

Performance summary* **31 Dec 2018**

NAV per share** (USD):	0.0022
Total NAV** (USD 'm):	0.325

* Figures in USD. Please note that NAV and share price figures in this report take into consideration of all cash distributions up to December 2018.

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

Portfolio information **31 Dec 2018**

Current assets	0
Divestments	46 full
Debt (fund and project level)	Nil
Shares outstanding	146,619,888

Manager's comment

As at 31 December 2018, VinaLand Limited (the "Company" or "VNL") posted an unaudited net asset value (NAV) of USD0.325 million or USD0.0022 per share, which decreased from the previous quarter's unaudited NAV at 30 September 2018 of USD41.2 million or USD0.28 per share. This decrease in NAV during the quarter was due to the return of capital of USD45.45 million or USD0.31 per share and announced on 6 December 2018 following the completion of the last two project divestments. VNL's share price also decreased post the return of capital, sitting at USD0.0050 per share at the end of December 2018. VNL repurchased and cancelled 0.33 million ordinary shares in the last quarter of 2018 via the Company share buyback program, bringing the total of cancelled ordinary shares since October 2011 to 353.3 million. VNL has cancelled 70.7% of the fund's total issued shares prior to the program since the commencement of the share buyback program.

Fund update

VNL completed the last two project disposals of Green Park Estate and Garland projects during the last quarter of 2018. The Green Park project consisted of a total land area of approximately 15.7ha and was acquired by VNL in 2007, with the land designated for a future mix-use development, while the Garland project was developed and all units sold. Both projects were acquired by VNL in 2008. These disposals resulted in net proceeds of USD36.2 million to VNL which will be used to cover VNL's final commitments, including operating and liquidation costs, and any funds available will be used to fund a final distribution to shareholders.

In addition to successfully exiting these projects, VNL distributed approximately USD0.09 million to shareholders via share buybacks and USD45.45 million to shareholders via return of capital, during the last quarter of 2018. Since the Extraordinary General Meeting (EMG) in November 2016, VNL has distributed USD337.5 million including USD77.9 million via share buy backs, USD83.0 million via tender offers and USD176.6 million via capital return. As at 31 December 2018, most of divestment proceeds have been distributed to shareholders. During December 2018 the Investment Manager purchased 30.376 million of shares, increasing its holding to 36.34%.

Following the return of capital of USD0.31 per share in December 2018, the Company convened an AGM on 14 December 2018 which included a resolution to obtain shareholder support to cancel the quotation of the Company's ordinary shares from trading on AIM (the "Delisting Resolution") however this was not passed. Consequently, trading in the Company's ordinary shares on AIM was not cancelled as proposed and the Directors of VNL are considering this unexpected outcome with the Company's advisers and are further investigating the next steps for the Company.

Macroeconomic Commentary

Vietnam's General Statistics Office (GSO) announced that the country's GDP growth increased from 6.8% in 2017 to an 11-year high of 7.1% in 2018, while inflation ended the year at a modest 3.5% year-on-year (y-o-y). Credit growth during the year was 14%, while the VND depreciated by about 2.2% against the USD, faring better than currencies in the Philippines and Indonesia, which lost 5% and 6%, respectively.

The improvement in Vietnam's economic growth in 2018 was primarily attributable to a tempering in the decline of the country's mining sector, as well as to a widening in Vietnam's trade surplus from 1.3% of GDP in 2017 to an estimated 3% of GDP in 2018. The mining sector, which accounts for 7% of Vietnam's GDP, shrank by 7.1% y-o-y in 2017, but the rate of decline in the mining sector output lessened to 3.1% in 2018, which boosted the country's GDP growth rate by 0.3 percentage points.

Vietnam's oil production volume declined by 11% in both 2017 and 2018, owing to physical constraints that inhibit exploration and production firms from pumping oil from existing, aging wells, but the country's coal production increased from negligible growth in 2017 to 9% growth in 2018, and natural gas production also improved, both of which augmented the mining sector's output.

In contrast to the modest improvement in Vietnam's mining sector, the growth of the country's manufacturing output moderated from 14.4% y-o-y growth in 2017 to 13% in 2018, which was attributable to a leveling off of the production growth of smart phones and other high-tech products that had enjoyed tremendous growth in recent years. Specifically, Vietnam's mobile phone production contracted by 1% y-o-y compared to a growth of 7% in 2017, and the country's high-tech export growth fell from 33% in 2017 to 12% growth in 2018.

