VINALAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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FOR THE YEAR ENDED 30 JUNE 2014

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REPORT OF THE BOARD OF DIRECTORS

The Board of Directors ("the Board") submits its report together with the consolidated financial statements of VinaLand Limited ("the Company") and its subsidiaries (together, "the Group") for the year ended 30 June 2014.

The Group

VinaLand Limited is incorporated in the Cayman Islands as a company with limited liability. The registered office of the Company is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

VinaLand Limited and its subsidiaries herein are referred to as the Group.

Principal activities

The Group's primary objective is to focus on key growth segments within Vietnam's emerging real estate market, namely residential, office, retail, industrial and leisure projects in Vietnam to provide shareholders a potential capital growth, from investing in a diversified portfolio of mainly property investments.

The principal activities of the subsidiaries are property investment and hospitality management.

Results and dividend

The results of the Group for the year ended 30 June 2014 and the state of its affairs as at that date are set out in the consolidated financial statements on pages 5 to 72.

The Board of Directors does not recommend payment of a dividend for the year (the year ended 30 June 2013: Nil).

Share buy-back programme

Details of ordinary shares repurchased are contained in Note 16 of the consolidated financial statements.

Board of Directors

The members of the Board of Directors of the Company during the year and to the date of this report are as follows:

Name	Position	Date of appointment	Date of resignation
Michel Casselman	Chairman	11 November 2011	-
Nicholas Brooke	Director	13 January 2006	-
Nicholas Allen	Director	29 June 2010	-
Charles Isaac	Director	11 November 2011	-
Daniel McDonald	Director	19 February 2014	-
Stanley Chou	Director	11 November 2011	10 January 2014

On 1 November 2013, Mr Michel Casselman replaced Mr Nicholas Brooke as Chairman of the Board of Directors.

Auditor

The Group's auditor is PricewaterhouseCoopers.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

Directors' interests in the Company

As at 30 June 2014, the interests of the Directors in the shares, underlying shares and debentures of the Company were as follows:

	No. of shares		Percentage of outstanding issued capital (direct and indirect holdings)
	Direct	Indirect	
Nicholas Brooke	243,000	-	0.05%
Nicholas Allen	95,627	-	0.02%
Charles Isaac	224,000	-	0.05%
Michel Casselman	920,500	-	0.19%

Subsequent events after the reporting period

No significant events have occurred since the period end which would impact on the financial position of the Group as disclosed in the consolidated balance sheet as at 30 June 2014 or on the results of operations and cash flows of the Group for the year then ended.

Board of Directors' responsibility in respect of the consolidated financial statements

In preparing the consolidated financial statements, the Board of Directors is required to:

i. adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;

ii. comply with the disclosure requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") or, if there have been any departures in the interest of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the consolidated financial statements;

iii. maintain adequate accounting records and an effective system of internal control;

iv. prepare the consolidated financial statements on a going concern basis unless it is inappropriate to assume that the Group will continue its operations in the foreseeable future; and

v. control and direct effectively the Group in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the consolidated financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Group has complied with the above requirements in preparing the consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereto, have been properly prepared and give fair presentation of the financial position of the Group as at 30 June 2014 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the IASB.

On behalf of the Board of Directors

Michel Casselman
Chairman

Bangkok, Thailand
13 October 2014

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Independent Auditor's Report
To the shareholders of VinaLand Limited
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of VinaLand Limited ("the Company") and its subsidiaries (together, the "Group") set out on pages 5 to 72, which comprise the consolidated balance sheet as at 30 June 2014, and the consolidated statement of changes in equity, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2014, and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matters

This report, including the opinion, has been prepared for and only for you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 13 October 2014

VINALAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	Note	30 June 2014 USD'000	30 June 2013 USD'000
ASSETS			
Non-current			
Investment properties	5	514,796	514,587
Property, plant and equipment	6	14,433	55,403
Intangible assets	7	53	10,987
Investments in associates	8	49,736	55,594
Prepayments for operating lease assets		5	986
Prepayments for acquisitions of investments	9	41,148	65,681
Receivable from a related party	35	-	960
Trade and other receivables	12	63,646	39,656
Long-term deposits		1,369	-
Other non-current assets		1,496	843
Deferred income tax assets	10	7,820	6,037
Total non-current assets		**694,502**	**750,734**
Current			
Inventories	11	104,869	121,510
Trade and other receivables	12	14,726	31,634
Tax receivables		3,803	2,554
Receivables from related parties	35	2,215	427
Short-term investments		4,257	2,997
Financial assets at fair value through profit or loss		767	2,992
Cash and cash equivalents (excluding bank overdrafts)	13	53,894	16,496
Total current assets		**184,531**	**178,610**
Assets classified as held for sale	15	50,806	-
Total assets		**929,839**	**929,344**

The notes on pages 13 to 72 are an integral part of these consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	30 June 2014 USD'000	30 June 2013 USD'000
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity shareholders of the parent			
Share capital	16	4,587	4,813
Additional paid-in capital	17	546,992	567,374
Equity reserve		20,496	11,995
Revaluation reserve	18	8,022	-
Other reserves		(1,804)	-
Translation reserve		(92,570)	(91,992)
Accumulated losses		(65,589)	(45,412)
		420,134	446,778
Non-controlling interests		182,372	204,044
Total equity		**602,506**	**650,822**
LIABILITIES			
Non-current			
Borrowings and debts	19	120,134	83,892
Non-current trade and other payables	20	31,380	34,090
Long-term payables to related parties	35	31,323	28,218
Deferred income tax liabilities	21	21,755	27,594
Total non-current liabilities		**204,592**	**173,794**
Current			
Trade and other payables	22	85,349	82,459
Tax payables		543	1,025
Payables to related parties	35	2,993	9,042
Financial liabilities at fair value through profit or loss		259	-
Borrowings and debts	19	13,969	12,202
Total current liabilities		**103,113**	**104,728**
Liabilities classified as held for sale	15	19,628	-
Total liabilities		**327,333**	**278,522**
Total equity and liabilities		**929,839**	**929,344**
Net assets per share attributable to equity shareholders of the parent (USD per share)	31	**0.92**	**0.93**

The notes on pages 13 to 72 are an integral part of these consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity shareholders of the Company								
	Share capital USD'000	**Additional paid-in capital USD'000**	**Equity reserve USD'000**	**Revaluation reserve USD'000**	**Translation reserve USD'000**	**Retained earnings/ (Accumulated losses) USD'000**	**Total equity attributable to owners of the Company USD'000**	**Non-controlling interests USD'000**	**Total equity USD'000**
Balance at 1 July 2012	**4,935**	**580,835**	**3,991**	**4,186**	**(87,509)**	**39,910**	**546,348**	**180,088**	**726,436**
Loss for the year	-	-	-	-	-	(90,137)	(90,137)	(26,296)	**(116,433)**
Currency translation	-	-	-	-	(5,201)	-	(5,201)	(2,128)	**(7,329)**
Revaluation gains on buildings (Note 18)	-	-	-	924	-	-	924	545	**1,469**
Disposals of subsidiaries	-	-	-	(5,110)	718	5,110	718	-	**718**
Total comprehensive loss	-	-	-	(4,186)	(4,483)	(85,027)	(93,696)	(27,879)	**(121,575)**
Repurchase and cancellation of shares (Notes 16, 17)	(122)	(13,461)	8,004	-	-	-	(5,579)	-	**(5,579)**
Capital contributions in subsidiaries	-	-	-	-	-	-	-	393	**393**
Decrease due to capital reduction	-	-	-	-	-	-	-	(2,735)	**(2,735)**
Disposal of subsidiaries	-	-	-	-	-	-	-	11,414	**11,414**
Transferred from shareholder loans	-	-	-	-	-	-	-	43,023	**43,023**
Dividend distributions to non-controlling interests	-	-	-	-	-	-	-	(305)	**(305)**
Acquisition of non-controlling interests in subsidiaries	-	-	-	-	-	(295)	(295)	45	**(250)**
Balance at 30 June 2013	**4,813**	**567,374**	**11,995**	**-**	**(91,992)**	**(45,412)**	**446,778**	**204,044**	**650,822**

