

VINALAND LIMITED AND ITS SUBSIDIARIES

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018
(UNAUDITED)**

VINALAND LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

TABLE OF CONTENTS	PAGE
Report of the Board of Directors	1
Report on Review of Interim Financial Information	3
Condensed Interim Consolidated Balance Sheet	4
Condensed Interim Consolidated Statement of Changes in Equity	6
Condensed Interim Consolidated Income Statement	8
Condensed Interim Consolidated Statement of Comprehensive Income	9
Condensed Interim Consolidated Statement of Cash Flows	10
Notes to the Condensed Interim Consolidated Financial Statements	12

VINALAND LIMITED AND ITS SUBSIDIARIES

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submits its report together with the condensed interim consolidated financial statements of VinaLand Limited (“the Company”) and its subsidiaries (together, “the Group”) for the period from 1 July 2018 to 31 December 2018 (“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.

VinaLand Limited and its subsidiaries herein are referred to as the Group.

Principal activities

The original objective of the Group was to focus on key growth segments within Vietnam’s emerging real estate market, namely residential, office, retail, industrial and leisure projects in Vietnam to provide shareholders with potential capital growth. At the Extraordinary General Meeting (“EGM”) held on 21 November 2012 the shareholders approved a proposal that the Company make no new investments and dispose of a portion of its investments in a controlled and orderly manner so as to maximise returns to shareholders. At the subsequent EGM held on 18 November 2016 this strategy was expanded to include the disposal of all remaining investments.

The principal activities of the subsidiaries are property investment and development.

Results

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 consolidated financial statements on pages 4 to 29.

Board of Directors

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

Name	Position	Date of appointment	Date of resignation
Michel Casselman	Chairman	11 November 2011	-
Ian Lydall	Director	20 October 2016	-
Charles Isaac	Director	11 November 2011	14 December 2018
Tran Trong Kien	Director	25 September 2015	14 December 2018

Auditor

The Group’s auditor is PwC (Vietnam) Limited.

Subsequent events after the reporting period

No significant events have occurred since the period end which would impact on the financial position of the Group as disclosed in the condensed interim consolidated balance sheet as at 31 December 2018 or on the results of operations and cash flows of the Group for the period then ended.

Directors’ interests in the Company

As at 31 December 2018, none of the directors had any direct or indirect interest in the Company.

VINALAND LIMITED AND ITS SUBSIDIARIES

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

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

In preparing the condensed interim consolidated 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. comply with the disclosure requirements of International Accounting Standard 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB") or, if there have been any departures in the interest of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the condensed interim consolidated financial statements;
- iii. maintain adequate accounting records and an effective system of internal control;
- iv. prepare the condensed interim consolidated 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
- v. 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 consolidated 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 consolidated financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying condensed interim consolidated balance sheet, condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows, together with the notes thereto, have been properly prepared and give fair presentation of the financial position of the Group as at 31 December 2018 and the results of its operations and cash flows for the six months then ended in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by the IASB.

On behalf of the Board of Directors



Michel Casselman
Chairman

26 March 2019



**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF VINALAND LIMITED
(Incorporated in the Cayman Islands with limited liability)**

Introduction

We have reviewed the condensed interim consolidated financial statements set out on pages 4 to 29 which comprise the condensed interim consolidated balance sheet of VinaLand Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 31 December 2018 and the related condensed interim consolidated statements of changes in equity, income, comprehensive income and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

The Directors of the Company are responsible for the preparation and presentation of the condensed interim consolidated financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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”. A review of condensed interim consolidated financial statements consists of making inquiries, 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 interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

Emphasis of Matter

We draw attention to Note 2.1 to the condensed interim consolidated financial statements, which states that, in accordance with paragraph 5.6 of the AIM Note for Investing Companies, which forms part of the AIM Rules, the Company has disposed of substantially all of its assets and has a period of 12 months from 23 July 2018 to begin an orderly wind up of the Company and cancellation of its shares from trading on AIM, ultimately resulting in a voluntary liquidation. As a result, the condensed interim consolidated financial statements have been prepared on a liquidation basis of accounting. Our conclusion is not modified in respect of this matter.

