

Condensed interim financial statements and  
accountants' report

VinaLand Limited and its subsidiaries

31 December 2007

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# Report of the Board of Directors

The Board of Directors submits its report together with the condensed interim financial statements of VinaLand Limited (“the Company”) and its subsidiaries (together “the Group”) for the half-year ended 31 December 2007 (“the period”).

## The Group

VinaLand Limited is incorporated in the Cayman Islands as a company with limited liability. The registered office of the Company is PO Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands.

Particulars of the Group’s principal subsidiaries are set out in note 6 of the annual financial statements for the year ended 30 June 2007.

## Principal activities

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 to provide shareholders with an attractive level of income and capital growth, from investing in a diversified portfolio of mainly property investments.

The principal activities of the subsidiaries are property investment and hospitality management.

## Results and dividend

The results of the Group for the period and the state of its affairs as at that date are set out in the condensed interim financial statements on pages 6 to 17.

The Board of Directors do not recommend the payment of a dividend relating to the period.

## Board of Directors

The members of the Board of Directors of the Company during the period and to the date of this report were as follows:

<b>Name</b>	<b>Position</b>	<b>Appointed on</b>
Horst Geicke	Chairman	31 August 2005
Don Lam	Director	13 November 2006
Nicholas Brooke	Director	13 November 2006
Nguyen Khoong Tong	Director	13 November 2006
Bruno Schoepfer	Director	13 November 2006

### Subsequent Events After the Balance Sheet Date

No significant event has occurred since the balance sheet date which would impact on the financial position of the Group disclosed in the condensed balance sheet as at 31 December 2007 or on the results and cash flows of the Group for the period ended on that date.

### Directors' interest in the Company

As at 31 December 2007, the interests of the directors in the shares, underlying shares and debentures of the Company were as follows:

	<b>No. of shares</b>	<b>Approximate % of holding</b>
Horst Geicke	2,750,000	0.55%
Don Lam	1,162,250	0.23%
Nicholas Brooke	150,000	0.03%
Nguen Khoong Tong	798,500	0.16%
Bruno Schoepfer	300,000	0.06%

On 23 January 2008, Don Lam purchased 293,000 shares in the Company, bringing his total direct interest to 1,455,250 shares or 0.29% holding in the Company at this date.

On 30 January 2008, VinaCapital Investment Management Ltd. (VCIM) announced that it has acquired 79,250 ordinary shares in the Company. As a consequence, Horst Geicke, at this date, has an indirect interest in the Company of 412,583 ordinary shares in addition to his existing direct interest of 2,750,000 ordinary shares. Additionally, Don Lam now has an indirect interest in the Company of 412,583 ordinary shares in addition to his existing direct interest of 1,455,250 ordinary shares at this date.

### Board of Directors' responsibility in respect of the condensed interim financial statements

The Board of Directors is responsible for ensuring that the condensed interim financial statements are properly drawn up so as to give a true and fair view of the financial position of the Group as at 31 December 2007 and of the results of its operations and its cash flows for the period ended on that date. When preparing the condensed interim financial statements, the Board of Directors is required to:

- i. adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- ii. maintain adequate accounting records and an effective system of internal control;
- iii. prepare the condensed interim financial statements on a going concern basis unless it is inappropriate to assume that the Group will continue its operations in the foreseeable future; and
- iv. control and direct effectively the Group in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the condensed interim financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Group has complied with the above requirements in preparing the condensed interim financial statements.

### Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying condensed interim balance sheet, condensed interim statement of income, changes in equity and cash flows, together with the notes thereto, have been properly drawn up and give a true and fair view of the financial position of the Group as at 31 December 2007 and the results of its operations and cash flows for the period ended 31 December 2007 in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as issued by International Accounting Standards Board (IASB).

