

Performance summary* 30 June 2016

NAV per share** (USD):	0.869
Change (Quarter-on-quarter)	-7.96%
Change - Adjusted (Quarter-on-quarter)***	1.45%
Total NAV** (USD 'm):	342.2
Share price (USD):	0.58
Market cap (USD 'm):	228.4
Premium/(discount)	-33.3%

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

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

*** Change of NAV per share adjusted for the distribution of capital in June 2016 (USD35.06m or USD0.0876 per share)

Cumulative change (% change)

	3mth	1yr	3yr	5yr
NAV per share	-8.0	-3.2	-10.4	-35.1
NAV per share adjusted for the distribution of capital	1.4	6.7	-1.3	-28.5
Share price	-7.9	12.3	26.8	-25.6
Share price adjusted for the distribution of capital	5.7	28.9	45.5	-14.6

Quarterly performance history (% change)

	2016 (Adjusted)***	2016	2015	2014	2013
Q1	0.6	0.6	-3.3	-0.4	-1.0
Q2	1.4	-8.0	1.1	1.2	-9.7
Q3	0.0	0.0	0.6	0.0	-1.1
Q4	0.0	0.0	3.9	0.0	-1.0
YTD	2.1	-7.4	2.2	0.8	-12.4

*** Change of NAV per share adjusted for the distribution of capital in June 2016 (USD35.06m or USD0.0876 per share)

Key investments

Project	Location	Type	% portfolio NAV
Pavilion Square	South	Mixed Use	12.5%
VinaSquare	South	Mixed Use	12.3%
Dai Phuoc Lotus	South	Township	11.9%
Times Square Hanoi	North	Mixed Use	9.7%
Aqua City	South	Township	8.1%
Trinity Garden	South	Residential	7.4%
Capital Square	Central	Mixed Use	7.3%
Green Park Estate	South	Mixed Use	6.4%
Phu Hoi City	South	Residential	4.8%
Total			80.4%

Additional portfolio information

Current assets	20
Divestments	26 full and residential unit sales
Debt	Fund level (ZDPs): 9.0% of NAV Project level (Bank): 11.6% of NAV
Shares outstanding	393,808,461

Manager's comment

As at 30 June 2016, VNL's unaudited net asset value (NAV) was USD342.2million or USD0.869 per share. This represents a 7.96% decrease from a net asset value per share of USD0.944 from its close of business on 31 March 2016. The decrease in NAV per share was due to a distribution of capital from the Share Premium Account of the Company of USD35.06 million or 8.76 cents per share in June 2016. As a result, VNL's share price decreased 7.9% to USD0.58, from a closing price of USD0.63 as at 31 March 2016, while the Company's share price to NAV discount currently remains at 33.3%. During the second quarter of 2016, VNL repurchased and cancelled 13.4 million ordinary shares, bringing the total since October 2011 to 106.2 million ordinary shares or 21.2% of the total shares in issue prior to the commencement of the share buyback programme.

Fund update

VNL project revaluations were undertaken for the period ending 30 June 2016 with six projects appraised by international valuation consultants, and a further four projects appraised as part of the semi-annual update for the interim period. Five of these projects are located in Ho Chi Minh City and Hanoi, with the remaining projects located in the southern and central regions of Vietnam. The appraisals demonstrated that the improving real estate market is having a positive impact on property valuations.

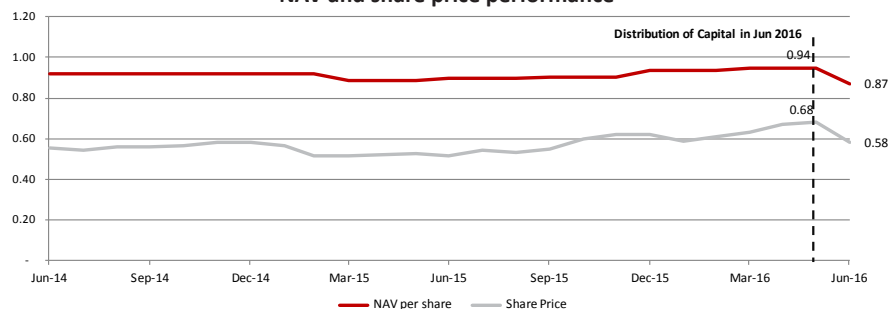
VNL completed four project disposals in the second quarter of 2016. On 11 May 2016, VNL announced the divestment of the largest holding in VNL's portfolio, the Century 21 Project in Ho Chi Minh City. The sale resulted in net proceeds of USD75.4 million to VNL.

