

**VIAGOLD CAPITAL LIMITED**  
**Half-Year Report**  
**For the Period Ended September 30, 2008**  
**ASX Appendix 4D**  
**ARBN: 070 352 500**

VIAGOLD CAPITAL LIMITED

HALF-YEAR REPORT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

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# VIAGOLD CAPITAL LIMITED

## Appendix 4D Half-Year Report For The Period Ended September 30, 2008

**1. Name of Entity**

ARBN:

Half year ended (reporting period)

Half year ended (previous corresponding period)

<b>VIAGOLD CAPITAL LIMITED</b> 070 352 500 September 30, 2008 September 30, 2007
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**2. Results for announcement to the market**

*(Amount and percentage change up or down from the previous corresponding period)*

		Six months to 30 September		Change	Change
		2008	2007	A\$'000	%
		A\$'000	A\$'000	A\$'000	%
2.1	Revenue from ordinary activities	40	30,358	(30,318)	(99.87%)
2.2	Loss from ordinary activities after tax attributable to members	(6,544)	(1,352)	(5,192)	384%
2.3	Loss for the reporting period attributable to members	(6,544)	(1,352)	(5,192)	384%

**2.4 Dividends**

Final dividend

Interim dividend

Previous corresponding period

Amount per security	Franked amount per security
Nil	N/A
Nil	N/A
Nil	N/A

**2.5 Record date for determining entitlements to the dividend**

N/A

**3. Net tangible assets/ (liabilities) per security**

Net tangible assets/(liabilities) backing per ordinary security

Current period	Previous corresponding period
A\$0.21	(A\$0.31)

**4. Control gain/loss over entities having a material effect**

There was no gain or loss of control of entities during the current period.

VIAGOLD CAPITAL LIMITED

Appendix 4D  
Half-Year Report For The Period Ended September 30, 2008

**5. Dividends**

There was no dividend paid during the current period.

**6. Details of any dividend or distribution reinvestment plans in operation from and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan**

N/A.

**7. Details of associates and joint venture entities**

There were no associate or joint venture entity holdings in the current period.

**8. Basis of preparations**

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, it is recommended that this report be read in conjunction with the annual report for the year ended March 31, 2008 and any public announcements made by ViaGOLD Capital Limited during the half-year in accordance with the continuous disclosure requirements under the Listing Rules of the Australian Stock Exchange Limited ("ASX").

**Compliance Statement**

9. The information provided in this report has been prepared in accordance with the International Financial Reporting Standards which is acceptable to the ASX for foreign reporting entities.
10. The Half-Year Report of ViaGOLD Capital Limited for the period ended September 30, 2008 has been subject to review. A copy of the independent review report to the board of directors of ViaGOLD Capital Limited is attached.

## VIAGOLD CAPITAL LIMITED

### DIRECTORS' REPORT

The Directors present their half-year report together with the condensed consolidated financial statements of ViaGOLD Capital Limited (the "Company") and its controlled entities (collectively the "Group") for the period ended September 30, 2008.

#### DIRECTORS

The Directors of the Company during the period and up to the date of this report were:

Executive directors:

Mr. Cheong Sao Tai

Mr. Pierre Seligman

Mr. Jack Chik Ming Chu (Deputy Chairmen and Chief Executive Officer)

Non-executive directors:

Mr. William, Kam Biu Tam

Mr. Henry Chang Manayan (Chairman)

Independent non-executive director:

Mr. James Anthony Wigginton

#### PRINCIPAL ACTIVITIES OF THE GROUP

The Company and its subsidiaries are principally engaged in investment holding, provision of internet services, leasing and capital financing; and trading of organic foods.

#### DIVIDENDS

The Directors do not recommend the payment of a dividend. No dividends have been declared or paid since the end of the previous financial year.

VIAGOLD CAPITAL LIMITED

CONSOLIDATED RESULTS AND REVIEW OF OPERATIONS

The consolidated operating loss before income tax for the six months ended 30 September 2008 was A\$6.56 million (period ended 30 September 2007: loss of A\$1.38 million).

Consolidated total revenue from ordinary activities for the six months ended 30 September 2008 comprised revenue from core activities of A\$40 thousand (period ended 30 September 2007: A\$30.36 million), unrealized loss on financial assets at fair value through profit and loss of A\$5.7 million (realized gain and unrealized gain on investment held for trade for period ended 30 September 2007: A\$0.47 million).

A\$6.56 million of loss was recorded primarily due to the return on unrealized investment.

With the current Worldwide financial meltdown, which affects the business environment worldwide, the company's prudent strategy is to slow down the development of the leasing business and focus more on the fastest growth market of the retail business. Part of the recently approve "rescue package" from China Central government is to shifting its economic policy to stimulate domestic demand thus increase spending, which also provide a supportive ground for retail chain operation..

