03 November 2009

VinaCapital Vietnam Opportunity Fund Limited

Audited financial results for the twelve months ended 30 June 2009

VinaCapital Vietnam Opportunity Fund Limited ("VOF" or "the Company") (VOF.L), an AIM-traded investment company established to target key growth segments within Vietnam's emerging market, today announces its audited financial results for the twelve month period ended 30 June 2009.

Financial highlights

- Net profit for the period of USD3.1 million
- Net Asset Value ("NAV") of USD682 million
- Earnings per share (basic and diluted) of USD0.02 for the period
- Cash and cash equivalents as at 30 June 2009 of USD69.7 million
- No debt at fund level

Operational highlights

- NAV increase of 1.9 per cent, indicating initial stages of recovery following a tumultuous year
- Sale of stake in Masan Group for 81 per cent above the carrying value of the position at the time of sale – generating over USD20 million for a return of 2.5x
- Sale of stake in A&B Tower office project for IRR of 17.5 percent.
- Sale of stake in Hilton Hanoi Opera Hotel for IRR of 23 percent.
- Michael G. Gray joined the Board as an independent director

Commenting, Andy Ho, VinaCapital Managing Director & Head of Investment said:
"We are beginning to see a renewed confidence in the Vietnamese economy, particularly in the second half of the financial year – aided by the government's stimulus package and more positive sentiment internationally. We believe that our portfolio is well positioned to further capitalise on this return to economic growth, and have already begun to deliver strong returns on investments which is a trend that we are confident will continue over the course of the next year."

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Notes to Editors:
VinaCapital Group is a leading asset management, investment banking and real estate consulting firm with unrivalled experience in the Vietnamese market. VinaCapital Group was founded in 2003 and has grown from a single USD10 million fund to a diversified investment firm with over USD1.7 billion in assets under management as of August 2009.

VinaCapital Investment Management Ltd manages three closed-end funds trading on the AIM Market of the London Stock Exchange. These are:

- Vietnam Opportunity Fund (VOF) is a USD823 million diversified investment fund that has consistently been among the top performing Vietnam funds.
- VinaLand Limited (VNL) is a USD655 million real estate fund that was the top performing Vietnam investment fund in 2008.
- Vietnam Infrastructure Limited (VNI) is a USD265 million fund established in July 2007 as the first overseas fund to invest solely in Vietnam's infrastructure sector.

VinaCapital also co-manages the USD32 million DFJ VinaCapital technology venture capital fund with Draper Fisher Jurvetson, and owns a dominant stake in VinaSecurities JSC, a brokerage. More information is available at www.vinacapital.com.

More information on VOF is available at www.vinacapital.com/vof.

Chairman's Statement

Dear Shareholders,

We herein present the annual report of the VinaCapital Vietnam Opportunity Fund Limited (AIM: VOF.L) for the year ended 30 June 2009.

In the first half of 2009 Vietnam began to recover from a tumultuous 2008 that saw its capital markets shaken and GDP growth drop to 6.2 percent for the year, down from 8.5 percent in 2007.

Under the impact of the global financial crisis, Vietnam saw its exports and foreign direct investment commitments decline sharply toward the end of 2008 and in the first quarter of 2009. However, the government's stimulus package, focused on interest rate subsidies for state and private enterprises, succeeded in stimulating domestic demand. GDP growth over the first half of 2009 reached 3.9 percent annualised, and the capital markets saw a healthy recovery from the early 2009 market lows. The benchmark Vietnam Index rose 42 percent in the first six months of 2009, mainly due to the active buying of domestic investors.

With confidence returning to the economy, Vietnam's GDP growth for 2009 is now forecast by leading analysts at 4.5-5.0 percent (third quarter growth was 5.8 percent annualised),

For VOF, the second half of the 2009 financial year saw the beginnings of a recovery in terms of net asset value, share price, and deal activity.

VOF's net asset value ("NAV") rose 1.9 percent to USD682 million (2.10 per share) at 30 June 2009, from USD669 million (USD2.06 per share) at 30 June 2008. This followed the difficult 2008 financial year that saw VOF's NAV decline 37.2 percent. As an indication of the pace of recovery, in the third quarter of 2009 (June to September 2009), the unaudited NAV rose 20.7 percent on-quarter.

VOF's share price at 30 June 2009 was USD1.43 per share, or a discount to NAV of 31.9 percent. While this is a far cry from the 4.9 percent premium that VOF traded at on 30 June 2008, it is nonetheless a marked improvement from the peak discount of 61.1 percent seen during early March 2009. Investor confidence, at an all-time low point in the midst of the global financial crisis, has now started to recover.

Furthermore, for VOF, this renewed confidence is based on real investment results, not just improved sentiment. Although deal activity was lower than in past years, realised exits during the second half of the 2009 financial year included some at values significantly above the carrying value of the holdings.

In particular, VOF's stake in Masan Group was sold at a price 81 percent above the carrying value of the position at the time of sale, generating over USD20 million for a return of over 2.5x. The sale of VOF's stake in the Hilton Hanoi Opera Hotel (which closed just after the financial year ended) also came at a premium to carrying value.

VOF's ability to protect shareholder value during the 2009 financial year was due in large measure to a diversified investment policy that saw liquid assets turned to cash in greater volume as the year progressed, such as VOF's bond holdings that were sold for a 40 percent return toward the end of the 2008 calendar year. More recently, VOF has begun to restructure its real estate holdings to favour more liquid equities over direct investments – including purchase of shares in VinaLand Limited to take advantage of that fund's discount to NAV.

The year also saw the fund adopt a new name to recognise the investment manager's brand, and we welcomed a new member to the Board of Directors, with Michael G. Gray joining VOF as the fourth independent director.

Vietnam's 2009 economic performance has surprised both domestic and international analysts. On the back of this performance, Vietnam is once again garnering headlines for its medium to long-term growth potential, based on the strength of its domestic economy and rising middle class. We remain confident that VOF's investing policy and strategy, geared strongly to those sectors that will benefit from domestic economic growth, will prove highly rewarding for our shareholders in the years to come.

Thank you for your continued support.

William Vanderfelt
Chairman
Vietnam Opportunity Fund
3 November 2009

Consolidated financial statements

Consolidated Balance Sheet

	Note	**30 June 2009 USD'000**	30 June 2008 USD'000 (Reclassified)
ASSETS			
Non-current			
Investment properties	7	**6,906**	**38,192**
Property, plant and equipment	8	**321**	**2,885**
Investments in associates	9	**148,435**	**175,885**
Long-term loans receivables from related parties	31	**58,615**	**48,260**
Other long-term financial assets	10	**15,314**	**16,041**
Other long-term investments	11	**2,331**	**11,926**
Goodwill		**-**	**33**
Prepayments for operating lease assets		**159**	**1,777**
Deferred tax assets		**90**	**90**
Intangible assets		**17**	**33**
Other non-current assets		**-**	**13**
Non-current assets		**232,188**	**295,135**
Current			
Inventories	12	**2,071**	**5,326**
Trade and other receivables	13	**8,012**	**7,437**
Receivables from related parties	31	**15,478**	**17,437**
Financial assets at fair value through income statement	14	**352,389**	**372,187**
Short-term investments		**452**	**1,806**
Cash and cash equivalents	16	**69,691**	**24,286**
Current assets		**448,093**	**428,479**
Assets classified as held for sale	17	**37,742**	**-**
Total assets		**718,023**	**723,614**

	Note	**30 June 2009 USD'000**	30 June 2008 USD'000 (Reclassified)
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to shareholders of the parent:			
Share capital	18	**3,246**	3,246
Additional paid-in capital	19	**722,064**	722,064
Revaluation reserve	20	**25,958**	18,463
Translation reserve		**(2,088)**	(846)
Retained earnings		**(67,268)**	(74,050)
		681,912	668,877
Minority interests		**13,676**	34,117
Total equity		**695,588**	702,994
LIABILITIES			
Non-current			
Long-term debts		**-**	3,764
Other long-term liabilities		**484**	199
Non-current liabilities		**484**	3,963
Current			
Short-term debts		**-**	1,069
Trade and other payables	21	**8,167**	6,021
Payables to related parties	31	**3,118**	9,502
Other liabilities		**-**	65
Current liabilities		**11,285**	16,657
Liabilities classified as held for sale	17	**10,666**	-
Total liabilities		**22,435**	20,620
Total equity and liabilities		**718,023**	723,614
Net assets per share attributable to equity shareholders of the parent (USD per share)	29	**2.10**	2.06

