

31 March 2011

## VinaLand Limited

### Interim results for the six months ended 31 December 2010

VinaLand Limited (“the Company” or “VNL”), an AIM-quoted investment vehicle that targets key growth segments within Vietnam’s emerging real estate market, today announces its interim results for the six months ended 31 December 2010 (“the Period”).

#### Financial highlights

- Net loss for the Period attributable to the Group’s shareholders of USD4.4 million (HY09: USD6.9 million net profit).
- Net loss per share of USD0.01 for the Period (HY09: USD0.01 net profit).
- Net asset value at 31 December 2010 of USD680.7 million representing USD1.36 per share.

#### Operational highlights

- Completed sale of entire stake in the Quoc Te project, a residential development in District 9, Ho Chi Minh City.
- Completed sale of stake in Golden Gain Vietnam JSC, owner of a residential development project in Hanoi.
- A total of 501 residential sales and reservations were recorded, representing total contracts and reservations worth over USD58 million (HY09: USD38 million).
- Announced its decision to distribute income in 2011, anticipated as 50 percent of cash generated from divestments after providing for tax, short-term liabilities and investment commitments.

#### Commenting, David Henry, Managing Director of VNL’s Investment Manager, said:

“The second half of 2010 saw the residential real estate market cool slightly due to high inflation and concerns over the stability of the Vietnam dong. Nonetheless, the sales performance at VinaLiving-branded projects was very strong, and our brand is starting to get traction in the marketplace. The next six months will see additional sales launches, including the much-anticipated Project Nile landmark development in central Ho Chi Minh City.”

#### Notes to Editors:

**VinaCapital** is the leading investment management and real estate development firm in Vietnam, with a diversified portfolio of almost USD2 billion in assets under management. VinaCapital was founded in 2003 and boasts a team of managing directors who bring extensive international finance and investment experience to the firm. VinaCapital manages three closed-end funds trading on the AIM Market of the London Stock Exchange. These funds, at a combined net asset value (NAV) of USD1.7 billion as of December 2010, make VinaCapital the largest asset manager focused on Vietnam and its neighbouring countries.

VinaCapital has offices in Ho Chi Minh City, Hanoi, Danang, Nha Trang, Phnom Penh (Cambodia) and Singapore. More information about VinaCapital is available at [www.vinacapital.com](http://www.vinacapital.com).

More information on VinaLand Limited is available at [www.vinacapital.com/vnl](http://www.vinacapital.com/vnl)

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## **Chairman's Statement**

Dear Shareholders,

We are pleased to present the interim financial statements of VinaLand Limited (AIM: VNL) for the six month period ended 31 December 2010.

The second half of 2010 was a challenging time for Vietnam, as a premature loosening of monetary policy saw inflation climb to almost 12 percent by year-end, and domestic investors took refuge in gold and US dollars. GDP growth for 2010 came in at a healthy 6.8 percent, but investor sentiment was weak.

High interest rates and rising gold price caused some developers to hold back new residential launches in Q4 2010, although asking prices remained stable. The hospitality market saw improved numbers over 2009, particularly for three- and four-star city hotels in the second half of 2010, as travel picked up as a result of Hanoi's millennium celebration event. The office market remained in oversupply, with rental rates dropping slightly over Q4 2010 as vacancy rose to 17.5 percent in Ho Chi Minh City.

VNL's NAV at the end of December 2010 was USD680 million, or USD1.36 per share. This was level with the end of June 2010, when VNL also had an NAV of USD680 million, or USD1.36 per share. VNL's share price at the end of December 2010 was USD0.99, compared to USD0.77 at the end of June 2010. The improved share price followed VNL's announcement in October of its intention to begin distributing 4-6 percent of NAV yearly beginning in 2011.

Over the period, VNL completed the sale of equity stakes in Golden Gain Vietnam JSC in Hanoi and the Quoc Te project in Ho Chi Minh City. Sales continued at residential projects in Danang and Ho Chi Minh City, and the fourth quarter saw the launch of a major township development in Nha Trang. In total, residential sales and reservations worth over USD58 million were signed during the second half of 2010, up from USD38 million during the same period the previous year.

In October, VNL announced further details regarding its distribution policy, namely the intention to distribute income in 2011 in an amount anticipated as 50 percent of cash generated from divestments after providing for tax and short-term liabilities and investment commitments. The Board remains committed to making the first distribution payment later in 2011, with the precise form and timing of the distribution still under consideration.

VNL continues to focus on the development of townships and other residential assets, with new launches in the first half of 2011 to include the landmark Project Nile mixed-use development in central Ho Chi Minh City. The fund's hospitality portfolio is expected to see continued improvement in performance, as travel and tourism in Vietnam recover from the 2009 downturn. VNL announced in early 2011 the acquisition of a minority stake in the Legend Hotel, a five-star city centre hotel in Ho Chi Minh City.

Vietnam's real estate market in 2011 is expected to see demand slow in the short term, as consumers and investors wait on the government's inflation-fighting measures to take effect. The State Bank needs to bring inflation back to single digits and restore faith in the VND. Proactive policy steps so far including a stabilisation fund for consumer staples, announcing USD3 billion in spending cuts, placing a 10 percent tax on gold exports, and using a 'crawling peg' approach to better manage the currency following the February devaluation.

If the government policies restore stability to the economy, depreciation pressures will lessen and interest rates should decline. By the second half of 2011, real estate market activity should rebound.

VNL remains very well-placed in the current market, with operating hospitality assets and numerous residential projects at the sales phase. There are no office projects underway, and retail developments will start only after anchor tenants are signed. The Board continues to believe the fund offers shareholders excellent value and the potential for long-term capital growth.

Thank you for your continued support.

**Nicholas Brooke**  
Chairman  
VinaLand Limited  
31 March 2011

## Condensed Interim Consolidated Statement of Financial Position

|  | Note | 31 December 2010 | 30 June 2010     |
|--|------|------------------|------------------|
|  |      | USD'000          | USD'000          |
| <b>ASSETS</b>  |      |                  |                  |
| <b>Non-current</b>   |      |                  |                  |
| Investment properties                                      | 7    | 638,716          | 620,650          |
| Properties under development for sale                      | 8    | 101,063          | 80,057           |
| Property, plant and equipment                              | 9    | 165,901          | 111,569          |
| Intangible assets  |      | 14,397           | 13,400           |
| Investments in associates                                  | 10   | 72,545           | 71,789           |
| Goodwill   |      | 3,923            | 3,923            |
| Prepayments for operating lease assets                     |      | 6,638            | 41,595           |
| Prepayments for acquisitions of investments                | 11   | 53,923           | 52,208           |
| Other long-term financial assets                           |      | 6,089            | 9,980            |
| Deferred tax assets  | 12   | 19,507           | 18,268           |
| <b>Non-current assets</b>                                  |      | <b>1,082,702</b> | <b>1,023,439</b> |
| <b>Current</b>   |      |                  |                  |
| Inventories  |      | 601              | 712              |
| Trade and other receivables                                | 13   | 122,010          | 112,637          |
| Receivables from related parties                           |      | 3,209            | 4,389            |
| Short-term investments                                     | 14   | 4,995            | 15,215           |
| Financial assets at fair value through statement of income | 15   | 18,879           | 32,796           |
| Cash and cash equivalents                                  |      | 75,405           | 79,979           |
| <b>Current assets</b>                                      |      | <b>225,099</b>   | <b>245,728</b>   |
| Assets classified as held for sale                         | 17   | 10,788           | -                |
| <b>Total assets</b>  |      | <b>1,318,589</b> | <b>1,269,167</b> |

|  | Note | 31 December 2010 | 30 June 2010   |
|--|------|------------------|----------------|
|  |      | USD'000          | USD'000        |
| <b>EQUITY AND LIABILITIES</b>                            |      |                  |                |
| <b>EQUITY</b>  |      |                  |                |
| <b>Equity attributable to shareholders of the parent</b> |      |                  |                |
| Share capital  | 18   | 4,999            | 4,999          |
| Additional paid-in capital                               | 19   | 588,870          | 588,870        |
| Revaluation reserve                                      | 20   | 10,067           | 3,483          |
| Translation reserve                                      |      | (33,738)         | (29,733)       |
| Retained earnings  |      | 110,475          | 114,025        |
|  |      | <b>680,673</b>   | <b>681,644</b> |
| Non-controlling interests                                |      | 227,990          | 224,269        |
| <b>Total equity</b>                                      |      | <b>908,663</b>   | <b>905,913</b> |
| <b>LIABILITIES</b>                                       |      |                  |                |
| <b>Non-current</b>                                       |      |                  |                |
| Borrowings and debts                                     | 21   | 93,533           | 70,995         |
| Long-term payables to related parties                    | 30   | 78,351           | 76,856         |
| Deferred tax liabilities                                 | 22   | 48,747           | 50,823         |
| Other liabilities  |      | 898              | 879            |
| <b>Non-current liabilities</b>                           |      | <b>221,529</b>   | <b>199,553</b> |

|   |    |                  |           |
|---|----|------------------|-----------|
| <b>Current</b>  |    |                  |           |
| Borrowings and debts  | 21 | <b>25,349</b>    | 21,090    |
| Trade and other payables  | 23 | <b>137,156</b>   | 116,466   |
| Payables to related parties   | 30 | <b>25,536</b>    | 26,145    |
| Current liabilities   |    | <b>188,041</b>   | 163,701   |
| Liabilities included in disposal group held for sale  | 17 | <b>356</b>       | -         |
| <b>Total liabilities</b>  |    | <b>412,829</b>   | 363,254   |
| <b>Total equity and liabilities</b>   |    | <b>1,318,589</b> | 1,269,167 |
| <b>Net assets per share attributable to equity shareholders of the parent (USD per share)</b> | 27 | <b>1.36</b>      | 1.36      |

