



<b>Fund update</b>	<b>2</b>
Manager comment	
Portfolio data	
<b>Market update</b>	<b>4</b>
Macro economy	
<b>Top ten investments update</b>	<b>5</b>
<b>Note on valuation methodology</b>	<b>10</b>
<b>Historical financial information</b>	<b>11</b>
<b>Board and manager information</b>	<b>12</b>

## Fund background

Vietnam Infrastructure Limited ('VNI') is a closed-end fund trading on the AIM Market of the London Stock Exchange.

ISIN: KYG936121022

Bloomberg: VNI LN

Reuters: VNI.L

[Click here for VNI's website.](#)

## Fund managing director

Tony Hsun

## Investment Manager

VNI is managed by VinaCapital Investment Management Ltd (VCIM) and requires investment approvals from an Investment Committee.

[More information about VCIM is available here.](#)

## Manager's comment

As of 31 December 2014, VNI's audit reviewed net asset value was USD211.7 million or USD0.60 per share, a decrease of 8.8% from a net asset value per share of USD0.66 from 30 September 2014. VNI's share price closed at USD0.49 at the end of December, an increase of 4.3% compared to the closing price of USD0.47 at the end of September. VNI's discount narrowed during the quarter to 18.6% from 29.2% in September.

## Capital markets

The VN Index decreased by 9.7% in USD terms, closing the fourth quarter at 545.6, while the MSCI Asia ex-Japan and MSCI Emerging Markets indices decreased by 0.2% and 4.9%, respectively. Trading value and volume on Vietnam's stock exchanges was USD8.9 billion on 11.8 billion shares, an increase of 5.6% in terms of value while volume increased by 2.1% compared to the previous quarter. The combined market capitalization for both of Vietnam's bourses was USD52.6 billion compared to USD54.4 billion a quarter ago. As at 31 December 2014, the VN Index traded on a trailing P/E of 13.3x and P/B of 1.8x according to Bloomberg.

Foreign investors were net sellers of Vietnamese equities, accounting for net selling of USD97.8 million in the four quarter. The top acquired companies were Saigon Securities Inc. (SSI), Mobile World Group (MWG), Becamex Infrastructure Development (IJC), Vinh Hoan Corporation (VHC) and Phu My Fertiliser (DPM) while Sacombank (STB), Hoang Anh Gia Lai Group (HAG), PetroVietnam Drilling (PVD), Hoang Anh Gia Lai Group (HAG) and Hoa Phat Group (HPG) were most actively divested.

## Performance summary

31 December 2014

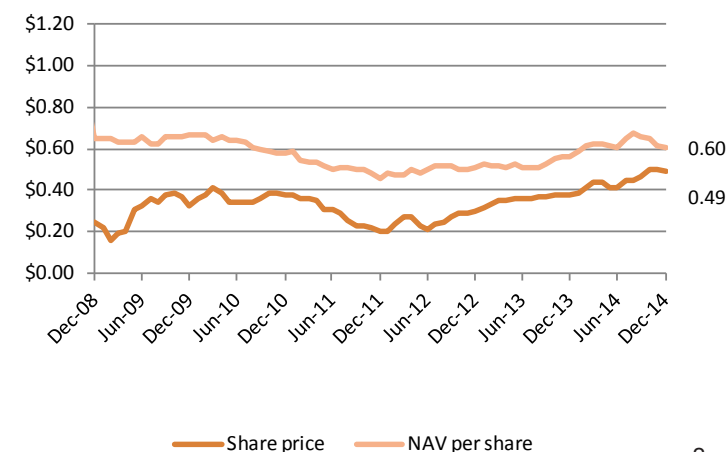
NAV per share (USD):	0.60
Change (Quarter-on-quarter)	-8.8%
Total NAV (USD 'm):	211.7
Share price (USD):	0.49
Market cap (USD 'm):	171.6
Premium/(discount)	18.6%

## Cumulative change (% change)

	3mth	1yr	3yr
NAV per share	-8.8	6.6	32.3
Share price	4.8	29.3	145.0

## Annual performance history (% change)

	YTD	2013	2012	2011
NAV per share	6.6	12.0	10.8	-20.2
VN Index	6.6	20.4	18.9	-25.6



