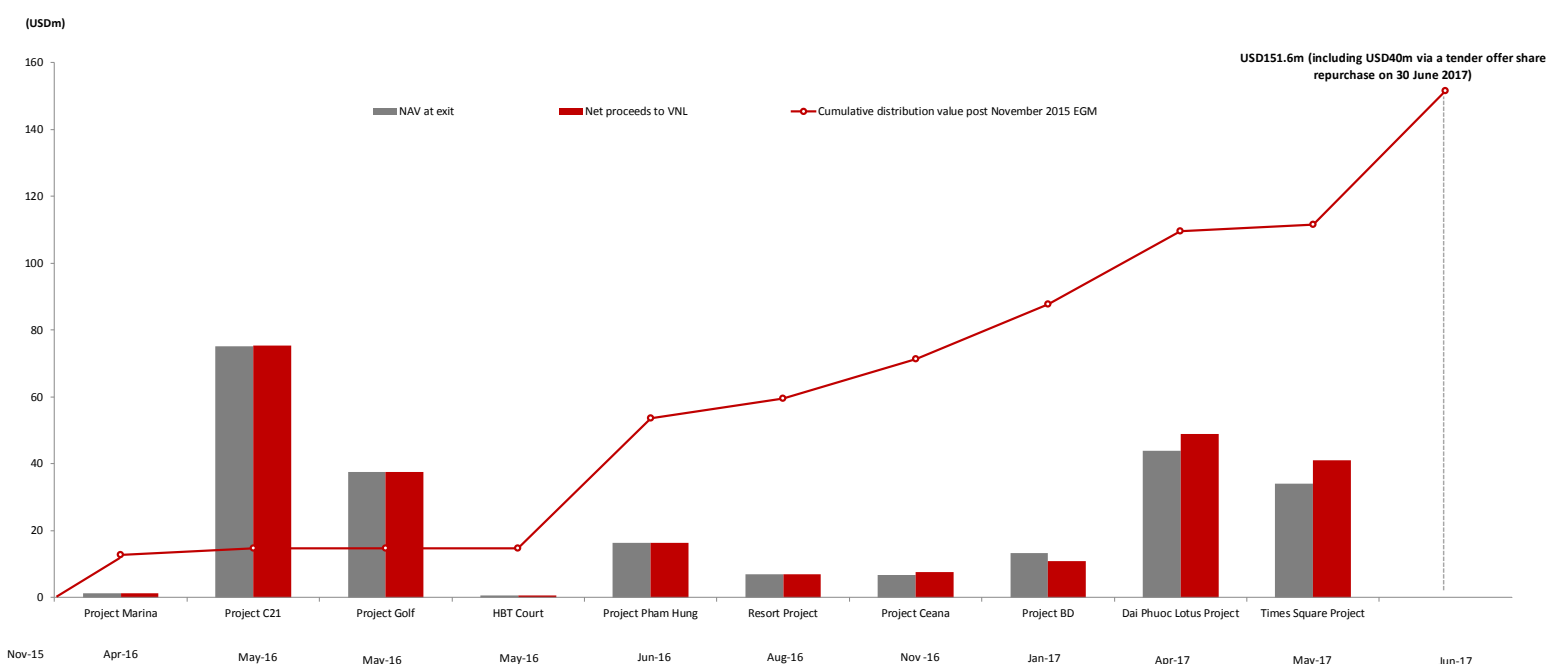
### Year-on-year and month-on-month inflation (%)



Source: GSO, Vietnam Customs, Bloomberg

**Current strategy**

Following the outcome of the 2016 AGM and EGM, the Investment Manager is continuing with the orderly realisation of the Company's investment portfolio enabling further distributions to shareholders. Proceeds received from disposals less future commitments (distributable proceeds) will be used for distributions to shareholders via a range of methods including but not limited to share buybacks and re-purchase of shares via tender offers while the trading discount is equal to or greater than 15% of NAV per ordinary share. In addition, if considered appropriate, the Board may also consider making capital distributions by way of returns of capital from the Company's share capital and additional paid in capital. In all cases, the appropriate method of returning distributable proceeds to shareholders will remain at the discretion of the Board.

