VinaCapital

VinaLand Limited

Interim results for the six months ended 31 December 2011

VinaLand Limited ("the Company" or "VNL"), the AIM-quoted investment vehicle established to target strategic segments within Vietnam's emerging real estate market, today announces its interim results for the six months ended 31 December 2011 ("the Period").

Financial highlights

- Net loss for the Period attributable to the Group's shareholders of USD81.8 million (HY10: USD4.4 million net loss) largely reflecting the necessary adjustment in asset values arising from the deterioration in market conditions.
- Net loss per share of USD0.16 for the Period (HY10: USD0.01 net loss).
- Net asset value at 31 December 2011 of USD585 million representing USD1.18 per share.

Operational highlights

- The Company commenced a share buyback programme in the fourth quarter of 2011 as part of its efforts to narrow its discount to NAV, with 2.6 million shares being purchased and cancelled in this period.
- During the fourth quarter, project revaluations with a valuation date of 31 December 2011 were undertaken which resulted in an 11.1% realized decrease in NAV. Adjustments resulted from an ongoing deterioration of the macroeconomic and property markets, high interest rates of over 20% and a highly illiquid property market.

Commenting, David Henry, Managing Director of VNL's Investment Manager, said:
"Business activity and investor sentiment in the property sector have continued to be adversely affected by extreme illiquidity in the property market resulting from record interest rates and high inflation. This slowdown in transactions has in turn begun to impact upon revaluations of land and development projects. We do believe however that real estate activity should start to improve by the end of 2012 as it begins to feel the impact of improving conditions in the wider economy, and we retain our belief that the fund can offer value and growth in the long-term."

Notes to Editors:

VinaCapital is the leading investment management and real estate development firm in Vietnam, with a diversified portfolio of USD1.6 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. Our mission is to produce superior returns for investors by using our experience and knowledge to identify the key trends and opportunities that emerge as Vietnam continues to develop its economy. To achieve this, VinaCapital has industry-leading asset class teams covering capital markets, private equity, fixed income, venture capital, real estate and infrastructure.

VinaCapital manages three closed-end funds trading on the AIM Market of the London Stock Exchange. These funds are: VinaCapital Vietnam Opportunity Fund Limited (VOF), VinaLand Limited (VNL), and Vietnam Infrastructure Limited (VNI). VinaCapital also co-manages the USD32 million DFJ VinaCapital L.P. technology venture capital fund with Draper Fisher Jurvetson.

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

More information on VinaLand Limited is available at www.vinacapital.com/vnl

Enquiries:

David Dropsey
VinaCapital Investment Management Limited
Investor Relations/Communications
+84 8 821 9930
david.dropsey@vinacapital.com

Philip Secrett
Grant Thornton Corporate Finance, Nominated Adviser
+44 (0)20 7583 5100
philip.j.secrett@uk.gt.com

Hiroshi Funaki
LCF Edmond de Rothschild Securities, Broker
+44 20 7845 5960
funds@lcfr.co.uk

David Benda / Hugh Jonathan
Numis Securities Limited, Broker
+44 (0)20 7260 1000

Mark Walters
FTI Consulting, Public Relations (Hong Kong)
+852 3716 9802
mark.walters@fticonsulting.com

Andrew Walton
FTI Consulting, Public Relations (London)
+44 (0)20 7269 7204
andrew.walton@fticonsulting.com

Chairman's Statement

Dear Shareholders,

We are pleased to present the interim financial statements of VinaLand Limited (AIM: VNL) for the six month period ended 31 December 2011.

The Vietnamese real estate market challenges were persistent throughout the second half of 2011, with systemic macroeconomic problems, high inflation and interest rates, and a highly illiquid property market. During the period, VNL had several divestment negotiations stall or cease all together as a result. Many Vietnam investors and developers, who have historically been purchasers of VNL projects, simply stopped playing an active role in the market. The slowdown in demand coupled with oversupply weighed heavily on all sectors of real estate although residential villa sales were less impacted. Office and retail rental prices softened during the second half of 2011, while some residential developers offered substantially discounted prices. However, the hospitality sector performed relatively well due to the high season and increased visitor numbers.

VNL’s NAV at the end of December 2011 was USD585 million, or USD1.18 per share, 16 percent below the NAV at the end of June 2011 of USD672 million, or USD1.34 per share. VNL’s share price at the end of December 2011 was USD0.68, compared to USD0.78 at the end of June 2011.

During the fourth quarter, project revaluations were undertaken which resulted in a reduction of 11.1 percent to fund NAV. External third party appraisals were obtained on nine projects. Additionally, the Valuation Committee conducted a review of the remaining VNL portfolio, which resulted in a downward adjustment on fifteen assets, including the fund’s hospitality holdings.

Over the period, VNL residential projects continued to see a difficult environment for sales. In total, residential sales contracts of USD25.6 million were signed during the second half of 2011, slightly up from USD22.5 million during the same period the previous year.

On a positive note, Government monetary policy is beginning to make headway, leading to a stable currency and a lowering of both interest and inflation rates. However, interest rates are still high and very disruptive to the overall economy in Vietnam and this, together with government imposed restrictions on the amount that banks can lend to the real estate sector, continues to put pressure on the real estate market. It is anticipated that the interest rate situation will improve through 2012 and, as a result, we believe that real estate activity should improve by the end of the year.

