TERRA CAPITAL PLC

(formerly Speymill Macau Property Company plc)

Consolidated Interim Report

30 June 2012

CONTENTS

Directors and advisers

Directors	Dirk Van den Broeck (Non-executive Chairman) Filip Montfort (Non-executive Director) Ian Dungate (Non-executive Director)
Registered Office	Millennium House 46 Athol Street Douglas Isle of Man, IM1 1JB
Nominated Adviser & Broker	Matrix Corporate Capital LLP One Vine Street London W1J OAH
English Law Adviser	Lawrence Graham LLP 4 More London Riverside London SE1 2AU
Administrator and Registrar	Galileo Fund Services Limited Millennium House 46 Athol Street Douglas Isle of Man, IM1 1JB
Auditors	KPMG Audit LLC Heritage Court 41 Athol Street Douglas Isle of Man IM99 1HN
Isle of Man Law Adviser	Appleby 33 Athol Street Douglas Isle of Man IM1 1LB
Investment Manager	Terrra Partners Asset Management The Huntlaw Building 75 Fort Street P.O. Box 1350GT Grand Cayman, Cayman Islands

Highlights of the period

Balance Sheet	30-Jun-12	31-Dec-11
	(US$'000)	(US$'000)
Net assets	61,643	92,005
Net asset per share (US$)	0.88	0.86
Cash and cash equivalents	74,966	15,916
Total assets	75,192	93,133
Cash returned to shareholders by tender offer	30,809	-

Income Statement	30-Jun-12	30-Jun-11
	(US$'000)	(US$'000)
Profit/(loss) after tax	282	(1,021)
Earnings/(loss) per share (US cents)	0.28	(0.95)

Business highlights

- Disposal of AIA Tower the last remaining property asset has now been concluded
- Previously provided taxes of $11,179,000 arising on the disposal will be processed on making the tax filing for 2012 or on the liquidation of the corporate structure utilised to hold the property if sooner.
- Following as Extraordinary General Meeting (EGM) held on 24 May 2012, Speymill Macau Property Company PLC changed its name to Terra Capital plc (the “Company”)
- Following the EGM 36,896,674 shares were tendered for repurchase by the Company at a total cost of $30,808,722
- Restructuring of the Company was approved at the EGM
    - Adoption of a new Investment Policy
    - Appointment of Terra Partners Asset Management as external investment manager (“the Manager”)
- Following the EGM the composition of the Board of Directors has been changed as follows
    - Howard Golden retired as a director on 29 May 2012
    - Yarden Mariuma retired as a director on 29 May 2012
    - Dirk Van den Broeck was appointed the independent non-executive director and chairman on 29 May 2012
    - Ian Dungate was appointed as an independent non-executive director on 29 May 2012
- The Manager is engaged in on-going work to open a global custody account and numerous brokerage accounts for the Company around the world and buying into the existing accounts in the meantime.
- Cash of $75 million was held on the balance sheet at 30 June 2012 and, excepting tax liabilities of $11.5 million (previously reserved for in calculating the NAV reported to shareholders at the EGM) is substantially all available for investment in opportunities identified by the Manager

Chairman's Statement

These are our first results since shareholders approved the restructuring and adoption of a new investment policy at the Extraordinary General Meeting held on 24 May 2012 and my first report as Chairman, my appointment having been dependent on the restructuring.

As part of the restructuring, the Company made a tender offer to purchase ordinary shares in the Company, thus giving investors the opportunity to exit prior to the adoption of the new Investing Policy. As a result of the tender offer 36,896,674 shares were tendered meaning that some 66% of Investors elected to retain their holdings in the Company and in effect invest in the newly restructured Company. The board and the Manager appreciate this vote of confidence and will do all they can to meet the expectations of our shareholders.

The period to 30 June 2012, on which we now report, covers a short timeframe subsequent to the restructuring which effectively came in to place on 24 May after the conclusion of the tender offer and consequently is prior to the Company having completed any new investments. Therefore, the financial results warrant little comment at this stage. However, the main highlight for me is the excellent progress the Manager is making in establishing global custody and brokerage arrangements many of which are now substantially in place at the time of writing. This is an arduous process since the contracts are quite detailed, involve substantial rights and obligations of the parties, need to be individually negotiated and some require review by legal counsel in addition to obtaining and providing substantial legal and regulatory documentation. In addition the due diligence requirements are quite detailed and consequently getting such accounts open does take some time. .

