

23 June 2008

Kubera Cross-Border Fund Limited

Annual Results for the period ended 31 December 2007

Kubera Cross-Border Fund Limited (“KUBC” or the “Company”) (LSE/AIM: KUBC), a closed-end investment company traded on the AIM market of the London Stock Exchange has issued its maiden annual results for the period from 23 November 2006, which was its date of incorporation, to 31 December 2007.

Highlights

- The Company was admitted to trading on AIM on 27 December 2006, raising US\$ 206 million by issue of 206,000,000 ordinary shares of US\$ 0.01 at US\$ 1.00 each.
- As at December 31, 2007, approximately 40% of the Company’s assets consisted of investments in five underlying portfolio companies, with one additional investment made shortly after the reporting period’s end.
- Key per share information for the reporting period is as under:

Net asset value per share on subscriptions:	1.00
Net investment loss per share:	(0.06)
Unrealised and realised gain on investments per share:	0.04
Net asset value per share, at end of period:	0.98

Electronic and printed copies of the annual report will be sent to shareholders shortly. Copies of the report will be available, free of charge, from the offices of Grant Thornton Corporate Finance, 30 Finsbury Square, London EC2P 2YU, and will be available at the Company’s website www.kuberacrossborderfund.com.

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Notes to Editors:

Kubera Cross-Border Fund Limited (“KUBC” or the “Company”) is a Cayman Islands incorporated closed-end investment company traded on the AIM market of the London Stock.

The Company makes private equity investments in cross-border companies, primarily in businesses that operate in the US-India corridor. The Company’s investment manager, Kubera Partners (the “Investment Manager”), brings a strong track record of investing in or managing such businesses. On a selective basis the Company may invest in companies operating in other corridors between developed and emerging markets. Several of the Company’s investee companies also benefit from business activities in the fast-growing Indian domestic market.

The Company's investment objective is to seek to achieve returns by making capital investments in India centric cross-border businesses. KUBC will invest in and hold equity and/or debt securities in its investee companies, ideally securing majority control, where the Investment Manager believes that the experience and expertise of the executive team will facilitate growth, improve profitability, and enable an attractive exit.

CHAIRMAN'S STATEMENT

Dear Shareholders:

On behalf of the Board of Directors, I am pleased to present the first Annual Report of the Kubera Cross-Border Fund Limited ("the Company"), for the period ended 31 December 2007. The Company, advised by Kubera Partners LLC, its investment manager ("the Manager"), invests in businesses that operate in a cross-border environment. These businesses primarily operate between the US and India, although investments in other geographies may also form part of the Company's portfolio if the Manager believes it can bring distinctive competence and value to such investments.

Indian and US environment

India's economy continues to perform extremely well, growing at an average growth rate of 8.8 per cent in the last four fiscal years (2003–04 to 2006–07), with the 2006–07 growth rate of 9.6 per cent being the highest in the last 18 years. Factors driving long-term growth include favourable demographic trends, a large pool of skilled labour, continued growth in services, a resurgent manufacturing sector and rising integration into global trade.

These trends, and the favourable economic and regulatory changes of the last decade, have created a new generation of rapidly growing export-oriented Indian companies. The Manager's skill set, network and experience in cross-border environments makes it, on behalf of the Company, a partner of choice for export-oriented Indian companies, as well as for US companies that leverage India-based resources.

Investments

At year end, approximately 40% of the company's assets consisted of investments in five underlying portfolio companies, with one additional investment made shortly after the reporting period.

The Manager anticipates that between 15% and 20% of the Company's cash will be invested over time in follow-on investments in portfolio companies. The aggregate capital commitment to date should be evaluated with this allocation in mind.

The six investments consist of:

Majority interests in:

- Venture Infotek, the leading provider of card processing services in India, and
- Synergies Castings, the only vendor of specialised alloy wheels out of India.

Minority interests in:

- Kejriwal Stationery, a provider of stationery products for the US and Indian markets.
- Adayana, Inc., a US-headquartered company focused on the e-learning and training industry with a development organisation in Hyderabad, India;
- Ocimum Biosolutions, a provider of integrated genomics outsourcing services; and
- GSS America, an IT services company focused on infrastructure management services.

