

28 March 2011

## VinaCapital Vietnam Opportunity Fund Limited

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

VinaCapital Vietnam Opportunity Fund Limited (the "Company" or "VOF") (VOF.L), an AIM-quoted investment vehicle focused on Vietnam, today announces its interim results for the six months ended 31 December 2010 ("the Period").

#### Financial highlights

- Net loss for the Period of USD18.7 million (HY09: USD99.86 million net profit).
- Net loss per share of USD0.06 for the Period (HY09: USD0.31 net profit).
- Cash and cash equivalents as at 31 December 2010 of USD47.9million.
- Net asset value at 31 December 2010 of USD772.8 million representing USD2.38 per share.

#### Operational highlights

- Listing of top ten holding Quoc Cuong Gia Lai on the Ho Chi Minh City Stock Exchange.
- Acquiring additional USD9.8 million stake in An Giang Plant Protection JSC.
- Acquiring stakes in Binh Dien Fertiliser and Thai Hoa Group (Arabica coffee producer).
- Continued income received from residential sales at township and resort projects in Danang and Ho Chi Minh City.

#### Commenting, Andy Ho, Managing Director of VOF's Investment Manager, said:

"The second half of 2010 was a difficult time for Vietnam, as domestic investors rushed to gold as a hedge against inflation and their concern over depreciation pressures on the Vietnam dong. The Vietnam Index by the end of 2010 was pushed into value territory of under 10x P/E, a 15-20 percent discount to the region and emerging market peers. As the government's stabilisation measures begin to take effect, we expect Vietnam to offer an excellent investment environment for both acquisitions and listing or trade sale exits."

#### 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 VinaCapital Vietnam Opportunity Fund Limited is available at [www.vinacapital.com/vof](http://www.vinacapital.com/vof)

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## **Chairman's Statement**

Dear Shareholders,

We are pleased to present the interim financial statements of VinaCapital Vietnam Opportunity Fund Limited (AIM: VOF) for the six month period ended 31 December 2010.

The second half of 2010 was a difficult time for Vietnam, as inflation rose in response to premature loosening of liquidity restraints and the currency came under renewed pressure due to balance of payments concerns. Although top-line GDP growth of 6.8 percent was positive, investor sentiment remained weak, as evidenced by a surge in the price of gold.

VOF's NAV at the end of December 2010 was USD773 million, or USD2.38 per share. This was a decline of 1.3 percent from the end of June 2010, when VOF had an NAV of USD783 million, or USD2.41 per share. The performance was due primarily to losses in the capital markets portfolio, following the Vietnam Index decline of 6.7 percent (in USD terms) over the period.

VOF's share price at the end of December 2010 was USD1.88, up 34.3 percent from USD1.40 at the end of June 2010. (VOF's share price has fallen in March 2011, a decline we believe is related to the impact of the Japan tsunami on capital markets, and the general pull back from emerging markets in Q1 2011.)

Over the period, VOF saw top ten holding Quoc Cuong Gia Lai (QCG) list on the Ho Chi Minh Stock Exchange. The fund invested a further USD9.4 million in An Giang Plant Protection to raise its stake in this sector-leading company to 17.4 percent, and acquired stakes in Binh Dien Fertiliser and Thai Hoa Group, Vietnam's leading coffee producer and top exporter of Arabica beans.

VOF continues to focus on private placements into unlisted companies. The agreement to sell the fund's stake in Halico to Diageo is evidence of the growing market for trade sales, and several other private equity disposals are under negotiation.

We remain conscious, however, that in the short run much will depend on how the government manages the economy. The State Bank in 2011 needs to control inflation, which reached 11.8 percent year-on-year in 2010, and restore faith in the VND. To achieve these goals, the government has taken several proactive steps, which include establishing 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.

A tight monetary and fiscal policy is now in place, with the credit growth target now under 20 percent, down from an earlier target of 23 percent. The balance of payments situation looks manageable, as development assistance, FDI and remittance flows in 2010 more than made up for the trade deficit, which was USD12 billion in 2010 and will reach an estimated USD14 billion in 2011.

The proactive policy decisions by the government appear to bode well for Vietnam's economic prospects this year, although the international environment and the full impact of the tragic events in Japan are unclear. The open market VND rate peaked shortly after the February devaluation, but has since come down to rest about 1.5-2 percent below the official rate. This indicates relative stability. If further signs of stability appear, the low valuations on Vietnam's equity markets will stand out as an investment opportunity.

The Board remains committed to distributing four percent of NAV yearly, and is currently considering the precise form and timing of such a distribution. We will update shareholders as soon as possible. As always, the Board welcomes shareholder feedback, and we hope to be in touch with many of you over the coming year.

Thank you for your continued support.