As noted in the previous annual report, the sale of the AIA Tower, the last asset, was concluded in January and other than the outstanding tax liability (which will not be settled until the 2012 Macau tax return is submitted) and the resolution of the JLL and Viva claims disclosed more fully in Note 15, all historic property investments have now been converted to cash and associated liabilities settled.

The Manager has identified a number of interesting opportunities and has, since the period end, commenced investing in some of these opportunities. We will be pleased to detail them in the next report and during the monthly updates as soon as they become significant enough to be meaningful.

I should like to thank Howard Golden, Yarden Mariuma and Harald Wengust for their stewardship of the Company prior to my appointment and look forward to working with my colleagues on the Board and your new Manager going forward.

Sincerely yours,

Dirk Van den Broeck

Chairman

Report of the Investment Manager

At the Extraordinary General Meeting of the Company held on May 24, 2012, the shareholders approved the appointment of Terra Partners Asset Management ("TPAM") as its Investment Manager (the "Manager"). Since that date TPAM and the board have been negotiating to open a global custody account and numerous brokerage accounts for the Company around the world.

As of the date of releasing this announcement, the Manager has succeeded in investing almost four percent (4%) of the portfolio. The remainder of the portfolio remains in cash, in USD. Investing has been a bit slow for a number of reasons: *First,* the contracts referred to above are quite detailed, involve substantial rights and obligations of the parties, need to be individually negotiated and some require review by legal counsel in addition to obtaining and providing substantial legal and regulatory documentation, they take some time to open. We are now finishing the final stages of due diligence and believe that the accounts will become operative in the near future. In the meantime, the Company had some brokerage accounts previously opened with London brokers and has already begun to invest the portfolio. *Second,* there are companies and funds that sell at very attractive ratios but their shares need to be purchased slowly and on a daily basis in order to build up a reasonable position without affecting their prices. It is expected, depending on the volumes of such companies in August and the ability to open accounts in frontier markets that have unusually stringent and lengthy procedures for account opening, that the Company can be approximately 10% invested within the next 2 months.

Since none of the positions in the Company's portfolio is substantial enough to report and the Manager is in the process of making cautious purchases, we prefer not to disclose their names at this time.

Terra Partners Asset Management

Investing Policy

At the Extraordinary General Meeting held on 24 May, 2012 the adoption of the following investment policy was approved by the Shareholders.

Investment objective

The Company's investment objective is to achieve capital appreciation while attempting to reduce risk primarily by applying a disciplined and diversified value investing philosophy.

The Company will implement its investment objective primarily by investing through one or more of the following investment strategies:

Corporate Activism. The Company intends to make investments in funds or companies which have a potential to turnaround or otherwise achieve recovery as a result of input from, or actions taken by, shareholders. This may require the Company to take an activist role, participate in a financial restructuring or even to take control of a fund or company if the Investment Manager's past experience in re-structuring and re-organising corporate activities can materially assist in bringing about a profitable result. The Investment Manager would require any target to have a strong discount to tangible, and normally, realisable and fungible assets. Closed-ended funds, REITS and/or holding companies are the most likely companies to meet this criterion. Companies with low levels of leverage or, preferably, net cash balances will also be sought out. Since the Investment Manager's standards for activist investments are rather strict, there may, at any given time, be few if any activist opportunities available. If so, the Company may not be invested in such opportunities; however, the Investment Manager intends to constantly monitor the market for such opportunities and take advantage of them as and when they arise.

Diversified portfolio of value stocks. Alongside its activist activities, or whilst awaiting such opportunities, the Company will create a portfolio of value stocks diversified by sector and country. This strategy will concentrate on small and mid-cap companies with strong cash flows and positive dividends trading in developed, emerging, and frontier markets. Close attention will be paid to long term cash flow trends and their synchronisation with reported profit. Companies which achieve reasonable Returns on Equity (ROE) without the use of excessive leverage will be favoured. Further preference will be given to companies with strong, sustainable current dividend yields. Finding such companies in structurally complex or in emerging or frontier markets and sectors is a main tenet of the Company's targeted value investing strategy. To try and limit overall portfolio volatility, the Company will seek to create a portfolio of relatively internally uncorrelated investments, both by country, region and sector diversification. The Investment Manager intends to manage the Company on a total return basis with a goal of maximising the Company's Sharpe ratio.