**Disposals and Distributions post November 2015 EGM**

**Post EGM (November 2015)**

Full Divestments	Project Marina	Project C21	Project Golf	HBT Court	Project Pham Hung	Resort Project	Project Ceana	Project BD	Dai Phuoc Lotus Project	Times Square Project
Exit Date	Apr-16	May-16	May-16	May-16	June-16	Aug-16	Nov-16	Jan-17	Apr-17	May-17
NAV at exit (USDm) <sup>1</sup>	1.3	75.2	37.5	0.6	16.3	7.0	6.7	13.2	43.9	34.1
Net proceeds to VNL (USDm) <sup>2</sup>	1.3	75.4	37.5	0.5	16.2	7.0	7.6	10.9	48.8	41.0
Net proceeds v.s NAV (%)	0.4%	0.2%	0.0%	-11.0%	-0.2%	-1.0%	12.9%	-17.4%	11.2%	20.4%
NAV at EGM (USDm) <sup>3</sup>	2.5	63.5	40.1	1.1	9.6	21.0	13.2	15.0	40.1	27.7
Net proceeds v.s NAV at EGM (Adjusted) (%)	-49.2%	18.8%	-6.4%	-52.1%	69.8%	-66.8%	-42.5%	-27.2%	21.8%	48.1%

(1) All "NAV at exit" figures are based on most recent audited numbers prior to the exit date.

(2) Net proceeds from exit include all transfers of money between the fund and project companies, including dividends, shareholder loans, and capital contributions.

(3) For comparison purposes, the NAV has been adjusted for subsequent investments and returns. For all disposals up to Project Ceana, the 2012 EGM NAV has been reported while all disposals from Project BD use the 2016 EGM NAV.

**Vietnam's economy continued to perform well during the first six months of 2017. However, restrictions imposed by the State Bank of Vietnam (SBV) on lending into the real estate sector since January 2017 is gradually restricting lending to real estate projects**

**Low supply therefore creates a more sustainable market for the landed property segment, in terms of liquidity and saleability**

**Developers are now experiencing a slow-down in sale rates of condominium segment and pricing is under pressure.**

**Around 225,000sqm of new office space is forecasted for completion in 2017, a marginally higher figure than in 2016. New projects will have to offer more flexible leasing terms and will have to compromise on their ideal tenants.**

**New supply in the coming quarters will drive landlords to improve their facilities and add more retail/entertainment elements to ensure that they stay competitive and provide consumers with broad retail offerings.**

### Vietnam's real estate market in the first half of 2017

During the first half of 2017, GDP growth and inflation remain steady. Total registered FDI into real estate segment reached nearly USD701.6 million, up approximately 16.0% against the same period last year, according to the Ministry of Planning and Investment. These figures indicate that investors remain confident about Vietnam's investment environment despite ongoing concerns in the world market. As at 30 June 2017, the Vietnam Dong (VND) continued to remain stable, with exchange rates reaching 22,700 VND/USD.

Overall, Vietnam's economy continued to perform well during the first six months of 2017. However, restrictions imposed by the State Bank of Vietnam (SBV) on lending into the real estate sector since January 2017 has increasingly affected lending to real estate projects. Banks are now beginning to slow down the provision of debt to real estate developers and this coupled with sales rates slowing for some sub-sectors, such as condominiums, may impact the market in the second half of 2017 and certainly for 2018.

### Landed property sector

According to CBRE Vietnam, an additional 3,000 units in Ho Chi Minh City and Hanoi were launched in the first half of 2017. Average selling prices both in Ho Chi Minh City and Hanoi increased by between 3-15% year-on-year during the first six months of 2017. Low supply therefore creates a more sustainable market for the landed property segment, in terms of liquidity and saleability. With buyer references suited to landed property, land plots remain good investment products and will continue to receive more buyer attention with a focus on medium land size of 50 – 80sqm. Furthermore, given the rapid development of infrastructure, land prices in Danang have increased significantly since the beginning of 2017 and the market continued to attract attention from local and foreign investors during Q2 2017.

### Condominium sector

During the first half of 2017, an additional 32,147 units in Ho Chi Minh City and Hanoi were launched, an increase of approximately 15.0% year-on-year, according to CBRE Vietnam. Average selling price remained stable due to developers diversifying to suit discerning residential purchasers with varied purchased rationales. Furthermore, developers have been increasingly responsive due to increased competition, focusing on an improved range of internal facilities, such as large swimming pools, mini-golf courses, children's play areas, tennis courts and modern gyms. Total new supply in 2017, both in Ho Chi Minh City and Hanoi, is expected to reach over 70,000 condominium units, up approximately 10.0% against the previous year. Developers are now experiencing a slow-down in sale rates and pricing is under pressure. The condominium market remains over supplied in a number of locations and this imbalance may impact prices and inventory movement during the coming quarters.