## Condensed Interim Consolidated Statement of Changes in Equity

|   | Equity attributable to shareholders of the parent |                |               |                 |                | Non-controlling | Total          |
|---|---|----------------|---------------|-----------------|----------------|-----------------|----------------|
|   | Share   | Additional     | Revaluation   | Translation     | Retained       | interests       | equity         |
|   | capital   | paid-in        | reserve       | reserve         | earnings       |                 |                |
|   | USD'000   | USD'000        | USD'000       | USD'000         | USD'000        | USD'000         | USD'000        |
| <b>Balance at 1 July 2009</b>                                     | 4,999   | 588,870        | 10,799        | (16,147)        | 72,008         | 166,445         | 826,974        |
| Dividend distributions  | -   | -              | -             | -               | -              | (587)           | (587)          |
| Capital contribution in subsidiaries                              | -   | -              | -             | -               | -              | 19,290          | 19,290         |
| Acquisition of subsidiaries                                       | -   | -              | -             | -               | -              | 44,119          | 44,119         |
| Gain on part disposal of non-controlling interest in subsidiary   | -   | -              | -             | -               | 4,917          | -               | 4,917          |
| Equity interest acquired by non-controlling interests             | -   | -              | -             | -               | (1,638)        | 1,638           | -              |
| Disposal of assets and liabilities held for sale                  | -   | -              | -             | -               | -              | (20,104)        | (20,104)       |
| Disposal of subsidiary  | -   | -              | (7,756)       | -               | 7,756          | -               | -              |
| <b>Comprehensive income</b>                                       |   |                |               |                 |                |                 |                |
| Profit for the period from 1 July 2009 to 31 December 2009        | -   | -              | -             | -               | 6,935          | 12,317          | 19,252         |
| Currency translation  | -   | -              | -             | (4,968)         | -              | (4,453)         | (9,421)        |
| Revaluation gains on buildings                                    | -   | -              | 876           | -               | -              | 282             | 1,158          |
| <b>Total comprehensive income</b>                                 | -   | -              | 876           | (4,968)         | 6,935          | 8,146           | 10,989         |
| <b>Balance at 31 December 2009</b>                                | <b>4,999</b>                                      | <b>588,870</b> | <b>3,919</b>  | <b>(21,115)</b> | <b>89,978</b>  | <b>218,947</b>  | <b>885,598</b> |
| <b>Balance at 1 July 2010</b>                                     | 4,999   | 588,870        | 3,483         | (29,733)        | 114,025        | 224,269         | 905,913        |
| Capital contribution in subsidiaries                              | -   | -              | -             | -               | -              | 9,007           | 9,007          |
| Gain on acquisition of non-controlling interests                  | -   | -              | -             | -               | 840            | -               | 840            |
| Acquisitions of non-controlling interests                         | -   | -              | -             | -               | -              | (2,040)         | (2,040)        |
| Reversal of non-controlling share premium capital in a subsidiary | -   | -              | -             | -               | -              | (10,970)        | (10,970)       |
| <b>Comprehensive income</b>                                       |   |                |               |                 |                |                 |                |
| Profit/(loss) for the period from 1 July 2010 to 31 December 2010 | -   | -              | -             | -               | (4,390)        | 5,675           | 1,285          |
| Currency translation  | -   | -              | -             | (4,005)         | -              | (898)           | (4,903)        |
| Revaluation gains on buildings (Note 20)                          | -   | -              | 6,584         | -               | -              | 2,947           | 9,531          |
| <b>Total comprehensive income</b>                                 | -   | -              | 6,584         | (4,005)         | (4,390)        | 7,724           | 5,913          |
| <b>Balance at 31 December 2010</b>                                | <b>4,999</b>                                      | <b>588,870</b> | <b>10,067</b> | <b>(33,738)</b> | <b>110,475</b> | <b>227,990</b>  | <b>908,663</b> |

## Condensed Interim Consolidated Statement of Income

|  | Note | Six month period ended |                  |
|--|------|------------------------|------------------|
|  |      | 31 December 2010       | 31 December 2009 |
|  |      | USD'000                | USD'000          |
| Revenue  |      | 12,217                 | 9,507            |
| Cost of sales  | 24   | (7,114)                | (4,928)          |
| <b>Gross profit</b>  |      | <b>5,103</b>           | <b>4,579</b>     |
| Net gains on fair value adjustments of investment properties   | 25   | 20,745                 | 40,686           |
| Operating, selling and administration expenses   | 24   | (25,327)               | (21,466)         |
| Other net changes in fair value of financial assets at fair value through statement of income          |      | -                      | 1,031            |
| Other income   |      | 702                    | 14,102           |
| Other expenses   |      | (1,296)                | (8,534)          |
| <b>(Loss)/profit from continuing operations</b>  |      | <b>(73)</b>            | <b>30,398</b>    |
| Finance income   |      | 2,509                  | 2,945            |
| Finance expenses   |      | (5,729)                | (1,849)          |
| Finance (expenses)/ income – net   |      | (3,220)                | 1,096            |
| Share of gains/(losses) of associates  |      | 922                    | (7,729)          |
|  |      | (2,298)                | (6,633)          |
| <b>(Loss)/profit before income tax from continuing and total operations</b>                            |      | <b>(2,371)</b>         | <b>23,765</b>    |
| Tax income/(expenses)  | 26   | 3,656                  | (4,513)          |
| <b>Net profit for the period from continuing and total operations</b>                                  |      | <b>1,285</b>           | <b>19,252</b>    |
| Attributable to equity shareholders of the parent  |      | (4,390)                | 6,935            |
| Attributable to non-controlling interests  |      | 5,675                  | 12,317           |
|  |      | 1,285                  | 19,252           |
| <b>(Loss)/earnings per share (continuing and total operations) – basic and diluted (USD per share)</b> | 27   | <b>(0.01)</b>          | <b>0.01</b>      |

## Condensed Consolidated Statement of Comprehensive Income

|  | Note | Six month period ended      |                             |
|--|------|-----------------------------|-----------------------------|
|  |      | 31 December 2010<br>USD'000 | 31 December 2009<br>USD'000 |
| <b>Profit for the period</b>                               |      | <b>1,285</b>                | 19,252                      |
| <b>Comprehensive income</b>                                |      |                             |                             |
| Gain on revaluation of land and buildings in the period    | 20   | <b>9,531</b>                | 1,158                       |
| Gains on acquisitions of non-controlling interests         |      | <b>840</b>                  | -                           |
| Exchange differences on translating foreign operations     |      | <b>(4,903)</b>              | (9,421)                     |
| <b>Other comprehensive income /(losses) for the period</b> |      | <b>5,468</b>                | (8,263)                     |
| <b>Total comprehensive income for the period</b>           |      | <b>6,753</b>                | 10,989                      |
| <hr/>  |      |                             |                             |
| Attributable to equity shareholders of the parent          |      | <b>(971)</b>                | 2,843                       |
| Attributable to non-controlling interests                  |      | <b>7,724</b>                | 8,146                       |
|  |      | <b>6,753</b>                | 10,989                      |