Consolidated Statement of Changes in Equity

	Equity attributable to shareholders of the parent					Minority interests	Total equity
	Share capital	Additional paid-in capital	Revaluation reserve	Translation reserve	Retained earnings		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
1 July 2007	2,506	459,151	17,717	(664)	342,954	22,138	843,802
Currency translation	-	-	-	(182)	-	-	(182)
Share of associates revaluation gains recognised directly in equity (Note 20)	-	-	9,382	-	-	-	9,382
(Loss)/profit for the year ended 30 June 2008	-	-	-	-	(417,004)	1,347	(415,657)
Total recognised income and expense for the year	-	-	9,382	(182)	(417,004)	1,347	(406,457)
Issue of new shares	740	271,078	-	-	-	-	271,818
Placement fees	-	(8,165)	-	-	-	-	(8,165)
Allocated share of associate gain to minority interest (Note 20)	-	-	(8,636)	-	-	8,636	-
Acquisition of minority interest share in subsidiaries	-	-	-	-	-	(5,758)	(5,758)
Capital contribution from minority shareholders	-	-	-	-	-	7,754	7,754
30 June 2008	3,246	722,064	18,463	(846)	(74,050)	34,117	702,994
1 July 2008	3,246	722,064	18,463	(846)	(74,050)	34,117	**702,994**
Currency translation	-	-	-	(1,242)	-	(284)	**(1,526)**
Share of associates revaluation gains recognised directly in equity (Note 20)	-	-	7,495	-	-	-	**7,495**
Profit/(loss) for the year ended 30 June 2009	-	-	-	-	6,782	(3,684)	**3,098**
Total recognised income and expense for the year	-	-	7,495	(1,242)	6,782	(3,968)	**9,067**
Acquisition of minority interest in a subsidiary (Note 6)	-	-	-	-	-	(16,153)	**(16,153)**
Dividend distribution to minority shareholder	-	-	-	-	-	(119)	**(119)**
Capital distribution to minority shareholder	-	-	-	-	-	(201)	**(201)**
30 June 2009	**3,246**	**722,064**	**25,958**	**(2,088)**	**(67,268)**	**13,676**	**695,588**

Consolidated Statement of Income

	Notes	Year ended 30 June 2009 USD'000	30 June 2008 USD'000
Revenue		**8,980**	11,796
Cost of sales		**(7,688)**	(9,965)
Gross profit		**1,292**	1,831
Net changes in fair value of financial assets at fair value through income statement	22	**63,439**	(481,192)
Net (loss)/gain from fair value adjustments of investment properties	7	**(12,111)**	12,573
Selling, general and administration expenses	23	**(18,181)**	(24,500)
Other income	24	**968**	6,620
Negative goodwill/(Goodwill written-off)	6	**2,779**	(1,719)
Other expenses	25	**(20,334)**	(1,305)
		16,560	(489,523)
Operating profit/(loss)		**17,852**	(487,692)
Financial income	26	**23,221**	12,604
Financial costs	27	**(2,808)**	(2,736)
Share of (loss)/profit of associates	9,31	**(35,059)**	62,292
		(14,646)	72,160
Profit/(loss) from continuing operations before tax		**3,206**	(415,532)
Income tax	28	**-**	-
Withholding taxes imposed on investment income	28	**(108)**	(125)
Net profit /(loss) for the year from continuing and total operations		**3,098**	(415,657)
Attributable to equity shareholders of the parent		**6,782**	(417,004)
Attributable to minority interests		**(3,684)**	1,347
		3,098	(415,657)
Earnings per share – basic and diluted (USD per share)	29	**0.02**	(1.41)

Consolidated Statement of Cash Flows

	Year ended	
	30 June 2009	30 June 2008
	USD'000	USD'000
Operating activities		
Net profit/(loss) before tax	**3,206**	(415,532)
Adjustments:		
Depreciation and amortisation	**453**	515
Unrealised net (gain)/loss from revaluation of financial assets at fair value through income statement	**(46,225)**	477,376
Net (gain)/loss from realisation of financial assets at fair value through income statement	**(17,214)**	3,816
(Loss)/gain on written-off account balances	**3,540**	(423)
Gains on disposals of investments	**-**	(5,622)
Loss/(gain) on revaluation of investment properties	**12,111**	(12,573)
Negative goodwill on acquisition of minority interest/goodwill written-off	**(2,779)**	1,719
Share of loss/(profit) of associates	**35,059**	(62,292)
Allowance for impairment of assets	**16,442**	1,287
Unrealised foreign exchange losses	**222**	849
Interest expenses	**597**	1,611
Dividend income	**(16,870)**	(6,568)
Interest income	**(6,299)**	(5,990)
Net losses before changes in working capital	**(17,757)**	(21,827)
Change in trade receivables and other assets	**(6,470)**	(1,621)
Change in inventories	**1,184**	(571)
Change in trade payables and other liabilities	**(7,691)**	(65,207)
Cash and cash equivalents included in held for sale assets	**(284)**	-
Withholding taxes imposed on investment income paid	**(108)**	(125)
Cash flow from operating activities	**(31,126)**	(89,351)

	Year ended	
	30 June 2009	30 June 2008
	USD'000	USD'000
Investing activities		
Interest received	**6,308**	6,104
Dividends received	**17,662**	8,641
Purchases of investment property, plant, equipment and other non-current assets	**(8,894)**	(7,159)
Acquisition of minority interests in associates	**(13,340)**	(7,105)
Purchases of financial assets	**(27,884)**	(443,433)
Acquisitions of long-term investments	**(2,943)**	(15,829)
Proceeds from disposals of financial assets	**106,102**	215,305
Additional investments in associates	**(1,827)**	(32,585)
Proceeds from disposals of investments and fixed assets	**3,087**	7,541
Proceeds from short-term investments	**1,354**	46,568
Loans provided to associates, net	**(7,938)**	(2,662)
Cash flow from investing activities	**71,687**	(224,614)
Financing activities		
Net proceeds from shares issued	**-**	263,652
Interest paid	**(597)**	(1,611)
Proceeds from bank loans	**6,556**	4,833
Dividends paid to minority shareholders	**(119)**	-
Capital distributions to minority shareholders	**(201)**	-
Loan repayments	**(795)**	-
Cash flow from financing activities	**4,844**	266,874
Net change in cash and cash equivalents	**45,405**	(47,091)
Cash and cash equivalents at the beginning of the year	**24,286**	71,377
Cash and cash equivalents at the end of the year	**69,691**	24,286

Notes to the Consolidated Financial Statements

1 General information

VinaCapital Vietnam Opportunity Fund Limited (previously known as 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, Ugland 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, 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 consolidated financial statements for the year ended 30 June 2009 were authorised for issue by the Board of Directors on 3 November 2009.

2 Statement of compliance with IFRS and adoption of new and amended standards and interpretations

2.1 Statement of compliance with IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

2.2 Changes in accounting policies

2.2.1 Overall considerations

The IASB and the International Financial Reporting Interpretations Committee have issued various standards and interpretations with an effective date after the date of this financial information. The Group has not early adopted the standards and interpretations that have been issued as they are not yet effective. The most relevant for the Group are amendment to IAS 1 (Revised 2007) "Presentation of the Financial Statements" (effective for annual periods beginning on or after 1 January 2009) and IFRS 8 "Operating Segments" (effective for annual periods beginning on or after 1 January 2009).

The adoption of IAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. Upon adoption of IFRS 8, the Group will disclose segmental information when evaluating performance and deciding how to allocate resources to operations.

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the consolidated financial statements in the period of initial application.

Annual Improvements 2008

The IASB has issued Improvements for International Financial Reporting Standards 2008. Most of these amendments become effective in annual periods beginning on or after 1 January 2009. The Group has opted for early adoption of IAS 23 Borrowing Costs (Revised) and IAS 40 Investment Property (Amended) to the consolidated financial statements. Smaller amendments are made to several other standards, however, these amendments are not expected to have a material impact on the Group's consolidated financial statements.

2.2.2 Early adoptions of revised and amended standards

IAS 23 Borrowing Costs (Revised 2007)

IAS 23 Borrowing Costs (Revised 2007) requires the capitalisation of borrowing costs to the extent they are directly attributable to the acquisition, production or construction of qualifying assets that need a substantial period of time to get ready for their intended use or sale. In accordance with the transitional provisions, no retrospective restatement of borrowing costs has been made. Borrowing costs have been capitalised only for qualifying assets that primarily related to some of the Group's development projects.

Adoption of IAS 40 Investment Property (Amended)

The amended standard introduces changes to classify the property that is being constructed or developed for future use 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. The Group applies IAS 40 Investment Property (Amended) to investment properties under construction provided that the fair values of these investment properties under construction can be determined.

2.2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

IFRS 3 Business Combinations (Revised 2008) (effective from 1 July 2009)
The standard is applicable for business combinations occurring in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard introduces changes to the accounting requirements for business combinations, but still requires use of the purchase method, and will have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009. The Group is required to adopt Revised IFRS 3 for business combinations when the acquisition date is on or after 1 July 2009, with prospective application required.

IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective from 1 July 2009)
The revised standard introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. The Group's directors do not expect the standard to have a material effect on the Group's consolidated financial statements.

IAS 1 Presentation of the Financial Statements (Revised 2007) (effective for annual periods beginning on or after 1 January 2009)
The revised standard introduces changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. Disclosures are made for capital management objectives, policies and procedures in each annual financial report, capital movements and other gains and losses, which presented separately in the statement of changes in equity and statement of recognised income and expenses. The Group selects to adopt IAS 1 (Revised 2007) from the effective date of the standard.

IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009)
The new standard, which replaces IAS 14 Segment Reporting, requires more comprehensive segmental information to be disclosed in evaluating performance and deciding how to allocate resources to operations. The Group selects to adopt the IFRS 8 from the effective date of the standard.

Amendment to IFRS 7 Financial Instruments: Disclosures: Improving disclosures about financial instruments (effective for annual periods beginning on or after 1 January 2009)
The amendment requires enhanced disclosures regarding fair value measurements and liquidity risk. It will not affect the financial position of the Group but will give rise to additional disclosures.

3 Summary of significant accounting policies

3.1 Presentation of consolidated financial statements

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

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4 to the consolidated financial statements.

3.2 Basis of consolidation

The consolidated financial statements of the Group for the year ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and jointly controlled entities.