Investing in emerging and frontier markets. The founders of the Investment Manager have experience sourcing and performing fundamental due diligence in a variety of emerging and frontier markets that have little, or no, quality sell-side research available. In addition, either for structural reasons, information cost reasons, or market sentiment, there is usually a lack of sufficient capital in such stock markets to properly value the securities efficiently. This situation creates natural inefficiencies that reward stock-picking efforts and thorough fundamental analysis. Examples include sectors which are currently out of favour because of assumed macroeconomic trends; countries in which accounting standards differ from IFRS or information is available only in less common regional languages; or markets in which opening accounts and clearing and settling trades is procedurally more difficult. Such markets often present unusual opportunities due to various barriers to entry.

Provide cash flow to investors. The Investment Manager believes that a consistent dividend stream is an important indication of a company's strength and while searching for activist transactions it will attempt to make investments in companies exhibiting high levels of corporate governance with regular dividend streams to enable the Company to declare dividends to Shareholders.

Geographical diversification

The targeted markets will likely include many emerging and frontier markets, an area where some countries have experienced high volatility; however the Investment Manager intends to limit risk by investing in a wide geographic range of markets which have, in the past, been relatively uncorrelated to global indexes, even in situations of global financial crises.
There is no guarantee such lack of correlation will continue in the future or that it will be able to limit risk.

Another aspect of the Company's investment philosophy is that the Company expects to concentrate investments in markets where it believes that it can obtain a competitive advantage by becoming a relatively important investor through performing its own intensive, on the ground buy-side research. This policy includes, but is not limited to, seeking out markets with little research offered by Western brokerage firms and most often with no research published by the market participants.

Diversification and asset allocation

No more than 20 per cent. of the gross asset value of the Company will, at the time of investment, be invested in, or exposed to the creditworthiness of, any single underlying investee company (or group) or collective investment undertaking. No more than 5 per cent. of the gross asset value of the Company will, at the time of investment, be invested in unlisted or unquoted

Investing Policy continued

Diversification and asset allocation continued
securities. This limitation may be increased to 10 per cent. of the gross asset value of the Company with the prior approval of the Board.

While it is expected that the Company's assets will normally be predominantly invested, there are no limits to the Company's cash position.

Derivatives and short selling
The Company will be entitled to use derivatives, such as currency hedging, in an attempt to protect the assets of the Company but will not invest in derivatives as a means of investing. As a general policy the Company will not sell short but may, if an appropriate opportunity arises, sell short up to 15 per cent. of the Net Asset Value of the Company at the time of putting on such short sale.

Borrowings
The Company intends to use leverage sparingly and will restrict borrowings to an aggregate amount not exceeding 25 per cent. of the Net Asset Value of the Company at the time of drawdown.

Currency hedging
The Company may engage in currency hedging for efficient portfolio management purposes. The Company will only hedge up to a maximum of 25 per cent. of the Net Asset Value of the Company in derivatives for currency hedging purposes at the time such derivative contract is entered into.

Unaudited consolidated income statement

	Note	For the period from 1 January 2012 to 30 June 2012 US$'000	For the period from 1 January 2011 to 30 June 2011 US$'000
Rent and related income		-	3,959
Direct expenses		-	(1,623)
Net rent and related income		**-**	**2,336**
Gain/(loss) on disposal of assets held for sale/investment property		369	(184)
Manager's fees	6	(112)	(1,361)
Audit and professional fees		(62)	(208)
Other expenses		(297)	(569)
Administrative expenses		**(471)**	**(2,138)**
Net operating (loss)/profit before net finance costs		**(102)**	**14**
Finance income	4	386	63
Finance costs	4	(2)	(883)
Net finance income/(costs)		**384**	**(820)**
Profit/(loss) before tax		**282**	**(806)**
Taxation		-	(215)
Profit/(loss) for the period		282	(1,021)
Basic earnings/(loss) per share (cent per share) for the equity holders of the Company during the period	10	**0.28**	**(0.95)**

The accompanying notes form an integral part of these interim consolidated financial statements