The board is anticipating a very challenging year for the business environment and will plan the year ahead with caution and target the retail chain business and looking undervalued investment opportunities.



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Jack Chik Ming Chu  
Director

November 28, 2008

VIAGOLD CAPITAL LIMITED

DIRECTORS' DECLARATION

The Directors of the Company declare that, for the period ended September 30, 2008:

1. The attached financial statements and notes thereto as set out on pages 6 to 13:
  - (a) comply with the International Accounting Standards ("IAS") No. 34 "Interim Financial Reporting"; and
  - (b) give a true and fair view of the Group's financial position as at September 30, 2008 and of its performance for the half-year then ended;
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.

Signed on behalf of and in accordance with a resolution of the Board of Directors.



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Jack Chik Ming Chu  
Director

November 28, 2008

VIAGOLD CAPITAL LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

	NOTES	Six months ended September 30	
		2008	2007
		A\$'000	A\$'000
Turnover	5	40	30,358
Cost of services		(8)	(28,736)
Gross profit		32	1,622
Other operating income		-	109
Loss on fair value changes on financial assets at fair value through profit or loss		(5,681)	(473)
Loss on disposal of financial assets at fair value through profit or loss		(10)	-
Other operating and administrative expenses		(856)	(2,614)
Finance costs		(43)	(23)
Loss before tax	4	(6,558)	(1,379)
Income tax expenses		-	(3)
Loss for the period		(6,558)	(1,382)
Attributable to:			
Equity holders of the company		(6,544)	(1,352)
Minority interests		(14)	(30)
		(6,558)	(1,382)
Loss per share for profit attributable to the equity holders of the company			
-basic		A\$0.52	A\$10.68
-diluted		N/A	N/A
Dividend	6	-	-

The notes on pages 10 to 13 form an integral part of this condensed consolidated half-year report.



**VIAGOLD CAPITAL LIMITED****CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT SEPTEMBER, 30 2008**

	As at September 30 2008 A\$'000	As at March 31 2008 A\$'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Leasehold land and land use rights	252	223
Property, plant and equipment	1,125	988
Construction in progress	163	35
	<u>1,540</u>	<u>1,246</u>
<b>Current assets</b>		
Trade and other receivables	2,224	1,585
Financial assets at fair value through profit or loss	3,745	8,962
Leasehold land and land use rights	8	7
Cash and cash equivalents	3,124	3,976
	<u>9,101</u>	<u>14,530</u>
<b>Total assets</b>	<u>10,641</u>	<u>15,776</u>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>		
Share capital	2,531	2,531
Reserves	78	6,222
	<u>2,609</u>	<u>8,753</u>
<b>Minority interests</b>	958	869
<b>Total equity</b>	<u>3,567</u>	<u>9,622</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	2,791	2,327
Borrowings	2,981	2,664
Income tax payable	1,302	1,163
<b>Total liabilities</b>	<u>7,074</u>	<u>6,154</u>
<b>Total equity and liabilities</b>	<u>10,641</u>	<u>15,776</u>

The notes on pages 10 to 13 form an integral part of this condensed consolidated half-year report.

VIAGOLD CAPITAL LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2008

	Six months ended September 30	
	<u>2008</u>	<u>2007</u>
	A\$'000	A\$'000
At the beginning of the period	8,753	(4,124)
Exchange differences arising on translation of foreign operations through equity	400	1,603
Loss for the period	(6,558)	(1,382)
Minority interests	14	30
At the end of the period	<u>2,609</u>	<u>(3,873)</u>

The notes on pages 10 to 13 form an integral part of this condensed consolidated half-year report.

VIAGOLD CAPITAL LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

	Six months ended 30 September	
	<u>2008</u>	<u>2007</u>
	A\$'000	A\$'000
Net cash (used in) / generated from operating activities	(1,097)	486
Net cash (used in) / generated from investing activities	<u>(173)</u>	<u>8</u>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(1,270)	494
Cash, cash equivalents and bank overdrafts at beginning of the period	3,976	2,666
Exchange gains/ (losses) on cash and bank overdrafts	<u>418</u>	<u>(437)</u>
Cash, cash equivalents and bank overdrafts at the end of the period	<u><u>3,124</u></u>	<u><u>2,723</u></u>
Analysis of the balance of cash and cash equivalents Cash, cash equivalents and bank overdrafts	<u><u>3,124</u></u>	<u><u>2,723</u></u>

The notes on pages 10 to 13 form an integral part of this condensed consolidated half-year report.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

**1. GENERAL INFORMATION**

ViaGOLD Capital Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Australian Stock Exchange Limited (the "ASX"). Its holding company is Harvest Smart Overseas Limited, which was incorporated in the British Virgin Islands. The address of its registered office is Suite 404, 73 Flinders Lane, Melbourne Vic 3000, Australia.

The Company and its subsidiaries (together the "Group") are principally engaged in investment holding, provision of internet services, leasing and capital financing; and trading of organic foods.

