VinaCapital

VinaLand Limited (VNL) | Quarterly report | 31 March 2017

Performance summary*	31 Mar 2017
NAV per share** (USD):	0.92
Change (Quarter-on-quarter)	3.6%
Total NAV** (USD 'm):	298.8
Share price (USD):	0.70
Market cap (USD 'm):	225.4
Premium/(discount)	-24.6%

* 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	31 Mar 2017
Current assets	16
Divestments	30 full and residential unit sales
Debt	Project level (Bank): 18.9% of NAV
	Fund level: Nil
Cash after future commitments (USD 'm)	8.8
Shares outstanding	324,305,511

Cumulative change (% change)	3mth	1yr	3yr	5yr
NAV per share	3.6	7.6	12.0	-12.4
Share price	1.1	26.6	49.8	35.2

Key investments

Project	Location	Type	% portfolio NAV
Dai Phuoc Lotus	South	Township	15.3%
Pavilion Square	South	Mixed Use	14.6%
VinaSquare	South	Mixed Use	14.3%
Times Square Hanoi	North	Mixed Use	11.9%
Aqua City	South	Township	8.3%
Capital Square	Central	Mixed Use	7.7%
Trinity Garden	South	Residential	7.6%
Green Park Estate	South	Mixed Use	6.2%
Phu Hoi City	South	Residential	4.9%
Total			90.8%

Manager's comment

As at 31 March 2017, VinaLand Limited (the "Company" or "VNL") posted an unaudited net asset value (NAV) of USD298.8million or USD0.92 per share, a 3.6% increase from the previous quarter's audited NAV per share of USD0.89. VNL's share price increased 1.09% to USD0.695 as at 31 March 2017, from the closing price of USD0.688 reported on 31 December 2016. As a result, the Company's share price to NAV discount is currently 24.6%. VNL repurchased and cancelled 33.63 million ordinary shares in the first quarter of 2017, bringing the total of cancelled ordinary shares since October 2011 to 175.66 million. Since the commencement of the share buyback program, VNL has cancelled 35.13% of the fund's total issued shares prior to the program.

On 13 January 2017, the Manager completed its obligation to purchase shares, buying a total of 23,490,126 shares which equates to approximately 7.2% of the Company's total voting rights. On 29 March 2017, VNL announced its interim results for the six months ended 31 December 2016, which are available on the Company's website.

Fund update

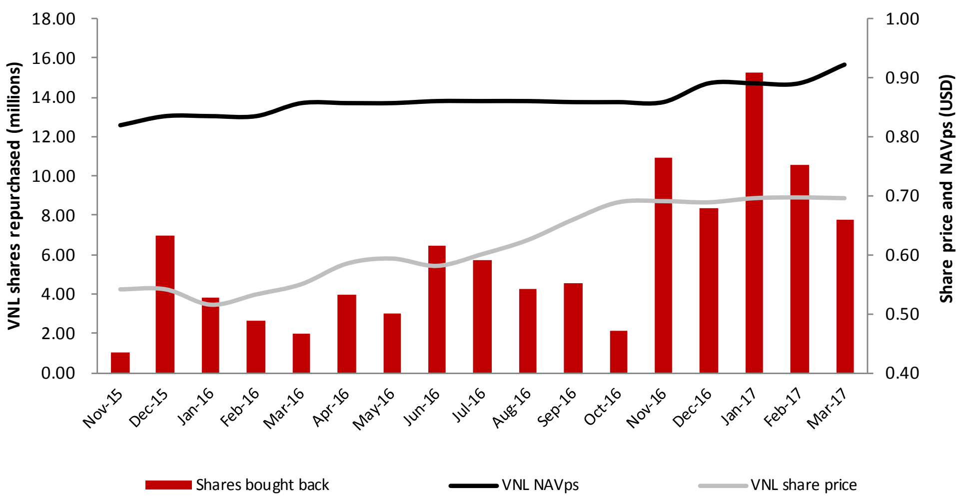
VNL project revaluations were undertaken for the period ending 31 March 2017, with five projects appraised by international valuation consultants. Two of these projects are located in Ho Chi Minh City, one in Hanoi and two projects in the south and central regions of Vietnam. As a result, the project valuation movement was upward due to increasing investor interest and further continued improvement in the market, and this confidence flowed through to real estate land values.

