30 March 2009

VinaLand Limited

Interim Results

VinaLand Limited (the "Company" or "VNL"), the AIM-quoted investment vehicle established to target key growth segments within Vietnam's emerging real estate market, including residential, office, retail, industrial, and leisure projects, today announces its interim results for the six months ended 31 December 2008 ("the Period").

Financial highlights

- Net loss for the Period of USD 68.6 million
- Net losses per share of USD 0.08 for the Period
- Cash and cash equivalents as at 31 December 2008 of USD 41.5 million
- Net asset value at 31 December 2008 of USD 750.4 million representing USD 1.50 per share

Operational highlights

- Appointment of David Henry as Managing Director of VinaCapital Real Estate, the fund's investment advisor
- Appointment of Matthew Koziora as Director of Sales and Marketing of VinaCapital Real Estate, the fund's investment advisor
- Key developments during the period:
  - **July 2008** – VNL received an investment licence as part of a joint venture company to build a hotel, office and retail complex on a high-profile four hectare site in Hanoi's My Dinh new urban area
  - **August 2008** - VNL received a construction permit for the first phase of the WTC Danang project, located in central Danang adjacent to the landmark Han River Bridge
  - **September 2008** – VNL announced a long-term management agreement with Marriott International to introduce the luxury JW Marriott hotel brand as part of the Danang Beach Resort project
  - **November 2008** – VNL announced a soft opening of two floors of the Movenpick Hanoi Hotel
  - **December 2008** – VNL held a groundbreaking for the Times Square Hanoi mixed-use development. The project is located on a 4 ha site in the new urban township of My Dinh

Commenting, Don Lam, Director of VinaLand Limited:

"Although the past six months saw a slowdown in the hospitality and office sectors, we believe it is a cyclical downturn and does not imply any change in Vietnam's long-term shortage of leisure and business facilities.

We continue to see strong demand and increasing prices for our mid-tier residential projects. Additionally, the lower interest rates have enabled us to source affordable financing which will allow the fund to move forward with the development of key projects".

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Notes to Editors:

VinaLand (VNL), is a closed-end property fund listed on the London Stock Exchange (AIM). The fund focuses on the key growth segments within Vietnam's emerging real estate market, including residential, office, retail, industrial, and leisure projects. The manager's objective is to provide shareholders with an attractive level of income as well as creating a potential for capital growth. The fund is managed by VinaCapital Investment Management, with VinaCapital Real Estate acting as development adviser.

Chairman's Statement

Dear shareholders,

We are pleased to present the interim financial statements for VinaLand Limited (AIM: VNL) for the six month period ended 31 December 2008.

Vietnam's real estate market continued to cool in the second half of 2008 after an explosive 2007. The tight credit environment and high construction costs that emerged in early 2008 created a very difficult situation for many domestic real estate developers. With speculators largely out of the picture, residential retail prices declined notably. Then, at the end of the fourth quarter of 2008, the deteriorating global economic situation began to impact the office and hotel markets.

Vietnam as a whole however showed amazing resilience in 2008. In very tough circumstances, the economy still grew at a healthy 6.2 percent for the full year, and the government proved that it was able to implement policies effectively (to rein in inflation and control the deficit).

This bodes well for Vietnam, as the world's economic troubles are far from over. While Vietnam is not expected to escape these troubles, a range of estimates have GDP growth for 2009 at about 4 percent – making Vietnam one of few countries likely to record positive growth for the coming year.

VNL over the past six months saw its NAV fall 6.8 percent, to USD 1.50 per share at 31 December from USD 1.61 per share at 30 June 2008. For 2008 full year, VNL was the top performing Vietnam fund with a 15.3 percent return on NAV.

Generally speaking, the slower real estate market in the second half of 2008 did not have a significant impact on VNL, although the hospitality portfolio did see lower occupancy rates and GOP figures, particularly in the fourth quarter of 2008.

In the development of the fund's many greenfield projects, the past six months saw noteworthy progress.

