

HALF-YEAR INFORMATION GIVEN TO THE NSX

Name of entity

Vietnam Emerging Capital Limited

ABN or equivalent reference #

ABN 69 123 981 537

Reporting period

31-Dec-07

Previous corresponding period

n/a

The information contained in this report should be read in conjunction with the most recent annual financial report.

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1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	6 Months ended		Movement	
	31-Dec-07	31-Dec-06		
	\$	\$	\$	%
Revenue from continuing operations	\$17,593	-	-	n/a
Loss after income tax from continuing operations	(\$225,240)	-	-	n/a
Loss for the period attributable to members	(\$225,240)	-	-	n/a

	6 Months ended	
	31-Dec-07	31-Dec-06
	cents	cents
Basic earnings per security	(2.33)	0.00
Diluted earnings per security	(1.15)	0.00
Net tangible assets per security	8.83	0.00

No dividends have been paid or declared during the period or in the prior period

Vietnam Emerging Capital Limited
ABN 69 123 981 537

Directors' Report – 31 December 2007

Your directors present their report on Vietnam Emerging Capital Limited ("VECL") for the half-year ended 31 December 2007.

Directors

The names of persons who were directors of Vietnam Emerging Capital Limited NSX code "VEM" during the whole of the half-year and up to the date of this report are:

Jack Tan M. App Fin. F. Fin
Minh Hai Nguyen B. Sc. M. Sc.

Lawrence Nguyen B. Pharm. MAICD
James Huey B. Sc. FAICD F. Fin (appointed 10 October 2007)

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Review of Operations

Comments on the operations and the results of those operations for the period ended 31 December 2007 are set out below:

- VECL was incorporated on 16 February 2007 with five shares of \$1.00 each on issue (raising \$5).
- On 16 May 2007, VECL issued 1,500,000 shares to the original shareholders/directors at an issue price of 0.01 cents per share to raise a total of \$15,000.
- On 26 June 2007, VECL issued 5,400,000 shares and proposed the issue of 14,400,000 options (subject to shareholder approval) to the original shareholders/directors at an issue price of \$0.05 per share to raise a total of \$285,000.
- From July 2007, a further 5,487,121 shares and 2,743,557 options have been issued at an issue price of \$0.15 per share with an attaching one option for every 2 shares. This has raised \$823,068
- An additional 650,000 shares and 325,000 attaching options have been issued for \$0.10 per share to parties providing services to the company in relation to the proposed equity raising. This portion of the issue has raised \$65,000.
- A total of \$1,188,073 was raised by the above listed equity issues.
- The issue of 14,400,000 options to the original shareholders/directors proposed 26 June 2007 was approved by shareholders on 14 December 2007 and expensed. The issue of 200,000 options on James Huey (director) subscription for 400,000 shares at \$0.15 was also approved by shareholders on 14 December 2007. The value of these options issued to directors calculated under the Black Scholes model was \$60,699.
- On 14 December 2007 a Prospectus to raise a minimum of \$500,000 and a maximum of \$12,500,000 was lodged with ASIC. The offer opened on 22 December 2007. At the same time an application was lodged with the National Stock Exchange ("NSX") to list on that exchange.
- The offer closed after raising \$611,375 from 122 subscribers and allotments were completed on 6 March 2008, with holding statements dispatched to subscribers for the 2,445,500 shares allotted.
- On 11 March 2008 VECL was admitted to the official list of the NSX. VECL will have 156 shareholders holding 15,782,626 shares.
- NSX Official quotation is scheduled to commence on 18 March 2008.

Subsequent to balance date

Other than disclosed above, there have been no subsequent events that would have a material impact on the financial report for the period ended 31 December 2007.

Directors' Report – 31 December 2007

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is included on page 4 to this half-year financial report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:

A handwritten signature in black ink, appearing to be 'Jack Tan', written over a long horizontal line.

Jack Tan
Director

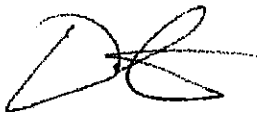
SYDNEY
14 March 2008

VIETNAM EMERGING CAPITAL LIMITED
ABN 69 123 981 537
AND CONTROLLED ENTITIES
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001
TO THE DIRECTORS OF VIETNAM EMERGING CAPITAL LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2007 there have been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

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DREW TOWNSEND

Partner

Date: 14 March 2008

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Vietnam Emerging Capital Limited
ABN 69 123 981 537
Condensed Income Statement
for the Half-Year Ended 31 December 2007

	Note	Half Year	
		31 December 2007 \$	31 December 2006 \$
Other Income	2	17,593	-
Advertising		(36,851)	-
Accounting & Audit		(32,000)	-
Compliance, listing & legal		(23,758)	-
Consulting fees - other		(15,966)	-
Employee benefits expenses		(4,798)	-
Overseas travel & accommodation		(64,317)	-
Share based payments		(60,699)	-
Other expenses from ordinary activities		(4,444)	-
(Loss) before income tax expense		(225,240)	-
Income tax expense		-	-
Net (loss) attributable to members		(225,240)	-

Earnings per share attributable to the ordinary equity holders of the company:

	Cents	Cents
Basic earnings per share	(2.33)	0.00
Diluted earnings per share	(1.15)	0.00

The above Condensed Income Statement should be read in conjunction with the accompanying notes

Vietnam Emerging Capital Limited
ABN 69 123 981 537
Condensed Balance Sheet
for the Half-Year Ended 31 December 2007

