VinaLand

TABLE OF CONTENTS

Dear Valued Shareholders:

We are pleased to present the annual report for VinaLand Limited (AIM: VNL) for the year ended 30 June 2006.

The past three months since the launch of the Company has made two substantial investments, and we are confident that other deals will be announced in the near future.

Vietnam's Gross Domestic Product ("GDP") continued its upward trajectory, increasing by 7.4% in the first half of 2006. Industrial production, exports, and retail sales are all surging, underpinning an economy which is acting as a magnet for overseas investors. Foreign investors have been keen to pick up on the investment opportunities afforded by such growth, as foreign direct investment (FDI) surged over the last year. This "second wave" of foreign investments marks the end of the FDI lull following the Asian financial crisis of the late nineties. The increased global interest in Vietnam was further underscored by a boom in tourism revenues, which are projected to outperform the 2006 target.

Government reforms played a key role in the favorable investment and political climate that have characterized the past year. The new Unified Enterprise Law and the Common Investment Law came into force which represent for major steps toward a level playing field for foreign and local investors. The 10th Party Congress held in May has seen a change of leadership ushering in an acceleration of the reform program.

Since the admission of the Company to the AIM market of the London Stock Exchange at the end of March 2006, we have announced one major investment, a 46.5% stake in the 21st Century International Development Company worth approximately US$16.8 million. The company is developing a 55-hectare site in District 2 in Ho Chi Minh City, just across from the central business district. The site will be developed for mixed-use purposes, including residential, commercial, and retail. The NAV at the end of June was US$0.97, which reflects the deduction of listing expenses relating to the Company's admission to AIM.

Given Vietnam's strong economic performance, the Government's increasing commitment to reforms, and unprecedented global interest in Vietnam, we believe that the VNL will perform well as the country moves forward.

Thank you for your continued interest and support.

Horst Geicke
Chairman
VinaLand Limited
18 December 2006

STATE OF THE ECONOMY

The Vietnam economy continues to expand at a steady pace, albeit slightly below government targets. In the first half of the year at 30 June 2006,, GDP rose 7.4% year on year led by a strong export performance. As ever, GDP growth in Ho Chi Minh City exceeded the national figure, growing at 10.5%. Exports surged 26% y/y to US$18.7 billion, while imports rose by a more modest 14% year on year to US$20.7 billion. The growth in exports was led by soft and hard commodities such as coal (up 64%), rubber (up 44%), crude oil (up 23.5%), and tea (up 29%). Seafood (up 25.7%) and textiles (up 32.7%) also made significant contributions. Vietnam exported 8.3 million tonnes of crude oil (down 6.1% year/year) and earned US$4.2billion (up 23.5% year/year) in the first half. This typifies the overall trend with higher prices for commodities rather than higher unit demand being the key driver in many categories. That said, higher volumes played a significant role in the sharp recovery of demand for textiles and footwear which have effectively shrugged off the problems of recent years.

One of the reasons behind the slower import growth was slackening demand for automobiles (down 32.7%) and auto parts (down 47%). Auto sales fell 22% in the first half as changing tax rates and a possible increase in imports confused consumers. Demand for oil products also fell.

The result was a sharp fall in the trade deficit, which fell 44.5% to US$1.98 billion over the first six months of the year. It is too soon to say whether this is simply fortuitous, given the high pricing environment of Vietnam's main exports, or the beginning of a sustainable long term trend. We suspect a bit of both as Vietnam is taking the first steps up the food chain towards becoming an exporter of more finished products than raw materials and commodities.

Industrial production rose 16% year on year to US$15.15 billion in the first half. The private sector led the way with growth of 20.8% year on year. FDI flows reached US$2.4 billion in the first half of the year, up 20% year on year, but only reached 40% of the full year target. This is not a concern, however, given the pipeline awaiting approval. After a strong start the pace of approvals has slowed in the past few months. However, we still expect to reach the year-end target of US$6 billion. International visitors topped 1.9 million in the first half (+16% year on year), generating revenues of over US$1 billion.

Inflation remains a concern, with the trend accelerating again. Consumer Price Index (CPI) rose 7.6% year on year in June, led by increases in construction materials, fuel, and services. Food and drink prices have also moved slightly but are not the main problems this time. The inflationary target for this year is 8% or less and the odds are that we will come close to the ceiling. Inflation has been the price of growth in the past few years and it is unlikely to ease much unless the economy slows down. The current inflationary trend appears to be more demand driven, whereas in the past it was due mainly to disruptions in supply, particularly agricultural products.

The components of the CPI index have also been revised to reduce the weight of agricultural products. Food prices now make up 42.8% of the CPI index down from 47.9%. About 100 new items have been added such as mobile phones, cable TV, and international tourism. This increases the total number of items in the price basket to 497. The purpose of the revision was to reflect a more affluent urban lifestyle as Vietnam becomes a wealthier country and disposable income increases.