On 20 May 2016, VNL announced the disposal of the Danang Golf Project. The project, acquired by VNL in 2006, is situated in Danang on 219.8ha of land and includes a completed 18-hole golf course with related facilities as well as residential dwellings, some of which are currently under construction. This transaction resulted in net cash proceeds of USD37.4 million to VNL.

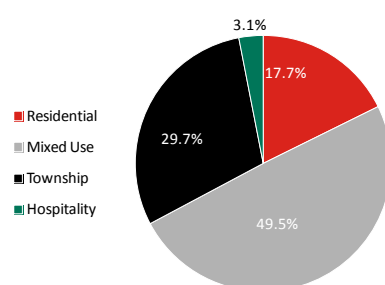
On 25 May 2016, VNL announced the divestment of its stake in the HBT Court Project. This project is an operating serviced apartment building located in Ho Chi Minh City and was acquired by VNL in 2007. VNL's disposal of its entire stake in the HBT Court project resulted in net proceeds of USD0.53 million to VNL.

Finally, on 3 June 2016, the divestment of Project Pham Hung was announced. The project, acquired by VNL in 2007, is a 2.4 hectare parcel of land located in Hanoi with planning approval for

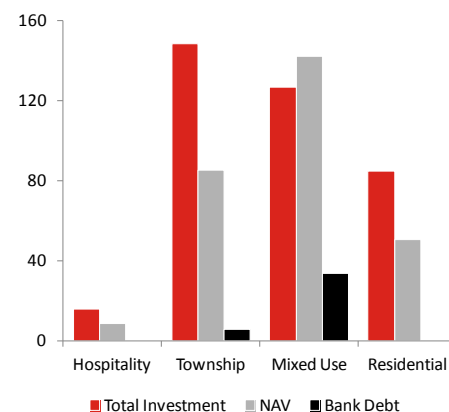
NAV and share price performance



VNL portfolio by sector (NAV %)



VNL NAV by sector (USDm)



Manager's comment continued...

a future mixed use development. This transaction resulted in net cash proceeds of USD16.2 million to VNL.

The proceeds received from these four exits in conjunction with the collection of proceeds from past and future disposals, ensure the Company is on track to achieve its objectives by November 2016. The combined proceeds will be used to cover operating costs, provision for the ZDP facility, accrued performance fees and distributions to shareholders this year.

VNL shareholder meetings were held in Europe from 6 to 10 June 2016 where VNL Directors and the Manager had the opportunity to discuss with shareholders several possible scenarios for a future strategy. Following these meetings, feedback received from shareholders is being used to further develop VNL's future strategy. A final proposal and Board recommendation will be distributed to shareholders ahead of the next EGM. The Manager is continuing to work on project disposals.

Macroeconomic update

The rather slow 5.5% GDP growth in the first six months of 2016 (compared to a target of 6.7% for the full year) was mainly due to the recent drought that has affected the agriculture, forestry and fishery sector, which declined 0.18% during the period, while total agricultural output fell 0.78%.

While some might see this as cause for concern, it is important to note that other components of the economy continued to show strength. Industrial production increased 7.5% and the June PMI of 52.6 means that business confidence remains strong despite the headline figure.

We expect that the Government will try to make up for growth in the second half of the year by pushing up fiscal spending in areas such as infrastructure, as well as allowing a healthy flow of credit to the economy, which should be supportive for corporate earnings.

FDI staying strong

FDI has remained a driving force in the economy, with year-to-date commitments and disbursements increasing 105% and 15% respectively year-to-date through the end of June. The manufacturing and processing sector has attracted the vast majority of registered FDI through the first six months of this year, at USD8.1 billion, followed by the real estate sector at USD0.6 billion. South Korea continues to be Vietnam's leading foreign investor with invested capital of USD4 billion, accounting for 35% of total registered FDI.

Inflation increasing from last year's lows

Vietnam's CPI rose 0.5% m-o-m in June, or 2.4% y-o-y, as inflation continues to rise after spending much of last year around zero. June's uptick in CPI was driven mainly by increasing gasoline prices, as transport costs increased 3% m-o-m. Since the beginning of the year, Vietnam's CPI has risen 2.35%, fuelled in large part by increasing healthcare costs, which are up 25.4% YTD, and food and catering services, up 2.3% YTD.