3.3 Subsidiaries

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. In assessing control, potential voting rights that presently are exercisable, along with contractual arrangements, are taken into account. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that the control ceases. Majority subsidiaries of the Group have a reporting date of 30 June.

In addition, acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the basis for subsequent measurement in accordance with the Group’s accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group’s share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Negative goodwill is immediately allocated to the statement of income as at the acquisition date.

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses (unless losses provide evidence of impairment) are eliminated on consolidation.

A minority interest represents the portion of the profit or loss and net assets of a subsidiary attributable to an equity interest that is not owned by the Group. It is based upon the minority’s share of post-acquisition fair values of the subsidiary’s identifiable assets and liabilities, except where the losses applicable to the minority in the subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are taken to the consolidated statement of income, unless the minority has a binding obligation to, and is able to, make good the losses. When the subsidiary subsequently reports profits, the profits applicable to the minority are taken to the consolidated statement of income until the minority’s share of losses previously taken to the consolidated statement of income is fully recovered.

Changes in ownership interests in a subsidiary that do not result in gaining or losing control of the subsidiary are accounted for using the parent entity method of accounting whereby the difference between the consideration paid and the proportionate change in the parent entity’s interest in the carrying value of the subsidiary’s net assets is recorded as additional goodwill. No adjustment is made to the carrying value of the subsidiary’s net assets as reported in the consolidated financial statements.

3.4 Associates and jointly controlled entities

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% to 50% of voting rights, but which are neither subsidiaries nor investments in joint ventures. In the consolidated financial statements, investments in associates are initially recorded at cost and subsequently accounted for using the equity method.

A jointly controlled entity is a contractual arrangement whereby two or more parties undertake an economic activity where the strategic, financial and operating decisions relating to the activity require the unanimous consent of the venturers.

Under the equity method, the Group's interest in an associate or jointly controlled entity is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's or jointly controlled entity's net assets less any identified impairment loss, unless it is classified as held for sale or included in a disposal group that is classified as held for sale. The consolidated statement of income includes the Group's share of the post-acquisition, post-tax results of the associate or jointly controlled entity for the year, including any impairment loss on goodwill relating to the investment in associate or jointly controlled entity recognised for the year.

All subsequent changes to the Group's share of interest in the equity of the associate are recognised in the carrying amount of the investment. Changes resulting from the profit or loss generated by the associate are reported within "Share of (loss)/profit of associates" in the statement of income. These changes include subsequent depreciation, amortisation or impairment of the fair value adjustments of assets and liabilities.

Adjustments to the carrying value of the associate are necessary for changes in the associate's equity that have not been recognised in their statement of income, primarily those arising on the revaluation of plant, property and equipment. The Group's share of this change is recognised directly in the statement of changes in equity.

When the Group's share of losses in an associate or jointly controlled entity equals or exceeds its interest in the associate or jointly controlled entity, the Group does not recognise further losses, unless it has legal or constructive obligations, or made payments, on behalf of the associate or jointly controlled entity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate or jointly controlled entity recognised at the date of acquisition is recognised as goodwill. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the investment.

Goodwill is included within the carrying amount of an investment and is assessed for impairment as part of the investment. After the application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates and jointly controlled entities. At each balance sheet date, the Group determines whether there is any objective evidence that an investment in an associate or jointly controlled entity is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount of the associate or jointly controlled entity and its respective carrying amount.

Unrealised gains on transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in an associate or jointly controlled entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.5 Functional and presentation currency

The consolidated financial statements are presented in United States Dollars (USD) ("the presentation currency"). The financial statements of each consolidated entity are prepared in either USD or the currency of the primary economic environment in which the entity operates ("the functional currency"), which for most investments is Vietnam Dong. USD is used as the presentation currency because it is the primary basis for the measurement of the performance of the Group (specifically changes in the Net Asset Value of the Group) and a large proportion of significant transactions of the Group are denominated in USD.

3.6 Foreign currency translation

In the individual financial statements of the consolidated entities, transactions arising in currencies other than the functional currency of the individual entity are translated at exchange rates in effect on the transaction dates. Monetary assets and liabilities denominated in currencies other than the functional currency of the individual entity are translated at the exchange rates in effect at the balance sheet date. Translation gains and losses and expenses relating to foreign exchange transactions are recorded in the consolidated statement of income.

In the consolidated financial statements all separate financial statements of subsidiaries, if originally presented in a currency different from the Group's presentation currency, are converted into USD. Assets and liabilities are translated into USD at the closing rate of the balance sheet date. Income and expenses are converted into the Group's presentation currency at the average rates over the reporting period. Any differences arising from this translation are charged to the currency translation reserve in equity.

3.7 Revenue recognition

Goods and services rendered

Revenue from sale of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. No revenue is recognised if there are significant uncertainties regarding the ultimate receipt of the proceeds or the reasonable estimation of the associated costs of the sale, or the possibility of the return of the goods.

Rental income

Rental income from investment property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

Interest income

Interest income is recognised on the effective interest rate basis.

Dividend income

Dividend income is recorded when the Group's right to receive the dividend is established.

3.8 Expense recognition

Borrowing costs

Borrowing costs, comprising interest and related costs, are recognised as an expense in the period in which they are incurred, except for borrowing costs relating to qualifying assets that need a substantial period of time to get ready for their intended use or sale to the extent that they are directly attributable to the acquisition, production or construction of such assets. These costs are capitalised as a cost of the related assets from 1 January 2009. No retrospective restatement is made for borrowing costs that have been expensed for qualifying assets before 1 January 2009.

Operating lease payments

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.9 Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is recognised in the statement of income as an expense when incurred.

Amortisation

Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Software	3 to 5 years

3.10 Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiary companies and associated companies over the Group's share of the fair value of their identifiable net assets at the date of acquisition.

Goodwill is recognised at cost less any accumulated impairment losses. The carrying value of goodwill is subject to an annual impairment review and whenever events or changes in circumstances indicate that it may not be recoverable. An impairment charge will be recognised in the statement of income when the results of such a review indicate that the carrying value of goodwill is impaired (see accounting policy 3.16).

Negative goodwill represents the excess of the Group's interest in the fair value of identifiable net assets and liabilities, and contingent liabilities over costs of acquisition. It is recognised directly in the statement of income at the date of acquisition.

Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity disposed of.

3.11 Investment properties

Investment properties are properties owned or held under finance leases to earn rentals or capital appreciation, or both, or held for a currently undetermined use. Property held under operating leases (including leasehold land) that would otherwise meet the definition of investment property is classified as investment property on a property by property basis. If a leased property does not meet this definition it is recorded as an operating lease. Investment properties are stated at fair value.

The property under construction or development for future use as investment property is treated as investment property and is measured at fair value where the fair value of the investment property under construction or development for future use is reliably determined.

Two independent valuation companies, with appropriately recognised professional qualifications and recent experience in the location and category undertake a valuation of every property. On the valuation date, the fair value is estimated assuming there is an agreement between a willing buyer and a willing seller on an arm's length basis after proper marketing; wherein the parties have each acted knowledgeably, prudently and without compulsion. The valuations are prepared based upon direct comparison with sales of other similar properties in the area and the expected future discounted cash flows of a property using a yield that reflects the risks inherent therein. Valuations are reviewed by the Valuation Committee and approved the Group's Board of Directors. Discount rates in the range from 13% to 16% are considered appropriate for properties in different locations. Where the Valuation Committee considers the discount rate applied by the independent valuers to be too low or if there are factors that the external independent valuers have not considered in their determination of a property's fair value, they will adjust the discount rate and other assumptions in the discounted cash flow projections, whereby decreasing the property's valuation.

Any gain or loss arising from a change in fair value is recognised in the statement of income. Rental income from investment property is accounted for as described in the accounting policy 3.7.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised in the statement of income immediately.

Property where more than 10% of the property is occupied by the Group for the production or supply of goods and services, or for administration purposes, is accounted for as property, plant and equipment (see accounting policy 3.12).

All costs directly associated with the purchase and construction of an investment property, and all subsequent capital expenditures for the development qualifying as acquisition costs are capitalised.

Borrowing costs for property under construction or development are capitalised if they are directly attributable to the acquisition, construction or production of that qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs continues until the assets are substantially ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds, to the average rate.

3.12 Property, plant and equipment

Owned assets

All property, plant and equipment, except buildings and leasehold land improvements, are stated at cost less accumulated depreciation and impairment losses (see accounting policy 3.16). The cost of self-constructed assets includes the cost of materials, direct labour, overheads and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Buildings and leasehold land improvements are revalued to fair value in accordance with the methods set out in accounting policy 3.11. Any surplus arising on the revaluation is recognised in a revaluation reserve within equity, except to the extent that the surplus reverses a previous revaluation deficit on the building charged to the consolidated statement of income, in which case a credit to that extent is recognised in the consolidated statement of income. Any deficit on revaluation is charged in the consolidated statement of income except to the extent that it reverses a previous revaluation surplus on a building, in which case it is taken directly to the revaluation reserve. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

If an investment property is reclassified as property, plant and equipment its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets
Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment and investment property acquired by way of finance leases are stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent expenditure
The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. The carrying values of any parts replaced as a result of such replacements are expensed at the time of replacement. All other costs associated with the maintenance of property, plant and equipment are recognised in the statement of income as incurred.

