

### Falling demand for industrial imports

## Economy

Industrial production and exports were strong in February, up 14.9 and 25.0 percent year-on-year, respectively. These indicators also showed improvement month-on-month, as the Tet lunar new year resulted in a slowdown during January. Elsewhere, the impact of the global economic crisis is being felt. Imports slowed by 29 percent year-on-year – a false positive as it is due largely to a sharp decline in demand for fuel and raw materials for production. Also down is the number of international visitors for the first two months of 2009, off 10.3 percent year-on-year. Business visits have dropped 20.1 percent, with sharp declines particularly for visitors from Asian countries including China, Korea and Japan.

### Trade

January 2009 saw the first monthly trade surplus since early 2006, with a positive balance of USD390 million (despite a forecast USD300 million deficit). For February, the deficit is now expected to be USD100 million. Exports in February increased for precious metals and foodstuffs, while sharp declines were recorded for leading USD revenue earners including garments, footwear and furniture – with two-month totals for these products down 14.0, 14.0 and 11.8 percent, respectively, off last year's figures. Imports are down by value for all products except wheat and pharmaceuticals. Steel and automobile imports over the first two months of 2009 have fallen by 74 and 61 percent on-year, respectively. They account for only seven percent of total January-February imports, half the proportion from last year. The decline in imports would be a positive if not for the clear evidence that demand has dropped so far for productive imports, such as fuel, wood, chemicals, cattle feed, textiles, and machinery and equipment.

### Inflation

The CPI rose 1.2 percent from January, the highest one-month figure in five months. But the downward trend in the CPI is still apparent as the year-on-year figure was 14.8 percent in February compared to 17.5 percent in January 2009. The CPI increase is due largely to higher food prices associated with the Tet lunar new year, and a 10 percent hike in the price of cooking gas. Most other components of the CPI basket increased marginally from last month.

### Foreign direct investment

Only USD1.5 billion in new FDI commitments were recorded during January and February, of which USD1.3 billion is for township and resort developments in Ba Ria-Vung Tau province. An additional USD3.8 billion in capital increases to existing projects were recorded, however, up 41 percent on-year. Hanoi saw the biggest decline in new commitments, with only 30 FDI projects worth USD40 million licensed, just seven percent of the figure for the same period last year.

### Capital markets

The Vietnam Index continued its downtrend under the impact of the global recession and the release of generally poor Q4 2008 results. The Ho Chi Minh Stock Exchange (HoSE) reached its lowest level since August 2005, with the VN Index closing February at 246 points, down 19.0 percent from 303 points at the end of January. The combined market capitalisation of the HCM City and Hanoi stock exchanges at the end of February was USD11.3 billion with an average trailing PE of 8.5x, now slightly lower than regional peers like Indonesia and Thailand. The over-the-counter market continues to experience price freezing and wide fluctuations due to low liquidity.

## Performance Summary

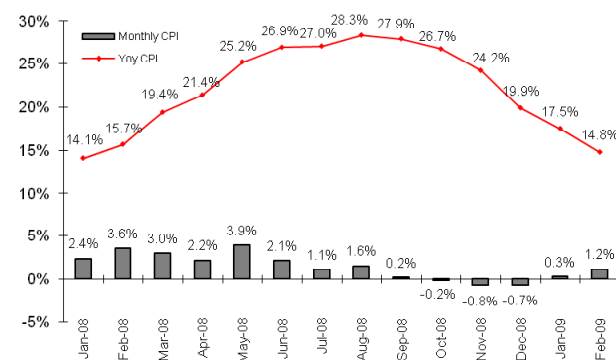
Most recent NAV:	VOF	VNL	VNI
	(28 Feb 09)	(31 Dec 08)	(31 Dec 08)
NAV per share (USD) <sup>1</sup>	<b>1.77</b>	<b>1.53</b>	<b>0.65*</b>
Change (%)	(from Jan 09)	(from Oct 08)	(from Sep 08)
Previous NAV	-3.7	-0.07	-9.6/-22.3*
YTD	-4.9	--	--
Since inception	82.5	57.7	-25.0/-33.6*
	(30 Sep 03)	(22 Mar 06)	(5 Jul 07)
Issued shares <sup>2</sup>	324,610,259	499,967,622	402,100,000
Total NAV (USDm)	575	766	259
Market cap (USDm)	250	175	64
Reuters	VOF.L	VNL.L	VNI.L
Bloomberg	VOF LN	VNL LN	VNI LN

<sup>1</sup> Unaudited. VOF NAV is updated monthly; VNL and VNI NAVs are updated quarterly.