Foreign direct investment reached a total of US$2.4 billion in the first half of the year led by major projects such as Intel (US$605 million), Tay Ho Tay Company (US$314.1 million) and Winvest Investment (US$300 million). Ho Chi Minh City continues to lead the pack attracting over a third of inward investment in terms of both projects and registered capital. Hong Kong was the biggest investor followed by Korea, the US, and Japan. It is interesting to note that the US is appearing amongst the list of top investors for the first time. This is mainly due to Intel, of course, but is still a welcome development..

There is a very healthy pipeline of projects awaiting approval and we believe that FDI can easily reach US$6.5 billion this year, which is on target. In fact the MPI revealed recently that there is a queue of 40 projects worth a total of US$4 billion awaiting the green light. The foreign sector now employs over a million people and had turnover of US$15.25 billion in the first seven months of the year, up 20.6% year on year.

Vietnam also continues to draw in money from other sources. Over 1.9 million international visitors came to Vietnam between January and June of this year, up 21% year on year, and they spent a total of VND18 trillion (US$1.12billion). The tourist industry has targeted a total of 3.8 million foreign tourists and 16.7 million domestic tourists this year. Total spending in the tourism industry is expected to reach 6.5% of GDP by the end of 2006.

REAL ESTATE MARKET OVERVIEW

Demand for office, residential, hotel, and retail space remains very high in Vietnam's major urban areas and supply is limited in every type of space. In HCMC and Hanoi, the occupancy rate in Grade A office buildings is approximately 100% and there is high occupancy rates in Grade B and C buildings. With no new Grade A buildings coming online until 2008, upward pressure on rents will continue to build, although some will be released into Grade B and C buildings due to become available in the end of 2006 and into 2007.

As an example of the level of residential building that will be required in the coming years to accommodate HCMC's projected population growth and limit density according to government targets, the current total housing area of 53 million square meters will need to nearly double by 2010. In the luxury apartment sector in HCMC, the new sales take-up rate averages 65% per year, with some buildings able to sell 100% of their units in the first year. In serviced apartment rentals, the market will continue to be very tight, with the limit on rent increases determined more by expatriates' housing budgets than by availability of apartments, which will be unable to meet demand over the next few years.

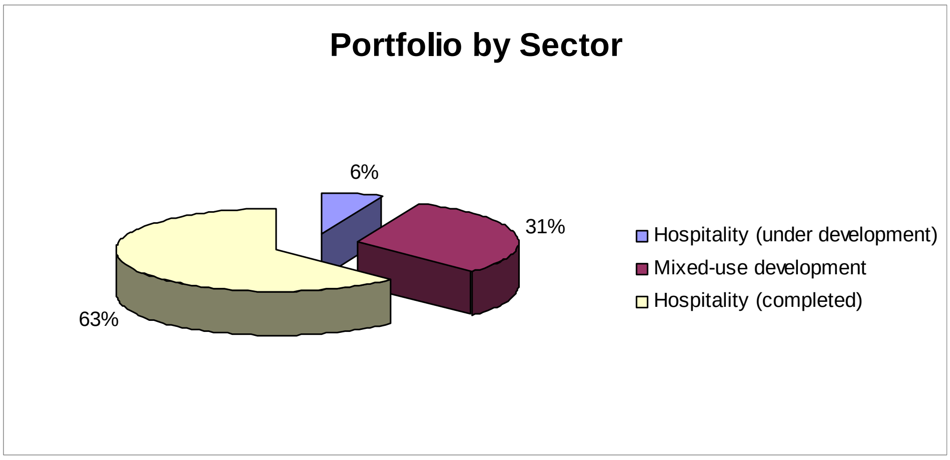
Increasing demand from tourists and business travellers will continue to expose the shortage of quality hotels in HCMC and Hanoi. HCMC alone could accommodate several additional five-star hotels, with a need for about 50,000 new rooms nationwide over the next five years. Hoteliers in Hanoi will find the market particularly profitable because of greater exposure to international visitors and little new hotel development expected in the coming years.