Depreciation
Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of property, plant and equipment, and major components that are accounted for separately. The estimated useful lives of the Group's property, plant and equipment are as follows:

Building and leasehold land improvements	5 to 25 years
Plant and machinery	5 to 15 years
Office equipment, furniture, fixtures, and motor vehicles	4 to 7 years

Material residual value estimates and estimates of useful lives are reviewed at least annually, irrespective of whether assets are revalued.

Assets held under finance leases which do not transfer title to the assets to the Group at the end of the lease are depreciated over the shorter of the estimated useful lives shown above and the term of the lease.

3.13 Leases
Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases (see accounting policy 3.12).

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, unless they are treated as investment properties (see accounting policy 3.11). Where the Group has the use of an asset held under an operating lease, payments made under the lease are charged to the statement of income on a straight line basis over the term of the lease. Prepayments for operating leases represent property held under operating leases where a portion, or all, of the lease payments have been paid in advance, and the properties cannot be classified as an investment property.

3.14 Financial assets
Financial assets are divided into the following categories: loans and receivables, financial assets at fair value through income statement, and held-to-maturity financial assets.
Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired. Where allowed and appropriate management re-evaluates this designation at each reporting date. The designation of financial assets is based on the investment strategy set out in the Group's Admission Document to the London Stock Exchange's Alternative Investment Market, dated 24 September 2003.
All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at a fair value through income statement, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expires or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised based on the classification of the financial assets.
The Group's financial assets consist primarily of listed, unlisted equities, bonds, loans and receivables.

Loans and receivables
All loans and receivables, except trustee loans, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in statement of income. Discounting, however, is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment when they are overdue or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and other available features of shared credit risk characteristics. The percentage of the write-down is then based on recent historical counterparty default rates for each identified group. Impairment of trade and other receivables are presented within “other expenses”.

Financial assets at fair value through income statement
Financial assets at fair value through income statement include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through income statement upon initial recognition. By definition, all derivative financial instruments that do not qualify for hedge accounting fall into this category. Other financial assets at fair value through income statement held by the Group include listed and unlisted securities and trustee loans.
Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using industry standard valuation techniques where no active market exists.
Financial assets at fair value through income statement include trustee loans to banks and other parties where the Group receives interest and other income on the loans calculated based on the proceeds from the sales of specific assets held by the counterparties. Fair value is determined based on the expected future discounted cash flows from each loan.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities other than loans and receivables. Investments are classified as held-to-maturity if the Group has the intention and ability to hold them until maturity. The Group currently holds bonds which fall within this category of financial assets.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest rate method. In addition, if there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in the statement of income.

3.15 Inventories
Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Financing costs are not taken into consideration. Costs of ordinarily interchangeable items are assigned using the first in, first out

cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.16 Impairment of assets

The Group's goodwill, intangible assets, other long-term investments, operating lease prepayments, property, plant and equipment, property held for development, and interests in associates and jointly controlled entities are subject to impairment testing.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Goodwill and intangible assets with an indefinite life are tested for impairment annually, while other assets are tested when there is an indicator of impairment.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

3.17 Prepayments for acquisitions of investments

Those payments made by the Group to property vendors for land clearance and other related costs, and professional fees 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, are treated as prepayments. Such prepayments are measured initially at cost until such time as the approval is obtained or conditions are met, at which point they are transferred to investment properties and accounted for accordingly.

3.18 Taxation

Income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the statement of income.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Withholding taxes imposed on investment income
The Group currently incurs withholding taxes imposed by local jurisdictions on investment income. Such income is recorded gross of withholding taxes in the consolidated statement of income.

3.19 Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as money market instruments and bank deposits with an original maturity term of not more than three months.

3.20 Non-current assets and liabilities classified as held for sale
When the Group intends to sell a non-current asset or a group of assets (a disposal group), and if the carrying amount will principally be recovered through sale, they are available for immediate sale in their present condition subject only to terms that are usual and customary for sale of such assets and sale is highly probable at the balance sheet date, the assets are classified as “held for sale” and presented separately in the consolidated balance sheet in accordance to IFRS 5 “Non-current assets held for sale and discontinued operations”.

Liabilities are classified as “held for sale” and presented as such in the consolidated balance sheet if they are directly associated with a disposal group.

Assets classified as “held for sale” are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair values less costs to sell. However, some “held for sale” assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's accounting policy for those assets. No assets classified as “held for sale” are subject to depreciation or amortisation, subsequent to their classification as “held for sale”.

3.21 Equity
Share capital is determined using the nominal value of shares that have been issued. Additional paid-in capital includes any premiums received on the initial issuance of the share capital. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Revaluation reserve represents the surplus arising on the revaluation of the Group’s owned buildings which are classified under property, plant and equipment.

Currency translation differences on net investments in foreign operations are included in the translation reserve.

Retained earnings include all current and prior period results as disclosed in the consolidated statement of changes in equity.

3.22 Financial liabilities
The Group's financial liabilities include trade and other payables, borrowings and other liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in finance costs in the statement of income.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest rate method.

Borrowings are raised for support of long-term funding of the Group's investments and are recognised at fair value plus direct transaction costs on initial recognition and thereafter at amortised cost under the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3.23 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group that can be reliably estimated. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long-term provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of Group’s management.

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events that’s existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses their existence when inflows of economic benefits are probable, but not virtually certain.

3.24 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Parties are considered to be related to the Group if:

1. directly or indirectly, a party controls, is controlled by, or is under common control with the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
2. a party is a jointly-controlled entity;
3. a party is an associate;
4. a party is a member of the key management personnel of the Group; or
5. a party is a close family member of the above categories.

3.25 Segment reporting

An investment segment is a group of assets that are subject to risks and returns that are different from those of other business segments.

A geographical segment is a particular economic environment that is subject to risks and return that are different from those of segments operating in other economic environments.

3.26 Earnings per share and net asset value per share
The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Net asset value (NAV) per share is calculated by dividing the net asset value attributable to ordinary shareholders of the Company by 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 interests.

4 Critical accounting estimates and judgements
When preparing the 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 the Company's 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, leasehold land and buildings
The investment properties, leasehold land and buildings of the Group are stated at fair value in accordance with accounting policy 3.11. The fair values of investment properties, leasehold land and buildings have been determined by independent professional valuers including: CB Richard Ellis, Savills, Jones Lang LaSalle, Colliers, Sallmanns and HVS. These valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. Valuations are reviewed by the Valuation Committee and approved by the Board of Directors. Discount rates in the range from 13% to 16% are considered appropriate for properties in different locations. Where the Valuation Committee considers the discount rate applied by the independent valuers to be too low or if there are factors that the external independent valuers have not considered in their determination of a property's fair value, they will adjust the discount rate and other assumptions in the discounted cash flow projections, whereby decreasing the property's valuation. 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.

Fair value of financial assets
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 balance sheet 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 balance sheet 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

Trade and other receivables

The Group's management considers the need to provide for the impairment of trade and other receivables on a regular basis. This estimate is based on the credit history of its customers, recoverability of receivables and prevailing market conditions.

Other assets

The Group's goodwill, intangible assets, operating lease prepayments, property, plant and equipment, property held for development, and interests in associates and jointly controlled entities are subject to impairment testing in accordance with the accounting policy 3.16.

Impairment of investment properties, leasehold land and buildings

Whenever there is an indication of impairment of an investment property, leasehold land and buildings, 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.

In the process of reviewing for impairment the Group's management makes assumptions about future cash flows and discount rates associated with market risk and asset specific risk factors. The impairment assessment is an estimate and consequently the actual results achieved if the assets were disposed at the balance sheet date may differ to the current carrying value recorded by the Group.

Inventories

Inventories are measured at lower of cost and net realised value. In estimating net realised values, management takes into account the most reliable evidence available at the times the estimates are made.

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 four main segments: capital markets, private equity, real estate (including real estate related shareholder loans) and cash (including deposits having maturity term below three months). The Group's secondary reporting format, geographical segments, includes Vietnam and the regions outside Vietnam.

	As at 30 June 2009			As at 30 June 2008		
	Vietnam	**Outside Vietnam**	**Total**	Vietnam	Outside Vietnam	Total
	USD'000	**USD'000**	**USD'000**	USD'000	USD'000	USD'000
Total assets						
Capital markets	**338,175**	**16,206**	**354,381**	360,516	12,078	372,594
Private equity	**23,677**	**-**	**23,677**	24,296	-	24,296
Real estate	**270,274**	**-**	**270,274**	302,438	-	302,438
Cash	**66,522**	**3,169**	**69,691**	22,084	2,202	24,286
	698,648	**19,375**	**718,023**	709,334	14,280	723,614

	Year ended 30 June 2009			Year ended 30 June 2008		
	Vietnam	**Outside Vietnam**	**Total**	Vietnam	Outside Vietnam	Total
	USD'000	**USD'000**	**USD'000**	USD'000	USD'000	USD'000
Net profit/(loss)						
Capital markets	**61,108**	**(2,984)**	**58,124**	(500,948)	-	(500,948)
Private equity	**(15,654)**	**-**	**(15,654)**	2,916	-	2,916
Real estate	**(45,671)**	**-**	**(45,671)**	76,386	-	76,386
Cash	**6,298**	**1**	**6,299**	5,976	13	5,989
	6,081	**(2,983)**	**3,098**	(415,670)	13	(415,657)

To determine the geographical segments for financial instruments the following rules have been applied:

- Listed shares − place of primary listing;
- Unlisted shares − place of incorporation of the issuer;
- Private equity − place of incorporation of the issuer;
- Real estate − location of property; and
- Cash − place of deposit.