On 25 January 2017, VNL announced that it divested its stake in Project BD. Acquired by VNL in 2007, the project is a 94.7-hectare parcel of land located in Binh Duong province which has approval for a future residential-township development. VNL disposed of its entire stake at a total valuation 17.4% below the unaudited NAV at the time of VNL's extraordinary general meeting (EGM) in November 2016, including adjustments for additional investments over this period. This transaction resulted in net proceeds of USD10.9 million to VNL which were received in full.

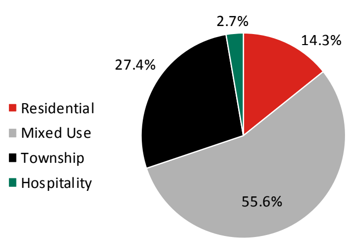
Subsequent to the close of the first quarter, on 10 April 2017 VNL announced that it divested its entire stake in the Dai Phuoc Lotus project, located in Dong Nai province, Vietnam. The project consists of a total site area of 198.5 hectares and was acquired by VNL in 2007. This transaction resulted in net proceeds of approximately USD48.8 million to VNL which were received in full. 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 EGM in November 2016, including adjustments for additional investments up to the date of exit for both figures. The proceeds received from this exit in conjunction with those collected from past and future disposals will continue to cover VNL's commitments including operating costs and distributions to shareholders.

Market conditions and deal activity continued to improve during the first three months of 2017, driven by continued momentum in the local real estate market and underpinned by strong foreign interest. There are

NAV, share price performance and buy back activity



VNL portfolio by sector (NAV %)



VNL NAV by sector (USDm)

however some early indications that over-supply in some areas of the condominium sector are beginning to impact sales rates in the secondary market, an imbalance that we believe will increase gradually as the year continues. VNL currently has no direct exposure to development of condominium projects.

The Manager continues to pursue several disposal opportunities, and is negotiating terms with both foreign and local investors with the objective of securing project disposals during Q2 and Q3 2017.

Macroeconomic update

The Vietnam's GDP grew at a 5.1% rate in first quarter of 2017, a modest deceleration from the economy's 5.5% growth rate in the first quarter of last year. The slowdown was due to a 14% yoy decrease in oil production volume, to a reported 38% decline in Samsung's Vietnam-based production (as the company retooled its production line for the launch of the new S8 model), and a slowdown in domestic consumption. While the slight decline in Vietnam's Q1 GDP growth rate may appear to be cause for concern, we expect the economy to resume its higher growth trajectory in Q2 given positive manufacturing, trade, and foreign investment leading indicators.

Manufacturing: The Nikkei Purchasing Manager's Index (PMI) for Vietnam reached 54.6 in March, which was a 22-month high, and up from 54.2 in February. The "forward looking" components of the PMI, such as employment and new orders were particularly encouraging.

Trade: Vietnam reported an estimated trade deficit of USD1.9 billion in Q1, with imports growing 22% yoy, outpacing a 13% yoy increase in exports. However, import growth was driven by a 28% yoy increase in machinery and equipment imports, which is another positive leading indicator that firms are gearing up for increased manufacturing production and output later in the year.

Foreign Investment: The registration of new foreign direct investment (FDI) surged 77.6% yoy in Q1 to USD7.7 billion, while the disbursement of actual FDI was flat. The surge in new FDI registration is yet another leading indicator that augers well for future manufacturing and construction activity in Vietnam, while the benign performance of the country's FDI inflows, which is a lagging indicator, shows that investors remain confident about Vietnam's prospects and about the country's viability as a manufacturing center, despite some well publicized concerns about possible impediments to global free trade going forward.

Domestic consumption: Domestic consumption growth in real terms slowed from 7.5% in 1Q16 to 6.2% in 1Q17. However, the country's consumption in the first quarter of the year is typically impacted by a variety of seasonal effects including the Tet New Year holiday, the impacts of which are difficult to disentangle. For that reason we will continue to monitor domestic consumption trends in Q2 to determine if the slowdown in domestic consumption is a substantive issue or a transitory, seasonal phenomenon.

Inflation: The Consumer Price Index increased 5% year-over-year, as of the end of Q1. Core inflation came in a 1.7% yoy, indicating that the steep increase in oil prices over the last year contributed significantly to inflation, government administered price hikes also made a major contribution to the country's inflation rate; medical fees rose 7.5% mom in March, so medical costs rose 36% yoy as of the end of Q1.