## Portfolio by sector

Sector	# of holdings	NAV (USDm)	% of NAV
Agribusiness	3	4.6	2.2%
Construction & Material	3	0.5	0.2%
Consumers	1	0.2	0.1%
General Infrastructure	2	24.1	11.4%
Industrials	1	4.5	2.1%
IP and township	5	33.2	15.7%
Oil and gas	4	16.9	8.0%
Power	2	9.8	4.6%
Telecommunications	5	71.1	33.6%
Transport & logistics	2	15.9	7.5%
Others	1	0.4	0.2%
Cash & equivalents		30.5	14.4%
<b>Total</b>	<b>29</b>	<b>211.7</b>	<b>100.0%</b>

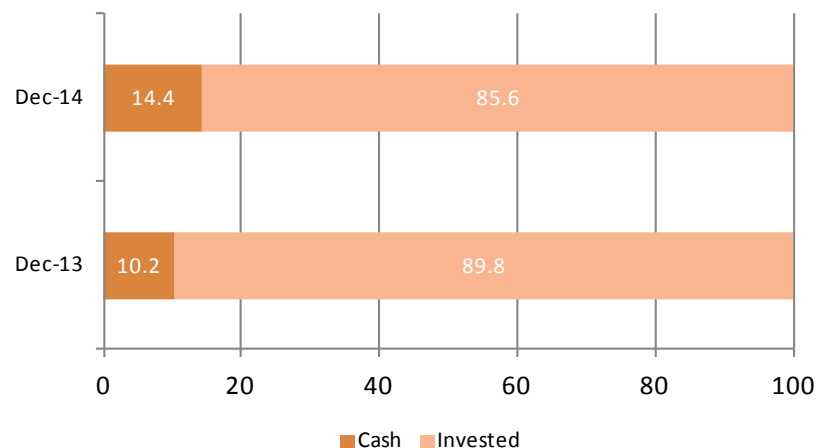
## Portfolio by asset class

Asset class	# of holdings	NAV (USDm)	% of NAV
Listed	21	79.1	37.3%
Private equity	7	101.7	48.1%
Bond	1	0.4	0.2%
Cash & equivalents		30.5	14.4%
<b>Total</b>	<b>29</b>	<b>211.7</b>	<b>100.0%</b>

## Top ten holdings

Investee	% of NAV	Book value (USD'000)	Asset class	Sector	Description
SEATH	30.6%	64,705	Private equity	Telecommunications	Vietnam's largest private BTS holding company
Ba Thien IP	10.7%	22,652	Private Equity	IP and township	308ha IP project in Vinh Phuc province, near Hanoi
HPG	7.0%	14,729	Listed	General infrastructure	A leading steel conglomerate
VALC	5.0%	10,616	Private Equity	Transport & logistics	The first aircraft leasing company in Vietnam
CII	4.4%	9,416	Listed	General infrastructure	Vietnam's top infrastructure investment company
PVD	3.9%	8,262	Listed	Oil and gas	PetroVietnam subsidiary; oil and gas drilling services
SJD	3.6%	7,653	Listed	Power	A profitable hydro power plant of capacity 77.8MW
FPT	3.0%	6,351	Listed	Telecommunications	A leading telecommunication company in Vietnam
PVS	2.7%	5,614	Listed	Oil and gas	A leading oil and gas technical services company
Long An IP	1.7%	3,671	Private Equity	IP and township	Major IP and port project in Long An province

## Invested funds (% of NAV)



## Macroeconomic update

According to the General Statistics Office (GSO), Vietnam's gross domestic product (GDP) growth reached 6.9% in the fourth quarter of 2014, bringing full year 2014 GDP growth to 6.0%, exceeding the original government target of 5.8%. The final quarter of the year finished with strong economic growth mainly as a result of improvements in the manufacturing sector and rising exports.

Additionally, Vietnam's month-on-month consumer price index (CPI) declined 0.2% in December, the third consecutive month of deflation, bringing full year 2014 inflation to just 1.8%, marking the lowest annual rate in over 13 years. During the month, transportation costs plunged 3.1% as a result of numerous price cuts in gasoline. Going forward, we feel oil prices; consumer demand; and domestic inventories, specifically for food and foodstuffs, will have the largest impact on inflation. With inflation expected to remain at multi-year lows, the State Bank of Vietnam (SBV) could have more room to reduce interest rate caps further, thereby encouraging commercial banks to lower lending rates.