VNL remains committed to the fund's divestment and share buyback programme, which was started during the fourth quarter of 2011. Nearly 2.6 million shares were purchased and cancelled during the period. Closing this discount remains a top priority as the Board continues to believe the fund offers value and the potential for long term growth.

Thank you for your continued support.

Nicholas Brooke
Chairman
VinaLand Limited
27 March 2012

Condensed Interim Consolidated Statement of Financial Position

	Note	31 December 2011 USD'000	30 June 2011 USD'000
ASSETS			
Non-current			
Investment properties	6	608,489	693,185
Property, plant and equipment	7	116,909	130,697
Goodwill		3,923	3,923
Intangible assets		13,199	12,653
Investments in associates	8	83,857	83,994
Prepayments for operating lease assets		2,887	4,687
Prepayments for acquisitions of investments	9	35,839	41,869
Other non-current financial assets		1,992	2,556
Deferred tax assets		7,968	16,301
Total non-current assets		**875,063**	**989,865**
Current			
Inventories	10	130,841	117,476
Trade and other receivables	11	90,531	108,147
Receivables from related parties		2,038	2,800
Short-term investments		3,300	3,605
Financial assets at fair value through profit or loss	12	17,831	17,831
Cash and cash equivalents (excluding bank overdrafts)	13	47,673	49,017
Total current assets		**292,214**	**298,876**
Assets classified as held for sale	14	15,390	30,106
Total assets		**1,182,667**	**1,318,847**

EQUITY AND LIABILITIES	Note	31 December 2011 USD'000	30 June 2011 USD'000
EQUITY			
Equity attributable to equity shareholders of the parent			
Share capital	15	4,973	4,999
Additional paid-in capital	16	585,393	588,870
Equity reserve		1,634	-
Revaluation reserve	17	4,799	7,054
Translation reserve		(46,610)	(40,897)
Retained earnings		35,174	112,262
		585,363	672,288
Non-controlling interests		168,345	233,298
Total equity		**753,708**	**905,586**
LIABILITIES			
Non-current			
Borrowings and debts	18	107,842	105,541
Non-current trade and other payables		28,036	6,435
Non-current payables to related parties	28	71,862	71,545
Deferred tax liabilities	19	38,964	51,056
Total non-current liabilities		**246,704**	**234,577**
Current			
Trade and other payables	20	127,909	125,303
Payables to related parties	28	41,891	41,021
Borrowings and debts	18	12,125	12,030

Total current liabilities		**181,925**	**178,354**
Liabilities classified as held for sale	14	330	330
Total liabilities		**428,959**	**413,261**
Total equity and liabilities		**1,182,667**	**1,318,847**
Net assets per share attributable to equity shareholder of the parent (USD per share)	25	**1.18**	**1.34**

Condensed Interim Consolidated Statement of Changes in Equity

	Equity attributable to equity shareholders of the parent							
	Share capital USD'000	Additional paid-in capital USD'000	Equity reserve USD'000	Revaluation reserve USD'000	Translation reserve USD'000	Retained earnings USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance at 1 July 2010	4,999	588,870	-	3,483	(29,733)	114,025	224,269	**905,913**
Profit/(loss) for the period from 1 July 2010 to 31 December 2010	-	-	-	-	-	(4,390)	5,675	**1,285**
Currency translation	-	-	-	-	(4,005)	-	(898)	**(4,903)**
Revaluation gains on buildings	-	-	-	6,584	-	-	2,947	**9,531**
Total comprehensive income/(loss)	-	-	-	6,584	(4,005)	(4,390)	7,724	**5,913**
Capital contributions in subsidiaries	-	-	-	-	-	-	9,007	**9,007**
Gain on acquisition of non-controlling interests	-	-	-	-	-	840	-	**840**
Acquisitions of non-controlling interests	-	-	-	-	-	-	(2,040)	**(2,040)**
Reversal of non-controlling share premium capital in a subsidiary	-	-	-	-	-	-	(10,970)	**(10,970)**
Balance at 31 December 2010	**4,999**	**588,870**	**-**	**10,067**	**(33,738)**	**110,475**	**227,990**	**908,663**
Balance at 1 July 2011	**4,999**	**588,870**	**-**	**7,054**	**(40,897)**	**112,262**	**233,298**	905,586
Loss for the period from 1 July 2011 to 31 December 2011	-	-	-	-	-	(81,824)	(47,725)	**(129,549)**
Currency translation	-	-	-	-	(5,713)	-	(4,456)	**(10,169)**
Revaluation losses on buildings (note 17)	-	-	-	(2,255)	-	-	(821)	**(3,076)**
Total comprehensive loss	-	-	-	(2,255)	(5,713)	(81,824)	(53,002)	**(142,794)**
Repurchases of shares	(26)	(3,477)	1,634	-	-	-	-	**(1,869)**
Capital contributions in subsidiaries	-	-	-	-	-	-	188	**188**
Reversal of non-controlling interests in a subsidiary	-	-	-	-	-	4,736	(12,139)	**(7,403)**
Balance at 31 December 2011	**4,973**	**585,393**	**1,634**	**4,799**	**(46,610)**	**35,174**	**168,345**	**753,708**