	31 December 2007 \$	30 June 2007 \$
CURRENT ASSETS		
Cash and cash equivalents	1,031,402	300,157
Trade and other receivables	18,123	108
Total Current Assets	1,049,525	300,265
TOTAL ASSETS	1,049,525	300,265
CURRENT LIABILITIES		
Trade and other payables	127,535	-
Total Current Liabilities	127,535	-
TOTAL LIABILITIES	127,535	-
NET ASSETS	921,989	300,265
EQUITY		
Contributed equity	1,086,270	300,005
Reserves	60,699	-
Accumulated losses	(224,980)	260
TOTAL EQUITY	921,989	300,265

The above Condensed Balance Sheet should be read in conjunction with the accompanying notes

Vietnam Emerging Capital Limited
ABN 69 123 981 537
Condensed Statement of Changes in Equity
for the Half-Year Ended 31 December 2007

	Issued capital	Accumulated	Other	Total
	\$	losses	reserves	\$
Balance at 1 July 2006	-	-	-	-
Profit attributable to members	-	-	-	-
Shares issued during the period	-	-	-	-
Balance at 31 December 2006	-	-	-	-
Balance at 1 July 2007	300,005	260		300,265
(Loss) attributable to members	-	(225,240)	-	(225,240)
Shares issued during the period	888,233	-	-	888,233
Expenses of share issue	(101,968)			(101,968)
Vendor & director share options	-	-	60,699	60,699
Balance at 31 December 2007	1,086,270	(224,980)	60,699	921,989

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes

Vietnam Emerging Capital Limited
ABN 69 123 981 537
Condensed Cash Flow Statement
for the Half-Year Ended 31 December 2007

Consolidated Entity

	Half Year	
	31 December 2007 \$	31 December 2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(72,448)	-
Interest received	17,593	-
Net cash outflow from operating activities	<u>(54,855)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on listing	(101,968)	-
Proceeds from issue of shares	888,068	-
Net cash inflow from financing activities	<u>786,100</u>	<u>-</u>
Net increase in cash held	731,245	-
Cash at the beginning of the financial period	300,157	-
Cash at the end of the financial period	<u><u>1,031,402</u></u>	<u><u>-</u></u>

The above Condensed Cash Flow Statement should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

Note 1 Basis of preparation of half-year report

The general purpose financial report for the interim half-year reporting period ended 31 December 2007 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting", Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

This interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

Accordingly, this interim financial report is to be read in conjunction with any public announcements made by Vietnam Emerging Capital Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Going concern

The half-yearly report has been prepared on a going concern basis which contemplates the continuity of normal trading activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The company made an operating loss of \$225,240 during the half year ended 31 December 2007.

Notwithstanding that there is significant uncertainty as to the outcome of this capital raising, the directors believe that it is appropriate to prepare the financial report on a going concern basis as the directors are of the opinion that the capital raising noted above is achievable.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Impairment

The carrying amounts of the entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been re-valued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

The recoverable amount of assets is the greater of their net selling price 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 asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

Note 1 Basis of preparation of half-year report (continued)

Trade and other payables

Trade and other payables are stated at their amortised cost, are non-interest bearing and are normally settled within 60 days.

Taxation

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future are temporary differences are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Share capital transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Accounting period

The results for the period ended 31 December 2007 cover the period from 16 February 2007 (being the date of incorporation) to 31 December 2007.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

Note 2 Segment Information

Half-year 2007

	Continuing Operations	Inter-segment eliminations/ unallocated	Total
Total segment revenue	-	-	-
Unallocated revenue			17,593
Total revenue & other income			17,593
Segment result	(205,363)	-	(205,363)
Less unallocated expenses			-
Operating (Loss) before income tax			(205,363)

Note 3 Equity Securities Issued

	Half Year 2007 Shares	Half Year 2007 \$
Issues of Securities During the Half-Year		
Ordinary shares issued to subscribers	6,137,121	888,068
Options exercisable at \$0.25, expiring 30 June 2010 issued	3,298,444	-

Note 4 Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date 30 June 2007.

Note 5 Events subsequent to balance date

On 14 December 2007 a Prospectus to raise a minimum of \$500,000 and a maximum of \$12,500,000 was lodged with ASIC. The offer opened on 22 December 2007. At the same time an application was lodged with the National Stock Exchange ("NSX") to list on that exchange.

The offer closed after raising \$611,375 from 122 subscribers and allotments were completed on 6 March 2008, with holding statements dispatched to subscribers for the 2,445,500 shares allotted. On NSX listing, VECL will have 156 shareholders holding 15,782,626 shares.

Other than disclosed above, there have been no subsequent events that would have a material impact on the financial report for the period ended 31 December 2007.

The NSX admitted VECL to the official list of the NSX on 11 March 2008. Official quotation is scheduled to commence on 18 March 2008.

Vietnam Emerging Capital Limited

ABN 69 123 981 537

Directors' Declaration

The directors of the company declare that:

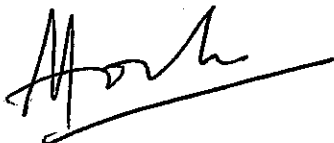
1. The financial statements, comprising the Condensed Income Statement, Condensed Balance Sheet, Condensed Cash Flow Statement, Condensed Statement of Changes in Equity and accompanying notes:

(a) comply with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) give a true and fair view of the entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Jack Tan
Director

SYDNEY
14 March 2008

VIETNAM EMERGING CAPITAL LIMITED
ABN 61 123 981 537
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
VIETNAM EMERGING CAPITAL LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Vietnam Emerging Capital Limited which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Vietnam Emerging Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Vietnam Emerging Capital Limited on 14 March 2008, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vietnam Emerging Capital Limited is not in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of the entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Hall Chadwick
31 Market Street, Sydney, NSW 2000



DREW TOWNSEND

Partner

Date: 14 March 2008

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