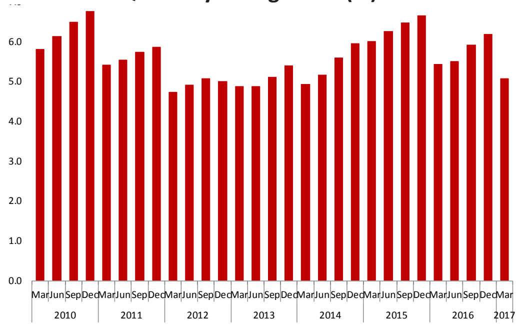
Vietnam Dong: The Vietnamese dong (VND) remained stable despite the Fed rate hike, and despite the uptick in inflation over the last two quarters. Interbank rates reached 22,720 VND/USD in March.

Macroeconomic indicators

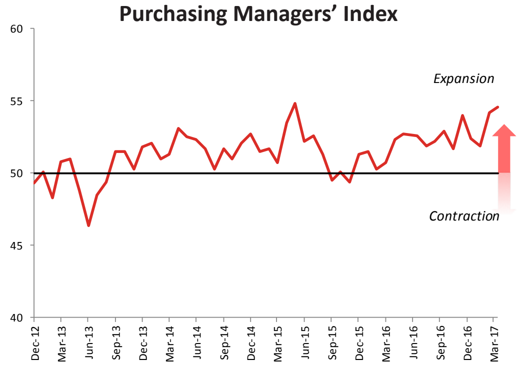
	2016	Mar-17	2017 YTD	YTD Y-O-Y
GDP growth[1]	6.2%	5.1%		
Inflation (%)	0.5%	0.2%		4.7%
FDI commitments (USDbn)	24.4	4.3	7.7	77.6%
FDI disbursements (USDbn)	15.8	2.1	3.6	3.4%
Imports (USDbn)	174.1	18.4	46.6	24.9%
Exports (USDbn)	176.6	17.3	44.6	15.1%
Trade surplus/(deficit) (USDbn)	2.5	(1.1)	(1.9)	
Exchange rate (USD/VND)[2]	22,720	22,720	0.0%	

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

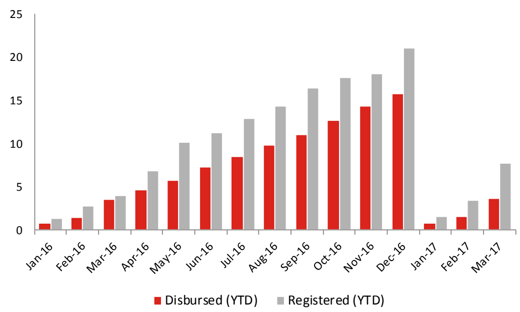
Quarterly GDP growth (%)



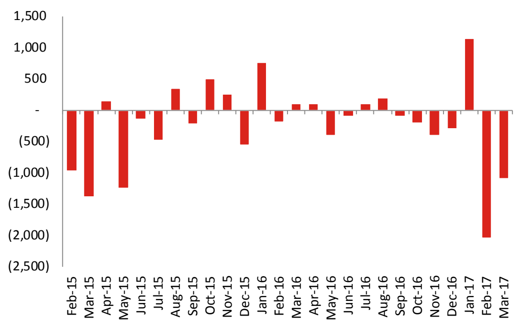
Purchasing Managers' Index



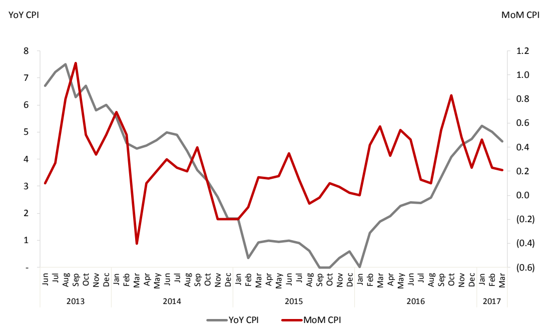
Cumulative registered and disbursed FDI (2017, USDbn)



Monthly trade balance (USDm)