On behalf of the Board of Directors



Chairman  
Ho Chi Minh City, Vietnam  
28 March 2008

# Independent Review Report

Grant Thornton (Vietnam) Ltd.  
28<sup>th</sup> Floor, Saigon Trade Center  
37 Ton Duc Thang, District 1,  
Ho Chi Minh city

To the Shareholders of  
VinaLand Limited

T +84 (8) 914 3747  
F +84 (8) 914 3748  
www.gt.com.vn

## Introduction

We have been engaged by VinaLand Limited and its subsidiaries (“the Group”) to review the condensed set of financial statements for the six months ended 31 December 2007 which comprises the condensed interim balance sheet as at 31 December 2007 and the related condensed interim statement of income, changes in equity and cash flows for the six months ended 31 December 2007 and a summary of significant accounting policies and other explanatory notes.

This report is made solely to the Group in accordance with guidance contained in ISRE 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". Our review work has been undertaken so that we might state to the Group those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by laws, we do not accept or assume responsibility to anyone other than the Group, for our review work, for this report, or for the conclusion we have formed.

## Directors' Responsibilities

The condensed set of financial statements for the six month ended 31 December 2007 is the responsibility of, and has been approved by, the Directors.

As disclosed in Note 3, the annual financial statements of the Group are prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB). The condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as issued by IASB.

## Our Responsibility

Our responsibility is to express to the Group a conclusion on the condensed set of financial statements based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by IASB. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements for the six months ended 31 December 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB.

Without qualifying our conclusion, we draw the readers' attention to Note 16 - Comparative figures. The figures for the period from 1 July 2006 to 31 December 2006, presented for comparison purpose have neither been audited nor reviewed by us or another auditor. Our report only covers the condensed set of financial statements for the period from 1 July 2007 to 31 December 2007.

**GRANT THORNTON (VIETNAM) LTD.**



Ho Chi Minh City, Vietnam  
28 March 2008

# Condensed Interim Balance Sheet

	Note	31 December 2007 USD'000	30 June 2007 USD'000
<b>ASSETS</b>			
<b>Non-current</b>			
Investment properties	6	184,772	97,185
Property, plant and equipment		133,654	114,048
Investments in associates		1,001	-
Deferred tax assets		323	356
Loan receivables		6,818	6,818
Prepayments for operating leases		12,962	13,297
		<b>339,530</b>	231,704
<b>Current</b>			
Inventories		267	276
Receivables from related parties		9,514	22,825
Trade and other receivables		48,556	33,199
Financial assets at fair value through profit or loss		35,687	29,460
Deposits for acquisitions of investments	7	209,074	72,729
Cash and cash equivalents		170,886	350,898
		<b>473,984</b>	509,387
<b>Total assets</b>		<b>813,514</b>	741,091



	Notes	31 December 2007 USD'000	30 June 2007 USD'000
<b>EQUITY</b>			
<b>Equity attributable to equity shareholders of the Company</b>			
Share capital	8	4,999	4,999
Additional paid-in capital		588,870	588,870
Revaluation reserve		10,670	777
Translation reserve		322	(530)
Retained earnings		52,613	34,756
		<b>657,474</b>	<b>628,872</b>
Minority interests		71,356	54,011
<b>Total equity</b>		<b>728,830</b>	<b>682,883</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings		22,976	4,705
Other liabilities		939	578
		<b>23,915</b>	<b>5,283</b>
<b>Current liabilities</b>			
Payables to related parties		46,645	40,583
Trade and other payables		13,827	11,062
Short-term borrowings		297	1,280
		<b>60,769</b>	<b>52,925</b>
<b>Total liabilities</b>		<b>84,684</b>	<b>58,208</b>
<b>Total equity and liabilities</b>		<b>813,514</b>	<b>741,091</b>
<b>Net assets per share (\$ per share)</b>		<b>1.31</b>	<b>1.26</b>