The last investment was closed after the end of the reporting period. With the exception of Adayana, all of the Company's investments are headquartered and domiciled in India.

Information on existing and new investments, quarterly net asset values and other material events relating to the Company are available through news releases made to the London Stock Exchange available on www.londonstockexchange.co.uk under ticker KUBC or through the Company's website at www.kuberacrossborderfund.com.

Summary

The experience and track record of the Manager provides the Company a competitive edge in the attractive cross-border niche in the India-centric private equity environment. Macroeconomic trends are also in strong support of the cross-border investment thesis of the Company. We are pleased with the strength of the portfolio built since inception, and anticipate that the remaining investments will share the same attributes of high growth rates, attractive below-market valuations, and strong economic and governance rights.

The environment for the Company continues to provide numerous attractive investment opportunities. The Manager's belief is that 2008 and 2009 may be particularly attractive for investments in the Company's target areas, given strong macro trends coupled with public market conditions driving attractive valuations.

On behalf of the independent directors, I would like to place on record my appreciation of the Manager's efforts, as well as my gratitude to our shareholders for their strong support.

Martin M. Adams
Chairman

INVESTMENT MANAGER'S REPORT

We are pleased with the progress made during the Company's first full year of operation. Our six investments to date:

- have been consummated at attractive valuations and with strong downside protection;
- have all shown strong growth during the reporting period; and
- have appealing prospects for the future.

During this period, we also fully staffed our Mumbai and New York teams. Our teams combine strong private equity and operational skill sets reflecting our strategy. Our professionals have several years of experience with leading consulting, IT and private equity firms including Cognizant, General Atlantic, Insight Partners, McKinsey and Company, DE Shaw, AT Kearney, and Cambridge Technology Partners. We have also built a strong support team in Mumbai to assist with our global operations, including finance, compliance, marketing and general administration. Details on the Manager and biographies of team members can be obtained at www.kuberapartners.com.

Finally, the Company's and the Manager's focus on cross-border investments continues to create differentiation in a competitive environment.

Macro environment

The macro environment for the Company and its portfolio remains very attractive. The underlying globalisation thesis of the Company appears to be secure for the foreseeable future, as evidenced by the following items:

- Growth: Growth in the Indian economy continues unabated, with real GDP growing at 8.7% in the fiscal year 2007-08, with projections of 7.6% growth for 2008-09¹. There are concerns, including rising inflation as well as the global issues that arise from rising energy prices, but almost all market analysts forecast continued strong growth.
- Exchange rate: After a sharp appreciation against the dollar in early 2007, the rupee stayed more or less stable, and in 2008, contrary to most expectations, depreciated by about 5% against the dollar over the first five months of the year.
- Export strength: India as a "factory to the world" continued to make progress. Despite China's headstart, Indian companies are proving to be very competitive in several sectors based on four key differentiators – lower capital costs, process design, product design and quality of operating manpower. A relatively new development over the course of the last year has been the visible moves by Indian corporations into Western markets through acquisitions, of which the Tata purchase of Land Rover and Jaguar from Ford was only the most prominent. Strong operating performance resulting in higher profit margins, coupled with an acquisitive urge for technology is driving this unprecedented wave of foreign acquisitions by Indian companies.

Investment environment and strategy

- Differentiation: The Company's focus on, and the Manager's track record in, cross-border investments remains a vital differentiator, and a key reason for achieving below-market

¹ Source: CSO

valuations and stringent terms. In our target size range, we rarely see competition that can effectively counter our ability to offer tangible assistance. We have found that both in the US and in India, management teams are becoming increasingly aware of the importance of a stable value-added capital partner. Our exclusive focus on cross-border businesses, our integrated global approach, our network, and our track record generate proprietary deal flow, even when there is an intermediary involved or where there is competition.

- Public markets: The Indian stock markets corrected significantly in the first quarter of 2008, and it is possible that further corrections may occur during this year and beyond. As we have said before, in selected cases, we may take passive positions in listed companies where we see a potential path to a larger negotiated transaction. This market correction has greatly enhanced our ability to obtain superior valuations and terms, and as a consequence we expect that 2008 and 2009 will be attractive for private equity investing in our target areas.
- Discipline: We were cautious during the first three quarters of 2007 given our views of valuations, and remain focused on doing deep diligence and obtaining superior terms. We do not anticipate that this disciplined approach will change for any reason.