VND remains stable despite Brexit

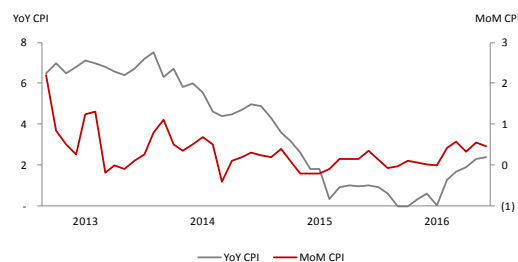
Perhaps the biggest impact Brexit could have on Vietnam over the mid- to longer-term relates to the Vietnamese Dong (VND). According to the State Bank of Vietnam, the VND has appreciated by 1% year-to-date versus the dollar. Interest rates remain low, and we expect the VND to remain fairly stable. And while we do not expect a one-off VND devaluation, this is highly dependent on whether China seeks to devalue the Yuan, if so we should expect Vietnam to follow. We have also lowered our projection for VND devaluation in 2016 to 2.5%, from 3.5% previously.

Macroeconomic indicators

	2015	Jun-16	2016 YTD	Year-on-year
GDP growth ¹	6.7%		5.52%	
Inflation (%)	0.54%	0.46%	2.35%	2.4%
FDI commitments (USDbn)	22.8	1.1	11.3	105.4% ³
FDI disbursements (USDbn)	14.5	1.5	7.3	15.1% ³
Imports (USDbn)	165.6	14.9	80.7	-0.7%
Exports (USDbn)	162.4	14.8	82.2	3.5%
Trade surplus/(deficit) (USDbn)	(3.2)	(0.1)	1.5	
Exchange rate (USD/VND) ²	22,450	22,275	0.8%	
Bank deposit rate (VND)	5.0%	5.4%	40 bps	

Sources: GSO, Vietnam Customs, SBV, VCB | 1. Annualized rate, updated quarterly 2. (-) Denotes a devaluation in the currency, Vietcombank ask rate | 3. Compared to the first 6 months of 2015

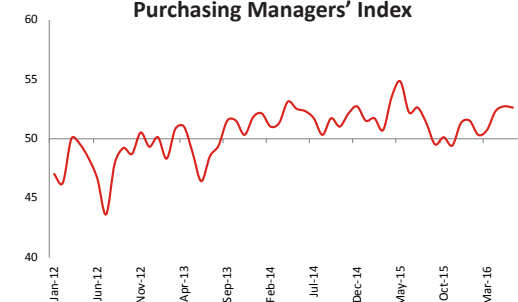
Year-on-year and month-on-month inflation (%)



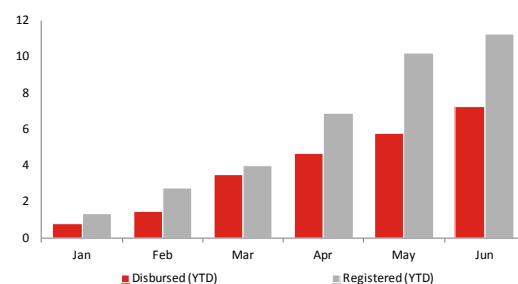
Quarterly GDP growth (%)



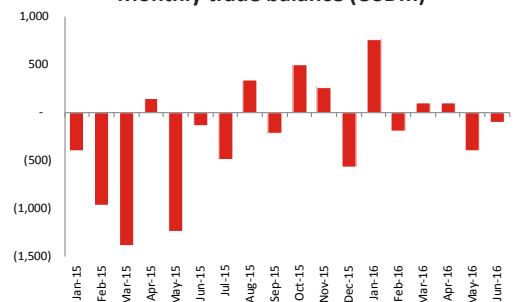
Purchasing Managers' Index



Registered and disbursed FDI (2016, USDbn)



Monthly trade balance (USDm)