Vietnam's currency (VND) came under slight pressure in December with the official market exchange rate finishing the year at 21,450 per US Dollar, a depreciation of just 1.6% from a year ago and within the government's target of less than 2.0% each calendar year. The SBV should be able to maintain this continual goal despite any temporary monetary pressure, given Vietnam's trade surplus of approximately USD2.0 billion, foreign direct investment disbursements reaching USD12.5 billion in 2014, increasing overseas remittances and an overall balance of payments in an estimated surplus of USD10.0 billion at the year's end.

## Fixed income

After selling USD1.0 billion worth of 10-year government bonds in 2014 at an average yield of 4.8% (below the offer rate of 5.1%), the government plans to issue an additional USD1.0 billion in 2015. Recent upgrades in Vietnam's sovereign debt ratings by Moody's and Fitch have allowed the government to successfully place more long term debt.

For the month of December, on the primary bond market, a total of USD1.49 billion worth of government and government-backed bonds were issued, representing an increase of 394% from November 2014 (USD302 million). On the secondary bond market, trading volume increased 31.4%, with USD4.49 billion worth of bonds transacted for the month. Secondary government bond yields increased between 10 and 39 basis points across the yield curve.

## Media links

Below is a list of recent articles related to the investment environment in Vietnam and VinaCapital activity.

[VNC - Falling oil price and rising dollar: Impact on VND](#)

[VNC - Prospects for deflation in Vietnam](#)

[VNC - Vietnam's Economy: A review of 2014 and our 2015 outlook](#)

## Macroeconomic indicators

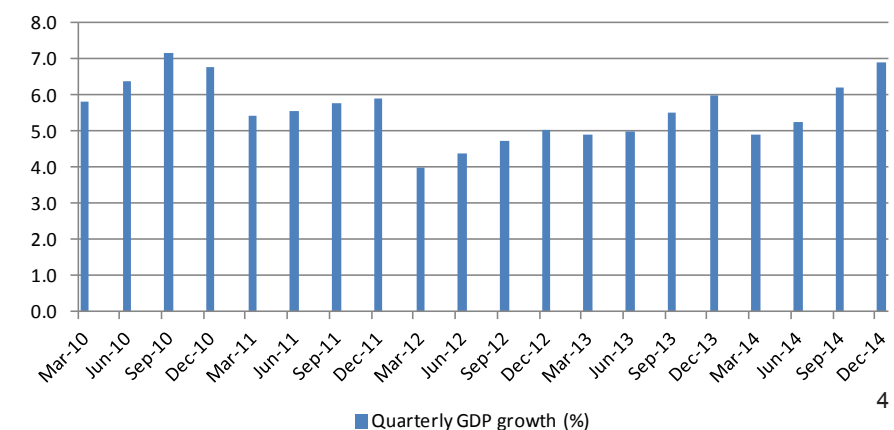
	2013	Dec-14	2014 YTD	Year-on-year
GDP growth <sup>1</sup>	5.4%	6.9%	6.0%	6.0%
Inflation	6.0%	-0.2%	1.8%	1.8%
FDI commitments (USDbn)	21.6	2.2	15.6	9.6%
Imports (USDbn)	131.3	14.0	148.0	12.1%
Exports (USDbn) <sup>2</sup>	132.2	13.1	150.0	13.6%
Trade surplus/(deficit)	0.9	-0.9	2.0	
Exchange rate (USD/VND) <sup>3</sup>	21,115	21,450	-1.6%	
Bank deposit rate (VND)	7.5%	6.0%	-150 bps	

Sources: GSO, SBV, VCB | 1. Annualized rate, updated quarterly 2. Includes gold 3. (-) Denotes a devaluation in the currency, Vietcombank ask rate

## Government bond yields (%)

	1yr	2yr	3yr	5yr
December-14	4.76	5.04	5.22	6.23
November-14	4.37	4.73	5.08	5.84

## Quarterly GDP growth (%)



## Southeast Asia Telecommunications Holdings Pte. Ltd. (SEATH)

Southeast Asia Telecommunications Holdings Pte. Ltd. (SEATH) is VNI's base transceiver station (BTS) holding company. Established in Singapore, it is the largest private investor in the tower business in Vietnam, owning absolute stakes in three local BTS companies, including GII, MIS and VNC-55 based in Ho Chi Minh City, Ha Noi and Da Nang, respectively.

As at 31 December 2014, the company had 1,924 BTS towers across Vietnam. These towers are leased under long-term contracts with key mobile operators at a tenancy ratio of 1.2, providing stable cash flow and favorable margins. SEATH expects to see decent growth in its tenancy ratio in FY2015 as mobile network operators intensify their competition for 3G users, which has picked up since the second half of 2014. The company is well on track with its expansion strategy into In-building Systems (IBS) to further enhance its profitability and provide stable income to the fund.