Consolidated Interim Statement of Income

	Note	Six months ended 31 December 2011 USD'000	Six months ended 31 December 2010 USD'000
Revenue		27,158	12,217
Cost of sales		(19,265)	(7,114)
Gross profit		**7,893**	**5,103**
Net (loss)/gain on fair value adjustments of investment properties and revaluations of property, plant and equipment	21	(112,415)	20,745
Selling and administration expenses	22	(19,088)	(25,327)
Other income		5,516	702
Other expenses	23	(12,534)	(1,296)
Loss from continuing operations		**(130,628)**	**(73)**
Finance income		3,517	2,509
Finance expenses		(5,481)	(5,729)
Share of (loss)/profit of associates		(137)	922
Loss before income tax from operations		**(132,729)**	**(2,371)**
Income tax	24	3,180	3,656
(Loss)/profit from operations		**(129,549)**	**1,285**
Attributable to equity shareholders of the parent		(81,824)	(4,390)
Attributable to non-controlling interests		(47,725)	5,675
(Loss)/profit for the period		**(129,549)**	**1,285**
Loss per share			
- basic and diluted (USD per share)	25	(0.16)	(0.01)

Condensed Interim Consolidated Statement of Comprehensive Income

	Note	Six months ended 31 December 2011 USD'000	Six months ended 31 December 2010 USD'000
(Loss)/profit for the period		**(129,549)**	**1,285**
Other comprehensive income			
Revaluation (reversal)/gain on buildings	17	(3,076)	9,531
Gains on acquisitions of non-controlling interests		-	840
Exchange differences on translating foreign operations		(10,169)	(4,903)
Other comprehensive (loss)/income for the period		**(13,245)**	**5,468**
Total comprehensive (loss)/income for the period		**(142,794)**	**6,753**
Attributable to equity shareholders of the parent		(89,792)	(971)
Attributable to non-controlling interests		(53,002)	7,724
		(142,794)	6,753

Condensed Interim Consolidated Statement of Cash Flows

	Note	Six months ended 31 December 2011 USD'000	Six months ended 31 December 2010 USD'000
Operating activities			
Net loss before tax		(132,729)	(2,371)
Adjustments for:			
Depreciation and amortisation		5,048	3,826
Losses/(gains) on fair value adjustments of investment properties	21	112,415	(20,745)
Losses from liquidations of investments and subsidiaries		4,040	-
Allowance for impairment of assets	23	12,077	-
Losses from written-off account balances		1,134	56
Share of associates' losses/(gains)		137	(922)
Losses on disposals of fixed assets	23	229	112
Unrealised foreign exchange losses/(gains)		461	(58)
Interest expense		4,699	4,701
Interest income		(2,567)	(2,268)
Net profit/(loss) before changes in working capital		**4,944**	**(17,669)**
Change in trade and other assets		22,859	(7,529)
Change in inventories		(13,365)	111
Change in trade and other liabilities		(11,680)	19,682
Income tax paid		(660)	(604)
Net cash inflow/(outflow) from/to operating activities		**2,098**	**(6,009)**
Investing activities			
Interest received		2,893	4,036
Purchases of investment property, plant, equipment, and other non-current assets		(25,117)	(51,418)
Acquisitions of subsidiaries		-	(120)
Net proceeds from short-term investments		305	10,220
Deposits for acquisitions of investments		-	(4,695)
Proceeds from disposals of financial assets		22,833	6,114
Net proceeds from related party loans		-	1,495
Net cash inflow/(outflow) from/to investing activities		**914**	**(34,368)**
Financing activities			
Additional capital contributions from non-controlling interests		188	9,007
Loan proceeds from banks	18	9,774	29,447
Loan repayments to banks		(7,378)	(2,667)
Shares repurchased		(1,718)	-
Interest paid		(5,100)	-
Loan proceeds from non-controlling interests		-	16
Net cash (outflow)/inflow to/from financing activities		**(4,234)**	**35,803**
Net changes in cash and cash equivalents for the period		**(1,222)**	**(4,574)**
Cash and cash equivalents at the beginning of the period		49,017	79,979
Exchange differences on cash and cash equivalents		(122)	-
Cash and cash equivalents at the end of the period		**47,673**	**75,405**

Notes to the Condensed Interim Consolidated Financial Statements

1. General Information

VinaLand Limited ("the Company") is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The 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 Company does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board will convene an extraordinary general meeting of the Company in 2013 where a special resolution will be proposed that the Company continue as presently constituted. If the resolution is passed, the Board intends that a similar resolution will be proposed at an extraordinary general meeting to be convened each third subsequent year thereafter. If the resolution is not passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up.

The condensed interim consolidated financial statements for the six months ended 31 December 2011 were approved for issue by the Company's Board of Directors on 27 March 2012.

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

2. Basis of Preparation

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

These condensed interim consolidated financial statements are for the six months ended 31 December 2011. They have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required in the annual consolidated financial statements which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Accordingly, these financial statements are to be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 June 2011.

3. Accounting Policies

These condensed interim financial statements (the "interim financial statements") have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the last annual financial statements for the year ended 30 June 2011.

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 derogation from the above requirement of the AIM Rules for Companies in order to comply with IAS 34.

During the period, the Company had executed a share buy-back programme. Accordingly, the following new accounting policy in respect of repurchase of shares has been adopted. Shares which are purchased by the Company are treated as cancelled and whilst the amount of the authorised share capital is not affected, the issued share capital is reduced.