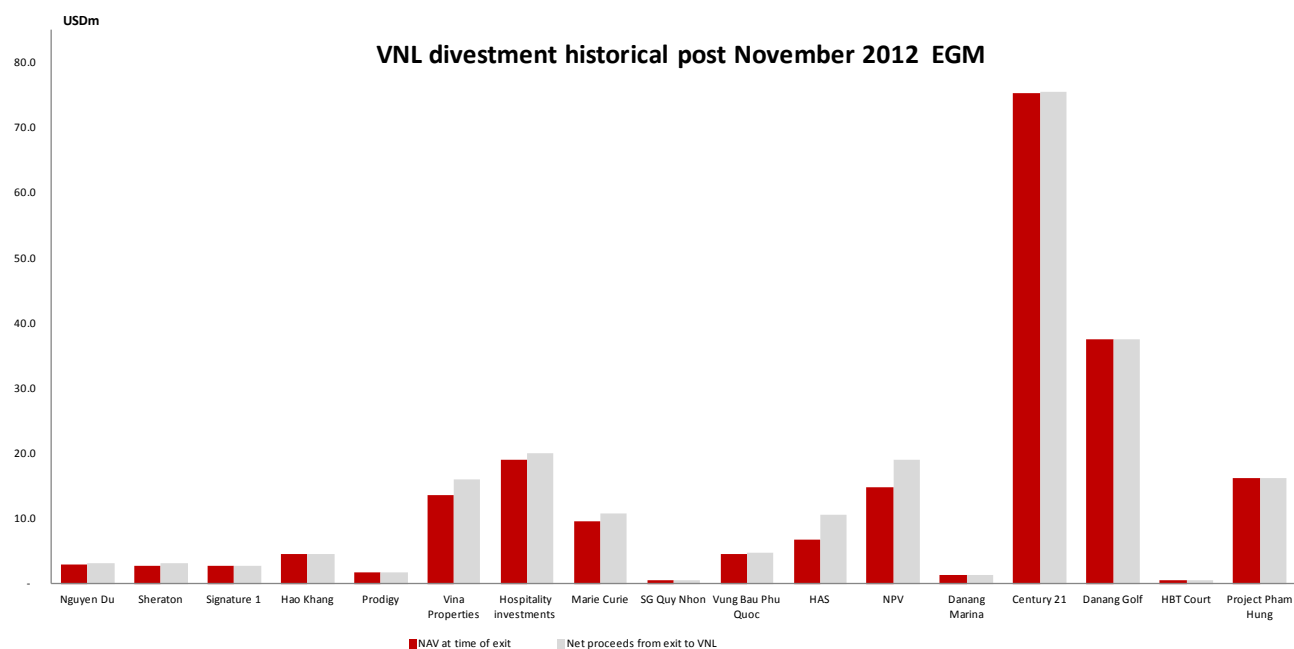


Source: GSO, Bloomberg

Current strategy

VNL is continuing with its realization and cash return strategy and will not make any new investments in 2016 except where funds are required to continue with the development of selected residential projects to maximize value. The two primary means of divestment are the development of residential for-sale products (e.g. apartments and landed property) for homebuyers and the disposal of land or projects to local and foreign investors. VNL is pushing forward with ongoing residential developments to capitalise on improving market confidence and liquidity. Ongoing development of existing projects helps with cash-flow and also demonstrates to investors/sub-developers that the projects are attractive developments and offer medium-term growth opportunities.

In line with the ongoing realization strategy, VNL has continued to close project disposals where a sale at current market value would result in a higher IRR than holding or continuing to develop the project. The focus has now shifted towards divestment of development land projects. VNL will not commence speculative development of any commercial mixed use projects during the current term, however infrastructure work will commence on a project located in Ho Chi Minh City in the fourth quarter of 2016. The proceeds received from four exits in Q2 2016 in conjunction with the collection of proceeds from past and future disposals, ensure the Company is on track to achieve its objectives prior to the next EGM on 21 November 2016. The combined proceeds will be used to cover operating costs, provision for the ZDP facility, accrued performance fees and distributions to shareholders this year.



Post EGM (November 2012)