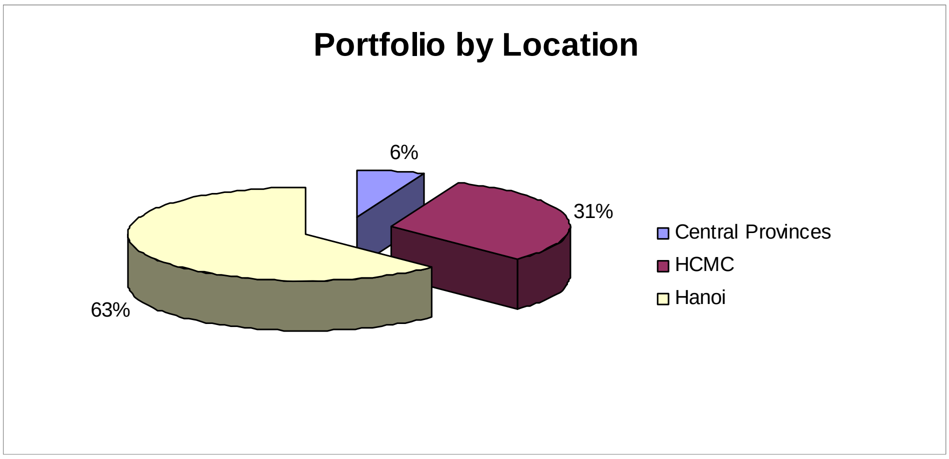
VINALAND PORTFOLIO

As of 30 June 2006 the Net Asset Value per share of VinaLand was US$0.97, including a 3% deduction for placement fees. Cash is kept in both Vietnamese dong and US dollar six-month term deposits pending investment in accordance with the Company's investment objectives. The interest earned has fully covered the Company's management fee and all other expenses. The Company has made several investments so far, two of which are covered in more detail below. The first third party valuation of our projects is due to occur in November this year, to be followed at six-month intervals by two independent third party valuations. The board of directors will then choose which valuation to apply to the NAV calculation going forward. VinaLand's share price closed at US$1.09 on 30 June 2006, down 12.8% since the previous quarter.

Progress has been made on the 21st Century International Development Company's multi-purpose development in HCMC's District 2, in which the Company invested in April. The investment vehicle has been established, development rights have been transferred, and the revised investment license is being processed at the government level.

In late May, VinaLand and Vietnam Opportunity Fund ("VOF") signed an agreement with the Danang People's Committee to develop a 262-hectare site on the famous China Beach. The site occupies a full kilometer of seafront and is situated close to the Furama Hotel. The development includes plans for a 50-hectare resort and hotel development along the beach, and a 210-hectare, 36-hole golf course with private villas. Supporting infrastructure is already in place and the land is expected to be ready for development in approximately eight months.





ADMINISTRATION

The VinaLand Limited ("VNL" or the "Company") is listed on the AIM market of the London Stock Exchange plc . Share price information is available on Bloomberg and Reuters.

The Company

VinaLand Limited
P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

Investment Manager

VinaCapital Investment Management Ltd
17th Floor, Sun Wah Tower
115 Nguyen Hue Boulevard, District 1
Ho Chi Minh City
Vietnam

Custodian, Administrator and Registrar/Receiving Agent

HSBC Trustee (Cayman) Limited
HSBC House
Mary Street
Grand Cayman
Cayman Islands

Nominated Adviser

Grant Thornton Corporate Finance
Grant Thornton House
Melton Street
Euston Square
London, NW1 2EP
United Kingdom

Broker

LCF Edmond De Rothschild Securities Limited
Orion House
5 Upper St. Martin's Lane
London, WC2H 9EA
United Kingdom

Auditors

Grant Thornton (Vietnam) Ltd.
28th Floor, Saigon Trade Center
33 Ton Duc Thang Street, District 1
Ho Chi Minh City
Vietnam

Legal Advisers

(English Law)
Lawrence Graham Solicitors
190 Strand
London, WC2R 1JN
United Kingdom

(Vietnamese Law)
Baker & McKenzie LLP
12/F Saigon Tower
29 Le Duan Boulevard, District 1
Ho Chi Minh City, Vietnam

(Cayman Islands Law)
Maples and Calder
Ugland House
P.O. Box 309GT
South Church Street, George Town
Grand Cayman
Cayman Islands

DIRECTORS

HORST GEICKE **CHAIRMAN AND NON-EXECUTIVE DIRECTOR**

Mr. Geicke is Chairman and Co-Founder of the VinaCapital Group, as well as Chairman and Founder of the Pacific Alliance Group (PAG), VinaCapital's Hong Kong-based sister company. Mr. Geicke also serves as Director for the Ho Chi Minh International School, the Sofitel Metropole Hotel Hanoi, Thang Loi Textiles, and a number of other listed and private companies in Asia and the United States. Together, VinaCapital and PAG manage over US$1.5 billion in their listed (London: VOF, VNL, ARCH, PAX), closed-end, and hedge funds.

Mr. Geicke has over 25 years of operational and investment experience in Asia and has privately completed over US$300 million in investments in the region over the past ten years. He had considerable experience in Vietnam prior to founding VinaCapital, having established and operated a manufacturing plant and completed seven direct private equity investments in the country.