Unaudited consolidated statement of comprehensive income

	For the period from 1 January 2012 to 30 June 2012	For the period from 1 January 2011 to 30 June 2011
	US$'000	US$'000
Profit/(loss) for the period	**282**	**(1,021)**
Other comprehensive income	-	-
Foreign exchange differences	190	38
Total comprehensive profit/(loss) for the period	**472**	**(983)**

The accompanying notes form an integral part of these interim consolidated financial statements

Unaudited consolidated balance sheet

	Note	Unaudited At 30 June 2012 US$'000	Audited At 31 December 2011 US$'000
Assets held for sale and associated liabilities	8	-	77,189
Trade and other receivables	9	226	28
Cash and cash equivalents		74,966	15,916
Total current assets		**75,192**	**93,133**
Total assets		**75,192**	**93,133**
Issued share capital	11	7,726	10,783
Share premium		62,356	62,356
Retained earnings		(13,959)	16,593
Other reserves		5,274	2,217
Foreign currency translation reserve		246	56
Total equity		**61,643**	**92,005**
Total current liabilities			
Taxation	12	11,506	-
Trade and other payables	14	2,043	1,128
Total current liabilities		**13,549**	**1,128**
Total liabilities		**13,549**	**1,128**
Total equity and liabilities		**75,192**	**93,133**
Net Asset Value per share	5	**0.88**	**0.86**

Approved by the Board of Directors on August 15, 2012

Ian Dungate	Filip Montfort
Director	Director

The accompanying notes form an integral part of these interim consolidated financial statements

Unaudited consolidated statement of changes in equity
for the six months ended 30 June 2012

	Share capital	Share premium	Retained earnings	Capital redemption reserve	Foreign currency translation reserve	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2012	**10,783**	**62,356**	**16,593**	**2,217**	**56**	**92,005**
Profit for the period	-	-	282	-	-	282
Other comprehensive income						
Foreign exchange translation differences	-	-	-	-	190	190
Total comprehensive profit	-	-	282	-	190	472
Shares repurchased to be held in treasury	-	-	(30,834)	-	-	(30,834)
Cancellation of shares repurchased	(3,057)	-	-	3,057	-	-
Total contributions by and distributions to owners	(3,057)	-	(30,834)	3,057	-	(30,834)
Balance at 30 June 2012	**7,726**	**62,356**	**(13,959)**	**5,274**	**246**	**61,643**

for the six months ended 30 June 2011

	Share capital	Share premium	Retained earnings	Capital redemption reserve	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2011	**10,783**	**62,356**	**55,365**	**2,217**	**(7)**	**130,714**	**1,217**	**131,931**
Loss for the period	-	-	(1,021)	-	-	(1,021)	-	**(1,021)**
Other comprehensive income								
Foreign exchange translation differences	-	-	-	-	38	38	-	**38**
Total comprehensive loss	-	-	(1,021)	-	38	(983)	-	**(983)**
Shares repurchased to be held in treasury	-	-	(490)	-	-	(490)	-	**(490)**
Non -controlling interest settled on disposal of properties	-	-	-	-	-		(1,217)	**(1,217)**
Distributions paid	-	-	(32,349)	-	-	(32,349)	-	**(34,056)**
Total contributions by and distributions to owners	-	-	(32,839)	-	-	(32,839)	(1,217)	**(32,349)**
Balance at 30 June 2011	**10,783**	**62,356**	**21,505**	**2,217**	**31**	**96,892**	**-**	**96,892**

The accompanying notes form an integral part of these consolidated financial statements

Unaudited consolidated statement of cash flows

		For the period from 1 January 2012 to 30 June 2012	For the period from 1 January 2011 to 30 June 2011
		US$'000	US$'000
Operating activities			
Profit before tax		282	(806)
Adjustments for:			
Net (gain)/loss on disposal of assets held for sale		(369)	184
Depreciation		-	124
Finance income		(386)	(63)
Finance costs		2	883
Operating (loss)/profit before changes in working capital		**(471)**	**322**
(Increase)/decrease in trade and other receivables		(198)	(202)
Increase/(decrease) in trade and other payables		915	(1,125)
		246	**(1,005)**
Taxation paid		-	(215)
Net finance costs paid		(2)	(883)
Interest received		386	63
Cash flows generated from/used in operating activities		**630**	**(2,040)**
Investing activities			
Sale of investment property		-	21,333
Proceeds on sale of investment property due to tax authorities	8, 12	11,506	
Disposal of assets held for sale	8	77,558	
Cash flows generated from/(used in) investing activities		**89,064**	**21,333**
Financing activities			
Purchase of shares		(30,834)	(490)
Repayment of interest bearing loans		-	(4,685)
Dividends paid		-	(32,349)
Payment to non-controlling interest		-	(1,217)
Cash flows used in financing activities		**(30,834)**	**(38,741)**
Net increase/(decrease) in cash and cash equivalents		**58,860**	**(19,448)**
Adjustment for foreign exchange		190	38
Cash and cash equivalents at beginning of period		15,916	38,518
Cash and cash equivalents at end of period		**74,966**	**19,108**