Investment criteria and structure

Our investment criteria and structure have several discrete elements that are intended to obtain superior terms and valuations in growth capital investments. These elements cannot guarantee superior returns, but we believe the probability of a favourable outcome is significantly increased as a consequence.

- Process: The Manager operates under a formal deal “escalation” process, with numerous checkpoints and investment committee deliberations, to ensure that our work at all times supports the investment thesis as well as the Company’s mandate.
- Size: We seek to invest at least US\$20 million (between the Company and the co-investment by the Manager’s affiliates) in any one investment round, but have evaluated several exceptions to this criterion when we see unusual upside potential, or believe there is a high likelihood of increasing our capital commitment over time.
- Management and diligence: When evaluating opportunities, we give precedence to the quality of the management team and the relationship we have formed with them. Given our value-added approach, this element is critical as it drives their receptivity to our advice and assistance. We conduct detailed diligence of the global market opportunity prior to making any investment, in addition to standard legal, accounting, operational and business diligence. Of course a detailed economic model, allowing us to assess whether the investment generates base case returns in our target range, is the foundation for a decision to proceed with an investment.
- Investment structure: Our investment structures for unlisted private companies are designed to mitigate downside risk and provide strong governance. These also occasionally have tangible economic value that equates to a lower effective valuation. We do not typically disclose the details of our specific structures for numerous reasons including protecting the underlying portfolio company in its day-to-day business operations in competitive environments, but as a matter of policy we generally seek a

liquidity preference so as to greatly mitigate downside risk; often have redemption rights at a defined point (usually five years), again to mitigate downside risk; have several veto rights and governance provisions; have standard minority economic rights where appropriate, including pre-emptive, co-sale and tag-along rights; and typically take one or more seats on the portfolio company's board of directors.

- Public companies: In selected cases, we may take passive positions in listed companies where we see a potential path to a larger negotiated transaction. The market correction in the first quarter of 2008, which has also had a very favourable impact on our unlisted private investment valuations, has increased the attractiveness of certain public market investments. However, we will limit our focus to companies in sectors that we understand well, that fit the cross-border mandate of the Company, and where we can build strong relationships with management.

Portfolio

During the period covered by this report, the Company completed five investments, with an additional one investment closed in the first quarter of 2008.

1. Adayana, Inc – opportunity to create one of the larger e-learning companies in the US by building on a foothold in key verticals and scaling in international markets
2. Kejriwal Stationery – potential for greater growth rates due to a major shift of production to offshore vendors
3. Ocimum Biosolutions – only end to end genomics outsourcing company in India; opportunity to create a premier global genomics outsourcing business
4. Synergies Castings – targeting an attractive niche of large diameter high end alloy wheels globally
5. Venture Infotek - largest outsourced transaction processing services provider in India
6. GSS America – deep value deal in IT services; operating in attractive and defensible sub-segments.

Further details on each of these companies are provided in the following pages.

Pipeline

We have developed a structured approach to sourcing investments based on past experience, and this has resulted in a very strong investment pipeline at all times. Components of our sourcing strategy include: a systematic outreach programme to intermediaries in both India and the US; mining our individual networks; and a “top-down” sector research effort in selected sectors that we believe are well-positioned for our involvement. This has led to the creation of a large and varied investment pipeline at all times – however, we have been judicious in making investments and have imposed stringent discipline on evaluation and diligence.

We anticipate being fully invested in 2008, and will therefore have insufficient capital to fully capture the attractiveness of the 2008 and 2009 opportunities for investing in our target areas.

Conclusion

We are very pleased with the strength of our portfolio and our pipeline. Our view remains that the Company offers our shareholders a unique opportunity on the India growth story – that derived from the notion of India as a “factory to the world.” We thank the independent directors of the Board of the Company, as well as all shareholders, for their continued and valued support.

