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VinaLand Limited

Audited financial results for the twelve months ended 30 June 2008

VinaLand Limited (the "Company" or "VNL"), the AIM-quoted investment vehicle established to target key growth segments within Vietnam's emerging real estate market, today announces its audited financial results for the twelve month period ended 30 June 2008 ("the Period").

Financial highlights

- Profit before tax for the Period of USD248.2 million (year ended 30 June 2007 USD50.0 million).
- Basic earnings per share of USD0.34 for the Period (year ended 30 June 2007 USD0.12).
- Cash and cash equivalents as at 30 June 2008 of USD80.8 million (year ended 30 June 2007 USD350.9 million).
- Net Asset Value at 30 June 2008 of USD804 million representing USD1.61 per share.

Operational highlights

- Partial exit from a major project via co-investment from a large European investor.
- The hiring of a new managing director of real estate, David Henry.
- VNL became the largest overseas listed fund for investment in Vietnam, and had the best NAV performance of any overseas listed fund investing in Vietnam.
- Entry into 15 new investments bringing the total number of investments to 41.
- Update on key investments:
    - **September 2008**: VNL signed a long-term management agreement with Marriott International to introduce the luxury JW Marriott hotel brand as part of the Danang Beach Resort project. VinaLand owns a 75 percent stake in the 260-hectare Danang Beach Resort development.
    - **September 2008**: VNL received an investment licence to build a hotel, office and retail complex on a high-profile four hectare site in Hanoi's My Dinh new urban area. VNL acquired a 65 percent equity stake in the project, with the remaining stake held by a local partner.
    - The Sheraton Nha Trang remains on target for a soft opening at the end of the first quarter of 2009, when it will become the first internationally recognised hotel brand on the coastline of Vietnam.
    - Movenpick Hanoi Hotel remains on target to re-open in mid-November after renovation and rebranding that will see the hotel repositioned at the top end of the four star market, with an expected average room rate of USD160.
    - Renovation work continues on the Mercure La Gare boutique hotel in downtown Hanoi. The hotel structure is being completely refitted and will feature a 24-hour Parisian style café. The hotel will be managed by Accor when it opens in Q1 2009. It is estimated that room occupancy will reach 66 percent in 2009 and rise to over 80 percent in 2010.

Commenting, Don Lam, Director of VinaLand Limited, said:

"This was a benchmark year for VNL as we further established ourselves as the leading foreign investor in Vietnam's emerging real estate sector. I am very pleased with the positive results of the past twelve months, which I believe reflect the fact that we have the most experienced team of real estate investment and development professionals in Vietnam."

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Chairman's Statement

We are pleased to present the annual financial statements of VinaLand Limited (AIM: VNL.L) for the year ended 30 June 2008.

Vietnam's real estate market was the centre of attention in late 2007 and early 2008 as the economy went through a period of exuberant growth followed rapidly by sharp adjustments to combat high inflation and a rising trade deficit.

During 2007, Vietnam's real estate sector saw prices double or triple as an environment of strong economic growth and easy credit led to rampant speculation. This run came to an end when inflation worsened in early 2008 and the government put the brakes on the economy by raising interest rates and sharply restricting credit. As a result the real estate sector entered a down cycle for the remainder of the financial year.

In this difficult environment for domestic developers, VNL had a very good year that saw the fund increase its net asset value at 30 June 2008 to USD804 million, or USD1.61 per share, from USD628 million, or USD1.26 per share, at the end of 30 June 2007.

With this 27.8 percent increase in its NAV, VNL was the best performing Vietnam-dedicated fund for the year, and became the largest listed fund for investment in Vietnam.

VNL's performance, in terms of NAV increase, came not only during the heady days at the end of 2007, but also into 2008, when the fund booked moderate valuation increases and divested a minority stake in a large project to an international co-investor.

As the 2008 financial year ended, VNL was in an excellent position to continue its strong performance, with a diverse portfolio of projects at various stages of development, including Vietnam's top portfolio of operating assets in the hospitality sector.

In the third quarter of 2008, however, the global financial crisis affected us all, Vietnam included, and had an immediate impact on VNL's share price, which dropped to a substantial discount to net asset value. As a result of these events the Board determined it was prudent to review the carrying values of all properties in the portfolio, the results of which are presented in the subsequent events note of the Financial Statements for the year ended 30 June 2008.

The Board of Directors is concerned about this discount and is exploring all options to protect shareholder value. We recognise, however, that VNL's best means of preserving shareholder equity is the portfolio itself, which through its strength and diversity allows the investment manager to select and prioritise projects and only advance those that have the best potential returns on investment at a given point in time.

VNL is in the enviable position of having no debt at the fund level. This important fact does not appear to be recognised by the wider market and investors' sudden pull-back from investing in close-ended emerging market funds (generally perceived as highly leveraged).

The strategy for the foreseeable future will be to partially or fully divest from select projects in the portfolio, while increasing focus on projects that have entered the construction phase. A number of exit strategies such as private equity co-investment, trusts and other forms of sale are being explored.

While recognising the challenges posed by the current global and domestic environment, the Board remains confident in VNL's prospects for the future. The Board believes that VNL's real estate team is the strongest in Vietnam, featuring a new managing director with a proven track record of development success. Against the turmoil and volatility of the global capital markets, investment in real estate offers the certainty of developing and managing tangible assets in the residential, retail, office and hospitality sectors, which are clearly so sorely lacking in Vietnam. VNL will continue to break new ground as the country continues its inevitable path of growth.

Thank you for your ongoing support.

Horst Geicke

Chairman
VinaLand Limited
28 November 2008

Consolidated Balance Sheet

	Notes	30 June 2008	30 June 2007
		USD'000	USD'000
ASSETS			
Non-current			
Investment properties	8	559,966	97,185
Property, plant and equipment	9	135,106	114,047
Intangible assets	10	6,421	-
Investments in associates	11	26,270	-
Goodwill	12	2,939	-
Prepayments for operating leases	13	19,635	13,297
Loan receivables		-	6,819
Other long-term financial assets		1,077	-
Deferred tax assets		310	355
Non-current assets		751,724	231,073
Current			
Inventories		310	276
Receivables from related parties	14	21,930	22,825
Trade and other receivables	15	146,750	33,198
Short-term deposits	16	57,027	-
Financial assets at fair value through income statement	17	61,924	29,461
Deposits for acquisitions of investments	18	77,943	72,729
Cash and cash equivalents	19	80,806	350,898
Current assets		446,690	509,387
Total assets		1,198,414	741,090

	Notes	30 June 2008	30 June 2007
		USD'000	USD'000
EQUITY			
Equity attributable to shareholders of the parent			
Share capital	20	4,999	4,999
Additional paid-in capital	21	588,870	588,870
Revaluation reserve	22	13,844	777
Translation reserve		(4,623)	(530)
Retained earnings		201,437	34,756

	Notes	30 June 2008	30 June 2007
		804,527	628,872
Minority interest		**219,868**	54,011
Total equity		**1,024,395**	682,883
LIABILITIES			
Non-current			
Long-term borrowings	23	**21,673**	4,705
Other liabilities		**1,044**	577
Non-current liabilities		**22,717**	5,282
Current			
Payables to related parties	24	**116,536**	40,583
Trade and other payables	25	**34,491**	11,062
Current portion of long-term borrowings	23	**275**	1,280
Current liabilities		**151,302**	52,925
Total liabilities		**174,019**	58,207
Total equity and liabilities		**1,198,414**	741,090
Net assets per share attributable to equity shareholders of the parent (USD per share)		**1.61**	1.26

Consolidated Statement of Changes in Equity

	Equity attributable to shareholders of the parent						
	Share capital USD'000	Additional paid-in capital USD'000	Translation reserve USD'000	Revaluation reserve USD'000	Retained earnings USD'000	Minority interest USD'000	Total equity USD'000
1 July 2006	2,048	196,414	-	-	121	-	**198,583**
Currency translation	-	-	(530)	-	-	(177)	**(707)**
Revaluation reserves	-	-	-	777	-	703	**1,480**
Net income recognised directly in equity	-	-	(530)	777	-	526	**773**
Profit for the year ended 30 June 2007	-	-	-	-	34,635	15,341	**49,976**
Total recognised income and expense for the year	-	-	(530)	777	34,635	15,867	**50,749**
Issue of new shares	2,951	392,456	-	-	-	-	**395,407**
Acquisition of subsidiaries	-	-	-	-	-	38,144	**38,144**
30 June 2007	4,999	588,870	(530)	777	34,756	54,011	**682,883**
1 July 2007	4,999	588,870	(530)	777	34,756	54,011	**682,883**
Currency translation	-	-	(4,093)	-	-	(1,957)	**(6,050)**
Revaluation reserves	-	-	-	13,067	-	11,633	**24,700**
Net income recognised directly in equity	-	-	(4,093)	13,067	-	9,676	**18,650**
Profit for the year ended 30 June 2008	-	-	-	-	167,698	80,485	**248,183**
Total recognised income and expense for the year	-	-	(4,093)	13,067	167,698	90,161	**266,833**
Acquisition of subsidiaries	-	-	-	-	-	34,768	**34,768**
Capital contributions in subsidiaries	-	-	-	-	-	41,981	**41,981**
Reduction in retained earnings on liquidation of Guoman (Hanoi) Limited	-	-	-	-	(1,017)	(340)	**(1,357)**
Dividend distributions	-	-	-	-	-	(713)	**(713)**
30 June 2008	4,999	588,870	(4,623)	13,844	201,437	219,868	**1,024,395**