Full Divestments	Nguyen Du	Sheraton	Signature 1	Hao Khang	Prodigy	Vina Properties	Hospitality investments	Marie Curie	Saigon Quy Nhon	Vung Bau Phu Quoc	HAS	NPV	Danang Marina	Century 21	Danang Golf	HBT Court	Project Pham Hung	Total
Type	Office	Hotel	Land	Land	Hotel	Hotel	Hotel	Land	Hotel	Land	Township	Land	Residential/Development	Land	Residential/Development	Serviced Apartment	Land	
Exit date	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q4 2013	Q1 2014	Q3 2014	Q3 2014	Q1 2015	Q1 2015	Q3 2015	Q4 2015	Q2 2016	Q2 2016	Q2 2016	Q2 2016	Q2 2016	
NAV at exit (USDm) ⁽¹⁾	3.0	2.7	2.8	4.5	1.8	13.5	19.1	9.5	0.5	4.6	6.8	14.8	1.3	75.2	37.5	0.6	16.3	214.4
Net proceeds to VNL (USDm) ⁽²⁾	3.2	3.1	2.7	4.6	1.7	16.1	19.9	10.9	0.6	4.7	10.5	19.1	1.3	75.4	37.5	0.5	16.2	228.1
Net proceeds vs. NAV	7.9%	15.1%	-3.3%	2.8%	-5.5%	19.2%	4.5%	14.3%	27.3%	2.9%	53.5%	29.4%	0.4%	0.2%	0.0%	-11.0%	-0.2%	6.4%
Debt removed, VNL portion (USDm)	0	25.0			4.0	1.7	6.0						0.0	33.3	8.5	0.0	0.0	78.5
NAV at EGM 2012 (USDm)	3.4	2.7	2.8	5.0	2.5	14.9	6.3	8.7	0.5	4.1	7.5	12.4	2.5	63.5	40.1	1.1	9.6	187.6
Net proceeds vs. NAV at EGM (Adjusted) ⁽³⁾	-6.1%	15.1%	-3.3%	-7.8%	-31.7%	8.2%	215.3%	24.6%	24.5%	1.6%	36.3%	51.7%	-49.2%	18.8%	-6.4%	-52.1%	69.8%	21.0%

⁽¹⁾ All "NAV at exit" figures above 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⁾ Adjusted with investments/return since EGM 2012 for comparison purpose

Brexit and new revisions to Circular 36 made headlines in the second quarter

Ho Chi Minh City and Hanoi were among the region's best performing landed markets in 2015

The second quarter of 2016 witnessed a drop in condominium units launched both in Ho Chi Minh City and Hanoi

Increasing supply in office and retail segments over the remainder of the year is expected to place continued downward pressure on net effective rentals

Market outlook, Q2 2016

The major news item in Q2 2016 was the British withdrawal from the European Union ("Brexit"). While many markets experienced a shock immediately following the UK's decision to leave the European Union, Vietnam has so far seen little impact. In terms of the currency, as of the end of June, USD/VND exchange rates remained stable at about 22,300 per dollar. Investment in real estate has remained steady post-Brexit, and the expansion of real estate demand seen through the first half of this year is expected to continue in H2 2016.

Also of note in the second quarter was the approval of revisions to Circular 36. This regulation, issued by the State Bank of Vietnam (SBV), will restrict lending over the medium-to-long-term to not exceed 50% of short term funding by 1 January 2017 and not exceed 40% by 1 January 2018, from the current limit of 60%. At the beginning of the second quarter, there were still some concerns that the revised regulations would reduce lending to the real estate market. However, as the revised circular is not expected to be implemented until January 2017, the market should have ample time to adjust. In addition, according to the SBV, non-performing loans have declined since 2012, while credit growth has been managed closely and loans to the real estate sector remain under control. The new circular is expected to prevent the property market from becoming another bubble in the coming years.

Landed property sector

Ho Chi Minh City and Hanoi have been among the region's best performing landed markets, according to Savills Vietnam. The two markets have remained strong so far this year, with an additional 1,600 units in Ho Chi Minh City and 908 units in Hanoi launched in the second quarter alone. Average sales both in Ho Chi Minh City and Hanoi increased by 70% quarter-on-quarter with the townhouse segment accounting for 65% of total transactions, while average selling prices increased approximately 3% quarter-on-quarter.

Condominium sector

According to CBRE Vietnam, an additional 10,107 condominium units in Ho Chi Minh City and 6,100 units in Hanoi were launched in the second quarter, representing decreases of 9% and 23% year-on-year, respectively. Average selling prices remained stable in Ho Chi Minh City while increasing by 3% year-on-year in Hanoi. Condominiums in the mid-end segment provided better margins to developers prompting more developments in the segment. Even with the decreases in condo launches, there is a sense that the condo market remains over supplied which may impact prices and inventory movement in the near future.

Office sector

Average rents remained stable both in Ho Chi Minh City and Hanoi in the second quarter, and occupancy improved across all grades due to limited supply. However, according to CBRE Vietnam, an additional 177,000sqm will come online in the second half of 2016 in Ho Chi Minh City and Hanoi. Increasing supply in office space over the remainder of the year is expected to place downward pressure on net effective rentals.