**William Vanderfelt**

Chairman

VinaCapital Vietnam Opportunity Fund Ltd

28 March 2011

## Condensed Interim Consolidated Statement of Financial Position

|   | Note | 31 December 2010<br>USD'000 | 30 June 2010<br>USD'000 |
|---|------|-----------------------------|-------------------------|
| <b>ASSETS</b>   |      |                             |                         |
| <b>Non-current</b>  |      |                             |                         |
| Investment properties   |      | 6,587                       | 6,700                   |
| Investments in associates   | 7    | 211,022                     | 194,688                 |
| Long-term loan receivables from related parties   |      | 48,047                      | 47,718                  |
| Other long-term investments   |      | 6,916                       | 6,916                   |
| Other long-term financial assets  |      | 10,156                      | 11,661                  |
| Other non-current assets  |      | 100                         | 104                     |
| <b>Non-current assets</b>   |      | <b>282,828</b>              | <b>267,787</b>          |
| <b>Current</b>  |      |                             |                         |
| Inventories   |      | 2,192                       | 2,437                   |
| Trade and other receivables   |      | 6,690                       | 6,045                   |
| Receivables from related parties  |      | 11,387                      | 11,564                  |
| Financial assets at fair value through Statement of Income                                    | 8    | 432,489                     | 455,526                 |
| Short-term investments  |      | 256                         | 428                     |
| Cash and cash equivalents   |      | 47,955                      | 50,033                  |
| <b>Current assets</b>   |      | <b>500,969</b>              | <b>526,033</b>          |
| <b>Total assets</b>   |      | <b>783,797</b>              | <b>793,820</b>          |
| <b>EQUITY AND LIABILITIES</b>   |      |                             |                         |
| <b>EQUITY</b>   |      |                             |                         |
| <b>Equity attributable to shareholders of the parent:</b>                                     |      |                             |                         |
| Share capital   | 10   | 3,246                       | 3,246                   |
| Additional paid-in capital  | 11   | 722,064                     | 722,064                 |
| Revaluation reserve   | 12   | 30,073                      | 21,193                  |
| Translation reserve   |      | (4,002)                     | (3,762)                 |
| Retained earnings   |      | 21,440                      | 39,760                  |
|   |      | 772,821                     | 782,501                 |
| <b>Non-controlling interests</b>  |      | <b>447</b>                  | <b>1,427</b>            |
| <b>Total equity</b>   |      | <b>773,268</b>              | <b>783,928</b>          |
| <b>LIABILITIES</b>  |      |                             |                         |
| <b>Non-current</b>  |      |                             |                         |
| Other long-term liabilities   |      | 155                         | 101                     |
| <b>Non-current liabilities</b>  |      | <b>155</b>                  | <b>101</b>              |
| <b>Current</b>  |      |                             |                         |
| Trade and other payables  |      | 4,668                       | 4,089                   |
| Payables to related parties   |      | 5,706                       | 5,702                   |
| <b>Current liabilities</b>  |      | <b>10,374</b>               | <b>9,791</b>            |
| <b>Total liabilities</b>  |      | <b>10,529</b>               | <b>9,892</b>            |
| <b>Total equity and liabilities</b>   |      | <b>783,797</b>              | <b>793,820</b>          |
| <b>Net assets per share attributable to equity shareholders of the parent (USD per share)</b> | 17   | <b>2.38</b>                 | <b>2.41</b>             |

## Condensed Interim Consolidated Statement of Changes in Equity

|   | Equity attributable to shareholders of the parent |                                  |                        |                        |                      |                                  |                |
|---|---|----------------------------------|------------------------|------------------------|----------------------|----------------------------------|----------------|
|   | Share<br>capital                                  | Additional<br>paid-in<br>capital | Revaluation<br>reserve | Translation<br>reserve | Retained<br>earnings | Non-<br>controlling<br>interests | Total equity   |
|   | USD'000   | USD'000                          | USD'000                | USD'000                | USD'000              | USD'000                          | USD'000        |
| <b>Balance at 1 July 2009</b>   | <b>3,246</b>                                      | <b>722,064</b>                   | <b>25,958</b>          | <b>(2,088)</b>         | <b>(67,268)</b>      | <b>13,676</b>                    | <b>695,588</b> |
| Disposal of associate   | -   | -                                | (2,403)                | -                      | 2,403                | -                                | -              |
| Disposal of assets and liabilities held for sale                                | -   | -                                | -                      | -                      | -                    | (7,978)                          | (7,978)        |
| Profit for the period from 1 July 2009 to 31 December 2009                      | -   | -                                | -                      | -                      | 99,253               | 602                              | 99,855         |
| Other comprehensive income  |   |                                  |                        |                        |                      |                                  |                |
| – Exchange differences on translation of foreign operations                     | -   | -                                | -                      | (1,019)                | -                    | (28)                             | (1,047)        |
| – Share of revaluation gains on associates' properties for the period           | -   | -                                | 169                    | -                      | -                    | -                                | 169            |
| Total other comprehensive income  | -   | -                                | 169                    | (1,019)                | -                    | (28)                             | (878)          |
| <b>Total comprehensive income</b>   | <b>-</b>  | <b>-</b>                         | <b>169</b>             | <b>(1,019)</b>         | <b>99,253</b>        | <b>574</b>                       | <b>98,977</b>  |
| <b>Balance at 31 December 2009</b>  | <b>3,246</b>                                      | <b>722,064</b>                   | <b>23,724</b>          | <b>(3,107)</b>         | <b>34,388</b>        | <b>6,272</b>                     | <b>786,587</b> |
| <b>Balance at 1 July 2010</b>   | <b>3,246</b>                                      | <b>722,064</b>                   | <b>21,193</b>          | <b>(3,762)</b>         | <b>39,760</b>        | <b>1,427</b>                     | <b>783,928</b> |
| Acquisition/(disposal) of non-controlling interests                             | -   | -                                | -                      | -                      | 441                  | (1,056)                          | (615)          |
| (Loss)/profit for the period from 1 July 2010 to 31 December 2010               | -   | -                                | -                      | -                      | (18,762)             | 106                              | (18,656)       |
| Other comprehensive income  |   |                                  |                        |                        |                      |                                  |                |
| - Exchange differences on translation of foreign operations                     | -   | -                                | -                      | (240)                  | -                    | (30)                             | (270)          |
| - Share of revaluation gains on associates' properties for the period (Note 12) | -   | -                                | 8,880                  | -                      | -                    | -                                | 8,880          |
| Total other comprehensive income  | -   | -                                | 8,880                  | (240)                  | -                    | (30)                             | 8,610          |
| Total comprehensive income  | -   | -                                | 8,880                  | (240)                  | (18,762)             | 76                               | (10,046)       |
| <b>Balance at 31 December 2010</b>  | <b>3,246</b>                                      | <b>722,064</b>                   | <b>30,073</b>          | <b>(4,002)</b>         | <b>21,439</b>        | <b>447</b>                       | <b>773,267</b> |