The notes on pages 13 to 72 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity attributable to equity shareholders of the Company									
	Share capital USD'000	Additional paid-in capital USD'000	Equity reserve USD'000	Revaluation reserve USD'000	Other reserve USD'000	Translation reserve USD'000	Accumulated losses USD'000	Total equity attributable to owners of the Company USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance at 1 July 2013	**4,813**	**567,374**	**11,995**	**-**	**-**	**(91,992)**	**(45,412)**	**446,778**	**204,044**	**650,822**
Loss for the year	-	-	-		-	-	(24,193)	(24,193)	(3,227)	**(27,420)**
Currency translation	-	-	-		-	(2,788)	-	(2,788)	(231)	**(3,019)**
Revaluation gains on buildings (Note 18)	-	-	-	8,022	-	-	-	8,022	2,674	**10,696**
Total comprehensive loss	-	-	-	8,022	-	(2,788)	(24,193)	(18,959)	(784)	**(19,743)**
Repurchase and cancellation of shares (Notes 16,17)	(226)	(20,382)	8,501	-	-	-	-	(12,107)	-	**(12,107)**
Capital contributions in subsidiaries	-	-	-	-	-	-	-	-	195	**195**
Disposals of subsidiaries	-	-	-	-	-	-	-	-	(14,601)	**(14,601)**
Dividend distributions to non-controlling interests	-	-	-	-	-	-	-	-	(54)	**(54)**
Acquisition of non-controlling interests in subsidiaries	-	-	-	-	(1,804)	-	-	(1,804)	(202)	**(2,006)**
Reversal of non-controlling interests	-	-	-	-	-	2,210	4,016	6,226	(6,226)	-
Balance at 30 June 2014	**4,587**	**546,992**	**20,496**	**8,022**	**(1,804)**	**(92,570)**	**(65,589)**	**420,134**	**182,372**	**602,506**

The notes on pages 13 to 72 are an integral part of these consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 30 June 2014 USD'000	Year ended 30 June 2013 USD'000
Revenue	23	41,125	67,403
Cost of sales	24	(31,868)	(61,156)
Gross profit		**9,257**	**6,247**
Net loss on fair value adjustments of investment properties and revaluations of property, plant and equipment	25	(5,698)	(85,355)
Selling and administration expenses	26	(25,887)	(33,394)
Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss		248	(44)
Gains on disposals of investments, net		197	765
Impairment of assets	27	(1,129)	(12,857)
Finance income	28	2,110	2,531
Finance expenses	29	(7,631)	(7,371)
Share of losses of associates	8	(5,867)	(2,356)
Other income		3,273	1,201
Other expenses		(1,319)	(975)
Net loss before income tax from operations		**(32,446)**	**(131,608)**
Income tax	30	5,026	15,175
Net loss from operations		**(27,420)**	**(116,433)**
Attributable to equity shareholders of the parent		(24,193)	(90,137)
Attributable to non-controlling interests		(3,227)	(26,296)
Net loss for the year		**(27,420)**	**(116,433)**
Loss per share			
- basic and diluted (USD per share)	31	(0.05)	(0.19)

The notes on pages 13 to 72 are an integral part of these consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	30 June 2014	**30 June 2013**
	USD'000	**USD'000**
Net loss for the year	**(27,420)**	**(116,433)**
Other comprehensive loss		
Items that may not be reclassified subsequently to profit or loss:		
Revaluation gains on buildings (Note 18)	10,696	1,469
	10,696	1,469
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(3,019)	(7,329)
Reclassification of currency translation reserve on disposal of a subsidiary	-	718
	(3,019)	(6,611)
Other comprehensive loss for the year	**7,677**	**(5,142)**
Total comprehensive loss for the year	**(19,743)**	**(121,575)**
Attributable to equity shareholders of the parent	(18,959)	(93,696)
Attributable to non-controlling interests	(784)	(27,879)
	(19,743)	**(121,575)**

The notes on pages 13 to 72 are an integral part of these consolidated financial statements.

VINALAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended	
		30 June 2014	**30 June 2013**
	Note	**USD'000**	**USD'000**
Operating activities			
Loss before tax		(32,446)	(131,608)
Adjustments for:			
Depreciation and amortisation	6,7	4,855	8,160
Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss		(248)	44
Net loss on fair value adjustments of investment properties and revaluations of property, plant and equipment	25	5,698	85,355
Net loss on disposals of fixed assets and written-off account balances		118	200
Gains on disposals of investments		(197)	(765)
Impairment of assets	27	1,129	12,857
Share of losses of associates	8	5,867	2,356
Unrealised foreign exchange losses	29	384	453
Interest expense	29	7,017	5,869
Interest income	28	(1,994)	(2,455)
Net loss before changes in working capital		**(9,817)**	**(19,534)**
Change in trade receivables and other current assets		(20,732)	5,417
Change in inventories		14,372	24,507
Change in trade payables and other current liabilities		5,102	(25,785)
Income tax paid		(569)	(1,781)
Net cash outflow to operating activities		**(11,644)**	**(17,176)**
Investing activities			
Interest received		2,000	2,485
Dividends received		100	123
Purchases of investment properties, property, plant and equipment, and other non-current assets		(14,979)	(6,322)
Proceeds from disposals of investments		11,921	6,512
Proceeds from disposals of held-for-sale assets/liabilities and financial assets held at fair value through profit or loss		18,856	4,583
Investments in associates		(46)	(90)
Net deposits in long-term investments		(1,369)	-
Net deposits in short-term investments		(1,260)	(2,048)
Net cash inflow from investing activities		**15,223**	**5,243**

The notes on pages 13 to 72 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

		Year ended	
		30 June 2014	30 June 2013
	Note	USD'000	USD'000
Financing activities			
Additional capital contributions from non-controlling interests		195	393
Ordinary shares acquired by the Company	16	(12,107)	(5,579)
Acquisition of non-controlling interests in subsidiary		(461)	(250)
Net proceeds from issuance of zero dividend preference shares		25,245	-
Loan proceeds from banks		59,291	23,364
Loan repayments to banks		(24,705)	(11,010)
Dividends paid to non-controlling interests		(54)	(305)
Interest paid		(13,098)	(13,626)
Capital refunded to non-controlling interests		-	(2,735)
Loan repayments to non-controlling interests		-	(1,859)
Net cash inflow/(outflow) from/to financing activities		**34,306**	**(11,607)**
Net changes in cash and cash equivalents for the year		**37,885**	**(23,540)**
Cash and cash equivalents at the beginning of the year		16,496	40,076
Cash and cash equivalents classified as held for sale		(526)	-
Exchange differences on cash and cash equivalents		39	(40)
Cash and cash equivalents at the end of the year	13	**53,894**	**16,496**

During the year, major non-cash transactions included the release of a USD7.3 million loan upon disposal of subsidiaries (30 June 2013: USD37.7 million).

The notes on pages 13 to 72 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

VinaLand Limited ("the Company") is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company's primary objective is to focus on key growth segments within Vietnam's emerging real estate market, namely residential, office, retail, industrial and leisure projects in Vietnam and the surrounding countries in Asia. The Company is quoted on the AIM Market of the London Stock Exchange under the ticker symbol VNL.

At the Extraordinary General Meeting ("EGM") held on 21 November 2012, the shareholders supported both recommendations put forth by the Board regarding the continuation of the Company. As a result, the Special Resolution which called for the continuation of the Company as presently constituted was not passed and the Ordinary Resolution to restructure the Company was passed with over a two-thirds approval rate.

The Ordinary Resolution established the framework to restructure the Company including changes to the Company's investing policy, distribution strategy, the Investment Management Agreement and the remuneration of the Investment Manager and its corporate governance framework. These changes are summarised as follows:

- During the three-year period until 21 November 2015 ("the Cash Return Period") the Company will make no new investments, save that it can invest in existing projects within its existing portfolio of assets. The Company will instead implement a realisation strategy whereby the Company's existing assets will be developed (if necessary) and/or divested in a controlled, orderly and timely manner.
- Net proceeds of these realisations will be returned to shareholders, subject to the Board's discretion and consideration in respect of the Company's working capital requirements, the need to invest in existing projects, and the cost/tax efficiency of such transactions/distributions.
- Once the Cash Return Period has ended, shareholders will be given the opportunity to reassess the strategy of the Company through another continuation resolution.
- The fees payable to the Investment Manager have been amended as discussed in Note 36 to these consolidated financial statements.