Mr. Geicke resides in Hong Kong and is an active member of the Hong Kong business community. He is the founding director of the Hong Kong-Thailand Business Council, a member of the Hong Kong-EU Business Cooperation Committee and the Trade and Industry Advisory Board of the Government of the Hong Kong SAR, and was president of the German Chamber of Commerce in Hong Kong in 1995-1997 and 2001-2003. From 2001 to 2006, he was director of the Regional Board of the Young Presidents' Organization. Mr. Geicke served as Honorary Consul General of The Gambia to Hong Kong and Macau from 1988 to 1991. Mr. Geicke is originally from Germany and received his MBA Cum Laude from the University of Hamburg.

DON LAM **NON-EXECUTIVE DIRECTOR**

Mr. Lam is Co-Founder and Managing Partner of the VinaCapital Group. He has overseen VinaCapital's growth from manager of a single, US$10 million fund in 2003, into a full-featured investment house managing three funds worth US$800 million and offering a complete range of corporate finance and real estate advisory services. Mr. Lam recently concluded a sixth round of fundraising for VinaCapital's first fund, the Vietnam Opportunity Fund, attracting over US$300 million in subscriptions.

Before founding VinaCapital, Mr. Lam was Partner at PricewaterhouseCoopers ("PwC") Vietnam, where he led the Corporate Finance and Management Consulting practice throughout the Indochina region (Vietnam, Laos, and Cambodia). Among the transactions he directed while at PwC were equitisations by numerous state-owned enterprises, market entrance acquisitions by foreign companies, and the initiation of debt and equity placements for Vietnamese companies. Mr. Lam has also held management positions at Deutsche Bank and Coopers & Lybrand in Vietnam and Canada.

With over 12 years of experience in Vietnam, Mr. Lam is an authority on investments, mergers & acquisitions, corporate restructuring, and privatizations. He is a frequent speaker at international investment seminars and was featured as "Mr. Wall Street" in Fortune Magazine. Mr. Lam holds a BA in Commerce and Political Science from the University of Toronto, Canada, and is a member of the Institute of Chartered Accountants of Canada.

NICHOLAS BROOKE **NON-EXECUTIVE DIRECTOR**

Nicholas Brooke is the Chairman of Professional Property Services Limited, which is a specialist real estate consultancy based in Hong Kong, providing to clients a selected range of advisory services across the Asia Pacific Region. Mr. Brooke is a former President of the Royal Institution of Chartered Surveyors and was the first overseas surveyor to be accorded that honour. Mr. Brooke is a recognised authority on land administration and planning matters and has provided advice in these areas to several Asian governments as well as the US State Department. He is also a Justice of the Peace, and a former Deputy Chairman of the Hong Kong Town Planning Board and a former member of the Hong Kong Housing Authority. He also sits on the Boards of the Hong Kong Science and Technology Parks Corporation, the Hong Kong Cyberport Management Company Limited and the Standing Commission on Civil Service Salaries and Conditions of Service, is a member of the Hong Kong Harbourfront Enhancement Committee, and is the Chairman of the Hong Kong Coalition of Service Industries, which is the voice of the service sector in Hong Kong. He is also a member of the Election Committee responsible for the selection of the future Chief Executive of the Hong Kong SAR.

In 1999, Mr. Brooke was awarded the Bronze Bauhinia Star by the Chief Executive of the Hong Kong SAR for his dedicated public service in Hong Kong, and in particular, his valuable contribution to the work of the Housing Authority. He is a member of the Task Force on Civil Service Pay Policy and System and is a Member of the Board of Review (Inland Revenue Ordinance) and an active member of Vision 2047, a group of long term Hong Kong residents dedicated to supporting and promoting Hong Kong and is the Chairman of Project Chambers, a grouping from the various professions who are involved in many community related initiatives. He is an Honorary Member of the American Institute of Architects and an Honorary Professor of the Universities of Hong Kong and Chongqing in China, an Honorary Fellow of the College of Estate Management, University of Reading and on 6 September 2004 was admitted as a Freeman of the City of London. Mr. Brooke also sits as a Non-executive Director on the Boards of a number of public companies including Shanghai Forte Land Company Limited, one of China's largest residential developers and Majid Al Futtaim Investments, one of Middle East's leading shopping centre developers. Mr. Brooke has a degree in Estate Management and a Post Graduate Diploma in Business Administration from the University of London.

NK TONG **NON-EXECUTIVE DIRECTOR**

Mr. Tong is the founder and Group Managing Director of Bukit Kiara Properties, a premier real estate developer of lifestyle homes in Kuala Lumpur, Malaysia. As former Executive Director of Sunrise Berhad, a publicly listed real estate developer in Malaysia, he spearheaded the development of over 2,000 units of high-end residential homes and the master planning of Mont'Kiara, the most sought after expatriate suburb in Kuala Lumpur. He was strategic in creating the exit for his family shareholding at the end of 1996, just prior to the Asian financial crisis in 1997. Mr. Tong is also a founding partner of Acorn Communications Sdn. Bhd., a dynamic mid-size integrated brand communications consultancy, a member of the investment committee and an independent director of both KSC Capital, a dynamic unit trust management company in Malaysia, and Accelera Ventures, a boutique Pacific Rim growth fund in Hong Kong. He also serves as a National Council Member of the Real Estate and Housing Developers' Association (REHDA), Malaysia and as an Executive Committee Member of the Young Presidents' Organisation (YPO), Malaysian Chapter. Mr. Tong has a Bachelor of Arts degree in Architecture from the University of Manchester, United Kingdom, and a Masters of Business Administration degree, majoring in Real Estate, from the Wharton School, University of Pennsylvania, USA.