The above segmental reporting information has not been presented in accordance with the requirements of IAS 14 "Segment reporting" as the Board of Directors believes that the current presentation gives more appropriate and relevant information to the users of the financial statements and is in accordance with the way the Investment Manager manages and monitors the risks and returns of the Group's investments.

6. Subsidiaries

Additional acquisition of minority interest in Indotel Limited

As at 30 June 2008, the Group held a beneficial interest of 72.2% in Indotel Limited, a subsidiary incorporated in Singapore. The principal activity of this company is to invest and manage the five-star S.E.M Thong Nhat Hotel Metropole and holds 50% of the equity in this company. On 4 September 2008, the Group acquired a further 27.8% interest in Indotel Limited for USD13.4 million, which was settled in cash. Negative goodwill arising on this transaction amounted to USD2.8 million. As a result, the Group's beneficial ownership in Indotel Limited is 100% as at 30 June 2009.

Particulars of principal subsidiaries of the Group as of 30 June 2009:

Name	Place of incorporation /operations	Contributed share capital (USD)	Percentage interest held by the Group	Principal activities
Asia Value Investment Ltd.	BVI	1,800,000	100%	Investment
Vietnam Enterprise Ltd.	BVI	59,960,000	100%	Investment
Vietnam Investment Property Ltd.	BVI	500,000	100%	Investment
Vietnam Investment Property Holdings Ltd.	BVI	600,000	100%	Investment
Vietnam Investment Ltd.	BVI	18,800,000	100%	Investment
Vietnam Ventures Ltd.	BVI	7,100,000	100%	Investment
VOF Investment Ltd.	BVI	586,000,000	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	75%	Building materials
Indotel Limited	Singapore	3,480,000	100%	Hospitality
BI VI Investments Corporation	Vietnam	2,009,024	100%	Investment
Pegasus Leisure Limited	BVI	2,475,000	100%	Property
Saigon Water Park	Vietnam	3,536,000	100%	Property
A&B Development JSC	Vietnam	1,476,254	50.1%	Property
PA Investment Opportunity II Limited	BVI	23,104,000	66.4%	Investment
VOF PE Holding 1 Limited	BVI	1,600,000	100%	Investment

7. Investment properties

	30 June 2009 USD'000	30 June 2008 USD'000 (Reclassified)
Opening balance	**38,192**	19,091
Additions during the year	**8,138**	6,791
Classified as held for sale assets	**(26,658)**	-
Net (loss)/gain on fair value adjustments of investment properties	**(12,111)**	12,573
Translation differences	**(655)**	(263)
Closing balance	**6,906**	38,192

The net (loss)/gain on fair value adjustments of investment properties relates to the revaluation of leasehold land of the Group's subsidiaries during the year as described in Note 4.

The Group has opted to adopt IAS 40 (Revised) early, therefore for comparative purposes, investment properties under development at 30 June 2008 of USD7.98 million have been reclassified to investment properties.

8. Property, plant and equipment

For the year ended 30 June 2009:

	Building and leasehold land improvements USD'000	Plant and machinery USD'000	Office equipment, furniture, fixture, and motor vehicles USD'000	Construction in progress (CIP) USD'000	Total USD'000
Gross carrying amount					
1 July 2008	5,918	14,613	6,041	244	**26,816**
New purchases	189	549	18	-	**756**
Transferred from CIP	-	244	-	(244)	**-**
Disposals	(31)	-	(146)	-	**(177)**
Classified as held for sale	-	-	(6)	-	**(6)**
Translation differences	(318)	(786)	(324)	-	**(1,428)**
30 June 2009	5,758	14,620	5,583	-	**25,961**
Depreciation and impairment					
1 July 2008	(3,568)	(14,416)	(5,947)	-	**(23,931)**
Charge for the year	(172)	(131)	(31)	-	**(334)**
Disposals	26	-	146	-	**172**
Impairment (*)	(2,024)	(772)	(44)	-	**(2,840)**
Classified as held for sale	-	-	4	-	**4**
Translation differences	183	775	331	-	**1,289**
30 June 2009	(5,555)	(14,544)	(5,541)	-	**(25,640)**
Carrying amount					
1 July 2008	2,350	197	94	244	**2,885**
30 June 2009	203	76	42	-	**321**

(*) This amount represents impairment of property, plant and equipment held at American Home Limited, a subsidiary of the Group, at the balance sheet date.

For the year ended 30 June 2008:

	Building and leasehold land improvement USD'000	Plant and machinery USD'000	Office equipment, furniture, fixture, and motor vehicles USD'000	Construction in progress (CIP) USD'000	Total USD'000
Gross carrying amount					
1 July 2007	6,203	15,158	6,387	-	27,748
New purchases	-	92	12	264	368
Transferred from CIP	13	-	7	(20)	-
Disposals	(1)	-	(14)	-	(15)
Written-off	(38)	-	(182)	-	(220)
Translation differences	(259)	(637)	(169)	-	(1,065)
30 June 2008	5,918	14,613	6,041	244	26,816
Depreciation and impairment					
1 July 2007	(3,490)	(14,968)	(6,263)	-	(24,721)
Charge for the year	(273)	(80)	(46)	-	(399)
Disposals	1	-	15	-	16
Written-off	38	-	182	-	220
Translation differences	156	632	165	-	953
30 June 2008	(3,568)	(14,416)	(5,947)	-	(23,931)
Carrying amount					
1 July 2007	2,713	190	124	-	3,027
30 June 2008	2,350	197	94	244	2,885

9. Investments in associates

	30 June 2009 USD'000	30 June 2008 USD'000
Opening balance	**175,885**	69,177
Additions (Note 31)	**3,735**	36,733
Share of associates' (loss)/profit (Note 31)	**(35,059)**	62,292
Share of associates' change in revaluation reserves (Note 20)	**7,495**	9,382
Classified as held for sale (Note 17)	**(4,059)**	-
Reclassifications from long-term loan receivables	**2,032**	-
Dividends received	**(1,400)**	(1,670)
Translation differences	**(194)**	(29)
Closing balance	**148,435**	175,885

Particulars of significant operating associates and their summarised financial information, extracted from their statutory audited/reviewed and/or management accounts as at 30 June 2009 are as follows:

	Incorpor-ation/ operation	Direct & indirect equity interest held	Principle activity	Assets	Liabilities	Revenue	Profit/ (loss)
		%		USD’000	USD’000	USD’000	USD’000
Hung Vuong Corporation	Vietnam	40.91	Property	39,192	23,525	36,512	4,977
Phong Phu Investment Development Ltd.	Vietnam	30	Investment	31,733	25,778	207	(80)
T.D Company	Vietnam	30	Property	9,930	1,909	91	(701)
Kinh Do Property JSC	Vietnam	23	Property	33,320	2,303	807	(7,713)
Saigon Golf JSC	Vietnam	20	Property	41,807	3,460	115	(12,988)
S.E.M Thong Nhat Hotel Metropole (1)	Vietnam	50	Hospitality	115,699	30,135	25,143	3,652
Pho Viet	Vietnam	32.5	Food & Beverage	3,287	2,755	6,393	(255)
Vietnam Property Holding Ltd.	BVI	25	Property	117,754	85,860	75	(19,835)
Prosper Big Ltd.	BVI	25	Property	89,313	50,988	269	13,600
VinaCapital Danang Resorts Ltd.	BVI	25	Property	59,490	28,707	369	(12,549)
Cypress Assets Ltd.	BVI	23	Hospitality	24,265	55,224	48	(33,737)
Roxy Assets Ltd.	BVI	25	Hospitality	29,337	31,353	30	(3,763)
Maplecity Investment Limited	BVI	25	Hospitality	145,175	86,460	25,697	4,763
Pacific Alliance Land Ltd.	BVI	25	Property	31,466	27,013	1,468	4,133
Standbrook Global Ltd.	BVI	25	Property	26,053	31,387	-	(397)
VinaLand Espero Limited	BVI	25	Property	91,597	72,993	-	(34,568)
Sunbird Group Ltd.	BVI	25	Property	12,760	15,008	23	(2,049)
Vina Dai Phuoc Corporation (2)	BVI	18	Property	67,951	53,277	367	(32,923)
VinaCapital Commercial Center Limited. (Phase I: 12.75%, Phase II: 25%) (3)	BVI	37.75	Property	48,707	2,264	1,121	(55,121)
Thang Loi Textile & Garment JSC (4)	Vietnam	30	Textile & Garment	12,725	11,680	3,730	170
House & Urban Development Financial Investment Co.	Vietnam	30	Property	28,255	15,799	1,146	708

([1]) At the balance sheet date, the Group effectively has a 50% equity interest in SEM Thong Nhat Hotel Metropole (via the 100% equity holding in Indotel Limited – Note 6) but does not have control or joint control due to its limited representation on its Board. Therefore, it is considered appropriate to treat the interest as an associate holding.

([2]) The Group has an 18% equity interest in Vina Dai Phuoc Corporation, a subsidiary of VinaLand Limited, and wields significant influence since it has the power to participate in the financial and operating policy decisions of the investee but it does not have control or joint control over those policies through its Board representation. Therefore, it is considered an associate holding rather than an investment.

([3]) During the prior year, the Group sold 1,125 Class A shares of its interest in VinaCapital Commercial Center Limited. Under the sale and purchase agreement, the buyer was granted a right to acquire an additional 1,125 shares in this company from the Group.

