



29 March 2012

VinaCapital Vietnam Opportunity Fund Limited

Interim results for the six month period ended 31 December 2011

VinaCapital Vietnam Opportunity Fund Limited (the "Company" or "VOF") (VOF.L), an investment company focused on Vietnam, today announces its interim results for the six month period ended 31 December 2011 ("the Period").

Financial highlights

- Net loss for the Period of USD42.3 million (HY10: USD18.7 million net loss).
- Net loss per share of USD0.13 for the Period (HY10: USD0.06 net loss).
- Cash and cash equivalents as at 31 December 2011 of USD66.2 million.
- Net asset value at 31 December 2011 of USD705 million representing USD2.20 per share.

Operational highlights during the Period

- Secured shareholder approval to undertake a share buyback programme with over 3.5 million shares repurchased in the Period
- Divested an equity stake in Hoan My Medical hospital group to Fortis Health
- Since Period end, increased stake in Clear Interest Group which holds among other assets a 19.95 percent stake in the Legend Hotel

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

"Vietnam is at an economic inflexion point. A number of Government monetary measures have slowed credit growth and begun to address inflation and currency depreciation. GDP growth ended the year at 5.9 percent, but the domestic real estate market continues to see challenging conditions. Despite this, VOF's hospitality assets have performed well throughout 2011 on the back of strong tourist demand and overall we continue to expect Vietnam to offer a strong investment environment for both acquisitions and disposal in the short to medium term."

Notes to Editors:

VinaCapital is the leading investment management and real estate development firm in Vietnam, with a diversified portfolio of USD1.6 billion in assets under management. VinaCapital was founded in 2003 and boasts a team of managing directors who bring extensive international finance and investment experience to the firm. Our mission is to produce superior returns for investors by using our experience and knowledge to identify the key trends and opportunities that emerge as Vietnam continues to develop its economy. To achieve this, VinaCapital has industry-leading asset class teams covering capital markets, private equity, fixed income, venture capital, real estate and infrastructure.

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

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

More information on VinaCapital Vietnam Opportunity Fund Limited is available at www.vinacapital.com/vof

Enquiries:

David Dropsey
VinaCapital Investment Management Limited
Investor Relations/Communications

+84 8 821 9930
david.dropsey@vinacapital.com

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

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

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

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

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

Chairman's statement

Dear shareholders,

During the final six months of 2011, Vietnam's economy and capital markets were impacted by sustained high levels of inflation and interest rates. Credit growth slowed substantially throughout the year affecting GDP growth which finished at 5.9 percent. However, mid-year monetary tightening and the application of a 'crawling peg' for the currency significantly helped, as inflation growth began to rescind in the final three months and VND depreciation flattened out. Despite an improved economic landscape, the Vietnam Index closed 2011 at a multi-year low of 350 points, down 32.8 percent from 2010.

Vietnam's real estate market was greatly impacted due to these same economic problems, resulting in a lowering of demand for residential housing and reducing rental rates for both office and retail space. These have had a material impact on the Fund's NAV given its real estate holdings. However, VOF's hospitality assets have performed well throughout 2011, as the hotel sector remained strong, with demand from foreign tourism seeing double digit growth year-on-year.

Due to the challenging capital market environment, opportunities to divest private equity assets via IPO offerings essentially vanished. However, during the period VOF continued to have success in selling assets through trade sales and concluded the divestment of an equity stake in Hoan My Medical. VOF sold a majority of its holding in this hospital group to Fortis Health.

VOF's NAV at the end of December 2011 was USD705 million, or USD2.20 per share, 6.3 percent below the NAV at the end of June 2011 of USD752 million, or USD2.32 per share. VOF's share price at the end of December 2011 was USD1.27, down 19 percent compared to USD1.57 at the end of June 2011, representing a discount rate of 42 percent.

On 25 October 2011, VOF obtained shareholder approval to undertake a share buyback programme. As a result, over 3.5 million shares were repurchased during the six months ended December 2011. A further closing of the discount rate remains a top priority for both the Board and Manager.

We believe 2012 will offer an improved environment for VOF shareholders as we have already seen the Fund's share price increase to USD1.55 since 31 December 2011, effectively reducing the discount rate to approximately 32 percent. The Manager's strategy will continue to focus on exiting mature assets, reinvesting cash into stable high-growth companies and continued purchases of VOF shares in the market.