BRUNO SCHOPFER **NON-EXECUTIVE DIRECTOR**

Mr. Schoepfer joined Mövenpick Holdings in 1997 as Managing Director of its Asia Pacific regional operations and was Chief Executive Officer and Managing Director of the Group from 1998 to 2003. Mr. Schoepfer is currently Chairman of Mövenpick Hotel and Resorts S.A., a Swiss premium hospitality company active in the 5-star hotel and 4-star business and airport hotel markets, a well-known hotel and restaurant brand in Europe. Prior to joining the Mövenpick Group, Mr. Schoepfer had a distinguished career in luxury hotel management throughout Asia Pacific and Europe. He previously held senior positions in various leading international hotel groups including Mandarin Oriental, Shangri-la, and Radison-SAS.

ADVISORY COMMITTEE

The Manager has established an advisory committee which consists of local investment specialists, business leaders and existing and former government officials as it deems appropriate from time to time to supplement the expertise of management team.

DR. JONATHAN CHOI

Dr. Choi is President of Sun Wah Group, a Hong Kong-based property, financial services, technology, infrastructure, and food-stuffs conglomerate; and Chairman of SW Kingsway, a Hong Kong-listed investment bank and fund manager. He is also the Vice Chairman of the Chinese General Chamber of Commerce in Hong Kong and a member of the National Committee of the Chinese Peoples' Political Consultative Conference (CPPCC). Dr. Choi has been an active investor in Vietnam since 1971.

MARKUS WINKLER

Mr. Winkler is Founder and Managing Director of VGZ, a Swiss wealth management group. He has over 30 years of direct investment experience, with a particular focus on emerging market closed-end funds, and he brings considerable experience and relationships to the advisory committee. He is a founder-member and a former Vice President of the Swiss Association of Asset Managers as well as a founder and Board member of the Swiss Investors' Association. Prior to founding VGZ, Mr. Winkler worked for UBS and Bank Leu. He graduated from the University of St. Gall.

WILLIAM VANDERFELT

Mr. Vanderfelt has over 30 years of experience as Managing Partner of Petercam, the leading Benelux investment bank, where he is in charge of institutional research and sales. Mr. Vanderfelt is an experienced fund investor and acts as a board director for several listed funds. He is a passionate proponent of good corporate governance and is instrumental in promoting best practices within portfolio companies.

DENNIS TAN

Mr. Tan is the founder and group general manager of Value Hospitality Group, a hotel and golf course management and consultancy company in Malaysia that currently manages eight hotels, including the Everly Hotels in Miri and Bintulu, Sarawak; Beverly Hotel in Kota Kinabalu, Sabah; and the Prescott Hotels and Inns in Kuala Lumpur, Klang and Kajang. He was previously the chief executive officer of Pudu Sinar Sdn. Bhd., the owner of the Park Avenue Hotel (currently known as the Melia Hotel) in Kuala Lumpur, and managed various businesses in various sectors, including financial leasing, construction, and property development. Mr. Tan has successfully turned around seven hotels and a golf course. Mr. Tan has a Masters of Science and Bachelor of Science in Industrial Engineering from Purdue University in Indiana, USA.

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the fiscal year ended 30 June 2006.

Principal activity
The Company is an investment holding company incorporated as a closed end, exempted company in the Cayman Islands. The shares of the Company are traded on the AIM market of the London Stock Exchange plc. The principal investment objectives of the Company are to provide Shareholders with an attractive level of income, together with the potential for capital growth, from investing in a diversified portfolio of mainly Vietnamese property and to achieve above average returns for an acceptable level of risk.

Results and dividends
The Company's profits for the fiscal year ended 30 June 2006 and its state of affairs at that date are set out in the financial statements beginning on page 13. No dividend was declared for the year ended 30 June 2006.

Share capital
Details of movements in the Company's share capital during the year are set out in note 7 to the financial statements.

Directors
The directors of the Company during the year were:

Non-executive Directors:
Horst Geicke
Don Lam
NK Tong
Nicholas Brooke
Bruno Schopfer

Directors' rights to acquire shares or debentures
At no time during the year was the Company a party to any arrangement to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

Directors' interests in shares
Horst Geicke has a direct interest in the Company's shares in the amount of 1,000,000 Ordinary Shares which accounts for 0.49 percent of the total shares issued.

