

# Alpha Tiger Property Trust Limited

Annual report and financial statements

For the year ended 31 December 2008

2008



# Alpha Tiger Property Trust Limited

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Alpha Tiger's strategy remains focused on opportunities that can deliver high returns from value-added investments while seeking to manage risk through a combination of operational controls, diversification and preferred return structures.

## Highlights

- NAV (adjusted) per share increased to 109.6p<sup>1</sup> (31 December 2007: 99.1p<sup>2</sup>).
- Profit after tax of £1.7 million and EPS of 2.1p.
- Total development and investment portfolio comprising 3.9 million square feet of built up area (Company share).
- Successful release of obligations under the Xansa framework agreement in relation to the sale and leaseback investment properties and the Pune development land components.
- Galaxia SEZ has been notified with the development SPV vehicle approved as a co-developer.
- Alpha Tiger is in discussions with Logix to examine the possibility of phasing the Galaxia development which could further enhance the risk and return profile of the investment.
- Planning gains have been successfully achieved in Galaxia which allow greater flexibility in developing a higher proportion of mixed use space.
- Technova construction now 35% complete and on schedule; soft marketing has commenced.
- An agreement has been reached with the Technika development partners to explore a potential sale.
- Chennai SEZ master plan advanced and development potential increased by 20% to 2.65 million square feet.
- Alpha Tiger has reduced its conditional commitment to £24.2 million (INR 1,736 million) for the first stage development of the Chennai SEZ.

£1.7m

£1.7m profit after tax

3.9m

3.9 million square feet of development and investment portfolio

109.6p

109.6p NAV (adjusted)

<sup>1</sup> Based on share capital of 67.5 million shares

<sup>2</sup> Based on share capital of 75.0 million shares

## Trust summary and objective

### Objective

Alpha Tiger Property Trust Limited (“the Company” or “Alpha Tiger”) invests in and develops real estate that offers high total returns.

### Strategy

Alpha Tiger seeks to work closely with international occupiers and local real estate companies in order to access land and transition it through the development process, up the property value and quality curve. The Company focuses on working in partnerships to achieve quality, value engineered developments and reasonably priced investments which can deliver a number of key benefits to stakeholders, including:

- High-quality, high-specification commercial space at competitive rents for Alpha Tiger’s tenants.
- Flexibility in terms of the scale, mix and timing of development for the benefit of both tenants and the communities in which Alpha Tiger participates; and
- Superior returns for investors.



### Management

The Company’s Investment Manager is Alpha Real Capital LLP (“the Investment Manager”). Control of the Company rests with the non-executive Guernsey based Board of Directors.

### Listing

The Company’s shares are traded on the AIM Market of the London Stock Exchange.

## Financial highlights

	Full Year ended 31 December 2008	Half year ended 30 June 2008	Period 15 May 2006 to 31 December 2007	Period 15 May 2006 to 30 June 2007
Net asset value adjusted (£'000)*	73,957	76,263	74,338	73,121
Net asset value per ordinary share (adjusted)*	109.6p	101.7p	99.1p	97.5p
Net asset value per ordinary share	109.4p	101.2p	99.1p	97.5p
Profit for the period (£'000)	1,686	860	2,267	1,051
Earnings per share (basic and diluted)	2.1p	1.2p	3.0p	1.4p

\*The net asset value and the net asset value per ordinary share have been adjusted for deferred tax provisions; full analysis is given in note 11.



## Chairman's statement



**David Jeffreys**  
Chairman

I am pleased to present the Company's results for the year to 31 December 2008.

During the year the Company continued to target investment and development opportunities in real estate in India with the potential for high total returns. The Company's investment strategy includes both property investment and development, directly and through joint ventures, focusing on business parks and business-park led mixed use properties and township projects.

The Company seeks to diversify risk through investments in real estate, forward funding of development opportunities and development partnerships on both a pre-committed and speculative basis and to create a portfolio of property investments which provide a variety of tenants with strong covenants.

Slowing global economic growth and a tightening of credit markets created a difficult year for real estate markets throughout the world during 2008. Whilst the real estate market in India was not immune, it has held up better than many. After a positive start to the year, the market in India remained relatively robust until third quarter 2008 when signs of a slowdown began to emerge. In the latter half of the year, many developers, investors and occupiers alike, adopted a 'wait and see' approach prior to making further commitments. Office demand is expected to remain weak across India compared to its recent robust performance with take-up forecast to remain subdued through the first half of 2009, whilst recovering in 2010<sup>3</sup>. Well located, cost efficient business parks with well planned infrastructure, Grade A specifications and progressive asset management should record relatively higher demand and rents. The Government of India and the Reserve Bank of India ("RBI"), have taken a number of proactive steps to stimulate the economy and encourage real estate lending after a period of encouraging more conservative bank lending policies. Inflation rates eased markedly by the end of the year, thus enabling substantive interest rate cuts with further downward movement still anticipated.

The rate of economic growth in India has moderated but remains comparatively strong, with GDP forecast to grow by approximately 5.3%<sup>4</sup> per annum in the fiscal year ending 31 March 2009 with India continuing to remain one of the world's fastest growing economies. The fundamental economic drivers for business park space from India's expanding Information Technology ("IT"), IT-Enabled-Services ("ITeS") and Business Process Outsourcing ("BPO") industries remain in place, within the context of the broader economic environment of India, creating the opportunity for attractive investor returns over the medium term.

The Company's strategy remains focused on opportunities that can deliver high returns from value-added investments primarily in the business park sector, while seeking to manage risk through a combination of operational controls, diversification and preferred return structures. Where possible, the Company is seeking to enhance the position of its existing investments and has had success in delivering this in a number of its projects where the risk and reward profiles have been restructured to improve Alpha Tiger's position in the current economic climate.

The Company continues to assess strategies to further enhance shareholder returns and further diversify risk through the more active rotation of capital in its investment, development and joint venture partnership transactions. As previously reported, the Company was released from its obligations under the Xansa (now a wholly owned subsidiary of Groupe Steria SCA ("Steria")) framework agreement, in relation to properties other than the Chennai Special Economic Zone ("SEZ"). This released commitment enabled a share buyback to be undertaken in October 2008. Strategies to create greater capital flexibility and enable the Company to further manage its capital base will continue to be actively reviewed.

The Company remains focused on opportunities that can deliver high returns with managed risk.

3 DTZ - Indian Real Estate, The Phoenix Hope

4 Economist Intelligence Unit - February 2009 Country Forecast

## Chairman's statement (continued)

### Investment activity

The total equity committed by the Company (including conditional commitments) is £55.7 million (INR 4,062 million) of which £8.4 million (INR 660 million) has been incurred from incorporation to 31 December 2008.

Development	Commitments		Drawn to date	
	£ million	INR million	£ million	INR million
Galaxia (Noida, Sector 140a)	15.9	1,147	0.1	9
Technova* (Noida, Sector 132)	11.2	844	6.1	480
Technika** (Noida, Sector 132)	4.4	335	1.2	102
Chennai	24.2	1,736	1.0	69
<b>Total</b>	<b>55.7</b>	<b>4,062</b>	<b>8.4</b>	<b>660</b>

\* Estimate including compound interest on the Fully Convertible Debentures ("FCD's").

\*\* Assuming the proposed sale of the project is not achieved.

The exchange rate as at 31 December 2008 of £1.00 : INR 71.99 has been used except for historic funded amounts which reflect the exchange rate on the date of funding.

The cash position at 31 December 2008 is £65.4 million.

Further analysis of each development is detailed in the Property Investment Review.

Development areas (million square feet)	Total built up area	Built up area	Floor area ratio (permitted)	Company share (of built up area)
Galaxia (Noida, Sector 140a)	1.20	1.11	0.97	0.55
Technova (Noida, Sector 132)	0.81	0.56	0.44	0.41
Technika (Noida, Sector 132)	1.15	0.80	0.67	0.25
Chennai	4.01	2.65	4.04	2.65
<b>Total</b>	<b>7.17</b>	<b>5.12</b>	<b>6.12</b>	<b>3.86</b>

The Company has established a strong presence within the National Capital Region ("NCR") of New Delhi with development projects either secured or underway in the New Okhla Industrial Development Authority ("NOIDA") area. NOIDA is a well planned area that has established itself as a lower cost option for corporate occupiers and a competitive alternative destination to Gurgaon for the IT and ITeS industry and other business park tenants.

The Company continues to progress substantial developments with Logix Group ("Logix"), one of the leading developers of business parks in Northern India. In NOIDA, at Sector 140a,

Alpha Tiger has undertaken a restructuring of its agreement to co-develop with Logix 1.2 million square feet of business park-led space ("Galaxia") in a SEZ. The cash commitment is £15.9 million (INR 1,147 million) for a 50% interest in the total development. Alpha Tiger is in discussions with Logix to examine the possibility of phasing the development which could result in the opportunity for staged equity payments.

In NOIDA, at Sector 132, Alpha Tiger executed an agreement with Logix to acquire a 74% equity interest in a Special Purpose Vehicle ("SPV") for the purpose of holding and co-developing 0.8 million square feet of business park space and other support facilities ("Technova"). The estimated maximum commitment of the Company is £11.2 million (INR 844 million) of which £6.1 million (INR 480 million) has been invested as at 31 December 2008. Construction is now 35% complete and on schedule for completion by February 2010.

As previously announced, Alpha Tiger has reached agreement with its joint venture partners to explore a potential sale of a site earmarked for a business park development in NOIDA at Sector 132 ("Technika"). Alpha Tiger holds a 31.75% position in the SPV which is to fund the speculative development of 1.2 million square feet on the 7.6 acre plot. In parallel, Alpha Tiger and its joint venture partners will continue to evaluate alternative development options for commencement in the second half of 2009. To date Alpha Tiger has contributed £1.2 million (INR 102 million) to the project. The proceeds from a successful sale would result in a minimum capital return of £0.9 million (INR 69 million) and the release of £3.2 million (INR 233 million) currently reserved as equity for Technika construction funding.

The Company has conditionally committed £24.2 million (INR 1,736 million) for the development of 25 acres of undeveloped land (approved as a SEZ) at Chennai, including the initial construction of business park led space for Steria's occupation. Alpha Tiger has adopted a more cautious approach by significantly reducing the development pace planned in Chennai to create 1.2 million square feet within the first stage of development, of which up to 50% will be taken by Steria. This includes the Steria space and additional development required to satisfy SEZ regulations. The construction of this high-quality business park led space will be undertaken in phases over three years, in keeping with SEZ required timeframes. The Chennai SEZ master plan has been largely completed. As reported in the half year report, the development potential has increased by approximately 20% up to a Built Up Area of 2.65 million square feet of world class business park space.

## Chairman's statement (continued)

### Results, financing and dividends

Results for the period show a profit after interest and tax of £1.7 million. The adjusted net asset value per share was 109.6p at 31 December 2008 based upon 67.5 million shares in issue (see note 11 of the Financial Statements). During the year the company acquired 7.5 million of its own shares; these shares are held as Treasury shares (see note 18 of the Financial Statements). The Company's net asset value includes the revaluation of the Technova and Technika projects.

### Financing

**Galaxia** - the SPV has targeted debt facilities of £20.4 million (INR 1,470 million), representing approximately 70% of the estimated project cost.

**Technova** - the SPV has debt facilities of £13.9 million (INR 1,000 million) comprising secured debt facilities of £9.2 million (INR 660 million) and sanctioned (approved in principle) debt of £4.7 million (INR 340 million), representing approximately 78% of construction cost.

**Technika** - in the event that development is progressed, the target for debt is a facility of £13.9 million (INR 1,000 million). This represents approximately 67% of construction cost.

**Chennai** - the target for debt is a facility of £7.7 million (INR 557 million). This represents approximately 24% of construction cost, with 50% gearing targeted on the non-Sterea development component.

All debt facilities are either from or expected to be raised from a consortium of Indian and multinational banks.

During the first three quarters of 2008, the RBI implemented a number of interest rate rises in an effort to control inflation. However, as inflation reduced from a peak of 12.8% to 6.5%<sup>5</sup> during the period August 2008 to December 2008, the RBI changed its stance on interest rates and revised downward its main lending rate, the Repurchase Rate (the rate at which the RBI lends to commercial banks), from 9.0% in October 2008 to 5.0% in March 2009. This has resulted in a lowering of Prime Lending Rates ("PLRs" - the commercial banks' base lending rate) with Alpha Tiger project PLRs reducing by approximately 1.2%.

Technova construction is now 35% complete and on schedule for completion by February 2010.

The historic reluctance of the Government of India to sell more than 49% in its state-owned banks, which control some 70% of banking assets, appears to have somewhat insulated the local economy from the credit squeeze witnessed in international markets. However, as international financial market confidence has deteriorated, some liquidity tightening occurred in the domestic market of India in the latter half of 2008. The Government of India announced three stimulus packages between December 2008 and February 2009 to improve credit availability and domestic demand. With a specific focus on commercial real estate projects, the RBI also reduced the risk weighting on loans for commercial real estate from 150% to 100%, and the standard asset provisioning requirements from 2.0% to 0.4%. These actions have reduced credit costs and enhanced the availability of bank finance for current projects. Going forward, a further easing of interest rates is generally anticipated.

Despite the pressures of a significant global liquidity tightening during 2008, our development partners have been able to secure funding required for projects on a timely basis. The secured facilities for the Company's developments have benefitted from the easing of domestic borrowing costs.

Once the assets are leased at the completion of construction, the cost of refinancing these facilities is anticipated to be 1% – 1.5% lower than development debt interest costs.

### Dividends

In accordance with the dividend policy set out in the Company's Admission Document, the Board does not propose to pay a dividend for the year. The Board will consider the payment of a dividend as the Company's development programme matures.

<sup>5</sup> Economic Intelligence Unit

## Chairman's statement (continued)

### Economic outlook

We believe 2009 will continue to be a challenging period for the real estate sector but retain a cautious optimism for Alpha Tiger's investment markets.

The Economist Intelligence Unit ("EIU") has moderated its GDP forecasts to 5.3% for the fiscal year ending 31 March 2009, and 5.0% for the fiscal year ending 31 March 2010.

Against a background of difficult global market conditions and lower economic growth in many outsourcing markets, a sustained, albeit slower, demand for Grade A real estate in the markets in which our projects are located is anticipated.

The IT/ITeS and BPO sectors have shown signs of slower growth from the rapid expansion of recent years. It is anticipated that these sectors should return to robust growth in the medium term due to India's cost advantage. As a prime

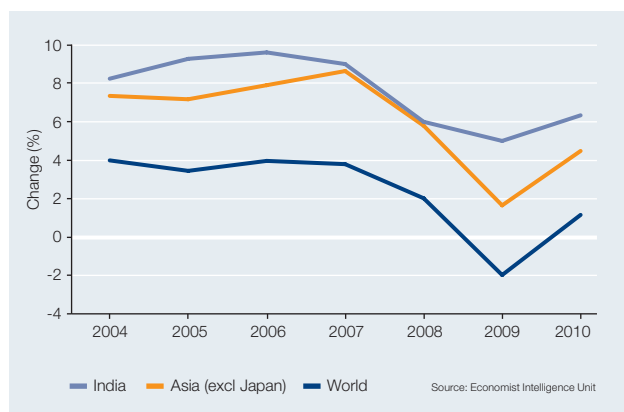
beneficiary of global outsourcing, India should continue to benefit as many companies across the US and Europe look at further outsourcing options to reduce costs in a lower revenue growth environment.

The outsourcing sector in India has withstood the impact of difficult global circumstances thus far and hiring continues to remain positive though relatively subdued. We are of the view that cost benefits will continue to attract business processing and software development services expansion in 2009. SEZs will remain attractive long-term options for IT and ITeS companies engaged in the export of software and services.