# Condensed Interim Statement of Changes in Equity

	Equity attributable to equity holders of the Group					Minority interests	Total equity
	Share capital	Additional paid-in capital	Translation reserve	Revaluation reserve	Retained earnings		
	USD'000	USD'000	USD'000	USD'000	USD'000		
<b>1 July 2006</b>	<b>2,048</b>	<b>196,414</b>	-	-	<b>121</b>	-	<b>198,583</b>
Profit for the period ended							
31 December 2006	-	-	-	-	1,283	-	1,283
<b>Total gain for the period</b>	-	-	-	-	<b>1,283</b>	-	<b>1,283</b>
<b>31 December 2006</b>	<b>2,048</b>	<b>196,414</b>	-	-	<b>1,404</b>	-	<b>199,866</b>
<b>1 July 2007</b>	<b>4,999</b>	<b>588,870</b>	<b>(530)</b>	<b>777</b>	<b>34,756</b>	<b>54,011</b>	<b>682,883</b>
Currency translation	-	-	852	-	-	-	852
Revaluation reserves of PPE	-	-	-	9,893	-	8,952	18,845
Net income recognised directly in equity	-	-	852	9,893	-	8,952	19,697
Profit for the period ended							
31 December 2007	-	-	-	-	18,307	6,893	25,200
<b>Total recognised income and expenses for the period</b>	-	-	852	9,893	18,307	15,845	44,897
Dividend distributions	-	-	-	-	(450)	-	(450)
Acquisition of subsidiaries	-	-	-	-	-	1,500	1,500
<b>31 December 2007</b>	<b>4,999</b>	<b>588,870</b>	<b>322</b>	<b>10,670</b>	<b>52,613</b>	<b>71,356</b>	<b>728,830</b>

# Condensed Interim Statement of Income

	Notes	Half-year ended	
		31 December 2007 USD'000	31 December 2006 USD'000
Revenue		18,350	-
Cost of sales		(6,115)	-
<b>Gross profit</b>		<b>12,235</b>	<b>-</b>
Other income		139	-
Management fee and administration expenses	9	(13,568)	(2,460)
Other operating expenses		(579)	-
Gain on fair value adjustment of investment properties	10	17,266	-
<b>Profit/(loss) from operations</b>		<b>15,493</b>	<b>(2,460)</b>
Financial income		11,680	3,744
Finance costs		(867)	-
Share of profit of associate		1	-
		<b>10,814</b>	<b>3,744</b>
<b>Profit before tax</b>		<b>26,307</b>	<b>1,284</b>
Income tax	11	(1,107)	-
<b>Net profit</b>		<b>25,200</b>	<b>1,284</b>
Attributable to shareholders		18,307	1,284
Attributable to minority interests		6,893	-
Earnings per share (continuing operations and total EPS)– basic and diluted (\$ per share)	12	0.037	0.006

# Condensed Interim Statement of Cash Flows

	Half-year ended	
	31 December 2007	31 December 2006
	USD'000	USD'000
Operating activities		
Net profit before tax	26,307	1,284
Adjustment for:		
Depreciation and amortisation	1,745	-
Gain on revaluation of investment properties	(17,266)	-
Share of associate's profit	(1)	-
Unrealised foreign exchange losses	99	-
Interest expense	867	-
Interest income	(11,680)	(500)
<b>Net profit before changes in working capital</b>	<b>71</b>	<b>784</b>
Change in trade and other receivables	3,396	(3,237)
Change in inventory	9	3,916
Change in trade and other payables	9,189	925
Corporate income tax paid	(797)	-
	<b>11,868</b>	<b>2,388</b>
Investing activities		
Interest received	6,606	3,237
Purchases of property, plant and equipment and other non-current fixed assets	(2,404)	-
Acquisition of a subsidiary, net of cash	(4,238)	-
Deposit for acquisition of investments	(136,345)	(27,676)
Purchases of financial assets	(6,227)	(3,272)
Acquisition of investment properties	(64,542)	(64,808)
Investment in associate	(1,000)	12,160
Loans repayments	(2,931)	(5,815)
	<b>(211,081)</b>	<b>(86,174)</b>