## Condensed Consolidated Statement of Cash Flows

|   | Note | Six month period ended      |                             |
|---|------|-----------------------------|-----------------------------|
|   |      | 31 December 2010<br>USD'000 | 31 December 2009<br>USD'000 |
| Operating activities  |      |                             |                             |
| Net (loss)/profit before tax  |      | (2,371)                     | 23,765                      |
| Adjustments   | 31   | (15,298)                    | (36,689)                    |
| <b>Net losses before changes in working capital</b>                                 |      | <b>(17,669)</b>             | <b>(12,924)</b>             |
| Change in trade and other receivables   |      | (7,529)                     | 4,146                       |
| Change in inventory   |      | 111                         | (310)                       |
| Change in trade and other payables  |      | 19,682                      | (16,525)                    |
| Corporate income tax paid   |      | (604)                       | (1,174)                     |
| <b>Cash flow from operating activities</b>  |      | <b>(6,009)</b>              | <b>(26,787)</b>             |
| Investing activities  |      |                             |                             |
| Interest received   |      | 4,036                       | 3,324                       |
| Purchases of investment property, plant, equipment,<br>and other non-current assets |      | (51,418)                    | (32,413)                    |
| Acquisitions of subsidiaries  |      | (120)                       | (12,624)                    |
| Net proceeds from short-term investments  |      | 10,220                      | -                           |
| Deposits for acquisitions of investments  |      | (4,695)                     | (10,069)                    |
| Proceeds from disposal of financial assets  |      | 6,114                       | 36,349                      |
| Investments in associates   |      | -                           | (4,850)                     |
| Net proceeds from related party shareholder loans                                   |      | 1,495                       | 22,650                      |
| <b>Cash flow from investing activities</b>  |      | <b>(34,368)</b>             | <b>2,367</b>                |
| Financing activities  |      |                             |                             |
| Additional capital contributions from non-controlling interests shareholders        |      | 9,007                       | 8,290                       |
| Loan proceeds from banks  |      | 29,447                      | 46,866                      |
| Loan repayments to banks  |      | (2,667)                     | (15,841)                    |
| Dividends paid to non-controlling interest shareholders                             |      | -                           | (587)                       |
| Loan proceeds from non-controlling interest shareholders                            |      | 16                          | 12                          |
| <b>Cash flow from financing activities</b>  |      | <b>35,803</b>               | <b>38,740</b>               |
| <b>Net changes in cash and cash equivalents for the period</b>                      |      | <b>(4,574)</b>              | <b>14,320</b>               |
| Cash and cash equivalents at the beginning of the period                            |      | 79,979                      | 50,274                      |
| <b>Cash and cash equivalents at the end of the period</b>                           |      | <b>75,405</b>               | <b>64,594</b>               |

## **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, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company’s primary objective is to focus on key growth segments within Vietnam’s emerging real estate market, namely residential, office, retail, industrial and leisure projects in Vietnam and the surrounding countries in Asia. The Company is listed on the AIM Market of the London Stock Exchange under the ticker symbol VNL.

The condensed interim consolidated financial statements for the period from 1 July 2010 to 31 December 2010 were approved for issue by the Board of Directors on 29 March 2011.

### **2. Basis of preparation**

These condensed interim consolidated financial statements for the period from 1 July 2010 to 31 December 2010 (the “period”) 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 annual financial statements in accordance with International Financial Reporting Standards (IFRS). Accordingly, these reports are to be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 June 2010.

The condensed interim consolidated financial statements are presented in United States Dollars (USD) which is also the functional currency of the parent company, and all values are rounded to the nearest thousand (’000) unless otherwise indicated.

### **3. Significant accounting policies**

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 30 June 2010.

The accounting policies have been applied consistently throughout the Group for the purposes of the preparation of these condensed interim consolidated financial statements.

The AIM Rules for Companies require comparative figures for the balance sheet for the corresponding period end in the preceding financial year which differs to IAS 34 which requires comparative figures for the balance sheet for the immediately preceding financial year end. The Group continues to elect to report in accordance with IAS 34 and as such has agreed with the London Stock Exchange a derogation from the above requirement of the AIM Rules for Companies in order to comply with IAS 34.

### **4. Critical accounting estimates and judgements**

When preparing the 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. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

#### ***Fair value of investment properties, land and buildings***

The investment properties, leasehold land, hotels and golf courses of the Group are stated at fair value in accordance with accounting policies 3.10 and 3.11 of the annual consolidated financial statements. The fair values of investment properties, leasehold land and buildings have been determined by independent professional valuers including: CB Richard Ellis, Savills, Jones Lang

LaSalle, Colliers, Sallmanns and HVS. These valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

In making its judgement, the Board considers information from a variety of sources, including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;
- (iii) recent developments and changes in laws and regulations that might affect zoning and/or the Group's ability to exercise its rights in respect to properties and therefore fully realise the estimated values of such properties; and
- (iv) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of external evidence such as current market rents and sales prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows

### ***Impairment***

#### *Investment properties, leasehold land, hotels and golf courses*

Whenever there is an indication of impairment of an investment property, leasehold land and buildings the Board and management will assess the need for an impairment adjustment. The estimation of impairment adjustments is based on the same principles used to adjust the periodic independent valuations mentioned above.

#### *Trade and other receivables*

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

#### *Other assets*

The Group's goodwill, intangible assets, operating lease prepayments, other assets and interests in associates are subject to impairment testing in accordance with the accounting policy 3.16 of the annual consolidated financial statements.

### ***Business combinations***

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

### ***Useful lives of depreciable assets***

Management reviews useful lives of depreciable assets at each reporting date. Management assesses that the useful lives represent the expected utility of the assets to the Group.

## **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, Undetermined use properties, Hospitality, Mixed-use, Office buildings, and Cash and short-term investments.

The activities undertaken by the Commercial segment include the development and operation of investment properties. Apartments and villas properties which are developed for sales are included in Residential segment. Land and properties held for undetermined future use are included in the Undetermined use properties segment. The Hospitality includes the development and operation of

hotels, resorts and related services. Strategic decisions are made on the basis of segment operating results.

Each of the operating segments are managed and monitored separately by the Investment Manager as each requires different resources and approaches. The Investment Manager assesses segment profit or loss using a measure of operating profit or loss from the investment assets. Although IFRS 8 requires measurement of segmental profit or loss, the majority of expenses are common to all segments and therefore cannot be individually allocated. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Segment information can be analysed as follows for the reporting periods under review:

### Condensed Interim Consolidated Statement of Income

|   | Six month period ended 31 December 2010 |                |                |                |                |           |                |
|---|---|----------------|----------------|----------------|----------------|-----------|----------------|
|   | Commercial                              | Residential    | Undetermined   | Hospitality    | Mixed use      | Office    | Total          |
|   | use properties                          | use properties | use properties | use properties | use properties | buildings |                |
|   | USD'000                                 | USD'000        | USD'000        | USD'000        | USD'000        | USD'000   | USD'000        |
| Revenue   | -                                       | -              | -              | 11,264         | 450            | 503       | 12,217         |
| Other income  | -                                       | 25             | 571            | 50             | 20             | 36        | 702            |
| Finance income  | 79                                      | 509            | 1,174          | 153            | 534            | 60        | 2,509          |
| Net gains on fair value adjustments of investment properties                            | -                                       | -              | 4,949          | -              | 15,143         | 653       | 20,745         |
| Net changes in fair value of financial assets at fair value through Statement of Income | -                                       | -              | -              | -              | -              | -         | -              |
| Share of profits/(losses) of associates   | (123)                                   |                | 1,232          | (187)          | -              | -         | 922            |
|   | (44)                                    | 534            | 7,926          | 11,280         | 16,147         | 1,252     | 37,095         |
| Cost of sales   | -                                       | -              | (8)            | (6,105)        | (835)          | (166)     | (7,114)        |
| Operating, selling and administration expenses  |   |                |                |                |                |           | (25,327)       |
| Other expenses  |   |                |                |                |                |           | (1,296)        |
| Finance expenses  |   |                |                |                |                |           | (5,729)        |
| <b>Loss before tax</b>  |   |                |                |                |                |           | <b>(2,371)</b> |
| Income tax income   |   |                |                |                |                |           | 3,656          |
| <b>Net profit for the period</b>  |   |                |                |                |                |           | <b>1,285</b>   |

For the comparative period:

|   | Six month period ended 31 December 2009 |                |                |             |         |           |         |
|---|---|----------------|----------------|-------------|---------|-----------|---------|
|   | Commercial                              | Residential    | Undetermined   | Hospitality | Mixed   | Office    | Total   |
|   | use properties                          | use properties | use properties | and others  | used    | buildings |         |
|   | USD'000                                 | USD'000        | USD'000        | USD'000     | USD'000 | USD'000   | USD'000 |
| Revenue   | -                                       | 937            | -              | 8,035       | -       | 535       | 9,507   |
| Other income  | -                                       | -              | 69             | 1,428       | 12,595  | 10        | 14,102  |
| Finance income  | 13                                      | 635            | 1,241          | 804         | 203     | 49        | 2,945   |
| Net (losses)/gains on fair value adjustments of investment properties                   | (1,268)                                 | -              | 3,608          | -           | 38,117  | 229       | 40,686  |
| Net changes in fair value of financial assets at fair value through Statement of Income | -                                       | -              | -              | -           | 1,031   | -         | 1,031   |

|  |         |       |         |         |        |       |          |
|--|---------|-------|---------|---------|--------|-------|----------|
| Share of losses of associates                  | (127)   | -     | (7,597) | -       | (5)    | -     | (7,729)  |
|  | (1,382) | 1,572 | (2,679) | 10,267  | 51,941 | 823   | 60,542   |
| Cost of sales                                  | -       | (194) | -       | (4,575) | -      | (159) | (4,928)  |
| Operating, selling and administration expenses |         |       |         |         |        |       | (21,466) |
| Other expenses                                 |         |       |         |         |        |       | (8,534)  |
| Finance expenses                               |         |       |         |         |        |       | (1,849)  |
| Profit before tax                              |         |       |         |         |        |       | 23,765   |
| Income tax expenses                            |         |       |         |         |        |       | (4,513)  |
| Net profit for the period                      |         |       |         |         |        |       | 19,252   |

