

**VINALAND ZDP LTD.**

**HALF-YEARLY REPORT**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

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**Company registered number: 57528**

**VINALAND ZDP LTD.**

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**VINALAND ZDP LTD.**

**COMPANY INFORMATION**

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Michel Joris Carline Casselman (Chairman)  
Nicholas Charles Allen  
Nicholas Charles Brooke  
Charles John Walter Isaac  
Daniel McDonald

all of

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Sole bookrunner and financial adviser

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Registrar

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PO Box 627  
St Peter Port  
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Company Secretary

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Mont Crevelt House  
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PO Box 321  
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Receiving Agent

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The Registry  
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## VINALAND ZDP LTD.

### INTERIM MANAGEMENT REPORT

#### Background

VinaLand ZDP Ltd. ("the Company"), a non-cellular company limited by shares, was incorporated under The Companies (Guernsey) Law, 2008 on 15 November 2013. The Company's registered number is 57528.

The Company is a wholly owned subsidiary of Vinaland Limited ("the Parent"), an exempted company incorporated under the laws of the Cayman Islands with registered number MC-154178, together referred to as "the Group". The Company was formed solely for the issuing of Zero Dividend Preference ("ZDP") Shares. It raised £15.00 million before expenses on 20 December 2013 by placing 15,000,000 ZDP Shares, which are listed on the UK Official List and traded on the London Stock Exchange by way of a standard listing. The Company has no other operations or activities.

#### Company objective and business review

The objective of the Company is to provide the final capital entitlement of the ZDP Shares to the holders of the ZDP Shares at the redemption date of 19 December 2016.

The placing of 15,000,000 ZDP shares at 100p per share raised a net total of £14.67 million. The expenses of the placing were borne by the Company. Pursuant to a loan agreement between the Company and the Parent, the Company has lent the Net Issue Proceeds from the placing, less a cash float, to the Parent. The loan is unsecured and interest accrues at the same rate as the accruing capital entitlement of the ZDP Shares under the Company's Articles of Incorporation. The loan plus accrued interest, is repayable on 19 December 2016, ("the Final Repayment Date"). A non-utilisation fee is receivable on the amount of the loan facility not drawn down using the formula as set out in clause 4.5.1 of the Articles accruing from the 20 December 2013 until the Final Repayment Date, compounded daily.

A letter of support provided by the Parent has been made whereby the Parent will undertake to contribute such funds as would ensure that the Company will have in aggregate sufficient assets on 19 December 2016 to satisfy the final capital entitlement of the ZDP Shares of 126p per share, being £18.90 million in total. This assumes that the Parent and the Company have sufficient assets at 19 December 2016 to repay the ZDP Shares. To this extent, the Company is reliant upon the investment performance of the Parent and subject to the principal risks as set out in the Annual Report of the Parent.

To protect the interests of the ZDP Shareholders, the loan agreement contains a restriction on the Group incurring any such borrowings (other than short-term indebtedness in the normal course of business, such as when settling share transactions) except where such borrowings are for the purpose of paying the final capital entitlement due to the holders of ZDP Shares.

#### Interim management report

~~The Company was incorporated solely to issue ZDP Shares and has never traded. No significant events occurred during the six months to 31 December 2014 and no events had a material impact on the condensed set of financial statements set out below.~~

During the six month period under review, the accrual of the Capital Entitlements attributable to ZDP Shareholders increased from £15.34 million as at 30 June 2014 to £16.01 million as at 31 December 2014. As at 31 December 2014, each ZDP Share had an accrued Capital Entitlement of 106.72pence (30 June 2014 - 102.28pence).

## VINALAND ZDP LTD.

### PRINCIPAL RISKS

The principal risks facing the Company are substantially unchanged since the date of the Company's Annual Report for the period ended 30 June 2014.

#### General risk

An investment in ZDP shares is suitable only for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss (including total loss) which may result from the investment. Although the Parent has entered into an undertaking to meet the Company's liabilities, essentially all risks are borne by the holders of ZDP shares.

#### Credit risk

The obligations of the Parent to repay the loan, loan interest and non-utilisation fee and discharge its obligations pursuant to the undertakings will be subordinated to the claims of the Parent's other creditors on a winding up. If at the repayment date the Parent has insufficient assets, then its obligations to repay the loan, loan interest and non-utilisation fee may be satisfied only in part or not at all. Accordingly the Company may have insufficient assets to satisfy the current or final capital entitlement of the ZDP shares.

The Parent has considerable financial resources and therefore the Directors are of the opinion that the Company is well placed to manage its business risks and also that the Parent will have sufficient resources to continue in operational existence for the foreseeable future.

