

31 March 2009

VinaCapital Vietnam Opportunity Fund Limited

Interim Results

VinaCapital Vietnam Opportunity Fund Limited (the "Company" or "VOF"), the AIM-quoted investment vehicle focused on Vietnam, today announces its financial results for the six month period ended 31 December 2008.

Operational highlights

- **September 2008** – VOF generated USD 17.1 million in proceeds from the sale of capital market assets.
- **September 2008** – VOF signed a purchase agreement with Accor to acquire their shares (14 percent) of the Sofitel Metropole Hotel in Hanoi. This increases VOF's effective ownership in this historic hotel to 50 percent.
- **October 2008** – VOF carried out a revaluation of its real estate assets which concluded that three assets had increased in value by a total of 4 cents per share, while four assets had declined by a total of 6 cents per share, for an aggregate decline in the real estate portfolio of 2 cents per share.
- **October 2008** – VOF generated USD 4.2 million in proceeds from the sale of capital market assets.
- **October 2008** – VOF held an EGM following which all resolutions were passed.
- **November 2008** – VOF sold USD 4.6 million of government bonds with an annualised return of 40 percent. VOF also generated USD 7.0 million in proceeds from the sales of certain capital market holdings.

Key events since period end

- **March 2009** - VOF sold its entire equity stake in Masan Group, a food products company that owns well-known fish, chili and soy sauce brands. The sale will generate over USD 20 million, for a return of over 2.5x.
- **March 2009** – VOF announced the successful IPO of its investee company Phu Nhuan Jewelry, one of Vietnam's top consumer products companies. VOF holds an 11.7 percent stake in the company.

Financial highlights

- No debt at fund level
- Net loss for the period of USD 78.1 million
- Net losses per share of USD 0.25 for the period
- Cash and cash equivalents as at 31 December 2008 of USD 43 million
- Net asset value at 31 December 2008 USD 598.9 million representing USD 1.84 per share

Commenting, Andy Ho, VinaCapital Managing Director & Head of Investment:

“The final six months of 2008 saw the Vietnamese economy strain under the weight of the global economic crisis. Against this background, VOF has continued to try and enhance net asset value on a consistent basis through medium and long-term investments with profit taking when appropriate, the proceeds of which have been recycled into higher beta blue-chip stocks.

We are continuing to monitor opportunities and believe that Vietnam’s bond market remains an attractive area for investment. Additionally the environment for private equity deals is improving as valuations drop, however VOF will continue to adopt a wait-and-see strategy for the coming months”.

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Notes to Editors:

VinaCapital Vietnam Opportunity Fund Limited (AIM: VOF) (the “Company”), is a closed-end fund traded on the AIM Market of the London Stock Exchange plc. Launched in September 2003, the Company focuses on the key growth sectors of the domestic economy including financial services, retail, consumer goods, tourism, property, infrastructure, and technology. It makes equity and debt investments in listed, OTC-traded, and private companies, and participates in the privatization of state-owned companies.

More information about the Company can be found at the Company’s website at www.vietnam-opportunity-fund.com

Chairman's Statement

Dear shareholders,

We are pleased to present the interim financial statements for the VinaCapital Vietnam Opportunity Fund Limited (AIM: VOF) for the six month period ended 31 December 2008.

In 2008, Vietnam saw its economy struggle under the impact of the global financial crisis. The final quarter of 2008 in particular saw a notable drop in GDP growth and trade statistics. Nonetheless, GDP growth over the second half of 2008 remained at a healthy 6.0 percent annualised (6.2 percent for 2008 full year) and the government's efforts to rein in inflation and control the deficit were successful.

The government is now focused on trying to maintain economic growth in the midst of a challenging global environment. It is clear that Vietnam will not escape the impact from the sharp fall in demand for consumer and industrial products around the world and consequently estimates for GDP growth have fallen to about 4 percent for 2009.

While the past six months have therefore been a challenging time for Vietnam, VOF performed strongly with respect to both the benchmark Vietnam Index and comparable Vietnam investment funds.

Over the past six months, VOF saw its NAV fall 10.7 percent, to USD 1.84 per share at 31 December from USD 2.06 per share at 30 June 2008. This compares to a VN Index decline of 21 percent over the same period, and a decline of 18.8 percent for an unweighted average of VOF's key competitor funds.

Our strategy over the period was to recycle capital from underperforming listed equity positions into listed and OTC positions with higher potential while also adding to the fund's small position in sovereign bonds. As a result, the past six months were a quiet time as the investment manager made no new private equity acquisitions and only one real estate investment.