Consolidated Statement of Income

	Notes	Year ended	
		30 June 2008	30 June 2007

	Notes	USD'000	USD'000
Revenue		**35,968**	17,459
Cost of sales	26	**(17,916)**	(7,048)
Gross profit		**18,052**	10,411
Other income	27	**44,605**	7,702
Management fee and administration expenses	26	**(76,508)**	(17,292)
Other operating expenses	26	**(11,594)**	(1,457)
Other net changes in fair value of financial assets at fair value through income statement	28	**16,869**	3,085
Gain on fair value adjustments of investment properties	8	**247,068**	38,530
Profit from continuing operations		**238,492**	40,979
Financial income	29	**18,751**	11,836
Finance costs	30	**(6,991)**	(2,594)
Share of profits from associates		**53**	-
		11,813	9,242
Profit before tax from continuing operations		**250,305**	50,221
Income tax	31	**(2,122)**	(245)
Net profit for the year		**248,183**	49,976
Attributable to equity shareholders of the parent:		**167,698**	34,635
Attributable to minority interest		**80,485**	15,341
Earnings per share - basic and diluted (USD per share)	32	**0.34**	0.12

Consolidated Statement of Cash Flows

	Notes	30 June 2008 USD'000	30 June 2007 USD'000
Operating activities			
Profit for the year before tax		**250,304**	50,221
Adjustments	33	**(300,505)**	(47,923)
Change in trade and other receivables		**(167,585)**	(25,689)
Change in inventory		**(34)**	(18)
Change in trade and other payables		**142,066**	(14,514)
Corporate income tax paid		**(1,854)**	-
		(77,608)	(37,923)
Investing activities			
Interest received		**16,546**	10,834
Purchases of property, plant, and equipment		**(15,682)**	(27,902)
Acquisition of a subsidiaries, net of cash	7	**(59,707)**	(62,828)
Proceeds from disposal of fixed assets		**108**	-
Proceeds from disposal of investments		**10,188**	-
Deposits for acquisitions of investments		**(5,214)**	(72,729)
Purchase of financial assets		**(22,220)**	(21,993)
Acquisitions of investment properties		**(61,220)**	-
Investment in associates		**(26,218)**	-
Proceeds from loans repaid		**43,432**	54,550
Loans provided		**(87,412)**	(57,825)
		(207,399)	(177,893)
Financing activities			
Proceeds from shares issued		**-**	395,406
Loan proceeds from banks		**22,197**	113
Loan repayments to banks		**(6,343)**	(1,000)
Dividend paid to minority interest		**(450)**	-
Interest paid		**(489)**	(2,593)
		14,915	391,926
Net change in cash and cash equivalents for the year		**(270,092)**	176,110
Cash and cash equivalents at the beginning of the year		**350,898**	174,788
Cash and cash equivalents at end of the year	19	**80,806**	350,898

Notes to the Consolidated Financial Statements

1 General information

VinaLand Limited is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company's primary objective is to focus on key growth segments within Vietnam's emerging real estate market, namely residential, office, retail, industrial and leisure projects in Vietnam and the surrounding countries in Asia. The Company is listed on the AIM market of the London Stock Exchange under the ticker symbol VNL.

The consolidated financial statements for the year ended 30 June 2008 were authorised for issue by the Board of Directors on 28 November 2008.

2 Statement of compliance with IFRS and adoption of new and amended standards and interpretations

2.1 Statement of compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.2 Changes in accounting policies

2.2.1 Overall considerations

The IASB and the International Financial Reporting Interpretations Committee have issued various standards and interpretations with an effective date after the date of this financial information. The Group has not early adopted the standards and interpretations that have been issued as they are not yet effective. The most relevant for the Group are amendment to IAS 1 "Presentation of the Financial Statements" (effective for annual periods beginning on or after 1 January 2009), and IFRS 8 "Operating Segments" (effective for annual periods beginning on or after 1 January 2009).

Upon adoption of amendment to IAS 1, the Group will disclose its capital management objectives, policies and procedures in each annual financial report and will have its capital movements and other gains and losses presented separately in the statement of changes in equity and statement of recognised income and expenses. Upon adoption of IFRS 8, the Group will disclose segmental information when evaluating performance and deciding how to allocate resources to operations.

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

2.2.2 Adoption of IFRS 7, Financial Instruments: Disclosures

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The Group has applied IFRS 7 from the annual period beginning 1 January 2007.

2.2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

IAS 23 Borrowing Costs (Revised)(effective from 1 January 2009)

The revised standard requires the capitalisation of borrowing costs, to the extent they are directly attributable to the acquisition, production or construction of qualifying assets that need a substantial period of time to get ready for their intended use or sale. The option currently used by the Group of immediately expensing those borrowing costs will be removed. In accordance with the transitional provisions of the revised standard the Group capitalises borrowing costs relating to qualifying assets for which the commencement date is on or after the effective date. No retrospective restatement will be made for borrowing costs that have been expensed for qualifying assets with a commencement date before the effective date. The revised standard will decrease the Group's reported interest expense and increase the capitalised cost of qualifying assets under construction in future periods. The capitalisation is primarily related to some of the Group's development projects.

IFRS 3 Business Combinations (Revised 2008) (effective from 1 July 2009)

The standard is applicable for business combinations occurring in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard introduces changes to the accounting requirements for business combinations, but still requires use of the purchase method, and will have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009. The Group is required to adopt Revised IFRS 3 for business combinations when the acquisition date is on or after 1 July 2009, with prospective application required.

IAS 27 Consolidated and Separate Financial Statements (Revised 2008)
(effective from 1 July 2009)

The revised standard introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Management does not expect the standard to have a material effect on the Group's financial statements.

Annual Improvements 2008

The IASB has issued Improvements for International Financial Reporting Standards 2008. Most of these amendments become effective in annual periods beginning on or after 1 January 2009. The Group expects the amendment to IAS 23 Borrowing Costs to be relevant to the Group's accounting policies. The amendment clarifies the definition of borrowing costs by reference to the effective interest method. This definition will be applied for reporting periods beginning on or after 1 January 2009, however forecasts indicate the effect to be insignificant. Smaller amendments are made to several other standards, however, these amendments are not expected to have a material impact on the Group's financial statements.

3 Summary of significant accounting policies

3.1 Presentation of consolidated financial statement

The financial statements are presented in United States Dollars (USD) and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements have been prepared using the historical cost convention, as modified by the revaluation of investment property, leasehold land and certain financial assets and financial liabilities, the measurement bases of which are described in the accounting policies below.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4 to the consolidated financial statements.

3.2 Basis of consolidation

The consolidated financial statements of the Group for the year ended 30 June 2008 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

3.3 Subsidiaries

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. In assessing control, potential voting rights that presently are exercisable or convertible, along with contractual arrangements, are taken into account. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that the control ceases.

In addition, acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the basis for subsequent measurement in accordance with the Group's accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Negative goodwill is immediately allocated to the statement of income as at the acquisition date.

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses (unless losses provide evidence of impairment) are eliminated on consolidation.

A minority interest represents the portion of the profit or loss and net assets of a subsidiary attributable to an equity interest that is not owned by the Group. It is based upon the minority's share of post-acquisition fair values of the subsidiary's identifiable assets and liabilities, except where the losses applicable to the minority in the subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are taken to the consolidated statement of income, unless the minority has a binding obligation to, and is able to, make good the losses. When the subsidiary subsequently reports profits, the profits applicable to the minority are taken to the consolidated statement of income until the minority's share of losses previously taken to the consolidated statement of income is fully recovered.

Changes in ownership interests in a subsidiary that do not result in gaining or losing control of the subsidiary are accounted for using the parent entity method of accounting whereby the difference between the consideration paid and the proportionate change in the parent entity's interest in the carrying value of the subsidiary's net assets are recorded as changes in goodwill. No adjustment is made to the carrying value of the subsidiary's net assets as reported in the consolidated financial statements.

3.4 Associates entities

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% to 50% of voting rights, but which are neither subsidiaries nor investments in joint ventures. In the consolidated financial statements, investments in associates are initially recorded at cost and subsequently accounted for using the equity method.

Under the equity method, the Group's interest in an associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale or included in a disposal group that is classified as held for sale. The consolidated statement of income includes the Group's share of the post-acquisition, post-tax results of the associate entity for the year, including any impairment loss on goodwill relating to the investment in associate recognised for the year.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has legal or constructive obligations, or made payments, on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the investment.

Goodwill is included within the carrying amount of an investment and is assessed for impairment as part of the investment. After the application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. At each balance sheet date, the Group determines whether there is any objective evidence that an investment in an associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount of the associate and its respective carrying amount.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in an associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.5 Functional and presentation currency

The consolidated financial statements are presented in United States Dollars (USD) ("the presentation currency"). The financial statements of each consolidated entity are prepared in either USD or the currency of the primary economic environment in which the entity operates ("the functional currency"), which for most investments is United States Dollars. USD is used as the presentation currency because it is the primary basis for the measurement of the performance of the Group (specifically changes in the Net Asset Value of the Group) and a large proportion of significant transactions of the Group are denominated in USD.

3.6 Foreign currency translation

In the individual financial statements of entities, transactions arising in currencies other than the functional currency of the individual entity are translated at exchange rates in effect on the transaction dates. Monetary assets and liabilities denominated in currencies other than the functional currency of the individual entity are translated at the exchange rates in effect at the balance sheet date. Translation gains and losses and expenses relating to foreign exchange transactions are recorded in the consolidated statement of income.