## Condensed Interim Consolidated Statement of Financial Position

|  | As at 31 December 2010 |               |                                     |                |                |                     |                                       | Total            |
|--|------------------------|---------------|-------------------------------------|----------------|----------------|---------------------|---------------------------------------|------------------|
|  | Commer-<br>cial        | Residential   | Undeter-<br>mined use<br>properties | Hospitality    | Mixed use      | Office<br>buildings | Cash and<br>short-term<br>investments |                  |
|  | USD'000                | USD'000       | USD'000                             | USD'000        | USD'000        | USD'000             | USD'000                               |                  |
| Investment properties                                      | 7,735                  | 29,817        | 372,792                             | -              | 217,303        | 11,069              | -                                     | 638,716          |
| Investment properties under development for sales          | -                      | 20,697        | 23,816                              | -              | 56,550         | -                   | -                                     | 101,063          |
| Property, plant and equipment                              | 1                      | 74            | 103                                 | 114,240        | 51,483         | -                   | -                                     | 165,901          |
| Goodwill and intangible assets                             | -                      | -             | 3,924                               | 14,297         | 99             | -                   | -                                     | 18,320           |
| Investment in associates                                   | 14,030                 | -             | 52,768                              | 5,747          | -              | -                   | -                                     | 72,545           |
| Prepayments for acquisitions of investments                | -                      | 5,006         | 36,954                              | 1,367          | 10,051         | 545                 | -                                     | 53,923           |
| Cash and cash equivalents                                  | -                      | -             | -                                   | -              | -              | -                   | 75,405                                | 75,405           |
| Trade and other receivables                                | 17                     | 8,461         | 91,851                              | 17,239         | 4,094          | 348                 | -                                     | 122,010          |
| Financial assets at fair value through statement of income | -                      | -             | 13,859                              | -              | 5,020          | -                   | -                                     | 18,879           |
| Short-term investments                                     | -                      | -             | -                                   | -              | -              | -                   | 4,995                                 | 4,995            |
| Other assets   | 2,194                  | 22,135        | 5,339                               | 5,461          | 11,694         | 9                   | -                                     | 46,832           |
| <b>Total assets</b>  | <b>23,977</b>          | <b>86,190</b> | <b>601,406</b>                      | <b>158,351</b> | <b>356,294</b> | <b>11,971</b>       | <b>80,400</b>                         | <b>1,318,589</b> |

For the comparative year end:

|   | As at 30 June 2010 |             |                                |             |           |                     |                                       | Total   |
|---|--------------------|-------------|--------------------------------|-------------|-----------|---------------------|---------------------------------------|---------|
|   | Commercial         | Residential | Undetermined<br>use properties | Hospitality | Mixed use | Office<br>buildings | Cash and<br>short-term<br>investments |         |
|   | USD'000            | USD'000     | USD'000                        | USD'000     | USD'000   | USD'000             | USD'000                               |         |
| Investment properties                       | 7,852              | 36,754      | 372,988                        | -           | 192,337   | 10,719              | -                                     | 620,650 |
| Investment properties under development for | -                  | 16,838      | 18,883                         | -           | 44,336    | -                   | -                                     | 80,057  |

|  |               |               |                |                |                |               |               |                  |  |
|--|---------------|---------------|----------------|----------------|----------------|---------------|---------------|------------------|--|
| sales  |               |               |                |                |                |               |               |                  |  |
| Property, plant and equipment                              | 23            | 41            | 109            | 97,337         | 14,059         | -             | -             | 111,569          |  |
| Goodwill and intangible assets                             | 1             | 2             | 3,923          | 13,301         | 96             | -             | -             | 17,323           |  |
| Cash and cash equivalents                                  | -             | -             | -              | -              | -              | -             | 79,979        | 79,979           |  |
| Trade and other receivables                                | 578           | 6,002         | 85,607         | 18,401         | 1,857          | 192           | -             | 112,637          |  |
| Investment in associates                                   | 14,153        | -             | 51,701         | 5,935          | -              | -             | -             | 71,789           |  |
| Prepayments for acquisitions of investments                | 20            | 5,006         | 36,960         | 1,369          | 8,307          | 546           | -             | 52,208           |  |
| Financial assets at fair value through statement of income | -             | -             | 13,859         | -              | 18,937         | -             | -             | 32,796           |  |
| Short-term investments                                     | -             | -             | -              | -              | -              | -             | 15,215        | 15,215           |  |
| Other assets   | 412           | 30,302        | 1,331          | 4,450          | 38,436         | 13            | -             | 74,944           |  |
| <b>Total assets</b>  | <b>23,039</b> | <b>94,945</b> | <b>585,361</b> | <b>140,793</b> | <b>318,365</b> | <b>11,470</b> | <b>95,194</b> | <b>1,269,167</b> |  |

The Group's revenues, investment income and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) are attributable to the following geographic areas:

|                 | Six month ended 31 December 2010 |                    | Six month ended 31 December 2009 |                    |
|-----------------|----------------------------------|--------------------|----------------------------------|--------------------|
|                 | Revenue and income               | Non-current assets | Revenue and income               | Non-current assets |
|                 | USD'000                          | USD'000            | USD'000                          | USD'000            |
| Vietnam         | 35,217                           | 950,145            | 26,202                           | 760,964            |
| Other countries | 12                               | -                  | 207                              | -                  |
| <b>Total</b>    | <b>35,229</b>                    | <b>950,145</b>     | <b>26,409</b>                    | <b>760,964</b>     |

Revenues and investment income include operating revenue, finance income, net gains/(losses) on fair value adjustments of investment properties and financial assets at fair value through Condensed Interim Statement of Income. These have been identified on the basis of the operation and investment location. Non-current assets are allocated based on their physical location.

## 6. Acquisition of subsidiaries

### ***Additional acquisition of VinaCapital Hoi An Resort Limited (Hoi An Resort Project)***

During the period, the Group acquired a further 20% equity interest of VinaCapital Hoi An Resort Limited, a subsidiary incorporated in Vietnam, for USD1.2 million which was settled in cash and brings the Group's total interest in the project to 100% at the reporting date. The difference of USD0.8 million between the percentage change in non-controlling interests and the consideration paid has been recognised directly in equity and attributed to the owners of the Group.

## 7. Investment properties

|   | 31 December 2010 | 30 June 2010 |
|---|------------------|--------------|
|   | USD'000          | USD'000      |
| Opening balance (1 July 2010/1 July 2009)                               | 620,650          | 446,614      |
| Acquisitions of subsidiaries  | -                | 84,097       |
| Additions during the period/year  | 14,514           | 79,133       |
| Net gain from fair value adjustments of investment properties (Note 25) | 20,745           | 95,487       |

|   |                |          |
|---|----------------|----------|
| Disposals of investment properties  | -              | (23,052) |
| Transferred from prepayments for operating lease assets                   | -              | 5,391    |
| Transferred from prepayments for acquisition of investment                | -              | 27,134   |
| Transferred to investment properties under development for sales (Note 8) | -              | (80,057) |
| Reclassified as assets held for sale (Note 17)                            | (9,794)        | -        |
| Translation differences   | (7,399)        | (14,097) |
| Closing balance   | <b>638,716</b> | 620,650  |

## 8. Investment properties under development for sales

|   | 31 December 2010 | 30 June 2010 |
|---|------------------|--------------|
|   | USD'000          | USD'000      |
| Opening balance (1 July 2010/1 July 2009)       | 80,057           | -            |
| Additions during the period/year                | 21,006           | -            |
| Transferred from investment properties (Note 7) | -                | 80,057       |
| Closing balance                                 | <b>101,063</b>   | 80,057       |