Retail sector

Total retail stock both in Ho Chi Minh City and Hanoi increased 13% and 22% year-on-year, respectively in the second quarter. According to Savills, average rents and occupancy rates dropped slightly in both cities. Developers were pressured to decrease rents to avoid tenant shifts and secure occupancy in a competitive market.

Pavilion Square

Pavilion Square is a freehold residential project located in District 1 of Ho Chi Minh City. The project was acquired in January 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 December 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 84% is completed. In conjunction with the expected completion of land compensation, the Manager is working with a potential investor on this project.

VinaSquare

VinaSquare was acquired in May 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 October 2008 and the 1:500 master plan was approved in October 2010. The demolition of old factory buildings on the site was completed in Q4 2011 and the site is fully cleared. 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.

Dai Phuoc Lotus

Dai Phuoc Lotus Township was acquired 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 development plan is to develop the first of six zones of the 198.52ha site in conjunction with partial wholesale divestment to co-investors. The first phase of development commenced with Zone 5, comprising 332 villas. All infrastructure work to Zone 5 has been completed including the Prosperity Lake adjacent to the display villas. Approval to sell "land plots" for Zone 5 was received from the Dong Nai People's Committee on 12 November 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 submitted and received the Dong Nai People's Committee approval on 28 March 2016. The revised Investment License was issued on 29 May 2016 with the development schedule extended from 2016 to 2018. The revised Master Plan of the remaining zones will be processed on a staged basis with Zone 7 selected as the next area for updating.

During Q2 2016, the project continued to see increased activity with new sale transactions and construction progress. The second quarter of 2016 has shown some improvements in the speed of lot and villa sales. As at 30 June 2016, 254 sales and purchase agreements have been signed out of 332 villas launched, with 191 villas handed over to buyers. Furthermore, 161 ownership titles have been issued to owners with a further 16 targeted to be completed by Q3 2016. Given the extensive infrastructure in the area including key projects such as the completed Ho Chi Minh-Long Thanh-Dau Giay Highway, the upcoming construction of No.3 Ring Road (from 25B Province Road to Ho Chi Minh-Long Thanh-Dau Giay Highway) and the proposed construction of a series of highways for Q1 2017, the site's locality will attract more investor interest across a range of industries including real estate development.

Project summary

Sector	Mixed-use (residential and retail)
Area	1.4ha
Location	District 1, HCMC
History	Acquired in January 2007 Investment licence received in 2007 Revised 1:500 master plan approval received in Q2 2016 Compensation 84% completed. Expected completion of compensation by Q4 2016.
Investment rationale	The site is well-located for mid to high end residential towers with modern facilities offering freehold residential units in District 1.

Project summary

Sector	Mixed-use (residential, retail, office, serviced apartment and hotel)
Area	3.1ha of land
Location	District 5, HCMC
History	Acquired in May 2007 Investment licence received in October 2008 1:500 master plan approved in October 2010 Revised investment license received in Q2 2015 and 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.

Project summary

Sector	Township (integrated residential)
Area	198.5ha of land
Location	Dong Nai Province, near HCMC
History	Acquired in June 2007. Investment licence received in May 2007 Construction and sales of Zone 5 villas underway Sports and recreation centre, CBD link road, all Zone 5 infrastructure completed Approval to sell land plots for Zone 5 was approved in Nov 2015 The revised Master Plan of Zone 4 was approved in Mar 2016. Working to revise 1:500 master plans of remaining zones
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.

Times Square Hanoi

Times Square 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 in western Hanoi, often considered as the city's future CBD. The project, acquired in 2007, is a mixed-use office, retail, hotel and serviced apartment development. Given its high-profile location, the project has considerable potential as a future landmark development.

Project summary

Sector	Mixed-use (office, retail, hotel and serviced apartment)
Area	4.0ha
Location	Pham Hung Road, My Dinh area
History	Acquired in Q1 2007 Investment licence received in May 2008 and final revised in July 2010 1:500 master plan approved in March 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

AquaCity 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 along the Dong Nai River, approximately 45 minutes from the centre of Ho Chi Minh City. In February 2012, the project received its 1:500 master plan approval. The development master plan includes both residential (apartment, townhouse and villa) and commercial use.

Project summary

Sector	Township (commercial and residential use)
Area	250.2 ha
Location	Dong Nai Province, bordering on District 9 of HCMC
History	Acquired in 2006 1:2000 master plan approved in December 2008 1:500 master plan approved in February 2012
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.