If the cost of repurchase of shares is less than the net asset value of the shares, the difference is transferred to the Company's equity reserve.

If the cost of repurchase of shares is greater than the net asset value of the shares, i) the amount of any equity reserve, additional paid-in capital account or fully paid share capital of the Company, and

ii) any amount representing unrealised profits of the Company for the time being standing to the credit of any revaluation reserve maintained by the Company may be reduced by a sum not exceeding the amount by which the repurchase payment exceeds the net asset value of the shares.

4. Critical Accounting Estimates and Judgements

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

Information about significant judgements, estimates and assumptions that have the most effect on recognition and measurement of assets, liabilities, income and expenses were the same as those that applied to the last annual consolidated financial statements for the year ended 30 June 2011.

5. Segment Analysis

In identifying its operating segments, management generally follows the Group's sectors of investment which are based on internal management reporting information for the Investment Manager's management, monitoring of investments and decision making. The operating segments by investment portfolio include Commercial, Residential, Office buildings and undetermined use, Hospitality, Mixed-use segments and Cash and short-term investments.

The activities undertaken by the Commercial segment include the development and operation of investment properties. Apartments and villas properties which are developed for sales, land, office buildings and properties held for undetermined future use are included in Residential, office building and undetermined use properties segment. The Hospitality segment includes the development and operation of hotels and related services. Strategic decisions are made on the basis of segment operating results.

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

There is no measure of segment liabilities regularly reported to the Investment Manager, therefore liabilities are not disclosed in the sector analyses.

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

(a) Condensed Interim Consolidated Statement of Income

	Six months ended 31 December 2011				
	Commercial USD'000	Residential, office building and undetermined use USD'000	Hospitality USD'000	Mixed use USD'000	Total USD'000
Revenue	-	2,012	25,146	-	27,158
Other income	-	7,094	250	(1,828)	5,516
Finance income	26	1,442	1,020	1,029	3,517
Net loss on fair value adjustments of investment properties and revaluations of property, plant and equipment	(2,962)	(65,188)	(5,528)	(38,737)	(112,415)
Share of profits/(losses) of associates	21	(840)	694	(12)	(137)
Total	(2,915)	(55,480)	21,582	(39,548)	(76,361)
Cost of sales	-	(1,531)	(17,734)	-	(19,265)

Profit/(loss) before unallocated expenses	(2,915)	(57,011)	3,848	(39,548)	(95,626)
Selling and administration expenses					(19,088)
Other expenses					(12,534)
Finance expenses					(5,481)
Loss before tax					**(132,729)**
Income tax					3,180
Net loss for the period					**(129,549)**

	Six months ended 31 December 2010				
	Commercial	**Residential, office building and undetermined use**	**Hospitality**	**Mixed used**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Revenue	-	503	11,264	450	12,217
Other income	-	632	50	20	702
Finance income	79	1,743	153	534	2,509
Net gains on fair value adjustments of investment properties and revaluations of property, plant and equipment	-	5,602	-	15,143	20,745
Share of profits/(losses) of associates	(123)	1,232	(187)	-	922
Total	(44)	9,712	11,280	16,147	37,095
Cost of sales	-	(166)	(6,105)	(843)	(7,114)
Profit/(loss) before unallocated expenses	(44)	9,546	5,175	15,304	29,981
Selling and administration expenses					(25,327)
Other expenses					(1,296)
Finance expenses					(5,729)
Loss before tax					**(2,371)**
Income tax income					3,656
Net profit for the period					**1,285**

(b) Condensed Interim Consolidated Statement of Financial Position

	As at 31 December 2011					
	Commercial	**Residential, office buildings and undetermine d use**	**Hospitalit y**	**Mixed use**	**Cash and short-term investment s**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Investment properties	5,200	427,626	6,142	169,521	-	608,489
Property, plant and equipment	-	24,613	92,226	70	-	116,909
Goodwill and intangible assets	-	4,015	13,103	4	-	17,122
Investments in associates	18,549	37,417	26,755	1,136	-	83,857
Prepayments for acquisitions of investments	-	23,528	1,860	10,451	-	35,839
Inventories	-	54,328	54,458	22,055	-	130,841
Cash and cash equivalents	-	-	-	-	47,673	47,673
Trade and other receivables	96	69,626	16,366	4,443	-	90,531
Financial assets at fair value through profit or loss	-	6,652	-	11,179	-	17,831
Short-term investments	-	-	-	-	3,300	3,300
Assets and disposal group classified as held for sale	-	13,434	1,956	-	-	15,390
Other assets	111	9,437	5,129	208	-	14,885

Total assets	**23,956**	**670,676**	**217,995**	**219,067**	**50,973**	**1,182,667**

	As at 30 June 2011					
	Commercial	**Residential, office buildings and undetermined use**	**Hospitality**	**Mixed use**	**Cash and short-term investments**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Investment properties	7,758	494,637	-	190,790	-	693,185
Property, plant and equipment	-	27,838	102,769	90	-	130,697
Goodwill and intangible assets	-	4,002	12,571	3	-	16,576
Cash and cash equivalents	-	-	-	-	49,017	49,017
Inventories	-	100,095	4,029	13,352	-	117,476
Trade and other receivables	45	89,317	15,695	3,090	-	108,147
Investments in associates	18,529	32,901	32,564	-	-	83,994
Prepayments for acquisitions of investments	-	29,821	1,860	10,188	-	41,869
Financial assets at fair value through profit or loss	-	16,855	976	-	-	17,831
Short-term investments	-	-	-	-	3,605	3,605
Assets and disposal group classified as held for sale	-	12,790	-	17,316	-	30,106
Other assets	352	12,282	5,083	8,627	-	26,344
Total assets	**26,684**	**820,538**	**175,547**	**243,456**	**52,622**	**1,318,847**