The credit risk on cash or cash equivalents is limited because the counter parties are banks with high credit ratings assigned by international credit-rating agencies. The Company has appointed The Royal Bank of Scotland to act as its banker. The Royal Bank of Scotland has an A- credit rating with Standard and Poor's.

#### Liquidity risk

The Company's exposure to liquidity risk depends upon the Company's ability to meet all current and future obligations. This risk is mitigated through the cash balances held by the Company and the support provisions available through a letter of support from the Parent. The Parent is a real estate fund that makes direct investments in residential, retail, hospitality and office sectors within Vietnam and the neighbouring countries.

As at 31 December 2014, the Parent's unaudited Net Asset Value was USD401.6million. At an Extraordinary General Meeting in November 2012 the shareholders of the Parent approved a strategy whereby in the three years to November 2015 the Parent would seek to dispose of a substantial portion of its real estate holdings and return a significant part of the funds raised to shareholders. The Parent however recognizes that it must retain sufficient funds to repay the loan provided by the Company to the Parent and accordingly the Board of the Parent monitors its cash position closely. As at 31 December 2014 the Parent held cash of USD18.9million which could be used to repay the loan.

**VINALAND ZDP LTD.**

**STATEMENT OF THE DIRECTORS' RESPONSIBILITIES  
IN RESPECT OF THE HALF YEARLY REPORT**

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in compliance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities and financial position of the Company; and

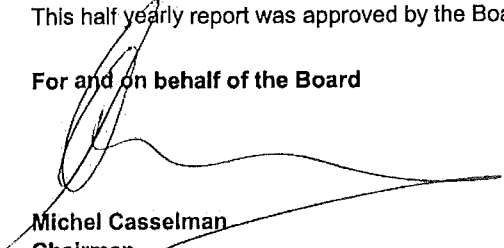
- the interim management report and notes to the half-yearly report include a fair review of the information required by:

a) DTR 4.2.7R Disclosure and Transparency Rules being an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year;

b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

This half yearly report was approved by the Board of Directors on ..... *23 February* ..... 2015.

**For and on behalf of the Board**

  
**Michel Casselman**  
**Chairman**

**Date:** *23/02/2015*

VINALAND ZDP LTD.

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Notes	Six months ended 31 December 2014 (unaudited)		Period to 30 June 2013 (audited)	
		Revenue £	Capital £	Total £	Total £
<b>INCOME</b>					
Loan interest	4	-	581,659	581,659	144,992
Non-utilisation fee	4	-	36,426	36,426	478,064
Provision for contribution from VinaLand Limited regarding the entitlement of the ZDP shares	4	-	48,032	48,032	45,877
Reimbursement of operating costs from VinaLand Limited	4	19,415	-	19,415	65,196
Bank deposit interest		-	-	-	4,254
Foreign exchange gain		34,214	-	34,214	1,345
		53,629	666,117	719,746	739,728
<b>OPERATING COSTS</b>					
Administration fees		29,436	-	29,436	39,340
Stock exchange annual listing fees		9,695	-	9,695	4,713
Annual company fees		250	-	250	250
Tax exempt fee	2	-	-	-	600
Bank charges and sundries		123	-	123	642
Audit fee		14,125	-	14,125	25,250
		(53,629)	-	(53,629)	(70,795)
Return before finance costs		-	666,117	666,117	668,933
Appropriations in respect of ZDP shares	4	-	(666,117)	(666,117)	(668,933)
Profit for the period		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	-	-
Return per ZDP share		-	4.44p	4.44p	2.28p

The total column of this statement is the statement of comprehensive income of the Company, prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the EU.

All items in the above statement derive from continuing operations.

**VINALAND ZDP LTD.**

**STATEMENT OF FINANCIAL POSITION (unaudited)**

**AS AT 31 DECEMBER 2014**

	Notes	As at	
		31 December 2014 (unaudited)	30 June 2014 (audited)
		£	£
<b>NON-CURRENT ASSETS</b>			
Loans and receivables	4	15,798,479	15,180,394
<b>CURRENT ASSETS</b>			
Debtors and prepayments		180,271	115,074
Cash at bank		<u>412,421</u>	<u>436,013</u>
		<u>592,692</u>	<u>551,087</u>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals		(383,323)	(389,750)
		<u>(383,323)</u>	<u>(389,750)</u>
<b>NET CURRENT ASSETS</b>		209,369	161,337
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,007,848</u>	<u>15,341,731</u>
<b>NON-CURRENT LIABILITIES</b>			
ZDP shares	3	(16,007,847)	(15,341,730)
<b>NET ASSETS</b>		<u>£ 1</u>	<u>1</u>
Represented by:-			
Share capital		1	-
Share premium		-	1
Reserves		-	-
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>£ 1</u>	<u>1</u>