Theng Bee Han
PwC (Vietnam) Limited
26 March 2019

VINALAND LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

		31 December 2018 USD'000	30 June 2018 USD'000
	Note		
ASSETS			
Current			
Trade and other receivables	7	317	3,468
Receivables from and advances to related parties		-	100
Short-term investments		34	34
Cash and cash equivalents	8	5,752	29,079
		<hr/>	<hr/>
Total current assets		6,103	32,681
Assets classified as held for sale	9	-	30,308
		<hr/>	<hr/>
Total assets		6,103	62,989
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 29 are an integral part of these condensed interim consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	31 December 2018 USD'000	30 June 2018 USD'000
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity shareholders of the parent			
Share capital	10	1,466	1,634
Additional paid-in capital	11	68,258	118,422
Equity reserve		76,454	76,283
Translation reserve		(37)	(4,327)
Accumulated losses		(145,616)	(145,324)
		525	46,688
Non-controlling interests		-	243
Total equity		525	46,931
LIABILITIES			
Current			
Trade and other payables	12	1,849	3,166
Payables to related parties	19	3,729	12,591
Total current liabilities		5,578	15,757
Liabilities classified as held for sale	9	-	301
Total liabilities		5,578	16,058
Total equity and liabilities		6,103	62,989
Net assets per share attributable to equity shareholders of the parent (USD per share)	17(c)	0.004	0.286

The notes on pages 12 to 29 are an integral part of these condensed interim consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity shareholders of the Company					Total equity attributable to owners of the Company USD'000	Non-controlling interests USD'000	Total equity USD'000
	Share capital USD'000	Additional paid-in capital USD'000	Equity reserve USD'000	Translation reserve USD'000	Accumulated losses USD'000			
Balance at 1 July 2018	1,634	118,422	76,283	(4,327)	(145,324)	46,688	243	46,931
Loss for the period	-	-	-	-	(292)	(292)	-	(292)
Currency translation	-	-	-	(282)	-	(282)	-	(282)
Reclassification of currency translation reserve on disposal of subsidiaries	-	-	-	4,572	-	4,572	-	4,572
Total comprehensive income	-	-	-	4,290	(292)	3,998	-	3,998
Transactions with owners in their capacity as owners:								
Repurchases and cancellation of shares	(168)	(4,712)	171	-	-	(4,709)	-	(4,709)
Distributions to shareholders (Note 11)	-	(45,452)	-	-	-	(45,452)	-	(45,452)
Distributions to non-controlling interests	-	-	-	-	-	-	(243)	(243)
Balance at 31 December 2018	1,466	68,258	76,454	(37)	(145,616)	525	-	525

The notes on pages 12 to 29 are an integral part of these condensed interim consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity attributable to equity shareholders of the Company						Total equity attributable to owners of the Company USD'000	Non-controlling interests USD'000	Total equity USD'000
	Share capital USD'000	Additional paid-in capital USD'000	Equity reserve USD'000	Other reserve USD'000	Translation reserve USD'000	Accumulated losses USD'000			
Balance at 1 July 2017	2,580	332,803	65,166	(10)	(45,443)	(113,612)	241,484	74,867	316,351
Loss for the period	-	-	-	-	-	(19,398)	(19,398)	730	(18,668)
Currency translation	-	-	-	-	338	-	338	89	427
Reclassification of currency translation reserve on disposal of subsidiaries	-	-	-	-	20,107	-	20,107	3,183	23,290
Total comprehensive income	-	-	-	-	20,445	(19,398)	1,047	4,002	5,049
Transactions with owners in their capacity as owners:									
Repurchases and cancellation of shares	(772)	(72,523)	10,527	-	-	-	(62,768)	-	(62,768)
Distributions to shareholders	-	(60,433)	-	-	-	-	(60,433)	-	(60,433)
Disposals of subsidiaries	-	-	-	10	-	-	10	(52,578)	(52,568)
Capital contributions to subsidiaries	-	-	-	-	-	-	-	2,759	2,759
Distributions to non-controlling interests	-	-	-	-	-	-	-	(19,133)	(19,133)
Balance at 31 December 2017	1,808	199,847	75,693	-	(24,998)	(133,010)	119,340	9,917	129,257

The notes on pages 12 to 29 are an integral part of these condensed interim consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	Note	Six months ended	
		31 December 2018 USD'000	31 December 2017 USD'000
Revenue		-	30
Cost of sales		-	(102)
Gross loss		-	(72)
Net gain on fair value adjustments of investment properties		-	3,547
Net gain on fair value adjustment of investment properties classified as held for sale		-	2,623
Selling and administration expenses	13	(2,890)	(2,435)
Net gains/(losses) on disposals of investments	14	4,157	(20,097)
Finance income		131	545
Finance expenses		(113)	(580)
Share of losses of associates, net		(558)	(295)
Other income		960	195
Other expenses		(14)	(488)
Income/(loss) from operations before income tax		1,673	(17,057)
Income tax	15	(1,965)	(1,611)
Loss from operations		(292)	(18,668)
Attributable to equity shareholders of the Company		(292)	(19,398)
Attributable to non-controlling interests		-	730
Net loss for the period		(292)	(18,668)
Loss per share			
- basic and diluted (USD per share)	17(a)	(0.00)	(0.08)