In the consolidated financial statements all separate financial statements of subsidiaries, if originally presented in a currency different from the Group's presentation currency, are converted into USD. Assets and liabilities are translated into USD at the closing rate of the balance sheet date. Income and expenses are converted into the Group's presentation currency at the average rates over the reporting period. Any differences arising from this translation are charged to the currency translation reserve in equity.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

3.7 Revenue recognition

Sale of goods and rendering of services

Revenue from sale of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership of goods have passed to the buyer. Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. No revenue is recognised if there are significant uncertainties regarding the ultimate receipt of the proceeds or the reasonable estimation of the associated costs of the sale, or the possibility of the return of the goods.

In relation of the hotel and related hotel services, revenue is recognised as and when the services are rendered.

Rental income

Rental income from investment property is recognised in the consolidated statement of income on a straight-line basis over the term of the operating lease. Lease incentives granted are recognised as an integral part of the total rental income.

Interest income

Interest income is recognised on an accrual and effective yield basis.

Dividend income

Dividend income is recorded when the Group's right to receive the dividend is established.

3.8 Expense recognition

Borrowing costs

Borrowing costs, comprising interest and related costs, are recognised as an expense in the period in which they are incurred, except for borrowing costs relating to the construction of property, plant and equipment and investment property under development, which are capitalised as a cost of the related assets.

Operating lease payments

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

3.9 Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiary companies and associated companies over the Group's share of the fair value of their identifiable net assets at the date of acquisition.

Goodwill is recognised at cost less any accumulated impairment losses. The carrying value of goodwill is subject to an annual impairment review and whenever events or changes in circumstances indicate that it may not be recoverable. An impairment charge will be recognised in the statement of income when the results of such a review indicate that the carrying value of goodwill is impaired (see accounting policy 3.17).

Negative goodwill represents the excess of the Group's interest in the fair value of identifiable net assets and liabilities over cost of acquisition. It is recognised directly in the statement of income at the date of acquisition.

Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity disposed of.

3.10 Investment property

Investment properties are properties owned or held under finance lease to earn rentals or capital appreciation, or both, or held for a currently undetermined use. Property held under operating leases (including leasehold land) that would otherwise meet the definition of investment property is classified as investment property on a property by property basis. If a leased property does not meet this definition it is recorded as an operating lease.

Investment properties are stated at fair value. Two independent valuation companies, with appropriately recognised professional qualifications and recent experience in the location and category being valued, value each property each year. On the valuation date, the fair value is estimated assuming that there is an agreement between a willing buyer and a willing seller in an arm's length transaction after proper marketing; wherein the parties had each acted knowledgeably, prudently and without compulsion. The valuations are prepared based upon direct comparison with sales of other similar properties in the area and the expected future discounted cash flows of a property using a yield that reflects the risks inherent in those cash flows. Valuations are reviewed by the Valuation Committee and approved by the Board of Directors. The Valuation Committee may adjust valuations if there are factors that the external independent valuers have not considered in their determination of a property's fair value.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in the accounting policy 3.7.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised in the statement of income immediately.

Property where more than 10% of the property is occupied by the Group for the production or supply of goods and services, or for administration purposes, is accounted for as property, plant and equipment (see accounting policy 3.12).

3.11 Investment property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development (development projects) and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property. At the date of transfer, the difference between fair value and cost is recorded as income in the consolidated statement of income.

All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditures for the development qualifying as acquisition costs are capitalised.

Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs continues until the assets are substantially ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds, to the average rate.

3.12 Property, plant and equipment

Owned assets

All property, plant and equipment, except buildings, are stated at cost less accumulated depreciation and impairment losses (see accounting policy 3.17). The cost of self-constructed assets includes the cost of materials, direct labour, overheads and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Buildings are revalued to fair value in accordance with the methods set out in accounting policy 3.10. Any surplus arising on the revaluation is recognised in a revaluation reserve within equity, except to the extent that the surplus reverses a previous revaluation deficit on the building charged to the consolidated statement of income, in which case a credit to that extent is recognised in the consolidated statement of income. Any deficit on revaluation is charged in the consolidated statement of income except to the extent that it reverses a previous revaluation surplus on a building, in which case it is taken directly to the revaluation reserve.

If an investment property is reclassified as property, plant and equipment its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets

Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment and investment property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent expenditure

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. The carrying values of any parts replaced as a result of such replacements are expensed at the time of replacement. All other costs associated with the maintenance of property, plant and equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of property, plant and equipment, and major components that are accounted for separately. The estimated useful lives are as follows:

Buildings	33 to 50 years
Plant and machinery	4 to 20 years
Office equipment	2 to 20 years
Furniture and fixtures	3 to 25 years
Motor vehicles	5 to 10 years

Assets held under finance leases which do not transfer title to the assets to the Group at the end of the lease are depreciated over the shorter of the estimated useful lives shown above and the term of the lease.

3.13 Intangible assets

Intangible assets comprise software and licence. Intangible assets acquired separately are measured initially at cost. Intangible asset acquired in a business combination is measured at fair value and amortised evenly over the useful economic life. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses. The carrying value of the assets are reviewed annually for impairment

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. The estimated useful lives are as follows:

Licence	16 to 30 years
Software	5 years

3.14 Property held for sale

Property intended for sale in the ordinary course of business or property developed for sale is classified as trading property and is accounted for as inventory. Leasehold land upon which trading properties are constructed, or are in the process of construction, is classified as investment property.

Property held for sale is stated at the lower of cost and net realisable value. Cost includes development costs and other direct costs attributable to the properties concerned until they reach a saleable state. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and the estimated costs necessary to make the sale.

3.15 Leases

Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases (see accounting policy 3.12).

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases. Where the Group has the use of an asset held under an operating lease, payments made under the lease are charged to the statement of income on a straight line basis over the term of the lease. Prepayments for operating leases represent property held under operating leases where a portion, or all, of the lease payments have been paid in advance, and the properties cannot be classified as an investment property.

3.16 Financial assets

Financial assets are divided into the following categories: loans and receivables; and financial assets at fair value through income statement.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired. Where allowed and appropriate management re-evaluates this designation at each reporting date. The designation of financial assets is based on the investment strategy set out in the Group's Admission Document to the AIM market of the London Stock Exchange, dated 16 March 2006.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expires or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised based on the classification of the financial assets.

The Group's financial assets consist primarily of unlisted equities, bonds, loans and receivables.

Loans and receivables

All loans and receivables, except trustee loans, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. The Group's trade and most other receivables fall into this category of financial instruments. Discounting, however, is omitted where the effect of discounting is immaterial.

Significant receivables are considered for impairment on a case-by-case basis when they are overdue at the balance sheet date or when objective evidence is received that a specific counterparty will default

Financial assets at fair value through income statement

Financial assets at fair value through income statement include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through income statement upon initial recognition. Other financial assets at fair value through income statement held by the Company include listed and unlisted securities and trustee loans.

Financial assets at fair value through income statement include trustee loans to banks and other parties where the Group receives interest and other income on the loans calculated based on the proceeds from the sales of specific assets held by the counterparties. Fair value is determined based on the expected future discounted cash flows from each loan.

3.17 Impairment of assets

The Group's goodwill, operating lease prepayments, property, plant and equipment, property held for development, and interests in associates are subject to impairment testing.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

All individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

3.18 Income taxes

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the statement of income.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantially enacted at the balance sheet date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

3.19 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as money market instruments and bank deposits with an original maturity term of not more than three months.

3.20 Equity

Share capital is determined using the nominal value of shares that have been issued. Additional paid-in capital includes any premiums received on the initial issuance of the share capital. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Revaluation reserve represents the surplus arising on the revaluation of the Group's owned buildings which are classified under property, plant and equipment.

Currency translation differences on net investment in foreign operations are included in the translation reserve.

Retained earnings include all current and prior period results as disclosed in the consolidated statement of changes in equity.

3.21 Financial liabilities

The Group's financial liabilities include trade and other payables and other liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in finance costs in the statement of income.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest rate method.

Borrowings are raised for support of long term funding of the Group's investments. They are recognised at fair value and are recognised at fair value less direct transaction costs and carried subsequently at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3.22 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group that can be reliably estimated. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of Group's management.

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events that's existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses their existence when inflows of economic benefits are probable, but not virtually certain.

3.23 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Parties are considered to be related to the Group if:

1. directly or indirectly, a party controls, is controlled by, or is under common control with the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
2. a party is a jointly-controlled entity;
3. a party is an associate;
4. a party is a member of the key management personnel of the Group; or
5. a party is a close family member of the above categories.

3.24 Earnings per share and net asset value per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Net asset value (NAV) per share is calculated by dividing the net asset value attributable to ordinary shareholders of the Company by the number of outstanding ordinary shares as at the balance sheet date. Net asset value is determined as total assets less total liabilities and minority interest.

3.25 Segment reporting

An investment segment is a group of assets that are subject to risks and returns that are different from those of other business segments.

A geographical segment is a particular economic environment that is subject to risks and return that are different from those of segments operating in other economic environments.

4 Critical accounting estimates and judgements

When preparing the financial statements the Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of investment properties and buildings

The investment properties and buildings of the Group are stated at fair value in accordance with the accounting policies 3.10. The fair values of investment properties and buildings have been determined by independent professional valuers including: CB Richard Ellis; Savills; Jones Lang LaSalle; Colliers, Sallmanns and HVS. These valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. Valuations are reviewed by the Valuation Committee and approved by the Board of Directors. The Valuation Committee may adjust valuations if there are factors that the external independent valuers have not considered in their determination of a property's fair value.

Impairment of trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables on a regular basis. This estimate is based on the credit history of its customers and prevailing market conditions.

Business combinations

On initial recognition, the assets and liabilities of the acquired business are included in the consolidated statement of financial position at their fair values. In measuring fair value management uses estimates about future cash flows and discount rates or independence valuation reports for investment properties and buildings.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At 30 June 2008 management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in notes 9 and 10.