The consolidated financial statements for the year ended 30 June 2014 were approved for issue by the Company's Board of Directors on 13 October 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation

The consolidated financial statements of the Group for the year ended 30 June 2014 comprise the Company and its subsidiaries (together, the "Group") and the Group's interests in associates.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared using the historical cost convention, as modified by the revaluation of investment properties, property, plant and equipment, financial assets and financial liabilities at fair value through profit or loss, the measurement bases of which are described in the accounting policies below.

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

2.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

IFRS 10, "Consolidated Financial Statements"

Under IFRS 10, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group has applied IFRS 10 retrospectively in accordance with the transition provisions of IFRS 10. The application of IFRS 10 has no impact on the Group's consolidated financial statements.

IFRS 11, "Joint Arrangements"

Under IFRS 11, investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The application of IFRS 11 has no impact on the Group's consolidated financial statements.

IFRS 12, "Disclosures of interests in other entities"

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, structured entities and other off balance sheet vehicles. As a result of IFRS 12 adoption, the Group has provided additional disclosure on its composition, detailing its principal subsidiaries and material non-controlling interests. The Group assesses that none of its investments in associates is individually material.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policy and disclosures (continued)

(a) New and amended standards adopted by the Group (continued)

IFRS 13, "Fair Value Measurement"

IFRS 13, "Fair value measurement", aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. Application of the standard results in additional disclosure on valuation methods and assumptions for all assets and liabilities that are carried at fair value or the fair values of which are disclosed.

Other new and/or amended standards including IAS 19 (revised), "Employee Benefits" that become effective for financial periods starting on or after January 2013, are determined to be irrelevant to the Group.

(b) New standards, amendments and interpretations issued but not yet effective and not early adopted

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the Group.

The Board anticipates that all such pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective dates of these pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was completed in July 2014 and its effective for annual periods beginning on or after 1 January 2018. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting year ending 30 June 2019.

Amendments to IAS 36, "Impairment of assets", on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash generating units which had been included in IAS 36 by the issue of IFRS 13. The Group intends to adopt the amendments to IAS 36 no later than the accounting year ending 30 June 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policy and disclosures (continued)

IFRS 15, "Revenue from contracts with customers", was issued on 28 May 2014. It establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. The core principle in that framework is that an entity should recognise revenue upon the transfer of promised goods and services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Group is yet to assess IFRS 15's full impact and intends to adopt the standard no later than the accounting year ending 30 June 2018.

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.3 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The majority of the Group's subsidiaries have a reporting date of 30 June. For those subsidiaries with a different reporting date, the Group consolidates management information prepared for the year to 30 June.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Consolidation (continued)

(a) Subsidiaries (continued)

Gain on bargain purchase is immediately allocated to the consolidated income statement as at the acquisition date.

Inter-company transactions, balances, income and expenses on transactions between the Group's companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Changes in ownership of interests in a subsidiary that do not result in lost of control of the subsidiary are accounted for as equity transactions whereby the difference between the consideration paid and the proportionate change in the parent entity's interest in the carrying value of the subsidiary's net assets is recorded in equity and attributable to the owners. No adjustment is made to the carrying value of the subsidiary's net assets as reported in the consolidated financial statements.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method, the carrying amount of the investment is increased or decreased to recognise the Group's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss of an associate is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Consolidation (continued)

(d) Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as 'share of profit/(loss) of associates' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

2.4 Foreign currency translation

(a) Functional and presentation currency

The Group's consolidated financial statements are presented in United States Dollars ("USD") ("the presentation currency"). The financial statements of each consolidated entity are initially prepared in the currency of the primary economic environment in which the entity operates ("the functional currency"), which for most of the Group's investments is Vietnam Dong ("VND"). The financial statements prepared using VND are then translated into the presentation currency of USD. USD is used as the presentation currency because it is the primary basis for the measurement of the performance of the Group (specifically changes in the net asset value of the Group) and a large proportion of significant transactions of the Group are denominated in USD.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.5 Investment property

Investment properties are properties owned or held under finance leases to earn rentals or capital appreciation, or both, or land held for a currently undetermined use. Property held under operating leases (including leasehold land) that would otherwise meet the definition of investment property is classified as investment property on a property by property basis. If a leased property does not meet this definition, it is recorded as an operating lease.