### Office sector

New Grade B office buildings in the first half of 2017 added around 61,460sqm to the Ho Chi Minh City and Hanoi office markets. Fixed supply in Grade A buildings allowed landlords to increase rental prices and occupancy rates slightly. Due to new supply entering the market, rentals are stable and the vacancy rates of Grade B office buildings have increased. Leasing enquiries are increasing for spaces from 300 – 700sqm, while remaining stable for larger spaces from 700sqm and above. Co-working space continued to emerge as an important new source of office leasing demand. Around 225,000sqm of new office space is forecasted for completion in 2017, a marginally higher figure than in 2016. New projects will have to offer more flexible leasing terms and will have to compromise on their ideal tenants. Rental growth is forecasted to slow further in the second half of 2017 or indeed for 2018.

### Retail sector

Youth focused mass fashion and F&B continue to dominate the new tenant market. While Zara selected Vincom Ba Trieu building in Hanoi to open its second store in Vietnam this October, H&M is in the fitting out period and is expected to open its first store in Ho Chi Minh City this coming August. Continuing with the convenience store expansion trend during the recent quarters, Ho Chi Minh City welcomed the first 7-Eleven store, an American – Japanese international chain of convenience stores in the second quarter of 2017. Approximately 88,289sqm was added to Ho Chi Minh City and Hanoi retail market in the first half of 2017. Average rental and occupancy rates remained stable. Due to the limited availability of space in the CBD, retail buildings in non-CBD locations have been sought by potential tenants. New supply in the coming quarters will drive landlords to improve their facilities and add more retail/entertainment elements to ensure that they stay competitive and provide consumers with broad retail offerings.

### Pavilion Square

Pavilion Square project is a freehold residential project located in District 1 of Ho Chi Minh City. The project consists of a total land area of approximately 1.4ha and was acquired in Q1 2007 with the Investment Licence obtained in the same year. The revised planning parameters, with a smaller retail area, were approved by the authorities in Q4 2012 and the revised 1:500 master plan approval, which included additional resettlement apartments, was received in Q2 2016. Over the last quarter, progress has been made with preliminary site clearance, which is expected to be finalised in Q3 2017. The Manager is currently working with a development partner on the future strategy post the site clearance.

### VinaSquare

VinaSquare project was acquired in Q2 2007 due to its prime location in District 5 of Ho Chi Minh City. The project is a mixed-use residential, retail, office, hotel and serviced apartment development. The Investment Licence was obtained in Q4 2008 and the 1:500 master plan was approved in Q4 2010. The amended Investment License was issued in Q2 2015 and the revised Land Use Right Certificate was obtained in Q3 2015. The Manager is in discussions with a potential investor on this project.

### Aqua City

Aqua City project consists of a total site area of 250ha and was acquired by VNL in 2006 as a strategic acquisition along the North-East corridor leading to the new Long Thanh international airport in Dong Nai. The site is situated adjacent to the Dong Nai River, approximately 45 minutes from the centre of Ho Chi Minh City. In Q1 2012, the project received its 1:500 master plan approval. The development master plan includes both residential (apartment, townhouse and villa) and commercial use. The infrastructure system surrounding the project has continued to improve over the past few months. The ownership restructuring split was completed by VNL in Q1 2017 and the approved land split is underway. Following the demerger, VNL has acquired greater control of a reduced portion of the original 250ha joint venture development resulting in increased flexibility for VNL's future options. As a result, total land area of the project after the split is 112.4ha. The Manager is in discussions with a possible investment partner on this project.

### Trinity Garden

Trinity Garden project was acquired in Q4 2007. The 1:500 master plan for the project was approved in Q2 2007, while infrastructure on site is partially completed. The site is fully cleared and compensated. The construction of further infrastructure has commenced and is creating further options for VNL. Bulk earth-works package including trunk storm water reticulation is well underway with other services and infrastructure works across the project commencing in early Q3 2017 with the target for completion by no later than Q2 2018.