Impairment of assets

The Group's goodwill in associates is subject to impairment testing in accordance with the accounting policy stated in note 3.17.

5 Segment reporting

Segment information is presented in respect to the Group's investment and geographical segments. The primary reporting format, investment segments, is based on the investment manager's management and monitoring of investments. Investments are allocated into five main segments: four real estate sectors: commercial; residential; hospitality; and mixed use, and cash (including term deposits and bonds). The Group's secondary reporting format, geographical segments, includes north, central and south Vietnam, and the regions outside Vietnam.

As at 30 June 2008

		Vietnam		**Outside Vietnam**	**Total**
	North	**Central**	**South**		
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Assets					
Real estate					
Commercial	12,799	-	51,513	-	**64,312**
Residential	15,731	149,108	171,718	-	**336,557**
Hospitality	108,038	58,069	44,642	-	**210,749**
Mixed use	55,015	221,596	229,073	-	**505,684**
Cash	8,802	4,443	56,605	10,952	**80,802**
	200,385	433,216	553,551	10,952	**1,198,104**

For the year ended 30 June 2008

Net profit (loss)

Real estate

Commercial	(6,500)	-	25,265	-	**18,765**
Residential	17,777	11,593	50,455	-	**79,825**
Hospitality	(143)	1,273	(979)	(269)	**(118)**
Mixed use	(3,176)	154,706	(20,571)	-	**130,959**
Cash	149	883	12,908	4,812	**18,752**
Total income	8,107	168,455	67,078	4,543	**248,183**

Total assets		**As at 30 June 2007**			
Real estate					
Commercial	10,029	-	-	-	10,029
Residential	7,500	-	8,476	-	15,976
Hospitality	78,966	21,949	36,386	-	137,301
Mixed use	45,083	51,093	130,354	-	226,530
Cash	4,047	663	84,676	261,513	350,899
	145,625	73,705	259,892	261,513	740,735

		For the year ended 30 June 2007			
Net profit (loss)					
Real estate					
Commercial	1,001	-	(14)	-	987
Residential	(227)	-	2,094	-	1,867
Hospitality	(6,512)	2,024	11,060	(26)	6,546
Mixed use	(1,363)	14,560	15,419	-	28,616
Cash	-	-	7,045	4,915	11,960
Net profit	(7,101)	16,584	35,604	4,889	49,976

To determine the geographical segments for investments and cash the following rules have been applied:

- Real estate − location of property; and
- Cash − place of deposit.

The above segmental reporting information has not been presented in accordance with the requirements of IAS 14 - Segment reporting as the Board of Directors believes that the current presentation gives more appropriate and relevant information to the users of the financial statements and is in accordance with the way the Investment Manager manages and monitors the risks and returns of the Group's investments.

6 Subsidiaries

Acquisition of Ha Trading Co. Ltd. (Danang 15ha Project)

On 12 March 2008, the Group acquired 99.983% interest in Ha Trading Co. Ltd. (Danang 15ha Project), which is incorporated in Vietnam. The principal activity of the company is to construct and manage residential villas for sale and a four-star resort for lease in Danang City, Vietnam. The total cost of the acquisition was USD8.9 million, which was settled in cash.

The fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	**USD'000**	**Liabilities**	**USD'000**
Current assets			
Loan receivable	3,179		
Other receivable	1		
	3,180		
Non-current asset		**Non-current liabilities**	
Investment property	8,900	Long-term borrowing	3,179
		Minority interest	1
	12,080		**3,180**

Ha Trading Co. Ltd. contributed a loss of USD10,000 to the consolidated profit for the period from 12 March 2008 to the balance sheet date.

Acquisition of Orchid House Co. Ltd. (HBT Court Project)

On 13 December 2007, the Group acquired 30% of Orchid House Co. Ltd (HBT Court Project), which is incorporated in Vietnam. On 4 February 2008, the Group acquired further 25.56% interest in the company. This company owns and manages an apartment complex with 21 luxury units in District 1, Ho Chi Minh City, Vietnam. The total costs of the acquisitions were USD1.5 million which was settled in cash.

The fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	**USD'000**	**Liabilities**	**USD'000**
Current assets		**Current liabilities**	
Cash and cash equivalent	29	Short-term loan	92
Receivable	170	Payable	2
Other current assets	5		

Total current assets	**204**	**Total current liabilities**	**94**
Non-current asset		**Non-current liabilities**	
Investment property	2,766	Long-term borrowing	115
		Other non-current liabilities	50
		Minority interest	1,205
	2,970		**1,464**

Orchid House Co. Ltd. contributed USD6,000 to the consolidated profit for the period from 4 February 2008 to the balance sheet date.

Acquisition of Pavia Properties Ltd. (Nguyen Du Building Project)
On 28 March 2008, the Group acquired 100% interest in Pavia Properties Ltd., a company incorporated in British Virgin Islands, which owns 65% interest in Nguyen Du Joint Venture Company (Nguyen Du Building Project). The principal activity of the Nguyen Du Joint Venture Company is to operate an office building for lease located in Hanoi, Vietnam. The total cost of the acquisition was USD4.2 million which was settled in cash.

The fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	**USD'000**	**Liabilities**	**USD'000**
Current assets		**Current liabilities**	
Cash and cash equivalent	857	Payable	64
Receivable	12		
Total current assets	**869**	**Total current liabilities**	**64**
Non-current asset			
Investment property	5,454	Minority interest	2,060
	6,323		**2,124**

Nguyen Du Joint Venture Company and Pavia Properties Ltd. contributed USD1,000,000 to the consolidated profit for the period from 28 March 2008 to the balance sheet date.

Acquisition of Vinh Thai Urban Development Corporation
(Vinh Thai Urban Residential Project)
On 29 December 2007, the Group acquired 68% interest in the Vinh Thai Urban Development Corporation (Vinh Thai Urban Residential Project). The principal activity of the company is to construct and operate urban residential land and infrastructure located in Nha Trang City, Khanh Hoa Province, Vietnam. The total cost of the acquisition was USD36.7 million which was settled in cash.

The fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	**USD'000**	**Liabilities**	**USD'000**
Current assets		**Current liabilities**	
Cash and cash equivalent	621	Payables	30,434
Receivable	49,836		
Total current assets	**50,457**	**Total current liabilities**	**30,434**
Non-current asset			
Investment property	73,932	Minority interest	30,065
Total	**124,389**		**60,499**

Vinh Thai Urban Development Corporation contributed a loss of USD1,000 to the consolidated profit for the period from 29 December 2007 to the balance sheet date.

Acquisition of International Consultant Company Limited (Long Dien Project)
As at 30 June 2007, the Group owned 84% interest in VinaCapital Long Dien Limited. The principal activity of VinaCapital Long Dien Limited is to construct and develop an apartment building in District 9, Ho Chi Minh City. On 25 October 2007, the Group acquired a 99% interest in International Consultant Company Limited which had a 16% interest in the VinaCapital Long Dien Limited (Long Dien Project). As a result of this acquisition, the Group increased its beneficial ownership in VinaCapital Long Dien Limited from 84% to 99.84% at the balance sheet date. The total cost of the acquisition was USD2.4 million, which was settled in cash.

The fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	**USD'000**	**Liabilities**	**USD'000**
Current assets			
Cash and cash equivalent	1,215		
Receivable	37		
Total current assets	**1,252**		
Non-current assets			
Investment property	641		
Investment in associate	503		
	2,396		**-**

International Consultant Company Limited contributed USD25,000 to the consolidated profit for the period from 25 October 2007 to the balance sheet date.

Acquisition of Dien Phuoc Long Real Estate Company Limited (Phuoc Dien Project)

On 25 October 2007, the Group acquired a 99% interest in Dien Phuoc Long Real Estate Company Limited which has a 16% interest in the VinaCapital Phuoc Dien Limited (Phuoc Dien Project). The principal activity of VinaCapital Phuoc Dien Limited is to construct and develop an apartment building and villas in District 9, Ho Chi Minh City. As at 30 June 2007, the Group owns 84% interest in VinaCapital Phuoc Dien Limited. As a result of this acquisition, the Group increases beneficial ownership in VinaCapital Phuoc Dien Limited from 84% to 99.84% at the balance sheet date. The total cost of the acquisition was USD3.1 million, which was settled in cash.

The fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	USD'000	Liabilities	USD'000
Current assets		**Current liabilities**	
Cash and cash equivalent	2,654	Payable	9
Receivable	15		
Total current assets	**2,669**	**Total current liabilities**	**9**
Non-current asset			
Investment in associate	448		
	3,117		**9**

Dien Phuoc Long Real Estate Company Limited contributed a loss of USD364,000 to the consolidated profit for the period from 25 October 2007 to the balance sheet date.

Acquisition of SIH Investment Limited (Novotel Hanoi Hotel Project)

On 29 October 2007, the Group acquired 75% interest in SIH Investment Limited, a company incorporated in Singapore, which owns 70% interest in SAS Hanoi Royal Hotel Limited. (Novotel Hanoi Hotel Project). As a result, the Group owns 52.5% interest in this Project. The principal activity of the SAS Hanoi Royal Limited is to construct and manage a four-star hotel in Hanoi. The total cost of the acquisition was USD4.5 million, which was settled in cash.

The fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	USD'000	Liabilities	USD'000
Current assets		**Current liabilities**	
Cash and cash equivalents	280	Trade and other payables	56
Other receivable	6		
Total current assets	**286**	**Total current liabilities**	**56**
Non-current asset			
Investment property	5,770	Minority interest	1,500
	6,056		**1,556**

SIH Investment Limited and SAS Hanoi Royal Hotel Limited. contributed a loss of USD5 million to the consolidated profit for the period from 25 October 2007 to the balance sheet date.