## Condensed Interim Consolidated Statement of Income

|   | Note | Six month period ended      |                             |
|---|------|-----------------------------|-----------------------------|
|   |      | 31 December 2010<br>USD'000 | 31 December 2009<br>USD'000 |
| Revenue   |      | 4,963                       | 6,281                       |
| Cost of sales   |      | (3,830)                     | (4,518)                     |
| <b>Gross profit</b>   |      | <b>1,133</b>                | <b>1,763</b>                |
| Selling, general and administration expenses  | 13   | (11,017)                    | (10,978)                    |
| Net changes in fair value of financial assets at fair value through Statement of Income | 14   | (22,402)                    | 97,612                      |
| Other income  |      | 984                         | 64                          |
| Other expenses  |      | (158)                       | (1,800)                     |
| <b>Operating (loss)/profit</b>  |      | <b>(31,460)</b>             | <b>86,661</b>               |
| Finance income  |      | 8,742                       | 7,236                       |
| Finance costs   |      | (1,558)                     | (1,149)                     |
| Finance income - net  | 15   | 7,184                       | 6,087                       |
| Share of profits of associates  | 7    | 5,714                       | 7,209                       |
|   |      | <b>12,898</b>               | <b>13,296</b>               |
| <b>(Loss)/profit before tax for the period from continuing and total operations</b>     |      | <b>(18,562)</b>             | <b>99,957</b>               |
| Withholding taxes imposed on investment income  | 16   | (94)                        | (102)                       |
| <b>Net (loss)/profit for the period from continuing and total operations</b>            |      | <b>(18,656)</b>             | <b>99,855</b>               |
| Attributable to equity shareholders of the parent                                       |      | (18,762)                    | 99,253                      |
| Attributable to non-controlling interests   |      | 106                         | 602                         |
|   |      | <b>(18,656)</b>             | <b>99,855</b>               |
| <b>(Loss)/earnings per share– basic and diluted (USD per share)</b>                     | 17   | <b>(0.06)</b>               | <b>0.31</b>                 |

## Condensed Interim Consolidated Statement of Comprehensive Income

|  | Note | 31 December 2010<br>USD'000 | 31 December 2009<br>USD'000 |
|--|------|-----------------------------|-----------------------------|
| <b>(Loss)/profit for the period</b>                      |      | <b>(18,656)</b>             | 99,855                      |
| <b>Other comprehensive income</b>                        |      |                             |                             |
| – Share of other comprehensive income of associates      | 12   | <b>8,880</b>                | 169                         |
| – Exchange differences on translating foreign operations |      | <b>(270)</b>                | (1,047)                     |
| <b>Other comprehensive income for the period</b>         |      | <b>8,610</b>                | (878)                       |
| <b>Total comprehensive income for the period</b>         |      | <b>(10,046)</b>             | 98,977                      |
| Attributable to equity shareholders of the parent        |      | <b>(10,122)</b>             | 98,403                      |
| Attributable to non-controlling interests                |      | <b>76</b>                   | 574                         |
|  |      | <b>(10,046)</b>             | 98,977                      |

## Condensed Interim Consolidated Statement of Cash Flows

|  | Six month period ended |                  |
|--|------------------------|------------------|
|  | 31 December 2010       | 31 December 2009 |
|  | USD'000                | USD'000          |
| <b>Operating activities</b>  |                        |                  |
| Net (loss)/profit before tax   | (18,562)               | 99,957           |
| Adjustments for:   |                        |                  |
| Depreciation and amortisation  | -                      | 242              |
| Unrealised net loss/(gain) from revaluations of financial assets at fair value through Statement of Income | 19,972                 | (71,540)         |
| Net losses/(gains) from realisation of financial assets at fair value through Statement of Income          | 2,430                  | (26,072)         |
| Impairment and write-off of assets   | 17                     | 1,794            |
| Gain on disposal of investments  | (428)                  | -                |
| Share of profits of associates   | (5,714)                | (7,209)          |
| Unrealised foreign exchange losses   | 324                    | 178              |
| Dividend income  | (6,772)                | (5,757)          |
| Interest income  | (1,403)                | (1,121)          |
| <b>Net loss before changes in working capital</b>  | <b>(10,136)</b>        | <b>(9,528)</b>   |
| Change in trade and other receivables  | 3,147                  | 1,102            |
| Change in inventories  | 245                    | (177)            |
| Change in trade and other payables   | 637                    | 2,087            |
| Withholding taxes imposed on investment income paid  | (94)                   | (102)            |
|  | <b>(6,201)</b>         | <b>(6,681)</b>   |
| <b>Investing activities</b>  |                        |                  |
| Interest received  | 845                    | 1,282            |
| Dividends received   | 8,272                  | 6,313            |
| Purchases of property, plant, equipment and investment properties  | -                      | (144)            |
| Acquisition of non-controlling interests   | (615)                  | -                |
| Purchases of financial assets  | (47,346)               | (72,947)         |
| Acquisitions of long-term investments  | -                      | (1,910)          |
| Investments in associates  | (3,417)                | (14,319)         |
| Proceeds from disposals of financial assets  | 46,694                 | 75,512           |
| Proceeds/(deposits) from short-term investments  | 172                    | (5,460)          |
| Proceeds from shareholder loans refunded   | 609                    | 4,579            |
| Proceeds from disposals of investments   | -                      | 12,751           |
| Shareholder loans provided   | (1,063)                | (5,458)          |
|  | <b>4,154</b>           | <b>199</b>       |
| <b>Net decrease in cash and cash equivalents for the period</b>  | <b>(2,050)</b>         | <b>(6,419)</b>   |
| Cash and cash equivalents at the beginning of the period   | 50,033                 | 69,691           |
| Exchange differences on cash and cash equivalents  | (28)                   | (53)             |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>47,955</b>          | <b>63,219</b>    |



## **Notes to the Condensed Interim Consolidated Financial Statements**

### **1. General information**

VinaCapital Vietnam Opportunity Fund Limited (“the Company”) is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is PO Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company’s primary objective is to undertake various forms of investment primarily in Vietnam, but also in Cambodia, Laos and Southern China. The Company is listed on the AIM market of the London Stock Exchange under the ticker symbol VOF.