Thank you for your continued support.

William Vanderfelt

Chairman

VinaCapital Vietnam Opportunity Fund Ltd

28 March 2012

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2011 USD'000	30 June 2011 USD'000
ASSETS			
Non-current			
Property, plant and equipment		818	572
Investment properties		3,445	3,445
Investment in associates	6	160,911	199,579
Prepayments for acquisition of investments		8,986	8,986
Available for sale financial assets		21,386	16,923
Long-term loan receivables from related parties	15	61,101	51,836
Other non-current assets		55	95
Total non-current assets		256,702	281,436
Current			
Inventories		7,022	2,380
Trade and other receivables		8,946	8,714
Receivables from related parties	15	12,823	12,947
Financial assets at fair value through profit or loss	7	364,624	383,782
Short-term investments		-	27
Cash and cash equivalents		66,183	62,968
Total current assets		459,598	470,818
Assets classified as held for sale		-	12,349
Total assets		716,300	764,603
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent:			
Share capital		3,246	3,246
Additional paid-in capital		722,064	722,064
Treasury shares	8	(4,841)	-
Revaluation reserve		27,011	27,513
Translation reserve		(4,105)	(4,834)
(Accumulated losses)/retained earnings		(38,408)	3,917
Total equity		704,967	751,906
LIABILITIES			
Non-current			
Long-term borrowings	9	3	-
Deferred tax liabilities		101	101
Other long-term liabilities		180	55
Total non-current liabilities		284	156
Current			
Short-term borrowings	9	1,420	-
Trade and other payables		5,265	3,932
Payables to related parties	15	4,364	8,609

Total current liabilities		<u>11,049</u>	<u>12,541</u>
Total liabilities		<u>11,333</u>	<u>12,697</u>
Total equity and liabilities		<u>716,300</u>	<u>764,603</u>
Net asset value per share (USD per share)	13 (c)	<u>2.20</u>	<u>2.32</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								Total equity USD'000
	Share capital USD'000	Additional paid-in capital USD'000	Treasury shares USD'000	Revaluation reserve USD'000	Translation reserve USD'000	Retained earnings/ (Accumulated losses) USD'000	Total USD'000	Non-controlling interests USD'000	
Balance at 1 July 2010	3,246	722,064	-	21,193	(3,762)	39,760	782,501	1,427	783,928
Loss for the six month period to 31 December 2010	-	-	-	-	-	(18,762)	(18,762)	106	(18,656)
Other comprehensive income/(losses)									
- Exchange differences on translation of foreign operations	-	-	-	-	(240)	-	(240)	(30)	(270)
- Share of revaluation reserve of associates	-	-	-	8,880	-	-	8,880	-	8,880
Total comprehensive income/(loss)	-	-	-	8,880	(240)	(18,762)	(10,122)	76	(10,046)
Transactions with owners									
Acquisition of non-controlling interest	-	-	-	-	-	441	441	(1,056)	(615)
Balance at 31 December 2010	3,246	722,064	-	30,073	(4,002)	21,439	772,820	447	773,267
Balance at 1 July 2011	3,246	722,064	-	27,513	(4,834)	3,917	751,906	-	751,906
Loss for the six month period to 31 December 2011	-	-	-	-	-	(42,325)	(42,325)	-	(42,325)
Other comprehensive income/(losses)									
- Exchange differences on translation of foreign operations	-	-	-	-	729	-	729	-	729
- Share of revaluation reserve of associates	-	-	-	(502)	-	-	(502)	-	(502)
Total comprehensive income/(loss)	-	-	-	(502)	729	(42,325)	(42,098)	-	(42,098)
Transactions with owners									
Shares repurchased	-	-	(4,841)	-	-	-	(4,841)	-	(4,841)
Balance at 31 December 2011	3,246	722,064	(4,841)	27,011	(4,105)	(38,408)	704,967	-	704,967