These half-year financial report are presented in units of Australian dollars (A\$), unless otherwise stated.

**2. BASIS OF PREPARATION**

The half-year financial report is prepared in accordance with International Accounting Standard No. 34 "Interim Financial Reporting". The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial statements of the Group for the year ended March 31, 2008 and any public announcements made by the Group during the half-year.

The half-year financial report has been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The accounting policies adopted in the presentation of the half-year financial report are consistent with those adopted and disclosed in the annual financial statements of the Group for the year ended March 31, 2008.

Certain comparative figures have been reclassified to conform with current year's presentation.

**3. ACCOUNTING POLICIES**

Except as described below, the accounting policies adopted are consistent with those of the annual financial statement for the year ended March 31, 2008, as described in those annual financial statements.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning April 1, 2008 but are not currently relevant for the Group.

- IFRIC-Int 12 – Service Concession Arrangements
- IFRIC-Int 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IAS 39 & IFRS 7 (Amendments) – Reclassification of financial assets

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

**4. LOSS BEFORE TAX**

Loss before tax is arrived at:

	Six months ended September 30	
	<u>2008</u>	<u>2007</u>
	A\$'000	A\$'000
<u>After charging the following items:</u>		
Depreciation	54	28
Net exchange losses	32	4,665
Amortisation of leasehold land and land use right	<u>3</u>	<u>16</u>

**5. SEGMENT INFORMATION**

Primary reporting format – business segments

The Group is organized into five operating business: travel agency services, investment holding, internet services provider (“ISP”), leasing and capital financing, and trading of organic food. These businesses are the basis on which the Group reports its primary segment information.

The segment results for the six months ended September 30, 2008 are as follows:

	Travel agency services	Investment holding	ISP	Leasing and capital financing	Trading of organic foods	Unallocated	Consolidation
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
<b>Revenue</b>	-	-	3	-	3	34	40
<b>Segment results</b>	-	(5,692)	(4)	(64)	(197)	(558)	(6,515)
<b>Fiance costs</b>							(43)
<b>Loss from ordinary activities before income tax</b>							(6,558)
<b>Income tax expense</b>							-
<b>Loss before minority interests</b>							(6,558)
<b>Minority interests</b>							14
<b>Loss for the period attributable to members of the Company</b>							<u>(6,544)</u>

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

5. SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

The segment results for the six months ended September 30, 2007 are as follow:

	Travel agency services	Investment holding	ISP	Leasing and capital financing	Trading of organic foods	Unallocated	Consolidation
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Revenue	30,358	-	-	-	-	-	30,358
Segment results	(313)	(1,043)	-	-	-	-	(1,356)
Fiance costs							(23)
Loss from ordinary activities before income tax							(1,379)
Income tax expense							(3)
Loss before minority interests							(1,382)
Minority interests							30
Loss for the period attributable to members of the Company							(1,352)

Secondary reporting format – geographical segment

The Group's operations are located in North America , Singapore, Hong Kong and other regions in The People's Republic of China (the "PRC").

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the services.

	Sales revenue by geographical market Six months ended Spetember 30	
	2008	2007
	A\$'000	A\$'000
North America	-	12,180
Hong Kong	37	8,992
Singapore	-	9,186
PRC	3	-
	40	30,358

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

**6. DIVIDEND**

No dividend were paid for both periods, the directors do not recommend the payment of an interim dividend.

**7. CONTINGENT LIABILITY**

The wholly owned subsidiary, ViaGOLD USA Limited (“VUL”) has entered an agreement to guarantee the amount of attributable profit to the minority shareholder of its subsidiary, Beijing Hua Bao International Leasing Company Limited (“MI of HBI”). If the profit attributed to the MI of HBI as shown in its audited accounts for each of the three years ending December 31, 2008, 2009 and 2010 prepared in accordance with the accounting principles generally accepted in PRC is less than 22% of the consideration (i.e. HK\$2,640,000), VUL will compensate the minority shareholder of HBI in cash on a dollar for dollar basis.



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劉歐陽會計師事務所有限公司

LAU & AU YEUNG C.P.A. LIMITED

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF VIAGOLD CAPITAL LIMITED

### Introduction

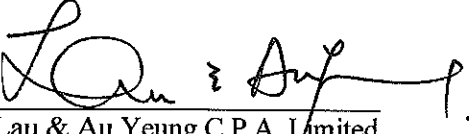
We have reviewed the accompanying balance sheet of ViaGOLD Capital Limited ("the Company") as of September 30, 2008 and the related statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, 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 International Standards on Auditing 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.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the Company as at September 30, 2008, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard 34.



Lau & Au Yeung C.P.A. Limited  
Certified Public Accountants  
Hong Kong, 28 NOV 2008

Au Yeung Tin Wah  
Practising Certificate Number P02343