This defensive strategy has helped to preserve capital through the difficult period. Looking forward to the next six months and beyond, VOF is in a strong position as the fund's cash holdings, USD 43 million at 31 December 2008, will enable us to enter high-potential investments that will benefit most from the next market upswing.

However, the timing of any upswing remains uncertain, and it is not VOF's goal to benefit from short-term volatility. We remain firm believers in Vietnam's medium and long-term prospects and it does seem clear that Vietnam will be one of few countries in the world to record positive GDP growth in 2009. This is a reflection of the hard working and dynamic population and the wealth of the country's resources.

VOF will stick to the strategy of finding high potential long-term investments that have been reduced to depressed trading levels by the current malaise affecting capital markets in Vietnam and around the world. Making these investments in the coming months and years, and sticking with them over the medium term, will likely prove the most profitable strategy.

If you've ever hoped to live in interesting times, welcome to 2009. Whatever the final outcome for investors around the world, this year promises to provide the type of challenges and opportunities that will allow best-in-class investment teams to prove their reputations. We remain committed to further proving that VOF has such a team.

Thank you for your continued support.

William Vanderfelt
Chairman
VinaCapital Vietnam Opportunity Fund Limited
27 March 2009

Interim balance sheet

	Note	31 December 2008 USD'000	30 June 2008 USD'000
ASSETS			
Non-current			
Investment property	7	43,259	38,192
Property, plant and equipment		2,922	2,885
Investments in associates	8	173,704	175,885
Long-term investments		16,220	26,797
Other long-term financial assets		4,182	1,170
Prepayments for operating leases		1,666	1,777
Deferred tax assets		90	90
Other non-current assets		41	46
Goodwill		-	33
Non-current assets		242,084	246,875
Current			
Inventories		4,509	5,326
Trade and other receivables		4,718	7,437
Receivables from related parties		77,250	65,697
Financial assets at fair value through profit or loss	9	262,647	372,187
Short-term investments		153	1,806
Cash and cash equivalents		43,006	24,286
Current assets		392,283	476,739
Total assets		634,367	723,614

Interim balance sheet (cont.)

	Note	31 December 2008 USD'000	30 June 2008 USD'000
EQUITY			
Equity attributable to shareholders of the parent			
Share capital	10	3,246	3,246
Additional paid-in capital	11	722,064	722,064
Revaluation reserve	12	28,322	18,463
Translation reserve		(689)	(846)
Retained earnings		(154,047)	(74,050)
		598,896	668,877
Minority interests		19,824	34,117
Total equity		618,720	702,994
LIABILITIES			
Non-current			
Long-term borrowings and debts		5,632	3,764
Other long-term liabilities		43	199
Non-current liabilities		5,675	3,963
Current liabilities			
Short-term borrowings		1,005	1,069
Trade and other payables		6,424	6,021
Payables to related parties		2,543	9,502
Other liabilities		-	65
Current liabilities		9,972	16,657
Total liabilities		15,647	20,620
Total equity and liabilities		634,367	723,614
Net assets per share attributable to equity shareholders of the parent (USD per share)	18	1.84	2.06

Interim Statement of Changes in Equity

	Equity attributable to shareholders of the parent					Total	Minority interests	Total equity
	Share capital	Additional paid-in capital	Translation reserve	Revaluation reserve	Retained earnings			
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
1 July 2007	2,506	459,151	(664)	17,717	342,954	821,664	22,138	843,802
Currency translation	-	-	(2,347)	-	-	(2,347)	-	(2,347)
Share of associates' revaluation gains recognised directly in equity	-	-	-	9,387	-	9,387	-	9,387
Profit/(loss) for the period ended								
31 December 2007	-	-	-	-	39,887	39,887	(2,462)	37,425
Total recognised income and expense for the period	-	-	(2,347)	9,387	39,887	46,927	(2,462)	44,465
Issue of new shares	740	271,439	-	-	-	272,179	-	272,179
Placement fees	-	(8,165)	-	-	-	(8,165)	-	(8,165)
Acquisition of subsidiaries	-	-	-	-	-	-	5,890	5,890
31 December 2007	3,246	722,425	(3,011)	27,104	382,841	1,132,605	25,566	1,158,171
1 July 2008	3,246	722,064	(846)	18,463	(74,050)	668,877	34,117	702,994
Currency translation	-	-	157	-	-	157	-	157
Share of associates' revaluation gains recognised directly in equity	-	-	-	9,859	-	9,859	-	9,859
Profit/(loss) for the period ended								
31 December 2008	-	-	-	-	(79,997)	(79,997)	1,860	(78,137)
Total recognised income and expense for the period	-	-	157	9,859	(79,997)	(69,981)	1,860	(68,121)
Acquisition of minority interest	-	-	-	-	-	-	(16,153)	(16,153)
31 December 2008	3,246	722,064	(689)	28,322	(154,047)	598,896	19,824	618,720