	<b>Half-year ended</b>	
	<b>31 December 2007</b>	31 December 2006
	<b>USD'000</b>	USD'000
Financing activities		
Loan proceeds	<b>20,218</b>	-
Dividend paid to minority interest	<b>(150)</b>	-
Interest paid	<b>(867)</b>	-
	<b>19,201</b>	-
<b>Net change in cash and cash equivalents for the period</b>	<b>(180,012)</b>	<b>(83,786)</b>
Cash and cash equivalents at the beginning of the period	<b>350,898</b>	<b>174,788</b>
<b>Cash and cash equivalents at end of the period</b>	<b>170,886</b>	<b>91,002</b>

# Notes to the Condensed Interim 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, Uglad 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 condensed interim financial statements for the six-month period ended 31 December 2007 were approved for issue by the Board of Directors on 28 March 2008.

## 2 Basis of preparation of condensed interim financial statements

The condensed interim financial statements for the half-year ended 31 December 2007 are condensed interim financial statements that have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as issued by International Accounting Standards Board (IASB).

The condensed interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2007.

The condensed interim financial statements are presented in United States Dollars.

## 3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim report, as described in the annual audited financial statements for the year ended 30 June 2007.

## 4 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.

	For the half-year ended 31 December 2007				Total USD'000
	Vietnam			Outside Vietnam	
	North USD'000	Central USD'000	South USD'000	USD'000	
<b>Income</b>					
Real estate					
Commercial	-	-	3,189	-	3,189
Residential	-	-	-	-	-
Hospitality	11,847	22	6,669	201	18,739
Mixed used	-	14,077	-	-	14,077
Cash	-	-	6,710	4,721	11,431
	<b>11,847</b>	<b>14,099</b>	<b>16,568</b>	<b>4,922</b>	<b>47,436</b>
<b>Total assets</b>					
Real estate					
Commercial	12,569	-	5,464	-	18,033
Residential	15,005	-	20,142	-	35,147
Hospitality	99,947	25,065	40,644	-	165,656
Mixed used	47,411	75,397	300,661	-	423,469
Cash	5,778	16,813	106,567	41,728	170,886
	<b>180,710</b>	<b>117,275</b>	<b>473,478</b>	<b>41,728</b>	<b>813,191</b>

For the half-year ended 31 December 2006					
<b>Income</b>					
Real estate					
Commercial	-	-	-	-	-
Residential	-	-	-	-	-
Hospitality	-	-	-	-	-
Mixed used	-	-	-	-	-
Cash	-	-	3,112	632	3,744
	-	-	<b>3,112</b>	<b>632</b>	<b>3,744</b>

<b>Total assets</b>					
At 30 June 2007					
Real estate					
Commercial	10,029	-	-	-	10,029
Residential	7,500	-	8,475	-	15,975
Hospitality	78,966	21,949	36,386	-	137,301
Mixed used	45,083	51,094	130,354	-	226,531
Cash	4,047	663	84,676	261,513	350,899
	<b>145,625</b>	<b>73,706</b>	<b>259,891</b>	<b>261,513</b>	<b>740,735</b>

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.

## 5 Acquisition of subsidiaries and associates

### Acquisition of Novotel Hanoi Hotel project

On 29 October 2007, the Group acquired 52.5% interest in Novotel Hanoi Hotel project. The principal activity of the project is to construct and manage a four-star hotel in Hanoi. The total cost of the acquisition was USD4,500,000, 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:

<b>Current assets</b>	<b>USD'000</b>	<b>Current liabilities</b>	<b>USD'000</b>
Cash and cash equivalents	280	Trade and other payables	56
Other receivable	6		
	<b>286</b>		<b>56</b>
<b>Non-current assets</b>			
Investment property	5,770	Minority interest	1,500
	<b>6,056</b>		<b>1,556</b>

### Acquisition of Orchid House Co., Ltd

On 13 December 2007, the Group acquired 30% of Orchid House Co., Ltd., which is incorporated in Vietnam. This company owns and manages an apartment complex with 21 luxury units in District 1, Ho Chi Minh City, Vietnam. The total cost of the acquisition was USD1,000,000, which was settled in cash.