The notes on pages 12 to 29 are an integral part of these condensed interim consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	31 December 2018 USD'000	31 December 2017 USD'000
Net loss for the period	(292)	(18,668)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Reclassification of currency translation reserve on disposal of investments	4,572	23,290
Exchange differences on translating foreign operations	(282)	427
	<u> </u>	<u> </u>
Other comprehensive income for the period	4,290	23,717
	<u> </u>	<u> </u>
Total comprehensive income for the period	3,998	5,049
	<u> </u>	<u> </u>
Attributable to equity shareholders of the Company	3,998	1,047
Attributable to non-controlling interests	-	4,002
	<u> </u>	<u> </u>
	3,998	5,049
	<u> </u>	<u> </u>

The notes on pages 12 to 29 are an integral part of these condensed interim consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended	
		31 December 2018 USD'000	31 December 2017 USD'000
Operating activities			
Net operating profit/(loss) before tax		1,673	(17,057)
Adjustments for:			
Depreciation and amortisation		-	8
Net gain on fair value adjustments of investment properties		-	(3,547)
Net gain on fair value adjustments of investment properties classified as held for sales		-	(2,623)
Losses on sales of subsidiaries	14	670	20,168
Gains on sales of assets classified as held for sales	14	(4,827)	(71)
Share of losses of associates, net		558	295
Unrealised foreign exchange losses		30	7
Interest expense		76	570
Interest income		(123)	(374)
Net loss before changes in working capital		(1,943)	(2,624)
Change in trade receivables and other current assets		3,400	(5,368)
Change in trade payables and other current liabilities		(9,140)	61,540
Net cash (outflow)/inflow from operating activities		(7,683)	53,548
Investing activities			
Interest received		123	365
Purchases of investment properties and prepayments for acquisitions of investments		-	(8,646)
(Net payments)/proceeds from sales of subsidiaries		(135)	51,543
Proceeds from disposals of assets classified as held for sale		34,848	2,987
Investments in associates		-	(11,186)
Net cash inflow from investing activities		34,836	35,063

The notes on pages 12 to 29 are an integral part of these condensed interim consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Six months ended	
		31 December 2018 USD'000	31 December 2017 USD'000
Financing activities			
Additional capital contributions from non-controlling interests		-	2,759
Ordinary shares acquired by the Company	10	(4,709)	(62,768)
Distributions to shareholders	11	(45,452)	(60,433)
Distributions to non-controlling interests		(243)	(19,133)
Interest paid		(76)	(571)
Net cash outflow to financing activities		(50,480)	(140,146)
Net changes in cash and cash equivalents for the period		(23,327)	(51,535)
Cash and cash equivalents at the beginning of the period		29,079	88,919
Cash and cash equivalents classified as held for sale		-	952
Exchange differences on cash and cash equivalents		-	5
Cash and cash equivalents at the end of the period	8	5,752	38,341

During the period, major non-cash transactions included capital gains tax of USD2.0 million (six months ended 31 December 2017: USD10.1 million) realised on the disposals of investments. The tax amounts due were withheld from disposal proceeds by the acquirers of investments and remitted to the tax authorities. As a result, these amounts are excluded from proceeds from disposal of subsidiaries included in the condensed interim consolidated statement of cash flows.

The notes on pages 12 to 29 are an integral part of these condensed interim consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

VinaLand Limited (“the Company”) 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 original objective of the Company was 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.

At the Extraordinary General Meeting (“EGM”) held on 21 November 2012 the shareholders approved a proposal that the Company make no new investments and dispose of a portion of its investments in a controlled and orderly manner so as to maximise returns to shareholders. At the subsequent EGM held on 18 November 2016 this strategy was expanded to include the disposal of all remaining investments. The key changes impacting these financial statements are summarised as follows:

- The new strategy involves the orderly sell down of investments in conjunction with ongoing development of selected projects to maximise returns to shareholders. All projects will be realised over a period of approximately three years and the proceeds collected, less operating costs, disposal and alignment fees, will be returned to shareholders.
- The Third Amended and Restated Investment Management Agreement (“the Third Amended Management Agreement”) introduces a new fee structure composed of disposal and alignment fees, prepayment advances and a retention account to ensure that the Investment Manager is incentivised to meet the investing policy (Note 19).

On 23 July 2018, the Company announced that it had disposed of substantially all of its assets. In accordance with paragraph 5.6 of the AIM Note for Investing Companies, which forms part of the AIM Rules, the Company has 12 months to begin an orderly wind up of the Company and cancellation of its shares from trading on AIM, ultimately resulting in a voluntary liquidation. If this is not fulfilled, the Company’s shares will be suspended from trading on AIM in July 2019.