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME

	Note	Six month ended	
		31 December 2011 USD'000	31 December 2010 USD'000
Revenue		4,541	4,963
Cost of sales		(3,419)	(3,830)
Gross profit		1,122	1,133
Dividend income		6,511	6,772
Selling, general and administration expenses	10	(10,155)	(11,017)
Net changes in fair value of financial assets at fair value through profit or loss	11	(38,604)	(22,402)
Gain on disposals of assets held for sale		10,346	-
Other income		4,277	984
Other expenses		(700)	(158)
Operating loss		(27,203)	(24,688)
Finance income		1,175	1,970
Finance costs		(1,662)	(1,558)
Finance income - net		(487)	412
Share of (losses)/profits of associates, net	6	(14,031)	5,714
		(14,518)	6,126
Loss before tax from operations		(41,721)	(18,562)
Withholding taxes imposed on investment income	12	(604)	(94)
Loss for the period		(42,325)	(18,656)
Loss attributable to:			
Equity shareholders of the parent		(42,325)	(18,762)
Non-controlling interests		-	106
		(42,325)	(18,656)
Loss per share			
- basic and diluted (USD per share)	13 (a), (b)	(0.13)	(0.06)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six month ended	
	31 December 2011 USD'000	31 December 2010 USD'000
Loss for the period	(42,325)	(18,656)
Other comprehensive income/(loss)		
- Share revaluation reserve of associates	(502)	8,880
- Exchange differences translation of foreign operations	729	(270)
Other comprehensive income for the period	227	8,610
Total comprehensive loss for the period	(42,098)	(10,046)
Attributable to:		
Equity shareholders of the parent	(42,098)	(10,122)
Non-controlling interests	-	76
	(42,098)	(10,046)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Six month ended	
	31 December 2011 USD'000	31 December 2010 USD'000
Operating activities		
Loss before tax	(41,721)	(18,562)
Adjustments for:		
Depreciation and amortisation	28	-
Unrealised net loss from revaluation of financial assets at fair value through profit or loss	38,804	19,972
Net (gain)/loss from realisation of financial assets at fair value through profit or loss	(200)	2,430
Impairment and write-off of assets	350	17
Reversal of allowance at subsidiary	(2,070)	-
Gain on disposals of investments	(11,504)	(428)
Share of losses/(profits) of associates	14,031	(5,714)
Unrealised foreign exchange losses	1,103	324
Interest expense	109	-
Dividend income	(6,511)	(6,772)
Interest income	(966)	(1,403)
	(8,547)	(10,136)
Loss before changes in working capital		
Change in trade receivables and other assets	5,395	3,147
Change in inventories	(4,642)	245
Change in trade payables and other liabilities	(2,911)	637
Withholding taxes imposed on investment income paid	(604)	(94)
	(11,309)	(6,201)
Net cash outflow from operating activities		
Investing activities		
Interest received	966	845
Dividends received	7,639	8,272
Acquisition of non-controlling interests	-	(614)
Purchases of property, plant and equipment	(274)	-
Additional investments in available for sale financial assets	(1,864)	-
Purchases of financial assets	(22,124)	(47,346)
Investments in associates	(550)	(3,417)
Proceeds from disposals of financial assets	2,678	46,694
Proceeds from short-term investments	27	172
Proceeds from shareholder loans refunded	124	609
Proceeds from disposals of investments	31,436	-
Shareholder loans provided	-	(1,063)
	18,058	4,151
Net cash inflow from investing activities		
Financing activities		
Interest paid	(109)	-
Payment for buy back of shares	(4,841)	-
Loan proceeds from banks	2,469	-
Loan repayment to banks	(1,046)	-
	(3,527)	-
Net cash outflow from financing activities		
Net increase/(decrease) in cash and cash equivalents for the period	3,222	(2,050)
Cash and cash equivalents at the beginning of the period	62,968	50,033
Exchange differences on cash and cash equivalents	(7)	(28)
	66,183	47,955
Cash and cash equivalents at the end of the period		

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General Information

VinaCapital Vietnam Opportunity Fund Limited (“the Company”) is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is PO Box 309GT, 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, but also in Cambodia, Laos and Southern China. The Company is listed on the AIM market of the London Stock Exchange under the ticker symbol VOF.

The Company does not have a fixed life but the Company’s Admission Document to the AIM market of the London Stock Exchange states that the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every fifth year that the Company ceases to continue as presently constituted. If the resolution is not passed, the Company will continue to operate. If the resolution is passed, the Directors will be required to formulate proposals to be put to shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Board tabled such a special resolution in 2008 and it was not passed, allowing the Company to continue as presently constituted. The next special resolution on the life of the Company will be held in 2013.