The accompanying notes form an integral part of these consolidated interim financial statements

Notes to the consolidated financial statements

1. The Company

Terra Capital plc (*formerly Speymill Macau Property Company plc)* was incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 on 31 October 2006 as a public company with registered number 118202C.

Pursuant to the Extraordinary General Meeting held on 24 May, 2012 a tender offer was made for ordinary shares of US$0.10 each in the issued ordinary share capital of the Company at a price of US$0.835 per ordinary share. As a result of the tender 36,896,674 shares were tendered and were purchased by the Company.

The interim consolidated financial statements of Terra Capital plc as at and for the six months ended 30 June 2012 comprise the Company and its subsidiaries (together referred to as the “Group”).

The consolidated financial statements of the Group as at and for the year ended 31 December 2011 are available upon request from the Company’s registered office at Millennium House, 46 Athol Street, Douglas, Isle of Man, IM1 1JB or at www.terracapital.com.

The Company's investment objective is to achieve capital appreciation while attempting to reduce risk primarily by applying a disciplined and diversified value investing philosophy.

2 Statement of compliance and significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 15 2012.

The Group has one segment focusing on achieving capital appreciation while attempting reduce risk primarily by applying a disciplined and diversified value investing philosophy. No additional disclosure is included in relation to segment reporting as the Group’s activities are limited to one business segment.

The Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2011.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011.

3 Use of estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Following the sale of the investment property in 2011 there are no significant areas requiring estimation, other than, the provisions for contingent liabilities detailed in note 16 and the provision for Macau complementary tax on disposal of the AIA Tower . As the AIA Tower was sold outside the corporate structure within which the property was held this has crystallised the deferred tax liability held within the corporate structure. The tax computation will be submitted upon the earlier of the liquidation of the SPV or the end of 2012 with any adjustment arising from the final assessment being reflected at that time

Notes to the consolidated financial statements continued

4 Finance income and costs

	Period ended 30 June 2012 US$'000	Period ended 30 June 2011 US$'000
Bank interest income	386	63
Finance income	**386**	**63**
Interest expense	-	(880)
Bank charges	(2)	(3)
Finance costs	(2)	(883)
Net finance income/(costs)	**384**	**(820)**

5 Net asset value per share

The net asset value per share as at 30 June 2012 is US$0.88 based on 70,229,236 ordinary shares in issue as at that date (excluding 7,026,423 shares held in treasury) (31 December 2011: US$0.86 based on 107,160,910 ordinary shares).

6 Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

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

Directors of the Company

Howard Golden, Filip Montfort and Yarden Mariuma were directors of the Manager. The Manager was appointed at the EGM held on 24 May 2012. Following the EGM Mr Golden and Mr Mariuma resigned as directors of the Company and Mr. Dirk van den Broeck was elected Chairman of the Board of Directors as an independent non-executive director.

Ian Dungate is an independent director and principal of the administrator.

Following the passing of a resolution on the Directors' Incentive plan at the EGM a payment was due to the then directors' of the Company which was allocated among the Directors' as follows,

Howard Golden	$158,316
Yarden Mariuma	$158,316
Filip Montfort	$158,316
Harald Wengust	$99,126

$158,316 payable under the terms of the Directors' incentive plan and remuneration of $6,860 remains payable to Mr Montfort at the date of this report.

With effect from the date of appointment of the Manager, Mr Montfort has agreed to waive his entitlement to Directors remuneration going forward.

The Investment Manager

Speymill Property Group Limited, the former Manager had their contract terminated on 28 June 2011, notice having been served on 28 June 2010. Consequently the former Manager was not considered to be a related party as at 30 June 2011 and subsequently.