Kubera Partners LLC
Investment Manager

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 2007

	Notes	US\$
ASSETS		
Non-current assets		
Investments in securities, at fair value (cost: US\$ 84,717,623)		84,717,623
Investments in Money Market, at fair value (cost: US\$ 110,159,832)		115,805,254
Cash and cash equivalents	6	10,378,605
Other assets	7	<u>3,742</u>
Total assets		<u>210,905,224</u>
Current liabilities		
Accounts payable	8	<u>124,560</u>
Total liabilities		<u>124,560</u>
Total net assets		<u>210,780,664</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share Capital	9	2,060,000
Share Premium	9	203,940,000
Reserve		<u>(3,627,413)</u>
		202,372,587
Minority interest	10	<u>8,408,077</u>
Total shareholders' interests		US\$ <u>210,780,664</u>

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

CONSOLIDATED SCHEDULE OF INVESTMENTS

For the period from 23 November 2006 (date of incorporation) to 31 December 2007

INVESTMENT IN SECURITIES

	Investment date	Industry	Instrument	Cost US\$	Fair Value US\$	% of net assets
Adayana, Inc.	Jun-07	E-learning	Convertible participating preferred & Convertible preferred	20,000,000	20,000,000	9.49%
Kejriwal Stationery Holdings Limited	Apr-07	Stationery products	Convertible redeemable preference	20,000,000	20,000,000	9.49%
New Wave Holdings Limited	Sep-07	Transaction processing	Preferred	19,405,286	19,405,286	9.21%
Ocimum Biosolutions (India) Limited	Dec-07	Life sciences	Preference Equity	14,000,000 3,667	14,000,000 3,667	6.64% 0.00%
Synergies Castings Limited	Dec-07	Automotive components	Equity	11,308,670	11,308,670	5.37%
				84,717,623	84,717,623	40.20%

INVESTMENT IN MONEY MARKET

	Cost US\$	Fair Value US\$	% of net assets
Money market instruments	110,159,832	115,805,254	54.94%

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

CONSOLIDATED STATEMENT OF OPERATIONS

For the period from 23 November 2006 (date of incorporation) to 31 December 2007

	Notes	US\$
INCOME		
Interest on bank deposits		<u>317,194</u>
		<u>317,194</u>
EXPENSES		
Organisational costs	2(d)	7,071,341
Investment Management fee	3	4,011,483
Re-imbusement of expenses		420,171
Professional fees		297,994
Insurance		200,101
Director fees	4	135,498
Administration fees		35,000
Licence fees		6,923
Other expenses		<u>241,068</u>
Total expenses		<u>12,419,579</u>
NET INVESTMENT LOSS		(12,102,385)
Unrealised gain on Investment in Money Market		5,645,422
Realised gain on Investment in Money Market		<u>2,839,182</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS		<u>(3,617,781)</u>
Minority interest		9,632
Equity holding of parent		<u>(3,627,413)</u>
		<u>(3,617,781)</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from 23 November 2006 (date of incorporation) to 31 December 2007

The Group

	Share Capital US\$	Share Premium US\$	Revenue reserves US\$	Total US\$
Issued during the period	2,060,000	203,940,000	-	206,000,000
Net decrease in net assets resulting from operations	<u>-</u>	<u>-</u>	<u>(3,627,413)</u>	<u>(3,627,413)</u>
At 31 December 2007	<u>2,060,000</u>	<u>203,940,000</u>	<u>(3,627,413)</u>	<u>202,372,587</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 23 November 2006 (date of incorporation) to 31 December 2007

US\$

Cash flows from operating activities

Net decrease in net assets resulting from operations	(3,617,781)
Interest income	<u>(317,194)</u>

Operating loss before working capital changes	(3,934,975)
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Changes in working capital:

Increase in accounts receivable	(3,742)
Increase in accounts payable	<u>124,560</u>

Net cash used in operations	<u>(3,814,157)</u>
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Investing activities

Investments acquired	(200,522,877)
Interest received	<u>317,194</u>

Net cash used in investing activities	<u>(200,205,683)</u>
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Financing activities

Proceeds from issue of shares	206,000,000
Minority interest	<u>8,398,445</u>

Net cash generated from financing activities	<u>214,398,445</u>
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Net increase in cash and cash equivalents	<u><u>10,378,605</u></u>
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Movement in cash and cash equivalents

Balance brought forward	-
Net increase during the period	<u>10,378,605</u>

Balance carried forward	<u><u>10,378,605</u></u>
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The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 23 November 2006 (date of incorporation) to 31 December 2007

1 ORGANISATION

Kubera Cross-Border Fund Limited (the “Company”) was incorporated with limited liability and registered in the Cayman Islands as an exempted company under the Companies Law on 23 November 2006.