The condensed interim consolidated financial statements for the six month period ended 31 December 2011 were approved for issue by the Board of Directors on 28 March 2012.

2. Basis of Preparation

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

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

3. Accounting Policies

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

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

(a) Treasury shares

During the period, the Company had executed a share buy-back programme. Accordingly, the following new accounting policy in respect of treasury shares had been adopted.

When share capital recognised as equity is repurchased (treasury shares), the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects, and is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued

subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

(b) Revaluation reserve

The revaluation reserve arises from the revaluation of buildings and leasehold land improvements including hotels and golf courses held by associates. The revaluation policy is consistent with the fair value policy in accordance with Note 3.10 of the annual financial statements for the year ended 30 June 2011. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the income statement.

4. Estimates

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

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

5. Segment Analysis

In identifying its operating segments, Management generally follows the Group's sectors of investment which are based on internal management reporting information for the Investment Manager's management, monitoring of investments and decision making. The operating segments by investment portfolio include capital markets, real estate (real estate and hospitality), private equity and cash (including cash and cash equivalents, bonds, and short-term deposits) sectors.

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

Segment information can be analysed as follows:

INTERIM CONSOLIDATED STATEMENT OF INCOME

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash USD'000	Total USD'000
Six month ended 31 December 2011					
Revenue	-	-	4,541	-	4,541
Dividend income	6,511	-	-	-	6,511
Finance income	1,895	59	120	(899)	1,175
Share of losses of associates	-	(14,031)	-	-	(14,031)
Other income	426	2,636	11,561	-	14,623
Net changes in fair value of financial assets at fair value through profit or loss					
– Listed and unlisted securities	(38,530)	-	-	-	(38,530)
– Corporate bonds	(74)	-	-	-	(74)
	<u>(29,772)</u>	<u>(11,336)</u>	<u>16,222</u>	<u>(899)</u>	<u>(25,785)</u>
Cost of sales					(3,419)
Selling, general and administration expenses					(10,155)

Other expenses	(700)
Finance costs	(1,662)
Loss before tax	(41,721)
Withholding taxes imposed on investment income	(604)
Net loss for the period	(42,325)

Six month ended 31 December 2011

Revenue	-	-	4,963	-	4,963
Dividend income	6,772	-	-	-	6,772
Finance income	1,518	166	-	286	1,970
Share of profits of associates	-	3,619	2,095	-	5,714
Other income	8	905	71	-	984
Net changes in fair value of financial assets at fair value through profit or loss					
– Listed and unlisted securities	(22,766)	-	-	-	(22,766)
– Corporate bonds	364	-	-	-	364
	<u>(14,104)</u>	<u>4,690</u>	<u>7,129</u>	<u>286</u>	<u>(1,999)</u>
Cost of sales					(3,830)
Selling, general and administration expenses					(11,017)
Other expenses					(158)
Finance costs					(1,558)
Loss before tax					(18,562)
Withholding taxes imposed on investment income					(94)
Net loss for the period					(18,656)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash, corporate bonds and short-term investments USD'000	Total USD'000
Total assets					
Financial assets at fair value through profit or loss					
– Consumer staples	102,745	-	-	-	102,745
– Construction	42,707	-	-	-	42,707
– Financial services	61,012	-	-	-	61,012
– Rubber and fertiliser	20,868	-	-	-	20,868
– Energy, minerals and petroleum	20,698	-	-	-	20,698
– Pharmaceuticals	11,034	-	-	-	11,034
– Real estate	49,502	5,000	-	-	54,502
– Other securities	41,852	-	-	-	41,852
– Corporate bonds	-	-	-	9,206	9,206
Investment properties	-	3,445	-	-	3,445
Property, plant and equipment	-	-	818	-	818
Investments in associates	-	139,265	21,646	-	160,911
Long-term loans receivables from related parties	-	56,343	4,758	-	61,101
Prepayments for acquisitions of investments	-	8,986	-	-	8,986
Available for sale financial assets	-	8,383	13,003	-	21,386
Other long-term assets	-	-	55	-	55
Cash and cash equivalents	-	-	-	66,183	66,183
Receivable from related parties	-	12,823	-	-	12,823
Inventories	-	-	7,022	-	7,022
Trade and other receivables	-	5,009	3,937	-	8,946