## 9. Property, plant and equipment

|                                    | Buildings,<br>hotels and<br>golf<br>courses | Machinery,<br>plant<br>and<br>equipment | Furniture,<br>fixtures and<br>office<br>equipment | Motor<br>vehicles | Construction<br>in progress | Total    |
|------------------------------------|---|---|---|-------------------|-----------------------------|----------|
|                                    | USD'000                                     | USD'000                                 | USD'000   | USD'000           | USD'000                     | USD'000  |
| <b>Gross carrying amount</b>       |   |   |   |                   |                             |          |
| 1 July 2010                        | 104,278                                     | 23,990                                  | 2,390   | 1,672             | 44,826                      | 177,156  |
| Additions                          | 14,316                                      | 4,532                                   | 155   | 27                | (3,568)                     | 15,462   |
| Reclassifications <sup>(*)</sup>   | 43,901                                      | -                                       | 50  | (50)              | (9,370)                     | 34,531   |
| Disposals and written-off          | -   | (319)                                   | (7)   | (30)              | -                           | (356)    |
| Revaluation gains                  | 9,612                                       | -                                       | -   | -                 | -                           | 9,612    |
| Translation differences            | (1,041)                                     | (45)                                    | (77)  | (14)              | (294)                       | (1,471)  |
| 31 December 2010                   | 171,066                                     | 28,158                                  | 2,511   | 1,605             | 31,594                      | 234,934  |
| <b>Depreciation and impairment</b> |   |   |   |                   |                             |          |
| 1 July 2010                        | (30,984)                                    | (8,428)                                 | (706)   | (424)             | (25,045)                    | (65,587) |
| Charge for the period              | (2,603)                                     | (856)                                   | (253)   | (77)              | -                           | (3,789)  |
| Reclassifications                  | -   | -                                       | (14)  | 14                | -                           | -        |
| Disposals and written-off          | -   | 230                                     | 2   | 13                | -                           | 245      |
| Translation differences            | 3   | -                                       | 94  | 1                 | -                           | 98       |
| 31 December 2010                   | (33,584)                                    | (9,054)                                 | (877)   | (473)             | (25,045)                    | (69,033) |
| <b>Carrying value</b>              |   |   |   |                   |                             |          |
| 1 July 2010                        | 73,294                                      | 15,562                                  | 1,684   | 1,248             | 19,781                      | 111,569  |
| 31 December 2010                   | 137,482                                     | 19,104                                  | 1,634   | 1,132             | 6,549                       | 165,901  |

<sup>(\*)</sup> Included in the amount, USD34.5 million, which represents the fair value of the leasehold land at VinaCapital Danang Golf Course Limited are reclassified from prepayments for operating lease assets to property, plant and equipment.

Buildings which belong to East Ocean Real Estate and Tourism Joint Stock Company with a carrying value of USD36.3 million as at 31 December 2010 (30 June 2010: USD29.0 million) are pledged as security for bank borrowings as disclosed in Note 21.

Buildings, equipment and construction in progress, which belong to Roxy Vietnam Co. Ltd. with a carrying value of USD17.8 million as at 31 December 2010 (30 June 2010: USD16.0 million), are pledged as security for bank borrowings disclosed in Note 21.

Buildings, equipment and construction in progress, which belong to VinaCapital Danang Golf Course Limited with a carrying value of USD17.0 million as at 31 December 2010 (30 June 2010: USD13.9 million), are pledged as security for bank borrowings disclosed in Note 21.

For the comparative period:

|                                    | Buildings,<br>hotels and<br>golf<br>courses<br>USD'000 | Machinery,<br>plant and<br>equipment<br>USD'000 | Furniture,<br>fixtures and<br>office<br>equipment<br>USD'000 | Motor<br>vehicles<br>USD'000 | Construction<br>in progress<br>USD'000 | Total<br>USD'000 |
|------------------------------------|--|---|--|------------------------------|--|------------------|
| <b>Gross carrying amount</b>       |  |   |  |                              |  |                  |
| 1 July 2009                        | 70,743   | 14,866  | 2,016  | 892                          | 51,323                                 | 139,840          |
| Additions                          | 72   | 1,869   | 186  | 814                          | 34,602                                 | 37,543           |
| Reclassifications                  | 32,563   | 9,613   | 708  | 2                            | (42,886)                               | -                |
| Disposals and written-off          | (3)  | (2,356)   | (507)  | (23)                         | -                                      | (2,889)          |
| Revaluation gains                  | 903  | -   | -  | -                            | 4,356                                  | 5,259            |
| Translation differences            | -  | (2)   | (13)   | (13)                         | (2,569)                                | (2,597)          |
| <b>30 June 2010</b>                | <b>104,278</b>   | <b>23,990</b>                                   | <b>2,390</b>   | <b>1,672</b>                 | <b>44,826</b>                          | <b>177,156</b>   |
| <b>Depreciation and impairment</b> |  |   |  |                              |  |                  |
| 1 July 2009                        | (26,129)   | (8,709)   | (776)  | (273)                        | (25,045)                               | (60,932)         |
| Charge for the year                | (2,361)  | (1,746)   | (421)  | (153)                        | -                                      | (4,681)          |
| Disposals and written-off          | 29   | 2,027   | 486  | 2                            | -                                      | 2,544            |
| Asset impairments                  | (2,523)  | -   | -  | -                            | -                                      | (2,523)          |
| Translation differences            | -  | -   | 5  | -                            | -                                      | 5                |
| <b>30 June 2010</b>                | <b>(30,984)</b>  | <b>(8,428)</b>                                  | <b>(706)</b>   | <b>(424)</b>                 | <b>(25,045)</b>                        | <b>(65,587)</b>  |
| <b>Carrying value</b>              |  |   |  |                              |  |                  |
| 1 July 2009                        | 44,614   | 6,157   | 1,240  | 619                          | 26,278                                 | 78,908           |
| <b>30 June 2010</b>                | <b>73,294</b>  | <b>15,562</b>                                   | <b>1,684</b>   | <b>1,248</b>                 | <b>19,781</b>                          | <b>111,569</b>   |

## 10. Investments in associates

|   | 31 December 2010<br>USD'000 | 30 June 2010<br>USD'000 |
|---|-----------------------------|-------------------------|
| Opening balance (1 July 2010/1 July 2009) | 71,789                      | 104,764                 |
| Additions during the period/year          | -                           | 3,768                   |
| Transferred to subsidiary                 | -                           | (27,134)                |
| Disposals                                 | (166)                       | -                       |
| Share of profit/(loss) of associates      | 922                         | (9,609)                 |
| <b>Closing balance</b>                    | <b>72,545</b>               | <b>71,789</b>           |

Particulars of operating associates and their summarised financial information, extracted from their financial statements as at 31 December 2010 are as follows:

|   | Incorpor-<br>ation | Equity<br>interest<br>held<br>% | Principle<br>activity   | Assets<br>USD'000 | Liabilities<br>USD'000 | Revenue<br>USD'000 | (Loss)/<br>profit<br>USD'000 | Share of<br>(loss)/<br>profit to<br>the<br>Group<br>USD'000 |
|---|--------------------|---------------------------------|-------------------------|-------------------|------------------------|--------------------|------------------------------|---|
| Long An S.E.A Industrial<br>Park Development Co. Ltd. | Vietnam            | 9.38%                           | Property<br>development | 6,665             | 2,422                  | 91                 | (181)                        | (17)  |
| Aqua City Joint Stock<br>Company                      | Vietnam            | 50%                             | Property<br>development | 54,317            | 524                    | 21                 | 2,548                        | 1,274   |



|                                    |         |        |                      |               |              |              |              |            |
|------------------------------------|---------|--------|----------------------|---------------|--------------|--------------|--------------|------------|
| Thang Loi Land Joint Stock Company | Vietnam | 49%    | Property development | 11,887        | 754          | 109          | (51)         | (25)       |
| Romana Resort and Spa              | Vietnam | 50%    | Hospitality          | 4,928         | 2,229        | 803          | (374)        | (187)      |
| Savico-Vinaland Co. Ltd.           | Vietnam | 49.50% | Property development | 18,590        | 2,144        | 41           | (248)        | (123)      |
|                                    |         |        |                      | <b>96,387</b> | <b>8,073</b> | <b>1,065</b> | <b>1,694</b> | <b>922</b> |

## 11. Prepayments for acquisitions of investments

|   | 31 December 2010 | 30 June 2010  |
|---|------------------|---------------|
|   | USD'000          | USD'000       |
| Prepayments for acquisitions of investments                       | 59,083           | 61,648        |
| Transferred to investments in subsidiary                          | -                | (4,280)       |
| Allowance for loss on prepayments for acquisitions of investments | (5,160)          | (5,160)       |
|   | <b>53,923</b>    | <b>52,208</b> |

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

## 12. Deferred tax assets

|  | 31 December 2010 | 30 June 2010  |
|--|------------------|---------------|
|  | USD'000          | USD'000       |
| Opening balance (1 July 2010/1 July 2009)      | 18,268           | 5,024         |
| Net increase in the period/year <sup>(*)</sup> | 1,239            | 13,244        |
| Closing balance                                | <b>19,507</b>    | <b>18,268</b> |

(\*) The increase in the period arose from provision for tax losses on fair value adjustments of investment properties during the period.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences and the carry forward of unused tax losses and credits.