VNL signed a deal with Marriott International to add a J.W. Marriott branded hotel to the Danang Beach Resort, where construction of the first of two golf courses is underway. In Hanoi, the Times Square Hanoi mixed-use development in My Dinh received an investment licence and proceeded to a groundbreaking of the first office tower. In Ho Chi Minh City, investment licences were received for the VinaSquare and Savico Tower projects.

Construction work continued on the World Trade Center Danang and Sheraton Nha Trang Hotel and Spa. The former Guoman Hotel was renovated and rebranded as the Movenpick Hanoi Hotel, with a soft launch held in November.

The tail end of 2008 saw declining construction costs and lower interest rates. With improving liquidity in the banking system, VNL in early 2009 was able to secure financing for several projects from domestic banks.

While the economic crisis is expected to impact Vietnam's real estate market (particularly the office and hotel sectors), VNL continues to benefit from its ability to move projects forward along the often arduous development process in Vietnam. This ability is central to the prospects of the fund, which we continue to believe are very strong.

VNL's share price remains at a substantial discount to NAV. This is a constant concern of the board and the investment manager. The board is exploring opportunities to reduce the discount through share buy-backs or distributions, and yet we believe that our best remedy to this situation is to stick with the strategies we have employed successfully until now – strategies that have resulted in VNL growing to become the largest overseas investment fund in Vietnam, and the top performing fund for 2008.

The coming year will provide the opportunity to demonstrate a continued ability to move projects forward and make profitable exits from mature or late-stage projects and assets. As we continue to demonstrate this ability, investor sentiment when it recovers will look to quality funds that offer the best teams and investment stories. We believe VNL will be among these elite funds.

Thank you for your continued support.

Horst F. Geicke
Chairman
VinaLand Limited
27 March 2009

Consolidated Balance Sheet

	Note	**31 December 2008**	30 June 2008
		USD'000	USD'000
ASSETS			
Non-current			
Investment properties	7	**578,018**	549,397
Property, plant and equipment		**131,161**	135,106
Intangible assets		**6,286**	6,421
Investments in associates	8	**86,756**	26,270
Goodwill		**-**	2,939
Prepayments for operating leases		**19,734**	19,635
Deferred tax assets		**389**	310
Prepayments for acquisitions of investments	9	**60,917**	88,512
Other long-term financial assets		**1,587**	1,077
Non-current assets		**884,848**	829,667
Current			
Inventories		**313**	310
Trade and other receivables		**131,984**	146,750
Receivables from related parties		**1,622**	21,930
Short-term deposits	10	**54,301**	57,027
Financial assets at fair value through profit or loss		**61,657**	61,924
Cash and cash equivalents		**41,525**	80,806
Current assets		**291,402**	368,747
Total assets		**1,176,250**	1,198,414
EQUITY			
Equity attributable to shareholders of the parent			
Share capital	11	**4,999**	4,999
Additional paid-in capital	12	**588,870**	588,870
Revaluation reserve	13	**8,720**	13,844
Translation reserve		**(12,231)**	(4,623)
Retained earnings		**160,060**	201,437
		750,418	804,527
Minority interests		**219,801**	219,868
Total equity		**970,219**	1,024,395
LIABILITIES			
Non-current			
Long-term borrowings		**26,020**	21,673
Other liabilities		**1,322**	1,044
Non-current liabilities		**27,342**	22,717
Current			
Trade and other payables		**52,518**	34,491
Payables to related parties		**125,708**	116,536
Current portion of long-term borrowings		**463**	275
Current liabilities		**178,689**	151,302
Total liabilities		**206,031**	174,019
Total equity and liabilities		**1,176,250**	1,198,414
Net assets per share attributable to equity shareholders of the parent (USD per share**)**	18	**1.50**	1.61