National Association of Software and Service Companies ("NASSCOM"), the IT-BPO industry association, estimates software and service exports will grow 16-17% in the financial year 2009 (to US\$47 billion against an original forecast of US\$50 billion) despite the economic slowdown, with revised financial year 2010 total IT software and services revenues, including domestic revenues, expected to grow by 15.3%. Notwithstanding a decline in the rate of job growth, NASSCOM estimates the IT-BPO industry will grow by 226,000 jobs in 2009<sup>6</sup>.

Construction costs have reduced due to a decline in commodity prices including steel and cement, and the reduction of CENVAT (a central government value added tax) on these commodities. The Company also expects an improvement in availability of labour combined with a reduction in labour costs. The overall impact could result in savings of up to 10% on project construction costs.

### Real GDP growth

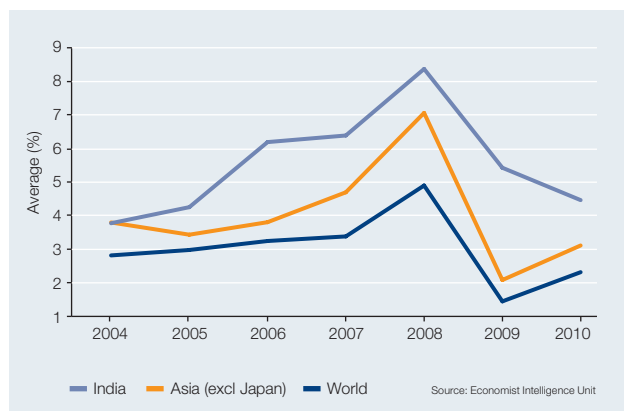


### Property market outlook

A slowdown in the pace of India's economic growth in the latter half of 2008 caused a moderation of demand drivers in the domestic real estate market. However, as financial markets across the world continue to tighten and international real estate markets decelerate, India continues to possess relatively sound fundamentals and inherent market attractiveness.

A more measured pace of Foreign Direct Investment ("FDI") and private equity investment is being witnessed and is likely to continue throughout 2009. As countries try to boost FDI, a report by Jones Lang LaSalle<sup>7</sup> highlights that the likely winners will be those that offer high transparency combined with potentially strong returns. A sustained improvement in India's transparency over the last six years is reported. Further improvements in transparency are forecast over the next two

### Consumer price inflation



<sup>6</sup> NASSCOM - The IT / BPO Sector in India, Strategic Review 2009

<sup>7</sup> Jones Lang LaSalle - Real Estate Transparency Index, 2008



## Chairman's statement (continued)

years, led by a range of factors including the introduction of Real Estate Investment Trusts ("REITs") and Real Estate Mutual Funds ("REMFs") and the greater availability of market information.

A survey of real estate executives in multinational companies operating in Asia in mid 2008<sup>8</sup> indicated that headcount growth in the region remains a top priority, global economic conditions notwithstanding as more resources are expected to be channelled to the Asia-Pacific region to benefit from lower costs. Such growth is often at the expense of other regions as firms seek to rebalance their operations to favour lower cost Asian markets. These factors are likely to support occupier demand for real estate in India.

In response to slowing tenant demand as a result of global credit tightening, many developers have started to adopt more conservative development timelines, phasing or postponing planned projects in order to manage stock creation and mitigate vacancy build-up. Jones Lang LaSalle<sup>9</sup> indicates that approximately 40% of the projects expected to witness completion in 2009 will be delayed beyond previously announced timeframes. The indicative resultant overhang of available space from the addition of new supply during 2009 represents less than twelve months of stabilised take-up at 2007 / 2008 levels.

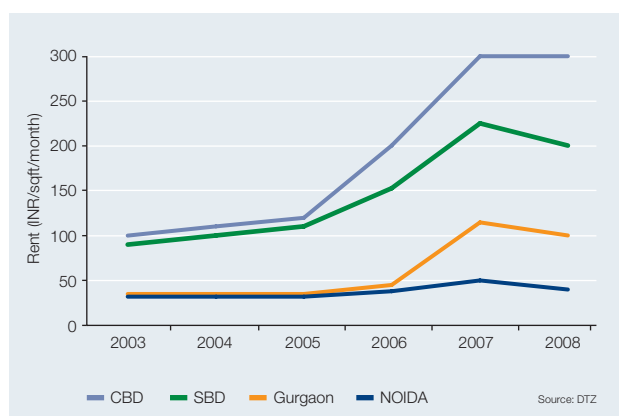
Whilst tenant demand has moderated as some companies defer their leasing programs, net leasing activity remained positive during the last quarter of 2008. Reported rents in suburban business parks held up comparatively stronger than prime office markets as companies pursued cost efficiency strategies, resulting in consolidation of office space in suburban locations at lower occupancy costs. Since mid 2008, the volume of large occupational transactions has slowed considerably, however there is still evidence of large transactions occurring in the IT/ITeS and BPO sectors. For example, RBS / ABN Amro have committed to approximately 0.4 million square feet close to their existing facilities in Chennai. Metlife have signed a pre-let for approximately 0.2 million square feet of SEZ space in NOIDA.

Office demand is expected to remain subdued across India compared to previous years with take-up forecast to remain subdued through the first half of 2009 before recovering in 2010. Business parks in locations with strong underlying infrastructure and surrounding well planned urbanisation with Grade A specifications, progressive asset management and potential for cost efficiencies will record relatively higher

demand and rents. Such projects will continue to retain competitive advantage in attracting both new occupiers and those seeking re-location from first generation developments.

### Delhi National Capital Region

#### NOIDA competitive cost advantage



NOIDA saw positive net leasing of 0.45 million square feet in business parks in the second half of 2008 and accounted for 28% of the 0.8 million square feet absorption reported in the fourth quarter of 2008 in the NCR. The largest evidenced letting in the second half of the year was for 0.2 million square feet committed for an SEZ under construction. Vacancy levels were recorded at 18% at the end of 2008 as a result of the new supply of IT Parks. Two SEZ projects are under construction and positioned for completion of their first phase in the second quarter of 2009. NOIDA's market share of total demand from IT companies is anticipated to remain stable in 2009. There has been evidence of delays in project completion timelines with some projects being deferred. In 2008 supply entering the market was nearly 30% less than initial 2008 projections.

Leasing activity during the second half included tenants such as Metlife Insurance, Reliance Telecom, IBM, Smart Cube and ACS amongst others. Further leasing activity of note recorded earlier in the year included tenants such as Accenture, CTCL, and Bharat Forge.

Rental values for large tenant requirements were reported at INR 36 per square foot per month for SEZ space and INR 40 per square foot for requirements below 70,000 square feet. Rents in NOIDA declined by 10% during the second half of 2008.

<sup>8</sup> Jones Lang LaSalle – Gauging Demand, 2008

<sup>9</sup> Jones Lang LaSalle – Indian Realty: Opportunity & Challenges

# NOIDA

## Occupiers



The Company continues to assess strategies to further enhance shareholder returns and diversify risk.

A recent study by DTZ<sup>10</sup> forecasts that signs of a market revival are likely to be evidenced in 2010. Established markets of the NCR including Delhi, NOIDA and Gurgaon are expected to display earlier momentum compared to upcoming destinations like Faridabad, Greater NOIDA and Manesar. The broader NOIDA and Gurgaon areas are expected to benefit from the completion of the metro rail service and hosting of the 2010 Commonwealth Games.

### Chennai

#### Evidence of IT/ITeS Supply being deferred

The buoyant growth of the technology industry triggered a huge demand for Grade A office space in Chennai, transforming the City's landscape over the past few years and establishing the City as a promising destination for IT/ITeS companies. The overall IT Park and SEZ absorption in Chennai during 2008 stood at 4.0 million square feet. Whilst leasing activity was weighted towards the beginning of the year, there was positive absorption of 0.5 million square feet in each of the third and fourth quarters.



The addition of new supply has slowed since the second quarter 2008 as developers defer new projects to ease the risk of future oversupply. This trend is likely to continue into 2009. DTZ<sup>11</sup> estimate that 50% less space will come on-stream versus previously projected commencements by developers. Alpha Tiger has adopted a more cautious approach by significantly reducing the development pace planned in Chennai to create 1.15 million square feet within the first three years. This includes the Steria space and additional development required to satisfy SEZ regulations.

CBRE<sup>12</sup> report that, of their coverage universe of established markets in India, the office micro markets of Chennai recorded the most defensive rentals and capital values between quarter three and quarter four but highlight that demand for office space is likely to remain subdued over the short term. Current office rents in the suburban location of Old Mahabalipuram Road where the Steria site is located, are INR 30 per square foot per month. Whilst there is likely to be downward pressure on these in the immediate future, DTZ estimate that a revival of absorption rates and rentals should be evident by the second quarter 2010.

Lettings of note in Chennai during the year included Barclays, NOKIA Siemens and Shell with a recently reported letting of 0.4 million square feet to RBS / ABN Amro evidencing its continued desirability as a location for the BPO and Banking, Financial Services and Insurance ("BFSI") sectors.

### Summary

The medium term outlook for the IT/ITeS and BPO markets within which Alpha Tiger operates, continue to have positive drivers for growth due to the relative strength of the domestic economy and continued demand from international companies seeking to reduce costs by transferring activities to India. In the short term, a weaker global economy and the tightening of credit markets have increased risk in general. The Company is responding to this by repositioning its existing investment portfolio so as to reduce investment risk and concentration risk with progress underway at Technika, Galaxia and Chennai. The Company continues to assess strategies to further enhance shareholder returns and further diversify risk through the more active rotation of capital.

### David Jeffreys

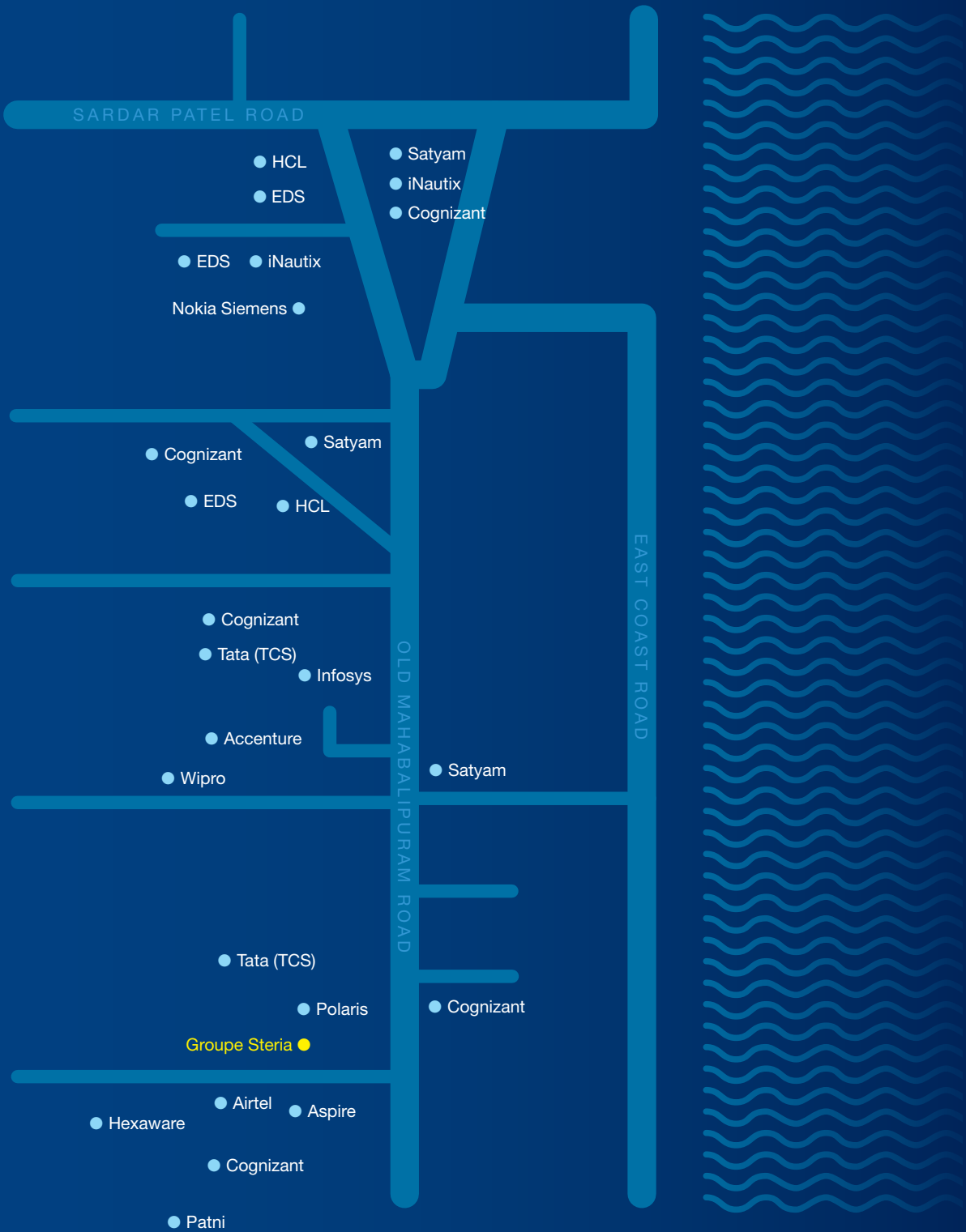
Chairman

26 March 2009

10 DTZ - Indian Real Estate, The Phoenix Hope

11 DTZ - Indian Real Estate, The Phoenix Hope  
12 CBRE Market View - Fourth Quarter 2008

Chennai  
Occupiers



## Property investment review



**Brad Bauman**  
Fund manager

Alpha Tiger has built upon a very strong base for future growth and consolidated its position in the key established markets of NOIDA and Chennai.

The Company has strengthened and further developed its relationships with international tenants and leading local development partners demonstrating world-class execution skills.

A significant platform has been established with Logix, one of the leading developers of business parks in Northern India. Logix IT/ITeS facilities developed and under construction consist of approximately 4.0 million square feet.

Logix Group's IT park developments include:

- Logix Cyber Park (1.0 million square feet – opened 2008)
- Logix Infotech Park (0.2 million square feet – opened 2007)
- Logix Technopark (0.5 million square feet – opened 2005)
- Logix Park (0.2 million square feet – opened 2002)

Logix tenant relationships include Citibank, Oracle, Barclays, Samsung, Schlumberger and the Tata group amongst others.

### Special Economic Zones

The SEZ market in India continues to expand and the special benefits offered by developing these sites and the attractions to tenants has focused the Company's attention on SEZs in NOIDA and Chennai.

India was an Asian leader in recognising the effectiveness of the Export Processing Zone ("EPZ") model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. The SEZ policy was announced in April 2000.

The main objectives of the SEZ Act are:

- Generation of additional economic activity
- Promotion of exports of goods and services
- Promotion of investment from domestic and foreign sources
- Creation of employment opportunities
- Development of world class infrastructure facilities by the private sector

This policy is intended to make SEZs an engine for economic growth in India, supported by quality infrastructure, complemented by an attractive fiscal package, both at the Federal and State level, whilst minimising regulation.

As anticipated, this has triggered strong foreign and domestic investment in SEZs, in both infrastructure and productive capacity, leading to the generation of additional economic activity and creation of employment opportunities.