Additional acquisition of East Ocean Real Estate & Tourism Joint Stock Company (Sheraton Nha Trang Hotel Project)

As of 30 June 2007, VinaLand held a beneficial interest of 67.6% in East Ocean Real Estate & Tourism Joint Stock Company (Sheraton Nha Trang Hotel Project). The principal activity of this company is to construct and manage the five-star Sheraton Nha Trang Hotel. On 5 July 2007, the Group acquired a further 5.7% interest in this company for USD1.3 million and on 6 May 2008, the Group acquired additional 7.9% interest in this company for USD2.7 million. These acquisitions increased the Group's beneficial ownership in East Ocean Real Estate & Tourism Joint Stock Company to 81.2%. The total costs of the additional acquisitions were USD4 million, which was settled in cash.

Particulars of significant subsidiaries

Name	Place of incorporation/operations	Nominal value of issued share capital/registered legal capital in USD and USD equivalent	Percentage interest held by the Group	Principal activities
Onshine Investments Limited	BVI	1	100%	Property investment
Vietnam Property Holdings Ltd	BVI	100	75%	Property investment
Prosper Big Investment Limited	BVI	50,000	75%	Property investment
VinaCapital Danang Resorts Limited	BVI	4	75%	Property investment
VinaCapital Commercial Center Limited (*)	BVI	20,000	64.5%	Property investment
Bates Assets Limited	BVI	4	100%	Property investment
Proforma Asia Limited	BVI	4	100%	Property investment
Cypress Assets Limited	BVI	100	75%	Property investment
				Property

Roxy Assets Limited	BVI	4	75%	investment
VinaCapital Hoi An Resort	Vietnam	6,000,000	80%	Property investment
VinaCapital Danang Golf Course Limited	Vietnam	23,000,000	75%	Property investment
Maplecity Investments Limited	BVI	4	75%	Property investment
Henry Enterprise Group, Limited	BVI	100	61.5%	Property investment
VinaCapital Danang Resort Limited	Vietnam	27,000,000	75%	Property investment
VinaCapital Commercial Center Limited (Vietnam)	Vietnam	65,000,000	64.5%	Property investment
Tungshing International Investment Limited	BVI	50,000	100%	Property investment
International Consultant Company Limited	Vietnam	1,237,240	99%	Property investment
Dien Phuoc Long Real Estate Company	Vietnam	2,474,482	99%	Property investment
VinaCapital Phuoc Dien Limited	Vietnam	2,927,500	100%	Property investment
VinaCapital Long Dien Limited	Vietnam	3,142,375	100%	Property investment
East Ocean Real Estate & Tourism Joint Stock Company	Vietnam	20,495,621	62.88%	Hospitality
Vina Properties Pte. Limited	Singapore	1	75%	Property investment
21st Century International Development Company Inc.	Vietnam	28,680,000	61.5%	Property investment
Thang Long Tungshing JV Company	Vietnam	6,071,088	70%	Property investment
Roxy Vietnam Co., Ltd (formerly HLL - Guoco Vietnam Co. Ltd.)	Vietnam	6,748,923	55.5%	Hospitality
Top Star International	Hong Kong	13	75%	Hospitality
SRLHO	Vietnam	24,711,683	52.5%	Hospitality
A-1 International Corporation Limited	Vietnam	16,700,000	52.5%	Hospitality
Dong Binh Duong Urban Development Co., Ltd.	Vietnam	19,218,507	70%	Property investment
Ha Trading Co., Ltd.	Vietnam	3,562,099	99.98%	Property investment
Orchid House Co. Ltd	Vietnam	562,022	55.56%	Property investment
Vina Dai Phuoc Corporation	Vietnam	100,000,000	100%	Property investment
Prodigy Pacific Vietnam Co., Ltd.	Vietnam	1,500,000	100%	Property investment
Pavia Properties Ltd	BVI	50,000	100%	Property investment
Nguyen Du Joint Venture Company	Vietnam	2,324,834	65%	Property investment
SIH Investment Limited	Singapore	8,379,168	75%	Property investment
SAS Hanoi Royal Hotel Ltd.	Vietnam	12,000,000	70%	Hospitality
Viet Land Development Corporation	Vietnam	2,500,000	60%	Property investment
VinaLand Espero Ltd	BVI	100	75%	Property investment
Vinh Thai Urban Development Corporation	Vietnam	37,348,756	68%	Property investment

(*) During the year, the Group sold 3,675 Class A shares in VinaCapital Commercial Center Limited. Under the Share Sale and Purchase Agreement, the Buyer has been granted a right to acquire an additional 3,675 Class B shares in the company from the Group.

7 Net cash for acquisition of subsidiaries

	30 June 2008	30 June 2007
	USD'000	USD'000
Cost of investment in the subsidiaries:		
Ha Trading Co., Ltd. (Danang 15ha Project)	**8,901**	-
Orchid House Co. Ltd (HBT Court Project)	**1,506**	-
Nguyen Du Joint Venture Company (Nguyen Du Building Project)	**4,200**	-
Vinh Thai Urban Development Corporation (Vinh Thai Urban Residential Project)	**36,723**	-
International Consultant Company Limited (Long Dien Project)	**2,395**	-
Dien Phuoc Long Real Estate Company (Phuoc Dien Project)	**3,107**	-
SAS Hanoi Royal Hotel Ltd. (Novotel Hanoi Project)	**4,518**	-
21st Century International Development Company Inc. (21st Century Project)	**-**	35,431
SRLHO (Hilton Hanoi Opera Hotel Project)	**-**	20,423
Thang Long Tungshing JV Company (Hanoi Opera Office Project)	**-**	6,700
East Ocean Real Estate & Tourism Joint Stock Company (Sheraton Nha Trang Hotel Project)	**4,013**	8,534
A-1 International Corporation Limited (Omni Saigon Hotel Project)	**-**	23,075
Roxy Vietnam Co., Ltd (Hanoi Guoman Hotel Project)	**-**	19,143
Nishimura Restaurant at the Omni Saigon Hotel	**-**	547

	2008	2007
	65,363	113,853
Less:		
Cash and cash equivalents at the date of acquisition	**(5,656)**	(24,219)
Cost of acquisition last year as an associate	**-**	(15,997)
Acquisition cost not yet settled	**-**	(10,809)
Cost of investments settled in cash	**59,707**	62,828

8 Investment properties

	30 June 2008	30 June 2007
	USD'000	USD'000
Opening balance	**97,185**	-
Acquisition of subsidiaries	**102,598**	32,528
Additions during the year	**113,919**	26,127
Translation difference	**(804)**	-
Net gain from fair value adjustments	**247,068**	38,530
Closing balance	**559,966**	97,185

9 Property, plant and equipment

	Buildings	Equipment	Furniture and fixtures	Motor vehicles	Construction in progress	**Total**
	USD'000	USD'000	USD'000	USD'000	USD'000	**USD'000**
Gross carrying amount						
1 July 2007	119,495	20,264	1,584	664	10,333	**152,340**
Acquisitions of subsidiaries	-	2	31	1	5,434	**5,468**
Reclassifications	(6,802)	(210)	210	-	-	**(6,802)**
Additions	415	546	150	1,154	6,126	**8,391**
Decrease	-	(2,744)	(100)	(434)	(4,343)	**(7,621)**
Revaluation gains	24,700	-	-	-	-	**24,700**
30 June 2008	137,808	17,858	1,875	1,385	17,550	**176,476**
Depreciation and impairment						
1 July 2007	(20,690)	(15,648)	(1,409)	(546)	-	**(38,293)**
Charge for the year	(4,106)	(1,253)	(276)	(90)	-	**(5,725)**
Decrease	-	2,175	62	411	-	**2,648**
30 June 2008	(24,796)	(14,726)	(1,623)	(225)	-	**(41,369)**
Carrying amount 1 July 2007	98,805	4,616	175	118	10,333	**114,047**
Carrying amount 30 June 2008	113,012	3,132	252	1,160	17,550	**135,106**

The carrying amount can be analysed as follow:

For the comparative year, the carrying amount can be presented as follows:

	Buildings	Equipment	Furniture and fixtures	Motor vehicles	Construction in progress	**Total**
	USD'000	USD'000	USD'000	USD'000	USD'000	**USD'000**
Gross carrying amount						
1 July 2006	-	-	-	-	-	**-**
Acquisitions of subsidiaries	117,697	20,025	1,575	584	9,368	**149,249**
New purchases	319	239	9	80	965	**1,612**
Valuation gain	1,479	-	-	-	-	**1,479**
30 June 2007	119,495	20,264	1,584	664	10,333	**152,340**
Depreciation and impairment						
1 July 2006	-	-	-	-	-	**-**
Acquisitions of subsidiaries	(18,510)	(14,904)	(1,397)	(546)	-	**(35,357)**
Charge for the year	(2,180)	(744)	(12)	-	-	**(2,936)**
30 June 2007	(20,690)	(15,648)	(1,409)	(546)	-	**(38,293)**
Carrying amount 1 July 2006	-	-	-	-	-	**-**
Carrying amount 30 June 2007	98,805	4,616	175	118	10,333	**114,047**

Buildings and construction in progress belonging to East Ocean Real Estate and Tourism Joint Stock Company with a net book value of USD14,222,000 as at 30 June 2008 (30 June 2007: USD12,080,000) are pledged as security for the bank loan as disclosed in Note 23.