Property under construction or development for future use as investment property is treated as investment property and is measured at fair value where the fair value of the investment property under construction or development for future use can be reliably determined.

Investment properties are stated at fair value. At the end of each quarter of the financial year, the fair values of a selection of investment properties are assessed by the Board such that the fair values of all investment properties are assessed at least once each financial year. At the date of assessment, two independent valuation companies with appropriately recognised professional qualifications and relevant experience in the location and category being valued undertake a valuation of each property selected. The fair value is estimated by the independent valuation companies assuming there is an agreement between a willing buyer and a willing seller in an arm’s length transaction after proper marketing; wherein the parties have each acted knowledgeably, prudently and without compulsion. The valuations by the independent valuation companies are prepared based upon direct comparison with sales of other similar properties in the area and the expected future discounted cash flows of a property using a yield that reflects the risks inherent therein. The estimated fair values provided by the independent valuation companies are used by the Valuation Committee as the primary basis for estimating each property’s fair value. In addition to the reports of the independent valuation companies the valuation committee considers information from other sources, including those sources referred to in Note 3, before recommending each property’s estimated fair value to the Board for approval. Discount rates from 14.5% to 22% are considered appropriate for properties in different locations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Investment property (continued)

In addition to the annual revaluation cycle, at the end of each quarter the Investment Manager reviews the entire portfolio to determine if there are any material changes to investment properties or other indicators that might mean that the value of an investment property has materially changed. Subject to the results of this review a more detailed assessment of those properties may be performed. If there is an indication that an investment property's value has increased then the investment property will be included in the independent valuation program. If there is an indication that an investment property's value has declined then an assessment will be made in respect to quantifying the fall in value. This involves either obtaining an independent valuation of the investment property or determining the change in value of each property based on internal assessment. Based upon the analysis performed by the Investment Manager or the independent valuation report, the Valuation Committee determines whether any valuation adjustments should be recommended to the Board for approval.

Any gain or loss arising from a change in fair value of investment properties is recognised in the consolidated income statement. Rental income from investment property is accounted for as described in the Note 2.26.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previous recognised revaluation surplus, with any remaining decrease charged to profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

All costs directly associated with the purchase and construction of an investment property, and all subsequent capital expenditures for the development, which qualify as acquisition costs, are capitalised.

Borrowing costs for property under construction or development are capitalised if they are directly attributable to the acquisition, construction or production of that qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs continues until the assets are substantially ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds, to the average rate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates, and joint ventures and represents the excess of the cost of acquisition of subsidiary companies and associates over the Group's share of the fair value of their identifiable net assets at the date of acquisition.

Goodwill is recognised at cost less any accumulated impairment losses. The carrying value of goodwill is subject to an annual impairment review and whenever events or changes in circumstances indicate that it may not be recoverable. An impairment charge will be recognised in the consolidated income statement when the results of such a review indicate that the carrying value of goodwill is impaired.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity disposed of.

2.7 Leases

Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the leases' commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, unless they are treated as investment properties as described in Note 2.5. Where the Group has the use of an asset held under an operating lease, payments made under the lease are charged to the consolidated income statement on a straight line basis over the term of the lease. Prepayments for operating leases represent properties held under operating leases where a portion, or all, of the lease payments have been paid in advance, and the properties cannot be classified as investment properties.