The major incentives and facilities available to SEZ developers include:

- Exemption from customs and excise duties for development of SEZs for authorised operations approved by the Board of Approval ("BOA"), a government body
- Income Tax exemption on income derived from the development of a SEZ for 10 out of 15 years
- Exemption from Minimum Alternate Tax
- Exemption from Dividend Distribution Tax
- Exemption from Central Sales Tax
- Exemption from Sales Tax

Subsequent to the SEZ Act coming into effect on 10 February 2006, 32 meetings of the BOA have been held. During these meetings, formal approval has been granted to 531 SEZ proposals. There are 143 valid in principle approvals. Out of the 531 formal approvals, 260 SEZs have been notified.

### Market definitions and area calculation practice:

References to building areas in this report are:

Total built up area ("TBUA"): Represents the total area constructed including basements. Note, for some of Alpha Tiger's projects the areas reported will be best estimates until detailed floor plans are finalised.

Built up area ("BUA"): Represents the total area constructed excluding basements. Similar to TBUA, this may be a best estimate pending finalisation of detailed floor plans.

Floor area ratio ("FAR"): This is derived from the permitted ratio of constructed area to plot area. In NOIDA, area used for car parking and permitted utilities is excluded. Whilst it differs between markets, there is scope for the local planning agency to permit a marginal additional allowance above the permitted area, subject to payment of a prescribed fee.

The leasable area on which rent is charged is typically calculated as FAR plus a 'loading factor' to allow for car parking and shared service areas; this loading factor traditionally ranges between 15% and 30%.





**NOIDA**  
Galaxia

Description	Business park and mixed use - notified SEZ
Total built up area	1.2 million square feet
Location	<p>Sector 140a on the Expressway between NOIDA and Greater NOIDA.</p> <p>NOIDA has established itself as a lower cost option for corporate occupiers and a competitive alternative destination to Gurgaon for the IT and ITeS industry and other business park tenants.</p>



## Property investment review (continued)

### NOIDA

#### Galaxia

##### Business Park and mixed use 1.2 million square feet notified SEZ

The Company together with Logix will develop approximately 1.2 million square feet of total built up area of business park led space and other support facilities at NOIDA.

Land area	11.2 acres
Total built up area	1.20 million sq.ft.
Built up area	1.11 million sq.ft.
Floor area ratio (permitted)	0.97 million sq.ft.
Commencement	Second quarter 2009
Scheduled completion	2012

#### Transaction structure

On 25 March 2008, the Company announced that it had entered into an agreement with Logix to acquire a 50% equity interest in a SPV which owns the development rights over 11.2 acres in NOIDA sector 140a.

The SPV has an agreement to sub-lease 45% of a larger 24.8 acre plot which was originally leased to Sarv Mangal Realtech Pvt. Limited ("Sarv Mangal") from NOIDA on a 90 year lease. The development of a SEZ and approval of the SPV to act as co-developer has been received from the BOA. The SPV has also executed an agreement to sublease with Sarv Mangal, providing equivalent development rights and benefits. The first closing has been completed and the Company has been allotted 10,000 Class A shares in accordance with the Shareholders Agreement. Alpha Tiger has committed £15.9 million (INR 1,147 million) for a 50% equity interest in the SPV. Alpha Tiger is in discussions with its joint venture partner to examine the possibility of phasing the development which could result in the opportunity for staged equity payments.

#### Current status

	Commitments		Drawn to date	
	£ million	INR million	£ million	INR million
Alpha Investment	15.9	1,147	0.1	9
Partner Investment	15.9	1,147	1.6	114
Debt funding*	20.4	1,470	-	-
Total construction cost	29.2	2,100	-	-

\* Total debt funding of £20.4 million (INR 1,470 million) is targeted.

#### Key Milestones

- The site has been approved and notified as a SEZ.
- The approval of the SPV as co-developer was granted in December 2008.
- The ratio of the permitted development area in the non-processing zone has been increased from approximately 20% to 30% of the site area, with similar beneficial tax status as the processing zone.
- The first closing has been completed.
- Indicative financing offers from two banks is sufficient to complete the planned first stage of construction.
- The Alpha Tiger team has undertaken a master plan design review and established criteria to deliver a world class business park with Leadership in Energy and Environmental Design Green Building System ("LEEDS") Silver Certification.
- The professional team for the project to date include:
  - Developers – Logix.
  - Architects – DFA Consultants Pvt. Ltd.
  - Quantity Surveyor – Davis Langdon & Seah Consulting India Pvt. Ltd.
- Demarcation and construction of the perimeter wall is substantially complete.
- Master planning has been substantially progressed with concept blocking plan proposals completed.
- Proposals for pre-lets have been presented to a number of potential tenants.



**NOIDA**  
Technova

Description	Business park
Total built up area	0.8 million square feet
Location	<p>Sector 132 on the Expressway between NOIDA and Greater NOIDA.</p> <p>NOIDA has established itself as a lower cost option for corporate occupiers and a competitive alternative destination to Gurgaon for the IT and ITeS industry and other business park tenants.</p>





## Property investment review (continued)

### Technova

#### Business park

#### 0.8 million square feet

The Company, together with Logix, is developing approximately 0.8 million square feet of total built up area (business park and other support facilities) at NOIDA.

Land area	5.0 acres
Total built up area	0.81 million sq.ft.
Built up area	0.56 million sq.ft.
Floor area ratio (permitted)	0.44 million sq.ft.
Commencement	December 2007
Scheduled completion	February 2010

#### Transaction structure

On 3 December 2007, the Company announced it had entered into an agreement to acquire a 74% equity interest in a business park project in NOIDA Sector 132.

The estimated cash requirement to be paid by the Company for 74% of the equity (voting and economic rights) in the SPV is £11.2 million (INR 844 million) on a staged payment basis. The Company's initial investment of £5.0 million (INR 400 million) was made in March 2008 in the form of Fully Convertible Debentures ("FCDs"). The FCDs accrue interest of 13.56% and are convertible on the earlier of either the SPV achieving 90% of the leasable area being contracted to tenants or 24 months from the date of the transaction. At this point Alpha Tiger will purchase the additional equity from the promoter to achieve 74% of voting and economic ownership of the SPV. Prior to this conversion mechanism, the Company shall retain a 5% voting interest in the SPV.

The SPV has entered into a development agreement with Logix for the construction of the buildings and the development is forecast to be completed by February 2010.

#### Current status

	Commitments		Drawn to date	
	£ million	INR million	£ million	INR million
Alpha Investment *	11.2	844	6.1	480
Partner Investment **	3.6	309	3.6	309
Debt Funding ***	13.9	1,000	6.4	459
Total Construction Cost	17.7	1,274	9.4	678

\* Estimated maximum including compound interest on the FCDs.

\*\* The Partner Investment is based upon the initial value of land contributed to the SPV.

\*\*\* Total debt of £13.9 million (INR 1,000 million) comprises secured debt facilities of £9.2 million (INR 660 million) and sanctioned (approved in principle) debt of £4.7 million (INR 340 million).

#### Key Milestones

- The Alpha Tiger team has undertaken a design review and established criteria to deliver world class Grade A business space with LEEDS Silver Certification.
- The professional team for the project has been established as:
  - Developers – Logix.
  - Architects – SWBI Architects Pvt. Ltd.
  - Quantity Surveyor – Davis Langdon & Seah Consulting India Pvt. Ltd.
  - Contractors – Landmark Buildwell Pvt. Ltd.
  - Project Managers – Gherzi Eastern Ltd.
  - Project Monitoring Services – Jones Lang LaSalle.
  - Structural Consultants – Vinod Mutneja Consultants Pvt. Ltd.
  - Mechanical, Electrical and Plumbing Consultants – Krim Engineering Services Private Limited.
  - Quality Control and Health, Safety and Environmental inspectors – Bureau Veritas India Pvt. Ltd.
  - LEEDS Consultant – Blue Star India Limited.
- Construction is under progress in accordance with the schedule and to date the team has accomplished:
  - Tower A First Floor, Second Floor and Third Floor roof slab completed.
  - Tower A Fourth Floor roof slab 30% complete.
  - Tower B First Floor roof slab completed.
  - Tower B Second Floor shuttering works completed
  - Retaining walls are 100% complete.
  - Water proofing works are in progress using an internationally reputed water proofing product and agency.
  - Brick work up to the Second Floor is in progress.
- Quality and Technical Design control, Health, Safety and Environmental compliance remain an Alpha Tiger priority and there are daily inspections by the team from Bureau Veritas which are documented by weekly reports.
- Weekly progress review meetings are conducted which are attended by Alpha Tiger representatives to discuss and resolve construction issues and to enable smooth progress of the project. The project is on schedule for completion by February 2010.
- Soft marketing of the building has commenced.



**NOIDA**  
Technika

Description	Business park
Total built up area	1.15 million square feet
Location	Sector 132 on the Expressway between NOIDA and Greater NOIDA. NOIDA has established itself as a lower cost option for corporate occupiers and a competitive alternative destination to Gurgaon for the IT and ITeS industry and other business park tenants.





## Property investment review (continued)

### Technika

#### Business park

#### 1.15 million square feet

The Company together with Logix will develop approximately 1.15 million square feet of business park-led space and other support facilities at NOIDA.

Land area	7.6 acres
Total built up area	1.15 million sq.ft.
Built up area	0.80 million sq.ft.
Floor area ratio (permitted)	0.67 million sq.ft.
Commencement	Third quarter 2009
Scheduled completion	First quarter 2011

#### Transaction structure

On 30 May 2008, the Company announced it had entered into an agreement and has subsequently acquired a 31.75% equity interest in a business park project in NOIDA Sector 132. In addition, Alpha Tiger has 50% of the seats on the board of the SPV.

Alpha Tiger's total commitment is £4.4 million (INR 335 million) for the development of the 7.6 acre site. It is anticipated that third party debt can be secured in respect of the balance of the projected construction costs.

Logix will undertake the construction of the project under a fixed price contract and the development is forecast to be completed and occupied in first quarter 2011.

This development is expected to offer potential leasing, marketing and construction synergies with the adjacent Technova development.

#### Current status

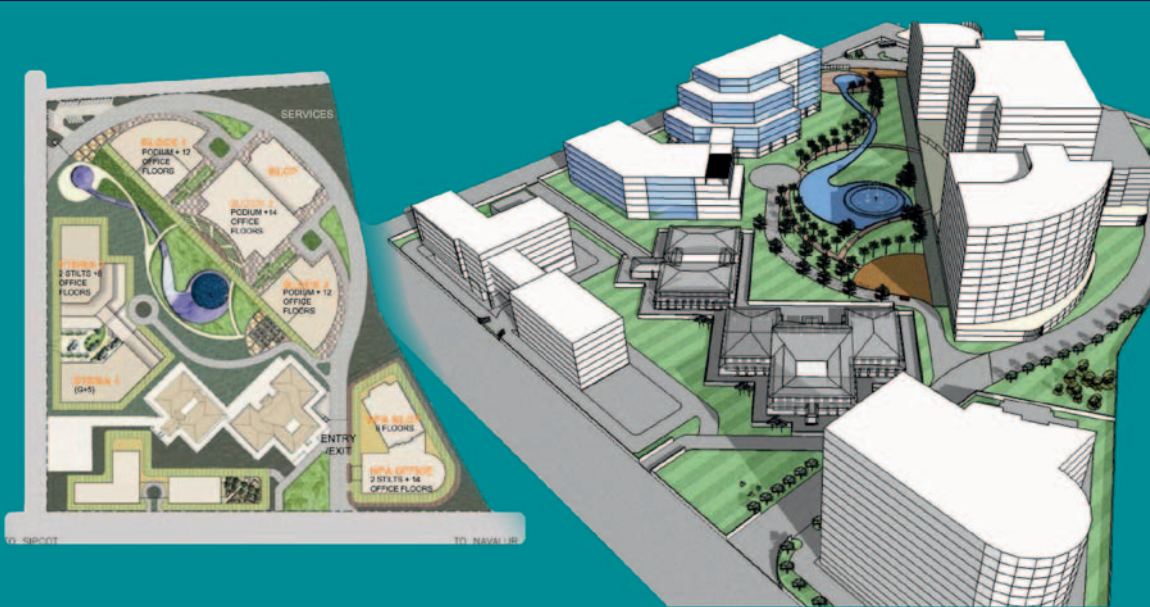
	Commitments		Drawn to date	
	£ million	INR million	£ million	INR million
Alpha Investment	4.4	335	1.2	102
Partner's Investment	10.0	720	6.7	479
Debt funding *	13.9	1,000	-	-
Total construction cost	20.8	1,500	-	-

\* Total debt funding is a targeted level; no debt has been secured to date.

As previously announced, Alpha Tiger has reached an agreement with its joint venture partners to explore a potential sale of the site. Pasco Infotech, a joint venture partner in Technika, has a limited period of time to seek a purchaser for the SPV, with each partner committing to sell their shares in the SPV provided that a sale occurs within the 180 day agreed period.

#### Key Milestones

- The Alpha Tiger team has undertaken a design review and established criteria to deliver world class business space with LEEDS Silver Certification.
- The professional team for the project to date include:
  - Developers – Logix.
- Debt funding negotiations are at an advanced stage.
- Two directors nominated by Alpha Tiger have been appointed to the board of directors of the SPV.
- An initial investment of £1.2 million (INR 102 million) has been made and the balance will be drawn down following the arrangement of debt on suitable terms.



## Chennai

Description	Approved SEZ
Built up area	2.65 million square feet
Location	The State Industries Promotion Corporation of Tamil Nadu (SIPCOT) Industrial Park located at Siruseri on the Old Mahabalipuram Road (OMR) the IT Corridor in Chennai, Tamil Nadu. A number of IT/ITeS Companies are in the process of setting up their facilities in the Cyber City including Groupe Steria, Tata Consultancy Services (TCS), Hexaware Technologies, Allfon, Cognizant Technology Solutions, Patni Computer Systems and the Biotech Park for Women Society.



## Property investment review (continued)

### CHENNAI

#### Chennai

Business park and mixed use

2.65 million square feet approved SEZ

The Company intends to develop up to 2.65 million square feet of business park-led space and other support facilities at the State Industries Promotion Corporation of Tamil Nadu ("SIPCOT") Industrial Park in Chennai.

Land area	24.8 acres
Total built up area	4.01 million sq.ft.
Built up area	2.65 million sq.ft.
Floor area ratio (permitted)	4.04 million sq.ft.
Commencement	Third quarter 2009
Completion of Stage 1	Third quarter 2012
Completion of other stages	2012 - 2014

#### Transaction structure

The Chennai site is long leasehold with development rights over 25 acres of undeveloped land. The land has received SEZ approval and is awaiting final notification from the BOA which is anticipated in the second quarter of 2009.

Alpha Tiger intends to initially develop approximately 1.2 million square feet of development space, in phases over three years. This includes the Steria space and additional development required to satisfy SEZ regulations.

Steria is the first foreign firm to invest in an academy for its employees in order to increase their skills as well as retain talented employees and offer a development plan. It is intended that this will also be constructed on the Chennai site.

Steria is continuing implementation of a major expansion plan for their operations in India and anticipates adding more than 1,000 employees in 2009 – 2010. India plays an increasing strategic role in Steria's value offer and business model with 40% of its global headcount predicted to be located across India by 2010. The company is responding to increased demand from customers for efficiencies gained by industrialised services. Steria currently has more than 5,500 employees in India, or 30% of its workforce. Globally, Steria employs about 19,000 people across 16 countries.

#### Current status

	Commitments		Drawn to date	
	£ million	INR million	£ million	INR million
Alpha Investment *	24.2	1,736	1.0	69
Debt Funding **	7.7	557	-	-
Stage 1 Development Cost ***	31.9	2,293	-	-

\* Drawn to date includes a refundable deposit of £0.5 million paid to Steria.

\*\* Total debt funding is a targeted level; no debt has been secured to date.