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 28 March 2011.

### **2. Basis of preparation of condensed interim consolidated financial statements**

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 revenue, cost of sales and a large proportion of expenses in the condensed interim consolidated statement of income results from the Group’s operating subsidiaries.

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 interim consolidated financial statements (the 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 condensed interim consolidated financial statements, the Group undertakes a number of judgements, estimates and assumptions about the 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 and hotels***

The investment properties and hotels of the Group are stated at fair value in accordance with accounting policies 3.11 of the annual consolidated financial statements. The fair values of investment properties and hotels 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 Valuation Committee 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 change 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.

#### ***Fair value of financial assets***

Listed securities are quoted at the bid price at each reporting date. For unlisted securities which are traded in an active market, the fair value is the average quoted bid price obtained from a minimum sample of three reputable securities companies at the reporting date.

The fair value of financial assets that are not traded in an active market (for example, unlisted securities where market prices are not readily available) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. Independent valuations are also obtained from appropriately qualified independent valuation firms to evaluate and adjust valuations. The outcomes may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### ***Impairment***

##### ***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 accounting policy 3.14 of the annual consolidated financial statements.

##### ***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.

##### ***Impairment of investment properties and hotels***

Whenever there is an indication of impairment of an investment property and/ or a hotel, the Valuation Committee and Group's 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 as mentioned above.

## **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 capital markets, real estate (real estate and hospitality), private equity and cash (including cash and cash equivalents, bonds, and term deposits) sectors.

Each of the operating segments are managed and monitored individually 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 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 |         |         |         |                 |
|---|---|---------|---------|---------|-----------------|
|   | Capital                                 | Real    | Private | Cash    | Total           |
|   | markets                                 | estate  | equity  |         |                 |
|   | USD'000                                 | USD'000 | USD'000 | USD'000 | USD'000         |
| Revenue   | -                                       | -       | 4,963   | -       | 4,963           |
| Finance income  | 8,290                                   | 166     | -       | 286     | 8,742           |
| Share of profits of associates  | -                                       | 3,619   | 2,095   | -       | 5,714           |
| Other income  | 8                                       | 905     | 71      | -       | 984             |
| Net changes in fair value of financial assets at fair value through Statement of Income |   |         |         |         |                 |
| – Listed and unlisted securities  | (22,766)                                | -       | -       | -       | (22,766)        |
| – Corporate bonds   | 364                                     | -       | -       | -       | 364             |
|   | (14,104)                                | 4,690   | 7,129   | 286     | (1,999)         |
| Cost of sales   |   |         |         |         | (3,830)         |
| Selling, general and administration expenses  |   |         |         |         | (11,017)        |
| Other expenses  |   |         |         |         | (158)           |
| Finance costs   |   |         |         |         | (1,558)         |
| <b>Loss before tax</b>  |   |         |         |         | <b>(18,562)</b> |
| Withholding taxes imposed on investment income  |   |         |         |         | (94)            |
| <b>Net loss for the period</b>  |   |         |         |         | <b>(18,656)</b> |

In comparison with the comparative period last year:

|   | Six month period ended 31 December 2009 |         |         |         |               |
|---|---|---------|---------|---------|---------------|
|   | Capital                                 | Real    | Private | Cash    | Total         |
|   | markets                                 | estate  | equity  |         |               |
|   | USD'000                                 | USD'000 | USD'000 | USD'000 | USD'000       |
| Revenue   | -                                       | -       | 6,281   | -       | 6,281         |
| Finance income  | 6,914                                   | -       | 66      | 256     | 7,236         |
| Share of profits of associates  | -                                       | 5,847   | 1,362   | -       | 7,209         |
| Other income  | 60                                      | -       | 4       | -       | 64            |
| Net changes in fair value of financial assets at fair value through Statement of Income |   |         |         |         |               |
| – Listed and unlisted securities  | 97,015                                  | -       | -       | -       | 97,015        |
| – Corporate bonds   | 597                                     | -       | -       | -       | 597           |
|   | 104,586                                 | 5,847   | 7,713   | 256     | 118,402       |
| Cost of sales   |   |         |         |         | (4,518)       |
| Selling, general and administration expenses  |   |         |         |         | (10,978)      |
| Other expenses  |   |         |         |         | (1,800)       |
| Finance costs   |   |         |         |         | (1,149)       |
| Profit before tax   |   |         |         |         | 99,957        |
| Withholding taxes imposed on investment income  |   |         |         |         | (102)         |
| <b>Net profit for the period</b>  |   |         |         |         | <b>99,855</b> |