Estimated financial results for FY2014 show EBITDA and net margins of 54.1% and 15.2% respectively.

## Company highlights

Current NAV (USD mil)	64.7
% of VNI's NAV	30.6
Number of towers	1,924
Tenancy Ratio	1.20
EBITDA margin (FY 2014)	54.1%
Net margin (FY 2014)	15.2%

## Ba Thien II Industrial Park (Ba Thien 2)

Ba Thien 2 Industrial Park is a 308ha project located in Vinh Phuc province, just 20km from Noi Bai International Airport and 45km from Hanoi city. In addition to its strategic location, Ba Thien 2 Industrial Park enjoys advantageous economic features and preferential local investment policies. It offers a combination of industrial land and ready-built factories with high-quality infrastructure and utilities for tenants.

Ba Thien 2 completed the 2<sup>nd</sup> phase (40ha) infrastructure construction and land reclamation. The waste water treatment plant and the VinaCPK office building have completed concrete work. Both are expected to finish construction by the end of 2014 and come into operation in Q1 2015. The two additional underground water tanks are built to increase the capacity of water storage to 1500m<sup>2</sup> to meet high usage of the new tenant TAL.

There are six tenants leasing a total area of 22.6ha in addition to three tenants completing factory construction and starting operation on the site (Nippon Paint, Deahuynt and Suzukaku with total of 9.1 ha). The Hong Kong Garment factory TAL and Samsung supplier Sekonix have deposited 10% to lease 8ha and 3.5ha respectively.

## Company highlights

Current NAV (USD mil)	22.7
% of VNI's NAV	10.7
Total area (ha)	309
Industrial area (ha)	221
Leased ratio	10%
Number of tenants	6

## PetroVietnam Drilling JSC (PVD)

PetroVietnam Drilling JSC (PVD) is the leading Vietnamese drilling-related services company. The State Owned PetroVietnam, currently owns a 51% stake. The company operates eleven drilling rigs including nine jack-up rigs, one tender assist drilling rig (TAD), and one land rig.

Management estimates FY14 revenue at VND30.5tn, an increase of 31% year-on-year and net profit reached VND2.3 – 2.4 trillion, an increase of 22 – 28% year-on-year. The key growth drivers were a 10% increase in the average day-rates for PVD's own jack-up rigs and a higher utilization rate for both owned and leased rigs. Additionally, the well services segment achieved an increase in capacity due to higher demand for all supporting services.

We think recent decline in oil prices will have a negative effect on PVD with profit expected to decline by around 7% per annum in the next 2 years as owned rigs are not impacted (most contracts signed until 2016) but leased rigs and services will be impacted.

As at 31 December 2014, PVD closed at VND64,500 per share, implying a trailing P/E ratio of 8.1x and P/B ratio of 1.7x. PVD share price underperformed the VN Index (PVD +5.7% vs. VN Index +8.1%).

## Hoa Phat Group (HPG)

Hoa Phat Group (HPG) is a leading industrial manufacturer in Vietnam. Established in 1992 as a trading company, HPG has evolved into a holding group with thirteen subsidiaries, specializing in construction materials such as steel, steel pipe, furniture, refrigerators, construction and mining equipment, real estate and industrial park operations. HPG has a well established nationwide distribution and sales network, with a strong platform for future product expansion and diversification.

Due to low cost production and new capacity from Phase II in operation since 2013, HPG has been able to increase its market share to 19.1% (No 1 in Vietnam), up from 17% as at the beginning of 2014 at the expense of other steel producers.

HPG announced impressive result for 2014, with revenue of VND26 trillion (+34% year-on-year) and net profit of VND3.2 trillion (+64% year-on-year). Growth drivers came from a 43% year-on-year sale volume increase in construction steel, lower input raw material and roughly VND600bn profit contribution from real estate - Mandarin project.

As of 31 Dec 2014, HPG was traded at VND53,000 per share, equivalent to a trailing PER of 8.0x and PBR of 2.2x.