The Company is a closed-end investment company trading on AIM, a market operated by the London Stock Exchange plc. The Company makes private equity investments in cross-border companies, primarily in businesses that operate in the US-India corridor. On a selective basis the Company may invest in companies operating in other corridors between developed and emerging markets. Several of the Company’s investee companies also benefit from business activities in the fast-growing Indian domestic market.

The Company is managed by Kubera Partners, LLC (the “Investment Manager”). The Investment Manager is responsible for the day-to-day management of the Company’s investment portfolio in accordance with the Company’s investment objective and policies.

The Company is a Limited Partner in Kubera Cross-Border Fund LP (the “Partnership”) an exempted limited partnership incorporated on 28 November 2006, in accordance with the laws of the Cayman Islands. The primary business of the Partnership is to invest in, purchase and sell investments for the purpose of carrying out an investment strategy that is consistent with the strategy described in the Admission Document and Offering Memorandum of the Company.

The Partnership has interests in a partially owned subsidiary incorporated in Mauritius, Kubera Cross-Border Fund (Mauritius) Limited. The primary business of Kubera Cross-Border Fund (Mauritius) Limited is to carry on business as an investment holding company and as at 31 December 2007, it had holdings in private equity investments.

Kubera Cross-Border Fund (GP) Limited, a company incorporated under the laws of the Cayman Islands and a wholly owned subsidiary of the Company serves as the General Partner of the Partnership.

2 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and are stated in United States dollars. The significant accounting policies are as follows:

(a) Securities

Securities listed on a stock exchange or traded on any other regulated market are valued at the last closing price on such exchange or market or, if no such price is available, at the mean of the bid and asked price on such day. If there is no such price or such market price is not representative of the fair market value of any such security, then the security is valued based on quotations readily available from principle-to-principle markets, financial publications, or recognised pricing services, or a good faith estimate of fair value is made in accordance with US GAAP.

If a security is listed on several stock exchanges or markets, the last closing price on the stock exchange or market which constitutes the main market for such security is used.

A discount from values of actively traded securities is taken for holdings of securities when there is a formal restriction that limits sale of the securities. Discounts for restricted equity securities from their market price range from 0% to 30%. When determining a discount to actively traded restricted securities, factors taken into consideration include the investee company’s trading characteristics, the Company’s ability to sell its position when the restriction expires, and the term of the restriction. The adjustment of the discount depends on the duration of the restriction.

In the event that a listed security has no such price or the market price is not representative of the fair market value, the security has limited marketability, or the security is unlisted, its fair value is determined by the Investment Manager, taking into account the financial conditions, operating results, value of additional equity or equity-related offerings of the issuer, comparable company transactions, performance multiples, or other valuation methodology that the Investment Manager in good faith considers appropriate. A revaluation of these securities is accepted by the Company only upon majority approval of the independent directors of the Company.

Because of the inherent uncertainty of valuations, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the difference could be material.

(b) Foreign currency

Purchase and sales of investment securities and income and expenses item denominated in foreign currencies are translated into United States dollar amounts at the respective dates of such transactions. Investment securities and other assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at each reporting date.

Currency translation gains and losses on investments, if any, are reflected in net unrealised appreciation on investments. All other translation gains and losses are recognised in the Statement of Operations.

(c) Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

(d) Others

Organisational costs of the Company are expensed as incurred.

(e) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Kubera Cross-Border Fund L.P. and Kubera Cross-Border Fund (GP) Limited and the partially owned subsidiary, Kubera Cross-Border Fund (Mauritius) Limited. All material intercompany balances and transactions have been eliminated.

(f) Investment transactions and related investment income

Investment transactions are accounted for on a trade date basis. Interest and dividend income are recorded on the accrual basis.

(g) Cash and cash equivalents

Cash and cash equivalents represent amounts held with the Company's and Subsidiaries' bank accounts.

(h) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(i) *Taxes*

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax assets and liabilities are recognised for future tax consequences attributable to temporary differences between the consolidated financial statements carrying amount of existing assets and liabilities and their respective tax bases and accumulated tax losses. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Statement of Operations in the year that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits of which future realisation is uncertain.