Consolidated Statement of Changes in Equity

	Equity attributable to shareholders of the parent					Minority interests	Total equity
	Share capital	Additional paid-in capital	Translation reserve	Revaluation reserve	Retained earnings		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
1 July 2007	4,999	588,870	(530)	777	34,756	54,011	682,883
Currency translation	-	-	852	-	-	-	852
Revaluation gains on land and buildings	-	-	-	9,893	-	8,952	18,845
Net income recognised directly in equity	-	-	852	9,893	-	8,952	19,697
Profit for the period ended 31 December 2007	-	-	-	-	18,307	6,893	25,200
Total recognised income and expenses for the period	-	-	852	9,893	18,307	15,845	44,897
Dividend distributions	-	-	-	-	(450)	-	(450)
Acquisition of subsidiaries	-	-	-	-	-	1,500	1,500
31 December 2007	4,999	588,870	322	10,670	52,613	71,356	728,830
1 July 2008	4,999	588,870	(4,623)	13,844	201,437	219,868	1,024,395
Currency translation	-	-	(7,608)	-	-	(4,021)	(11,629)
Reversal of revaluation gains on lands and buildings (Note 13)	-	-	-	(5,124)	-	(4,092)	(9,216)
Net income and expenses recognised directly in equity	-	-	(7,608)	(5,124)	-	(8,113)	(20,845)
Loss for the period ended 31 December 2008	-	-	-	-	(41,377)	(27,242)	(68,619)
Total recognised income and expenses for the period	-	-	(7,608)	(5,124)	(41,377)	(35,355)	(89,464)
Capital contribution in subsidiaries	-	-	-	-	-	22,736	22,736
Acquisition of subsidiaries	-	-	-	-	-	12,552	12,552
31 December 2008	**4,999**	**588,870**	**(12,231)**	**8,720**	**160,060**	**219,801**	**970,219**

Consolidated Statement of Income

	Note	Half-year ended	
		31 December 2008	31 December 2007
		USD'000	USD'000
Revenue		**18,080**	18,350
Cost of sales		**(9,320)**	(6,115)
Gross profit		**8,760**	12,235
Other income		**748**	139
Management and administration expenses	14	**(17,405)**	(13,568)
Other expenses	15	**(17,623)**	(579)
Net (loss)/gain on fair value adjustments of investment properties	16	**(40,172)**	17,266
Other net changes in fair value of financial assets at fair value through profit or loss		**2,838**	-
(Loss)/profit from continuing operations		**(62,854)**	15,493
Financial income		**5,168**	11,680
Finance costs		**(873)**	(867)
Share of profit of associates		**(9,449)**	1
		(5,154)	10,814
(Loss)/profit before tax from continuing and total operations		**(68,008)**	26,307
Income tax	17	**(611)**	(1,107)
Net (loss)/profit for the period from continuing and total operations		**(68,619)**	25,200
Attributable to equity shareholders of the parent		**(41,377)**	18,307
Attributable to minority interests		**(27,242)**	6,893
(Loss)/earnings per share from continuing and total operations – basic and diluted (USD per share)	18	**(0.083)**	0.037