\*\*\* Assuming development of Steria requirement and speculatively developed component.

#### Key Milestones

- The Alpha Tiger team has undertaken a design review and value engineering exercise and established criteria to deliver world class business space with LEEDS Silver Certification.
- The professional team for the project has been established as:
  - Project Development Managers – Assetz Property Services Pvt. Ltd.
  - Architects – RSP Architects Planners and Engineers (India) Pvt. Ltd.
  - Quantity Surveyor – Davis Langdon & Seah Consulting India Pvt. Ltd.
  - Mechanical, Electrical and Plumbing Consultants – Entask Consultancy Services Pvt. Ltd.
- Substantial planning works have been undertaken to progress the project and to minimise delays following protracted notification of the SEZ and to date the team has:
  - The consolidated final master plan, integrating with MEP, Traffic Flow, and Landscaping largely completed.
  - The revised master plan achieves a 2.5 Floor Area Ratio with an overall built up area of 2.65 million square feet and a ground coverage of 30%; increasing by 0.5 million square feet (approximately 20%), the area to be developed.
  - Preparations for a 43,000 square feet incubation facility in a temporary structure in place.

## Property investment review (continued)

### Environmentally responsible development

Alpha Tiger intends to develop environmentally friendly and sustainable real estate. The Company's portfolio is planned to be compliant with LEEDS Certified Green buildings criteria. Initiatives adopted for the buildings in the portfolio include:

- Use and installation of:
  - High performance double glazing and insulated walls for the exterior envelope.
  - Building management systems including CO<sub>2</sub> sensors to monitor indoor environmental quality.
  - Ozone friendly HFC refrigerants for air-conditioning.
  - Paints, adhesives and sealants with low Volatile Organic Content.
  - Downward lighting in the exterior areas for reduction of light pollution.
- Increased energy and water efficiency by:
  - Maximum usage of high efficiency water cooled chillers.
  - Using treated water from STP for make-up water for flushing & landscaping.
  - Using water efficient plumbing fixtures.
- Green landscaping, heat reflective paints and over deck insulation on the roofs to reduce heat transgress into the buildings, thereby reducing air conditioning load.
- Providing design and construction guidelines for fit-outs to tenants to encourage them to incorporate green building features.

Green buildings criteria emphasises use of environmentally friendly building materials, effective waste management and efficient energy systems that can substantially reduce or eliminate negative environmental impacts and construction and operational practices. Commercial buildings in the Company's portfolio will be registered as Green Buildings with the Green Building Council of India, which is affiliated to the US Green Building Council. Besides contributing to a healthier environment these initiatives would help the tenants in optimising costs through efficient use of energy and water and also enhance employee productivity.

## Property investment review (continued)

### Investment Manager

Alpha Real Capital LLP ("Alpha") is the Investment Manager of Alpha Tiger. The Alpha team has over 100 years of combined professional experience in real estate, banking and funds management; this international real estate experience and financial markets expertise coupled with original research and local market knowledge targets superior returns for investors.



**Brad Bauman** (Fund Manager) leads the team in India and has 18 years' experience in real estate, finance and investment banking in Australasia and Europe. Prior to joining Alpha, Brad was Executive Director, Real Estate Investment Banking at Lehman Brothers. He also served as Managing Director of CBRE Financial Services.



**Gordon Smith** (Deputy CEO India) has 14 years' experience in the real estate and finance industries in India, the UK and European markets, working in banks, fund management institutions and consultancies. Prior to joining Alpha, Gordon was a Director in The Royal Bank of Scotland's investment banking division where he focused on private equity real estate led transactions. He was previously a Fund Manager at Morley Fund Management where he was responsible for a number of UK institutional funds.



**George Jacob** (COO India) is a Chartered Accountant by profession and has 15 years' experience in real estate, banking and financial sectors. Prior to joining Alpha, George was Vice President – Management Information Systems at HSBC and also served as Financial Controller for Jones Lang LaSalle ("JLL") in India.



**Anurag Munshi** (Transaction Partner) joined Alpha from Citigroup where he was responsible for assessing, structuring and executing real estate transactions in India. Prior to Citigroup he was Accenture's Real Estate Account Director for South Asia at JLL and also served as Head of Strategic Consulting and Research for JLL in India. Anurag has more than 10 years' experience in real estate and is a qualified town planner.



**Sanjay Goel** (Vice-Chairman India) has over 20 years' experience in facility and property management (commercial and residential) throughout India. He is a Director of S & S Property Management which is a property and facilities management specialist in India with 3 million square feet under management.



**Philippe Davis** (Director of Development and Construction) has 25 years' international experience in the development, design and construction industries. He has worked in Europe, USA, Africa, Middle East and Asia. Philippe has managed industrial, commercial and residential projects and has worked as a general contractor in design and build firms. He has also multiple project roll-out experience and was previously the Director of Construction for an office and residential developer in the San Francisco Bay Area.



**Mithilesh Kumar Jha** (Director Construction) was previously with Assetz Property Services, a leading property consultancy in Southern India, where he was responsible for the development of large mixed use IT SEZ projects. Prior to this, he worked at Fidelity Business Services where, as Head of Facilities & Infrastructure, he was responsible for the operations of their office network in India. Prior to this he worked at JLL as Head of Project and Development Services in New Delhi. Mithilesh has over 20 years experience in the property and construction industry.



**Dwajan BG** (Director Projects) has over 18 years' experience in construction, fit out, engineering design and project management. He has managed over 0.6 million square feet of construction and fit out management for top multinationals across India. He has also handled the Real Estate and Facilities portfolios for McAfee in Australia and China. His most recent assignment was with Steria/Xansa where he was Head of Facilities for Chennai.

**Brad Bauman**  
For and on behalf of the Investment Manager  
26 March 2009



## Directors

### David Jeffreys Chairman (aged 49)



David Jeffreys qualified as a Chartered Accountant with Deloitte Haskins and Sells in 1985. He is the Managing Director of EQT Funds Management Limited, the Guernsey management office of the EQT group of private equity funds, and is a Director of eight

EQT fund general partners. David also works as an independent non-executive director to a number of other Guernsey based investment fund companies and managers. He was previously the Managing Director of Abacus Fund Managers (Guernsey) Limited between 1993 and 2004, a third party administration service provider to primarily corporate and fund clients.

David is a director of the following listed companies: Alpha Pyrenees Trust Limited, Argo Real Estate Opportunities Fund Limited, Ingenious Media Active Capital Limited, PFB Regional Office Fund Limited, PFB Data Centre Fund Limited and Tetragon Financial Group Limited.

### Phillip Rose Director (aged 49)



Phillip Rose is a Fellow of the Securities Institute and holds a Master of Law degree. He has 25 years' experience in the real estate, funds management and banking industries in Europe, the USA and Australasia. He has been the Head of Real Estate for ABN AMRO

Bank, Chief Operating Officer of European shopping centre investor and developer TrizecHahn Europe, Managing Director of retail and commercial property developer and investor Lend Lease Global Investment and Executive Manager of listed fund General Property Trust.

Phillip is currently CEO of Alpha Real Capital LLP, a non executive director of London office and retail property investor Great Portland Estates Plc and a member of its Audit Committee. He is also a member of the Management Committee of the Hermes Property Unit Trust and its Audit Committee.

### Serena Tremlett Director (aged 44)



Serena Tremlett has over 20 years' experience in financial services, specialising in closed-ended property and private equity funds and fund administration during the last 12 years. She is a Guernsey resident and Managing

Director of Morgan Sharpe Administration, a third party fund administrator, which was acquired by her and her team by way of management buy-out in April 2008 and is a non-executive director on three fund general partners. She was previously company secretary (and formerly director) of Assura Group, a company listed on the London Stock Exchange investing in primary healthcare property, pharmacy and related medical businesses and ran Assura's Guernsey head office. Prior to working for Assura, Serena was head of Guernsey Property Funds at Mourant Guernsey for two years and worked for Guernsey International Fund Managers (now Northern Trust) for seven years where she sat on a number of both listed and unlisted fund boards.

### Jeff Chowdhry Director (aged 48)



Jeff Chowdhry is currently Head of Emerging Market Equities at F&C Asset Management plc, with overall responsibility for investments in global emerging markets. Previously, he was a director of Sun F&C Asset Management (India) Limited and also managed the Indian

Investment Company SICAV, an open ended investment fund registered in Luxembourg. Prior to this, Jeff managed the India Fund Inc, a closed ended investment fund listed in New York that seeks long-term capital appreciation through investing primarily in Indian equities.

### Roddy Sage Director (aged 56)



Roddy Sage is currently Chief Executive Officer of the AFP group of companies, providing corporate and taxation advisory services in Asia. Prior to that he spent 20 years with KPMG Hong Kong, 10 years of which were as Senior Tax Partner for Hong

Kong and China. He has held Chairmanships within KPMG and outside as Chairman of the Hong Kong General Chamber of Commerce's Taxation Committee and is a non-executive director of Tai Ping Carpets International.

## Directors' report

The Directors present their report and financial statements of the Company and the Group for the year ended 31 December 2008.

### Status

The Company's shares are traded on the AIM Market, a market operated by the London Stock Exchange.

The Company is a closed-ended Guernsey registered investment company.

### Principal activities

During the year the Company carried on business as a property investment and development company, investing in commercial property in India.

### Business review

A review of the business during the year is contained in the Chairman's Statement on pages 3 to 9.

### Results and dividend

The results for the year are set out in the financial statements. In accordance with the dividend policy set out in the Company's Admission document, the Board does not propose to pay a dividend for the year.

### Directors

The Directors, all of whom are non-executive and have served to the date of this report, are detailed below:

	Appointed	Re-elected
David Jeffreys (Chairman)	15 May 2006	-
Phillip Rose	15 May 2006	-
Serena Tremlett	15 May 2006	-
Jeff Chowdhry	15 May 2006	23 May 2008
Roddy Sage	15 May 2006	23 May 2008

At each annual general meeting of the Company, one third by number of the Directors shall retire from office in accordance with the Articles of Association. The Annual General Meeting is scheduled for 8 May 2009.

A retiring Director shall be eligible for reappointment.

No Director shall be required to vacate his office at any time by reason of the fact that he has attained any specific age.

The biographies of the Directors are on page 22.

The Board considers that there is a balance of skills and experience within the Board and that each of the Directors contributes effectively.

### Directors' interests

The Directors had interests in the shares of the Company as set out below:

	Number of ordinary shares 31 December 2008	Number of ordinary shares 31 December 2007
David Jeffreys	10,000	10,000
Phillip Rose	200,000	200,000
Serena Tremlett	15,000	-
Jeff Chowdhry	40,000	20,000
Roddy Sage	-	-

There have been no changes in the Directors' interests since the year end.

### Directors' remuneration

During the year the Directors received the following emoluments in the form of fees from Group companies:

	Year ended 31 December 2008	Period from 15 May 2006 to 31 December 2007
	£	£
David Jeffreys	30,000	30,904
Phillip Rose	20,000	20,603
Serena Tremlett	25,500	20,603
Jeff Chowdhry	20,000	20,603
Roddy Sage	20,000	20,603
<b>Total</b>	<b>115,500</b>	<b>113,316</b>

The Company's Articles of Association limit the aggregate fees payable to the Directors at £200,000 per annum.

Directors' and officers' liability insurance cover is in place in respect of the Directors.

There are no service contracts in existence between the Company and Directors, however each of the Directors was appointed by a letter of appointment which sets out the main terms of their appointment.

## Directors' report (continued)

### Substantial shareholding

Shareholders with holdings of more than 3 per cent of the issued ordinary shares of the Company as at 6 March 2009 were as follows:

Name of investor	Number of ordinary shares	% held
Antler Investment Holdings	22,075,000	32.7
Billien	9,625,000	14.3
Citigroup Global Markets UK Equity	3,750,000	5.6
Smith & Williamson	3,269,703	4.8
Jupiter Asset Management	3,000,500	4.5
IPGL	3,000,000	4.4
Progressive Asset Management	2,740,500	4.1
Amiya Capital	2,600,000	3.9
Fidelity Investments	2,184,500	3.2
Rathbones	2,172,470	3.2
Hansa Capital	2,160,000	3.2

### Management

The Investment Manager provides investment advisory services to the Company and property advisory, property management and monitoring services to those members of the Group which acquire properties, in each case in accordance with the investment objective and investment policy and restrictions of the Group.

### Directors' responsibility statement

Company law requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the Group at the end of the year and of the profit or loss of the Company and the Group for that year.

In preparing those Financial Statements, the Directors are required to:

- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- (4) prepare the Financial Statements on the going concern basis unless it is appropriate to assume that the Group and Company will not continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 1994. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

### Corporate Governance

A statement of Corporate Governance is on pages 25 to 26.

### Going Concern

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

### Annual General Meeting

The AGM of the Company will be held in Guernsey on 8 May 2009.

### Auditors

BDO Novus Limited have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board,



David Jeffreys  
Director



Serena Tremlett  
Director

26 March 2009

## Corporate governance

Guernsey does not have its own corporate governance regime and, as a Guernsey registered company, the Company is not required to comply with the Combined Code on Corporate Governance, issued by the Financial Reporting Council. However it is the Company's policy to comply with best practice on good corporate governance including taking measures to ensure the Company complies with the Combined Code to the extent appropriate. The Board's arrangements in respect of corporate governance are explained in the paragraphs that follow:

### Role of the Board

The Board has determined that its role is to consider and determine the following principal matters which it considers are of strategic importance to the Company:

- 1) Review the overall objectives for the Company and set the Company's strategy for fulfilling those objectives within an appropriate risk framework;
- 2) Consider any shifts in strategy that it considers may be appropriate in light of market conditions;
- 3) Review the capital structure of the Company including consideration of any appropriate use of gearing both for the Company and in any joint ventures in which the Company may invest from time to time;
- 4) Appoint the Investment Manager, Administrator and other appropriately skilled service providers and monitor their effectiveness through regular reports and meetings;
- 5) Review key elements of the Company's performance including Net Asset Value and payment of dividends.

### Board Decisions

At board meetings, the Board ensures that all the strategic matters are considered and resolved by the Board. Certain issues associated with implementing the Company's strategy are delegated either to the Investment Manager or the Administrator. Such delegation is over minor incidental matters and the Board continually monitors the services provided by these independent agents. The Board considers there are implementation matters that are significant enough to be of strategic importance and should be reserved solely for the Board (e.g. all acquisitions, all disposals, significant capital expenditure, leasing and decisions affecting the Company's financial gearing).

### Board Meetings

The Board meets at least quarterly and as required from time to time to consider specific issues reserved for decision by the Board including all potential acquisitions.

At the Board's quarterly meetings it considers papers circulated in advance including reports provided by the Investment Manager and the Administrator. The Investment Manager's report comments on:

- The property markets of India including recommendations for any changes in strategy that the Investment Manager considers may be appropriate;
- Performance of the Group's portfolio and key asset management initiatives;
- Transactional activity undertaken over the previous quarter and being contemplated for the future;
- The Group's financial position including relationships with bankers and lenders.

These reports enable the Board to assess the success with which the Group's property strategy and other associated matters are being implemented and also consider any relevant risks and to consider how they should be properly managed.

The Board also considers reports provided from time to time by its various service providers reviewing their internal controls.

In between its regular quarterly meetings, the Board has also met on a number of occasions during the year to approve all transactions and for other matters.

## Corporate governance (continued)

### Committees of the Board

The Board has operated an Audit Committee, Remuneration Committee and a Nomination Committee throughout the year under review.