If cost model had been used, the carrying amount of the buildings would be as follows:

US$'000

Buildings at 30 June 2008:	
At cost	**118,963**
Accumulated depreciation	**(22,761)**
Net carrying amount	**96,202**

Buildings at 30 June 2007:	
At cost	**119,496**
Accumulated depreciation	**(20,690)**
Net carrying amount	**98,806**

10 Intangible assets

	Licences	Software	**Total**
	USD'000	USD'000	**USD'000**
Gross carrying amount			
1 July 2007	-	-	**-**
Valuation gain	6,802	-	**6,802**
Additions	-	8	**8**
30 June 2008	6,802	8	**6,810**
Amortisation and impairment			
1 July 2007	-	-	**-**
Charge for the year	(388)	(1)	**(389)**
30 June 2008	(388)	(1)	**(389)**
Carrying amount 1 July 2007	-	-	**-**
Carrying amount 30 June 2008	6,414	7	**6,421**

11 Investments in associates

	2008	2007
	USD'000	USD'000
1 July	**-**	15,997
Acquisition of associates	**26,217**	-
Share of associates' profits, net	**53**	-
Transferred to subsidiary	**-**	(15,997)
30 June	**26,270**	-

The closing balance consists of:

	30 June 2008	30 June 2007
	USD'000	USD'000
Long An S.E.A Industrial Park Development Co. Ltd.	**1,089**	-
Aqua City Joint Stock Company	**3,086**	-
Thang Loi Land Joint Stock Company	**13,404**	-
Romana Resort and Spa	**8,691**	-
	26,270	-

Particulars of operating associates and their summarised financial information, extracted from their financial statements as at 30 June 2008 are as follows:

	Incorporation	**Equity interest held**	**Principle activity**	**Status of financial statements**	**Assets**	**Liabilities**	**Revenue**	**Profit/ (loss)**
		%			**USD'000**	**USD'000**	**USD'000**	**USD'000**
Long An S.E.A Industrial Park Development Co. Ltd.	Vietnam	20	Property	Reviewed	4,349	12	-	(16)
Aqua City Joint Stock Company	Vietnam	50	Property	Reviewed	-	17,385	-	(18)
Thang Loi Land Joint Stock Company	Vietnam	49	Property	Reviewed	32,796	2,084	-	(8)
Romana Resort and Spa	Vietnam	50	Hospitality	Reviewed	4,976	1,930	591	130

12 Goodwill

	30 June 2008	30 June 2007
	USD'000	USD'000
Opening balance	**-**	-
Increase	**2,939**	-
Closing balance	**2,939**	-

Under the parent equity method goodwill has been recognised for additional acquisitions of East Ocean Real Estate and Tourism Joint Stock Company (Note 6).

13 Prepayments for operating leases

	2008	2007
	USD'000	USD'000
1 July	**13,297**	-
Acquisition of subsidiaries	**-**	13,584
Addition during the year	**7,284**	162
Charge for the year	**(938)**	-
Translation differences	**(8)**	(449)

30 June	**19,635**	13,297

Prepayments for operating leases relates to leasehold land occupied by subsidiaries of the Group.

Leasehold property held by East Ocean Real Estate and Tourism Joint Stock Company with a net book value of USD1,819,000 as at 30 June 2008 (30 June 2007: USD162,000) are pledged as security for the bank loan is disclosed in Note 23.

14 Receivable from related parties

	Relation	Transactions	30 June 2008 USD'000	30 June 2007 USD'000
Vietnam Opportunity Fund Limited	Common control	Loan advance to projects	**3,000**	22,825
		Expenses paid for projects	**2,965**	-
		Cash advance for investments in projects	**14,600**	-
VinaCapital Real Estate Vietnam Co., Limited	Common control	Other	**378**	-
Vietnam Infrastructure Fund Limited	Common control	Other	**217**	-
Romana Resort and Spa	Associate	Shareholder loan	**709**	-
Lam Co Company Limited	Related party	Share premium receivable	**61**	-
			21,930	22,825

15 Trade and other receivables

	30 June 2008 USD'000	30 June 2007 USD'000
Loan receivable from third parties (*)	**87,412**	19,882
Prepayments to suppliers	**19,710**	4,324
Interest receivables	**3,678**	1,624
Trade receivables	**916**	417
Receivable from minority shareholders (**)	**25,505**	-
Other receivables	**4,330**	3,035
Other current assets	**5,215**	3,916
	146,766	33,198
Provision for bad and doubtful debts	**(16)**	-
	146,750	33,198

(*) This represents short-term loans to third parties, which are to be repaid during 2009. The loans are unsecured, interest free or bear interest rates ranging from 7.5% to 15% per annum. Their carrying value is considered a reasonable approximation of their expected recovery.

As remaining all trade and other receivables are short term in nature and their carrying value is considered a reasonable approximation of their fair value as at balance sheet date.

(**) Details of receivable from minority shareholders are as follows:

Name	Descriptions	30 June 2008 USD'000	30 June 2007 USD'000
ACM Company	Loan receivables (***)	**5,497**	-
NORDICA Capital Square ApS	Disposal of investment	**9,259**	-
Thai Thinh Capital Joint Stock Company	Receivable	**10,749**	-
		25,505	-

(***) This loan is unsecured, interest free, and is to be repaid by May 2009. It is carried at amortised cost at the balance sheet date.

16 Short-term deposits

	30 June 2008 USD'000	30 June 2007 USD'000
Short-term deposits	**23,735**	-
Bank secured deposit (*)	**33,292**	-
	57,027	-

Short-term deposits are term deposits with banks, with term to maturity of more than three months to one year. Their carrying value is considered a reasonable approximation of their fair value as at balance sheet date.

(*) The Group has deposited VND560.8 billion (equivalent to USD33 million) with a local bank. The deposit is repayable within one year and earns interest at the rate of 13% per annum. The deposit is exclusively for purpose of lending to Thai Thinh Capital Joint Stock Company. The bank has guaranteed to ensure the full repayment of the deposit and associated accrued interest thereon to the Group in VND upon the expiry of the deposit term.

17 Financial assets held at fair value through income statement

	2008 USD'000	2007 USD'000
Designated at fair value through income statement:		

Financial assets in Vietnam		
Ordinary shares - unlisted	**5,257**	157
Trustee loans	**46,409**	21,805
Corporate bonds	**10,258**	7,499
Total financial assets at fair value through income statement	**61,924**	29,461

These financial assets are denominated in the following currencies:

	30 June 2008	30 June 2007
	USD'000	USD'000
United States Dollars	**46,409**	21,805
Vietnam Dong	**15,515**	7,656
	61,924	29,461

The carrying amounts disclosed above are the Group's maximum possible credit risk exposure in relation to these instruments. See Note 38 for further information on the Group's exposure to credit risk.

18 Deposits for acquisitions of investments

	30 June 2008	30 June 2007
	USD'000	USD'000
Deposits for acquisitions of investments	**83,103**	72,729
Provision for loss on deposit for acquisition of investment - Note 26 (*)	**(5,160)**	-
	77,943	72,729

These deposits pertain to payments made by the Group to property vendors where the final transfer of the property is pending the approval of the relevant authorities and/or is subject to either the Group or the vendor completing certain performance conditions set out in agreements.

(*) The amount represents provision for a prepayment on acquisition of investment.

19 Cash and cash equivalents

	30 June 2008	30 June 2007
	USD'000	USD'000
Cash on hand and in banks	**36,090**	61,572
Cash equivalents	**44,716**	289,326
	80,806	350,898

20 Share capital

	30 June 2008		30 June 2007	
	Number of shares	**USD'000**	Number of shares	USD'000
Authorised:				
Ordinary shares of USD0.01 each	**500,000,000**	**5,000**	500,000,000	5,000
Issued and fully paid:				
Opening balance	**499,967,622**	**4,999**	204,844,779	2,048
New shares issued in the year	**-**	**-**	295,122,843	2,951
Closing balance	**499,967,622**	**4,999**	499,967,622	4,999

21 Additional paid-in capital
Additional paid-in capital represents the excess of consideration received over the par value of shares issued.

	2008	2007
	USD'000	USD'000
1 July	**588,870**	196,414
Additional paid-in capital during the year	**-**	392,456
30 June	**588,870**	588,870

22 Revaluation reserve

	2008	2007
	USD'000	USD'000
1 July	**777**	-
Revaluation gain on property, plant and equipment	**24,700**	1,480
Less: share of gain attributable to minority interest	**(11,633)**	(703)
30 June	**13,844**	777

The Group's share of valuation gains resulting from the revaluation of subsidiaries' hospitality properties has been recorded directly in the Group's revaluation reserve under shareholders' equity.

23 Long-term borrowings

	30 June 2008	30 June 2007
	USD'000	USD'000
Long-term loans of Maplecity Investments Ltd.	**18,813**	-
Long-term loans of East Ocean Real Estate & Tourism Joint Stock Company	**2,982**	4,872
Long-term loans of A-1 International (Vietnam) Corporation Limited	**-**	1,113
Long-term loan of Orchid House Co. Ltd	**153**	-
	21,948	5,985
Current portion of long-term loans of East Ocean Real Estate & Tourism Joint Stock Company	**(188)**	(252)

	30 June 2008	30 June 2007
Current portion of long-term loan of Orchid House Co., Ltd	**(87)**	(1,028)
Total current portions of long-term loans	**(275)**	(1,280)
	21,673	4,705

The long-term loan of Maplecity Investments Ltd, a subsidiary of the Group, represents a loan obtained from Taipei Fubon Commercial Bank Co., Ltd. The loan is payable in full on 11 July 2009 and bears interest based on LIBOR plus 1.18% per annum. The loan is carried at amortised cost at the balance sheet date.