Interim Statement of Income

	Note	Half-year ended	
		31 December 2008	31 December 2007
		USD'000	USD'000
Revenue		5,714	6,592
Cost of sales		(4,955)	(5,197)
Gross profit		759	1,395
Selling and administration expenses	13	(9,837)	(13,155)
Net changes in fair value of financial assets at fair value through profit or loss	14	(64,658)	41,893
Net gain on fair value adjustments of investment properties		2,938	-
Other income	15	3,159	382
Other expenses	16	(9,515)	(302)
(Loss)/profit from continuing operations		(77,154)	30,213
Financial income		15,234	5,666
Finance costs		(3,268)	(4,572)
Share of (loss)/profit of associates, net		(12,949)	6,118
		(983)	7,212
(Loss)/profit before tax for the period from continuing and total operations		(78,137)	37,425
Income tax	17	-	-
Net (loss)/profit for the period from continuing and total operations		(78,137)	37,425
Attributable to equity shareholders of the parent		(79,997)	39,887
Attributable to minority interests		1,860	(2,462)
(Loss)/earnings per share (continuing and total operations) – basic and diluted (USD per share)	18	(0.25)	0.15

Interim Statement of Cash Flows

	Half-year ended	
	31 December 2008	31 December 2007
	USD'000	USD'000
Operating activities		
Net (loss)/profit before tax	(78,137)	37,425
Adjustments for:		
Depreciation and amortisation	192	350
Unrealised loss/(gain) on revaluation of financial assets	71,974	(44,254)
(Gain)/loss on disposals of financial assets	(7,316)	3,672
Impairment of a long-term investment	9,400	-
Loss/(gain) on revaluation of investment properties	(2,938)	-
Gain on acquisition of a minority interest	(2,779)	-
Share of associates' (losses)/profits	12,949	(6,118)
Unrealised foreign exchange loss/(gain)	1,389	(4,894)
Interest and dividend income	(15,210)	(5,116)
Net loss before changes in working capital	(10,476)	(18,935)
Change in trade and other receivables	6,258	(15,647)
Change in inventories	817	(193)
Change in trade and other payables	(6,779)	(42,600)
	(10,180)	(77,375)
Investing activities		
Interest received	5,938	2,461
Dividends received	9,421	2,655
Purchases of property, plant and equipment	(331)	(105)
Acquisition of a minority interest, net of cash	(13,340)	(1,536)
Purchases of financial assets	(8,728)	(240,919)
Additions of investment property under development	(2,531)	(4,324)
Deposits for acquisitions of long-term investments	(2,263)	(74,602)
Investments in associates	(1,789)	(4,190)
Proceeds from disposals of financial assets	53,609	100,150
Proceeds from short-term investments	1,653	27,093
Proceeds from disposals of investments	3,087	-
Shareholder loans provided	(17,751)	(18)
	26,975	(193,335)
Financing activities		
Net proceeds from shares issued	-	264,014
Loan proceeds from bank loans	1,989	-
Loan repayments to banks	(64)	5,426
	1,925	269,440
Net increase/(decrease) in cash and cash equivalents for the period	18,720	(1,270)
Cash and cash equivalents at the beginning of the period	24,286	71,377
Cash and cash equivalents at end of the period	43,006	70,107

Notes to the Condensed Interim 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, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company’s primary objective is to undertake various forms of investment primarily in Vietnam, but also in Cambodia, Laos and Southern China. The Company is listed on the AIM market of the London Stock Exchange under the ticker symbol VOF.

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

2. Basis of preparation of condensed interim financial statements

The condensed interim financial statements for the half-year ended 31 December 2008 are condensed interim financial statements that have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

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

The revenue, cost of sales and a large proportion of expenses in the condensed interim statement of income result from the consolidation of the Group’ operating subsidiaries.

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

3. Accounting policies

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

Adoption of IAS 40 Investment Property (amended) (effective from 1 January 2009)

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

Long-term investments

These pertain to payments made by the Group to property vendors for land clearance and other related costs directly attribute to the properties where the final transfer of the property is pending the approval of the relevant authorities and/or is subject to either the Group or the vendor completing certain performance conditions set out in agreements.