#### The Audit Committee

The Audit Committee is chaired by David Jeffreys and includes Roddy Sage and Serena Tremlett. The Audit Committee meets not less than twice a year and, if required, meetings can also be attended by the Investment Manager, the Administrator and the Independent Auditors.

The Audit Committee is responsible for reviewing the half-year and annual Financial Statements before their submission to the Board. In addition, the Audit Committee is specifically charged under its terms of reference to advise the Board on the terms and scope of the appointment of the auditors (including remuneration), the independence and objectivity of the auditors, and reviewing with the auditors the results and effectiveness of the audit.

Members of the Audit Committee may also, from time to time, meet with the Company's valuer to discuss the scope and conclusions of their work.

#### The Remuneration Committee

The Remuneration Committee, chaired by Serena Tremlett includes Jeff Chowdhry and David Jeffreys and is required to consider the terms and remuneration of the Company's directors and senior employees.

#### The Nomination Committee

The Nomination Committee, chaired by Roddy Sage includes Phillip Rose and Serena Tremlett and is convened for the purpose of considering the appointment of additional Directors as and when considered appropriate.

The table below shows the attendance at Board and other Committee meetings during the year to 31 December 2008:

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee
David Jeffreys	18	4	2	n/a
Phillip Rose	12	n/a	n/a	2
Serena Tremlett	18	4	2	2
Jeff Chowdhry	8	n/a	2	n/a
Roddy Sage	8	3	n/a	2
No. of meetings during the year	18	4	2	2

### Investment management agreement

The Company has an Investment Management Agreement with the Investment Manager. This sets out the Investment Manager's key responsibilities which include proposing a property investment strategy to the Board, identifying property investments to recommend for acquisition and arranging appropriate lending facilities to facilitate the transaction. The Investment Manager is also responsible to the Board for all issues relating to property asset management.

### Shareholder relations

Shareholder communications are a high priority of the Board. Members of the Investment Manager's Investment Committee make themselves available at all reasonable times to meet with key shareholders and sector analysts. Feedback from these sessions is provided by the Investment Manager at the quarterly Board meetings.

In addition, the Board is also kept fully apprised of all market commentary on the Company by the Investment Manager and other professional advisors including its brokers.

Through this process the Board seeks to monitor investor relations and to ensure that the Company's communication programme is effective.

The Chairman and the Investment Manager will be available at the Annual General Meeting to answer any questions that shareholders attending may wish to raise.



## Independent auditors' report

### To the members of Alpha Tiger Property Trust Limited

We have audited the Group and Parent Company financial statements ("the Financial Statements") of Alpha Tiger Property Trust Limited for the year ended 31 December 2008, which comprise the Consolidated and Company income statements, Consolidated and Company balance sheets, Consolidated and Company cash flow statements, Consolidated and Company statements of changes in equity and the related notes 1 to 25. These Financial Statements have been prepared in accordance with the accounting policies as set out on pages 36 to 41.

This report is made solely to the Company's members, as a body, in accordance with Section 64 of the Companies (Guernsey) Law, 1994. Our audit work is undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Directors and auditors

As described in the Directors' Responsibility Statement within the Directors' Report, the Company's Directors are responsible for the preparation of the Financial Statements in accordance with applicable law and International Financial Reporting Standards ("IFRS").

Our responsibility is to audit the Financial Statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies (Guernsey) Law, 1994. We also report to you if, in our opinion, the Directors' Report is not consistent with the Financial Statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law is not disclosed.

We read the other information included in the Annual Report and consider whether it is consistent with the audited Financial Statements. This other information comprises only the Highlights, Trust Summary and Objective, Financial Highlights, Chairman's Statement, Property Investment Review, Directors, Directors' Report and Corporate Governance Statement. We

consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

### Opinion

In our opinion:

- The Group Financial Statements give a true and fair view, in accordance with IFRS, of the state of the Group's affairs at 31 December 2008 and of its profit for the year to 31 December 2008.
- The Parent Company Financial Statements give a true and fair view, in accordance with IFRS, of the state of the Company's affairs at 31 December 2008 and of its profit for the year ended 31 December 2008.
- The Group and Parent Company Financial Statements have been properly prepared in accordance with the Companies (Guernsey) Law, 1994.

*BDO Novus Limited.*

### BDO Novus Limited

Chartered Accountants

Place du Pre, Rue du Pre, St Peter Port, Guernsey

26 March 2009

## Consolidated income statement

	Notes	For the year ended 31 December 2008			For the period from 15 May 2006 to 31 December 2007		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Income</b>							
Revaluation of investment properties	13	-	160	160	-	-	-
Revenue		-	-	-	-	-	-
<b>Total income</b>		<b>-</b>	<b>160</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>							
Investment Manager's fee		(1,555)	-	(1,555)	(1,492)	-	(1,492)
Other administration costs	7	(630)	-	(630)	(564)	-	(564)
<b>Total expenses</b>		<b>(2,185)</b>	<b>-</b>	<b>(2,185)</b>	<b>(2,056)</b>	<b>-</b>	<b>(2,056)</b>
<b>Operating (loss)/profit</b>		<b>(2,185)</b>	<b>160</b>	<b>(2,025)</b>	<b>(2,056)</b>	<b>-</b>	<b>(2,056)</b>
Finance income	4	3,898	-	3,898	4,323	-	4,323
<b>Profit before taxation</b>		<b>1,713</b>	<b>160</b>	<b>1,873</b>	<b>2,267</b>	<b>-</b>	<b>2,267</b>
Taxation	8	(59)	(128)	(187)	-	-	-
<b>Profit for the year/period</b>		<b>1,654</b>	<b>32</b>	<b>1,686</b>	<b>2,267</b>	<b>-</b>	<b>2,267</b>
Attributable to:							
<b>Equity holders of the parent</b>		<b>1,654</b>	<b>(82)</b>	<b>1,572</b>	<b>2,267</b>	<b>-</b>	<b>2,267</b>
Minority interests		-	114	114	-	-	-
		<b>1,654</b>	<b>32</b>	<b>1,686</b>	<b>2,267</b>	<b>-</b>	<b>2,267</b>
<b>Earnings per share (basic and diluted)</b>	10	-	-	<b>2.1p</b>	-	-	<b>3.0p</b>

The total column of this statement represents the Group's income statement, prepared in accordance with IFRS. The revenue and capital columns are supplied as supplementary information permitted under IFRS. All items in the above statement derive from continuing operations.

The accompanying notes on pages 36 to 55 form an integral part of this statement.

## Consolidated balance sheet

As at 31 December 2008	Notes	2008 £'000	2007 £'000
<b>Non-current assets</b>			
Investment properties	13	16,134	-
<b>Current assets</b>			
Trade and other receivables	15	2,152	791
Cash and cash equivalents		65,377	74,104
		<b>67,529</b>	<b>74,895</b>
<b>Total assets</b>		<b>83,663</b>	<b>74,895</b>
<b>Current liabilities</b>			
Trade and other payables	16	(1,019)	(557)
<b>Total assets less current liabilities</b>		<b>82,644</b>	<b>74,338</b>
<b>Non-current liabilities</b>			
Bank borrowings	17	(6,411)	-
Deferred tax	8	(143)	-
		<b>(6,554)</b>	<b>-</b>
<b>Total liabilities</b>		<b>(7,573)</b>	<b>-</b>
<b>Net assets</b>		<b>76,090</b>	<b>74,338</b>
<b>Equity</b>			
Share capital	18	-	-
Share premium	19	-	-
Special reserve	19	69,445	72,031
Warrant reserve	19	40	40
Translation reserve	19	490	-
Capital reserve	19	(82)	-
Revenue reserve	19	3,921	2,267
<b>Equity attributable to the equity holders of the parent</b>		<b>73,814</b>	<b>74,338</b>
Minority interests		2,276	-
<b>Total equity</b>		<b>76,090</b>	<b>74,338</b>
<b>Net asset value per share</b>	11	<b>109.4</b>	<b>99.1p</b>
<b>Net asset value per share (adjusted)</b>	11	<b>109.6</b>	<b>99.1p</b>



**David Jeffreys**  
Director



**Serena Tremlett**  
Director

The Financial Statements were approved by the Board of Directors and authorised for issue on 26 March 2009. They were signed on its behalf by David Jeffreys and Serena Tremlett.

The accompanying notes on pages 36 to 55 form an integral part of this statement.

## Consolidated cash flow statement

	For the year ended 31 December 2008	For the period from 15 May 2006 to 31 December 2007
	£'000	£'000
<b>Operating activities</b>		
Profit for the year / period	1,686	2,267
<b>Adjustments for:</b>		
Finance income	(3,898)	(4,323)
Revaluation of investment properties	(160)	-
Taxation	187	-
<b>Operating cash flows before movements in working capital</b>	<b>(2,185)</b>	<b>(2,056)</b>
Movements in working capital:		
Decrease / (increase) in operating trade and other receivables	176	(129)
(Decrease) / increase in operating trade and other payables	(247)	557
<b>Cash used in operations</b>	<b>(2,256)</b>	<b>(1,628)</b>
Interest received	3,529	4,211
Taxation	-	-
<b>Cash flows from operating activities</b>	<b>1,273</b>	<b>2,583</b>
<b>Investing activities</b>		
Cash acquired on acquisition of subsidiary	18	-
Property development expenditure	(11,850)	-
Pre-completion project costs	(1,308)	(550)
<b>Cash flows from investing activities</b>	<b>(13,140)</b>	<b>(550)</b>
<b>Financing activities</b>		
Proceeds from issue of ordinary share capital	-	75,000
Issue costs	(29)	(2,929)
Bank loans advanced	5,724	-
Share buy back	(2,557)	-
<b>Cash flows from financing activities</b>	<b>3,138</b>	<b>72,071</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(8,729)</b>	<b>74,104</b>
Cash and cash equivalents at beginning of year / period	74,104	-
Exchange translation movement	2	-
<b>Cash and cash equivalents at end of year / period</b>	<b>65,377</b>	<b>74,104</b>

The accompanying notes on pages 36 to 55 form an integral part of this statement.

## Consolidated statement of changes in equity

For the year ended 31 December 2008	Share premium	Special reserve	Warrant reserve	Translation reserve	Capital reserve	Revenue reserve	Equity attributable to equity holders of the parent	Minority interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 January 2008</b>	-	<b>72,031</b>	<b>40</b>	-	-	<b>2,267</b>	<b>74,338</b>	-	<b>74,338</b>
Foreign exchange gain on translation of foreign operations (recognised directly in equity)	-	-	-	490	-	-	490	13	503
Profit for the year	-	-	-	-	(82)	1,654	1,572	114	1,686
<b>Total recognised income and expense for the year</b>	-	-	-	<b>490</b>	<b>(82)</b>	<b>1,654</b>	<b>2,062</b>	<b>127</b>	<b>2,189</b>
Share issue costs	-	(29)	-	-	-	-	(29)	-	(29)
Share buy back	-	(2,557)	-	-	-	-	(2,557)	-	(2,557)
Net assets attributable to minority interests	-	-	-	-	-	-	-	2,149	2,149
<b>At 31 December 2008</b>	-	<b>69,445</b>	<b>40</b>	<b>490</b>	<b>(82)</b>	<b>3,921</b>	<b>73,814</b>	<b>2,276</b>	<b>76,090</b>

Notes 18, 19

For the period from 15 May 2006 to 31 December 2007	Share premium	Special reserve	Warrant reserve	Translation reserve	Retained earnings	Equity attributable to equity holders of the parent	Minority interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Profit for the period	-	-	-	-	2,267	2,267	-	2,267
<b>Total recognised income and expense for the period</b>	-	-	-	-	<b>2,267</b>	<b>2,267</b>	-	<b>2,267</b>
Shares issued	75,000	-	-	-	-	75,000	-	75,000
Share issue costs	(2,929)	-	-	-	-	(2,929)	-	(2,929)
Share based payments	(40)	-	40	-	-	-	-	-
Transfer to special reserve	(72,031)	72,031	-	-	-	-	-	-
<b>At 31 December 2007</b>	-	<b>72,031</b>	<b>40</b>	-	<b>2,267</b>	<b>74,338</b>	-	<b>74,338</b>

Notes 18, 19

The accompanying notes on pages 36 to 55 form an integral part of this statement.



## Company income statement

	Notes	For the year ended 31 December 2008			For the period from 15 May 2006 to 31 December 2007		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Income</b>							
Revenue		-	-	-	-	-	-
<b>Total income</b>		-	-	-	-	-	-
<b>Expenses</b>							
Investment Manager's fee		(1,555)	-	(1,555)	(1,492)	-	(1,492)
Other administration costs	7	(583)	-	(583)	(564)	-	(564)
<b>Total expenses</b>		<b>(2,138)</b>	-	<b>(2,138)</b>	<b>(2,056)</b>	-	<b>(2,056)</b>
<b>Operating loss</b>		<b>(2,138)</b>	-	<b>(2,138)</b>	<b>(2,056)</b>	-	<b>(2,056)</b>
Finance income	4	4,010	-	4,010	4,381	-	4,381
<b>Profit before taxation</b>		<b>1,872</b>	-	<b>1,872</b>	<b>2,325</b>	-	<b>2,325</b>
Taxation	8	-	-	-	-	-	-
<b>Profit for the year / period</b>		<b>1,872</b>	-	<b>1,872</b>	<b>2,325</b>	-	<b>2,325</b>

The total column of this statement represents the Company's income statement, prepared in accordance with IFRS. The revenue and capital columns are supplied as supplementary information permitted under IFRS. All items in the above statement derive from continuing operations.

The accompanying notes on pages 36 to 55 form an integral part of this statement.

## Company balance sheet

As at 31 December 2008	Notes	2008 £'000	2007 £'000
<b>Non-current assets</b>			
Investment in subsidiary undertakings	12	-	-
Amount receivable from subsidiary undertakings	12	7,749	2,658
		<b>7,749</b>	<b>2,658</b>
<b>Current assets</b>			
Trade and other receivables	15	730	791
Cash and cash equivalents		65,292	71,504
		<b>66,022</b>	<b>72,295</b>
<b>Total assets</b>		<b>73,771</b>	<b>74,953</b>
<b>Current liabilities</b>			
Trade and other payables	16	(89)	(557)
<b>Total liabilities</b>		<b>(89)</b>	<b>(557)</b>
<b>Net assets</b>		<b>73,682</b>	<b>74,396</b>
<b>Equity</b>			
Share capital	18	-	-
Share premium	19	-	-
Special reserve	19	69,445	72,031
Warrant reserve	19	40	40
Revenue reserve	19	4,197	2,325
<b>Total equity</b>		<b>73,682</b>	<b>74,396</b>



**David Jeffreys**  
Director



**Serena Tremlett**  
Director

The Financial Statements were approved by the Board of Directors and authorised for issue on 26 March 2009. They were signed on its behalf by David Jeffreys and Serena Tremlett.

The accompanying notes on pages 36 to 55 form an integral part of this statement.