The long-term loans of East Ocean Real Estate & Tourism Joint Stock Company, a subsidiary of the Group, represents loans obtained from Dong A Bank. These loans are for a period of 10 years and repayable by 2016 and bear an interest rate based on SIBOR plus 2.5% per annum. These loans are secured by leasehold property and the value of construction on such property. These loans are carried at amortised cost at the balance sheet date.

The long-term loan of Orchid House Co., Ltd, a subsidiary of the Group, represents loan obtained from Vietcombank - Ho Chi Minh City branch. The loan is for periods of 6 years since 9 February 2004 and bears interest at prime deposit rate for 12 month-period loan plus 0.18% per annum on reducing balance. The loan is carried at amortised cost at the balance sheet date.

24 Payables to related parties

	Relation	Transactions	**30 June 2008 USD'000**	30 June 2007 USD'000
Vietnam Opportunity Fund Limited	Common management	Shareholder loans (*)	**66,367**	35,549
		Dividend from a subsidiary	**263**	-
VinaCapital Investment Management Ltd	Common management	Management fees	**1,409**	1,012
		Performance fees	**48,218**	3,339
		Others	**279**	682
			116,536	40,583

(*) This represents shareholder loans from Vietnam Opportunity Fund Limited (VOF), a minority shareholder in subsidiaries of the Group. These loans are unsecured, bear interest at SIBOR six-month interest rate and are repayable by the end of 2012. The loans are carried at amortised cost in the balance sheet.

25 Trade and other payables

	30 June 2008 USD'000	30 June 2007 USD'000
Trade payables	**2,010**	5,680
Tax payable	**2,445**	245
Payable for land acquisitions and compensations	**18,813**	-
Payable to minority shareholders	**6,147**	-
Other accrued liabilities	**2,692**	614
Other payables	**2,384**	4,523
	34,491	11,062

As all trade and other payables are short-term in nature, their carrying values are considered a reasonable approximation of their fair values as at balance sheet date.

26 Expenses by nature

	30 June 2008 USD'000	30 June 2007 USD'000
Performance fees	**48,218**	3,340
Management fees	**13,916**	6,644
Professional fees	**3,079**	1,993
Staff costs	**6,687**	2,750
Depreciation and amortisation	**7,052**	3,386
Material costs	**4,510**	2,888
General, administration expenses and outside service costs	**10,924**	4,135
Provision for loss on deposit for acquisition of investment	**5,160**	-
Loss on disposal of investments and fixed assets	**6,226**	-
Other expenses	**246**	661
	106,018	25,797

27 Other income

	30 June 2008 USD'000	30 June 2007 USD'000
Disposals of investments	**15,976**	-
Negative goodwill (*)	**27,166**	-

Disposals of fixed assets	**108**	-
Gain on shareholder's loan from Maplecity Investments Ltd. to SRLHO	**-**	3,078
Gain on waiver of liabilities from ex-shareholder	**-**	2,491
Others	**1,355**	2,133
	44,605	7,702

(*) As stated in Note 6, the Group acquired a 68% interest in the Vinh Thai Urban Development Corporation when the fair value of the net assets was USD94 million. The difference between the Group's share of the net assets of USD63.9 million and the cost of the acquisition of USD36.7 million represents negative goodwill which has been recognised in the Statement of Income at the acquisition date.

28 Other net changes in fair value on financial assets at fair value through income statement

	30 June 2008	30 June 2007
	USD'000	USD'000
Unrealised gain from trustee loans	**18,686**	3,085
Unrealised gain from shares	**1,051**	-
Unrealised loss from bonds' valuation	**(2,868)**	-
	16,869	3,085

29 Financial income

	30 June 2008	30 June 2007
	USD'000	USD'000
Interest income	**18,599**	11,836
Realised gain on foreign exchange difference	**152**	-
	18,751	**11,836**

30 Financial costs

	30 June 2008	30 June 2007
	USD'000	USD'000
Interest expenses	**1,485**	2,594
Unrealised loss for borrowing at amortised cost	**440**	-
Realised loss on foreign exchange difference	**174**	-
Unrealised loss on foreign exchange difference	**4,892**	-
	6,991	2,594

31 Corporate income tax
VinaLand Limited is domiciled in the Cayman Islands. Under the current laws of the Cayman Islands, there is no income, state, corporation, capital gains or other taxes payable by the Company.

The majority of the Group's subsidiaries are domiciled in the British Virgin Islands (BVI) and so have a tax exempt status. A number of subsidiaries are established in Vietnam and are subject to corporate income tax in Vietnam at the regular tax rate of 28%. A provision of USD2,122,000 has been made for these Vietnamese subsidiaries of the Group for the year ended 30 June 2008 (30 June 2007: USD245,000).

The relationship between the expected tax expense based on the applicable tax rate of 0% and the tax expense actually recognised in the statement of income can be reconciled as follows:

	30 June 2008	30 June 2007
	USD'000	USD'000
Group profit before tax	**250,305**	50,222
Group profit multiplied by applicable tax rate (0%)	**-**	-
Income tax on Vietnamese subsidiaries	**2,122**	245
Corporate income tax expense	**2,122**	245

Under the law of Vietnam, tax losses can be carried forward to offset with future taxable income for five years from the year a loss is incurred. Unrecognised deferred tax assets for tax losses of USD7,329,000 (30 June 2007: USD5,614,000) relating to losses carried forward have not been recognised due to uncertainties as to their recoverability.

32 Earnings per share
(a) Basic
Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of ordinary shares on issue during the year.

	30 June 2008	30 June 2007
Profit attributable to equity holders of the Company (USD)	**167,697,519**	34,635,037
Weighted average number of ordinary shares on issue	**499,968,622**	278,625,490
Basic earnings per share (USD per share)	**0.34**	0.12

(b) Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has no category of potential dilutive ordinary shares. Therefore, diluted earnings per share are equal to basic earnings per share.

33 Cash flow statement

The following non-cash flow adjustments have been made to the pre-tax result for the year to arrive at operating cash flow:

	2008	2007
	USD'000	USD'000
Depreciation and amortisation	7,052	3,386
Other net changes in fair value of financial assets		
at fair value through income statement	(16,869)	(3,085)
Gain on fair value adjustment of investment properties	(247,068)	(38,530)
Gain on liquidations of subsidiary	(1,080)	-
Provision for loss on deposit for acquisition of investment	5,160	-
Gain from disposal of investments, net	(14,681)	-
Negative goodwill	(27,166)	
Write-off expenses	168	-
Share of associate's profit	(53)	-
Loss on disposal and write-off of fixed assets	5,814	-
Unrealised loss on foreign exchange difference	4,892	(452)
Amortised cost of loan receivable	440	-
Interest expense	1,485	2,594
Interest income	(18,599)	(11,836)
	(300,505)	(47,923)

34 Directors' remuneration

The emoluments paid or payable to the Directors during the year were as follows:

	30 June 2008	30 June 2007
	USD'000	USD'000
Horst Geicke	20	20
Don Lam	20	20
Nguen Khoong Tong	20	20
Bruno Schoepfer	20	20
Nicholas Brooke	20	20
	100	100

35 Related party transactions

Management fees

The Group is managed by VinaCapital Investment Management Limited (the "Investment Manager"), an investment management company incorporated in the British Virgin Islands ("BVI"), under a management agreement dated 16 March 2006 (the "Management Agreement"). The Investment Manager receives a fee based on the net asset value of the Group, payable monthly in arrears, at an annual rate of 2% (30 June 2007: 2%).

Total management fees for the year amounted to USD13,916,000 (30 June 2007: USD6,644,000), with USD1,409,000 (30 June 2007: USD1,012,000) in outstanding accrued fees due to the Investment Manager at the end of the year.

Performance fees

In accordance with the Management Agreement, the Investment Manager is also entitled to a performance fee equal to 20% of the realised returns over an annualised compounding hurdle rate of 8% (30 June 2007: hurdle rate of 8%).

Total performance fees, for the year amounted to USD48,218,000 (30 June 2007: USD3,340,000), in which included the balance of the performance fee of USD4,304,000 for the year ended 30 June 2007. The performance fees for the year ended 30 June 2008 have not been paid and included in outstanding accrued fees due to the Investment Manager at the end of the year.

Placement fees

When raising capital through the issuance of new Ordinary Share a commission equal to 3% of the subscription price multiplied by the total number of the shares allotted by the Group on admission is payable by the Group to the Investment Manager. The Investment Manager is responsible for paying placing agents that are engaged in respect to such subscriptions. The net proceeds of share subscriptions are recorded after netting off placement fees.

There was no placement fee for the year (30 June 2007: USD11,862,000).

During the year, the Group granted total loans of USD25 million to Lam Co Company Limited, a related party, to acquire shares in Vinh Thai Urban Development Corporation (Vinh Thai Urban Residential Project) and Ha Trading Co., Ltd. (Danang 15ha Project) on behalf of the Group. These loans are fully secured by the shares which Lam Co Company Limited owns in these projects.

Other related party transactions and balances

Other related parties transactions and balances are disclosed in Notes 11, 14 and 24.

36 Contingent assets and liabilities

Taxation

Although the Company and its direct subsidiaries are incorporated in the Cayman Islands and the British Virgin Islands where they are exempt from tax, the Group's activities are primarily focused on Vietnam. In accordance with the prevailing tax regulations in Vietnam, if an entity was treated as having a permanent establishment, or as otherwise being engaged in a trade or business in Vietnam, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax in Vietnam. As at the date of this report the following information can not be determined:

- Whether the Company and/or its subsidiaries are considered as having permanent establishments in Vietnam; and

- The amount of tax that may be payable, if the income is subject to tax.