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



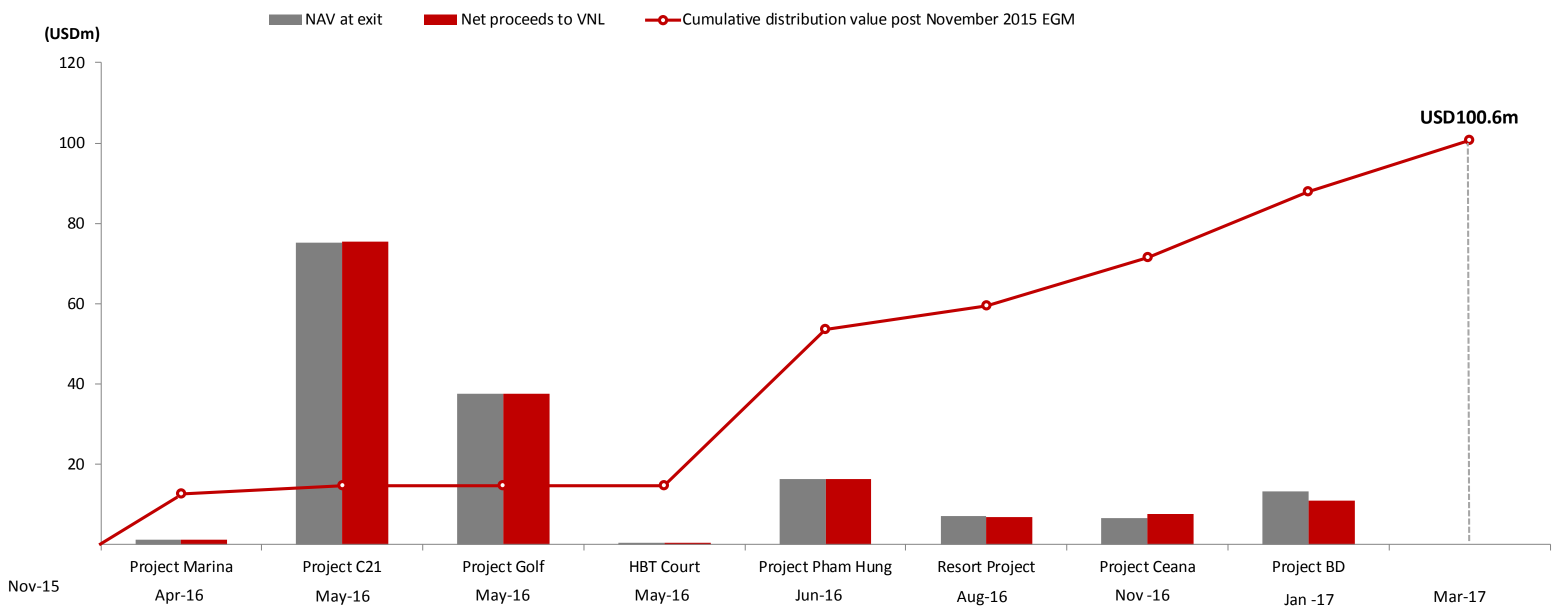
Source: GSO, Vietnam Customs, Bloomberg

Current strategy

Following the outcome of the 2016 AGM and EGM, the Investment Manager, VinaCapital will continue with project disposals enabling further distributions to shareholders. The combination of improving market conditions in conjunction with the new VNL strategy enables the Investment Manager to focus on the ongoing disposal program so further distributions can be made to shareholders over the 2+ years.

In line with the approved strategy, the Investment Manager will continue with the development of residential projects including construction of infrastructure currently under development to maximize value of these projects while disposal opportunities are pursued. The continuation of the stable market conditions during the first three months of 2017 are aligned with VNL objectives to realize value and make distributions during 2017. VNL has made steady progress with negotiating disposals during the first Quarter of 2017.

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
Exit Date	Apr-16	May-16	May-16	May-16	June-16	Aug-16	Nov-16	Jan-17
NAV at exit (USDm)[1]	1.3	75.2	37.5	0.6	16.3	7.0	6.7	13.2
Net proceeds to VNL (USDm)[2]	1.3	75.4	37.5	0.5	16.2	7.0	7.6	10.9
Net proceeds v.s NAV (%)	0.4%	0.2%	0.0%	-11.0%	-0.2%	-1.0%	12.9%	-17.4%
NAV at EGM (USDm)[3]	2.5	63.5	40.1	1.1	9.6	21.0	13.2	15.0
Net proceeds v.s NAV at EGM (Adjusted) (%)	-49.2%	18.8%	-6.4%	-52.1%	69.8%	-66.8%	-42.5%	-27.2%

(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.

Investment in real estate and credit growth have remained steady and the expansion of real estate demand seen through the first three months of this year is expected to continue during the next quarters.