([4]) In the prior year, the Group did not have control or significant influence in Thang Loi Textile & Garment JSC despite its 30% equity interest. During this year, the Group assumed significant influence over the entity, at which point the carrying value of the asset was transferred from financial assets at fair value through income statement to an associate and thereafter accounted for as such.

10. Other long-term financial assets

	30 June 2009 USD'000	30 June 2008 USD'000 (Reclassified)
Prepayments for acquisitions of investments (*)	**14,144**	14,871
Loan to a minority shareholder	**1,170**	1,170
	15,314	16,041

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

In the prior year, USD14.9 million of prepayments for acquisitions of investments were reclassified as current assets, however these are now considered to be long-term assets and have been reclassified.

11. Other long-term investments

	30 June 2009 USD'000	30 June 2008 USD'000
Indochina Industries Food Pte. Ltd. (*)	**11,400**	11,400
Others	**530**	526
	11,930	11,926
Allowance for impairment of assets – (Note 25) (*)	**(9,599)**	-
	2,331	11,926

(*) Indochina Industries Food Pte. Ltd. participates in the sugar processing industry which was significantly affected by economic factors in the latter half of 2008 such as price controls on sugar selling prices and increasing raw material costs. As a result, the management determined that these factors were indicators of impairment and a valuation of the equity holding was undertaken by an independent valuer which was subsequently approved by the Valuation Committee. A discounted cash flow model was used to determine that the carrying value of the investment should be impaired by USD9.4 million at the balance sheet date.

12. Inventories

	30 June 2009	30 June 2008
	USD'000	USD'000
Raw materials and consumables	**2,383**	3,123
Merchandises	**1,936**	2,486
	4,319	5,609
Provision for inventory write-downs	**(2,248)**	(283)
	2,071	5,326

The inventory at the balance sheet date represents stock on hand held at American Home Limited, a subsidiary of the Group. The inventory impairment provision has been determined through individual identification of those obsolete items where the net realisable value is impaired below the cost.

13. Trade and other receivables

	30 June 2009	30 June 2008
	USD'000	USD'000
Trade receivables, gross	**1,504**	2,048
Receivable from matured bonds (*)	**4,245**	-
Interests receivable	**1,311**	1,319
Dividends receivable	**779**	171
Prepayments to customers	**-**	804
Receivable for liquidated trustee loans	**-**	2,478
Other receivables	**772**	734
Other current assets	**138**	-
	8,749	7,554
Allowance for receivable write-downs	**(737)**	(117)
	8,012	7,437

As all trade and other receivables are short-term in nature, their carrying values are considered a reasonable approximation of their fair values at the balance sheet date.

(*) In November 2006, the Group entered into an agreement with Mai Linh Corporation to purchase convertible bonds equal to 15% of their share capital. An agreement was reached with Mai Linh Corporation in September 2009 whereby they will pay the Group USD4.2 million before April 2010 to terminate this agreement. Part of the USD4.2 million consideration may be paid in shares equivalent to USD0.9 million. However, at the date of approval of the consolidated financial statements, legal documentation for share transfer has not been completed, therefore it is considered to be a receivable at the balance sheet date. At 30 June 2008, the bonds were treated as a financial asset at fair value through income statement and their fair value was USD3 million.

14. Financial assets held at fair value through income statement

	30 June 2009 USD'000	30 June 2008 USD'000
Designated at fair value through income statement:		
Financial assets in Vietnam:		
Ordinary shares – listed	**177,037**	204,624
Ordinary shares – unlisted	**157,099**	150,367
Corporate bonds (*)	**2,047**	5,118
Financial assets in countries other than Vietnam:		
Ordinary shares – listed	**16,206**	12,078
Total designated at fair value through income statement	**352,389**	372,187

(*) Corporate bonds have fixed interest rates between 8% to 9.6% and mature in 2012.

During the year, the Group purchased 14,749,044 ordinary shares of VinaLand Limited for USD9,917,281. As a result, the Group had a 2.95% interest in VinaLand Limited as at 30 June 2009.

The financial assets are denominated in the following currencies:

	30 June 2009 USD'000	30 June 2008 USD'000
Vietnam Dong	**336,183**	360,109
Other currencies	**16,206**	12,078
	352,389	372,187

The carrying amounts disclosed above are the Group's maximum possible credit risk exposure in relation to these instruments. See Note 34 for further information on the Group's exposure to financial risk.

15. Categories of financial assets and liabilities

The carrying amounts presented in the consolidated balance sheet relate to the following categories of assets and liabilities:

	Notes	**30 June 2009 USD'000**	30 June 2008 USD'000
Financial assets			
Financial assets held for trading (carried at fair value through income statement)			
Ordinary shares – listed and unlisted	14	**350,342**	367,069
Corporate bonds	14	**2,047**	5,118
		352,389	372,187
Loans and receivables			
Trade and other receivables	10,13,31	**97,419**	89,175
Short-term investments		**452**	1,806
Cash and cash equivalents	16	**69,691**	24,286
		167,562	115,267
		519,951	487,454
Financial liabilities			
Financial liabilities measured at amortised cost:			
Non-current:			
Debts		**-**	3,764
Other payables		**484**	199
Current:			
Debts		**-**	1,069
Trade and other payables	21,31	**11,285**	15,523
Other liabilities		**-**	65
		11,769	20,620

The fair values of financial assets and liabilities are presented in the related notes. The Group's risk management objectives and policies for financial instruments are set out in Note 34.

16. Cash and cash equivalents

	30 June 2009 USD'000	30 June 2008 USD'000
Cash on hand	**19**	99
Cash at banks	**58,139**	9,004
Cash equivalents	**11,533**	15,183
	69,691	24,286

17. Assets and liabilities classified as held for sale

Summary of the assets/(liabilities) held for sale at the balance sheet date:

	30 June 2009					30 June 2008
				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**	**Minority interests USD'000**	**Equity shareholders of the parent USD'000**	USD'000
A&B Development JSC (*)	**28,644**	**(10,666)**	**17,978**	**(7,978)**	**10,000**	-
SRLHO (**)	**9,098**	**-**	**9,098**	**-**	**9,098**	-
	37,742	**(10,666)**	**27,076**	**(7,978)**	**19,098**	-

(*) In June 2009, the Group entered into an agreement to dispose of its 50.1% interest in A&B Development JSC, however, control of the entity will not pass to the Purchaser until after the date of approval of the consolidated financial statements when all of the terms in the agreement are met. Consequently, the assets and liabilities of A&B Development JSC are classified as held for sale assets/liabilities at the balance sheet date and are valued at the lower of carrying value and fair value.

The net (loss)/gain for the year from A&B Development JSC which is included in the Group's consolidated statement of income can be summarised as follows:

	30 June 2009 USD'000	30 June 2008 USD'000
Net (loss)/ gain on fair value adjustment of investment property	**(8,787)**	11,416
Selling, general and administration expenses	**(263)**	(229)
Operating (loss)/profit	**(9,050)**	11,187
Financial income	**139**	77
Financial cost	**(3)**	(99)
	136	(22)
(Loss)/profit before tax	**(8,914)**	11,165
Income tax	**-**	-
Net (loss)/profit for the year	**(8,914)**	11,165
Attributable to the Group equity shareholders	**(4,466)**	5,594
Attributable to minority interest	**(4,448)**	5,571

(**) In May 2009, the Group entered into a principal agreement to dispose of its 17.5% interest in SRLHO (Hilton Project), however, the ownership of the interest will not pass to the Purchaser until after the date of approval of the consolidated financial statements when all of the terms in the agreement are met. Consequently, the investment in this associate and the loan receivable, which belong to SRLHO, are classified as held for sale assets/liabilities at the balance sheet date and are valued at the lower of carrying value and fair value.

The carrying amounts of assets and liabilities in this asset category at the balance sheet date are summarised as follows:

	SRLHO
	USD'000
Group carrying value of the investment in associate (Note 9)	**3,050**
Settlement of loans payable to the Group (Note 31)	**6,048**
Net assets held for sale attributable to the Group equity shareholders	**9,098**

18. Share capital

	30 June 2009		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**	500,000,000	5,000
Issued and fully paid:				
Opening balance	**324,610,259**	**3,246**	250,648,414	2,506
New shares issued	**-**	**-**	73,961,845	740
Closing balance	**324,610,259**	**3,246**	324,610,259	3,246

19. Additional paid-in capital

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

	30 June 2009	30 June 2008
	USD'000	USD'000
Opening balance	**722,064**	459,151
Additional paid-in capital during the year	**-**	271,078
Placement fee	**-**	(8,165)
Closing balance	**722,064**	722,064

20. Revaluation reserve

	30 June 2009	30 June 2008
	USD'000	USD'000
Opening balance	**18,463**	17,717
Addition: share of gains on revaluation of associates' properties (Note 9)	**7,495**	9,382
Less: Share of gain attributable to minority interests of the Group	**-**	(8,636)
Closing balance	**25,958**	18,463

21. Trade and other payables

	30 June 2009 USD'000	30 June 2008 USD'000
Trade payables	**1,152**	1,824
Deposits received in respect to post balance sheet date sales (*)	**4,412**	-
Tax payable	**403**	646
Deferred income	**1,342**	-
Other accrued liabilities	**411**	1,801
Other payables	**447**	1,750
	8,167	6,021

(*) This amount represents the first payments from the Purchasers of the 50.1% interest of the Group in A&B Corporation JSC amount USD3 million and of the 17.5% interest of the Group in SRLHO (Hilton Project) amount USD1.4 million as disclosed in Note 17.