The implementation and enforcement of tax regulations in Vietnam can vary depending on numerous factors, including the identity of the tax authority involved. The administration of laws and regulations by government agencies may be subject to considerable discretion, and in many areas, the legal framework is vague, contradictory and subject to interpretation. The Directors believe that it is unlikely that the Group will be exposed to tax liabilities in Vietnam, and in the worse case, if tax is imposed on income arising in Vietnam it will not be applied retrospectively.

As at 30 June 2008, due to the uncertainties mentioned above, no liability in relation to taxation has been recognised in the financial information.

Co-operation contract with Thai Thinh Capital

In accordance with the co-operation contract dated 8 December 2007 between the Group and Thai Thinh Capital Joint Stock Company ("TTC"), a joint stock company, for which the Group has placed an amount of USD33 million (Note 16) with a bank for lending to TTC, the Group has an option ("the Option") to buy shares of TTC when TTC offers its share to public at a favourable price which is 20% lower than the average initial public offer ("IPO") price.

As at 30 June 2008 the following information is uncertain:

1. Whether TTC will offer its share to the public in the foreseeable future; and
2. The average IPO price, if TTC offers its shares to the public.

As at 30 June 2008, due to the uncertainties as mentioned above, the fair value of the Option, which was not able to be determined reliably, has not been recognised in the consolidated financial statements.

37 Commitments

As at 30 June 2008, the Group was committed under operating lease agreements to paying the following future amounts:

	30 June 2008	**30 June 2007**
	USD'000	USD'000
Within one year	**1,422**	700
From two to five years	**3,505**	2,800
Over five years	**13,830**	10,500
	18,757	14,000

As at 30 June 2008, the Group was also committed under the construction agreements to paying USD31,878,000 (30 June 2007: USD4,555,000) for future construction works.

The Group has a broad range of commitments under investment licences it has received, and other agreements it has entered into, to acquire and develop, or make additional investments in, investment properties and leasehold land in Vietnam. Further investment in any of these arrangements is at the Group's discretion.

38 Risk management objectives and policies

The Group invests in a diversified property portfolio in Vietnam neighbouring countries with the objective of providing investors with an attractive level of investment income, together with the potential for capital growth.

The Group is exposed to a variety of financial risks: market risk (including currency risk and interest rate risk); credit risk; and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's risk management is coordinated by its Investment Manager who manages the distribution of the assets to achieve the investment objectives. The most significant financial risks to which the Group is exposed to are described below:

Foreign currency sensitivity

The Group's exposure to risk resulting from changes in foreign currency exchange rates is moderate as although transactions in Vietnam are settled in Vietnam Dong, the value of the Vietnam Dong has historically been closely linked to that of USD, the reporting currency.

The Group's financial assets and liabilities exposure to risk of fluctuations in foreign currency exchange rates at the balance sheet date were as follows:

	Short-term exposure		Long-term exposure	
	VND	Others	VND	Other
	USD'000	USD'000	USD'000	USD'000
30 June 2008				
Financial assets	**237,157**	**4,021**	**28**	**-**
Financial liabilities	**(28,619)**	**-**	**(3,045)**	**-**
Total exposure	**208,538**	**4,021**	**(3,017)**	**-**
30 June 2007				
Financial assets	327,516	1,235	4,383	-
Financial liabilities	(12,342)	-	(5,985)	-
Total exposure	315,174	1,235	(1,602)	

Sensitivity analysis to a reasonably possible change in exchange rates

Property valuations in Vietnam are based on a combination of factors linked to both the USD and VND. Assuming all properties are valued based on VND cash flows, a 5% weakening of the VND against USD at the end of the year ended 30 June 2008 and 30 June 2007 would have impacted net income of the Group's equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	30 June 2008	30 June 2007
	Loss (net of taxation)	Loss (net of taxation)
	USD'000	USD'000
5% devaluation of the Vietnam Dong	**10,276**	15,679

A 5% strengthening of the VND against USD would have had the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

Price risk sensitivity
Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Group's financial instruments are carried at fair value with fair value changes recognised in the income statement, all changes in market conditions will directly affect net investment income.

The Group invests in real estate projects and is exposed to market price risk. If the prices of the real estate were to fluctuate by 10%, the impact on profit or loss and equity would amount to approximately USD67.3 million (2007: USD19.6 million).

Cash flow and fair value interest rate sensitivity
The Group's exposure to interest rate risk is related to interest bearing financial assets and financial liabilities. Cash and cash equivalents, bank deposits and bonds are subject to interest at fixed rates. They are exposed to fair value changes due to interest rate changes. The Group currently has some financial liabilities with floating interest rates which are disclosed in the Notes to the Financial Statements . This is the maximum exposure of the Group to cash flow interest rate risk.

Credit risk analysis
Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the Group at the balance sheet date.

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

	30 June 2008	30 June 2007
	USD'000	USD'000
Classes of financial assets - carrying amounts:		
Ordinary share - unlisted	**5,257**	157
Corporate bonds	**10,258**	7,499
Trustee loans	**46,409**	21,805
Other long-term financial assets	**1,077**	-
Deposits for acquisitions of investments	**77,943**	72,729
Short-term deposits	**57,027**	-
Cash and cash equivalents	**80,806**	350,898
Trade and other receivables	**168,680**	62,842

The carrying amount of trade and other receivables and loans represent the Group's maximum exposure to credit risk in relation to its financial assets. The Group has no other significant concentrations of credit risk.

In accordance with the Group's policy, the Investment Manager continuously monitors the Group's credit position on a monthly basis.

Liquidity risk analysis
Liquidity risk is the risk that the Group will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with investments and financial instruments. There is an inherent liquidity risk associated with the Company's primary business, being property investment. As a consequence, the value of the majority of the Company's investments cannot be realised as quickly as other investments such as cash or listed equities. Furthermore, the development and realisation of the Company's property investments will normally require access to debt financing at a reasonable cost or shareholder loans from the Company's surplus funds and its co-investors.

The Company seeks to minimise liquidity risk through:

- Preparing and monitoring cash flow forecasts for each investment project and the Company on a consolidated basis,
- Arranging financing to fund real estate developments as required, and
- Providing amble lead times for the disposal of assets and realisation of cash.

At the balance sheet date, the Group's liabilities have contractual maturities which are summarised below:

30 June 2008	Within 1 year	From 2 to 5 years	Over 5 years
	USD'000	USD'000	USD'000
Trade and other payables	**34,491**	**-**	**-**
Payable to related parties (*)	**116,536**	**-**	**-**
Short-term borrowings	**275**	**-**	**-**
Long-term borrowings	**-**	**21,673**	**-**
Other liabilities	**-**	**1,044**	**-**

30 June 2007	Within 1 year	From 2 to 5 years	Over 5 years
	USD'000	USD'000	USD'000
Trade and other payables	11,061	-	-
Payable to related parties (*)	40,583	-	-
Short-term borrowings	1,280	-	-
Long-term borrowings	-	4,705	-
Other liabilities	-	577	-

(*) Payables to related parties are primarily shareholder loans from related parties to jointly owned subsidiaries. These loans are not repayable until the respective subsidiaries have sufficient cash to repay these obligations.

The above contractual maturities reflect the gross cash flows, which may differ to the carrying value of the liabilities at the balance sheet date.

Capital management
The Group considers the capital to be managed as equal to the net assets attributable to the holders of ordinary shares. The Group has engaged the Investment Manager to allocate the net assets in such a way so as to generate investment returns that are commensurate with the investment objectives outlined in the Group's offering documents.

39 Subsequent events

Hanoi Opera Plaza

As at 30 June 2008, the Group owned 100% of Tung Shing International Limited which has a 70% interest in Thang Long Tung Shing Joint Venture Company. The joint venture company was entitled to develop the Hanoi Opera Plaza, an office and retail project on a site of 1,700m2 in the centre of Hanoi. The land had been contributed by the local party to obtain a 30% interest in the Company and was valued at USD12.4 million as at 30 June 2008.

As the site has considerable heritage value to the country the Hanoi People's Committee requested that the Company swap the land for another site. The Company has accepted this offer and received the new land near the Hanoi Convention Centre in My Dinh District. The new land is held under a new subsidiary Golden Gain Enterprises Vietnam Limited. The Investment Manager has determined the value and future potential of the new land is not less than the land site that was given up.

Global economic crisis
Subsequent to the year ended 30 June 2008, global markets were sharply affected by the collapse of Lehman Brothers and other financial institutions. As the extent of the credit crisis became clear the market turmoil spread to Europe and emerging markets, including Vietnam.

As of the date of issuance of the financial statements, the Board of the Company had determined, based on independent valuations and other available market information that the fair value of the Group's real estate investments has fallen by USD32.4 million to USD527.5 million. The details are as follows:

	USD'000
Real estate investments recorded at fair value through profit or loss:	
Book value of investment properties at 30 June 2008	**559,966**
Revaluation of investment properties recorded at fair value at 30 June 2008	**(39,584)**
Revaluation of investment properties not previously recorded at fair value	**7,142**
	527,524

	USD'000
Real estate investments recorded as investment in associates:	
Potential equity accounted loss for real estate held by associates	**12,900**

The financial information set out in this announcement does not constitute the Group's statutory accounts for the year ended 30 June 2008 but is derived from those accounts. The full audited accounts of VinaLand Limited for the year ended 30 June 2008 will be sent to registered shareholders shortly and will also be available, free of charge, from VinaCapital Investment Management, 17/F, Sun Wah Tower, Ho Chi Minh City, Vietnam. A copy of the report will be posted on the Company's website www.vinaland-fund.com.

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