Don Lam has a direct interest in the Company's shares in the amount of 362,250 Ordinary Shares which accounts for 0.17 percent of the total shares issued.

Nicholas Brooke has a direct interest in the Company's shares in the amount of 100,000 Ordinary Shares which accounts for 0.05 percent of the total shares issued.

Apart from the above, no director had a direct or indirect interest in the share capital of the company at the end of the year or at any time during the year.

Directors' interests in agreements
Horst Geicke has an interest in arrangements between the Company and the Manager by virtue of being Director and interested in the Company's Ordinary Shares and by virtue of being indirectly interested in the shares of the Manager.

Don Lam has an interest in arrangements between the Company and the Manager by virtue of being Director and interested in the Company's Ordinary Shares and by virtue of being indirectly interested in the shares of the Manager.

Apart from the above, there were no contracts of significance in relation to the Company's business in which a director of the Company had a material interest, whether directly or indirectly, at the end of the fiscal year or at any time during the year.

Purchase, sale or redemption of securities of the Company
The Company neither purchased, sold nor redeemed any of its own shares during the year.

Auditors
Grant Thornton (Vietnam) Limited has been appointed as auditors for the Company.

BY ORDER OF THE BOARD

Consolidated financial statements and auditors' report

VinaLand Limited and Its Subsidiaries

30 June 2006

Contents

Page

Grant Thornton

Certified Chartered Accountants
and Management Consultants

Auditors' report

To the Directors
VinaLand Limited

We have audited the accompanying consolidated balance sheet of VinaLand Limited ("the Company") and its subsidiaries (together, "the Group") as of 30 June 2006, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the period from 16 March 2006 to 30 June 2006. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 30 June 2006, and of the results of its operations and its cash flows for the period from 16 March 2006 to 30 June 2006, in accordance with International Financial Reporting Standards.

Ho Chi Minh City, dated 19 October 2006

28th Floor Saigon Trade Center
37 Ton Duc Thang Street
District 1, Ho Chi Minh City
T (84-8) 914 3747
F (84-8) 914 3748
W www.gt.com.vn

Offices in Hanoi and Ho Chi Minh City

Consolidated balance sheet

	Notes	**30 June 2006 Consolidated US$**	30 June 2006 Company US$
ASSETS			
Cash and cash equivalents		**174,787,778**	39,050,475
Interest receivable		**662,068**	-
Financial assets at fair value through profit or loss	6	**4,382,670**	-
Prepayments		**4,316,738**	-
Investment in associate	5	**15,997,102**	-
Investments in subsidiaries	4	**-**	3
Receivables from subsidiaries		**-**	159,999,997
		200,146,356	199,050,475
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Accounts payable		**1,563,235**	1,563,235
Shareholders' equity			
Share capital	7	**2,048,448**	2,048,448
Additional paid in capital	7	**196,414,163**	196, 414,163
Retained earnings (accumulated losses)		**120,510**	(975,371)
		198,583,121	197,487,240
		200,146,356	199,050,475

Consolidated statement of income

	For the period from 16 March 2006 to 30 June 2006	
	Consolidated	Company
	US$	US$
Revenue		
Interest income	**1,872,705**	776,691
Expenses		
Management fee	**(1,204,498)**	(1,204,498)
Custodian fee	**(293)**	(293)
Director fee	**(29,301)**	(29,301)
Professional fee	**(469,784)**	(469,784)
Other organisational fee	**(48,319)**	(48,186)
	(1,752,195)	(1,752,062)
Net income (loss)	**120,510**	(975,371)

Consolidated statement of changes in shareholders' equity

	For the period from 16 March 2006 to 30 June 2006	
	Consolidated	Company
	US$	US$
Share capital		
16 March 2006	**-**	-
Issue of shares	**2,048,448**	2,048,448
30 June 2006	**2,048,448**	2,048,448
Additional paid in capital		
16 March 2006	**-**	-
Issue of shares	**202,796,331**	202,796,331
Transaction costs associated with the share issue	**(6,382,168)**	(6,382,168)
30 June 2006	**196,414,163**	196,414,163
Accumulated losses		
16 March 2006	**-**	-
Profit (loss) for the period	**120,510**	(975,371)
30 June 2006	**120,510**	(975,371)
Total shareholders' equity	**198,583,121**	197,487,240