Consolidated Statement of Cash Flows

	Half-year ended	
	31 December 2008	31 December 2007
	USD'000	USD'000
Operating activities		
Net (loss)/profit before tax	**(68,008)**	26,307
Adjustment for:		
Depreciation and amortisation	**4,074**	1,745
Loss/(gain) on revaluation of investment properties	**40,172**	(17,266)
Other net changes in fair value of financial assets at fair value through profit or loss	**(2,838)**	-
Net gain on acquisition of subsidiaries	**(369)**	-
Impairment loss on revaluations of lands and building	**15,914**	-
Net loss on written-off investment property	**1,303**	-
Write-off expenses	**399**	-
Share of associate's loss/(profit)	**9,449**	(1)
Unrealised foreign exchange (gain)/loss	**(84)**	99
Interest expense	**655**	867
Interest income	**(4,965)**	(11,680)
Net (loss)/profit before changes in working capital	**(4,298)**	71
Change in trade and other receivables	**22,272**	3,396
Change in inventory	**(3)**	9
Change in trade and other payables	**27,486**	9,189
Corporate income tax paid	**(624)**	(797)
	44,833	11,868
Investing activities		
Interest received	**3,353**	6,606
Purchases of property, plant and equipment and other non-current fixed assets	**(19,138)**	(2,404)
Acquisitions of subsidiaries, net of cash	**(7,121)**	(4,238)
Prepayments for acquisitions of investments	**(5,900)**	(136,345)
Proceeds/(purchases) of financial assets	**3,287**	(6,227)
Acquisitions of investment properties	**(26,546)**	(64,542)
Investments in associates	**(44,478)**	(1,000)
Acquisitions of long-term assets	**(2,804)**	-
Loans repayments/(provided)	**15,450**	(2,931)
	(83,897)	(211,081)
Financing activities		
Loan proceeds	**6,050**	20,218
Loan repayments to banks	**(4,617)**	-
Dividend paid to minority interest	**-**	(150)
Interest paid	**(1,650)**	(867)
	(217)	19,201
Net change in cash and cash equivalents for the period	**(39,281)**	(180,012)
Cash and cash equivalents at the beginning of the period	**80,806**	350,898
Cash and cash equivalents at end of the period	**41,525**	170,886

Notes to the Consolidated Financial Statements

1. General information
VinaLand Limited is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company's primary objective is to focus on key growth segments within Vietnam's emerging real estate market, namely residential, office, retail, industrial and leisure projects in Vietnam and the surrounding countries in Asia. The Company is listed on the AIM Market of the London Stock Exchange under the ticker symbol VNL.

The condensed interim financial statements for the six-month period ended 31 December 2008 were approved for issue by the Board of Directors on 27 March 2009.

2. Basis of preparation of condensed interim financial statements
The condensed interim financial statements for the half-year ended 31 December 2008 are condensed interim financial statements that have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by International Accounting Standards Board (IASB).

The condensed interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2008.

The condensed interim financial statements are presented in United States Dollars (USD), and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

3. Accounting policies
The accounting policies adopted are consistent with those of the previous financial year and corresponding interim report, as described in the annual audited financial statements for the year ended 30 June 2008.

Adoption of IAS 40 Investment Property (amended) (effective from 1 January 2009)
The amended standard introduces changes to classify the property that is being constructed or developed for future as an investment property to investment property. Where the fair value model is applied, such property under construction is measured at fair value if reliably measurable. From the effective date of this amended standard, the Group will apply the amendments to investment properties under construction at 1 January 2009 provided that the fair values of investment properties under construction were determined at those dates.

Prepayments for acquisitions of investments
These pertain to payments made by the Group to property vendors for land clearance and other related costs directly attributed to the projects 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.

4. Critical accounting estimates and judgements
When preparing the condensed interim financial statements, the Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year have been discussed in the annual consolidated financial statements for the year ended 30 June 2008. Below are additional discussions on the estimates of fair values of investment properties, land and buildings:

Fair value of investment properties, land and buildings
The investment properties, land and buildings of the Group are stated at fair value in accordance with accounting policies 3.10 of the annual consolidated financial statements for the year ended 30 June 2008. The fair values of investment properties, 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. Valuations are reviewed by the Valuation Committee and approved by the Board of Directors. The Valuation Committee may adjust valuations if there are factors that the external independent valuers have not considered in their determination of a property's fair value. 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 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 of investment properties, land and buildings
Whenever there is an indication of impairment of an investment property, land and buildings the Valuation Committee 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.

5. Segment reporting
Segment information is presented in respect to the Group's investment and geographical segments. The primary reporting format, investment segments, is based on the investment manager's management and monitoring of investments. Investments are allocated into five main segments: four real estate sectors: commercial; residential; hospitality; and mixed use, and cash (including term deposits and bonds). The Group's secondary reporting format, geographical segments, includes north, central and south Vietnam, and the regions outside Vietnam.