That said, the prospects for the continued high growth of Vietnam's manufacturing output in 2019 are encouraging, given that the average of the country's Purchasing Managers' Index survey reached a record high of 53.6 in 2018, and given that the PMI has been above the '50' expansion-contraction threshold for more than two years. Furthermore, FDI inflows grew by 9% in 2018, and which augers well for continued gains in the country's manufacturing output, because over half of FDI is earmarked for the development of manufacturing facilities.

The outlook for inflation in Vietnam in 2019 is also benign, although the potential impact of oil price is hard to predict given the extreme volatility of world oil prices in recent weeks. Administrative prices hikes, such as electricity, petrol and health care, are expected to add about one percentage point to the country's inflation rate in 2019, but we expect a drop in Vietnam's food price inflation from 5% in 2018 to about 3%, which is the average of the country's food price inflation rate in recent years, and which would reduce headline inflation by about one percentage point, ceteris paribus.

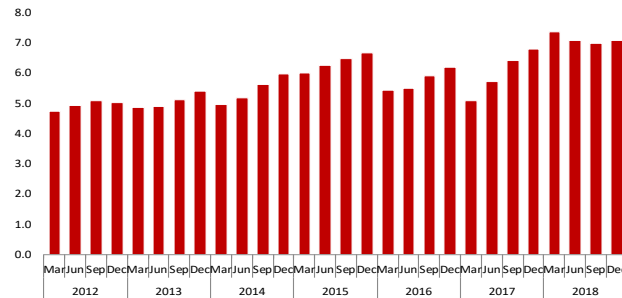
Finally, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the eleven-country trade pact that covers more than 500 million people and 13% of the global economy, took effect in Vietnam on 14 January 2019. CPTPP, which comprises all the original parties to the Trans-Pacific Partnership minus the US, is forecasted to provide a direct 1.32% boost to Vietnam's GDP and the creation of as many as 26,000 new jobs by 2035, according to the Ministry of Industry and Trade. Additionally, the pact will drive continued domestic economic reforms.

Macroeconomic indicators

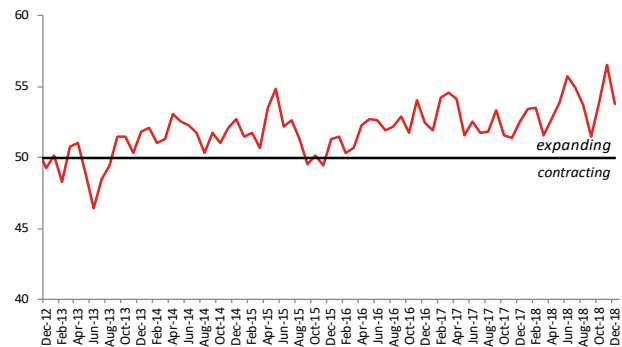
	2017	Dec-18	2018	Y-O-Y
GDP growth ¹	6.8%		7.1%	
Inflation (%)	2.6%			3.5%
FDI commitments (USDbn)	35.9	4.6	35.5	-1.2%
FDI disbursements (USDbn)	17.5	2.6	19.1	9.1
Imports (USDbn)	211.1	20.5	236.7	11.1%
Exports (USDbn)	213.8	19.6	243.5	13.2%
Trade surplus/(deficit) (USDbn)	2.7	(0.8)	6.8	
Exchange rate (USD/VND)	22,655	23,155		-2.2%

Sources: GSO, Vietnam Customs, MPI, VCB | 1. Annualised rate, updated quarterly

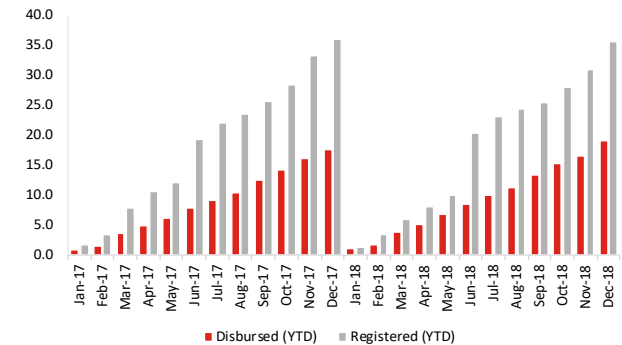
Quarterly GDP growth (%)