### Capital Square

Capital Square project was acquired in Q3 2006 given its central, riverfront location in the fast growing city of Danang. In 2009, the project broke ground on the first residential tower, Azura, which reached completion in Q3 2012. The restructuring process to split the 9ha site into three separate investment licenses was successfully completed in 2012. In 2015 VNL divested the remaining Phase 1, while Azura Tower was 100% sold out in Q3 2016 (225 apartment units). The processing of the owner's pink books is underway with 210 issued as at 30 June 2017 and the final batch to be processed in the second half of 2017.

Phases 2 and 3 of the project consist of an approved master plan permitting residential apartment towers and connecting public spaces. The Land Use Right Certificates were issued for Phase 2 in Q1 2016. The Manager is working to revise 1:500 master plan of Phase 2 and 3 including a mixture of mainly townhouse which will diversify the product offerings of the project.

### Project summary

<b>Sector</b>	Mixed-use
<b>Area</b>	1.4ha
<b>Location</b>	District 1, Ho Chi Minh City
<b>History</b>	Acquired in Q1 2007 Investment Licence received in Q4 2007 Revised 1:500 Master Plan approval received in Q2 2016 Compensation 97.12% completed.
<b>Investment rationale</b>	The site is well-located for mid to high end residential towers with modern facilities offering freehold residential units in District 1.

### Project summary

<b>Sector</b>	Mixed-use
<b>Area</b>	3.1ha of land
<b>Location</b>	District 5, Ho Chi Minh City
<b>History</b>	Acquired in Q2 2007 Investment Licence received in Q4 2008 1:500 Master Plan approved in Q4 2010 Revised Investment License received in Q2 2015 and revised LURC obtained in Q3 2015.
<b>Investment rationale</b>	The project will serve HCMC's Chinatown, a crowded commercial and residential area surrounded by mainly low-rise buildings.

### Project summary

<b>Sector</b>	Township
<b>Area</b>	112.4ha (after the successful split)
<b>Location</b>	Bien Hoa City, Dong Nai Province
<b>History</b>	Acquired in 2006 1:2000 Master Plan approved in Q4 2008 1:500 Master Plan approved in Q1 2012 The ownership restructuring split was completed in Q1 2017 and the approved land split is underway.
<b>Investment rationale</b>	A riverfront township bordering on District 9 of HCMC. The project will provide affordable mass housing units in a modern living township to serve the extended catchment of HCMC's north east area.

### Project summary

<b>Sector</b>	Residential
<b>Area</b>	33.7ha
<b>Location</b>	District 9, Ho Chi Minh City
<b>History</b>	Acquired in Q4 2007 1:500 Master Plan approved in Q2 2007 Site cleared and fully compensated Further infrastructure is underway
<b>Investment rationale</b>	Sound long-term demand for mid-range, landed residential housing in District 9.

### Project summary

<b>Sector</b>	Mixed-use
<b>Remaining Area</b>	6.1 ha (Phase 2 and 3)
<b>Location</b>	Son Tra District, Danang City, on the river side opposite City Centre
<b>History</b>	Acquired in Q3 2006 Investment Licence received in Q3 2007 The restructuring process to split the site into three separate Investment Licenses was successfully completed in 2012 Azura residential apartment tower (a part of Phase 1) completed in Q3 2012. In 2015, VNL divested the rest of Phase 1 Phase 2 received the LURCs in Q1 2016 and 100% apartments of Azura was sold in Q3 2016.
<b>Investment rationale</b>	A prime site located in the city centre of Danang City, with direct frontage to the Han River, 5 minutes drive to East Sea beach

**Green Park Estate**

Green Park Estate project site was acquired in Q1 2006 given its strategic location in a densely populated suburb near Ho Chi Minh City's Tan Son Nhat International Airport and only 10km from the city's CBD. The 1:500 master plan and the Land Use Right Certificate was received in Q3 2009. The Manager is working on securing the revised 1:500 master plan approval for a mix of residential and commercial uses. Currently the site is used as textile factories and warehouses. Site clearance and relocation work is in progress to facilitate development or divestment.

**Phu Hoi**

Phu Hoi City Project is located at the centre of Nhon Trach City, Dong Nai Province, approximately 27km east of Ho Chi Minh City's CBD and 15km from the proposed Long Thanh International Airport. A development site with total land area of approximately 83.9ha. The Land Use Right Certificates were received in 2009 and 2010. The revised 1:500 master plan was received in Q1 2012 and the latest Investment License was amended in Q4 2012. Site cleared and fully compensated. The Manager is in discussions with a prospective investor.