4. Critical accounting estimates and judgements

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

Fair value of investment properties, land and buildings

The investment properties, land and buildings of the Group are stated at fair value in accordance with accounting policies 3.11 of the annual consolidated financial statements for the year ended 30 June 2008. The fair values of investment properties, land and buildings have been determined by independent professional valuers including: CB Richard Ellis; Savills; Jones Lang LaSalle; Colliers Sallmanns and HVS. These valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. Valuations are reviewed by the Valuation Committee and approved by the Board of Directors. The Valuation Committee may adjust valuations if there are factors that the external independent valuers have not considered in their determination of a property's fair value. In making its judgement, the Valuation Committee considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;
- (iii) recent developments and changes in laws and regulations that might affect zoning and/or the Group's ability to exercise its rights in respect to properties and therefore fully realise the estimated values of such properties; and
- (iv) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of external evidence such as current market rents and sales prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Impairment of investment properties, land and buildings

Whenever there is an indication of impairment of an investment property, land and buildings the Valuation Committee and management will assess the need for an impairment adjustment. The estimation of impairment adjustments is based on the same principles used to adjust the periodic independent valuations mentioned above.

5. Segment reporting

Segment information is presented in respect to the Group's investment and geographical segments. The primary reporting format, investment segments, is based on the investment manager's management and monitoring of investments. Investments are allocated into four main segments: capital markets, private equity, real estate (including real estate related loans) and cash (including term deposits and bonds). The Group's secondary reporting format, geographical segments, includes Vietnam and the regions outside Vietnam.

	Half-year ended 31 December 2008			Half-year ended 31 December 2007		
	Vietnam	Outside Vietnam	Total	Vietnam	Outside Vietnam	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Income						
Capital markets	9,445	-	9,445	51,446	(6,899)	44,547
Private equity	5,789	-	5,789	8,381	-	8,381
Real estate	5,963	-	5,963	4,712	-	4,712
Cash	5,836	12	5,848	2,586	425	3,011
	27,033	12	27,045	67,125	(6,474)	60,651
Net profit/ (loss)						
Capital markets	(57,092)	(9,160)	(66,252)	39,393	(6,899)	32,494
Private equity	(13,466)	-	(13,466)	599	-	599
Real estate	(4,267)	-	(4,267)	1,321	-	1,321
Cash	5,836	12	5,848	2,586	425	3,011
	(68,989)	(9,148)	(78,137)	43,899	(6,474)	37,425
	As at 31 December 2008			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	262,966	2,920	265,886	360,516	12,078	372,594
Private equity	48,868	-	48,868	59,306	-	59,306
Real estate	276,517	-	276,517	267,337	-	267,337
Cash	36,733	6,273	43,006	22,085	2,202	24,287
	625,084	9,193	634,277	709,244	14,280	723,524

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.

6. Subsidiary

Additional acquisition of Indotel Limited

As at 30 June 2008, the Group held a beneficial interest of 72.2% in Indotel Limited. The principal activity of this company is to invest and manage the five-star S.E.M Thong Nhat Hotel Metrople. On 4 September 2008, the Group acquired a further 27.8% interest in this company for USD13.3 million, which was settled in cash. This acquisition contributed a net gain to the Group's result of USD2.779 million (Note 15) and increased the Group's beneficial ownership in Indotel Limited to 100% as at 31 December 2008.

7. Investment properties

	31 December 2008	30 June 2008
	USD'000	USD'000
Opening balance	38,192	19,091
Additions during the period/year	2,531	6,791
Net gains on fair value adjustments	2,938	12,573
Translation differences	(402)	(263)
Closing balance	43,259	38,192

The net gains on fair value adjustments of investment properties relate to the revaluation of properties held at the Group's subsidiaries during the period/year.

8. Investments in associates

	31 December 2008	30 June 2008
	USD'000	USD'000
Opening balance	175,885	69,177
Additions during the period/ year	1,789	36,733
Share of associates' profits, net	(12,949)	62,292
Share of associates' change in revaluation reserves	9,859	9,382
Dividends received	(880)	(1,670)
Translation difference	-	(29)
Closing balance	173,704	175,885

9. Financial assets held at fair value through profit or loss

	31 December 2008	30 June 2008
	USD'000	USD'000
Designated at fair value through profit or loss:		
Financial assets in Vietnam		
Ordinary shares – listed	121,263	204,624
Ordinary shares – unlisted	133,137	150,367
Corporate bonds	5,327	5,118
Financial assets in countries other than Vietnam		
Ordinary shares – listed	2,920	12,078
Total designated at fair value through profit or loss at inception	262,647	372,187
Total financial assets at fair value through profit or loss	262,647	372,187