## Financial highlights

<b>Profit and loss (VND bn)</b>	<b>FY12A</b>	<b>FY13A</b>	<b>FY14A</b>
Revenue	11,929	14,863	20,813
Net income	1,322	1,878	2,375
Net margin	11.1%	12.6%	11.4%
EPS (adjusted)	4,802	6,822	7,836
<b>Balance sheet (VND bn)</b>			
Total assets	19,084	21,490	23,276
Shareholders' equity	6,992	9,875	11,440
ROE (%)	18.9%	19.0%	27.7%
<b>Valuation (VND bn)</b>			
PER (x)	5.9	8.9	8.2
P/B (x)	1.3	1.7	1.7
Dividend yield (%)	2.4%	1.6%	3.1%

## Financial highlights

<b>Profit and loss (VND bn)</b>	<b>FY12A</b>	<b>FY13A</b>	<b>FY14A</b>
Revenue	16,827	18,934	25,525
Net income	994	1,954	3,144
Net margin	5.9%	10.3%	12.3%
EPS (adjusted)	2,372	4,663	6,435
<b>Balance sheet (VND bn)</b>			
Total assets	18,957	22,961	22,089
Shareholders' equity	8,085	9,498	11,797
ROE (%)	12.3%	20.6%	35.5%
<b>Valuation (VND bn)</b>			
PER (x)	15.3	8.8	8.2
P/B (x)	1.9	1.8	2.2
Dividend yield (%)	5.5%	4.9%	5.7%

## Vietnam Aircraft Leasing JSC (VALC)

VALC is the first and only aircraft leasing company in Vietnam. Founded in 2007 by some of the largest state-owned enterprises including Vietnam Airlines, Bank for Investment and Development of Vietnam, and Petro-Vietnam, the company quickly grew into one of Vietnam Airlines' key leasing partners with a fleet of airplanes including the ATR-72 and Airbus A321.

In 2014, VALC reported total revenues of USD81.02 million, achieving the company's 2014 target. This is comprised of rental revenues on operating lease portfolio of USD76.8 million, interest income of USD 3.88 million and other revenue of USD0.33 million. VALC recorded earnings before income taxes of USD24.4 million in 2014, an increase of USD3.6 million or 18% compared to 2013. VALC operating performance was principally driven by interest rates on debt and interest income.

VALC's fleet is principally comprised of fuel-efficient and technologically current aircraft, namely, the company's ten Airbus A321-200s and an ATR 72-500 turboprop aircraft. The company added an EC130T2 helicopter to its overall fleet in 2014.

VALC continues to find opportunities in diversifying its operating lease portfolio, reducing the risks associated with individual customer defaults and the impact of adverse geopolitical and regional economic events by engaging projects with Vietjet Air and Jet Star, two low-cost carriers operating in Vietnam. Additionally, VALC is entering a sale and lease back program of jet engines with Vietnam Airlines.

## PetroVietnam Technical Services Corporation (PVS)

PetroVietnam Technical Services Corporation (PVS) is the leading oil and gas services in Vietnam with PetroVietnam, owning a 51% stake. The company operates five main services, including ships servicing offshore operation, floating production and offloading (FPSO) vessels, port, seismic survey, construction (oil platform) and maintenance service offshore platform and vessels.

For 2014, PVS announced consolidated results with revenue of VND31.4 trillion (+23% year-on-year) and profit after tax of VND1.76 trillion (+12% year-on-year), thanks to full year operation of floating storage and offloading unit (FSO) Bien Dong and the increase of income from associate and JV companies.

Similar to PVD, we think PVS profit will decline by around 10% per annum in the next 2 years if current low oil prices environment persists.

As at 31 December 2014, PVS closed at VND26,900 per share, implying a trailing P/E ratio of 7.8x and P/B ratio of 3.0x. PVS share price outperformed the VN Index (PVS +32.5% vs VN Index +8.1%).

## Financial highlights

<b>Profit and loss (USD m)</b>	<b>FY12A</b>	<b>FY13A</b>	<b>FY14A</b>
Revenue	19	71	81
Net income	6	16	20
Net margin	31.2%	21.8%	25.0%
EPS (adjusted)	0.046	0.117	0.140
<b>Balance sheet (USD m)</b>			
Total assets	603	782	760
Shareholders' equity	64	64	64
ROE (%)	9.5%	24.3%	31.6%