The condensed interim consolidated financial statements for the six months ended 31 December 2018 were approved for issue by the Company’s Board of Directors on 26 March 2019.

These condensed interim consolidated financial statements have been reviewed, not audited.

2 BASIS OF PREPARATION

The Company and its subsidiaries herein are referred to as the Group.

These condensed interim consolidated financial statements are for the six months ended 31 December 2018. They have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). They do not include all of the information required in the annual consolidated financial statements which are prepared in accordance with International Financial Reporting Standards (“IFRSs”). Accordingly, these financial statements are to be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 June 2018, which have been prepared in accordance with IFRSs.

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

Going concern

On 23 July 2018, the Company announced that it had disposed of substantially all of its assets. In accordance with paragraph 5.6 of the AIM Note for Investing Companies, which forms part of the AIM Rules, the Company has 12 months to begin an orderly wind up of the Company and cancellation of its shares from trading on AIM, ultimately resulting in a voluntary liquidation. If this is not fulfilled, the Company's shares will be suspended from trading on AIM in July 2019. As a consequence, these condensed interim consolidated financial statements have been prepared using the liquidation basis, as the going concern basis is no longer considered appropriate.

3 ACCOUNTING POLICIES

These condensed interim consolidated financial statements (the "interim financial statements") have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the last annual consolidated financial statements for the year ended 30 June 2018.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the condensed interim consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and may not equal the estimated results.

There are no significant accounting estimates in the condensed interim consolidated financial statements for the six months ended 31 December 2018.

5 SEGMENT ANALYSIS

In identifying its operating segments, management generally follows the Group's sectors of investment which are based on internal management reporting information for the Investment Manager's management, monitoring of investments and decision making. The operating segments by investment portfolio include commercial, residential and office buildings, hospitality, mixed-use segments and cash and short-term investments.

Detail of activities undertaken by each segment and how each segment is managed and monitored, can be found in Note 4 to the annual consolidated financial statements of the Group for the year ended 30 June 2018.

There is no measure of segment liabilities regularly reported to the Investment Manager; therefore, liabilities are not disclosed in the sector analysis. Segment information can be analysed as follows for the reporting periods under review:

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 SEGMENT ANALYSIS (CONTINUED)

(a) Condensed Interim Consolidated Income Statement

	Six months ended 31 December 2018			
	Commercial USD'000	Residential and office buildings USD'000	Mixed use USD'000	Total USD'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Gross profit	-	-	-	-
Net gain/(loss) on disposals of investments	4,827	-	(670)	4,157
Finance income	-	71	60	131
Share of losses of associates, net	-	-	(558)	(558)
Other income	-	882	78	960
	<hr/>	<hr/>	<hr/>	<hr/>
Total profit/(loss) before unallocatable expenses	4,827	953	(1,090)	4,690
Selling and administration expenses				(2,890)
Finance expenses				(113)
Other expenses				(14)
				<hr/>
Profit before tax				1,673
Income tax				(1,965)
				<hr/>
Net loss for the period				(292)
				<hr/> <hr/>

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 SEGMENT ANALYSIS (CONTINUED)

(a) Condensed Interim Consolidated Income Statement (continued)

	Six months ended 31 December 2017				Total USD'000
	Commercial USD'000	Residential and office buildings USD'000	Hospitality USD'000	Mixed use USD'000	
Revenue	-	15	-	15	30
Cost of sales	-	(94)	-	(8)	(102)
Gross (loss)/profit	-	(79)	-	7	(72)
Net loss on disposals of investments	-	(10,826)	-	(9,271)	(20,097)
Finance income	16	229	-	300	545
Net gain/(loss) on fair value adjustments of investment properties	-	3,923	-	(376)	3,547
Net (loss)/gain on fair value adjustment of investment properties classified as held for sale	(27)	2,650	-	-	2,623
Share of losses of associates, net	(295)	-	-	-	(295)
Other income	-	124	69	2	195
Total (loss)/profit before unallocatable expenses	(306)	(3,979)	69	(9,338)	(13,554)
Selling and administration expenses					(2,435)
Finance expenses					(580)
Other expenses					(488)
Loss before tax					(17,057)
Income tax					(1,611)
Net loss for the period					(18,668)

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 SEGMENT ANALYSIS (CONTINUED)

(b) Condensed Interim Consolidated Balance Sheet

As at 31 December 2018					
	Commercial	Residential and office buildings	Mixed use	Cash and deposits	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Trade, tax and other receivables	-	317	-	-	317
Short-term investments	-	-	-	34	34
Cash and cash equivalents	-	-	-	5,752	5,752
Total assets	-	317	-	5,786	6,103
Total assets include:					
- Addition to non-current assets (other than financial instruments and deferred tax assets)	-	-	-	-	-