## Condensed Interim Consolidated Statement of Financial Position

|   | As at 31 December 2010 |                |                   |  |                |
|---|------------------------|----------------|-------------------|--|----------------|
|   | Capital<br>markets     | Real estate    | Private<br>equity | Cash,<br>corporate<br>bonds and<br>short-term<br>investments | Total          |
|   | USD'000                | USD'000        | USD'000           | USD'000  | USD'000        |
| <b>Total assets</b>   |                        |                |                   |  |                |
| Financial assets at fair value through<br>Statement of Income |                        |                |                   |  |                |
| – Consumer staples  | 89,354                 | -              | -                 | -  | 89,354         |
| – Construction  | 69,377                 | -              | -                 | -  | 69,377         |
| – Financial services  | 68,471                 | -              | -                 | -  | 68,471         |
| – Rubber and fertiliser                                       | 29,211                 | -              | -                 | -  | 29,211         |
| – Energy, minerals and petroleum                              | 31,327                 | -              | -                 | -  | 31,327         |
| – Pharmaceuticals   | 8,392                  | -              | -                 | -  | 8,392          |
| – Real estate   | 26,051                 | -              | -                 | -  | 26,051         |
| – Other securities  | 98,351                 | -              | -                 | -  | 98,351         |
| – Corporate bonds   | -                      | -              | -                 | 11,955   | 11,955         |
| Investment properties   | -                      | 6,587          | -                 | -  | 6,587          |
| Investments in associates                                     | -                      | 184,729        | 26,293            | -  | 211,022        |
| Long-term loan receivables from related<br>parties            | -                      | 48,047         | -                 | -  | 48,047         |
| Other long-term financial assets                              | -                      | 8,986          | 1,170             | -  | 10,156         |
| Other long-term investments                                   | -                      | -              | 6,916             | -  | 6,916          |
| Other long-term assets  | -                      | -              | 100               | -  | 100            |
| Cash and cash equivalents                                     | -                      | -              | -                 | 47,955   | 47,955         |
| Short-term investments  | -                      | -              | -                 | 256  | 256            |
| Inventories   | -                      | -              | 2,192             | -  | 2,192          |
| Other current assets  | 4,817                  | 11,785         | 1,475             | -  | 18,077         |
| <b>Total</b>  | <b>425,351</b>         | <b>260,134</b> | <b>38,146</b>     | <b>60,166</b>  | <b>783,797</b> |

In comparison with the last period end:

|   | As at 30 June 2010 |                |                   |  |         |
|---|--------------------|----------------|-------------------|--|---------|
|   | Capital<br>markets | Real<br>estate | Private<br>equity | Cash,<br>corporate<br>bonds and<br>short-term<br>investments | Total   |
|   | USD'000            | USD'000        | USD'000           | USD'000  | USD'000 |
| <b>Total assets</b>   |                    |                |                   |  |         |
| Financial assets at fair value through<br>Statement of Income |                    |                |                   |  |         |
| – Consumer staples  | 101,608            | -              | -                 | -  | 101,608 |
| – Construction  | 70,471             | -              | -                 | -  | 70,471  |
| – Financial services  | 68,626             | -              | -                 | -  | 68,626  |

|   |                |                |               |               |                |
|---|----------------|----------------|---------------|---------------|----------------|
| – Rubber and fertiliser                         | 27,655         | -              | -             | -             | 27,655         |
| – Energy, minerals and petroleum                | 34,853         | -              | -             | -             | 34,853         |
| – Pharmaceuticals                               | 9,454          | -              | -             | -             | 9,454          |
| – Real estate                                   | 100,199        | -              | -             | -             | 100,199        |
| – Other securities                              | 36,784         | -              | -             | -             | 36,784         |
| – Corporate bonds                               | -              | -              | -             | 5,876         | 5,876          |
| Investment properties                           | -              | 6,700          | -             | -             | 6,700          |
| Investments in associates                       | -              | 170,415        | 24,273        | -             | 194,688        |
| Long-term loan receivables from related parties | -              | 47,718         | -             | -             | 47,718         |
| Other long-term financial assets                | -              | 11,661         | -             | -             | 11,661         |
| Other long-term investments                     | -              | 3,216          | 3,700         | -             | 6,916          |
| Other long-term assets                          | -              | 2              | 102           | -             | 104            |
| Cash and cash equivalents                       | -              | -              | -             | 50,033        | 50,033         |
| Short-term investments                          | -              | -              | -             | 428           | 428            |
| Inventories                                     | -              | -              | 2,437         | -             | 2,437          |
| Other current assets                            | 2,342          | 11,968         | 3,299         | -             | 17,609         |
| <b>Total</b>                                    | <b>451,992</b> | <b>251,680</b> | <b>33,811</b> | <b>56,337</b> | <b>793,820</b> |

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

|                 | Six month period ended 31 December 2010 |                    | Six month period 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         | (16,568)                                | 13,603             | 107,703                                 | 18,623             |
| Other countries | 7,871                                   | -                  | 3,426                                   | -                  |
| <b>Total</b>    | <b>(8,697)</b>                          | <b>13,603</b>      | <b>111,129</b>                          | <b>18,623</b>      |

Revenues and investment income includes revenue, financial income, net gain or loss on fair value adjustments of investment properties and financial assets at fair value through Statement of Income, 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 subsidiary

### **Additional acquisition of American Home Limited**

At 30 June 2010 the Group held 75% equity interest of American Home Limited, a subsidiary incorporated in Vietnam. The principal activity of this company is to manufacture and sell building materials. In December 2010, the Group acquired a further 25% equity interest for USD0.6 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 USD0.4 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.

#### **Particulars of principal subsidiaries of the Group as of 31 December 2010:**

| Name                             | Place of incorporation /operations | Contributed share capital (USD) | Percentage interest held by the Group | Principal activities |
|----------------------------------|------------------------------------|---------------------------------|---------------------------------------|----------------------|
| Asia Value Investment Ltd.       | BVI                                | 4,730,000                       | 100%                                  | Investment           |
| Vietnam Enterprise Ltd.          | BVI                                | 61,460,000                      | 100%                                  | Investment           |
| Vietnam Investment Property Ltd. | BVI                                | 8,750,000                       | 100%                                  | Investment           |