**VINALAND ZDP LTD.**

**STATEMENT OF CASH FLOWS (unaudited)**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

	Six months ended 31 December 2014 (unaudited) £	Period to 30 June 2014 (audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the period	-	-
Interest income	-	(4,254)
Exchange gains on cash and cash equivalents	(34,214)	(1,345)
	<u>(34,214)</u>	<u>(5,599)</u>
Net increase in receivables	(65,197)	(115,074)
Net (decrease) increase in payables	(6,427)	389,750
Loan to Parent	-	(14,557,338)
<b>CASH USED IN OPERATIONS</b>	<u>(105,838)</u>	<u>(14,288,261)</u>
Interest received	-	4,254
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(105,838)</u>	<u>(14,284,007)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of issue of No Par Value Share	-	1
Proceeds of issue of ZDP shares	-	15,000,000
Listing costs	-	(327,203)
Amortisation of listing costs	48,032	45,877
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<u>48,032</u>	<u>14,718,675</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(57,806)</u>	<u>434,668</u>
Cash and cash equivalents at beginning of the period	436,013	0
Exchange gains on cash and cash equivalents	34,214	1,345
<b>Cash and cash equivalents at end of the period</b>	<u>£ 412,421</u>	<u>436,013</u>

**VINALAND ZDP LTD.**

**NOTES TO THE HALF-YEARLY REPORT**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

**1 GENERAL INFORMATION**

The financial information contained in this half-yearly report does not constitute statutory financial statements as defined in Section 243 of the Companies (Guernsey) Law 2008.. The statutory financial statements for the year ended 30 June 2014, which contained an unqualified auditors' report, can be viewed at the National Storage Mechanism ("NSM"), which is situated at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm). These financial statements were prepared under International Financial Reporting Standards.

The financial information of the Company for the period to 31 December 2014 has been consolidated into the results of the Parent for the six months ended 31 December 2014.

This half-yearly report has not been reviewed by the Company's Auditors.

This half-yearly report has been prepared using accounting policies set out in note 2 of the Company's audited financial statements for the year ended 30 June 2014.

**2 TAXATION**

The Company is eligible to be exempt from Guernsey Income Tax under the provisions of The Income tax (Exempt Bodies) (Guernsey) Ordinance 1989 and as such, pays an annual fee of £600.

**3 GOING CONCERN**

The financial statements have been prepared on a going concern basis. The Parent has agreed to support the Company's obligations and has agreed to certain protections to ensure the parent retains sufficient resources to meet its obligations to the Company.

A letter of support provided by the Parent has been made whereby the Parent will undertake to contribute such funds as would ensure that the Company will have in aggregate sufficient assets on 19 December 2016 to satisfy the final capital entitlement of the ZDP Shares of 126p per share, being £18,900,000 in total. This assumes that the Parent and the Company have sufficient assets at 19 December 2016 to repay the ZDP Shares. To this extent, the Company is reliant upon the investment performance of the Parent and subject to the principal risks as set out in the Business Review contained in the Annual Report of the Parent.

**4 RELATED PARTY DISCLOSURES**

A loan facility of £15,000,000 has been made available to the Parent. As at 31 December 2014, the loan receivable amounted to £14,557,338 of principal, with related loan interest receivable of £726,651 and non-utilisation fee of £514,490.

The Parent has agreed to cover the shortfall between the amount of loan interest together with the non-utilisation fee, and the appropriations in respect of the ZDP Shares. The amount of such contribution due from the Parent as at 31 December 2014 is £93,909.

The Parent has also agreed to reimburse the Company for operating costs. As at 31 December 2014, the amount due to the Company from the Parent is £84,611.

**VINALAND ZDP LTD.**

**ADDITIONAL INFORMATION**

(This does not form part of the condensed financial statements)

Sources of further information

The Company's ZDP Shares are listed on the London Stock Exchange.

The Company's ZDP Asset Cover is released to the London Stock Exchange on a quarterly basis.

Information about the Company and the Parent can be obtained on the Parent's website:

[www.vnl-fund.com](http://www.vnl-fund.com)

Share register enquiries

The register for the ZDP shares is maintained at Capita Registrars (Guernsey) Limited. In the event of queries regarding your holding, please contact the registrar on +44 203 367 2686. Changes of name and/or address must be notified in writing to the Registrar.

Neither the contents of the Parent's website nor the contents of any website accessible from the hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.