<u>350,418</u>	<u>239,254</u>	<u>51,239</u>	<u>75,389</u>	<u>716,300</u>
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In comparison with the last year end:

As at 30 June 2011					
	Capital markets USD'000	Real estate USD'000	Private equity USD'000	Cash, corporate bonds and short-term investments USD'000	Total USD'000
Total assets					
Financial assets at fair value through profit or loss					
– Consumer staples	87,835	-	-	-	87,835
– Construction	48,614	-	-	-	48,614
– Financial services	57,761	-	-	-	57,761
– Rubber and fertiliser	25,898	-	-	-	25,898
– Energy, minerals and petroleum	24,680	-	-	-	24,680
– Pharmaceuticals	11,359	-	-	-	11,359
– Real estate	59,537	5,000	-	-	64,537
– Other securities	51,717	-	-	-	51,717
– Corporate bonds	-	-	-	11,381	11,381
Investment properties	-	3,445	-	-	3,445
Investments in associates	-	195,806	3,773	-	199,579
Long-term loans receivables from related parties	-	51,836	-	-	51,836
Prepayments for acquisitions of investments	-	8,986	-	-	8,986
Available for sale financial assets	-	6,111	10,812	-	16,923
Other long-term assets	-	-	667	-	667
Cash and cash equivalents	-	-	-	62,968	62,968
Short-term investments	-	-	-	27	27
Inventories	-	-	2,380	-	2,380
Other current assets	2,680	31,045	285	-	34,010
	<u>370,081</u>	<u>302,229</u>	<u>17,917</u>	<u>74,376</u>	<u>764,603</u>

6. Investment Associates

	31 December 2011 USD'000	30 June 2011 USD'000
Opening balance	199,579	194,688
Additions	550	7,038
Share of (losses)/profits of associates, net of tax	(14,031)	15,424
Share of associates' changes in revaluation reserve, net of tax	(501)	6,320
Reclassified to long-term loan receivable from related party/held for sa	(9,643)	(12,104)
Transferred to available for sale financial assets	-	(2,895)
Transferred to financial assets at fair value through profit or loss	-	(1,912)
Dividends received	(2,000)	(1,500)
Disposals	(13,043)	(5,125)
Translation differences	-	(355)
Closing balance	<u>160,911</u>	<u>199,579</u>

7. Financial Assets at Fair Value through Profit or Loss

31 December 2011	30 June 2011
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	USD'000	USD'000
Financial assets at fair value through profit or loss:		
Financial assets in Vietnam:		
Ordinary shares – listed	239,823	241,521
Ordinary shares – unlisted	85,146	93,428
Corporate bonds ^(*)	9,206	11,381
Financial assets in countries other than Vietnam:		
Ordinary shares – listed	30,449	37,452
Total financial assets at fair value through profit or loss	364,624	383,782

^(*) Corporate bonds carry fixed interest rates ranging from 8.0% to 15.0% and will mature in December 2012.

8. Treasury Shares

At the Extraordinary General Meeting of shareholders on 25 October 2011, the Company's Articles of Association were modified to enable the Company to acquire its own shares. Since this amendment and as at 31 December 2011, the Company has purchased 3,588,000 of its ordinary shares for a total cash consideration of USD4,841,443 at an average cost USD1.35 per share.

9. Borrowings

	31 December 2011 USD'000	30 June 2011 USD'000
Non-current		
Bank borrowings ^(*)	38	-
Less: Current portion of long-term borrowings	(35)	-
	3	-
Current		
Current portion of long-term borrowings	35	-
Short-term borrowings	1,385	-
	1,420	-
Total borrowings	1,423	-

^(*) Details of the borrowings at the reporting date are as follows:

Lender	Amount USD'000	Loan period (months)	Repayment terms	Annual interest rate
Vietcombank HCM	38	15	Quarterly instalment, full repayment in January 2012	15%
Vietcombank HCM	1,385	12	Monthly	17%
	1,423			

10. Selling, General and Administration Expenses

Six month ended	
31 December 2011 USD'000	31 December 2010 USD'000

Management fees (Note 16)	7,413	7,409
Professional fees	1,635	1,591
Selling and general administration expenses ^(*)	1,107	2,017
	<u>10,155</u>	<u>11,017</u>

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

11. Net Changes in Fair Value of Financial Assets at Fair Value through Profit or Loss

	Six month ended	
	31 December 2011 USD'000	31 December 2010 USD'000
Gains/(losses) from realisation of financial assets, net	200	(2,430)
Unrealised losses on market value differences	(30,992)	(11,240)
Unrealised losses from foreign exchange differences	(7,812)	(8,732)
	<u>(38,604)</u>	<u>(22,402)</u>

12. Income Tax Expense

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.