### Additional acquisition of Sheraton Nha Trang Hotel project

As at 30 June 2007, the Group held 51% interest in the Sheraton Nha Trang Hotel project. The principal activity of this project is to construct and manage the five-star hotel in Nha Trang. On 5 July 2007, the Group acquired an additional 4.27% interest in this project. As a result, the total interest of the Group in this project has increased to 55.27%.

## 6 Investment properties

	<b>31 December 2007</b>	30 June 2007
	<b>USD'000</b>	USD'000
1 July 2007/ 1 July 2006	<b>97,185</b>	-
Acquisition of subsidiaries	<b>5,770</b>	32,529
Additions during the period	<b>64,551</b>	26,126
Net gain on fair value adjustments (Note 10)	<b>17,266</b>	38,530
<b>31 December 2007/ 30 June 2007</b>	<b>184,772</b>	97,185

Additions during the period includes acquisitions of investment properties; additional project expenditures and fair value adjustments of existing investment properties as at 31 December 2007. Details of these changes in the value of investment properties are as follows:

	<b>31 December 2007</b>	30 June 2007
	<b>USD'000</b>	USD'000
Vina Dai Phuoc Corporation	<b>39,748</b>	-
VinaCapital Commercial Center Limited	<b>18,606</b>	-
VinaCapital Assets Limited	<b>15,004</b>	-
AA VinaCapital Ltd	<b>7,148</b>	-
SAS Hanoi Royal Hotel Ltd	<b>5,779</b>	-
VinaCapital Hoi An Resort	<b>370</b>	4,687
VinaCapital Phuoc Dien Limited	<b>353</b>	2,278
VinaCapital Danang Resorts Limited	<b>218</b>	12,402
VinaCapital Long Dien Limited	<b>134</b>	2,529
VinaCapital Danang Golf Course Limited	<b>162</b>	19,691
Thang Long Tungshing JV Company	<b>65</b>	12,433
21 <sup>st</sup> Century International Development Company Inc.	-	43,165
	<b>87,587</b>	97,185



## 7 Deposits for acquisitions of investments

	<b>31 December 2007</b>	30 June 2007
	<b>USD'000</b>	USD'000
Deposits for acquisitions of investments	<b>209,074</b>	72,729
	<b>209,074</b>	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.

## 8 Share capital

	<b>31 December 2007</b>		30 June 2007	
	<b>Number of</b>	<b>USD'000</b>	Number of	USD'000
	<b>shares</b>		shares	
Authorised:				
Ordinary shares of USD0.01 each	<b>500,000,000</b>	<b>5,000,000</b>	500,000,000	5,000,000
Issued and fully paid:				
At 1 July 2007/ 1 July 2006	<b>499,967,622</b>	<b>4,999</b>	204,844,779	2,048
New shares issued in the period/year	-	-	295,122,843	2,951
At 31 December 2007/ 30 June 2007	<b>499,967,622</b>	<b>4,999</b>	499,967,622	4,999

## 9 Management fee and Administration expenses

	<b>Half-year ended</b>	Half-year ended
	<b>31 December 2007</b>	31 December 2006
	<b>USD'000</b>	USD'000
Management fee	<b>6,498</b>	1,995
Custodian fee	<b>486</b>	150
Professional fees	<b>352</b>	72
General administration expenses	<b>6,232</b>	243
	<b>13,568</b>	2,460

## 10 Gain on fair value adjustment of investment properties

	<b>Half-year ended</b>	Half-year ended
	<b>31 December 2007</b>	31 December 2006
	<b>USD'000</b>	USD'000
Net gain on fair value adjustments of investment properties	<b>17,266</b>	-
	<b>17,266</b>	-

The net gain on fair value adjustments of investment properties relates to the revaluation of certain properties held by subsidiaries, which were revalued on 31 December 2007 by independent professionally qualified valuers, including CB Richard Ellis, Sallmanns, Colliers International and Savills. These valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

Properties that were not revalued as at 31 December 2007, were either revalued as at 30 June 2007 or were acquired during the reporting period.