<sup>2</sup> Some 930,700 VNI shares are held in a treasury facility.

\* Note: VNI's NAV change for the quarter beginning December 2008 includes the accrual of a USD0.10 per share capital distribution to shareholders. The NAV Change (%) figures are listed as pre/post the USD0.10 distribution.

## CPI inflation continues downward trend



## Portfolio Developments

In February, VOF's NAV declined 3.7 percent to USD1.77 per share from USD1.84 per share at the end of January 2009. The traded price meanwhile declined to USD0.77 per share from USD0.87 per share at the end of January. The listed component dropped 18.0 percent, compared to the VN Index decline of 19.0 percent. During the month, VOF sold USD0.7 million of listed shares while putting USD3.3 million into new listed investments. VOF had USD42 million in cash at the end of February, or 7.3 percent of NAV.

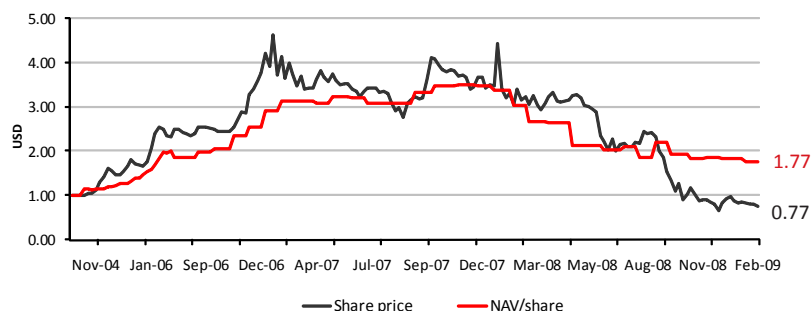
## Sale of Masan Group equity stake

VOF has sold its position in Masan Group, a food products company that owns well-known fish, chili and soy sauce brands such as Chinsu. The sale of the equity stake was at a price 81 percent above the book value of the position in the VOF portfolio at the time of sale. Masan shares trade on Vietnam's over-the-counter (OTC) equities market.

Commenting in a press release, VOF fund manager Andy Ho says: "Masan remains in a strong market position and recorded positive 2008 results, but we feel the price offered fully values the investment in the current market and is an excellent opportunity for VOF to recycle capital into other investments."

The sale will generate over USD20 million, for a return of over 2.5x. The proceeds will be booked to VOF's NAV next month (March 2009).

### NAV and Share Price performance (28 February 2009)



### Major Holdings (listed and OTC)

	Type	Sector	% NAV	Book Value (USDm)
Eximbank	OTC	Financial services	4.4	26.3
VNM	Listed equity	Food products	3.8	21.7
HPG	Listed equity	Manufacturing	2.9	16.7
DPM	Listed equity	Manufacturing	1.9	11.1
PNJ	OTC	Consumer products	1.4	8.1

### Fund Background

VinaCapital Vietnam Opportunity Fund Ltd ("Vietnam Opportunity Fund" or "VOF") is a closed-end fund trading on the London Stock Exchange's Alternative Investment Market (AIM).

Download the VOF Factsheet at [www.vinacapital.com](http://www.vinacapital.com)

28 February 2009

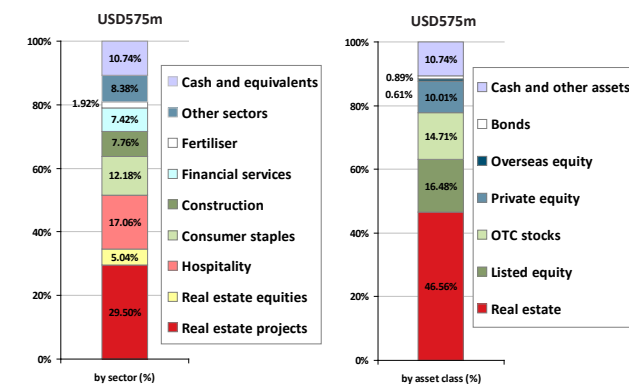
NAV **1.77** per share (↓ 3.73%)