The subsidiaries established in Vietnam are subject to corporate income tax in Vietnam. However no provision for corporate income tax has been made for these subsidiaries because they are all in a position where there are no corporate income taxes payable because they either have incurred losses, or have unutilised tax holidays, or have sufficient carry-forward tax losses to offset any taxable income.

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

	Six month ended	
	31 December 2011 USD'000	31 December 2010 USD'000
Group loss before tax	(41,721)	(18,562)
Group loss multiplied by applicable tax rate (0%)	-	-
Withholding taxes imposed on investment income	(604)	(94)
Income tax on Vietnamese subsidiaries	-	-
Tax expense	<u>(604)</u>	<u>(94)</u>

13. Loss Per Share and Net Asset Value Per Share

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity shareholders of the Company from operations by the weighted average number of ordinary shares in issue during the six month period excluding ordinary shares purchased by the Company and held as treasury shares (Note 8).

	Six month ended	
	31 December 2011	31 December 2010
Loss for the period (USD'000)	(42,325)	(18,762)
Weighted average number of ordinary shares in issue	324,012,259	324,610,259
Basic loss per share (USD per share)	<u>(0.13)</u>	<u>(0.06)</u>

(b) Diluted

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

(c) Net asset value per share

Net asset value (NAV) per share is calculated by dividing the net asset value attributable to equity shareholders of the Company by the number of outstanding ordinary shares in issue as at the reporting date excluding ordinary shares purchased by the Company and held as treasury shares (Note 8). Net asset value is determined as total assets less total liabilities.

	As at 31 December 2011	As at 30 June 2011
Net asset value attributable to owners of the Company (USD'000)	704,967	751,906
Number of outstanding ordinary shares on issue	321,022,259	324,610,259
Net asset value per share (USD/share)	<u>2.20</u>	<u>2.32</u>

14. Seasonality

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

15. Directors and Management Remuneration

The aggregate director fees for the six month period amounted to USD97,500 (31 December 2010: USD95,500), of which there was no outstanding payable at the reporting date (31 December 2010: nil).

The details of remuneration for each director are summarised below:

	Six month ended	
	31 December 2011 USD	31 December 2010 USD
William Vanderfelt	37,500	37,500
Martin Glynn	30,000	30,000
Michael Gray	30,000	28,000
	<u>97,500</u>	<u>95,500</u>

At the Extraordinary General Meeting held 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 16).

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 16 can be allocated to the remuneration of these individuals.

16. Significant Related Party Transactions and Balances

Management fees

The Group was managed by VinaCapital Investment Management Limited (the "BVI Investment Manager"), a company incorporated in the British Virgin Islands ("BVI"), under a management agreement dated 24 September 2003 (the "Management Agreement"). From 1 January 2011, the Group was managed by VinaCapital Investment Management Limited (the "Investment Manager"), a 100% owned subsidiary company of the BVI Investment Manager incorporated and registered as a licensed fund manager in the Cayman Islands ("CI"), under the novation agreement between the BVI Investment Manager and the CI Investment Manager. The Investment Managers receives a fee based on the net asset value of the Group, payable monthly in arrears, at an annual rate of 2% (31 December 2010: 2%).

Total management fees for the six month period amounted to USD7,412,535 (31 December 2010: USD7,409,116), with USD1,157,709 (31 December 2010: USD2,652,866) in outstanding accrued fees due to the Investment Manager at the reporting date.

Performance fees

The Investment Manager is also entitled to a performance fee equal to 20% of the realised returns over an annualised compounding hurdle rate of 8%. There was no performance fee payable for the six month period ended 31 December 2011 and 31 December 2010.