|   |           |             |      |                    |
|---|-----------|-------------|------|--------------------|
| Vietnam Investment Property Holdings Ltd. | BVI       | 12,600,000  | 100% | Investment         |
| Vietnam Investment Ltd.                   | BVI       | 19,320,000  | 100% | Investment         |
| Vietnam Ventures Ltd.                     | BVI       | 7,100,000   | 100% | Investment         |
| VOF Investment Ltd.                       | BVI       | 643,700,000 | 100% | Investment         |
| Vina QSR Limited                          | BVI       | 1,610,000   | 100% | Investment         |
| Indochina Building Supplies Pte Ltd.      | Singapore | 3,384,000   | 100% | Building materials |
| American Home Limited                     | Vietnam   | 23,400,000  | 100% | Building materials |
| Indotel Limited                           | Singapore | 17,734,008  | 100% | Hospitality        |
| BI VI Investments Corporation             | Vietnam   | 2,549,646   | 100% | Investment         |
| Pegasus Leisure Limited                   | BVI       | 2,475,000   | 100% | Property           |
| Saigon Water Park Co. Ltd.                | Vietnam   | 3,536,000   | 100% | Property           |
| PA Investment Opportunity II Limited      | BVI       | 17,721,862  | 100% | Investment         |
| VOF PE Holding 1 Limited                  | BVI       | 360,075     | 50%  | Investment         |
| VOF PE Holding 2 Limited                  | BVI       | 10,100,000  | 100% | Investment         |
| VOF PE Holding 5 Limited                  | BVI       | 6,500,000   | 100% | Investment         |
| DTL Education Holding Ltd.                | BVI       | 15,000,000  | 100% | Investment         |
| Vinasugar Holding Ltd.                    | BVI       | -           | 100% | Investment         |
| Vietnam Master Holding 2 Ltd .            | BVI       | -           | 100% | Investment         |
| Allright Assets Ltd.                      | BVI       | -           | 100% | Investment         |
| VinaLand Heritage Ltd.                    | BVI       | -           | 100% | Investment         |

## 7. Investments in associates

|  | 31 December 2010 | 30 June 2010   |
|--|------------------|----------------|
|  | USD'000          | USD'000        |
| Opening balance (1 July 2010/1 July 2009)                        | 194,688          | 148,435        |
| Additions <sup>(*)</sup>   | 3,417            | 17,650         |
| Share of profits of associates                                   | 5,714            | 15,267         |
| Share of associates' changes in revaluation reserves (Note 12)   | 8,880            | (2,362)        |
| Transferred from other long-term financial assets                | -                | 3,000          |
| Transferred from long-term loan receivables from related parties | -                | 16,330         |
| Transferred from receivables from related parties                | -                | 975            |
| Dividends received   | (1,500)          | (1,534)        |
| Disposals  | (35)             | (2,543)        |
| Written-off  | -                | (312)          |
| Translation differences  | (143)            | (218)          |
| <b>Closing balance</b>   | <b>211,022</b>   | <b>194,688</b> |

<sup>(\*)</sup> This amount includes USD2.9 million paid for Prosper Big Ltd. (Century 21<sup>st</sup> Project) and USD0.5 million for Saigon Golf JSC. There was no change in the Group's controlling interest in respect to these investments.

Particulars of significant operating associates and their summarised financial information, extracted from their statutory audited/reviewed and/or management accounts as at 31 December 2010 are as follows:

|                               | Direct &<br>Indirect<br>equity<br>interest held | Principal<br>activities | Assets | Liabilities | Income | Net<br>profit/<br>(loss) |
|-------------------------------|---|-------------------------|--------|-------------|--------|--------------------------|
| Incorpor<br>ation<br>operator |   |                         |        |             |        |                          |

|                             |         | %     |             | USD'000 | USD'000 | USD'000 | USD'000      |
|-----------------------------|---------|-------|-------------|---------|---------|---------|--------------|
| SEM Thong Nhat Hotel        |         |       |             |         |         |         |              |
| Metropole                   | Vietnam | 50    | Hospitality | 48,074  | 14,832  | 16,342  | <b>2,652</b> |
| Thang Loi Textile & Garment |         |       | Textile &   |         |         |         |              |
| JSC                         | Vietnam | 49    | Garment     | 10,711  | 7,585   | 1,285   | <b>1,003</b> |
| Hung Vuong Corporation      | Vietnam | 40.91 | Property    | 40,719  | 24,453  | 8,241   | <b>1,513</b> |
| Pho Viet Joint Stock Co     | Vietnam | 32.5  | Food &      |         |         |         |              |
|                             |         |       | Beverage    | 3,462   | 2,241   | 2,985   | <b>(223)</b> |
| Phong Phu Investment        |         |       |             |         |         |         |              |
| Development Ltd             | Vietnam | 30    | Investment  | 34,705  | 24,695  | 131     | <b>47</b>    |
| Hoan My Medical Corporation |         |       |             |         |         |         |              |
| JSC                         | Vietnam | 28.8  | Medical     | 43,437  | 17,642  | 15,336  | <b>3,838</b> |

## 8. 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>                                      |                  |              |
| Ordinary shares – listed  | <b>286,898</b>   | 298,675      |
| Ordinary shares – unlisted  | <b>85,240</b>    | 115,422      |
| Corporate bonds <sup>(*)</sup>  | <b>11,955</b>    | 5,876        |
| <b>Financial assets in countries other than Vietnam:</b>                |                  |              |
| Ordinary shares – listed  | <b>48,396</b>    | 35,553       |
| <b>Total financial assets at fair value through Statement of Income</b> | <b>432,489</b>   | 455,526      |

<sup>(\*)</sup> Corporate bonds include USD2 million of bonds with a fixed interest rate of 9.6% and maturing in 2012 and USD8.8 million of convertible bonds.

During the period, the Group purchased 6,218,269 ordinary shares of VinaLand Limited for USD4,974,451 bringing the Group's total shareholding to 36,216,326 shares. As a result, the Group had a 7.24% interest in VinaLand Limited as at 31 December 2010.