Due to the limited availability of land in the CBD, potential buyers are continuing to buy properties in non-CBD locations, particularly in locations with improving infrastructure and public facilities. Since acquisition, the infrastructure systems and social facilities within the site's locality have improved significantly. In addition, surrounding infrastructure developments such as the completed HCMC – Long Thanh – Dau Giay highway, the proposed construction of the metro line and Long Thanh Airport, will provide convenient access between the CBD, surrounding districts, and suburban areas and will attract investor interest in the site's locality.

Trinity Park

Trinity Park was acquired in 2007. The 1:500 master plan for the project was approved in May 2007, while infrastructure on site is partially completed. Given the lack of land available for residential development in the city's central districts, recent developments have tended to concentrate in areas such as District 2 and 9, and the site's location has seen a marked increase in development activity. VNL completed all documentation with the local partner relating to the development of remaining infrastructure. The construction of further infrastructure is expected to commence in quarter four, and will create further options for VNL.

Project summary

Sector	Residential (including school)
Area	33.7ha
Location	District 9, HCMC
History	Acquired in November 2007 1:500 master plan approved in May 2007 Site cleared and fully compensated Infrastructure system is under-construction
Investment rationale	Sound long-term demand for mid-range, landed residential housing in District 9.

Capital Square

Capital Square Danang was acquired in 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 September 2012. The restructuring process to split the 9ha site into three separate investment licenses was successfully completed in June 2012, allowing greater flexibility in development or divestment. In 2015 VNL divested the remaining Phase 1 to a retail mall developer, and the construction of a new shopping mall was completed and opened officially on 30 June 2015. Azura Tower is now 98% sold out as at 30 June 2016 (222 sold out of 225 units), with 212 units (94%) handed over to buyers. The Manager expects to sell down all remaining unsold stock by Q3 2016.

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 (LURCs) were issued for Phase 2 in March 2016.

Having been selected to host the 25th Asia-Pacific Economic Cooperation (APEC) Summit 2017, a series of major infrastructure projects in Danang have begun including upgrades to Danang International Airport. Given the Danang's rapidly developing infrastructure and the increased deal activity in surrounding areas, the Capital Square Project will likely continue to attract attention from local and foreign investors.

Green Park Estate

The Green Park Estate project site was acquired in 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. This 15.7ha site has excellent exposure with over 300 metres of frontage onto Truong Chinh Street, a major arterial road with a future Metro Rail Transit (MRT) route running alongside. The 19km Metro Line No. 2 (An Suong – Thu Thiem), which is approximately 1km east of the site, broke ground and is expected to be operating by 2020. Site clearance and relocation work are in progress. Land clearance is expected to be completed by Q2-2017.

Phu Hoi Project

The Phu Hoi 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 83.94ha, the project is set to become a new residential urban area with supporting commercial and public amenities. The revised 1:500 master plan was received in Q1 2012 and the latest Investment License was amended in Q4 2012.

Currently, the site is accessible via an internal road from Nguyen Huu Canh Street, one of the main roads in the city of Nhon Trach. According to Nhon Trach's master plan, by 2020, the site will be well located along the Provincial Road 25C (Nguyen Ai Quoc Street) and opposite the city's new administrative centre. Provincial Road 25C is planned to extend 120m and connect the site's locality to the proposed Long Thanh International Airport. The completion of Provincial Road 25C will significantly improve access to the site.

Project summary

Sector	Mixed-use (commercial and residential)
Remaining Area	6.6 ha
Location	Danang City, on the river side opposite City Centre
History	Acquired in Q3 2006 Investment licence received in July 2007 The restructuring process to split the site into three separate investment licenses was successfully completed in June 2012 Azura residential apartment tower (a part of Phase 1) completed in September 2012, and currently 98% apartments sold. In 2015, VNL divested the rest of Phase 1 to a retail mall developer. Phase 2 received the Land Use Right Certificates in March 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

Project summary

Sector	Residential & commercial (proposed)
Area	15.7 ha
Location	Tan Phu District , HCMC
History	Acquired in Q1 2006 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

Project summary

Sector	Residential
Area	83.9 ha
Location	Nhon Trach District, Dong Nai Province
History	Master plan 1:500 was approved in Nov 2004 Joint Venture contract signed in December 2008 Investment License first issuance in June 2009 LURs were received in 2009 and 2010 Approval of amended master plan 1:500 in Jan 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.