Notes to the consolidated financial statements continued

6 Related party transactions continued

The Investment Managercontinued Following the EGM held on 24 May 2012, the Company appointed Terra Partners Asset Management ("TPAM") as its investment manager.

Term and termination
The Investment Management Agreement may be terminated by either party giving to the other not less than 12 months' notice expiring on or at any time after the third anniversary of the commencement date of the agreement or otherwise, in circumstances, *inter alia*, where one of the parties has a receiver appointed over its assets or if an order is made or an effective resolution passed for the winding-up of one of the parties.

Management fee
The Manager shall be entitled to receive a management fee equal to 2 per cent. per annum of the aggregate Net Asset Value of the Company during the relevant fee payment period, calculated on the first day of each month, accrued on a daily basis and payable monthly in arrears (or pro rata for lesser periods).

Performance fee
The Manager is also entitled to receive a performance fee equal to 20 per cent. of the increase (if any) in the Net Asset Value per Share (with dividends and other distributions added back and ignoring any accrued performance fee) as at each semi-annual performance fee calculation period above the Net Asset Value as at the commencement of each such semi-annual performance fee calculation period, provided that any performance fee shall be payable only to the extent that the Net Asset Value of the Share exceeds the Net Asset Value immediately following the settlement of the Tender Offer or, if a performance fee has been paid, the Net Asset Value per Share when a performance fee was last paid. The performance fee shall be calculated on 30 June and 31 December in each year and paid following such calculation.

Expenses
In addition, the Company shall be responsible for the payment of all out-of-pocket expenses reasonably incurred by the Manager in the proper performance of the Investment Management Agreement up to a maximum of US$75,000 per annum.

The Administrator

The Administrator is entitled to receive a fee of 10 basis points per annum of the net assets of the Company between £0 and £100m and 7.5 basis points of the net asset value of the Company in excess of £100m, subject to a minimum monthly fee of £4,000, and a maximum monthly fee of £11,250 payable quarterly in arrears.

The Administrator assists in the preparation of the financial statements of the Company for which it receives a fee of £1,750 per set and provides general secretarial services to the Company for which it receives a minimum annual fee of £5,000.

7 Investment property at valuation

	AIA Tower	Rafael Properties	**Period ended 30 June 2012 Total**	Year ended 31 December 2011
	US$'000	US$'000	**US$'000**	US$'000
Balance at beginning of period	-	-	**-**	159,884
Disposal	-	-	**-**	(5,642)
Transfers to assets held for resale	-	-	**-**	(154,242)
Balance at end of period				**-**

Notes to the consolidated financial statements continued

8 Assets held for sale and associated liabilities

	30 June 2012 US$'000	31 December 2011 US$'000
Balance brought forward	77,189	-
AIA Tower transferred from investment property	-	154,242
Fair value adjustment	369	7,711
Fixed assets	-	108
Net current liabilities	-	(6,737)
Bank Loans repayable	-	(62,982)
Provision for taxation payable	-	(11,506)
Provision for amounts payable on disposal	-	(3,647)
Final proceeds on disposal	(77,558)	
	-	**77,189**

9 Trade and other receivables

	30 June 2012 US$'000	31 December 2011 US$'000
Prepayments and other receivables	226	1,128
	226	**1,128**

10 Earnings per share

Basic earnings/(loss) per share is calculated by dividing the loss for the period attributable to equity holders of the Company by the weighted-average number of ordinary shares in issue during the period.

	Period ended 30 June 2012	Period ended 30 June 2011
Profit/(loss) attributable to equity holders of the Company (US$'000)	282	(1,021)
Weighted average number of ordinary shares in issue (thousands) (excluding 36,896,674 shares purchased by tender offer and 35,00 shares purchased in the market during the period of which 30,573,251 were cancelled and 7,026,423 were placed in treasury)(period ending 30 June 2011: excluding 668,000 shares purchased and placed in treasury)	100,425	107,721
Earnings/(loss) per share (cent per share)	**0.28**	**(0.95)**

11 Share capital

	30 June 2012 US$'000	31 December 2011 US$'000
Authorised:		
400,000,000 Ordinary shares of US$0.10 each	40,000,000	40,000,000
Allotted, Called-up and Fully-Paid:		
70,229,236 (31 December 2011: 107,160,910) Ordinary shares of US$0.10 each in issue, with full voting rights	7,023	10,716
7,026,423 (31 December 2011: 668,000) Ordinary shares of US$0.10 each held in treasury	703	67
	7,726	10,783

Notes to the consolidated financial statements continued

11 Share capital continued

During the period to 30 June 2012 the Company repurchased 36,931,674 (30 June 2011: 668,000) Ordinary shares, to be held in treasury, at a cost of US$30,834,332 (30 June 2011: US$491,085). The Ordinary shares held in treasury have no voting rights and are not entitled to dividends.