6. Investment Properties

	31 December 2011	**30 June 2011**
	USD'000	**USD'000**
Opening balance (1 July 2011/1 July 2010)	693,185	620,650
Additions during the period/year	23,985	46,527
Transfers from property, plant and equipment	-	30,694
Net (loss)/gain from fair value adjustments of investment properties	(106,887)	78,036
Disposals of investment properties	-	(13,041)
Transfers from prepayments for operating lease assets	1,602	-
Transfers to inventories	-	(25,211)
Transfers to property, plant and equipment	-	(9,879)
Transfers to non-current assets classified as held for sale	-	(12,755)
Translation differences	(3,396)	(21,836)
Closing balance	608,489	693,185

7. Property, Plant and Equipment

	Buildings, hotels and golf courses USD'000	**Machinery, plant and equipment USD'000**	**Furniture, fixtures and office equipment USD'000**	**Motor vehicles USD'000**	**Construction in progress USD'000**	**Total USD'000**
Gross carrying amount						
At 1 July 2011	147,195	25,541	2,634	2,101	39,676	**217,147**
Additions	418	221	38	115	223	**1,015**

Transfers from construction in progress	1,068	1,096	23	-	(2,187)	**-**
Disposals and written-off	(37)	(16)	(7)	(61)	(130)	**(251)**
Translation differences	(1,613)	(247)	(22)	(33)	(16)	**(1,931)**
At 31 December 2011	147,031	26,595	2,666	2,122	37,566	**215,980**
Depreciation and revaluations						
At 1 July 2011	(48,744)	(10,835)	(1,182)	(644)	(25,045)	**(86,450)**
Charge for the period	(2,188)	(1,552)	(256)	(125)	-	**(4,121)**
Disposals and written-off	-	2	2	18	-	**22**
Revaluation losses	(8,603)	-	-	-	-	**(8,603)**
Translation differences	58	8	8	7	-	**81**
At 31 December 2011	(59,477)	(12,377)	(1,428)	(744)	(25,045)	**(99,071)**
Carrying value						
At 1 July 2011	98,451	14,706	1,452	1,457	14,631	**130,697**
At 31 December 2011	87,554	14,218	1,238	1,378	12,521	**116,909**

Buildings which belong to East Ocean Real Estate and Tourism Joint Stock Company with a total carrying value of USD32.6 million as at 31 December 2011 (30 June 2011: USD36.2 million) are pledged as security for bank borrowings as disclosed in Note 18.

Buildings, equipment and construction in progress which belong to Roxy Vietnam Co. Ltd. with a total carrying value of USD15.9 million as at 31 December 2011 (30 June 2011: USD18.5 million) are pledged as security for bank borrowings disclosed in Note 18.

For the comparative period:

	Buildings, hotels and golf courses USD'000	**Machinery, plant and equipment USD'000**	**Furniture, fixtures and office equipment USD'000**	**Motor vehicles USD'000**	**Construction in progress USD'000**	**Total USD'000**
Gross carrying amount						
At 1 July 2010	104,278	23,990	2,390	1,672	44,826	**177,156**
Additions	7,258	1,488	678	913	8,407	**18,744**
Transfers from construction in progress	12,952	984	(379)	-	(13,557)	**-**
Transferred from investment properties	9,879	-	-	-	-	**9,879**
Transfers from prepayments for operating lease assets	34,532	-	-	-	-	**34,532**
Transfers to investment properties	(30,694)	-	-	-	-	**(30,694)**
Disposals and written-off	-	(850)	(27)	(411)	-	**(1,288)**
Revaluation gains	9,030	-	-	-	-	**9,030**
Translation differences	(40)	(71)	(28)	(73)	-	**(212)**
At 30 June 2011	147,195	25,541	2,634	2,101	39,676	**217,147**
Depreciation and revaluations						
At 1 July 2010	(30,984)	(8,428)	(706)	(424)	(25,045)	**(65,587)**
Charge for the year	(38)	(2,407)	(478)	(240)	-	**(3,163)**
Revaluation losses	(17,730)	-	-	-	-	**(17,730)**
Translation differences	8	-	2	20	-	**30**
At 30 June 2011	(48,744)	(10,835)	(1,182)	(644)	(25,045)	**(86,450)**
Carrying value						
At 1 July 2010	73,294	15,562	1,684	1,248	19,781	**111,569**
At 30 June 2011	98,451	14,706	1,452	1,457	14,631	**130,697**

8. Investments in Associates

	31 December 2011 USD'000	30 June 2011 USD'000
Opening balance (1 July 2011/1 July 2010)	83,994	71,789
Additions during the period/year	-	29,090
Transfers from prepayments for acquisitions of investments	-	1,345
Disposals	-	(1,200)
Write off of investment costs	-	(3,216)
Reclassification to assets held for sale	-	(15,655)
Share of (loss)/profit of associates	(137)	1,841
Closing balance	83,857	83,994