10. Share capital

	31 December 2008		30 June 2008	
	Number of shares	USD'000	Number of shares	USD'000
Authorised:				

Ordinary shares of USD0.01 each	500,000,000	5,000	500,000,000	5,000
Issued and fully paid:				
At 1 July 2008/1 July 2007	324,610,259	3,246	250,648,414	2,506
New shares issued in the period	-	-	73,961,845	740
At 31 December 2008/30 June 2008	324,610,259	3,246	324,610,259	3,246

11. Additional paid-in capital

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

	31 December 2008	30 June 2008
	USD'000	USD'000
Opening balance	722,064	459,151
Additional paid-in capital during the period/year, net	-	271,078
Placement fees	-	(8,165)
Closing balance	722,064	722,064

12. Revaluation reserve

	31 December 2008	30 June 2008
	USD'000	USD'000
Opening balance	18,463	17,717
<i>Addition:</i> share of gains on revaluation of associates' properties	9,859	9,382
<i>Less:</i> Share of gain attributable to minority interests	-	(8,636)
Closing balance	28,322	18,463

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

13. Selling and administration expenses

	Half-year ended	
	31 December 2008	31 December 2007
	USD'000	USD'000
Management fees	6,779	9,469
Professional fees	723	1,047
General administration expenses (*)	2,335	2,639
	9,837	13,155

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

14. Net changes in fair value of financial assets at fair value through profit or loss

	Half-year ended	
	31 December 2008	31 December 2007
	USD'000	USD'000
Unrealised	(71,974)	37,621
Realised	7,316	4,272
	(64,658)	41,893

15. Other income

	Half-year ended	
	31 December 2008	31 December 2007
	USD'000	USD'000
Net gain on acquisition of a minority interest	2,779	-
Other income	380	382
	3,159	382

16. Other expenses

	Half-year ended	
	31 December 2008	31 December 2007
	USD'000	USD'000
Impairment of a long-term investment (*)	9,400	-
Other expenses	115	302
	9,515	302

(*) This amount represents the impairment of the long-term investment in Indochina Industries Food Pte. Ltd. at the balance sheet date.

17. Corporate income tax

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

The majority of the Group's associates 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 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 half-year ended 31 December 2008 (half-year ended 31 December 2007: 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.

18. Earnings per share

(a) Basic

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

	Half-year ended	
	31 December 2008	31 December 2007
(Loss)/profit attributable to equity holders of the Company (USD'000)	(79,997)	39,887
Weighted average number of ordinary shares on issue	324,615,259	265,851,682
Basic (loss)/earnings per share (USD per share)	(0.25)	0.15

(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 interest.

	31 December 2008	30 June 2008
Net asset value (USD'000)	598,896	668,877
Number of outstanding ordinary shares	324,615,259	324,615,259
Net asset value per share (USD/share)	1.84	2.06

19. Seasonality

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

20. Contingent liabilities

Taxation

Although the Company and a majority 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, 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, and in many areas, the legal framework is vague, contradictory and subject to conflicting interpretation. 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 worse case, if tax is imposed on income arising in Vietnam it will not be applied retrospectively.

As at 31 December 2008, due to the uncertainties mentioned above, no liability in relation to corporate income taxation has been recognised in the interim financial information.

21. Commitments

As at 31 December 2008, the Group is committed under lease agreements and capital expenditure programs to pay the following future amounts:

	31 December 2008	30 June 2008
	USD'000	USD'000
Within one year	27	28
From two to five years	108	112
Over five years	1,153	1,205
	1,288	1,345

22. Subsequent events after the balance sheet date

The Board of Directors of the Company has determined, based on independent valuations and other available market information that the fair value of the Group's investment properties has fallen by USD1.8 million to USD41.4 million since the balance sheet date. The details are as follows:

	USD'000
Real estate investments recorded at fair value through profit or loss:	
Book value of investment properties at 31 December 2008	43,259
Revaluation of investment properties recorded at fair value at 31 December 2008	(1,828)
	41,431

In addition, the value of real estate investments and property, plant and equipment held by associates of the Group has been reduced. On an equity accounting basis, this will result in a reduction in the Group's book value of investments in the associates at the balance sheet date of approximately USD5.9 million.

23. Comparative figures

Certain figures for the year ended 30 June 2008, which are included in this period's condensed interim financial statements for comparative purposes, have been reclassified to conform to the current period's presentations.

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