As at 30 June 2018					
	Commercial	Residential and office buildings	Mixed use	Cash and deposits	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Trade, tax and other receivables	-	424	3,144	-	3,568
Short-term investments	-	-	-	34	34
Cash and cash equivalents	-	-	-	29,079	29,079
Assets classified as held for sale	29,555	-	753	-	30,308
Total assets	29,555	424	3,897	29,113	62,989
Total assets include:					
- Addition to non-current assets (other than financial instruments and deferred tax assets)	10,722	13,019	78	-	23,819

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 SUBSIDIARIES

The Group had the following principal subsidiaries which are held through special purpose vehicles established outside of Vietnam at 31 December 2018 and 30 June 2018:

Name	Country of incorporation and place of business	31 December 2018		30 June 2018		Nature of business
		Percentage interest held by the Group	Percentage interest held by non-controlling interests	Percentage interest held by the Group	Percentage interest held by non-controlling interests	
Dien Phuoc Long Real Estate Company Limited	Vietnam	100.0%	-	100.0%	-	Property investment
VinaCapital Commercial Center Limited (Vietnam)	Vietnam	-	-	38.2%	61.8%	Property investment
SIH Real Estate Limited Company (Vietnam)	Vietnam	-	-	75.0%	25.0%	Property investment

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 SUBSIDIARIES (CONTINUED)

All subsidiaries are included in the consolidated financial statements. The proportion of the voting rights in the subsidiary undertakings held directly by the Group does not differ from the proportion of ordinary shares held. The Group further does not have any shareholding in the preference shares of subsidiary undertakings included in the Group.

During the period, the Group sold several subsidiaries, details of which are provided on the following pages. The assets and liabilities held by the subsidiaries sold were as follows:

	As at the date of disposal USD'000
Current assets	
Assets classified as held for sale	753
Total current assets	<u>753</u>
Current liabilities	
Trade payables	(529)
Liabilities classified as held for sale	(301)
Total current liabilities	<u>(830)</u>
Net liabilities at the date when subsidiaries were sold	<u>(77)</u>
Net liabilities attributable to the Company	(77)
Net liabilities attributable to non-controlling interests	-
Total consideration	<u>607</u>
Consideration received from sales of subsidiaries	607
Less: Cash and cash equivalents of disposed subsidiaries	(742)
Cash paid due to loss of control of subsidiaries	<u><u>(135)</u></u>

Details of the losses from sales of subsidiaries are as follows:

	Period ended 31 December 2018 USD'000
Total consideration	607
Carrying amount of net liabilities sold attributable to the Company	(77)
Gain on sales of subsidiaries before reclassification of currency translation reserve	<u>684</u>
Reclassification of currency translation reserve	(1,354)
Loss on sales of subsidiaries	<u><u>(670)</u></u>

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 SUBSIDIARIES (CONTINUED)

Sale of VinaCapital Commercial Center Limited

During the period the Group sold its 38.2% equity interest in VinaCapital Commercial Center Limited for a total consideration of USD0.6 million. The book value of the net assets at the sale date was USD0.2 million and the reclassification of translation reserve on disposal was USD0.8 million, resulting in a loss of USD0.4 million.

Sale of SIH Real Estate Limited Company

During the period the Group sold its 75% equity interest in SIH Real Estate Limited Company for a total consideration of USD1.0. The book value of the net liabilities at the sale date was USD0.2 million and the reclassification of translation reserve on disposal was USD0.5 million, resulting in a loss of USD0.3 million.

7 TRADE AND OTHER RECEIVABLES

	31 December 2018 USD'000	30 June 2018 USD'000
Receivables from disposals of subsidiaries (*)	150	3,143
Short-term loan receivable from third parties	-	263
Other receivables	167	62
	<u>317</u>	<u>3,468</u>

(*) Receivables from disposals of subsidiaries represent the final settlements upon completion of the transfer of ownership of subsidiaries to the buyers in accordance with the relevant sale and purchase agreements.

All current trade and other receivables are short-term in nature and their carrying values, after allowances for impairment, approximate their fair values at the date of the condensed interim consolidated balance sheet.

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 CASH AND CASH EQUIVALENTS

	31 December 2018 USD'000	30 June 2018 USD'000
Cash at banks	2,952	29,035
Cash equivalents	2,800	44
	<u>5,752</u>	<u>29,079</u>

Cash equivalents include short-term highly liquid investments with original maturities of three months or less.

As at 31 December 2018, cash and cash equivalents held at the Company level amounted to USD4.8 million (as at 30 June 2018: USD27.8 million). The remaining balance of cash and cash equivalents is held by subsidiaries in Vietnam. Cash held in Vietnam is subject to restrictions imposed by co-investors and the Vietnamese government and it cannot be transferred out of Vietnam unless those restrictions are satisfied.