9. Prepayments for Acquisitions of Investments

	31 December 2011 USD'000	30 June 2011 USD'000
Prepayments for acquisitions of investments	41,637	51,904
Transfers to investments in subsidiaries	-	(7,721)
Transfers to investments in associates	-	(1,345)
Reclassification as financial assets at fair value through profit or loss	-	(969)
	41,637	41,869
Allowance for impairment	(5,798)	-
	35,839	41,869

As at 31 December 2011, an allowance of USD5.8 million had been made against the prepayments for acquisitions of investments of Long Truong and Truong Thinh Garden projects

10. Inventories

	31 December 2011 USD'000	30 June 2011 USD'000
Opening balance (1 July 2011/1 July 2010)	117,476	80,769
Net additions during the period/year	25,589	46,383
Transfers from investment properties	-	25,211
Transfers to cost of sales	(8,977)	(34,350)
Translation differences	(3,247)	(537)
	130,841	117,476

11. Trade and Other Receivables

	31 December 2011 USD'000	30 June 2011 USD'000
Trade receivables	1,874	3,047
Loans to non-controlling interests	31,000	31,000

Compensation receivable for property exchanged	44,853	46,659
Receivables from non-controlling interests	740	104
Receivables from disposals of subsidiaries	7,385	7,542
Tax receivables	2,325	3,594
Interest receivables	5,938	6,264
Prepayments to suppliers	8,403	8,616
Other receivables	1,260	7,804
Other current assets	1,279	1,764
	105,057	116,394
Allowance for impairment	(14,526)	(8,247)
	90,531	108,147

Included in interest receivables is an amount of USD5.6 million receivable from Thai Thinh Corporation which was fully provided for as at 30 June 2011 and 31 December 2011.

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

12. Financial Assets at Fair Value through Profit or Loss

	31 December 2011 USD'000	30 June 2011 USD'000
Designated at fair value through profit or loss:		
Financial assets in Vietnam		
Trustee loans	2,785	2,785
Ordinary shares – unlisted	15,046	15,046
	17,831	17,831

13. Cash and Cash Equivalents

	31 December 2011 USD'000	30 June 2011 USD'000
Cash on hand	763	735
Cash at banks	13,387	18,305
Cash equivalents	33,523	29,977
	47,673	49,017

At 31 December 2011, cash and cash equivalents held at the Company level amounted to USD8.5 million (30 June 2011: USD3.6 million). The remaining balance of cash and cash equivalents was held at the local subsidiary level. It may not be possible to transfer cash held by local subsidiaries to the Company due to restrictions imposed by co-investors and Vietnamese regulations.

14. Assets and Liabilities Classified as Held for Sale

Summary of the assets/(liabilities) held for sale at the period end:

	31 December 2011				
				Attributable to	
	Assets classified as held for sale USD'000	Liabilities classified as held for sale USD'000	Net assets classified as held for sale USD'000	Non-controlling interests USD'000	Equity shareholders of the parent USD'000
Oriental Sea Co., Ltd.	10,827	-	10,827	-	10,827
Glory Tourism Company Ltd.	1,963	(330)	1,633	-	1,633

Danang Marina Co., Ltd.	2,600	-	2,600	-	2,600
	15,390	**(330)**	**15,060**	**-**	**15,060**

	30 June 2011				
				Attributable to	
	Assets classified as held for sale USD'000	**Liabilities classified as held for sale USD'000**	**Net assets classified as held for sale USD'000**	**Non-controlling interests USD'000**	**Equity shareholders of the parent USD'000**
Oriental Sea Co., Ltd.	10,827	-	10,827	-	10,827
Savico - VinaLand Company Ltd.	14,716	-	14,716	-	14,716
Glory Tourism Company Ltd.	1,963	(330)	1,633	-	1,633
Danang Marina Co., Ltd.	2,600	-	2,600	-	2,600
	30,106	**(330)**	**29,776**	**-**	**29,776**

At the balance sheet date, the above sale transactions were not completed and assets and liabilities of the above entities were classified as non-current assets held for sale.

15. Share Capital

	31 December 2011		30 June 2011	
	Number of shares	**USD'000**	**Number of shares**	**USD'000**
Authorised:				
Ordinary shares of USD0.01 each	500,000,000	5,000	500,000,000	5,000
Issued and fully paid:				
Opening balance (1 July 2011/ 1 July 2010)	499,967,622	4,999	499,967,622	4,999
Shares repurchased to be cancelled	(2,595,000)	(26)	-	-
Closing balance	497,372,622	4,973	499,967,622	4,999

16. Additional Paid-In Capital

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

	31 December 2011 USD'000	**30 June 2011 USD'000**
Opening balance (1 July 2011/1 July 2010)	588,870	588,870
Shares repurchased to be cancelled	(3,477)	-
Closing balance	585,393	588,870

17. Revaluation Reserve

	31 December 2011 USD'000	**30 June 2011 USD'000**
Opening balance (1 July 2011/1 July 2010)	7,054	3,483
Revaluation (reversal)/gains on buildings	(3,076)	4,928

	31 December 2011	30 June 2011
Share of revaluation gain/(reversal) attributable to non-controlling interests	821	(1,357)
	4,799	7,054