As all trade and other payables are short-term in nature, their carrying values are considered a reasonable approximation of their fair values at the balance sheet date.

22. Net changes in fair value of financial assets at fair value through income statement

	30 June 2009 USD'000	30 June 2008 USD'000
Unrealised gain/(loss) in fair value of financial assets, net	**46,225**	(477,376)
Gain/(loss) from realisation of financial assets during the year, net	**17,214**	(3,816)
	63,439	(481,192)

23. Selling, general and administration expenses

	30 June 2009 USD'000	30 June 2008 USD'000
Management fees (Note 31)	**12,935**	18,064
Professional fees	**2,470**	1,352
General administration and selling expenses (*)	**2,662**	4,434
Other expenses	**114**	650
	18,181	24,500

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

In the prior year, withholding taxes imposed on investment income of USD125,000 were classified within this cost category, however in the current year these have been reclassified within the consolidated statement of income and are now included in Note 28.

24. Other income

	30 June 2009 USD'000	30 June 2008 USD'000
Gain on disposals of investments	**-**	5,622
Other income	**968**	998
	968	6,620

25. Other expenses

	30 June 2009 USD'000	30 June 2008 USD'000
Allowance for impairment of assets (*)	**16,443**	1,210
Written-off financial asset at fair value through income statement	**3,111**	-
Written-off balances	**429**	-
Other expenses	**351**	95
	20,334	1,305

(*) Included in this amount is an allowance of USD9.4 million provided for the impairment of the long-term investment in Indochina Industries Food Pte. Ltd. at the balance sheet date (Note 11).

26. Financial income

	30 June 2009 USD'000	30 June 2008 USD'000
Dividend income	**16,870**	6,568
Interest income	**6,299**	5,990
Realised gains from foreign exchange	**52**	46
	23,221	12,604

27. Financial costs

	30 June 2009 USD'000	30 June 2008 USD'000
Realised losses on foreign exchange	**1,989**	270
Interests on cash advances from related party	**597**	1,611
Unrealised losses from foreign exchange	**222**	849
Other financial costs	**-**	6
	2,808	2,736

28. 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 for these Vietnamese subsidiaries of the Group for the year ended 30 June 2009 (30 June 2008: nil). All of the 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.

Under the laws of Vietnam, tax losses can be carried forward to offset against future taxable income for five years from the year the loss was incurred. The unrecognised deferred tax assets for the year of USD493,045 (30 June 2008: USD662,561) relate to the current year losses of Vietnamese subsidiaries, which can be carried forward but no asset has been recorded for these tax losses due to uncertainty as to their recoverability.

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

	30 June 2009	30 June 2008
	USD'000	USD'000
Group profit/(loss) before tax	**3,098**	(415,532)
Group profit/(loss) multiplied by applicable tax rate (0%)	**-**	-
Income tax on Vietnamese subsidiaries	**-**	-
Withholding taxes imposed on investment income	**(108)**	(125)
Tax expenses	**(108)**	(125)

29. Earnings per share

(a) Basic

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

	30 June 2009	30 June 2008
Profit/(loss) attributable to equity holders of the Company from continuing and total operations (USD)	**6,781,662**	(417,003,649)
Weighted average number of ordinary shares on issue	**324,610,259**	295,633,427
Basic earnings per share from continuing and total operations (USD per share)	**0.02**	(1.41)

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

	30 June 2009	30 June 2008
Net asset value (USD)	**681,911,591**	668,877,294
Number of outstanding ordinary shares on issue	**324,610,259**	324,610,259
Net asset value per share (USD per share)	**2.10**	2.06

30. Directors and management's remuneration

The emoluments payable to the Group's Board of Director members at the balance sheet date are as follows:

	30 June 2009	30 June 2008
	USD'000	USD'000
William Vanderfelt	**89**	20
Martin Glynn	**70**	6
Bernard Grigsby	**70**	20
Philip Skevington	**-**	15
	229	61

At the EGM on 17 June 2009, the shareholders approved a resolution to increase Directors' remuneration to a maximum amount of USD300,000 per year, subject to the condition that any fees paid in excess of USD60,000 for services rendered from 1 July 2007 shall result in a corresponding reduction in the management fee paid to VinaCapital Investment Management Limited, the Investment Manager (Note 31). The fee payable to the Group's Directors as at 30 June 2009 includes a catch up amount for the year ended 30 June 2008.

The Board of Management and certain other individuals who act on behalf of the Group are remunerated by the Investment Manager. However, it is not possible to specifically allocate their costs to the Group. Part of the management fees disclosed in Note 31 can be allocated to remuneration of these individuals.

31. 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 ("BVI"), under a management agreement dated 24 September 2003 (the "Management Agreement"). 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% (30 June 2008: 2%).

Total management fees for the year amounted to USD12,934,662 (30 June 2008: USD18,064,000), of which USD1,195,494 (30 June 2008: USD1,170,000) were payable to the Investment Manager at the balance sheet date.

Performance fees

In accordance with the Management Agreement, the Investment Manager is also entitled to a performance fee equal to 20% of the increase in the Group's NAV over an annualised compounding hurdle rate of 8% (30 June 2008: hurdle rate of 8%) and high watermark.

There were no performance fees payable in the year (30 June 2008: nil) and no amounts were payable to the Investment Manager at the balance sheet date (30 June 2008: nil).

Placement fees

When raising capital through the issuance of new Ordinary Share a commission equal to 3% of the subscription price multiplied by the total number of the shares allotted by the Group on admission is payable by the Group to the Investment Manager. The Investment Manager is responsible for paying placing agents that are engaged in respect to such subscriptions. The net proceeds of share subscriptions are recorded after netting off placement fees.

There were no placement fees payable in the year (30 June 2008: USD8,165,000) and no amounts were payable to the Investment Manager at the balance sheet date (30 June 2008: nil).

Other related party transactions and balances

During the year, the following significant transactions with related parties were recorded as follows:

Related party	Relation	Transactions (USD'000) Year-ended 30 June 2009 Additional/ Transferred	Year-ended 30 June 2009 Share of profit/(loss)	Year-ended 30 June 2008 Additional investments	Year-ended 30 June 2008 Share of profit/(loss)
S.E.M Thong Nhat Hotel Metropole	Associate	**-**	**1,826**	4,336	2,820
House and Urban Development Financial Investment Co.	Associate	**-**	**212**	3,206	17
Hung Vuong Corporation	Associate	**-**	**2,171**	6	2,294
Kinh Do Property JSC	Associate	**-**	**(1,794)**	4,355	(180)
Pho Viet Joint Stock Company	Associate	**-**	**(83)**	1,253	237
T.D Company	Associate	**1,788**	**(210)**	-	(63)
Phong Phu Investment Development JSC	Associate	**39**	**107**	1,121	(15)
Thang Loi Textile & Garment (Note 9)	Associate	**1,908**	**170**	-	-
Saigon Golf JSC	Associate	**-**	**(2,561)**	-	9,331
Vina Dai Phuoc Corporation	Associate	**-**	**(5,930)**	21,017	4,633
VinaLand Limited subsidiaries	Associate	**-**	**(30,061)**	1,439	42,654
Other related parties	Associates	**-**	**1,094**	-	564
		3,735	**(35,059)**	36,733	62,292

At 30 June 2009, the following receivable and payable balances were outstanding with related parties:

Related party	Relation	Transactions	Receivables 30 June 2009 USD'000	Receivables 30 June 2008 USD'000 (Reclassified)
Non-current assets				
VinaLand Limited subsidiaries	Under common management	Loan receivables (*)	**58,615**	48,260
			58,615	48,260
Current assets				
VinaLand Limited subsidiaries	Under common management	Dividend receivables	**613**	263
		Interest receivable	**-**	234
		Others	**2,970**	2,327
Hung Vuong Corporation	Associate	Loan and interest receivable	**6,525**	9,211
NORDICA Capital Square ApS	Minority shareholder	Disposal of investment	**-**	3,085
Thang Loi Textile & Garment	Associate	Loan receivable	**3,000**	-
Phong Phu Investment Development JSC	Associate	Interest receivables	**2,370**	2,317
			15,478	17,437

Related party	Relation	Transactions	Payables **30 June 2009** **USD'000**	 30 June 2008 USD'000
VinaLand Limited subsidiaries	Under common management	Advances for real estate projects	**1,690**	8,332
VinaCapital Investment Management Limited	Under common management	Management fees	**1,195**	1,170
		Cash advance	**89**	-
VinaCapital Real Estate Vietnam Limited	Under common management	Corporate advisory fees	**144**	-
			3,118	9,502

(*) Loan receivables represent the Group's share of loans provided to its associates on joint investments in real estate projects with VinaLand Limited. The loans are unsecured, bear interest at the 6-month SIBOR interest rate, and repayable on demand or on disposal of related investments. The loans are carried at amortised cost at the balance sheet date. In the prior year, these loan receivables were classified as current assets, however these are considered non-current assets and for comparative purposes, USD48.26 million has been reclassified to long-term loan receivables from related parties.