## Company cash flow statement

	For the year ended 31 December 2008	For the period from 15 May 2006 to 31 December 2007
	£'000	£'000
<b>Cash flows from operating activities</b>		
Profit for the year / period	1,872	2,325
<b>Adjustment for:</b>		
Finance income	(4,010)	(4,381)
<b>Operating cash flows before movements in working capital</b>	<b>(2,138)</b>	<b>(2,056)</b>
<b>Movements in working capital:</b>		
Decrease / (increase) in operating trade and other receivables	164	(129)
(Decrease) / increase in operating trade and other payables	(467)	557
<b>Cash used in operations</b>	<b>(2,441)</b>	<b>(1,628)</b>
Interest received	3,515	4,211
Taxation	-	-
<b>Cash flows from operating activities</b>	<b>1,074</b>	<b>2,583</b>
<b>Investing activities</b>		
Loans to subsidiary	(4,616)	(2,600)
Pre-completion project costs	(84)	(550)
<b>Cash flows from investing activities</b>	<b>(4,700)</b>	<b>(3,150)</b>
<b>Financing activities</b>		
Proceeds from issue of ordinary share capital	-	75,000
Issue costs	(29)	(2,929)
Share buy back	(2,557)	-
<b>Cash flows from financing activities</b>	<b>(2,586)</b>	<b>72,071</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(6,212)</b>	<b>71,504</b>
Cash and cash equivalents at beginning of year / period	71,504	-
<b>Cash and cash equivalents at end of year / period</b>	<b>65,292</b>	<b>71,504</b>

The accompanying notes on pages 36 to 55 form an integral part of this statement.

## Company statement of changes in equity

For the year ended 31 December 2008	Share capital £'000	Share premium £'000	Special reserve £'000	Warrant reserve £'000	Revenue reserve £'000	Total reserves £'000
<b>At 1 January 2008</b>	-	-	72,031	40	2,325	74,396
Profit for the year	-	-	-	-	1,872	1,872
<b>Total recognised income and expense for the year</b>	-	-	-	-	1,872	1,872
Share issue costs	-	-	(29)	-	-	(29)
Share buy back	-	-	(2,557)	-	-	(2,557)
<b>At 31 December 2008</b>	-	-	69,445	40	4,197	73,682
Notes 18, 19						

For the period from 15 May 2006 to 31 December 2007	Share capital £'000	Share premium £'000	Special reserve £'000	Warrant reserve £'000	Revenue reserve £'000	Total reserves £'000
Profit for the period					2,325	2,325
<b>Total recognised income and expense for the period</b>		-	-	-	2,325	2,325
Shares issued		75,000	-	-	-	75,000
Share issue costs		(2,929)	-	-	-	(2,929)
Share based payments		(40)	-	40	-	-
Transfer to special reserve		(72,031)	72,031	-	-	-
<b>At 31 December 2007</b>		-	72,031	40	2,325	74,396
Notes 18, 19						

The accompanying notes on pages 36 to 55 form an integral part of this statement.

# Notes to the financial statements

For the year ended 31 December 2008

## 1. General information

The Company is a limited liability, closed-ended investment company incorporated in Guernsey. The address of the registered office is given on page 56. The nature of the Group's operations and its principal activities are set out in the Chairman's Statement on pages 3 to 9. The Financial Statements were approved and authorised for issue on 26 March 2009 and signed by David Jeffreys and Serena Tremlett on behalf of the Board.

## 2. Significant accounting policies

A summary of the principal accounting policies are set out below, all of which have been applied consistently for all periods presented unless otherwise stated.

### Basis of accounting

The Financial Statements of the Company and of the Group have been prepared in accordance with IFRS, which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards and Standards Interpretations Committee interpretations approved by the International Accounting Standards Committee ("IASC") that remain in effect, and to the extent that they have been adopted by the European Union.

The preparation of financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

### a) Standards early adopted

Amendments to IAS 40: Investment property resulting from the May 2008 Annual Improvements to IFRS was adopted early by the Group. The main effect of adopting this standard is that property under the course of construction for future use as an investment property now falls within the scope of IAS 40.

### b) Adoption of new and revised Standards

Two Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current year. These were: IFRIC 11: IFRS 2: Group and treasury Share Transactions; and IFRIC 14: IAS 19 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The adoption of these Interpretations has not led to any changes in the Groups accounting policies.

### c) Standards and Interpretations in issue and not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:-

#### New Standards

IFRS 8: Operating Segments – for accounting periods commencing on or after 1 January 2009

Revised and amended Standards

IFRS 1: First time Adoption of International Financial Reporting Standards – Amendments relating to cost of an investment on first-time adoption – for accounting periods commencing on or after 1 January 2009 \*

IFRS 2: Share-based Payment – Amendment relating to vesting conditions and cancellations – for accounting periods commencing on or after 1 January 2009

IFRS 3: Business Combinations – Comprehensive revision on applying the acquisition method – for accounting periods commencing on or after 1 July 2009 \*

IFRS 5: Non-current Assets Held for sale and Discontinued Operations – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 July 2009

IAS 1: Presentation of Financial Statements – Comprehensive revision including requiring a statement of comprehensive income – for accounting periods commencing on or after 1 January 2009

IAS 1: Presentation of Financial Statements – Amendments relating to disclosure of puttable instruments and obligations arising on liquidation – for accounting periods commencing on or after 1 January 2009

IAS 1: Presentation of Financial Statements – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 16: Property, Plant and Equipment Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

# Notes to the financial statements (continued)

For the year ended 31 December 2008

## 2. Significant accounting policies (continued)

IAS 19: Employee Benefits Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 20: Government Grants and Disclosure of Government Assistance Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 23: Borrowing Costs – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 27: Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3 – for accounting periods commencing on or after 1 July 2009

IAS 27: Consolidated and Separate Financial Statements – Amendments relating to cost of an investment on first time adoption – for accounting periods commencing on or after 1 January 2009 \*

IAS 27: Consolidated and Separate Financial Statements – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 28: Investments in Associates – Consequential amendments arising from amendments to IFRS 3 – for accounting periods commencing on or after 1 July 2009

IAS 28: Investments in Associates – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 29: Financial Reporting in Hyperinflationary Economies – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 31: Interests in Joint Ventures – Consequential amendments arising from amendments to IFRS 3 – for accounting periods commencing on or after 1 July 2009

IAS 31: Interests in Joint Ventures – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 32: Financial Instruments: Presentation – Amendments relating to puttable instruments and obligations arising on liquidation – for accounting periods commencing on or after 1 January 2009

IAS 36: Impairment of assets – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 38: Intangible Assets – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 39: Financial Instruments: Recognition and Measurement – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 39: Financial Instruments: Recognition and Measurement – Amendments for eligible hedged items – for accounting periods commencing on or after 1 July 2009 \*

IAS 41: Agriculture – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

### Interpretations

IFRIC 12: Service Concession Arrangements – for accounting periods commencing on or after 1 January 2008 \*

IFRIC 13: Customer Loyalty Programmes – for accounting periods commencing on or after 1 July 2008

IFRIC 15: Agreements for the Construction of Real Estate – for accounting periods commencing on or after 1 January 2009 \*

IFRIC 16: Hedges of a Net investment in a Foreign Operation – for accounting periods commencing on or after 1 October 2008 \*

IFRIC 17: Distributions of Non-cash Assets to Owners – for accounting periods commencing on or after 1 July 2009 \*

IFRIC 18: Transfers of Assets from Customers – for accounting periods commencing on or after 1 July 2009 \*

\* Still to be endorsed by the EU.

The Directors anticipate that, with the exception of IAS 1, IFRS 3 and IAS 27 as discussed below, the adoption of these standards and interpretations in future periods will not have material impact on the financial statements of the Group.

IAS 1 (revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group and Company will apply IAS 1 (revised) from 1 January 2009. It is likely that both the income statement and statement of comprehensive income will be presented as performance statements.



# Notes to the financial statements (continued)

For the year ended 31 December 2008

## 2. Significant accounting policies (continued)

Revised IFRS 3, Business Combinations and complementary Amendments to IAS 27 Consolidated and Separate Financial Statements (both effective for accounting periods beginning on or after 1 July 2009). This revised standard and the amendments are still to be endorsed by the EU. The revised IFRS 3 and amendments to IAS 27 arise from a joint project with the Financial Accounting Standards Board (FASB), the US standards setter, and result in IFRS being largely converged with the related, recently issued, US requirements. There are certain very significant changes to the requirements of IFRS, and options available, if accounting for business combinations. The Group is currently assessing the impact of IFRS 3 on the Financial Statements.

The principal accounting policies adopted are set out below.

### Basis of consolidation

#### a) Subsidiaries

The consolidated financial statements incorporate the results of the Company and the SPVs controlled by the Company, made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities.

The results of SPVs acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal as appropriate.

When necessary, adjustments are made to the financial statements of SPVs to bring the accounting policies used into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### b) Minority interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original investment and the minority's share of changes in equity since the date of the investment. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

#### c) Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of these entities assets, liabilities, income and expenses on a line by line basis from the date on which joint control commences to the date to on which joint control ceases. The results of the Group's joint ventures are prepared for the periods to 31 December each year.

### Investment property

Property that is being constructed or developed for future use as investment property is stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification, values the portfolio every six months. The fair values are based on the market values being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction where the parties had each acted knowledgeably, prudently and without compulsion. The fair values include adjustments to remove the fair value of construction which has yet to take place and making reasonable assumptions regarding expected rentals and costs.

Gains or losses arising from changes in fair value of investment property are included in the income statement in the period in which they arise. Properties are treated as acquired when the Group assumes the significant risks and returns of ownership and as disposed of when these are transferred to the buyer.

All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditures qualifying as acquisition costs are capitalised.

The acquisition of a corporate vehicle, whose only activity is that of holding the targeted property, is accounted for based on the substance of the transaction. The Directors consider the substance of such transactions to be property acquisitions as opposed to a business combination under IFRS 3.

### Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of property are added to the costs of those assets until such time as the assets are substantially ready for their intended use. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

# Notes to the financial statements (continued)

For the year ended 31 December 2008

## 2. Significant accounting policies (continued)

### Presentation of income statement

In order to better reflect the activities of an investment company and in accordance with guidance issued by the Association of Investment Companies ("AIC"), supplementary information which analyses the income statement between items of a revenue and capital nature has been presented alongside the income statement.

### Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

### Foreign currencies

#### a) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured in the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Sterling, which is the Company's functional and presentational currency.

#### b) Transactions and balances

Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly to equity.

#### c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- ii) income and expenses for each income statement are translated at the average exchange rate prevailing in the year; and
- iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, the exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

The year-end exchange rate used is £1.00 : INR 71.99 (2007: £1.00 : INR 78.76) and the average rate for the year used is £1.00 : INR 80.63 (2007: £1.00 : INR 79.73).

### Operating loss

#### a) Company

Operating loss includes revenue and administration costs and excludes finance income and finance costs.

#### b) Group

Operating loss includes net gains or losses on revaluation of investment properties, less administrative expenses and excludes finance income and finance costs.

### Expenses

All expenses are accounted for on an accruals basis and include fees and other expenses paid to the Administrators, the Investment Manager and the Directors. In respect of the analysis between revenue and capital items, presented within the income statement, all expenses have been presented as revenue items except as follows:

Expenses which are incidental to the acquisition of an investment property are included within the cost of that investment property.

### Taxation

The Company is exempt from Guernsey taxation on income derived outside of Guernsey and bank interest earned in Guernsey. A fixed annual fee of £600 is payable to the State of Guernsey in respect of this exemption. No charge to Guernsey taxation arises on capital gains. The Group is liable to foreign tax arising on activities in the overseas subsidiaries. The Group has subsidiary operations in Cyprus and India.

# Notes to the financial statements (continued)

For the year ended 31 December 2008

## 2. Significant accounting policies (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible timing differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt within equity.

### Dividends

Dividends are recognised as a liability in the group's financial statements in the year in which they become obligations of the Company.

### Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business being property investment business. The Group operates in a single geographical segment (India).

### Share-based payments

The Group makes equity-settled share-based payments to certain advisers and service providers. Equity-settled share-based payments are measured at fair value as at the date of grant. The fair value determined at grant date is expensed on a straight line basis over the vesting period, based on the Group's estimate of the number of instruments that will eventually vest.

### Investment in subsidiaries

Investments in subsidiaries are initially recognised and subsequently carried at cost less provisions for impairment (where applicable) in the Company's financial statements.

### Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group shall offset financial assets and financial liabilities if the Group has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis.

#### (a) Financial assets

The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as fair value through profit or loss, held to maturity or as available for sale.

Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

#### (a)(i) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise principally through cash and cash equivalents, but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition on issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due. The amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Cash and cash equivalents are carried at cost and consist of cash in hand and short term deposits in banks with an original maturity of three months or less.

#### (a)(ii) De-recognition of financial assets

A financial asset (in whole or in part) is derecognised either:

- when the Group has transferred substantially all the risks and rewards of ownership; or
- when it has transferred nor retained substantially all the risks and rewards and when it no longer has control over the asset or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

# Notes to the financial statements (continued)

For the year ended 31 December 2008

## 2. Significant accounting policies (continued)

### (b) Financial liabilities

The Group's financial liabilities comprise trade and other payables which are classified as financial liabilities measured at amortised cost. Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.

#### (b)(i) Financial liabilities measured at amortised cost

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- Bank borrowings are initially recognised at fair value net of attributable transaction costs incurred. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

#### (b)(ii) De-recognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on de-recognition is taken to the income statement.

### (c) Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

For the purposes of disclosures given in note 18, the Group considers all of its reserves and equity as capital. The Company is not subject to any externally imposed capital requirements.

### (d) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

## 3. Significant accounting estimates and judgements

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 are discussed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (a) Accounting for acquisitions

#### i) Vipul IT Infrastructure Pvt. Ltd (Technova)

During the year the Group acquired 5% of the voting capital of Vipul IT Infrasoft Pvt. Ltd. (Vipul) for GBP £0.2 million (INR 17 million). In addition to the equity invested, the Group also invested GBP £4.8 million (INR 383 million) in Fully Convertible Debentures (FCD's) which attract an interest rate of 13.56%. The agreement provides for the group to increase its equity interest to 74% on completion of the development property. Consideration for this increase will be settled by the conversion of the FCD's, including accrued interest and an additional payment based on a pre-determined formula.

The agreements that have been entered into give the group control over most of the major decisions and as a result, in the opinion of the Directors, the Company effectively controls Vipul. Accordingly, Vipul has been consolidated based on 74% ownership with a liability for the additional payment being provided for where appropriate to the valuation basis.

The consideration payable in respect of the acquisition is dependent upon certain future events. In calculating the acquisition price the Directors have assessed the most probable outcome as at the balance sheet date. In making this assessment the Directors make certain assumptions based on reports and advice from Colliers International (Hong Kong) Limited. The Directors review the consideration payable every six months and adjust accordingly. As at 31 December 2008, there are no outstanding liabilities in respect of this acquisition.

# Notes to the financial statements (continued)

For the year ended 31 December 2008

## 3. Significant accounting estimates and judgements (continued)

### ii) Pasco Software I Park Pvt. Ltd (Technika)

The Shareholders agreement includes a clause which states that in the event that it is decided to sell the Technika project prior to its completion, the proceeds from such sale shall be distributed to the partners, after repayment of any third party debt, in the ratio of their invested capital. It further provides that for the purpose of such distributions, the promoters' invested capital shall be deemed to be INR 800 million.

Following on from this clause, during the post balance sheet period, a Memorandum of Understanding ("MoU") has been signed by all parties which gives consent for the promoter to seek a buyer for a period of 6 months and confirms that the Company will allow the sale to go ahead subject to:

- Receiving INR 69 million; and
- Having the right of first refusal to purchase the property at the offer price.

Accordingly, the Directors have restricted their share of the joint venture's assets in the consolidation to INR 69 million. Should the sale not go ahead within 6 months then the MoU will expire and the previous agreement will continue in full. In addition, should the selling price exceed INR 800 million, the excess over and above the INR 800 million will be distributed between the joint venture partners as per the Shareholders agreement.

### iii) Business combinations

Significant judgement is required when determining the appropriate method of accounting for acquisitions of shares of a company owning property or land. In the opinion of the Directors, none of the acquisitions during the year qualified as a business combination under the definition of IFRS 3 as the acquired entities did not carry out any trade other than ownership of the targeted development land. Accordingly these have been accounted for as direct purchases of development property and associated net assets, without any recognition of goodwill on the acquisitions.