## 11 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. A provision of USD1,106,666 has been made for these Vietnamese subsidiaries of the Group for the half-year ended 31 December 2007.

The relationship between the expected tax expense based on the effective tax rate of the operating subsidiaries in Vietnam at 20% and the tax expense actually recognised in the statement of income can be reconciled as follows:

	<b>31 December 2007</b>	31 December 2006
	<b>USD'000</b>	USD'000
Group profit before tax	<b>26,307</b>	1,284
Group profit multiplied by effective tax rate (20%)	<b>5,261</b>	1,284
<b>Effect of</b>		
Profit exempted from tax in British Virgin Islands	<b>(4,154)</b>	(1,284)
Corporate income tax expense	<b>1,107</b>	-

## 12 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 period.

	<b>Half-year ended 31 December 2007</b>	Half-year ended 31 December 2006
Profit attributable to equity holders of the Company (USD'000)	18,307	1,284
Weighted average number of ordinary shares on issue	499,967,622	204,844,779
<b>Basic earnings per share (\$ per share)</b>	<b>0.037</b>	<b>0.006</b>

### (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.

## 13 Contingent liabilities

### Performance fee

In accordance with the Investment Management Agreement between the Company and the Investment Manager, the Investment Manager is entitled to receive a performance fee in the event that the year end Net Asset Value is equal to or greater than the higher of (i) the Net Asset Value on the date the Company was admitted ("Admission date") to trading on AIM increased by a compounded annual hurdle rate of eight per cent (the "Hurdle") or (ii) the year end Net Asset Value for the last year in relation to which a performance fee became payable ("the High Water Mark"). In the event that this condition is satisfied the Investment Manager shall be entitled to a performance fee equivalent to 20 per cent of the increased Net Asset Value to be paid as follows:

- 0 per cent of the increased Net Asset Value at or below the Hurdle;
- 100 per cent of the increased Net Asset Value above the Hurdle but below a compounded annual rate of 10 per cent (the "Catch-up"); and
- 20 per cent of all increased Net Asset Value above the Catch-up.

As at 31 December 2007 the Net Asset Value as at 30 June 2008 is yet to be determined. In accordance with the above Investment Management Agreement, the performance fee should be calculated and accrued on an annual basis. Therefore, the performance fee has not been calculated and recorded in the interim financial information.

#### *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 31 December 2007, due to the uncertainties mentioned above, no liability in relation to taxation has been recognised in the interim financial information.

#### 14 Commitments

As at 31 December 2007, the Group was committed under lease agreements to paying the following future amounts:

	<b>31 December 2007</b>	<b>30 June 2007</b>
	<b>USD'000</b>	<b>USD'000</b>
Within one year	<b>17,700</b>	700
From two to five years	<b>2,800</b>	2,800
Over five years	<b>9,450</b>	10,150
	<b>29,950</b>	13,650

As at 31 December 2007, the Group was also committed under the construction agreements to paying USD18,388,689 for future construction works.

#### 15 Subsequent events

No significant events have occurred since balance date which would impact on the financial position of the Company disclosed in the balance sheet as at 31 December 2007 or on the results and cash flows of the Company for the period ended on that date.

#### 16 Comparative figures

The comparative figures for the condensed interim statements of income, cash flow, statement of changes in equity and related notes for the period from 1 July 2006 to 31 December 2006 were not audited or reviewed by an independent auditor as the interim financial statements were not required to be audited or reviewed.