	For the half-year ended 31 December 2008				
	Vietnam			Outside Vietnam	Total
	North	Central	South		
	USD'000	USD'000	USD'000	USD'000	USD'000
Income					
Real estate					
Commercial	-	-	-	-	-
Residential	28	-	3,686	-	3,714
Hospitality	8,667	372	6,010	-	15,049
Mixed used	-	36	8,238	-	8,274
Cash	232	616	4,298	22	5,168
	8,927	1,024	22,232	22	32,205
Net profit/(loss)					
Real estate					
Commercial	(1,086)	(422)	(896)	-	(2,404)
Residential	(1,678)	(970)	(28,955)	-	(31,603)
Hospitality	175	(17,670)	45	(228)	(17,678)
Mixed used	(273)	(27,072)	5,243	-	(22,102)
Cash	232	616	4,298	22	5,168
	(2,630)	**(45,518)**	**(20,265)**	**(206)**	**(68,619)**
Total assets			**As at 31 December 2008**		
Real estate					
Commercial	92	-	38,364	-	38,456
Residential	51,450	114,018	173,581	-	339,049
Hospitality	109,304	54,045	52,407	-	215,756
Mixed used	34,923	200,849	305,302	-	541,074
Cash	8,542	2,939	27,146	2,899	41,526
	204,311	**371,851**	**596,800**	**2,899**	**1,175,861**

	For the half-year ended 31 December 2007				
		Vietnam		Outside Vietnam	Total
	North	Central	South		
Income					
Real estate					
Commercial	-	-	3,189	-	3,198
Residential	-	-	-	-	-
Hospitality	11,847	22	6,669	201	18,739
Mixed used	-	14,077	-	-	14,077
Cash	-	-	6,710	4,721	11,431
	11,847	14,099	16,568	4,922	47,436
Net profit/(loss)					
Real estate					
Commercial	(134)	-	3,131	-	2,997
Residential	(278)	-	(726)	-	(1,004)
Hospitality	2,646	(427)	1,015	(290)	2,944
Mixed used	(506)	12,658	(3,569)	-	8,583
Cash	-	-	6,959	4,721	11,680
	1,728	12,231	6,810	4,431	25,200
Total assets			As at 30 June 2008		
Real estate					
Commercial	12,799	-	51,513	-	64,312
Residential	28,121	115,816	187,550	-	331,487
Hospitality	108,038	58,069	44,541	-	210,648
Mixed used	-	221,596	289,259	-	510,855
Cash	8,802	4,443	56,605	10,952	80,802
	157,760	399,924	629,468	10,952	1,198,104

To determine the geographical segments for investments and cash the following rules have been applied:

- Real estate − location of property; and
- Cash − place of deposit.

6. Acquisition of subsidiaries

Acquisition of Vindemia Property Limited (Big C Project)

On 24 August 2008, the Group acquired 100% interest in Vindemia Property Limited, a company incorporated in Hong Kong, which owns 65% interest in Thang Long Property Ltd. (Big C Project). The principal activity of Thang Long Property Ltd. is to construct and manage a mixed-use development of 40,000 m2 in Hanoi, Vietnam. The total cost of acquisition was USD24.767 million, out of which USD16 million was settled in cash and USD8.7 million will be settled in 2009.

Fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	**USD'000**	**Liabilities**	**USD'000**
Current assets			
Cash and cash equivalent	1		
	1		
Non-current asset		**Equity**	
Investment property	34,201	Minority interest	9,434
	34,201		**9,434**

Vindemia Property Limited and Thang Long Property Ltd. contributed a loss of USD162,427 to the consolidated result for the period from 24 August 2008 to the balance sheet date.

Acquisition of Hoang Phat Investment Joint Stock Company (Hoang Van Thu Project)
On 1 August 2008, the Group acquired 60% of Hoang Phat Investment Joint Stock Company (Hoang Van Thu Project), a company incorporated in Vietnam. The principal activity of this company is to construct and manage a 4-star international hotel in Ho Chi Minh City, Vietnam. The total cost of acquisitions was USD5.25 million, out of which USD3 million was settled in cash and USD2.2 million will be settled in 2009.

Fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	USD'000	Liabilities	USD'000
Current assets			
Cash and cash equivalents	11		
Receivables	1,458		
Total current assets	**1,469**		
Non-current asset		**Equity**	
Investment property	6,327	Minority interest	3,118
	7,796		**3,118**

Hoang Phat Investment Joint Stock Company contributed a loss of USD577,517 to the consolidated result for the period from 1 August 2008 to the balance sheet date, in which USD572,279 loss from the acquisition and USD5,238 loss from the its ordinary operation activities.

Acquisition of Cam Ranh Tourism Development Corporation (Bai Dong Project)
On 8 August 2008, the Group acquired 100% interest in Cam Ranh Tourism Development Corporation, a company incorporated in Vietnam. The principal activity of this company is to construct and operate a resort, sport and restaurant complex in Cam Ranh, Vietnam. The total cost of acquisition was USD1.817 million, out of which USD1.79 million was settled in cash. The balance will be settled in 2009.

Fair value amounts recognised for each class of the acquiree's assets, liabilities and contingent liabilities at the acquisition date were as follows:

Assets	USD'000	Liabilities	USD'000
Current assets			
Cash and cash equivalents	31		
Receivables	13		
Total current assets	**44**		
Non-current asset			
Investment property	2,714		
	2,758		**-**

Cam Ranh Tourism Development Corporation contributed a gain of USD931,756 to the consolidated result for the period from 8 August 2008 to the balance sheet date, in which USD940,832 gain from the acquisition and USD9,076 loss from the its ordinary operation activities.

Additional acquisition of Golden Gain Enterprises Vietnam Ltd. (My Dinh 2.5ha Project)
As at 30 June 2008, the Group owned 70% interest in Thang Long Tung Shing Joint Venture Company. The joint venture company was entitled to develop the Hanoi Opera Plaza, an office and retail project on a site of 1,700m2 in the centre of Hanoi. Subsequent to 30 June 2008, as the site has considerable heritage value to the country, the Hanoi People's Committee requested that the Company swap the land for another site. The Company has accepted this offer and received the new land near the Hanoi Convention Centre in My Dinh District. The new land is held under

Golden Gain Enterprises Vietnam Limited which owned 70% by the Group and remaining 30% owned by the local party. On 4 August 2008, the Group acquired the 30% interest of local partner. As a result, the total interest of the Group in this project has increased to 100%.

7. Investment properties

	31 December 2008	30 June 2008
	USD'000	USD'000
1 July 2008/1 July 2007	549,398	97,185
Acquisition of subsidiaries	50,158	102,598
Additions during the period/year, net	26,116	113,919
Net (loss)/gain on fair value adjustments of investment properties (Note 16)	(40,172)	247,068
Net loss on written-off investment property	(1,303)	-
Reclassification to prepayments for acquisitions of investments (*)	-	(10,568)
Translation differences	(6,179)	(805)
31 December 2008/30 June 2008	578,018	549,397

(*) The reclassification is recognised for the land held at a Group's subsidiary which the investment licence to develop this project is in progress to obtain from relevant authority at the balance sheet date.

8. Investments in associates

	31 December 2008	30 June 2008
	USD'000	USD'000
1 July 2008/1 July 2007	26,270	-
Acquisitions during the period/year	-	26,217
Additions during the period	50,060	-
Transferred from prepayments for acquisitions of investments	19,875	-
Share of associates' (losses)/profits	(9,449)	53
31 December 2008/30 June 2008	86,756	26,270

9. Prepayments for acquisitions of investments

	31 December 2008	30 June 2008
	USD'000	USD'000
Prepayments for acquisitions of investments	66,077	93,672
Provision for loss on deposit for acquisition of investment	(5,160)	(5,160)
	60,917	88,512

These prepayments pertain to payments made by the Group to property vendors and other related costs directly attributed to the projects 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.