12 Taxation

	30 June 2012 US$'000	31 December 2011 US$'000
Macau complementary tax	11,190	-
Property taxes payable	316	389
Total	11,506	10,363

Taxes payable were included within assets held for sale at 31 December 2011. Following disposal of the property this liability remains outstanding until submission of the 2012 tax return for Macau.

Isle of Man taxation

The Company is resident in the Isle of Man for tax purposes and pays income tax at 0%. The Company pays a corporate charge of £250 to the Isle of Man Government for each tax year.

Macau taxation

The SPVs are liable to Macau Complimentary Tax at 12% in respect of their operating profits, excluding rental income which is subject to property tax. Property tax is chargeable at the higher of 10% (2010: 10%) of any rent received or 10% of the official rateable rentable value.

13 Directors' remuneration

The maximum amount of basic remuneration payable by the Company by way of fees to the Directors permitted under the Articles of Association is £200,000 per annum. All Directors are each entitled to receive reimbursement of any expenses incurred in relation to their appointment.

Mr Van den Broeck, as Chairman, is entitled to remuneration of US$45,000 per annum from the date of his appointment and Mr Dungate and Mr Montfort are each entitled to remuneration of US$30,000 per annum. Mr Montfort has agreed to waive his directors fees for so long as he is associated with the Manager.

Up until the EGM, held on 24 May 2012, Mr Golden, Mr Montfort and Mr Mariuma were each entitled to receive an annual fee of £25,000. Mr Wengust was entitled to receive an annual fee of £20,000. Mr Golden, Mr Mariuma and Mr Wengust resigned following the EGM in accordance with the proposed restructuring.

Following the passing of a resolution on the Directors' Incentive plan at the EGM an incentive payment totalling $574,074 became due to the then directors of the Company. This was allocated among the Directors as follows,

Howard Golden	$158,316
Yarden Mariuma	$158,316
Filip Montfort	$158,316
Harald Wengust	$99,126

Notes to the consolidated financial statements continued

14 Trade and other payables

	30 June 2012 US$'000	31 December 2011 US$'000
Creditors and accruals	2,043	1,128
Total	2,043	1,128

15 Subsidiaries

The Company established the following subsidiary during the period

	Country of incorporation	Percentage of shares held
Terra Capital Cayman Limited	Cayman Islands	100%

16 Contingent liabilities and capital commitments

The Company has no outstanding capital commitments at 30 June 2012.

As a result of a dispute with Jones Lang Lasalle (JLL) over its claim for a commission on the sale of the AIA Tower, a claim the Directors believe is unjustified, JLL filed suit in Hong Kong. Since an attempt to settle has failed and the Directors believe this dispute may come to trial, they have reserved the full amount of the claim plus legal fees for defending the lawsuit in the total amount of HK$3,539,000. No reserve has been made in the event the Company is required to pay the Plaintiff's legal fees in the event of a loss of the suit. Further, one of the tenants of the building, Viva Airlines, went bankrupt and has appealed the lower court's award of its security deposit in the amount of HK$285,000 to the landlord based on a claim that the company was already bankrupt when the forfeiture was declared and that the money has to be returned to the bankrupt estate and the Landlord should then become a general creditor of the bankruptcy estate. While the directors have been advised that that this claim should fail, full provision, including legal costs of HK$50,000 has been made for the possibility of the appeals court granting this application since there is little, if any, likelihood of any creditor of the bankrupt estate receiving payment of its claims.

After extensive negotiations, the Company was able to limit the contractual representations and warranties given to the purchaser of the AIA Tower to HK$10 million and a requirement that any claim must be commenced within 9 months of the closing date of the transaction. It is not anticipated that any material claims will arise as a result of these warranties and therefore no provision has been made in these financial statements for this potential claim.

17 Post Balance Sheet Events

There have been no material events since the balance sheet date that require disclosure in the interim financial statements.