**Project summary**

<b>Sector</b>	Mixed-use
<b>Area</b>	15.7 ha
<b>Location</b>	Tan Phu District, Ho Chi Minh City
<b>History</b>	<p>Acquired in Q1 2006</p> <p>The 1:500 Master Plan and the LURC were received in Q3 2009</p> <p>Currently used as textile factories and warehouses</p> <p>Revised Master Plan 1:500, site clearance and relocation work are in progress.</p>
<b>Investment rationale</b>	Strategically located in a densely populated suburb near HCMC's Tan Son Nhat International Airport

**Project summary**

<b>Sector</b>	Residential
<b>Area</b>	83.9 ha
<b>Location</b>	Nhon Trach City, Dong Nai Province
<b>History</b>	<p>LURCs were received in 2009 and 2010</p> <p>Approval of amended Master Plan 1:500 in Q1 2012</p> <p>The latest Investment License was amended in Q4 2012</p> <p>Site cleared and fully compensated.</p>
<b>Investment rationale</b>	A new urban zone in the southern key economic area located between three major cities including Ho Chi Minh City, Bien Hoa, and Vung Tau

**The manager update section provides investors with information on the policies and practices of VinaCapital Investment Management, Ltd. (VCIM), as well as updates on VinaCapital relevant to the performance of its investment funds.**

### **Valuation and NAV calculation**

The accurate and fair valuation of assets held in fund portfolios is a central component of fund management. VCIM follows international best practices whenever possible in its valuations process.

### **Relevant dates**

VNL's financial year-end is 30 June. Audited annual results must be announced within six months of this date. Interim results at 31 December receive an auditor review and must be announced within three months of this date. VNL calculates its unaudited NAV quarterly, and this is announced within fifteen days of the quarter's end. The Fund issues quarterly and annual report with audited final results.

### **The methods used to value different assets:**

#### *Real estate holdings*

When valuing projects, the Manager consults two independent Valuers to perform a Full Valuation for each property on an annual basis. As the Company's portfolio is reducing, this valuation is then followed up by an updated valuation six months later (the "Updated Valuation"). Revaluations may be obtained more frequently for individual properties if there has been an event that the Valuation Committee or Investment Manager believes may have resulted in a material change in the value of a property.

Each Valuer prepares a report containing the recommended Fair Value of the property, along with the assumptions used to determine that value. If there is a material difference between the two valuations, the investment manager reviews the key assumptions to determine the primary cause(s) of the difference and discusses the assumptions with the Valuers to confirm each Valuer's respective position. The Updated Valuation is performed by the Valuer whose valuation was adopted during the Full Valuation. Exceptions to engaging two independent valuers are made in the following circumstances:

- For any project whose value is equal to or is below USD5 million: only one valuation is obtained at the Full Valuation. The same Valuer provides an update at the Updated Valuation.
- For projects being divested with (i) Sales and Purchase Agreement ("SPA") signed, (ii) deposit received and (iii) conditions precedents readily achievable: only one valuation is obtained from a Valuer to update the valuation if required until the divestment is closed (this may be required under a protracted closing).

The investment manager summarizes the key assumptions and valuation results for the Valuation Committee. The Valuation Committee receives the analysis and copies of the independent Valuers' appraisal reports for review. A formal meeting is held to discuss the valuation process and results. After acceptance of the valuation report, the Valuation Committee will recommend the valuation to the Board for approval. In addition to the annual valuation cycle, at the end of each quarter the investment manager reviews all real estate investments for possible impairment based on internal calculations. If there is an indication that a property's value has materially increased then the property will be included in the list of properties being independently valued. If there is an indication that a property's value has decreased then an assessment will be made by the investment manager to quantify the amount of any decrease. If there is evidence of a material impairment an independent valuation will be obtained to assess the need for any adjustment in the value of the property. For projects that are being divested (SPAs signed and deposits received), a desktop valuation update will be done by the asset management team to assess whether a valuation adjustment is warranted. Based upon the analysis performed by the investment manager and/or the independent Valuers, the Valuation Committee makes recommendations for a valuation adjustment to the Board for approval.

**More information on valuation is available on the Investing policy page of the VNL website:**

[VNL Information briefs](#)

### **Audit and Valuation committees**

VNL has two separate audit and valuation committees composed of independent, non-executive members of the board of directors of the fund, and chaired by an independent director. Both committees meet quarterly.