10. Short-term deposits

	31 December 2008	30 June 2008
	USD'000	USD'000
Short-term deposits	30,622	23,735
Bank secured deposit (*)	23,679	33,292
	54,301	57,027

(*) On 8 December 2007 the Group deposited VND561 billion (equivalent to USD35 million) with a bank. The deposit was repayable within one year and earned interest at the rate of 13% per annum. The deposit is restricted from use for purposes other than the intended purpose described in Note 36 to the annual audited consolidated financial statements for the year ended 30 June 2008. The bank guaranteed to ensure the full repayment of the deposit and associated accrued interest thereon to the Group upon the expiry of the deposit term.

In December 2008, the Bank, Thai Thinh Capital and the Company agreed to extend the deposit and that the deposit be repaid in monthly instalments between 19 December 2008 to 19 April 2009. The outstanding balance at the date of release of these condensed interim financial statements is USD17.2 million.

11. Share capital

	31 December 2008		30 June 2008	
	Number of shares	**USD'000**	Number of shares	USD'000
Authorised:				
Ordinary shares of USD0.01 each	**500,000,000**	**5,000,000**	500,000,000	5,000,000
Issued and fully paid:				
At 1 July 2008/1 July 2007	**499,967,622**	**4,999**	499,967,622	4,999
At 31 December 2008/30 June 2008	**499,967,622**	**4,999**	499,967,622	4,999

12. Additional paid-in capital

	31 December 2008	30 June 2008
	USD'000	USD'000
1 July 2008/1 July 2007	**588,870**	588,870
31 December 2008/30 June 2008	**588,870**	588,870

13. Revaluation reserve

	31 December 2008	30 June 2008
	USD'000	USD'000
1 July 2008/1 July 2007	**13,844**	777
(Reversal)/revaluation gains on lands and buildings	**(9,216)**	24,700
Less: share of reversal/(gain) attributable to minority interests	**4,092**	(11,633)
31 December 2008/30 June 2008	**8,720**	13,844

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

14. Management and administration expenses

	Half-year ended	Half-year ended
	31 December 2008	31 December 2007
	USD'000	USD'000
Management fees	**7,681**	6,498
Custodian fees	**425**	486
Professional fees	**1,404**	352
General administration and outside service costs (*)	**7,895**	6,232
	17,405	13,568

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

15. Other expenses

	Half-year ended	Half-year ended
	31 December 2008	31 December 2007
	USD'000	USD'000
Impairment on revaluations of lands and building (*)	**15,914**	-
Net loss on written-off investment property	**1,303**	-
Other expenses	**406**	579

	17,623	579

(*) The amount mainly relates to the impairment loss of land and building held at East Ocean Real Estate & Tourism Joint Stock Company, a subsidiary of the Group, at the balance sheet date.

16. Net (loss)/gain on fair value adjustments of investment properties

	Half-year ended 31 December 2008 USD'000	Half-year ended 31 December 2007 USD'000
Net (loss)/gain on fair value adjustments of investment properties of subsidiaries	**(40,172)**	17,266
	(40,172)	17,266

17. Corporate income tax

The Company 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 USD610,605 has been made for corporate income tax payable by these Vietnamese subsidiaries for the half-year ended 31 December 2008 (USD1,106,666 for the half-year ended 31 December 2007).

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

	Half-year ended 31 December 2008 USD'000	Half-year ended 31 December 2007 USD'000
Group (loss)/profit before tax	**(68,008)**	26,307
Group profit multiplied by effective tax rate (20%)	**-**	5,261
Effect of:		
Profit exempted from tax in British Virgin Islands and Cayman Islands	**-**	(4,154)
Income tax of Vietnamese subsidiaries	**611**	1,107
Corporate income tax expense	**611**	1,107

18. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares on issue during the period.

	Half-year ended 31 December 2008	Half-year ended 31 December 2007
(Loss)/profit attributable to equity holders of the Company (USD'000)	**(41,377)**	18,307
Weighted average number of ordinary shares on issue	**499,967,622**	499,967,622
Basic (loss)/earnings per share (USD per share)	**(0.083)**	0.037

(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 ordinary shareholders of the Company to the number of outstanding ordinary shares as at the balance sheet date. Net asset value is determined as total assets less total liabilities and minority interest.