In accordance with the Third Amended Management Agreement, 20% of any disposal fee payable to the Investment Manager is to be deposited into a separate bank account under the Company's name ("the Retention Account"). These funds will be distributed upon the performance of certain milestones by the Manager. The Company has no specific rights to these funds. Included in cash and cash equivalents as at 31 December 2018 was USD3.6 million transferred into the Retention Account (as at 30 June 2018: USD1.2 million).

9 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

As at 31 December 2018, the Group had no assets and liabilities classified as held for sales.

For the comparative balance sheet date:

	30 June 2018				
	Assets classified as held for sale USD'000	Liabilities classified as held for sale USD'000	Net assets classified as held for sale USD'000	Attributable to Non- controlling interests USD'000	Equity shareholders of the parent USD'000
Thang Loi Textile Garment Joint Stock Company	29,555	-	29,555	-	29,555
VinaCapital Commercial Center Limited (Vietnam)	726	(274)	452	243	209
SIH Real Estate Limited Company (Vietnam)	27	(27)	-	-	-
	<u>30,308</u>	<u>(301)</u>	<u>30,007</u>	<u>243</u>	<u>29,764</u>

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (CONTINUED)

It is the Group's view that all of its assets and liabilities classified as held for sales are in Level 3 of the fair value hierarchy. The major classes of assets and liabilities and their movements during the period/year are as follows:

	1 July 2018 USD'000	Change in carrying amount USD'000	Disposals USD'000	31 December 2018 USD'000
Assets classified as held for sale				
Trade and other receivables	11	-	(11)	-
Cash and cash equivalents	742	-	(742)	-
Investments in associates	29,555	(558)	(28,997)	-
	<u>30,308</u>	<u>(558)</u>	<u>(29,750)</u>	<u>-</u>
Liabilities classified as held for sale				
Trade and other payables	301	-	(301)	-
	<u>301</u>	<u>-</u>	<u>(301)</u>	<u>-</u>
Net assets classified as held for sale	<u>30,007</u>	<u>(558)</u>	<u>(29,449)</u>	<u>-</u>

For the comparative year:

	1 July 2017 USD'000	Change in carrying amount USD'000	Transferred in USD'000	Disposals USD'000	30 June 2018 USD'000
Assets classified as held for sale					
Investment properties	287,058	8,474	-	(295,532)	-
Property, plant and equipment (net of accumulated depreciation)	11	(1)	-	(10)	-
Prepayment for acquisitions	3,077	(10)	-	(3,067)	-
Other non-current assets	14	-	-	(14)	-
Other current assets	4	10	-	(14)	-
Inventories	29,584	8	-	(29,592)	-
Trade and other receivables	1,645	(131)	11	(1,514)	11
Cash and cash equivalents	4,283	(715)	742	(3,568)	742
Investments in associates	4,287	35	29,555	(4,322)	29,555
	<u>329,963</u>	<u>7,670</u>	<u>30,308</u>	<u>(337,633)</u>	<u>30,308</u>
Liabilities classified as held for sale					
Long-term borrowings and debts	78,247	2,742	-	(80,989)	-
Short-term borrowings and debts	18,828	1,114	-	(19,942)	-
Accruals and other current liabilities	35	247	-	(282)	-
Trade and other payables	27,405	4,994	301	(32,399)	301
	<u>124,515</u>	<u>9,097</u>	<u>301</u>	<u>(133,612)</u>	<u>301</u>
Net assets classified as held for sale	<u>205,448</u>	<u>(1,427)</u>	<u>30,007</u>	<u>(204,021)</u>	<u>30,007</u>

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 SHARE CAPITAL

	31 December 2018		30 June 2018	
	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 (1 July 2018/ 1 July 2017)	163,399,888	1,634	257,987,620	2,580
Shares purchased and cancelled	(16,780,000)	(168)	(94,587,732)	(946)
Closing balance	146,619,888	1,466	163,399,888	1,634

The Company considers investors holding more than a 10% beneficial interest in the ordinary shares of the Company as major shareholders. As at 31 December 2018, there were three investors that held more than 10% of the ordinary shares of the Company (30 June 2018: four).

During the period, the Company purchased and cancelled 16,780,000 of its ordinary shares (year ended 30 June 2018: 94,587,732 shares) for a total cash consideration of USD4.7 million (year ended 30 June 2018: USD73.0 million) at an average cost USD0.28 per share (year ended 30 June 2018: USD0.772 per share). The difference between the cost of the shares repurchased and their net asset value has been recorded in an equity reserve.