## (b) Estimate of fair value of development properties

### i) Technova

The Investment Manager engages the services of Colliers International (Hong Kong) Limited to assist in its assessment of the fair value of development properties. The valuations are prepared in accordance with generally accepted international valuation methods and procedures. Any assumptions and estimates made by the valuer are reviewed by the Board and the Investment Manager for their reasonableness.

Such estimates are inherently subjective and actual values can only be determined in a sales transaction. The fair value of the Technova property at 31 December 2008 was £15.2 million (INR 1,093 million).

### ii) Technika

This property has been included within the financial statements based on the net return that the group will receive under the Memorandum of Understanding ("MoU") discussed in note 3a)ii) above. The MoU provides for a net return of £1.0 million (INR 69 million) of which £0.9 million (INR 68.3 million) has been allocated to the Company's share in the property. Refer to note 13 for further details.

## (c) Deferred taxation

The Group is subject to income and capital gains taxes in numerous jurisdictions. Significant judgement is required in determining the total provision for income and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the income and deferred tax provisions in the period in which the determination is made.

## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 4. Finance income

	Group 2008	Company 2008	Group For the period 15 May 2006 to 31 December 2007	Company For the period 15 May 2006 to 31 December 2007
	£'000	£'000	£'000	£'000
Bank interest received	3,548	3,535	4,323	4,323
Foreign exchange gain	350	475	-	58
<b>Total</b>	<b>3,898</b>	<b>4,010</b>	<b>4,323</b>	<b>4,381</b>

The above interest income arises from financial assets classified as loans and receivables (including cash and cash equivalents) and has been calculated using the effective interest rate method. There are no other gains or losses on loans and receivables other than those disclosed above.

### 5. Finance costs

	Group 2008	Company 2008	Group For the period 15 May 2006 to 31 December 2007	Company For the period 15 May 2006 to 31 December 2007
	£'000	£'000	£'000	£'000
Bank loan interest	273	-	-	-
Interest capitalised	(273)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The above finance costs arise on financial liabilities measured at amortised cost using the effective interest rate method. In accordance with the Group's accounting policies (note 2) all borrowing costs have been capitalised by applying a capitalisation rate of 12.9%.

### 6. Total interest income and total interest expense on financial assets and financial liabilities not at fair value through the profit and loss

	Group 2008	Company 2008	Group For the period 15 May 2006 to 31 December 2007	Company For the period 15 May 2006 to 31 December 2007
	£'000	£'000	£'000	£'000
Bank interest received (note 4)	3,548	3,535	4,323	4,323
Bank loan interest (note 5)	(273)	-	-	-
<b>Total</b>	<b>3,275</b>	<b>3,535</b>	<b>4,323</b>	<b>4,323</b>



## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 7. Other administration costs

	Group 2008	Company 2008	Group For the period 15 May 2006 to 31 December 2007	Company For the period 15 May 2006 to 31 December 2007
	£'000	£'000	£'000	£'000
Auditors' remuneration for audit services	32	32	14	14
Other professional fees	168	165	247	247
Accounts and administrative fees	314	270	190	190
Non-executive Directors' fees	116	116	113	113
<b>Total</b>	<b>630</b>	<b>583</b>	<b>564</b>	<b>564</b>

The Group and Company have no employees. No amounts were paid to BDO Novus Limited by the Company and its subsidiary undertakings in respect of non-audit services.

### 8. Taxation

#### (a) Company

Up to 31 December 2007, the Company was exempt from taxation under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. On 1 January 2008, Guernsey introduced the zero tax regime whereby the standard rate of tax changed to 0%. Under the revised regime the Company can continue to elect for the exempt status, which has been granted.

#### (b) Group

The Group's tax expense for the year comprises:

	Group 2008	Group For the period 15 May 2006 to 31 December 2007
	£'000	£'000
Deferred tax	128	-
Current tax	59	-
<b>Tax Expense</b>	<b>187</b>	<b>-</b>

The charge for the year can be reconciled to the profit per the consolidated income statement as follows:

	Group 2008	Group For the period 15 May 2006 to 31 December 2007
	£'000	£'000
<b>Tax expense reconciliation</b>		
Profit for the year	1,873	2,267
Less: Income not taxable	(3,251)	(4,323)
Add: Expenditure not taxable	2,102	2,056
Unprovided deferred tax asset	424	-
<b>Total</b>	<b>1,148</b>	<b>-</b>

Tax at domestic rates applicable to profits in the country concerned.

## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 8. Taxation (continued)

	Group 2008	Group For the period 15 May 2006 to 31 December 2007
	£'000	£'000
India taxation at 22.66%	128	-
Cypriot taxation at 10%	59	-

#### (c) Deferred taxation

The following is the deferred tax liability recognised by the Group and movements thereon.

Revaluation of Investment Property	Group 2008	Group For the period 15 May 2006 to 31 December 2007
	£'000	£'000
<b>Opening balance</b>	-	-
Charge to income	128	-
Foreign exchange movements	15	-
<b>Closing balance</b>	<b>143</b>	<b>-</b>

At the balance sheet date the group had unused tax losses of £22,000 in Cyprus. Due to the unpredictability of future taxable profits, the Directors believe it is not prudent to recognise a deferred tax asset for the unused tax losses and the revaluation loss of the Technika property.

The Cypriot unused tax losses can be carried forward indefinitely.

### 9. Dividends

No dividend has been paid or proposed for the year ended 31 December 2008 (2007: £Nil).

### 10. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	1 January 2008 to 31 December 2008	1 January 2008 to 30 June 2008	For the period 15 May 2006 to 31 December 2007	For the period 15 May 2006 to 30 June 2007
Earnings per income statement (£'000)	1,572	927	2,267	1,051
Weighted average number of ordinary shares (000's)	73,705	75,000	75,000	75,000
<b>Basic and diluted earnings per share</b>	<b>2.1p</b>	<b>1.2p</b>	<b>3.0p</b>	<b>1.4p</b>

The 3,750,000 warrants issued to the investment manager (note 21) could potentially dilute basic earnings per share in the future.

The average share price over the year is lower than the exercise price of the warrants and therefore these are not currently considered dilutive.

## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 11. Net asset value per share

	31 December 2008	30 June 2008	31 December 2007
Net asset value (£'000)	76,090	78,108	74,338
Less: Minority interests	(2,276)	(2,185)	-
Net asset value	73,814	75,923	74,338
<b>Net asset value per share</b>	<b>109.4p</b>	<b>101.2p</b>	<b>99.1p</b>
Net asset value (above)	73,814	75,923	74,338
Deferred tax (attributable to equity holders)	143	340	-
Net asset value (adjusted)	73,957	76,263	74,338
<b>Net asset value per share (adjusted)</b>	<b>109.6p</b>	<b>101.7p</b>	<b>99.1p</b>
<b>Number of ordinary shares (000's)</b>	<b>67,500</b>	<b>75,000</b>	<b>75,000</b>

The adjusted net assets are presented to provide what the Company believes is a more relevant assessment of the Group's net asset position as the Group's deferred tax liability is dependent on future events and the timing of these events.

### 12. Investment in subsidiary undertakings

A list of the significant investments in subsidiaries, including the name, country of incorporation and the proportion of ownership interest is given below.

Name of subsidiary undertaking	Class of share	% of class held with voting rights	Country of incorporation	Principal activity
Alpha Tiger Cyprus Holdings Limited	Ordinary	100	Cyprus	Holding Company
Alpha Tiger Cyprus Investments No. 1 Limited	Ordinary	100	Cyprus	Holding Company
Alpha Tiger Cyprus Investments No. 2 Limited	Ordinary	100	Cyprus	Holding Company
Alpha Tiger Cyprus Investments No. 3 Limited	Ordinary	100	Cyprus	Holding Company
Alpha Tiger Cyprus Investments No. 4 Limited	Ordinary	100	Cyprus	Holding Company
Alpha Tiger Cyprus Investments No. 5 Limited	Ordinary	100	Cyprus	Holding Company
Alpha Tiger Property Development Company (Chennai) Pvt. Ltd.	Ordinary	100	India	Dormant
Alpha Tiger Property Development Company (Pune) Pvt. Ltd.	Ordinary	100	India	Dormant
Vipul IT Infrasoft Pvt. Ltd (Technova)	Ordinary	5*	India	Property development

\* The agreements that have been entered into give the Group control over most of the major decisions and as a result, in the opinion of the Directors, the Company effectively controls Vipul. Accordingly, Vipul has been consolidated based on 74% ownership. See note 3 a) i) for more detail.

The Company has made the following loans to subsidiary undertakings:

	2008		2008	2007		2007
	Interest bearing £'000	Non-interest bearing £'000	Total £'000	Interest bearing £'000	Non-interest bearing £'000	Total £'000
Current	-	-	-	-	-	-
Non-current	-	7,749	7,749	-	2,658	2,658
<b>Total</b>	<b>-</b>	<b>7,749</b>	<b>7,749</b>	<b>-</b>	<b>2,658</b>	<b>2,658</b>

The Company has invested £5,300,000 for 41,987 redeemable preference shares of INR1 each at a premium of INR 9,999 each in Alpha Tiger Cyprus Holdings Limited. The shares are redeemable at any time by the Company with each share being redeemed at the initial issue price. The shares carry no right to income. The terms of the preference shares cause the amounts to be included within loans to subsidiaries.

The Directors do not intend to request redemption of the preference shares within one year and accordingly these shares have been classified as a non-current amounts receivable from the subsidiary undertaking.

The remaining loans are unsecured, denominated in Sterling and do not attract interest. The loans are repayable on demand however the Directors do not intend to request repayment within the foreseeable future and accordingly these loans have been classified as non-current.

## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 13. Investment Properties

	Notes	Year ended 31 December 2008 £'000	For the period from 15 May 2006 to 31 December 2007 £'000
Acquired during the period		3,975	-
Development costs incurred		9,997	-
Borrowing costs capitalised	5	273	-
Fair value adjustment in the period		160	-
Foreign exchange movements		1,729	-
<b>Total</b>		<b>16,134</b>	<b>-</b>

For Technova the fair value of the development property at 31 December 2008 has been arrived at on the basis of a valuation carried out by Colliers International (Hong Kong) Limited, independent valuers. The valuation has been carried out in accordance with the RICS Valuation Standards (6th Edition) published by the Royal Institute of Chartered Surveyors.

The property owned by Vipul IT Infrasoft Pvt. Ltd ("Technova") has been pledged to secure development banking facilities (note 17).

The value of Technika's development property has been based on the expected return on the probable sale discussed in note 3 (b) ii).

As at 31 December 2008, all properties were under the course of construction.

As at 31 December 2008, the capital commitment in relation to the development of Technova was £8.3 million (2007: £Nil).

The Technika project has no capital commitment as at 31 December 2008 (2007: £Nil).

### 14. Categories of financial assets and liabilities

	Notes	Loans and Receivables			
		Group	Company	Group	Company
		2008 £'000	2008 £'000	2007 £'000	2007 £'000
<b>Non-current financial assets</b>					
Amounts receivable from subsidiary undertakings	12	-	7,749	-	2,658
<b>Total non-current financial assets</b>		<b>-</b>	<b>7,749</b>	<b>-</b>	<b>2,658</b>
<b>Current financial assets</b>					
Trade and other receivables	15	2,152	730	791	791
Cash and cash equivalents		65,377	65,292	74,104	71,504
<b>Total current financial assets</b>		<b>67,529</b>	<b>66,022</b>	<b>74,895</b>	<b>72,295</b>
<b>Total financial assets</b>		<b>67,529</b>	<b>73,771</b>	<b>74,895</b>	<b>74,953</b>

	Notes	Financial liabilities measured at amortised cost			
		Group	Company	Group	Company
		2008 £'000	2008 £'000	2007 £'000	2007 £'000
<b>Current financial liabilities</b>					
Trade and other payables	16	1,019	89	557	557
<b>Total current financial liabilities</b>		<b>1,019</b>	<b>89</b>	<b>557</b>	<b>557</b>
<b>Non-current financial liabilities</b>					
Bank borrowings	17	6,411	-	-	-
<b>Total non-current financial liabilities</b>		<b>6,411</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities</b>		<b>7,430</b>	<b>89</b>	<b>557</b>	<b>557</b>

## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 15. Trade and other receivables

	Group	Company	Group	Company
	2008	2008	2007	2007
	£'000	£'000	£'000	£'000
Accrued bank interest	133	133	112	112
Other debtors	2,019	597	679	679
<b>Total</b>	<b>2,152</b>	<b>730</b>	<b>791</b>	<b>791</b>

Other debtors include a fully refundable deposit paid to Xansa plc in relation to the execution of the framework agreement (£500,000) and deferred project costs.

No trade and other receivables were impaired during the year. The Directors consider that the carrying amount of trade and other receivables approximate their fair value.

### 16. Trade and other payables

Current	Group	Company	Group	Company
	2008	2008	2007	2007
	£'000	£'000	£'000	£'000
Accruals	1,019	89	189	189
Investment Manager's fee payable	-	-	368	368
<b>Total</b>	<b>1,019</b>	<b>89</b>	<b>557</b>	<b>557</b>

Accruals include amounts payable for project related costs. The Group has financial management policies in place to ensure that all payables are paid within the credit time frame. The Directors consider that the carrying amount of trade and other payables approximate their fair value.

### 17. Bank borrowings

	Group	Company	Group	Company
	2008	2008	2007	2007
	£'000	£'000	£'000	£'000
Bank borrowings	6,411	-	-	-

During the year, development loan facilities of £9.2 million (INR 660 million) have been entered into by Vipul IT Infrasoftware Pvt. Ltd. These facilities are with Indian banks and carry an interest rate equal to the domestic Prime Lending Rate (PLR) plus a margin of 0.25%. The loans drawn down are repayable over 40 equal instalments beginning 2 years after the initial drawdown and have a tenure of 12 years. The loans are secured over the land and assets of Vipul. The undrawn committed facilities available at 31 December 2008 in respect of this loan was £2.8 million (INR 199 million).

The maturity analysis and weighted average interest rate are disclosed in Note 24.



# Notes to the financial statements (continued)

For the year ended 31 December 2008

## 18. Share capital

			Number of shares
<b>Authorised</b>			
Ordinary shares of no par value			Unlimited
<b>Issued share capital</b>			
	<b>Treasury</b>	<b>External</b>	<b>Total</b>
<b>At 1 January 2007 &amp; 2008</b>	-	75,000,000	75,000,000
Shares purchased through share buy-back and held in treasury	7,500,000	(7,500,000)	-
<b>At 31 December 2008</b>	<b>7,500,000</b>	<b>67,500,000</b>	<b>75,000,000</b>

The Company acquired 7,500,000 of its own shares through purchases on AIM on 29 October 2008 at a price of 34p per share. The total amount paid to acquire the shares was £2,550,000 and has been deducted from the Company's special reserve within shareholders equity. The shares are held as "Treasury Shares". The Company has the right to reissue or cancel the shares at a later date. None of the Treasury Shares has been reissued or cancelled as at 31 December 2008.

The Company has one class of ordinary share which carries no right to fixed income.

## 19. Reserves

The movements in the reserves for the Group and the Company are shown on pages 31 and 35 respectively.

### Share Premium

On 12 January 2007 the Royal Court of Guernsey confirmed the reduction of capital by way of cancellation of the amounts standing to the credit of its share premium account on that date. The amount cancelled was credited to the special reserve.

### Special reserve

The special reserve is a distributable reserve to be used for all purposes permitted under Guernsey company law, including the buy-back of shares and payment of dividends.