## 13. Trade and other receivables

|   | 31 December 2010 | 30 June 2010   |
|---|------------------|----------------|
|   | USD'000          | USD'000        |
| Trade receivables                                 | 1,592            | 566            |
| Loans to third parties <sup>(*)</sup>             | 32,967           | 31,467         |
| Advances to property vendors and contractors      | 7,876            | 9,665          |
| Receivable as compensation for property exchanged | 35,571           | 27,004         |
| Receivables from non-controlling shareholders     | 755              | 10,752         |
| Receivable from disposals of investments          | 25,733           | 18,227         |
| Interest receivables <sup>(**)</sup>              | 6,304            | 6,482          |
| Other receivables                                 | 12,705           | 9,978          |
| Other current assets                              | 62               | 47             |
|   | <b>123,565</b>   | <b>114,188</b> |
| Receivables allowance                             | (1,555)          | (1,551)        |
|   | <b>122,010</b>   | <b>112,637</b> |

(\*) This represents short-term loans to third parties, which are to be repaid in the next 12 months. The loans are unsecured, interest free or bear interest rates ranging from 7.5% to 15% per annum. Their carrying value is considered a reasonable approximation of their expected recovery.

(\*\*) Included in interest receivables is an amount of USD6.1 million relating to interest on a prior deposit at East Asia Commercial Joint Stock Bank as disclosed in Note 14.

All other trade and other receivables are short-term in nature and their carrying value is considered a reasonable approximation of their fair value at reporting date.

## 14. Short-term investments

|                      | 31 December 2010 | 30 June 2010  |
|----------------------|------------------|---------------|
|                      | USD'000          | USD'000       |
| Short-term deposits  | 4,995            | 10,466        |
| Bank secured deposit | -                | 4,749         |
|                      | <b>4,995</b>     | <b>15,215</b> |

In December 2010, the Group received VND158.5 billion from Dong A Bank as full and final settlement of outstanding amounts under the agreement and the subsequent guarantee waiver agreement signed with East Asia Commercial Joint Stock Bank on 03 December 2010. At the same time, the Group, Thai Think Corporation ("TTC") and the principal shareholder of TTC, signed a Repayment Agreement, and related collateral management agreements, to facilitate the recovery of the remaining outstanding interest on the deposit amount. Under the terms of the Repayment Agreement and related collateral management agreements, TTC and the principal shareholder of TTC shall repay the outstanding accrued interest of VND115.6 billion (equivalent to USD6.1 million) prior to 30 September 2011 in the form of cash and other assets at least equal to the carrying value of the outstanding accrued interest. Under the related collateral management agreements, the Group has arranged for certain assets of TTC and TTC's principal shareholder to be held as security until the outstanding accrued interest has been fully settled. Any outstanding amounts will be subject to 12% interest during the repayment period starting from 1 January 2010.

As short-term deposits have terms to maturity between three months and one year, their carrying value is considered a reasonable approximation of their fair value as at reporting date.

## 15. Financial assets at fair value through statement of income

|  | 31 December 2010 | 30 June 2010  |
|--|------------------|---------------|
|  | USD'000          | USD'000       |
| <b>Designated at fair value through Statement of Income:</b>                       |                  |               |
| <b>Financial assets in Vietnam</b>   |                  |               |
| - Trustee loans  | 2,785            | 16,690        |
| - Ordinary shares – unlisted   | 16,094           | 16,106        |
| <b>Total financial assets designated at fair value through Statement of Income</b> | <b>18,879</b>    | <b>32,796</b> |

These financial assets are denominated in the following currencies:

|                       | 31 December 2010 | 30 June 2010  |
|-----------------------|------------------|---------------|
|                       | USD'000          | USD'000       |
| United States Dollars | 2,785            | 16,690        |
| Vietnam Dong          | 16,094           | 16,106        |
|                       | <b>18,879</b>    | <b>32,796</b> |

## 16. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

|  | Note | 31 December 2010 | 30 June 2010  |
|--|------|------------------|---------------|
|  |      | USD'000          | USD'000       |
| <b>Financial assets</b>  |      |                  |               |
| <b>Financial assets held for trading (carried at fair value through Statement of Income)</b> |      |                  |               |
| - Trustee loans  | 15   | 2,785            | 16,690        |
| - Ordinary shares - unlisted   | 15   | 16,094           | 16,106        |
|  |      | <b>18,879</b>    | <b>32,796</b> |

### Loans and receivables

Non-current:

|                                    |    |                |         |
|------------------------------------|----|----------------|---------|
| - Other long-term financial assets |    | <b>6,089</b>   | 9,980   |
| Current:                           |    |                |         |
| - Trade and other receivables      | 13 | <b>122,010</b> | 112,637 |
| - Receivable from related parties  |    | <b>3,209</b>   | 4,389   |
| - Short-term investments           | 14 | <b>4,995</b>   | 15,215  |
| - Cash and cash equivalents        |    | <b>75,405</b>  | 79,979  |
|                                    |    | <b>211,708</b> | 222,200 |
|                                    |    | <b>230,587</b> | 254,996 |

|   |      |                         |              |
|---|------|-------------------------|--------------|
|   | Note | <b>31 December 2010</b> | 30 June 2010 |
|   |      | <b>USD'000</b>          | USD'000      |
| <b>Financial liabilities</b>                              |      |                         |              |
| <b>Financial liabilities measured at amortised cost:</b>  |      |                         |              |
| Non-current:  |      |                         |              |
| - Debts and borrowings                                    | 21   | <b>92,314</b>           | 69,792       |
| - Debts payable to non-controlling interests shareholders | 21   | <b>1,219</b>            | 1,203        |
| - Payable to related parties                              | 30   | <b>78,351</b>           | 76,856       |
| - Other liabilities                                       |      | <b>898</b>              | 879          |
|   |      | <b>172,782</b>          | 148,730      |
| Current:  |      |                         |              |
| - Debts and borrowings                                    | 21   | <b>25,349</b>           | 21,090       |
| - Trade and other payables                                | 23   | <b>137,156</b>          | 116,466      |
| - Payable to related parties                              | 30   | <b>25,536</b>           | 26,145       |
|   |      | <b>188,041</b>          | 163,701      |
|   |      | <b>360,823</b>          | 312,431      |

## 17. Assets and liabilities classified as held for sale

Summary of the assets/(liabilities) held for sale at the reporting date is as follows:

|  |   |  |   |  |  |
|--|---|--|---|--|--|
|  | <b>31 December 2010</b>                           |  |   |  |  |
|  | <b>Assets<br/>classified as<br/>held for sale</b> | <b>Liabilities<br/>classified as<br/>held for sale</b> | <b>Net assets<br/>classified as<br/>held for sale</b> | <b>Attributable to<br/>Non-controlling<br/>interests</b> | <b>Equity<br/>shareholders<br/>of the parent</b> |
|  | <b>USD'000</b>                                    | <b>USD'000</b>   | <b>USD'000</b>  | <b>USD'000</b>   | <b>USD'000</b>                                   |
| International Consultant<br>Company Limited <sup>(*)</sup> | 1,114   | -  | 1,114   | -  | 1,114  |
| VinaCapital Long Dien<br>Company Limited <sup>(*)</sup>    | 9,674   | (356)  | 9,318   | -  | 9,318  |
|  | <b>10,788</b>                                     | <b>(356)</b>   | <b>10,432</b>   | <b>-</b>   | <b>10,432</b>                                    |

In October 2010, the Group entered into agreements to dispose of its entire interests in International Consultant Company Limited and VinaCapital Long Dien Company Limited (Quoc Te Project), however, the ownerships of the interests will not pass to the Purchaser until after the date of approval of the consolidated condensed interim financial statements when all of the terms in the agreements are met. Consequently, the investments in these subsidiaries are classified as held for sale assets/(liabilities) at the reporting date and are valued at the lower of carrying value and fair value less costs to sell.

<sup>(\*)</sup> The amounts included investment properties of USD9.8 million which reclassified as assets held for sale (Note 7).

There were no assets and liabilities classified as available for sale as at 30 June 2010.