Consolidated statement of cash flows

	For the period from 16 March 2006 to 30 June 2006	
	Consolidated	Company
	US$	US$
Cash flows from operating activities		
Net profit (loss)	**120,510**	(975,371)
Adjustment for:		
Interest income	**(662,068)**	-
Net loss before changes in working capital	**(541,558)**	(975,371)
Increase in accounts receivable	**(1,210,637)**	(159,999,997)
Increase in other assets	**(4,316,738)**	-
Increase in accounts payable	**1,562,235**	1,563,235
Net cash used in operating activities	**(4,505,698)**	(159,412,133)
Cash flows from investing activities		
Interest received	**1,210,637**	-
Investment in associate	**(15,997,102)**	-
Investment in subsidiaries	**-**	(3)
Investment in financial assets at fair value through profit or loss	**(4,382,670)**	-
Net cash used in investing activities	**(19,169,135)**	(3)
Cash flows from financing activities		
Proceeds from shares issued	**198,462,611**	198,462,611
Net cash from financing activities	**198,462,611**	198,462,611
Net increase in cash and cash equivalents for the period	**174,787,778**	39,050,475
Cash at the beginning of the period	**-**	-
Cash and cash equivalents at end of the period	**174,787,778**	39,050,475

The accompanying notes are an integral part of these statements

Notes to the consolidated financial statements

30 June 2006

1. Corporate information

Vinaland Limited ("the Company") was incorporated in the Cayman Islands as a company with limited liability. The registered office of the Company is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The principal activity of the Company is to engage in property investment and development in Vietnam and the surrounding Asian countries with the objective of providing shareholders with an attractive level of income, together with the potential for income and capital growth, from investing in a diversified portfolio of mainly Vietnamese property.

The Company has its primary listing in the AIM, a market operated by the London Stock Exchange Plc.

2. Principal accounting policies

Basis of presentation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as developed and published by the International Accounting Standards Board (IASB). The financial statements have been prepared on the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of 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.

Consolidation
Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. Company obtains and exercises control through voting rights. The consolidated financial statements of the Group incorporate the financial statements of the parent company as well as those entities controlled by the Group by full consolidation. 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 bases for subsequent measurement in accordance with the Group 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.

Entities whose economic activities are controlled jointly by the Group and by other venturers independent of the Group are accounted for using equity consolidation.

Associates are those entities over which the Group is able to exert significant influence but which are neither subsidiaries nor interests in a joint venture. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Acquired investments in associates are also subject to purchase accounting. However, any goodwill or fair value adjustment attributable to the share in the associate is included in the amount recognised as investment in associates. All subsequent changes to the share of interest in the equity of the associate are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the associate are recorded in the Group's consolidated income statement and therefore affect net results of the Group. These changes include subsequent depreciation, amortisation or impairment of the fair value adjustments of assets and liabilities. Items that have been directly recognised in the associate's equity, for example, resulting from the associate's accounting for available-for-sale securities, are recognised in consolidated equity of the Group. Any non-income related equity movements of the associate that arise, for example, from the distribution of dividends or other transactions with the associate's shareholders, are charged against the proceeds received or granted. No effect on the Group's net result or equity is recognised in the course of these transactions. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Functional and presentation currency
The financial statements are presented in United States Dollars ("the presentation currency"). The currency of the primary economic environment in which the Group operates ("the functional currency") is the Vietnamese Dong. The reasons for using the United States Dollar as the presentation currency rather than the functional currency are that the shareholders are more familiar with the United States Dollar and certain transactions of the Group are in the United States Dollar.

Foreign currency translation
The accounting records of the Group are maintained in United States Dollars. Transactions in currencies other than the United States Dollar are translated at the exchange rates that approximate those prevailing on transaction dates. Monetary assets and liabilities denominated in currencies other than the United States Dollar are translated at the balance sheet date into United States Dollars at exchange rates that approximate those prevailing on that date. All exchange gains and losses are recognized separately in the statement of income.

Financial assets
The Group's financial assets include cash and financial instruments. Financial assets, other than hedging instruments, can be divided into the following categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are recognised on their settlement date. All financial assets that are not classified as at fair value through profit or loss are initially recognised at fair value, plus transaction costs. Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired. Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed date of maturity. Investments are classified as held-to maturity if it is the intention of the Company's management to hold them until maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Financial assets originally designated as financial assets at fair value through profit or loss may not subsequently be reclassified.

Available-for-sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are subsequently measured at fair value, unless otherwise disclosed, with changes in value recognised in equity, net of any effects arising from income taxes. Gains and losses arising from securities classified as available-for-sale are recognised in the income statement when they are sold or when the investment is impaired. In the case of impairment, any loss previously recognised in equity is transferred to the income statement. Losses recognised in the income statement on equity instruments are not reversed through the income statement. Losses recognised in prior period income statements resulting from the impairment of debt securities are reversed through the income statement.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Trade receivables are provided against when objective evidence is received that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset’s carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents
Cash and cash equivalents include cash in bank and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Interest and dividend income
Interest income is recognized on an accrual or if applicable effective yield basis. Dividend income is recorded when the stockholders’ right to receive the dividend is established.

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 issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital.

Retained earnings include all current and prior period results as disclosed in the income statement.