3. INVESTMENT MANAGEMENT FEE

The Investment Manager is entitled to receive an aggregate investment management fee of 2 per cent per annum of the Company's net asset value determined based on the valuation policy of the Company, to be paid quarterly in advance based on the published net asset value of the Company of the previous quarter.

4. DIRECTORS' FEE AND EXPENSES

The Company pays each of its directors an annual fee of £20,000 and the Chairman is paid an annual fee of £25,000, plus reimbursement for out-of-pocket expenses incurred in the performance of their duties. Each of Messrs. Mahadeva and Raghavendran has waived his Director's fees for so long as he is interested in the Investment Manager.

5. TAXATION

Under the laws of the Cayman Islands, the Company, Kubera Cross-Border Fund (GP) Limited and Kubera Cross-Border Fund L.P., are not required to pay any tax on profits, income, gains or appreciations and, in addition, no tax is to be levied on profits, income, gains, or appreciations or which is in the nature of estate duty or inheritance tax on the shares, debentures or other obligations of the Company and its Cayman-based subsidiaries, or by way of withholding in whole or part of a payment of dividend or other distribution of income or capital by the Company and its Cayman-based subsidiaries, to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Company and its Cayman-based subsidiaries.

However, the Company's partially owned subsidiary, Kubera Cross-Border Fund (Mauritius) Limited is subject to income taxes in Mauritius on its net income at a rate of 15%, though it receives a tax credit of 80% on its foreign source income. Thus the maximum effective tax rate is 3%. Capital gains are exempted from taxation in Mauritius. No tax was suffered by the Mauritius-based subsidiary due to tax losses.

6. CASH AND CASH EQUIVALENTS

	US\$
Cash at bank	<u>10,378,605</u>

7. OTHER ASSETS

	US\$
Prepaid expenses	<u>3,742</u>

8. ACCOUNTS PAYABLE

	US\$
Accrued expenses	<u>124,560</u>

9. SHARE CAPITAL AND SHARE PREMIUM

Authorised share capital:				US\$
1,000,000,000 ordinary shares of US\$0.01 each				<u>10,000,000</u>

Issued and fully paid:				
	Number of shares	Share Capital US\$	Share premium US\$	Total US\$
Issue of shares	206,000,000	2,060,000	203,940,000	206,000,000
At the end of the period	<u>206,000,000</u>	<u>2,060,000</u>	<u>203,940,000</u>	<u>206,000,000</u>

10. MINORITY INTEREST

				US\$
Share capital				8,398,445
Profit share				<u>9,632</u>
				<u>8,408,077</u>

Minority Interest is primarily composed of the partnership interests of Kubera Cross-Border Incentives SPC - Co-Investment Segregated Portfolio in the consolidated affiliates. In accordance with the terms of the Amended and Restated Exempted Limited Partnership Agreement dated 21 December 2006, the Co-Investment Segregated Portfolio of Kubera Cross-Border Incentives SPC, a Cayman Islands segregated portfolio company was admitted as a Limited Partner to the Partnership, in addition to the Company

11. MATERIAL TRANSACTIONS WITH RELATED PARTIES

During the period there were no material transactions with related parties except as disclosed below.

		US\$
Investment Management fees paid to Kubera Partners LLC, the investment manager		<u>4,011,483</u>

The Company has borne part of expenses relating to deals made on behalf of its subsidiaries. These would not be reclaimed back.

12. FINANCIAL HIGHLIGHTS

Per share information:

Net asset value per share on subscriptions	1.00
Net investment loss	(0.06)
Unrealised and realised gain on investments	0.04
Net asset value per share, at end of period	0.98

Ratios

Total return to average Net assets	-2.000%
Net investment loss to average Net assets	-6.030%
Operating expenses to average Net assets	6.12%

Note: The above ratios have not been annualised.

13. SUBSEQUENT EVENTS

In January 2008, the Group invested US\$ 10,225,052 in GSS America Infotech Limited, an Indian company specialising in IT infrastructure management services and enterprise application integration.

In February 2008, the Group invested an additional US\$ 10,000,000 in Synergies Castings Limited.