Details of these loan receivables at the balance sheet date are as follows:

	30 June 2009 **USD'000**	30 June 2008 USD'000
VinaCapital Danang Resorts Limited	**3,376**	2,501
Cypress Assets Limited	**6,555**	3,747
Prosper Big Investment Limited	**11,188**	8,202
Bantam Investments Limited	**1,879**	1,879
Avante Global Limited	**620**	620
Perimeter Investments Limited	**279**	272
VinaLand Espero Limited	**9,261**	9,182
Maplecity Investments Limited	**10,990**	14,193
Sunbird Group Limited	**2,985**	1,706
Vietnam Property Holding Limited	**4,636**	763
VinaCapital Commercial Center Limited	**-**	202
Pacific Alliance limited	**6,568**	-
Standbrook Limited	**1,210**	1,210
VinaCapital Development Limited	**165**	125
Roxy Assets Limited	**5,101**	4,868
Other	**51**	-
	64,864	49,470
Loan receivable from SRLHO classified as held for sale at the balance sheet date (Note 17)	**(5,039)**	-
Allowance for doubtful loan receivable	**(1,210)**	(1,210)
	58,615	48,260

32. Commitments

At the balances sheet dates, the Group is committed under operating lease agreements to pay the following future amounts:

	30 June 2009	30 June 2008
	USD'000	USD'000
Within one year	**75**	131
From two to five years	**162**	236
Over five years	**1,139**	1,287
	1,376	1,654

Included in the total committed payment of USD1.4 million, an amount of USD1.3 million relates to the payment for land lease held by A&B Development JSC, a subsidiary of the Group at the balance sheet date. This entity will be disposed of soon after the date of approval of the consolidated financial statements at which point the obligations will pass to the Purchaser.

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

33. Contingent liabilities

Taxation

Although the Company and some of its 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, the 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 is uncertain:

- 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, such as the interpretation of the tax rules by the specific tax authority involved. The administration of laws and regulations by the local or provincial tax departments may be subject to considerable discretion. The Directors believe that it is unlikely that the Company and/or the subsidiaries incorporated in the Cayman Islands and the British Virgin Islands will be exposed to tax liabilities in Vietnam, and in the worst case, if tax is imposed on income arising in Vietnam it will not be applied retrospectively.

As at 30 June 2009, due to the uncertainties mentioned above, except for the withholding taxes imposed on investment income as disclosed in Note 28, no liability in relation to corporate income tax has been recognised in the consolidated financial statements.

34. Risk management objectives and policies

The Group invests in listed and unlisted equity instruments, debt instruments, assets and other opportunities in Vietnam, overseas and neighbouring countries with the objective of achieving medium to long-term capital appreciation and providing investment income.

The Group is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk, and price 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 the Investment Manager who manages the distribution of the assets to achieve the investment objectives. The most significant financial risks the Group is exposed to are described below:

Foreign currency risk sensitivity
The Group's exposure to risk resulting from changes in foreign currency exchange rates is moderate as although transactions in Vietnam are settled in Vietnam Dong, the value of the Vietnam Dong has historically been closely linked to that of USD, the reporting currency.

The Group's financial assets and liabilities, exposure to risk of fluctuations in foreign currency exchange rates at the balance sheet date were as follows:

	Short-term exposure		Long-term exposure	
	VND USD'000	Others USD'000	VND USD'000	Other USD'000
30 June 2009				
Financial assets	**359,610**	**86,412**	**1,170**	**72,759**
Financial liabilities	**(3,791)**	**(7,495)**	**-**	**(483)**
Net exposure	**355,819**	**78,917**	**1,170**	**72,276**
30 June 2008				
Financial assets	385,205	37,950	1,170	63,130
Financial liabilities	(5,913)	(10,744)	(3,765)	(199)
Net exposure	379,292	27,206	(2,595)	62,931

Sensitivity analysis to a reasonably possible change in exchange rates
A 5% weakening of the VND against the USD at the end of the year ended 30 June 2009 and 30 June 2008 would have impacted net income of the Group's equity by the amounts shown below. This percentage has been determined based on the average market volatility in exchange rates in the previous twelve months. This analysis assumes that all other variables, in particular interest rates, remain constant.

	30 June 2009 **Loss** **USD'000**	30 June 2008 Loss USD'000
5% devaluation of the Vietnam Dong	**17,849**	18,835

A 5% strengthening of the VND against USD would have had the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

Price risk sensitivity
Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Group's financial instruments are carried at fair value with fair value changes recognised in the income statement, all changes in market conditions will directly affect net investment income.

The Group's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Investment Manager provides the Group with investment recommendations that are consistent with the Group's objectives. The Investment Manager's recommendations are approved by an Investment Committee of the Investment Manager and/or the Board of Directors before investment decisions are implemented.

All securities investments present a risk of loss of capital. The Investment Manager manages this risk through the careful selection of securities and other financial instruments within specified limits and by holding a diversified portfolio of listed and unlisted instruments. In addition, the performance of investments held by the Group is monitored by the Investment Manager on a monthly basis and reviewed by the Board of Directors on a quarterly basis.

The Group invests in listed and unlisted equity securities and is exposed to market price risk of these securities. If the prices of the securities were to fluctuate by 10%, the impact on profit and loss statement and equity statement would amount to approximately gain of USD32.2 million (30 June 2008: approximately loss of USD22.1 million).

Cash flow and fair value interest rate risk sensitivity

The Group's exposure to interest rate risk is related to interest bearing financial assets and financial liabilities. Cash and cash equivalents, bank deposits and bonds are subject to interest at fixed rates. They are exposed to fair value changes due to interest rate changes. The Group currently has no financial liabilities with floating interest rates. As a result, the Group has limited exposure to cash flow and interest rate risk.

Credit risk analysis

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the Group at the balance sheet date.

	30 June 2009	30 June 2008
	USD'000	USD'000
Classes of financial assets – carrying amounts:		
Short-term investments	**452**	1,806
Corporate bonds	**2,047**	5,118
Ordinary shares – listed and unlisted	**350,342**	367,069
Long-term loan receivables	**58,615**	48,260
Other long-term financial assets	**15,314**	16,041
Trade and other receivables	**23,490**	24,874
Cash and cash equivalents	**69,691**	24,286
	519,951	487,454

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made for purchases once the securities have been received by the broker. The trade will be unwound if either party fails to meet its obligations.

The carrying amount of trade and other receivables and loans represent the Group's maximum exposure to credit risk in relation to its financial assets.

Some unimpaired trade receivables are overdue as at the reporting date. Financial assets overdue but not impaired comprise:

	30 June 2009
	USD'000
Not more than 3 months	**721**
More than 3 months but not more than 6 months	**39**
More than 6 months	**229**
Total	**989**

The Group has no other significant concentrations of credit risk.

In accordance with the Group's policy, the Investment Manager continuously monitors the Group's credit position on a monthly basis, identified either individually or by group, and incorporates this information into its credit controls.

The Group's Investment Manager reconsiders the valuations of financial assets that are impaired or overdue at each reporting date based on the payment status of the counterparties, recoverability of receivables, and prevailing market conditions.

Liquidity risk analysis
The Group invests in both listed securities that are traded in active markets and unlisted securities that are not actively traded.

The Group's listed securities are considered to be readily realisable, as they are mainly listed on the Vietnam Stock Exchange.

Unlisted securities, which are not traded in an organised public market, may be illiquid. As a result, the Group may not be able to quickly liquidate its investments in these instruments at an amount close to fair value in order to respond to its liquidity requirements or to other specific events such as a deterioration in the creditworthiness of a particular issuer. However, the Group has the ability to borrow in the short-term to ensure sufficient cash is available for any settlements due.

At the balance sheet date, the Group's liabilities have contractual maturities which are summarised below:

	Current		**Non-current**	
	Within 6 months USD'000	**6 to 12 months USD'000**	**From 1 to 5 years USD'000**	**Over 5 years USD'000**
30 June 2009				
Trade and other payables	**8,167**	**-**	**-**	**-**
Payable to related parties	**1,196**	**1,922**	**-**	**-**
Other liabilities	**-**	**-**	**484**	**-**
	9,363	**1,922**	**484**	**-**
30 June 2008				
Trade and other payables	6,021	-	-	-
Payable to related parties	-	9,502	-	-
Short-term debts	1,069	-	-	-
Long-term debts	-	-	3,764	-
Other liabilities	65	-	199	-
	7,155	9,502	3,963	-

The above contractual maturities reflect the gross cash flows, which may differ to the carrying value of the liabilities at the balance sheet date.

Capital management
The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern;
- To provide investors with an attractive level of investment income; and
- To achieve capital growth.

The Group’s capital is equal to the net assets attributable to the holders of ordinary shares. The Group has engaged the Investment Manager to allocate the net assets in such a way so as to generate investment returns that are commensurate with the investment objectives outlined in the Group’s Admission Documentations to London Stock Exchange’s Alternative Investment Market.

35. Subsequent events

In August and September 2009 the Group purchased a further 2,894,082 ordinary shares of VinaLand Limited bringing the total number held by the Group to 17,643,126 at the date of approval of the consolidated financial statements, which represents a 3.53% holding.

The financial information set out in this announcement does not constitute the Group's statutory accounts for the year ended 30 June 2009 but is derived from those accounts. The full audited accounts of VOF for the year ended 30 June 2009 will be sent to registered shareholders shortly and will also be available, free of charge, from VinaCapital Investment Management, 17/F, Sun Wah Tower, Ho Chi Minh City, Vietnam.

A copy of the report will be posted on the Company's website www.vinacapital.com/vof.

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