At 31 December 2011, the details of the receivables and payables balances with related parties are:

Related party	Relationship	Transactions	Receivables	
			31 December 2011 USD'000	30 June 2011 USD'000
Non-current assets				
VinaLand Limited subsidiaries	Under common management	Loan receivables ^(*)	57,634	47,991
Hung Vuong Corporation	Associate	Loan	3,467	3,845
			61,101	51,836
Current assets				
VinaLand Limited subsidiaries	Under common management	Dividend receivables	613	613
		Tax and interest receivable	1,700	2,040
VinaCapital Investment Management Ltd.	Investment Manager	Re-imbursment of expenses	330	135
Hung Vuong Corporation	Associate	Loan and interest receivable	292	552
SIH Investment Ltd.	Under common management	Loan receivable	1,175	1,047
Lam Co Company Ltd.	Under common management	Loan receivable	700	700
VinaCapital Danang Golf Course Ltd (Vietnam)	Under common management	Loan and interest receivable	1,000	1,000
Roxy Vietnam Ltd.	Under common	Loan interest	713	400

(Vietnam)	management	receivable		
East Ocean Real Estate & Tourist JSC (Vietnam)	Under common management	Loan interest receivable	1,482	1,482
Vinh Thai Urban Development Corporation (Vietnam)	Under common management	Loan receivable	426	426
Thang Loi Textile & Garment JSC	Associate	Loan receivable	3,441	3,578
Phong Phu Investment Development JSC	Associate	Loan and interest receivables	951	974
			12,823	12,947
			12,823	12,947

(*) Loan receivables represent the Group's share of loans provided to associates established as joint investments in real estate projects with VinaLand Limited. The loans are unsecured, bear interest at the 6-month SIBOR plus 3%, and are repayable on disposal of the related investments. The loans are carried at amortised cost at the reporting date.

Related party	Relationship	Transactions	Payables	
			31 December 2011 USD'000	30 June 2011 USD'000
VinaLand Limited subsidiaries	Under common management	Advances for real estate projects	1,926	1,689
VinaCapital Investment Management Ltd.	Investment Manager	Management fees Re-imbursment of expenses	1,158 319	5,745 192
Dien Phuoc Long Real Estate Limited	Under common management	Corporate advisory fees	961	983
			4,364	8,609
			4,364	8,609

17. Commitments

The Group has a broad range of commitments under investment licences it has received for real estate projects jointly invested with VinaLand Limited, a related party under common management, and other agreements it has entered into, to acquire and develop, or make additional investments in investment properties and leasehold land in Vietnam. Further investments in many of these arrangements are at the Group's discretion. The Investment Manager has estimated that, based on the agreements signed and the development plan for each project, approximately USD9.5 million will be used to fund these commitments over the next three years.

18. Financial Risk Management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosure required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2011.

There have been no changes in the risk management department since year end and or in any risk management policies.

Fair value estimation

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There are no financial liabilities of the Group which were measured using the fair valuation method as at 31 December 2011 and 30 June 2011.

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

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

	Level 1	Level 2	Level 3	Total
As at 31 December 2011	USD'000	USD'000	USD'000	USD'000
Financial assets in Vietnam				
- Ordinary share – listed	239,823	-	-	239,823
- Ordinary share – unlisted	2,095	54,039	29,012	85,146
- Corporate bonds	-	9,206	-	9,206
Financial assets in countries other than Vietnam	30,449	-	-	30,449
	<u>272,367</u>	<u>63,245</u>	<u>29,012</u>	<u>364,624</u>
As at 30 June 2011	USD'000	USD'000	USD'000	USD'000
Financial assets in Vietnam				
- Ordinary share – listed	241,521	-	-	241,521
- Ordinary share – unlisted	-	74,494	18,934	93,428
- Corporate bonds	-	11,381	-	11,381
Financial assets in countries other than Vietnam	37,452	-	-	37,452
	<u>278,973</u>	<u>85,875</u>	<u>18,934</u>	<u>383,782</u>

There have been no significant transfers between Level 1 and 2 during the year. During the period ended 31 December 2011, there were no reclassifications of financial assets and no transfers between levels of fair value hierarchy used in measuring the fair value of financial assets.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period as disclosed in Note 3 of annual consolidated financial statement at 30 June 2011.

The fair values of the Group's investments in available for sale financial assets cannot be reliably measured and are therefore excluded from this disclosure. Due to numerous uncertainties regarding the future development of these investees, the fair value of the Group's equity interest in these investments cannot be reliably measured and therefore have been stated at cost less impairment charges.

19. Comparative Figures

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