The net profits/(losses) for the period from International Consultant Company Limited and VinaCapital Long Dien Company Limited which are included in the Group's condensed interim consolidated statement of income can be summarised as follows:

**Six month period ended 31 December 2010**  
**International Consultant**      **VinaCapital Long Dien**  
**Company Limited**                      **Company Limited**  
**USD'000**                                      **USD'000**

|   |              |              |
|---|--------------|--------------|
| Sales of goods and rendering of services                  | -            | -            |
| Cost of goods sold and service rendered                   | -            | -            |
| <b>Gross profit</b>                                       | -            | -            |
| Net gain on fair value adjustments of investment property | -            | 3,256        |
| Selling, general and administration expenses              | (10)         | (45)         |
| Other income  | -            | -            |
| Other expense   | (184)        | -            |
| <b>Operating (loss)/profit</b>                            | <b>(194)</b> | <b>3,211</b> |
| Financial income  | -            | -            |
| Finance cost  | 31           | 7            |
| Finance income – net                                      | 31           | 7            |
| Share of losses of associates                             | 515          | -            |
| <b>Profit before tax</b>                                  | <b>352</b>   | <b>3,218</b> |
| Income tax  | -            | -            |
| <b>Net profit after tax for the period</b>                | <b>352</b>   | <b>3,218</b> |
| Attributable to equity shareholders of the parent         | 352          | 3,218        |
| Attributable to minority interests                        | -            | -            |
|   | <b>352</b>   | <b>3,218</b> |

## 18. Share capital

|                                 | 31 December 2010 |         | 30 June 2010     |         |
|---------------------------------|------------------|---------|------------------|---------|
|                                 | Number of shares | USD'000 | Number of shares | USD'000 |
| <b>Authorised:</b>              |                  |         |                  |         |
| Ordinary shares of USD0.01 each | 500,000,000      | 5,000   | 500,000,000      | 5,000   |
| <b>Issued and fully paid:</b>   |                  |         |                  |         |
| Opening balance                 | 499,967,622      | 4,999   | 499,967,622      | 4,999   |
| Closing balance                 | 499,967,622      | 4,999   | 499,967,622      | 4,999   |

## 19. Additional paid-in capital

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

|   | 31 December 2010 | 30 June 2010 |
|---|------------------|--------------|
|   | USD'000          | USD'000      |
| Opening balance (1 July 2010/1 July 2009) | 588,870          | 588,870      |
| Closing balance                           | 588,870          | 588,870      |

## 20. Revaluation reserve

|   | 31 December 2010 | 30 June 2010 |
|---|------------------|--------------|
|   | USD'000          | USD'000      |
| Opening balance (1 July 2010/1 July 2009)                           | 3,483            | 10,799       |
| Revaluation gains on buildings                                      | 9,531            | 1,826        |
| Share of revaluation gain attributable to non-controlling interests | (2,947)          | (1,387)      |
| Disposal of subsidiary  | -                | (7,755)      |
| Closing balance   | 10,067           | 3,483        |

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

## 21. Borrowings and debts

| 31 December 2010 | 30 June 2010 |
|------------------|--------------|
| USD'000          | USD'000      |

**Non-current financial liabilities carrying at amortised cost at the reporting date:**

|   |                |         |
|---|----------------|---------|
| Bank borrowings <sup>(*)</sup>                            | <b>102,035</b> | 79,204  |
| Debts borrowed from non-controlling interest shareholders | <b>1,219</b>   | 1,203   |
|   | <b>103,254</b> | 80,407  |
| Less:   |                |         |
| Current portion of long-term borrowings and debts         | <b>(9,721)</b> | (9,412) |
|   | <b>93,533</b>  | 70,995  |
| <b>Current</b>  |                |         |
| Bank borrowings <sup>(*)</sup>                            | <b>15,628</b>  | 11,678  |
| Current portion of long-term borrowings                   | <b>9,721</b>   | 9,412   |
|   | <b>25,349</b>  | 21,090  |
| Total borrowings and debts                                | <b>118,882</b> | 92,085  |

<sup>(\*)</sup> Details of the bank borrowings at the reporting date are as follows:

| Lenders  | USD'000        | Loan period       | Repayment term  | Interest   |
|--|----------------|-------------------|---|--|
| <b>Non-current</b>                             |                |                   |   |  |
| Eximbank – Ho Chi Minh City branch, Vietnam    | <b>39,454</b>  | Fifteen years     | Repayable in quarterly instalment payment. Fully repaid by 5 September 2024 | 12-month lender saving rate plus a 4% p.a margin for VND and 2% p.a margin for USD                         |
| SeAbank – Ho Chi Minh City branch, Vietnam     | <b>33,534</b>  | Five to six years | Repayable in 7-12 semi-annual amounts. Fully repaid by 10 May 2015          | 12-month lender saving rate plus a 2.5% p.a margin   |
| Dong A bank – Ho Chi Minh City branch, Vietnam | <b>16,264</b>  | Three years       | Repayable in 12 instalments. Fully repaid by 5 July 2015                    | At basic rate of State Bank of Vietnam   |
| BIDV – Ho Chi Minh City branch, Vietnam        | <b>5,973</b>   | Five years        | Repayable in 12 instalments. Fully repaid by 9 February 2015                | USD reference interest rate and 3% p.a for loan in USD and VND reference interest rate and fee loan in VND |
| SHB bank – Da Nang City branch, Vietnam        | <b>6,810</b>   | Three years       | Fully repaid by 15 September 2013   | 12-month lender saving rate plus 3.5% p.a margin for loan in VND and 2.5% p.a for loan in USD              |
|  | <b>102,035</b> |                   |   |  |
| <b>Current</b>                                 |                |                   |   |  |
| SHB Bank – Danang City branch, Vietnam         | <b>10,772</b>  | One year          | Fully repaid by August 2011   | 10.5% p.a for loan in VND and 4.0% p.a for loan in USD   |
| BIDV – Ho Chi Minh City branch, Vietnam        | <b>4,856</b>   | 10 months         | Fully repaid by 6 June 2011   | 13% p.a  |
|  | <b>15,628</b>  |                   |   |  |

For all borrowings, the lenders have security over the assets of the subsidiaries.

During the period, the Group's subsidiaries borrowed USD29.4 million from banks to finance working capital and property development activities.

## 22. Deferred tax liabilities

|   | 31 December 2010 | 30 June 2010 |
|---|------------------|--------------|
|   | USD'000          | USD'000      |
| Opening balance (1 July 2010/1 July 2009)   | <b>50,823</b>    | 19,367       |
| Net (decrease)/increase during the period/year from fair value adjustments of investment properties | <b>(2,071)</b>   | 31,476       |
| Reclassified to assets held for sales   | <b>(5)</b>       | -            |
| Decrease  | <b>-</b>         | (20)         |
| Closing balance   | <b>48,747</b>    | 50,823       |

Deferred tax liabilities are the amounts of income taxes for settlement in future periods in respect of temporary differences between the carrying amount of revalued assets and their tax base.

## 23. Trade and other payables

|  | 31 December 2010 | 30 June 2010   |
|--|------------------|----------------|
|  | USD'000          | USD'000        |
| Trade payables   | 14,938           | 12,987         |
| Payables for property acquisitions and land compensation | 32,363           | 41,873         |
| Payables to minority shareholders                        | 17,587           | 18,288         |
| Tax payable  | 862              | 12,346         |
| Payable to suppliers                                     | -                | 238            |
| Deposits from customers on residential projects          | 49,234           | 17,812         |
| Other accrued liabilities                                | 7,278            | 7,207          |
| Other payables   | 14,894           | 5,715          |
|  | <b>137,156</b>   | <b>116,466</b> |

All trade and other payables are short-term in nature. Their carrying values are considered a reasonable approximation of their fair values as at reporting date.

## 24. Cost of sales, operating, selling and administration expenses

|   | Six month period ended |                  |
|---|------------------------|------------------|
|   | 31 December 2010       | 31 December 2009 |
|   | USD'000                | USD'000          |
| Management fees (Note 30)               | 7,341                  | 6,624            |
| Professional fees                       | 6,435                  | 7,203            |
| Depreciation and amortisation (*)       | 3,826                  | 2,698            |
| General and administration expenses (*) | 4,363                  | 2,589            |
| Staff costs (*)                         | 4,354                  | 1,967            |
| Outside service costs (*)               | 3,584                  | 1,058            |
| Material costs (*)                      | 2,538                  | 4,255            |
|   | <b>32,441</b>          | <b>26,394</b>    |

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

## 25. Net gains on fair value adjustments of investment properties

|  | Six month period ended |                  |
|--|------------------------|------------------|
|  | 31 December 2010       | 31 December 2009 |
|  | USD'000                | USD'000          |
| <i>By real estate sector:</i>                                |                        |                  |
| - Commercial   | -                      | (1,268)          |
| - Undetermined use properties                                | 4,949                  | 3,608            |
| - Mixed use  | 15,143                 | 38,117           |
| - Office buildings   | 653                    | 229              |
| Net gains on fair value adjustments of investment properties | <b>20,745</b>          | <b>40,686</b>    |

## 26. Corporate income tax

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

The majority of the Group's subsidiaries are domiciled in the British Virgin Islands (BVI) and so have a tax exempt status. A number of subsidiaries are established in Vietnam and are subject to corporate income tax in Vietnam. A provision of USD147,000 has been made for corporate income tax payable by these Vietnamese subsidiaries for the period (period from 1 July 2009 to 31 December 2009: USD3,655,000).