18. Borrowings and Debts

	31 December 2011 USD'000	30 June 2011 USD'000
Non-current financial liabilities carrying at amortised cost:		
Bank borrowings (*)	116,540	112,125
Loans from non-controlling interests	1,292	2,622
Less:		
Current portion of long-term borrowings and debts	(9,990)	(9,206)
	107,842	105,541
Bank borrowings (*)	2,135	2,824
Current portion of long-term borrowings	9,990	9,206
	12,125	12,030
Total borrowings and debts	119,967	117,571

(*) Details of the bank borrowings are as follows:

Lenders	USD'000	Loan period	Repayment term	Interest
Non-current				
EximBank – Ho Chi Minh City branch, Vietnam	38,016	Fifteen years	Repayable in quarterly instalments. Fully repayable by 5 September 2024	12-month lender saving rate plus a 4% p.a margin for VND and 2% p.a. margin for USD.
SeABank – Ho Chi Minh City branch, Vietnam	27,728	Five to six years	Repayable in 7-12 semi-annual instalments. Fully repayable by 10 May 2015	12-month lender saving rate plus a 2.5% p.a. margin .
Dong A Bank – Ho Chi Minh City branch, Vietnam	13,645	Three years	Repayable in 12 instalments. Fully repayable by 5 July 2015	At basic rate of State Bank of Vietnam.
VietinBank - HCM City branch, Vietnam	5,622	Six years	Within six years. Fully repayable by June 2015	Floating rate plus 3.2% p.a. for VND loan and 2.7% p.a for USD loan.
BIDV – Ho Chi Minh City branch, Vietnam	14,296	Five years	Repayable in 12 instalments. Fully repayable by 9 February 2015	USD reference interest rate and 3% p.a for loan in USD and VND reference interest rate and fee loan in VND.
SHB Bank – Da Nang City branch, Vietnam	17,233	Three years	Fully repayable by 15 September 2013	12-month lender saving rate plus 3.5% p.a margin for loan in VND and 2.5% p.a for loan in USD.
	116,540			
Current				
SHB Bank – Danang City branch, Vietnam	2,135	One year	Fully repayable by September 2012	21.5% p.a for loan in VND
	2,135			

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

During the period, the Group's subsidiaries borrowed US$9.8 million (30 June 2011: US$49.9 million) from banks to finance working capital and property development activities.

19. Deferred Tax Liabilities

	31 December 2011 USD'000	30 June 2011 USD'000
Opening balance (1 July 2011/1 July 2010)	51,056	50,823
Net (decrease)/increase during the period/year from fair value adjustments of investment properties and property, plant and equipment	(12,092)	233
Closing balance	38,964	51,056

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

20. Trade and Other Payables

	31 December 2011 USD'000	30 June 2011 USD'000
Trade payables	9,282	9,839
Payables for property acquisitions and land Compensation	22,649	35,999
Deposits from property buyers	12,492	16,410
Payables to non-controlling interests	8,858	9,126
Tax payable	2,500	4,245
Deposits from customers of residential projects	65,478	41,312
Other accrued liabilities	2,724	3,349
Other payables	3,926	5,023
	127,909	125,303

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

21. Net (Loss)/Gain on Fair Value Adjustments of Investment Properties and Revaluations of Property, Plant and Equipment

	Six months ended	
	31 December 2011 USD'000	31 December 2010 USD'000
Investment properties		
By real estate sector:		
- Commercial	(2,962)	-
- Residential, office buildings and undetermined use	(65,188)	5,602
- Mixed use	(38,736)	15,143
	(106,886)	20,745
Property, plant and equipment		
Hospitality	(5,529)	-
Net (loss)/gain on fair value adjustments of investment properties and revaluations of properties, plant and equipment	(112,415)	20,745

22. Selling and Administration Expenses

	Six months ended	
	31 December 2011	31 December 2010
	USD'000	USD'000
Management fees (Note 28)	6,592	7,137
Professional fees (*)	3,272	6,650
Depreciation and amortisation (*)	1,191	3,035
General and administration expenses (*)	1,956	2,622
Staff costs (*)	2,546	2,686
Outside service costs (*)	3,531	3,197
	19,088	25,327

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

23. Other Expenses

	Six months ended	
	31 December 2011	31 December 2010
	USD'000	USD'000
Allowances for impairments of assets	12,077	-
Losses on disposals of assets	229	112
Other expenses	228	1,184
	12,534	1,296

24. Income Tax

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

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 USD0.6 million has been made for corporate income tax payable by these subsidiaries for the period (period from 1 July 2010 to 31 December 2010: USD0.1 million).

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

	Six months ended	
	31 December 2011	31 December 2010
	USD'000	USD'000
Group's loss before tax	(132,729)	(2,371)
Group's profit multiplied by applicable tax rate (0%)	-	-
Current income tax expenses for subsidiaries	(615)	(147)
Deferred income tax (*)	3,795	3,803
Income tax	3,180	3,656

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

25. Loss and Net Asset Value Per Share

(a) Basic

	Six months ended	
	31 December 2011	31 December 2010
Loss attributable to owners of the Company from continuing and tota operations (USD'000)	(81,824)	(4,390)
Weighted average number of ordinary shares in issue	499,397,622	499,967,622
Basic loss per share from continuing and total operations (USD per share)	(0.16)	(0.01)

(b) Diluted

Diluted loss 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 loss per share is equal to basic loss per share.