11 ADDITIONAL PAID-IN CAPITAL

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

	31 December 2018 USD'000	30 June 2018 USD'000
Opening balance (1 July 2018/1 July 2017)	118,422	332,803
Shares repurchased and cancelled	(4,712)	(83,146)
Distributions to shareholders	(45,452)	(131,235)
Closing balance	68,258	118,422

On 16 November 2018, the Company announced that it would make a distribution of capital from its additional paid-in capital of USD45.5 million or 31 cents per ordinary share. As at 31 December 2018, this amount had been fully distributed.

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12 CURRENT TRADE AND OTHER PAYABLES

	31 December 2018 USD'000	30 June 2018 USD'000
Professional fees	1,844	3,154
Other payables	5	12
	<u>1,849</u>	<u>3,166</u>

All trade and other payables are short-term in nature. Their carrying values approximate their fair values as at the date of the condensed interim consolidated balance sheet.

13 SELLING AND ADMINISTRATION EXPENSES

	Six months ended	
	31 December 2018 USD'000	31 December 2017 USD'000
Disposal and alignment fees under the Third Amended and Restated Investment Management Agreement (Note 19)	1,145	938
Professional fees (*)	1,336	1,002
General and administration expenses (**)	225	202
Staff costs (**)	-	251
Others (**)	184	42
	<u>2,890</u>	<u>2,435</u>

(*) These expenses primarily relate to the operating activities of the Company such as legal and professional fees, audit fees, valuation fees, fund administrative and custodian fees, directors fees.

(**) These expenses primarily relate to the operating activities of the Group's subsidiaries.

14 NET GAINS/(LOSSES) ON DISPOSALS OF INVESTMENTS

	Six months ended	
	31 December 2018 USD'000	31 December 2017 USD'000
Losses on sales of subsidiaries (Note 6)	(670)	(20,168)
Gains on sales of assets classified as held for sale	4,827	71
	<u>4,157</u>	<u>(20,097)</u>

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15 INCOME TAX

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

A number of subsidiaries are established in Vietnam and Singapore and are subject to corporate income tax in those countries. Deferred tax assets/liabilities of these subsidiaries are estimated based on the tax legislation of each jurisdiction and included in the deferred income tax assets/liabilities on the balance sheet.

As is the case with many other developing countries, Vietnam is in the process of implementing comprehensive tax regulations. As a result, the administration of tax regulations by government agencies may be subject to considerable discretion, and in many areas, the legal framework is uncertain and subject to interpretation. The Group has provided for all taxes expected to be payable by it under the current tax regulations in Vietnam. There is, however, an ongoing risk that government agencies might seek to impose additional taxes on the Group based on different interpretations of the regulations or through the retrospective application of new regulations.

On 19 June 2014, the Vietnamese National Assembly approved a new corporate income tax law. Under the new law, the standard corporate income tax was reduced from 25% to 22% effective 1 January 2015. A further reduction in tax rate to 20% became effective on 1 January 2016. No provision has been made for corporate income tax payable by the Vietnamese subsidiaries for the period because these subsidiaries do not have taxable income in Vietnam (period from 1 July 2017 to 31 December 2017: nil).

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

	Six months ended	
	31 December 2018 USD'000	31 December 2017 USD'000
Current income tax		
Group's gain/(loss) before tax	1,673	(17,057)
Group's gain multiplied by applicable tax rate (0%)	-	-
Capital gains tax	(1,965)	(11,485)
	<hr/>	<hr/>
Total current tax expense	(1,965)	(11,485)
	<hr/>	<hr/>
Deferred income tax		
Decrease in deferred tax assets	-	-
Decrease in deferred tax liabilities	-	9,874
	<hr/>	<hr/>
Total deferred income tax income	-	9,874
	<hr/>	<hr/>
Tax expense	(1,965)	(1,611)
	<hr/> <hr/>	<hr/> <hr/>

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16 DEFERRED INCOME TAX

Deferred income tax assets relating to the accumulated tax losses of the Group's subsidiaries subject to corporate income tax in Vietnam have not been recognised due to uncertainties as to the timing of their recoverability. Estimated tax losses available for offset against future taxable income are as follows:

Years of expiration

	31 December 2018 USD'000	30 June 2018 USD'000
2019	-	13
2020	-	1,699
2021	-	210
2022	-	2,416
2023	-	550
	<u>-</u>	<u>4,888</u>
	<u>-</u>	<u>4,888</u>

17 LOSS AND NET ASSET VALUE PER SHARE

(a) Basic

	<u>Six months ended</u>	
	31 December 2018	31 December 2017
Net loss attributable to owners of the Company from continuing and total operations (USD'000)	(292)	(19,398)
Weighted average number of ordinary shares in issue	160,035,463	248,348,242
Basic loss per share from continuing and total operations (USD per share)	<u>(0.00)</u>	<u>(0.08)</u>

(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 is equal to basic earnings per share.