Vietnam's real estate market in Q1 2017

During the first quarter of 2017, the real estate market remained sound with strong foreign inflows. According to the Ministry of Planning and Investment, Vietnam drew more than USD2.9 billion in newly-registered foreign direct investment (FDI) projects in the first quarter of 2017, up approximately 6.5% against the same period last year. South Korea continued to be Vietnam's leading foreign investor with an invested capital of USD931.3 million, accounting for 32% of total newly-registered FDI. Real estate ranked second in attracting FDI during the quarter, with newly registered capital reaching USD310.9 million across a total of 13 projects. Though banks reached their credit limits (per revised Circular 36) on 01 January 2017, investment in real estate and credit growth remained steady during the quarter and the expansion of real estate demand seen through the first three months of this year is expected to continue into the next quarter.

On 16 March 2017, the United States Federal Reserve (Fed) announced the first of its benchmark interest in 2017 by a 0.25 percentage point to nearly 1.0% from 0.75%. The State Bank of Vietnam (SBV), however, has established its credibility after weathering the FX disturbance during the first three months of the year. As of the end of March 2017, USD/VND exchange rates remained stable at about 22,790 per dollar.

The landed property market continued to demonstrate stability during the first three months of 2017 with new project launches and high absorption rates.

Landed property sector

The landed property market continued to demonstrate stability during the first three months of 2017 with new project launches and high absorption rates. According to CBRE Vietnam, an additional 500 units in Ho Chi Minh City and an additional 1,238 units in Hanoi were launched in the first quarter of 2017. The Hanoi landed property market witnessed improvement with new launches and impressive sale progress during the first three months of 2017. Average selling prices both in Ho Chi Minh City and Hanoi increased by between 3% to 10% year-on-year. Notably, shophouses are the most sought after unit because its ability for both accommodation and retail/trading purposes. In addition, given the extensive infrastructure developments in the Da Nang and Nha Trang, these markets have experienced improving sales volume over Q1 2017 and this trend is expected to continue.

Although developers continue to maintain the sale progress by changes in sales strategies, the condominium market remains over supplied and this imbalance will impact on prices and inventory movement in Q2 2017 and indeed for the remainder of 2017.

Condominium sector

The condominium sector has also seen new launches in close proximity of future infrastructure development around Ho Chi Minh City and Hanoi. According to CBRE Vietnam, an additional 5,083 units in Ho Chi Minh City and 9,398 units in Hanoi were launched in Q1 2017, a decrease of 49% year-on-year in Ho Chi Minh City, but a rise of 36% year-on-year in Hanoi. Average sales reduced by 30% year-on-year in Ho Chi Minh City while sales in Hanoi increased by 50% year-on-year due to an increased number of attractive residential models and numerous promotional campaigns. The mid-end and affordable segments accounted for 65% of total transactions both in Ho Chi Minh City and Hanoi. Average selling prices increased approximately 13% year-on-year because several projects in locations with improving infrastructure, quality landscaping and available amenities have increased selling prices. Although developers continue to maintain sales by changes in sales strategies such as diversifying products, protracting repayment plans and providing additional amenities, the condominium market remains oversupplied in certain areas and this imbalance will impact on prices and inventory movement in the remainder of 2017.

Increasing supply from new construction and completed buildings through to the end of the year is expected to soften the rental rents of office and retail sectors.

Office sector

Office supply, both in Ho Chi Minh City and Hanoi, remained stable during Q1 2017 with increased occupancy rates and rentals. The average asking rents in the office sector improved by between 3% to 10% year-on-year. In Q1 2017, fixed supply in Grade A buildings allowed landlords to increase rental prices and improve occupancy rates. Growing demand for high quality office buildings is driving new supply. As a result, it is expected that approximately 356,000sqm of new office space will be available both in Hanoi and Ho Chi Minh City from 2017 to 2018.

Retail sector

During the quarter, only 17,500sqm was added to Ho Chi Minh City retail market while Hanoi saw no added supply of retail space. Convenience stores such as Minigood, Miniso and Mumuso continue to expand their operations and are attracting young consumers who prefer foreign products at reasonable prices. The lack of new supply during Q1 2017 currently holds the retail market in balance. However, increasing supply from new construction and completed buildings through to the end of the year is expected to soften the rental rents.