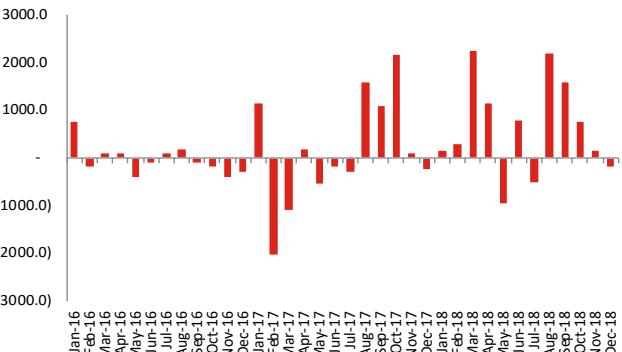
Purchasing Managers' Index



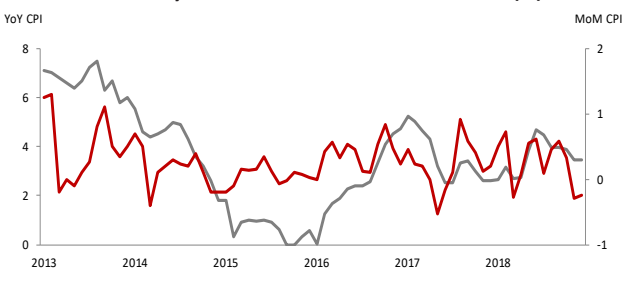
Registered & disbursed FDI, cumulative YTD (USDbn)



Monthly trade balance (USDm)



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



Source: GSO, Vietnam Customs, Bloomberg

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. As at 31 December 2018, all real estate projects have been sold.

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 thirty days of the quarter's end. The Fund issues quarterly and annual report with audited final results.

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

[VNL Information Briefs](#)

Audit Committee

Post 31 December 2018, VNL has one separate Audit Committee composed of independent, non-executive members of the board of directors of the fund, and chaired by an independent director and the committee meets quarterly.

VNL Audit Committee

Ian Lydall (Chairman)
Michel Casselman

Historical financial information

Years ended 30 June	2013	2014	2015	2016	2017	2018
Statement of Income (USD'000)						
Total income from ordinary activities	(28.712)	32.940	34.218	54.510	32.227	(19.176)
Total expenses from ordinary activities	(102.896)	(65.386)	(44.567)	(58.992)	(34.106)	(6.743)
Operating profit before income tax	(131.608)	(32.446)	(10.349)	(4.482)	(1.879)	(25.919)
Income tax expense	15.175	5.026	(8.067)	(156)	(10.726)	(588)
Profit for the year	(116.433)	(27.420)	(18.416)	(4.638)	(12.605)	(26.507)
Non-controlling interests	(26.296)	(3.227)	3.851	3.677	11.054	5.208
Profit attributable to ordinary equity holders	(90.137)	(24.193)	(22.267)	(8.315)	(23.659)	(31.711)
Statement of financial position (USD'000)						
Total assets	929.344	929.839	840.022	654.515	529.851	62.989
Total liabilities	(482.566)	(509.705)	(448.831)	(317.679)	(288.367)	(16.301)
Net assets	446.778	420.134	391.191	336.836	241.484	46.688
Share information						
Basic earnings per share (cents per share)	(0.19)	(0.05)	(0.05)	(0.02)	(0.07)	(0.16)
Share price as 30 June	0.46	0.55	0.52	0.58	0.78	0.25
Ordinary share capital (thousand shares)	481.298	458.727	430.132	393.808	257.988	163.400
Market capitalization at 30 June (USD'000)	221.397	252.300	223.669	226.440	199.940	40.850
Net asset value per ordinary share (USD)	0.93	0.92	0.91	0.86	0.94	0.29
Ratio						
Return on average ordinary shareholder's funds	-15.43%	-4.23%	-4.00%	-1.67%	-5.91%	-16.15%
Total expense ratio (% of NAV)	2.15%	2.31%	2.56%	2.31%	1.73%	0.95%

Board of Directors		VinaCapital Investment Management Ltd	
VNL's Board of Directors is composed entirely of independent non-executive directors.			
Member	Role	Member	Role
Michel Casselman	Non-executive Chairman	Don Lam	Chief Executive Officer
Ian Lydall	Non-executive Director	Brook Taylor	Chief Operating Officer
		David Blackhall	Managing Director, VNL
		Anthony House	Deputy Managing Director, Real Estate
Fund background			
ISIN	KYG936361016		
LEI	213800YF4Z7F1H1XT20		
Bloomberg	VNL LN		
Reuters	VNLL		
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, then subject to shareholder vote for continuation. The fund will be liquidated in 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 deducted from the disposal and alignment fees earned.		
Investment policy	The fund has disposed of all assets and distributed substantially all of its distributable reserves to shareholders save for retention that will be used to fund the fund liquidation of the company.		
Investment objective by geography	All existing investments are located in Vietnam. There will be no new investments during the current cash return period.		

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