(c) Net asset value per share

	31 December 2018	30 June 2018
Net asset value (USD'000)	525	46,931
Number of outstanding ordinary shares in issue	146,619,888	163,399,888
Net asset value per share (USD/share)	<u>0.004</u>	<u>0.286</u>

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18 COMMITMENTS

As at 31 December 2018, the Group was not committed to any lease agreements (as at 30 June 2018: USD5,742).

19 RELATED PARTY TRANSACTIONS AND BALANCES

Management, disposal and alignment fees

The Group is managed by VinaCapital Investment Management Limited (the "Investment Manager"), an investment management company incorporated in the Cayman Islands.

Under the Third Amended and Restated Investment Management Agreement effective from 14 December 2016, no further management fees shall be charged by the Investment Manager to the Company (30 June 2017: nil). The Investment Manager receives a disposal fee and an alignment fee. The disposal fee is calculated at the rate of 3.00% of distributable funds realised in the year starting 22 November 2016, 2.75% in the second year and 2.25% in the third year. The alignment fee is calculated on distributions to shareholders over USD265.0 million during the 3-year period starting 22 November 2016. The Investment Manager will receive 10% of distributions over USD265.0 million and up to USD279.0 million, 15% of distributions over USD279.0 million, and up to USD313.0 million, and 20% of distributions over USD313.0 million. A non-refundable monthly advance of USD200,000 in the year starting 22 November 2016, USD150,000 in the second year, and USD100,000 in the third year, will be paid to the Investment Manager. These advances will be offset against disposal fees and alignment fees. During the period advances of USD0.8 million (30 June 2018: USD2.0 million) were paid and net off with disposal and alignment fees payable to the Investment Manager.

Details of disposal fees and alignment fees accrued at the balance date were as follows:

	31 December 2018	30 June 2018
	USD'000	USD'000
Disposal fees accrued	1	2,995
Disposal fees payable	1,887	733
Alignment fees accrued	37	7,766
Alignment fees payable	1,752	532
	<hr/>	<hr/>
Total fees accrued/payables at period/year end	3,677	12,026
Advance payments to be offset against fees payable	-	-
	<hr/>	<hr/>
Total disposal and alignment fees payable (*)	<u>3,677</u>	<u>12,026</u>

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Disposal fees and alignment fees (continued)

(*) Movement in accrual/payable disposal and alignment fees during the period/year were as follows:

	31 December 2018	30 June 2018
	USD'000	USD'000
Opening balance (1 July 2018/1 July 2017)	12,026	11,538
Charge for the period/year (Note 13)	1,145	4,083
Amounts settled	(9,494)	(3,595)
Closing balance	<u>3,677</u>	<u>12,026</u>

Details of payables to related parties at the date of the condensed interim consolidated balance sheet are as below:

			31 December	30 June
	Relationship	Balances	2018	2018
			USD'000	USD'000
VinaCapital Investment Management Ltd.	Investment Manager	Accrued disposal and alignment fees	38	10,761
		Disposal and alignment fees payable	3,639	1,265
VinaCapital Vietnam Opportunity Fund Limited ("VOF")	Under common management	Disposals of real estate projects	52	565
			<u>3,729</u>	<u>12,591</u>

Advances to related parties as at 31 December 2018 were the non-refundable advances described under the section "Disposal fee and alignment fee" above.

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The interests of the related parties in the shares, underlying shares and debentures of the Company are as follows:

	As at	
	31 December 2018	30 June 2018
	Number of shares	
Asia Investment and Finance Ltd	30,376,000	-
Vietnam Investment Partners Ltd	22,286,457	22,286,457
VinaCapital Group Limited	608,553	608,553

(*) In accordance with the Second Amended and Restated Investment Management Agreement, the Investment Manager was required to use 50% of the realisation fee arising from the contracted divestment proceeds collected to make market purchases of the Company's ordinary shares within three months of the receipt of the realisation fee. The shares acquired are subject to lockups of between one and two year from the date of acquisition. As at 31 December 2018, there were no ordinary shares under lockup (as at 30 June 2018: 7,039,279 ordinary shares).

20 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group holds a diversified property portfolio in Vietnam. As a result the Group is exposed to a variety of financial risks: market risk (including price risk, 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 condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2018. There have been no major changes in the risk management department of the Investment Manager and risk management policies since the most recent year end.

(b) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

VINALAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Fair value estimation (continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2018:

As at 31 December 2018	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
- Disposal fee and alignment fee	-	-	(3,677)	(3,677)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 30 June 2018	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
- Disposal fee and alignment fee	-	-	(12,026)	(12,026)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There were no significant transfers between levels during the period (year ended 30 June 2018: none).