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

|  | <b>Six month period ended</b> |                  |
|--|-------------------------------|------------------|
|  | <b>31 December 2010</b>       | 31 December 2009 |
|  | <b>USD'000</b>                | USD'000          |
| Group (loss)/profit before tax                         | <b>(2,371)</b>                | 23,765           |
| Group profits multiplied by applicable tax rate (0%)   | -                             | -                |
| Current income tax expenses on Vietnamese subsidiaries | <b>(147)</b>                  | (858)            |
| Deferred income tax income/(expense) <sup>(*)</sup>    | <b>3,803</b>                  | (3,655)          |
| <b>Tax income/(expense)</b>                            | <b>3,656</b>                  | <b>(4,513)</b>   |

(\*) This amount represents the net deferred income tax income/(expense) which arose from the gains/(losses) on fair value adjustments of investment properties and the reversal of deferred tax assets/liabilities as a result of change in assumptions during the period.

## 27. Earnings per share

### (a) Basic

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

|   | <b>Six month period ended</b> |                  |
|---|-------------------------------|------------------|
|   | <b>31 December 2010</b>       | 31 December 2010 |
| (Loss)/profit attributable to equity shareholders of the Company from continuing and total operations (USD'000) | <b>(4,390)</b>                | 6,935            |
| Weighted average number of ordinary shares in issue   | <b>499,967,622</b>            | 499,967,622      |
| <b>Basic (loss)/earnings per share from continuing and total operations (USD per share)</b>                     | <b>(0.01)</b>                 | 0.01             |

### (b) Diluted

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

### (c) Net asset value per share

Net asset value (NAV) per share is calculated by dividing the net asset value attributable to equity shareholders of the Company by the weighted average number of outstanding ordinary shares as at the reporting date. Net asset value is determined as total assets less total liabilities and non-controlling interests.

|  | <b>31 December 2010</b> | 30 June 2010 |
|--|-------------------------|--------------|
| Net asset value attributable to equity shareholders of the Company (USD'000) | <b>680,673</b>          | 681,644      |
| Weighted average number of ordinary shares in issue                          | <b>499,967,622</b>      | 499,967,622  |
| <b>Net asset value per share (USD/share)</b>                                 | <b>1.36</b>             | 1.36         |

## 28. Seasonality

The Group's management believes that the impact of seasonality on the condensed interim consolidated financial information is not material.

## 29. Commitments

As at 31 December 2010, the Group was committed under lease agreements to paying the following future amounts:

|                        | <b>31 December 2010</b> | 30 June 2010  |
|------------------------|-------------------------|---------------|
|                        | <b>USD'000</b>          | USD'000       |
| Within one year        | <b>948</b>              | 906           |
| From two to five years | <b>3,731</b>            | 3,440         |
| Over five years        | <b>11,865</b>           | 12,463        |
| <b>Total</b>           | <b>16,544</b>           | <b>16,809</b> |

As at 31 December 2010, the Group was also committed under construction agreements to pay USD14.5 million (30 June 2010: USD14.1 million) for future construction work of the Group's properties held by subsidiaries.

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

In addition, as at 31 December 2010, the Group has committed to pay to a local partner an amount of USD3,866,132 for the difference between the land use rights value and the contributed legal capital by the local partner into the subsidiary of the Group.

### 30. Significant related party transactions and balances

During the period, VinaCapital Vietnam Opportunity Fund Limited, a related party under common management, acquired 6,218,269 ordinary shares in the Company for USD5.0 million, bringing the total number of shares held by this related party to 36,216,326 ordinary shares, representing a 7.24% holding in the Company.

#### **Management fees**

The Group is managed by VinaCapital Investment Management Limited (the "Investment Manager"), an investment management company incorporated in the British Virgin Islands ("BVI"), under a management agreement dated 16 March 2006 (the "Management Agreement"). From 1 January 2011, the Group is managed by VinaCapital Investment Management Limited (the "CI Investment Manager"), a 100% owned subsidiary company of the BVI Investment Manager incorporated and registered as a licensed fund manager in the Cayman Islands ("CI"), under the novation agreement between the BVI Investment Manager and the CI Investment Manager. The Investment Manager receives a fee based on the net asset value of the Group, payable monthly in arrears, at an annual rate of 2% (31 December 2009: 2%).

Total management fees for the period amounted to USD7,340,9620 (31 December 2009: USD6,624,226), with USD2,300,219 (31 December 2009: USD2,011,697) in outstanding accrued fees due to the Investment Manager at the reporting date.

Details of payables to related parties at reporting date are as below:

|  | Relationship            | Transactions                             | 31 December 2010<br>USD'000 | 30 June 2010<br>USD'000 |
|--|-------------------------|--|-----------------------------|-------------------------|
| <b>Non-current</b>                           |                         |  |                             |                         |
| VinaCapital Investment Management Ltd.       | Investment Manager      | Management fees and performance fee      | 13,000                      | 13,000                  |
| VinaCapital Vietnam Opportunity Fund Limited | Under common management | Shareholder loans payable <sup>(*)</sup> | 65,351                      | 63,856                  |
|  |                         |  | <b>78,351</b>               | <b>76,856</b>           |

|  | Relationship                    | Transactions                      | 31 December 2010<br>USD'000 | 30 June 2010<br>USD'000 |
|--|---------------------------------|-----------------------------------|-----------------------------|-------------------------|
| <b>Current</b>                               |                                 |                                   |                             |                         |
| VinaCapital Vietnam Opportunity Fund Limited | Under common management         | Dividend from a subsidiary        | 613                         | 613                     |
| VinaSecurities Co. Ltd.                      | Affiliate of Investment Manager | Professional fee                  | 21                          | 55                      |
| VinaCapital Infrastructure Fund              | Under common management         | Receipt on behalf                 | 3,220                       | -                       |
| VinaCapital Investment Management Ltd.       | Investment Manager              | Management fees                   | 2,300                       | 981                     |
|  |                                 | Performance fees                  | 15,217                      | 20,218                  |
|  |                                 | Advances for real estate projects | 4,165                       | 4,278                   |
|  |                                 |                                   | <b>25,536</b>               | <b>26,145</b>           |



(\*) This represents shareholder loans granted by VinaCapital Vietnam Opportunity Fund Limited (VOF) to subsidiaries of the Group. VOF is a minority shareholder in these subsidiaries. The loans are to finance real estate projects which are co-invested with VOF. The amount of each loan is based on the respective ownership of VOF and the Group in each subsidiary. The loans are carried at amortised cost in the Condensed Interim Statement of Financial Position.

All current payables to related parties are short-term in nature. Their carrying value is considered a reasonable approximation of their fair value at reporting date.

### 31. Operating cash flows

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

|   | <b>31 December 2010</b> | 31 December 2009 |
|---|-------------------------|------------------|
|   | <b>USD'000</b>          | USD'000          |
| Depreciation and amortisation   | <b>3,826</b>            | 2,589            |
| Other net changes in fair value of financial assets at fair value through Statement of Income | -                       | (1,031)          |
| Gains on fair value adjustments of investment properties                                      | <b>(20,745)</b>         | (40,686)         |
| Gains from liquidations of investments and subsidiaries                                       | -                       | (7,592)          |
| Allowances for impairments of assets  | -                       | 6,933            |
| Negative goodwill   | -                       | (4,986)          |
| Losses from written-off account balances  | <b>56</b>               | 1,386            |
| Share of associates (gains)/losses  | <b>(922)</b>            | 7,729            |
| Losses on disposals of fixed assets   | <b>112</b>              | -                |
| Unrealised (gains)/losses on foreign exchange differences                                     | <b>(58)</b>             | 544              |
| Interest expense  | <b>4,701</b>            | 1,225            |
| Interest income   | <b>(2,268)</b>          | (2,800)          |
|   | <b>(15,298)</b>         | (36,689)         |

### 32. Subsequent events after the reporting date

Subsequent to the reporting date, in January 2011, the Group acquired 28.5% interest in Kotobuki Holding (HK) Ltd., a Hong Kong company which owns a majority stake in Hai Thanh Kotobuki Co., Ltd., the owner and operator of the Legend Hotel, a five-star hotel located in central Ho Chi Minh City, and an adjoining office building ("the Project") for USD16.5 million.