### Warrant reserve

The warrant reserve contains the fair value of share-based payments in respect of the warrants issued to the Investment Manager but not exercised.

### Translation reserve

The translation reserve contains exchange differences arising on consolidation of the Group's overseas operations.

### Capital reserve

The capital reserve contains increases and decreases in the fair value of the Group's development properties, gains and losses on the disposal of properties together with expenses allocated to capital.

### Revenue reserve

Any surplus arising from net profit after tax is taken to this reserve, which may be utilised for the buy-back of shares and payment of dividends.

## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 20. Investment in joint ventures

During the year the Group acquired, via wholly owned subsidiaries, interests in the following jointly controlled entities.

Name	Country of Incorporation	% held 31 December 2008	% held 31 December 2007
Pasco Software I Park Pvt. Ltd (Technika)	India	31.75%	-
IT Infrastructure Park Pvt. Ltd (Galaxia)	India	50.00%	-

The Group's interests in Pasco Software I Park Pvt. Ltd and IT Infrastructure Park Pvt. Ltd. have been accounted for by proportional consolidation. The following amounts have been recognised in the Consolidated balance sheet and income statement relating to the two companies:

	31 December 2008	31 December 2007
	£'000	£'000
Income	-	-
Expenses	-	-
<b>Net result</b>	<b>-</b>	<b>-</b>
Non-current assets	1,157	-
Current assets	918	-
Current liabilities	(907)	-
<b>Net assets</b>	<b>1,168</b>	<b>-</b>

Neither joint venture has any income or expenses with the exception of development costs which have been capitalised.

Neither joint venture has any capital commitments as at 31 December 2008.

### 21. Share based payments

#### a) Warrants

The Company has issued warrants in a prior period to the Investment Manager pursuant to which it has been granted the right to subscribe for 3,750,000 ordinary shares in the Company at an exercise price of £1 per share. Such warrants can be exercised at any time up to and including 21 December 2011. The warrant instrument provides that the holder of the warrant may from time to time transfer all or some of its warrants to third parties. At 31 December 2008 no warrants had been exercised leaving 3,750,000 warrants outstanding and available for exercise.

The fair value of the warrants at grant date has been measured as £39,553 using an appropriate option pricing model. In light of the immaterial amount of the fair value the Directors do not consider it worthwhile to disclose the assumptions used in determining this fair value. As noted below, the Group recognised a charge of £39,553 in respect of the warrants; this charge was taken to the share premium account.

The weighted average exercise price of outstanding warrants at 31 December 2008 was £1.00, with a weighted average remaining contractual life of 3 years.

#### b) Share based payments

The Company has not recognised any share based payment for the year ended 31 December 2008 (2007:£39,553). The 2007 charge was taken to the share premium account.

### 22. Events after the balance sheet date

On 9 March 2009 the joint venture partners in the development project at Noida Sector 132 (Technika), entered into an agreement which permits Pasco Infotech, a joint venture partner in Technika, a limited period of time to seek a purchaser for the SPV, with each partner committing to sell their shares in the SPV provided that a sale occurs within 180 days from the date of the agreement. The agreement stipulates permitted marketing terms for the SPV and any subsequent transaction. However, a successful transaction cannot be guaranteed. Alpha Tiger and Logix Group will equally share a minimum of INR 138 million (£1.9 million) on completion of a sale. Alpha Tiger's investment to date is INR 102 million (£1.2 million). Should the aggregate transaction value exceed INR 800 million, the Company would receive an additional share of the consideration, in accordance with the co-development agreement of 30 May 2008.

## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 23. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Alpha Real Capital LLP is the Investment Manager to the Company under the terms of the Investment Manager Agreement and is thus considered a related party of the Company.

The Investment Manager is entitled to receive a fee from the Company at an annual rate of 2 per cent of the net assets of the Company, payable quarterly in arrears. The Investment Manager is also entitled to receive an annual performance fee calculated with reference to total shareholder return ("TSR"), whereby the fee is 20 per cent of any excess over an annualised TSR of 15 per cent subject to a rolling 3 year high water mark.

Details of the Investment Manager's fees for the current year are disclosed on the face of the income statement and the balances payable at 31 December are shown in note 16.

The Investment Manager has also been issued warrants over the Company's ordinary share capital, further details of which are provided in note 21.

Alpha Global Property Securities Fund Pte. Limited, a wholly owned subsidiary of the Investment Manager, held 100,000 shares in the Company at 31 December 2008 (2007:100,000).

Pacific Investments Plc, a company controlled by Sir John Beckwith, owned 457,000 shares in the Company at 31 December 2008 (2007: 457,000)

The following, being partners of the Investment Manager, held the following shares in the Company at 31 December 2008:

	2008	2007
	Number of shares held	Number of shares held
Sir John Beckwith	1,000,000	1,000,000
P. Rose	200,000	200,000
M. Johnson	50,000	50,000
B. Bauman	50,000	50,000
S. Wilson	2,500	2,500

The Directors of the Company received fees for their services with a total charge to the income statement as follows:

	Year ended 31 December 2008	Period from 15 May 2006 to 31 December 2007
	£	£
David Jeffreys	30,000	30,904
Phillip Rose	20,000	20,603
Serena Tremlett	25,500	20,603
Jeff Chowdhry	20,000	20,603
Roddy Sage	20,000	20,603
<b>Total</b>	<b>115,500</b>	<b>113,316</b>

### 24. Financial instruments risk exposure and management

In common with similar businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these Financial Statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

# Notes to the financial statements (continued)

For the year ended 31 December 2008

## 24. Financial instruments risk exposure and management (continued)

### Principal financial instruments

The principal financial instruments used by the Group and Company from which financial instrument risk arises, are as follows:

- Amount receivable from subsidiary undertaking
- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank borrowings

The Group and Company held no derivative instruments during the year ended 31 December 2008.

### General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The above financial instruments risk exposure and management policies apply equally to the Group and Company. Further details regarding these policies are set out below.

### Project monitoring

Projects are monitored through regular Project Control Meetings held with development partners to discuss progress and monitor risks. The Investment manager attends these meetings and reports to the Board on a quarterly basis.

### Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date.

#### a) Group

The Group's credit risk principally arises from cash and cash equivalents. The Group policy is to maintain its cash and cash equivalent balances with a number of financial institutions as a means of diversifying credit risk. The Group monitors the placement of cash balances on an ongoing basis and has policies to limit the amount of credit exposure to any financial institution.

#### b) Company

The Company's credit risk principally arises from amounts receivable from subsidiary undertakings and cash and cash equivalents. The Company follows the same group policy with regards to diversification of banking arrangements. Amounts receivable from subsidiaries are of a long term nature and the loans are monitored on a regular basis.

The Group and Company's maximum exposure to credit risk by class of financial instrument is shown below:

	Group 2008 £'000	Group 2008 £'000	Company 2008 £'000	Company 2008 £'000	Group 2007 £'000	Group 2007 £'000	Company 2007 £'000	Company 2007 £'000
Maximum Exposure	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure
Amount receivable from subsidiary undertakings	-	-	7,749	7,749	-	-	2,658	58
Trade and other receivables	2,152	2,152	730	730	791	791	791	791
Cash and cash equivalents	65,377	65,377	65,292	65,292	74,104	74,104	71,504	71,504
<b>Total</b>	<b>67,529</b>	<b>67,529</b>	<b>73,771</b>	<b>73,771</b>	<b>74,895</b>	<b>74,895</b>	<b>74,953</b>	<b>74,953</b>

### Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising these risks such as maintaining sufficient cash and other highly liquid current assets. Cash and cash equivalents are placed with financial institutions on a short term basis reflecting the Group's desire to maintain a high level of liquidity in order to enable timely completion of investment transactions.

## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 24. Financial instruments risk exposure and management (continued)

#### a) Group

The following table illustrates the contractual maturity analysis of the Group's financial liabilities.

2008	Within 1 year £'000	1-2 years £'000	2-5 years £'000	5-10 years £'000	Over 10 years £'000	Total £'000
Trade and other payables	1,019	-	-	-	-	1,019
Bank Borrowings	-	1,282	1,923	3,206	-	6,411
<b>Total</b>	<b>1,019</b>	<b>1,282</b>	<b>1,923</b>	<b>3,206</b>	<b>-</b>	<b>7,430</b>

2007	Within 1 year £'000	1-2 years £'000	2-5 years £'000	5-10 years £'000	Over 10 years £'000	Total £'000
Trade and other payables	557	-	-	-	-	557
<b>Total</b>	<b>557</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>557</b>

#### b) Company

The Company only has trade and other payables which are payable within one year.

#### Market risk

##### a) Foreign exchange risk

The Group operates in India and is exposed to foreign exchange risk arising from currency exposures with respect to Sterling and Indian Rupees. Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

The tables below summarise the Group's and Company's exposure to foreign currency risk at 31 December 2008 and 31 December 2007. The Group's and Company's assets and liabilities at carrying amounts are included in the table, categorised by the currency at their carrying amount.

	Group 2008 £'000	Group 2008 £'000	Group 2008 Total £'000	Company 2008 £'000	Company 2008 £'000	Company 2008 Total £'000
	INR	£		INR	£	
<b>Current financial assets</b>						
Trade and other receivables	1,422	730	2,152	-	730	730
Cash and cash equivalents	85	65,292	65,377	-	65,292	65,292
<b>Non-current financial assets</b>						
Amounts receivable from subsidiary undertakings	-	-	-	5,833	1,916	7,749
<b>Total financial assets</b>	<b>1,507</b>	<b>66,022</b>	<b>67,529</b>	<b>5,833</b>	<b>67,938</b>	<b>73,771</b>
<b>Current financial liabilities</b>						
Trade and other payables (excluding deferred income)	(930)	(89)	(1,019)	-	(89)	(89)
<b>Non-current financial liabilities</b>						
Bank borrowings	(6,411)	-	(6,411)	-	-	-
<b>Total financial liabilities</b>	<b>(7,341)</b>	<b>(89)</b>	<b>(7,430)</b>	<b>-</b>	<b>(89)</b>	<b>(89)</b>
<b>Net balance sheet currency position</b>	<b>(5,834)</b>	<b>65,933</b>	<b>60,099</b>	<b>5,833</b>	<b>67,849</b>	<b>73,682</b>

## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 24. Financial instruments risk exposure and management (continued)

	Group 2007	Group 2007	Group 2007 Total	Company 2007	Company 2007	Company 2007 Total
	£'000	£'000	£'000	£'000	£'000	£'000
	INR	£		INR	£	
<b>Current financial assets</b>						
Trade and other receivables	-	791	791	-	791	791
Cash and cash equivalents	-	74,104	74,104	-	71,504	71,504
<b>Non-current financial assets</b>						
Amounts receivable from subsidiary undertakings	-	-	-	2,658	-	2,658
<b>Total financial assets</b>	-	<b>74,895</b>	<b>74,895</b>	<b>2,658</b>	<b>72,295</b>	<b>74,953</b>
<b>Current financial liabilities</b>						
Trade and other payables	-	(557)	(557)	-	(557)	(557)
<b>Net balance sheet currency position</b>	-	<b>74,338</b>	<b>74,338</b>	<b>2,658</b>	<b>71,738</b>	<b>74,396</b>

The Group does not currently hedge its foreign currency exposure. The Board monitors the Group's exposure to foreign currencies on a quarterly basis as part of its Risk Management review.

For the Group, a strengthening of the Rupee by 5 Rupees would increase the net assets by £758,000 (2007:£Nil). A weakening of the Rupee by 5 Rupees would decrease net assets by £660,000 (2007:£Nil).

For the Company, a strengthening of the Rupee by 5 Rupees would increase the net assets by £435,000 (2007:£180,000). A weakening of the Rupee by 5 Rupees would decrease net assets by £379,000 (2007:£159,000).

#### b) Cash flow and fair value interest rate risk

The Group and Company interest rate risk arises from the following financial assets and liabilities.

Interest Rate Profile As at 31 December 2008	Weighted average interest rate			
	Group %	Group £'000	Company %	Company £'000
<b>Amounts receivable from subsidiary undertakings</b>				
Non-interest bearing	-	-	-	7,479
<b>Trade and other receivables</b>				
Non-interest bearing	-	2,152	-	730
<b>Cash and cash equivalents</b>				
Variable	1.9	65,377	1.9	65,292
<b>Financial liabilities carried at amortised cost</b>				
<b>Trade and other payables</b>				
Non-interest bearing	-	1,019	-	89
<b>Bank borrowings</b>				
Variable	12.9	6,411	-	-



## Notes to the financial statements (continued)

For the year ended 31 December 2008

### 24. Financial instruments risk exposure and management (continued)

Interest Rate Profile As at 31 December 2007	Group %	Group £'000	Weighted average interest rate	
			Company %	Company £'000
<b>Amounts receivable from subsidiary undertakings</b>				
Non interest bearing	-	-	-	2,658
<b>Trade and other receivables</b>				
Non-interest bearing	-	791	-	791
<b>Cash and cash equivalents</b>				
Variable	5.7	74,104	5.7	71,504
<b>Financial liabilities carried at amortised cost</b>				
<b>Trade and other payables</b>				
Non-interest bearing	-	557	-	557

The Group and Company's cash flow is periodically monitored by the Board.

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated – for example, changes in interest rate and changes in market value.

For the Group, an increase of 100 basis points in interest rates would result in an increase in post-tax profits of £590,000 (2007:£741,000). A decrease of 100 basis points in interest rates would result in a decrease in post tax profits of £590,000 (2007:£741,000)

For the Company, an increase of 100 basis points in interest rates would result in an increase in post-tax profits of £653,000 (2007:£715,000). A decrease of 100 basis points in interest rates would result in a decrease in post tax profits of £653,000 (2007:£715,000).

#### c) Price risk

The Group and Company has no exposure to price risk as its investments in India are in property development.

#### Capital risk management

The Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

### 25. Commitments

The Group had the following commitments under its shareholders agreements for the group undertakings. Certain of these commitments are subject to conditions precedent and the final payment may vary dependent upon certain factors.

	Group 2008 £'000	Group 2007 £'000
Capital commitments	47,300	-

## Directors and Company information

### Directors:

David Jeffreys (Chairman)  
Jeff Chowdhry  
Roddy Sage  
Phillip Rose  
Serena Tremlett

### Registered Office:

Regency Court  
Gategny Esplanade  
St Peter Port  
Guernsey

### Investment Manager:

Alpha Real Capital LLP  
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### Administrator and Secretary:

International Administration  
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### Nominated Advisor and Joint Broker:

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### Joint Broker:

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### Financial and Corporate Advisors:

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### Auditors:

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India

### Registrar:

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## Shareholder information

Further information on the Company, compliant with AIM Rule 26, can be found at the Company's website: [www.alphatigerpropertytrust.com](http://www.alphatigerpropertytrust.com)

### Share Price

The Company's Ordinary Shares are listed on the London Stock Exchange and reported daily in the Financial Times.

### Change of address

Communications with shareholders are mailed to the addresses held on the share register. In the event of a change of address or other amendment, please notify the Company's Registrar under the signature of the registered holder.

### Investment Manager

The Company is advised by Alpha Real Capital LLP which is authorised and regulated by the Financial Services Authority in the United Kingdom.

## Financial Calendar

Financial reporting	Date
Notification of full year results	27 March 2009
Publication of annual report and notice of Annual General Meeting	8 April 2009
Annual General Meeting	8 May 2009
Trading statement (quarter 1)	20 May 2009
Half Year Report	24 September 2009



[www.alphatigerpropertytrust.com](http://www.alphatigerpropertytrust.com)