#### **VNL Audit Committee**

Ian Lydall (Chairman)  
Charles Isaac  
Michel Casselman

#### **VNL Valuation Committee**

Tran Trong Kien (Chairman)  
Ian Lydall

**Historical financial information**

Years ended 30 June	2012	2013	2014	2015	2016
<b>Statement of Income (USD'000)</b>					
Total income from ordinary activities	-42,696	-28,712	32,940	34,218	54,510
Total expenses from ordinary activities	-98,304	-102,896	-65,386	-44,567	-58,992
Operating profit before income tax	-141,000	-131,608	-32,446	-10,349	-4,482
Income tax expense	-8,474	15,175	5,026	-8,067	-156
Profit for the year	-149,474	-116,433	-27,420	-18,416	-4,638
Non-controlling interests	-50,585	-26,296	-3,227	3,851	3,677
Profit attributable to ordinary equity holders	-98,889	-90,137	-24,193	-22,267	-8,315
<b>Statement of financial position (USD'000)</b>					
Total assets	1,134,262	929,344	929,839	840,022	654,515
Total liabilities	-587,914	-482,566	-509,705	-448,831	-317,679
Net assets	546,348	446,778	420,134	391,191	336,836
<b>Share information</b>					
Basic earnings per share (cents per share)	-0.20	-0.19	-0.05	-0.05	-0.02
Share price as 30 June	0.48	0.46	0.55	0.52	0.58
Ordinary share capital (thousand shares)	493,488	481,298	458,727	430,132	393,808
Market capitalization at 30 June (USD'000)	236,874	221,397	252,300	223,669	226,440
Net asset value per ordinary share (USD)	1.11	0.93	0.92	0.91	0.86
<b>Ratio</b>					
Return on average ordinary shareholder's funds	-16.8%	-15.4%	-4.2%	-4.0%	-1.7%
Total expense ratio (% of NAV)	2.4%	2.2%	2.3%	2.6%	2.3%



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
Charles Issac	Non-executive Director	Brook Taylor	Chief Operating Officer
Tran Trong Kien	Non-executive Director	David Blackhall	Managing Director, VNL
Ian Lydall	Non-executive Director	Anthony House	Deputy Managing Director, Real Estate
		Oai Nguyen	Deputy Managing Director, Real Estate
Fund background			
<b>ISIN</b>	KYG936361016		
<b>Bloomberg</b>	VNL LN		
<b>Reuters</b>	VNLL		
Fund summary			
<b>Fund launch</b>	22-Mar-06, current term is for a period of approximately 3 years and commenced 21 November 2016		
<b>Term of fund</b>	Originally seven years, but now subject to shareholder vote for continuation, with the next such vote to occur no later than 21 November 2019		
<b>Fund domicile</b>	Cayman Islands		
<b>Legal form</b>	Exempted company limited by shares		
<b>Investment manager</b>	VinaCapital Investment Management Ltd		
<b>Structure</b>	Single class of ordinary shares trading on the AIM market of the London Stock Exchange plc		
<b>Auditor</b>	PricewaterhouseCoopers (Hong Kong)		
<b>Nominated adviser</b>	Grant Thornton UK LLP		
<b>Custodian, Administrator and Transfer Agency</b>	Standard Chartered Bank (Singapore & Vietnam)		
<b>Registrar</b>	Vistra Corporate Services (Cayman) Limited		
<b>Brokers</b>	Numis Securities (Bloomberg: NUMI)		
<b>Lawyers</b>	Gowling WLG (UK), Maples and Calder (Cayman Islands)		
<b>Fee structure</b>	A combination of a Disposal fee and an Alignment fee that incentivises the Investment Manager to divest projects at the highest value in a timely manner. The Disposal fee is calculated as 3% of distributable funds in Year 1, 2.75% in Year 2 and 2.25% in Year 3. The Disposal fee shall commence once the shareholder distribution hurdle of USD101million distributed to shareholders since the 2016 EGM has been achieved. Furthermore, the Alignment fee is calculated on actual distributions to shareholders as follows; 10% of distributions over a hurdle of USD265million, then 15% over a hurdle of USD279million, then 20% over a hurdle of USD313million. 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 earned above.		
<b>Investment policy</b>	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.		
<b>Investment objective by geography</b>	All existing investments are located in Vietnam. There will be no new investments during the current cash return period.		

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