Dai Phuoc Lotus

Dai Phuoc Lotus Township was acquired in Q2 2007 due to its unique location on an island in a suburban region adjacent to Ho Chi Minh City. The resort-style residential environment, with transport by both road and boat available to Ho Chi Minh City, will attract second homebuyers as well as young families. The first phase of development commenced with Zone 5, comprising 332 units. All infrastructure work to Zone 5 were completed. Approval to sell "land plots" for Zone 5 was received from the Dong Nai People's Committee in Q4 2015 with sales previously secured under "Deposit Agreements" immediately converted to Sale Purchase Agreements. The revision of the 1:500 master plan of Zone 4 was received the Dong Nai People's Committee approval in Q1 2016. The revised Investment License was issued in Q2 2016 with the development schedule extended from 2016 to 2018. Given the extension of infrastructure developments, Nhon Trach District (the site's locality) continues to show some improvements in the market during the first three months of 2017. On 10 April 2017, VNL announced that it had sold its entire stake in the Dai Phuoc Lotus project.

Project summary

Sector	Township
Area	198.5ha of land
Location	Nhon Trach City, Dong Nai Province
History	Acquired in Q2 2007. Investment Licence received in Q2 2007 Approval to sell land plots for Zone 5 was approved in Q4 2015 The revised Master Plan of Zone 4 received in Q1 2016. The revised Investment License received in Q2 2016.
Investment rationale	The site lies in the fast-growing eastern region adjacent to HCMC and will benefit from the completed transport infrastructure roll-out in Districts 2 and 9.

Pavilion Square

Pavilion Square project is a freehold residential project located in District 1 of Ho Chi Minh City. The project 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. Site compensation is underway and approximately 97.12% is now completed. The Manager is working closely with the authorities for the site clearance with a view to complete in the next 3 months. The Manager is currently working with a development partner on the future strategy post the site clearance.

Project summary

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

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.

Project summary

Sector	Mixed-use
Area	3.1ha of land
Location	District 5, Ho Chi Minh City
History	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.
Investment rationale	The project will serve HCMC's Chinatown, a crowded commercial and residential area surrounded by mainly low-rise buildings.

Times Square Hanoi

Times Square project is positioned in a strategic location opposite the National Convention and Exhibition Centre, which has hosted many national and regional events since opening in 2006. Additionally, the location is within a new urban development precinct in western Hanoi and considered as the city's second CBD. The project, acquired in Q1 2007, is a mixed-use office, retail, hotel and serviced apartment development. Recently, there are a number of new residential projects in close proximity to Times Square that have begun construction, these developments are considered as very positive and will be an advantage for the commercial development projects including Times Square project. Meanwhile, discussions are underway with a potential development partner for this project.

Project summary

Sector	Mixed-use
Area	4.0ha
Location	Cau Giay District, Hanoi
History	Acquired in Q1 2007 Investment Licence received in Q2 2008 and the final revision in Q3 2010 1:500 Master Plan approved in Q1 2010.
Investment rationale	A high profile site located in a strategic location in the heart of the city's future second CBD, opposite National Convention and Exhibition Centre.

Aqua City

The Aqua City project site was purchased 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 current ownership restructuring and land split are now successfully completed. 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.

Project summary

Sector	Township
Area	112.4ha (after the successfull split)
Location	Bien Hoa City, Dong Nai Province
History	Acquired in 2006 1:2000 Master Plan approved in Q4 2008 1:500 Master Plan approved in Q1 2012 The current ownership restructuring and land split are now successfully completed.
Investment rationale	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.

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). 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 medium and low to mid-rise residential units including townhouses which will diversify the product offerings of the project.

Project summary

Sector	Mixed-use
Remaining Area	6.1 ha (Phase 2 and 3)
Location	Son Tra District, Danang City, on the river side opposite City Centre
History	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.
Investment rationale	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

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. Currently, the bulk earth-works package is underway and other civic amenities are being constructed by the master developer across the site. The Manager is continuing with all necessary infrastructure works with the target to complete by no later than Q2 2018.

Project summary

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

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.

Project summary

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

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

Sector	Residential
Area	83.9 ha
Location	Nhon Trach City, Dong Nai Province
History	LURCs were received in 2009 and 2010 Approval of amended Master Plan 1:500 in Q1 2012 The latest Investment License was amended in Q4 2012 Site cleared and fully compensated.
Investment rationale	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

VinaCapital

VinaLand Limited (VNL)	Quarterly report	31 March 2017

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 twelve 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
Statement of Income (USD'000)					
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
Statement of financial position (USD'000)					
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
Share information					
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
Ratio					
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%

VinaCapital

VinaLand Limited (VNL)	Quarterly report	31 March 2017

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	
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 21 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 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 deduced from the disposal and alignment fees earned 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.

VinaCapital

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