## Financial highlights

<b>Profit and loss (VND bn)</b>	<b>FY12A</b>	<b>FY13A</b>	<b>FY14A</b>
Net revenue	24,590	25,390	31,373
Net profit	1,120	1,575	1,760
Net margin (%)	4.6%	6.2%	5.6%
EPS (adjusted) (VND)	3,758	3,378	3,940
<b>Balance sheet (VND bn)</b>			
Total assets	15,050	16,070	26,226
Shareholders' equity	6,250	8,220	9,298
ROE (%)	17.9%	19.2%	18.9%
<b>Valuation</b>			
PER (x)	3.7	6.0	6.8
P/B (x)	0.7	1.1	3.0
Dividend yield (%)	4.0%	4.1%	4.5%

## Ho Chi Minh City Infrastructure Investment JSC (CII)

Ho Chi Minh City Infrastructure Investment JSC (CII) is one of Vietnam's leading infrastructure companies, that invests in projects under build-operate-transfer (BOT), build-transfer (BT) and build-own-operate (BOO) contracts, real estate projects as well as providing traffic toll collection equipment and services. Its diverse portfolio includes three traffic toll stations, water treatment plants, industrial parks and township developments.

For Q4 2014, CII reported revenue of VND1,012 billion (+606% year-on-year) and a net profit of VND143 billion (+89% year-on-year), underpinned by a one-time recognition of VND684 billion from the 25B Road BT project and strong growth from its construction and toll collection revenue. Excluding the one-off booking, CII's revenue would have increased by 129% year-on-year. For FY 2014, CII achieved revenue of VND2,649 billion (+275% year-on-year) and a net profit of VND388 billion (+350 year-on-year).

As of 31 December 2014, CII closed at VND20,300 per share, representing a trailing P/E of 10.2x and P/B of 1.5x respectively.

## Long An Industrial Services and Residential

Long An SEA mixed use project is a 1,925-hectare green-field project in Long An Province, 30km south of Ho Chi Minh City. The project is divided into four components, comprising a 396ha industrial park, a 236ha industrial service area, a 1,145ha residential area and a 145ha sea port with 2.4km of frontage. VNI held stakes in the Project's industrial park (37.5%), sea port (50.%) and industrial service area (37.5%). The Company does not have any stake in the Project's residential area.

The Company has entered a conditional agreement to divest its stake in the project with domestic joint venture partner, Dong Tam Group ("DTG"). It finalized the sales of two of the Project's components, the industrial park and sea port, to DTG in December 2012. Both parties are under negotiation to obtain Long An People's Committee policy approval for transfer of development rights of Group 2 (Industrial Services and Residential) to DTG.

## Financial highlights

<b>Profit and loss (VND bn)</b>	<b>FY12A</b>	<b>FY13A</b>	<b>FY14A</b>
Revenue	237	707	2,606
Net profit	417	86	388
Net margin	175.9%	12.2%	14.9%
EPS (adjusted) (VND)	3,691	763	2,078
<b>Balance sheet (VND bn)</b>			
Total assets	6,638	8,017	9,035
Shareholders' equity	1,477	1,631	2,681
ROE (%)	28.2%	5.3%	19.3%
<b>Valuation</b>			
PER (x)	6.3	25.3	9.8
P/B (x)	1.8	1.3	1.4
Dividend yield (%)	3.4%	6.2%	5.9%

## Company highlights

Current NAV (USD mil)	3.67
% of VNI's NAV	1.7
Industrial services (ha)	239
Residential (ha)	1,145
EBITDA margin	N/A
Net margin	N/A



## FPT Corporation (FPT)

FPT Corp (FPT) is a leading technology company in Vietnam, specializing in software development, system integration, telecom services and distribution.

For Q4 2014, FPT reported revenue of VND10,828 billion (+26% year-on-year) and net profit of VND450 billion (-5.1% year-on-year). Revenue growth drivers came from IT product distribution, software outsourcing, telecom and retail. However, profit lagged due to sluggish results from system integration, domestic software solutions, IT services and online gaming segments. For 2014, FPT achieved revenue of VND35,114 billion (+23% year-on-year) and net profit of VND1,628 billion (+1.2% year-on-year).

For 2015, FPT targets total revenue of VND39,600 billion (+13% year-on-year) and net profit of VND1,888 billion (+16% year-on-year).

As of 31 December 2014, FPT traded at VND48,000/share, equivalent to a trailing P/E of 10.1x and P/B of 2.0x.

## Can Don Hydropower (SJD)

Can Don Hydro Power JSC (SJD) is a Build-Operate-Transfer (BOT) Hydropower Company located in Binh Phuoc Province of Vietnam, with designed capacity of 77.6 MW. SJD took over two Build-Own-Operate Hydropower Companies, Ry Ninh II (RHC) by end-2013 and Na Loi (NLC) by end-2014, bringing its total capacity to 95 MW.