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 monthly, 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, 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

Nicholas Allen (Chairman)

Charles Isaac

Michel Casselman

VNL Valuation Committee

Nicholas Brooke (Chairman)

Nicholas Allen

Tran Trong Kien

Historical financial information

Years ended 30 June	2010 (*)	2011 (*)	2012	2013	2014	2015
Statement of Income (USD'000)						
Total income from ordinary activities	143,293	154,278	-42,696	-28,712	32,940	34,218
Total expenses from ordinary activities	-64,650	-110,434	-98,304	-102,896	-65,386	-44,567
Operating profit before income tax	78,643	43,844	-141,000	-131,608	-32,446	-10,349
Income tax expense	-11,190	-3,354	-8,474	15,175	5,026	-8,067
Profit for the year	67,453	40,490	-149,474	-116,433	-27,420	-18,416
Minority interests	17,754	25,747	-50,585	-26,296	-3,227	3,851
Profit attributable to ordinary equity holders	49,699	14,743	-98,889	-90,137	-24,193	-22,267
Statement of financial position (USD'000)						
Total assets	1,260,218	1,318,847	1,134,262	929,344	929,839	840,022
Total liabilities	-587,523	-655,508	-587,914	-482,566	-509,705	-448,831
Net assets	672,695	663,339	546,348	446,778	420,134	391,191
Share information						
Basic earnings per share (cents per share)	0.10	0.03	-0.20	-0.19	-0.05	-0.05
Share price as 30 June	0.77	0.77	0.48	0.46	0.55	0.52
Ordinary share capital (thousand shares)	499,968	499,968	493,488	481,298	458,727	430,132
Market capitalization at 30 June (USD'000)	384,975	384,975	236,874	221,397	252,300	223,669
Net asset value per ordinary share (USD)	1.35	1.33	1.11	0.93	0.92	0.91
Ratio						
Return on average ordinary shareholder's funds	9.9%	2.9%	-16.8%	-15.4%	-4.2%	4.0%
Total expense ratio (% of NAV)	2.36%	2.00%	2.39%	2.15%	2.31%	2.56%

(*) Restatement of 30 June 2010 and 30 June 2011 figures, please refer to note 2.30 of the consolidated financial statements for the year ended 30 June 2012 for reference.

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
Nicholas Brooke	Non-executive Director	Brook Taylor	Chief Operating Officer
Nicholas Allen	Non-executive Director	David Blackhall	Managing Director, VNL
Charles Isaac	Non-executive Director	Anthony House	Deputy Managing Director, Real Estate
Tran Trong Kien	Non-executive Director	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 up to a maximum of 1 year and commenced 21 November 2015		
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 2016		
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 and Administrator	HSBC Trustee (Cayman) Limited, Standard Chartered Bank (Singapore & Vietnam)		
Registrar and Transfer Agency	Orangefield (Cayman) Limited		
Brokers	Numis Securities (Bloomberg: NUMI)		
Lawyers	Wragge Lawrence Graham & Co (UK), Maples and Calder (Cayman Islands)		
Base and incentive fee	The base (management) fee is USD390 thousand per calendar month. There is an accrued but unpaid performance fee related to disposals contracted prior to 21 November 2015, and a disposal fee of 2.8% of distributable proceeds arising from new disposals contracted after 21 November 2015 which is linked to distributions to shareholders.		
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.		



Important Information

This document, and the material contained therein, is not intended as an offer or solicitation for the subscription, purchase or sale of securities in VinaCapital Vietnam Opportunity Fund Limited (the "Company"). Any investment in any of the Companies must be based solely on the Admission Document of that Company or other offering document issued from time to time by that Company, in accordance with applicable laws.

The material in this document is not intended to provide, and should not be relied on for accounting, legal or tax advice or investment recommendations. Potential investors are advised to independently review and/or obtain independent professional advice and draw their own conclusions regarding the economic benefit and risks of investment in either of the Companies and legal, regulatory, credit, tax and accounting aspects in relation to their particular circumstances.

The securities of the Companies have not been and will not be registered under any securities laws of the United States of America nor any of its territories or possessions or areas subject to its jurisdiction and, absent an exemption, may not be offered for sale or sold to nationals or residents thereof.

No undertaking, representation, warranty or other assurance, express or implied, is given by or on behalf of either of the Companies or VinaCapital Investment Management Ltd or any of their respective directors, officers, partners, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this document and no responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligence or otherwise.

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