	31 December 2008	30 June 2008
Net asset value attributable to ordinary shareholders		
of the Company (USD'000)	**750,418**	804,527
Number of outstanding ordinary shares	**499,967,622**	499,967,622
Net asset value per share (USD/share)	**1.50**	1.61

19. Seasonality

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

20. Contingent liabilities

Taxation

Although the Company and its direct subsidiaries are incorporated in the Cayman Islands and the British Virgin Islands where they are exempt from tax, the Group's activities are primarily focused on Vietnam. In accordance with the prevailing tax regulations in Vietnam, if an entity was treated as having a permanent establishment, or as otherwise being engaged in a trade or business in Vietnam, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax in Vietnam. As at the date of this report the following information cannot be determined:

- Whether the Company and/or its subsidiaries are considered as having permanent establishments in Vietnam; and
- The amount of tax that may be payable, if the income is subject to tax.

The implementation and enforcement of tax regulations in Vietnam can vary depending on numerous factors, including the identity of the tax authority involved. The administration of laws and regulations by government agencies may be subject to considerable discretion, and in many areas, the legal framework is vague, contradictory and subject to interpretation. The Directors believe that it is unlikely that the Group will be exposed to tax liabilities in Vietnam, and in the worse case, if tax is imposed on income arising in Vietnam it will not be applied retrospectively.

As at 31 December 2008, due to the uncertainties mentioned above, except of the tax provision mentioned in Note 17, no other corporate tax liabilities have been recognised in the interim financial information.

21. Commitments

As at 31 December 2008, the Group was committed under lease agreements to paying the following future amounts:

	31 December 2008	30 June 2008
	USD'000	USD'000
Within one year	**876**	1,422
From two to five years	**3,505**	3,505
Over five years	**13,360**	13,830
	17,741	18,757

As at 31 December 2008, the Group was also committed under construction agreements to pay USD76,629,925 (30 June 2008: USD31,878,000) for future construction works.

22. Subsequent events after the balance sheet date

Both prior to and subsequent to 31 December 2008, global markets have been sharply affected by the collapse of major financial institution and the possibility of a global recession. At the date of this report, the final impact of these events on both Vietnam and the Company cannot be easily determined. Notwithstanding this, the Board of the Company will continue to monitor the situation and continue to adjust the fair values of the real estate investments periodically based on independent valuations and other available market information.

As of the date of issuance of the condensed interim financial statements, the Board of Directors of the Company has determined, based on independent valuations and other available market information that the fair value of the Group's investment properties has fallen by USD20.5 million to USD557.5 million since the balance sheet date. The details are as follows:

Real estate investments recorded at fair value through profit or loss:	**USD'000**
Book value of investment properties at 31 December 2008	**578,018**
Revaluation of investment properties recorded at fair value at 31 December 2008	**(20,491)**
	557,527

The Board of Directors of the Company has also determined, based on independent valuations and other available market information that the fair value of the Group's financial assets and hospitality properties have fallen by USD5.8 million and USD9.8 million, respectively, since the balance sheet date.

In addition, the value of real estate investments and property, plant and equipment held by associates of the Group has been reduced. On an equity accounting basis, this will result in a reduction in the Group's book value of investments in the associates at the balance sheet date of approximately USD6.5 million.

23. Comparative figures

Certain figures of the consolidated balance sheet for the year ended 30 June 2008, which are included in this period's condensed interim financial statements for comparative purposes, have been reclassified to conform to current period's presentation. That is a reclassification from Investment Properties to Prepayments for acquisitions of investments for an amount of USD10.57million as the Group has not obtained the Investment Licence for this project (Note 7). There is no impact on the Group's financial position and performance due to this reclassification.

Copies of the interim report have been emailed to shareholders and a copy will be available on the Company's website www.vinaland-fund.com.