Total NAV: USD575 million

### Performance History (% change on NAV)

	2009	2008	2007	2006
Jan	-1.26%	-2.87%	14.57%	3.90%
Feb	-3.73%	-10.17%	8.25%	6.25%
Mar		-11.84%	-0.63%	8.82%
Apr		-0.75%	-1.28%	7.57%
May		-19.54%	5.07%	-1.01%
Jun		-4.67%	-0.79%	1.52%
Jul		5.70%	-3.75%	-6.50%
Aug		9.76%	0.00%	6.42%
Sep		-6.66%	8.06%	3.02%
Oct		-12.40%	4.18%	0.98%
Nov		-1.88%	0.57%	13.53%
Dec		-2.05%	-0.57%	8.09%
YTD	<b>-4.94%</b>	<b>-46.58%</b>	<b>37.40%</b>	<b>64.94%</b>
VN Index	-22.14%	-66%	23%	144%

### VOF Portfolio (28 February 2009)



## Portfolio Developments

VNL's share price at the end of February was USD0.35, down 20.5 percent from USD0.44 at the end of January 2009. The share price continues to suffer from the depressed trading on international stock markets. The fund however continues to make progress with the licensing, financing and development of projects, and the marketing and sales of assets nearing completion.

## Project Updates

### Central Garden

VNL has begun sales of the 56 units it holds in the Central Garden complex in District 1, Ho Chi Minh City. Colliers Vietnam is the exclusive agent. As of 10 March, twelve of the 56 units have sold, at a rate of about one unit per day. The average price of the sold units is USD1,500/sq.m, resulting in a return on investment of approximately 60 percent.

### Danang Beach Resort

In Danang, marketing preparations are underway for Phase 1 of the Ocean Villas, part of the beachfront portion of the 260ha Danang Beach Resort. The June 2009 launch will include 30 villas (two, three and four bedroom units, and a single five-bedroom unit) with prices starting at a competitive USD325,000. Savills Vietnam are the exclusive marketing and sales agent. At the same time, Savills Vietnam will launch sales of an exclusive enclave of 15 villa sites on a parcel of land called The Promenade, located in an elevated position overlooking three fairways of one of the two championship golf courses being built on the Danang Beach Resort.

## Regulatory News

On 24 February, VNL announced a significant holding in the company following a share purchase by QVT Financial LP.

On 16 February 2009, VNL appointed a new director. Details of both announcements are available at [www.vinacapital.com](http://www.vinacapital.com).

31 December 2008

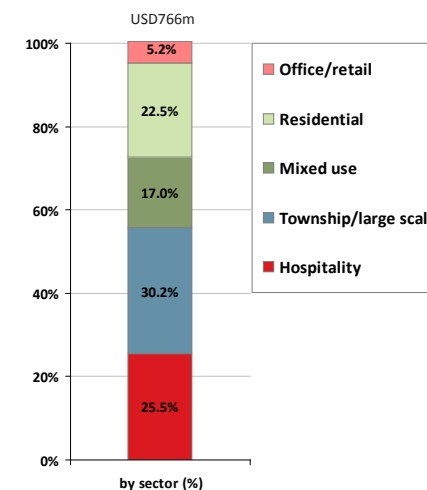
NAV **1.53** per share (↓ 0.07%)

Total NAV: USD766 million

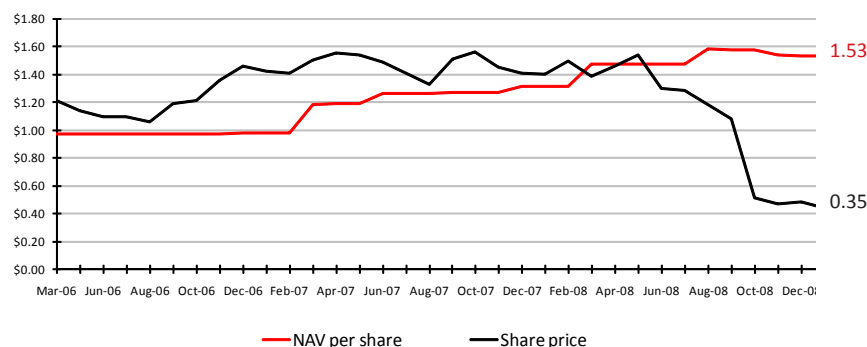
## Major Holdings

Project	Type	Status
Danang Beach Resort 260ha	Mixed-use	Under construction
Dai Phuoc Lotus 200ha	Mixed-use	Investment licence
World Trade Center Danang Century 21	Mixed-use	Under construction
Vinh Thai Nha Trang	Mixed-use	Investment licence
Aqua City (Long Hung)	Residential	Under construction
Hilton Hanoi	Hospitality	Operating asset
Movenpick Saigon Hotel	Hospitality	Operating asset
Central Garden	Residential	Sales underway
Hanoi Golden Westlake	Residential	Marketing underway
Movenpick Hanoi Hotel	Hospitality	Operating asset
Sheraton Hoi An Resort	Hospitality	Under construction

## VNL Portfolio (31 December 2008)



## NAV and Share Price performance (28 February 2009)



## Fund Background

VinaLand Limited (VNL) is a closed-end fund trading on the London Stock Exchange's Alternative Investment Market (AIM).