The financial assets are denominated in the following currencies:

|                  | 31 December 2010 | 30 June 2010 |
|------------------|------------------|--------------|
|                  | USD'000          | USD'000      |
| Vietnamese Dong  | <b>384,093</b>   | 419,973      |
| Other currencies | <b>48,396</b>    | 35,553       |
|                  | <b>432,489</b>   | 455,526      |

## 9. Categories of financial assets and financial liabilities

|   | Note | 31 December 2010 | 30 June 2010 |
|---|------|------------------|--------------|
|   |      | USD'000          | USD'000      |
| <b>Financial assets</b>   |      |                  |              |
| Financial assets held for trading (carried at fair value through Statement of Income) |      |                  |              |
| - Ordinary shares – listed and unlisted   | 8    | <b>420,534</b>   | 449,650      |
| - Corporate bonds   | 8    | <b>11,955</b>    | 5,876        |
|   |      | <b>432,489</b>   | 455,526      |

|                                   |         |         |
|-----------------------------------|---------|---------|
| Loans and receivables             |         |         |
| - Trade and other receivables     | 6,690   | 6,045   |
| - Receivable from related parties | 59,434  | 59,282  |
| - Other long-term receivables     | 10,156  | 11,661  |
| - Short-term investments          | 256     | 428     |
| - Cash and cash equivalents       | 47,955  | 50,033  |
|                                   | 124,491 | 127,449 |
|                                   | 556,980 | 582,975 |

#### Financial liabilities

Financial liabilities measured at amortised cost:

Non-current:

- Other payables - -

Current:

- Trade and other payables 10,374 9,791

10,374 9,791

## 10. 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                 | 324,610,259      | 3,246   | 324,610,259      | 3,246   |
| Closing balance                 | 324,610,259      | 3,246   | 324,610,259      | 3,246   |

## 11. 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 | 722,064          | 722,064      |
| Closing balance | 722,064          | 722,064      |

## 12. Revaluation reserve

|  | 31 December 2010 | 30 June 2010 |
|--|------------------|--------------|
|  | USD'000          | USD'000      |
| Opening balance (1 July 2010/1 July 2009)                                | 21,193           | 25,958       |
| Share of associates' changes in revaluation reserve for the period/ year | 8,880            | (2,362)      |
| Disposal of investment   | -                | (2,403)      |
| Closing balance  | 30,073           | 21,193       |

The Group's share of associates' changes in revaluation reserve resulting from the revaluation of associates' properties have been recorded directly in the Group's revaluation reserve under shareholders' equity.

## 13. Selling, general and administration expenses

Six month period ended



|  | 31 December 2010 | 31 December 2009 |
|--|------------------|------------------|
|  | USD'000          | USD'000          |
| Management fees (Note 19)                                  | 7,409            | 7,938            |
| Professional fees  | 1,591            | 1,507            |
| Selling and general administration expenses <sup>(*)</sup> | 2,017            | 1,533            |
|  | <b>11,017</b>    | <b>10,978</b>    |

(\*) The majority of these expenses relate to operating expenses incurred by subsidiaries of the Group.

#### 14. Net changes in fair value of financial assets at fair value through Statement of Income

|  | Six month period ended |                  |
|--|------------------------|------------------|
|  | 31 December 2010       | 31 December 2009 |
|  | USD'000                | USD'000          |
| (Losses)/gains from realisation of financial assets, net | (2,430)                | 26,072           |
| Unrealised (losses)/gains on market value differences    | (11,240)               | 82,385           |
| Unrealised losses from foreign exchange differences      | (8,732)                | (10,845)         |
|  | <b>(22,402)</b>        | <b>97,612</b>    |

#### 15. Finance income and costs

|   | Six month period ended |                  |
|---|------------------------|------------------|
|   | 31 December 2010       | 31 December 2009 |
|   | USD'000                | USD'000          |
| Interest income                                     | 1,403                  | 1,121            |
| Dividend income                                     | 6,772                  | 5,757            |
| Realised gains from foreign exchange differences    | 567                    | 358              |
| <b>Finance income</b>                               | <b>8,742</b>           | <b>7,236</b>     |
| Realised losses from foreign exchange differences   | (1,234)                | (971)            |
| Unrealised losses from foreign exchange differences | (324)                  | (178)            |
| <b>Finance costs</b>                                | <b>(1,558)</b>         | <b>(1,149)</b>   |
| Net finance income                                  | <b>7,184</b>           | <b>6,087</b>     |

#### 16. Corporate income tax

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

The majority of the Group's subsidiaries are domiciled in the British Virgin Islands (BVI) and so have a tax exempt status. Some of the subsidiaries are established in Singapore and have offshore operations in Vietnam. The income from these offshore operations is also tax exempt in Singapore.

A small number of subsidiaries are established in Vietnam and are subject to corporate income tax in Vietnam. However no provision for corporate income tax has been made (2009: nil) for these Vietnamese subsidiaries because all of these Vietnamese subsidiaries are in a position where there are no corporate income taxes payable because they either have incurred losses, or have unutilised tax holidays, or have sufficient carry-forward tax losses to offset any taxable income.

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

|  | Six month period ended |                  |
|--|------------------------|------------------|
|  | 31 December 2010       | 31 December 2010 |
|  | USD'000                | USD'000          |
| Group (loss)/profit before tax                             | (18,762)               | 99,957           |
| Group (loss)/profit multiplied by applicable tax rate (0%) | -                      | -                |
| Withholding taxes imposed on investment income             | (94)                   | (102)            |
| Income tax on Vietnamese subsidiaries                      | -                      | -                |
| Tax expenses   | (94)                   | (102)            |

## 17. Earnings per share

### (a) Basic

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

|   | Six month period ended |                  |
|---|------------------------|------------------|
|   | 31 December 2010       | 31 December 2009 |
| (Loss)/profit attributable to equity shareholders of the Company from continuing and total operations (USD'000) | (18,762)               | 99,253           |
| Weighted average number of ordinary shares in issue   | 324,610,259            | 324,610,259      |
| Basic earnings/(loss) per share from continuing and total operations (USD per share)                            | (0.06)                 | 0.31             |

### (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 potentially dilutive ordinary shares. Therefore, diluted earnings per share is 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 ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares in issue as at the reporting date. Net asset value is determined as total assets less total liabilities and non-controlling interests.

|  | As at 31 December 2010 | As at 30 June 2010 |
|--|------------------------|--------------------|
| Net asset value attributable to equity shareholders of the Company (USD'000) | 772,820                | 782,501            |
| Weighted average number of ordinary shares in issue                          | 324,610,259            | 324,610,259        |
| Net asset value per share (USD/share)  | 2.38                   | 2.41               |

## 18. Seasonality

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

## 19. Significant related party transactions

### ***Disposal of investment in VinaCapital Hoi An Resort Limited (Hoi An Resort Project)***

In Oct 2010, the Group sold 25% interest in Hoi An Development Ltd. to VinaLand Limited, a related party under common management, for USD1.9 million resulting in a gain from disposal amounting to

USD427,638 in the period. The cost of this investment was recorded under Other long-term financial assets.