For Q4 2014, SJD reported revenue of VND75 billion (+8.9% year-on-year) and net profit of VND37 billion (+100% year-on-year). Revenue growth was driven by a 33% year-on-year increase in SJD's own electricity volume to 116 million kilowatts per hour, from a rise in rainfall during the period. Profit growth was underpinned by a decline in management expenses from VND11 billion in Q4 2013 to VND4.5 billion in Q4 2014 and an increase in financial income from VND1.6 billion in Q4 2013 to VND9.2 billion in Q4 2014. For 2014, SJD achieved revenue of VND391 billion (+6.5% year-on-year) and net profit of VND183 billion (+15.2% year-on-year).

On 27 November 2014, SJD paid out a cash dividend of VND2,200/share, equivalent to dividend yield of 7%.

In December 2014, SJD issued 5 million shares to swap with NLC's shareholders (excluding Song Da Corp) to consolidate NLC.

As of 31 December 2014, SJD closed at VND31,500 per share, implying a trailing PER of 7.9x and PBR of 1.5x.

## Financial highlights

<b>Profit and loss (VND bn)</b>	<b>FY12A</b>	<b>FY13A</b>	<b>FY14A</b>
Revenue	24,594	27,028	35,114
Net income	1,540	1,608	1,628
Net margin	6.3%	5.9%	4.6%
EPS (adjusted)	5,625	5,842	4,733
<b>Balance sheet (VND bn)</b>			
Total assets	14,209	17,571	20,396
Shareholders' equity	6,182	7,209	8,079
ROE (%)	24.9%	22.3%	26.9%
<b>Valuation (VND bn)</b>			
PER (x)	6.0	6.3	10.1
P/B (x)	1.5	1.8	2.0
Dividend yield (%)	6.0%	8.1%	4.2%

## Financial highlights

<b>Profit and loss (VND bn)</b>	<b>FY12A</b>	<b>FY13A</b>	<b>FY14A</b>
Revenue	24,594	27,028	391
Net income	1,540	1,608	183
Net margin	6.3%	5.9%	46.9%
EPS (adjusted)	3,778	3,878	4,469
<b>Balance sheet (VND bn)</b>			
Total assets	14,209	17,571	1,296
Shareholders' equity	6,182	7,209	995
ROE (%)	24.9%	22.3%	18.4%
<b>Valuation (VND bn)</b>			
PER (x)	3.6	4.9	7.9
P/B (x)	0.8	1.0	1.5
Dividend yield (%)	14.3%	10.8%	7.0%

**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 successful fund management. VCIM follows international best practice whenever possible in its valuation process.

## **Relevant dates**

VNI'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. VNI calculates its unaudited NAVs monthly and this is normally announced within ten days of month-end. Update reports are issued on a monthly and quarterly basis, in addition to an annual report with the audited final results.

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

### *Listed equities*

The value of listed securities is based on the last traded price of the security on the stock exchange where it trades, or if there is more than one stock exchange on which the security trades, that which is considered the principal stock exchange for that security.

### *OTC equities*

The market price of OTC equities is determined based on a sample of closing prices obtained from a minimum of three leading securities companies in Vietnam. The price used is normally the average of the sample, with outlying prices removed to avoid bias.

### *Private equities*

Unquoted securities will initially be valued at cost. Revaluations of unquoted investments are conducted at 30 June annually in accordance with the guidelines issued by the British Investment Fund Association.

All other assets and liabilities are recorded at their respective fair values or cost, as required by the International Financial Reporting Standards and as set out in the Notes to the Consolidated Financial Statements.

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

[VNI Investing policy.](#)

## **Audit and valuation committees**

VNI has an audit and valuation committee composed of independent non-executive members of the board of directors of the fund, and chaired by an independent director. The committee meets quarterly.