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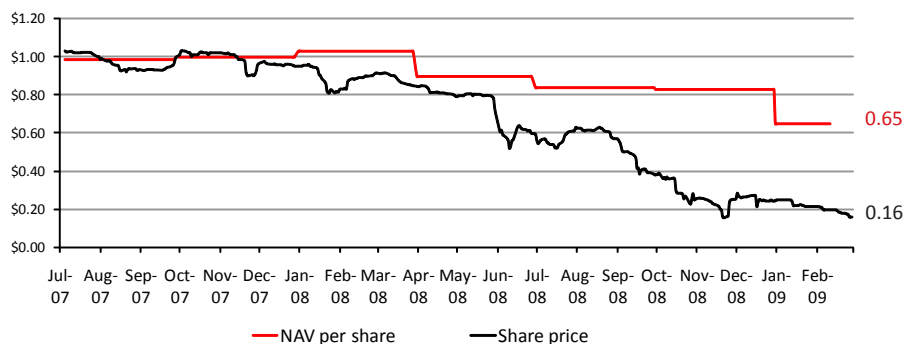
### Portfolio Developments

VNI's share price at the end of February declined to USD0.16 from USD0.22 at the end of January 2009, a price that is substantially lower than the cash holdings of the fund. Asset prices have declined to the point where it is a buyer's market, leaving VNI in a strong position to strategically add to the portfolio in the coming months. The fund is currently targeting possible investments in water and waste treatment – the only one of its original four target sectors with no holdings in the portfolio.

### Phu My Bridge

During February, Phu My Bridge Corporation (PMC) announced the Phu My Bridge is three months ahead of schedule and will open for limited traffic in September 2009 (in time for Vietnam's national day). The German-built toll bridge lies on the ring road that will link the high-traffic regions of District 2 and 9 with District 7 in Ho Chi Minh City. The roads connecting the bridge to the ring road network will be finished in 2010, allowing the bridge to be used initially for local traffic only. VNI purchased a minority stake in PMC in September 2008 for USD10.8 million.

### NAV and Share Price performance (28 February 2009)



### Fund Background

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

Download the VNI Factsheet at [www.vinacapital.com](http://www.vinacapital.com)

31 December 2008

NAV **0.65** per share (↓ 21.69%)\*

Total NAV: USD259 million

↓ 9.60% cum distribution)

\* Net of a USD0.10 per share capital distribution.

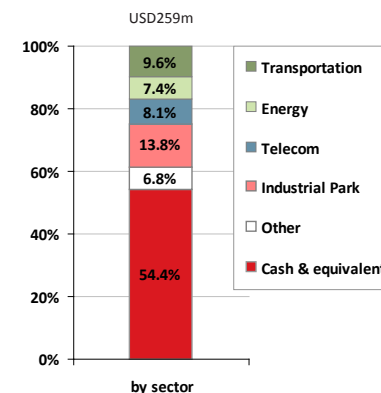
### Portfolio by Asset Class

Listed companies	13.4%
OTC	5.8%
Private equity	15.7%
Greenfield projects	7.1%
Bonds	3.6%
Cash and equivalents	54.4%

### Major Holdings

Name	Sector	Asset class	NAV (%)
VALC	Aviation	Private	7.4
Long An S.E.A.	IP	Greenfield	7.0
Tan Tao (ITA)	IP	Listed	5.9
Pha Lai (PPC)	Energy	Listed	4.7
MIDC	Telecom	Private	3.7

### VNI Portfolio by Sector (31 December 2008)



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VinaCapital Investment Management Ltd (VCIM) is the BVI-registered investment manager of VinaCapital's three AIM-traded funds.

VinaCapital Real Estate Ltd (VCRE) is the development and advisory service for VOF and VNL-owned real estate assets.

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<b>Brook Taylor</b>	Chief Operating Officer, VinaCapital Group

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<b>Ho Wai Khee</b>	Deputy Managing Director, Infrastructure
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