3. Risk management objectives and policies

The Group invests in listed and unlisted equity instruments, debt instruments, assets and other opportunities in Vietnam and surrounding countries with the objective of achieving medium to long-term capital appreciation and providing investors with an attractive level of investment income from interest and dividends.

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. 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 are described below:

Foreign currency risk

While the Group seeks to make investments which are US Dollar based when possible, the Group make investments in and earn income denominated in local currencies. The Vietnamese Dong is not freely convertible into other currencies. Exchange rate fluctuations and local currency devaluation could have a material effect on the value of that portion of the Group's assets or liabilities denominated in Vietnamese Dong. The Group may seek to hedge against a decline in the value of the Group's Dong denominated investments resulting from currency fluctuations but only when suitable hedging instruments are available on a timely basis and on acceptable terms.

The Group's exposure to fluctuations in foreign currency exchange rates at the balance sheet date was as follows:

	30 June 2006
	US$
Assets denominated in Vietnamese Dong	**57,638,560**
Liabilities denominated in Vietnamese Dong	**-**

Price risk

Price risk is the risk that 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. Price risk is mitigated by the Group's Investment Manager by constructing a diversified portfolio of listed and unlisted instruments. In addition, price risk may be hedged using derivative financial instruments such as options or futures.

Credit risk

The carrying amounts of financial assets shown on the face of the balance sheet best represent the maximum credit risk exposure at the balance sheet date. There were no significant concentrations of credit risk to counter-parties at 30 June 2006.

The Group's trade and other receivables are actively monitored to avoid significant concentrations of credit risk. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk. The Group has adopted a no-business policy with customers lacking an appropriate credit history where credit records are available.

Cash flow and fair value interest rate risks

The majority of the Group's financial assets are non-interest-bearing. The Group currently has no financial liabilities with floating interest rates. As a result, the Group is subject to limited exposure to cash flow and fair value interest rate risk. Cash flow and fair value interest rate risks are managed by means of derivative financial instruments, where necessary, to ensure short- to medium term liquidity.

4. Subsidiaries

During the period the Group acquired equity interests in the following entities, with details are as follows:

Name of subsidiaries	Acquisition date	Cost of acquisition	Proportion of ownership interest
Onshine Investments Limited	3 February 2006	US$1	100%
Vietnam Property Ltd	10 March 2006	US$1	100%
Vietnam Property Holdings Ltd	10 March 2006	US$1	100%

All these entities are incorporated in the British Virgin Islands and the principal activity is to engage in property investment and development in Vietnam and the surrounding Asian countries. At the date of acquisition these entities had no assets, liabilities or contingent liabilities.

5. Investment in associate

On 30 June 2006 the Group acquired a 46.5% equity interest in Henry Enterprise Company Inc., a company incorporated in the British Virgin Islands. Henry Enterprise Group Ltd. exclusively holds 100% equity interest in 21st Century International Development Company Inc., a company incorporated in Vietnam. The principal activity of 21st Century International Development Company Inc. is to engage in property investment and development in Vietnam. The investment is accounted for under the equity method.

The shares of Henry Enterprise Company Inc. are not publicly listed on a stock exchange and hence the fair value of its shares cannot be determined. As at the date of this financial statement the financial information of the associate as at and for the year ended 30 June 2006 is not available.

6. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represents the bond purchased from the Bank for Investment and Development of Vietnam. The instrument generates simple interest at 9.8% per annum and will mature in 10 years from the issuance date of 19 May 2006.

7. Paid-in capital

	Consolidated US$	Company US$
Authorized: 500,000,000 ordinary shares with par value of US$0.01; issued and fully paid: 204,844,779 shares	**2,048,448**	2,048,448
Additional paid in capital	**196,414,163**	196,414,163
	198,462,611	198,462,611

8. Taxation

The Company is exempt from income tax pursuant to the Tax Concessions Law (1999 Revision) of the Cayman Islands.

9. Related party transactions

During the period, the following transactions with related parties were recorded:

Related party	Relation	Transaction	US$
VinaCapital Investment Management Ltd	Investment manager	Investment management fees	1,204,498

At 30 June 2006 the following balances were outstanding with related parties:

Related party	Relation	Payable US$
VinaCapital Investment Management Ltd	Investment manager	1,204,498

10. Commitments

The Group is committed under cancellable agreements in the annual amount of US$306,800.

11. Subsequent event

On 17 July 2006 the Group acquired 37,500 shares of US$1 each, which represent 75% of the equity interest in Prosper Big Investments Limited. The cost of acquisition consists of cash consideration of US$37,500.

Prosper Big Investments Limited is incorporated in the British Virgin Islands and its principal activity is to engage in property investment and development in Vietnam and the surrounding Asian countries. At the date of acquisition Prosper Big Investments Limited had no assets, liabilities or contingent liabilities.

12. Approval of financial statements

The financial statements were approved by the Board of Directors on 19 October 2006.