(c) Net Asset Value Per Share

	31 December 2011	30 June 2011
Net asset value (USD'000)	585,363	672,288
Number of outstanding ordinary shares in issue	497,372,622	499,967,622
Net asset value per share (USD/share)	1.18	1.34

26. Seasonality

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

27. Commitments

As at 31 December 2011, the Group was committed under lease agreements to paying the following future amounts:

	31 December 2011 USD'000	30 June 2011 USD'000
Within one year	3,216	659
From two to five years	3,115	2,390
Over five years	8,683	8,253
	15,014	11,302

As at 31 December 2011, the Group was also committed under construction agreements to pay USD47.9 million (30 June 2011: USD32.6 million) for future construction work of the Group's properties held by subsidiaries.

The Company's subsidiaries and associates have a broad range of commitments relating to investment projects under agreements it has entered into and investment licences it has received. Further investment in many of these arrangements is at the Group's discretion. The Investment Manager has estimated that, based on the agreements signed and the development plan for each project, approximately USD48.1 million will be used to fund these commitments over the next three years.

28. Related Party Transactions and Balances

Management fees

The Group is managed by VinaCapital Investment Management Limited (the "Investment Manager"), an investment management company incorporated in the British Virgin Islands, under a management agreement dated 16 March 2006 (the "Management Agreement"). From 1 January 2011, the Group is managed by VinaCapital Investment Management Limited (the "CI Investment Manager"), a 100% owned subsidiary company of the BVI Investment Manager incorporated and registered as a licensed fund manager in the Cayman Islands, under the novation agreement between the BVI Investment Manager and the CI Investment Manager. The Investment Manager receives a fee based on the net asset value of the Group, payable monthly in arrears, at an annual rate of 2% (31 December 2010: 2%).

Total management fees for the period amounted to USD6,592,254 (31 December 2010: USD7,136,678), with USD6,536,634 (31 December 2010: USD2,300,219) in outstanding accrued fees due to the Investment Manager at the date of the condensed interim consolidated statement of financial position.

Performance fees

In accordance with the Management Agreement, the Investment Manager is also entitled to a performance fee equal to 20% of the annual increase in net asset value over the higher of realised returns over an annualised hurdle rate of 8% (31 December 2010: hurdle rate 8%) and a high-water-mark. There was no performance fee charged for the period (31 December 2010: nil). An amount of USD28,218,000 (30 June 2011: USD28,218,000) was in outstanding payable to the Investment Manager as at 31 December 2011.

Details of payables to related parties at the date of the condensed interim consolidated statement of financial position are as below:

	Relationship	Balances	31 December 2011 USD'000	30 June 2011 USD'000
Non-current				
VinaCapital Vietnam Opportunity Fund Limited	Under common management	Shareholder loans payable (*)	71,862	71,545

	Relationship	Balances	31 December 2011 USD'000	30 June 2011 USD'000
Current				
VinaCapital Vietnam Opportunity Fund Limited	Under common management	Dividend from a subsidiary	613	613
		Payment on behalf	2,500	2,500
VinaSecurities Co. Ltd.	Affiliate of Investment Manager	Professional fee	-	299
VinaCapital Investment Management Ltd.	Investment Manager	Management fees	6,537	7,979
		Performance fees	28,218	28,218
		Advances for real estate projects	1,086	1,129
VinaCapital Corporate Finance Vietnam Ltd.	Under common management	Loan	2,378	2,433
		Loan interest	559	350
			41,891	43,521

(*) This represents shareholder loans granted by VinaCapital Vietnam Opportunity Fund Limited ("VOF") to subsidiaries of the Group. VOF is a non-controlling interest shareholder in these subsidiaries. The loans are to finance real estate projects which are co-invested with VOF. The loans bear interest at 6-month SIBOR plus 3%. The amount of each loan is based on the respective ownership of VOF and the Group in each subsidiary. The loans are carried at cost in the condensed interim consolidated statement of financial position. Interest expense incurred for the period has been waived by both shareholders.

As at 31 December 2011, receivable from related parties mainly comprises of amounts due from VOF as advances to jointly invested real estate projects.

29. Financial Risk Management

(a) Financial risk factors

The Group invests in a diversified property portfolio in Vietnam with the objective to provide shareholders a potential capital growth.

The Group is exposed to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk); credit risk; and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's risk management is coordinated by its Investment Manager who manages the distribution of the assets to achieve the investment objectives.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2011. There have been no changes in the risk management department of the Investment Manager and risk management policies since the most recent year end.

(b) Fair value estimation

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

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

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2011:

31 December 2011	**Level 1 USD'000**	**Level 2 USD'000**	**Level 3 USD'000**	**Total USD'000**
Financial assets fair value through profit or loss				
- Ordinary shares – unlisted	-	15,046	-	**15,046**
- Trustee loans	-	2,785	-	**2,785**
	-	17,831	-	**17,831**

30 June 2011	**Level 1 USD'000**	**Level 2 USD'000**	**Level 3 USD'000**	**Total USD'000**
Financial assets at fair value through profit or loss				
- Ordinary shares – unlisted	-	15,046	-	**15,046**
- Trustee loans	-	2,785	-	**2,785**
	-	17,831	-	**17,831**

There have been no transfers between Levels 1 and 2 during the period.

30. Comparative Figures

Certain comparative figures in the condensed interim consolidated financial statements have been reclassified to conform to the current period's presentation.