## **VNI Audit and Valuation Committee**

Ekkehard Goetting (Chairman)

Robert Binyon

Rupert Carington

## Historical financial information

Years ended 30 June	2010	2011	2012	2013	2014
<b>Statement of Income (USD'000)</b>					
Total income from ordinary activities	3,143	-47,620	21,547	7,670	34,581
Total expenses from ordinary activities	-7,313	-7,066	-6,423	-7,138	-7,290
Operating profit before income tax	-4,170	-54,686	15,124	532	27,291
Income tax expense	-	-32	-2,408	-918	-1,557
Profit for the year	-4,170	-54,718	12,716	-386	25,734
Minority interests	-95	1,483	6,836	-6	-15
Profit attributable to ordinary equity holders	-4,075	-56,201	5,880	-380	25,749
<b>Statement of financial position (USD'000)</b>					
Total assets	262,050	213,458	218,526	205,216	224,074
Total liabilities	-4,417	-9,377	-6,368	-7,756	-10,100
Net assets	257,633	204,081	212,158	197,460	213,974
<b>Share information</b>					
Capital distribution (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	-1	-14	10	0	7
Share price as 30 June	0.34	0.31	0.21	0.36	0.40
Ordinary share capital (thousand shares)	402,100	402,100	401,169	374,523	351,698
Market capitalization at 30 June (USD'000)	136,714	122,641	83,844	134,828	140,679
Net asset value per ordinary share (USD)	0.64	0.50	0.50	0.53	0.61
<b>Ratio</b>					
Return on average ordinary shareholder's funds	-1.0%	-14.0%	2.8%	-0.1%	7.7%
Total expense ratio (% of NAV)	2.34%	2.36%	2.45%	2.60%	2.60%

## Board of Directors

VNI's Board of Directors is composed entirely of independent non-executive directors.

Member	Role
Rupert Carington	Non-executive Chairman (Independent)
Ekkehard Goetting	Non-executive Director (Independent)
Luong Van Ly	Non-executive Director (Independent)
Robert Binyon	Non-executive Director (Independent)
Paul Garnett	Non-executive Director

## VinaCapital Investment Management Ltd (VCIM)

Member	Role
Don Lam	Chief Executive Officer
Brook Taylor	Chief Operating Officer
Tony Hsun	Managing Director, Infrastructure
Louie Doan	Deputy Managing Director, Infrastructure

## Contact

David Dropsey  
Investor Relations/ Communications  
ir@vinacapital.com  
+848-3821-9930  
www.vinacapital.com

Brokers  
Edmond de Rothschild Securities  
+44 (0)20 7845 5960  
funds@lcf.co.uk

Numis Securities  
+44 (0)20 7260 1327  
funds@numis.com

## 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, VinaLand Limited or Vietnam Infrastructure Limited (each a "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, regulatory, insurance, legal, tax or other type of 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 any of the Companies and legal, regulatory, financial, 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 the Companies or VinaCapital Investment Management Ltd or its affiliates and 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.

No warranty is given, in whole or in part, regarding the performance of any of the Companies. There is no guarantee that investment objectives of any of the three Companies will be achieved. Potential investors should be aware that past performance may not necessarily be repeated in the future. The price of shares and the income from them may fluctuate upwards or downwards and cannot be guaranteed.

This document is intended for the use of the addressee and recipient only and should not be relied upon by any persons and may not be reproduced, redistributed, passed on or published, in whole or in part, for any purposes, without the prior written consent of VinaCapital Investment Management Ltd.

## Fund summary

**Fund launch:** 5 July 2007

**Term of fund:** Ten years and then subject to shareholder vote for continuation

**Fund domicile:** Cayman Islands

**Legal form:** Exempted company limited by shares

**Investment manager:** VinaCapital Investment Management Ltd

**Structure:** Subject to relevant regulatory approvals - Two classes of ordinary shares, Private Equity share class and Listed Portfolio share class, trading on the AIM market of the London Stock Exchange plc.

**Auditor:** PricewaterhouseCoopers (Hong Kong)

**Nominated adviser:** Grant Thornton UK LLP

**Custodian and Administrator:** Standard Chartered (Singapore)

**Brokers:** Edmond de Rothschild Securities (Bloomberg: LCFR), Numis Securities (Bloomberg: NUMI)

**Lawyers:** Wragge Lawrence Graham & Co (UK), Maples and Calder (Cayman Islands)

**Base and incentive fee:** The base and incentive fee has been revised as a result of the extraordinary general meeting held on 15 December 2014. For a full description of the new fees that have been adopted as a result of the restructuring of the Company, please refer to the latest Circular which can be downloaded here:

[15 December 2014 EGM Circular](#)

**Investment objective:** The investment objectives for the Company have been revised as a result of the extraordinary general meeting held on 15 December 2014. For a full description of the new investment objectives that have been adopted as a result of the restructuring of the Company, please refer to the latest Circular which can be downloaded here:

[15 December 2014 EGM Circular](#)