### **Management fees**

During the period, the Group was managed by VinaCapital Investment Management Limited (the "BVI Investment Manager"), an investment management company incorporated in the British Virgin Islands ("BVI"), under a management agreement dated 24 September 2003 (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 Managers receive 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 USD7,409,430 (31 December 2009: USD7,937,935), with USD2,652,866 (31 December 2009: USD1,335,576) in outstanding accrued fees due to the Investment Manager at the reporting date.

## **20. Commitments**

The Group has a broad range of commitments under investment licences it has received for the real estate projects jointly invested with VinaLand Limited, a related party under common management, and other agreements it has entered into, to acquire and develop, or make additional investments in investment properties and leasehold land in Vietnam. Further investments in any of these arrangements are at the Group's discretion.

## **21. Fair value hierarchy**

The following table presents financial assets and liabilities measured at fair value in the Condensed Interim Consolidated Statement of Financial Position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

| <b>31 December 2010</b>                  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|--|----------------|----------------|----------------|----------------|
|  | <b>USD'000</b> | <b>USD'000</b> | <b>USD'000</b> | <b>USD'000</b> |
| <b>Assets</b>                            |                |                |                |                |
| Financial assets at fair value through   |                |                |                |                |
| Statement of Income                      |                |                |                |                |
| Financial assets in Vietnam              |                |                |                |                |
| - Ordinary share - listed                | 286,898        | -              | -              | <b>286,898</b> |
| - Ordinary share - unlisted              | -              | 85,240         | -              | <b>85,240</b>  |
| - Corporate bonds                        | -              | 11,955         | -              | <b>11,955</b>  |
| Financial assets in countries other than |                |                |                |                |
| Vietnam                                  | 48,396         | -              | -              | <b>48,396</b>  |

|                             |                |                |                |                |
|-----------------------------|----------------|----------------|----------------|----------------|
| Investment in properties    | -              |                | 6,587          | <b>6,587</b>   |
| Investments in associates   | -              |                | 211,022        | <b>211,022</b> |
| Other long-term investments | -              | 3,700          | 3,216          | <b>6,916</b>   |
|                             | <b>335,294</b> | <b>100,895</b> | <b>220,825</b> | <b>657,507</b> |
| <b>Liabilities</b>          | -              | -              | -              | -              |
| <b>Net fair value</b>       | <b>335,294</b> | <b>100,895</b> | <b>220,825</b> | <b>657,507</b> |

In comparison with the last period end:

| <b>30 June 2010</b>                      | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|--|----------------|----------------|----------------|----------------|
|  | <b>USD'000</b> | <b>USD'000</b> | <b>USD'000</b> | <b>USD'000</b> |
| <b>Assets</b>                            |                |                |                |                |
| Financial assets at fair value through   |                |                |                |                |
| Statement of Income                      |                |                |                |                |
| Financial assets in Vietnam              |                |                |                |                |
| - Ordinary share - listed                | 298,675        | -              | -              | 298,675        |
| - Ordinary share - unlisted              | 1,559          | 113,863        | -              | 115,422        |
| - Corporate bonds                        | -              | 5,876          | -              | 5,876          |
| Financial assets in countries other than |                |                |                |                |
| Vietnam                                  | 35,553         | -              | -              | 35,553         |
| Investment in properties                 | -              | -              | 6,700          | 6,700          |
| Investments in associates                | -              | -              | 194,688        | 194,688        |
| Other long-term investments              | -              | 3,700          | 3,216          | 6,916          |
|  | <b>335,787</b> | <b>123,439</b> | <b>204,604</b> | <b>663,830</b> |
| <b>Liabilities</b>                       | -              | -              | -              | -              |
| <b>Net fair value</b>                    | <b>335,787</b> | <b>123,439</b> | <b>204,604</b> | <b>663,830</b> |

## 22. Subsequent events after the reporting date

### ***Impact of currency devaluation and decline in Vietnam stock market***

As of the date of issuance of the interim financial information, the aggregate fair value of the Group's investments in financial assets at fair value through profit or loss has fallen by USD58.7 million to USD373.8 million from the aggregate fair value as of 31 December 2010 due to a general decline in listed and unlisted share prices in Vietnam and the weakening of the VND against the USD. The details are as follows:

|   | Fair value at       |                  | Movement |                             | Total<br>USD'000 |
|---|---------------------|------------------|----------|-----------------------------|------------------|
|   | 31 December<br>2010 | 28 March<br>2011 | Price    | Foreign<br>exchange<br>loss |                  |
|   | USD'000             | USD'000          |          |                             |                  |
| <b>Financial assets at fair value through profit or loss:</b> |                     |                  |          |                             |                  |
| Ordinary shares – listed                                      | 335,294             | 286,158          | (29,956) | (19,180)                    | (49,136)         |
| Ordinary shares – unlisted                                    | 85,240              | 76,479           | (5,662)  | (3,099)                     | (8,761)          |
| Corporate bonds   | 11,955              | 11,151           | -        | (804)                       | (804)            |

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432,489

373,788

(35,618)

(23,083)

(58,701)

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