2.8 Property, plant and equipment

All property, plant and equipment, except buildings and leasehold land improvements, are stated at cost less accumulated depreciation and impairment losses as set out in Note 2.14. The cost of self-constructed assets includes the cost of materials, direct labour, overheads and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Buildings and leasehold land improvements including hotels and golf course are revalued to fair value in accordance with the methods and processes as set out in Note 2.5. Any surplus arising on the revaluation is recognised in a revaluation reserve within equity, except to the extent that the surplus reverses a previous revaluation deficit on the building charged to the consolidated income statement, in which case a credit to that extent is recognised in the consolidated income statement. Any deficit on revaluation is charged in the consolidated income statement except to the extent that it reverses a previous revaluation surplus on a building, in which case it is taken directly to the revaluation reserve. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment (continued)

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. The carrying values of any parts replaced as a result of such replacements are expensed at the time of replacement. All other costs associated with the maintenance of property, plant and equipment are recognised in the consolidated income statement as incurred.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of property, plant and equipment, and major components that are accounted for separately. The estimated useful lives are as follows:

Buildings, hotels and golf courses	33 to 50 years
Machinery, plant and equipment	4 to 20 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	5 to 10 years

Material residual value estimates and estimates of useful lives are reviewed at least annually, irrespective of whether assets are revalued.

Assets held under finance leases which do not transfer title to the assets to the Group at the end of the leases are depreciated over the shorter of the estimated useful lives shown above and the terms of the leases.

2.9 Intangible assets

Intangible assets comprise software and hotel gaming licences. Intangible assets acquired separately are measured initially at cost. The cost of an intangible asset acquired in a business combination is the asset's fair value at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses. The carrying values of the assets are reviewed annually for impairment.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that they may be impaired. The amortisation period and method are reviewed at least at each financial year end. The estimated useful lives are as follows:

Gaming licences	13 to 22 years
Software	5 years

2.10 Non-current assets (or disposal groups) and liabilities held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable at the reporting date. They are presented separately in the consolidated balance sheet. They are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair values less costs to sell. Assets held for sale are not subject to depreciation or amortisation subsequent to their classification as held for sale.

Liabilities are classified as held for sale and presented as such in the consolidated balance sheet if they are directly associated with a disposal group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or designated by management to be carried at fair value through profit or loss at inception. Financial assets at fair value through profit or loss held by the Group include unlisted equity securities. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise they are classified as non-current.

Embedded within the ZDP Shares, as disclosed in Note 2.22, are call options which give VinaLand ZDP Limited early redemption rights. The Company does not consider the ZDP Shares and call options to be closely related. Therefore, the call options have been separated from the preference shares and are accounted for as derivatives.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the consolidated balance sheet.

(b) Recognition and measurement

Purchases or sales of financial assets are recognised on the trade-date, being the date on which the Group commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Net changes in fair value of financial assets at fair value through profit or loss includes net unrealised gains in fair value of financial assets and net gains from realisation of financial assets during the year.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated income statement within 'net changes in fair value of financial assets at fair value through profit or loss' in the period in which they arise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Prepayments for acquisitions of investments

These represent prepayments made by the Group to vendors for land compensation and other related costs including professional fees directly attributed to an investment property, where the final transfer of the property is pending the approval of the relevant authorities and/or is subject to either the Group or the vendors completing certain performance conditions. Such prepayments are measured initially at cost until such time as the approval is obtained or conditions are met at which point they are transferred to the appropriate investment accounts.

2.14 Impairment of assets

The Group's goodwill, operating lease prepayments, property, plant and equipment (except for buildings and leasehold land improvements), intangible assets, trade and other receivables, prepayments for acquisitions of investments, and interests in associates are subject to impairment testing.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Goodwill and intangible assets with indefinite lives are tested for impairment annually, while other assets are tested when there is an indicator of impairment.

An impairment loss is recognised as an expense immediately for the amount by which an asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease, but only to the extent of the revaluation surplus for that same asset according to that policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use.

2.15 Inventories

The Group's inventories arise where there is a change in use of investment properties evidenced by the commencement of development with a view to sale, and the properties are reclassified as inventories at their deemed cost, which is the fair value at the date of reclassification. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete redevelopment and selling expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.17 Cash and cash equivalents

Cash and cash equivalents include cash in banks and on hand as well as short term highly liquid investments such as money market instruments and bank deposits with original maturity terms of not more than three months.

2.18 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Additional paid-in capital includes any premiums received on the initial issuance of the share capital. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Ordinary shares acquired by the Company

Shares which are repurchased by the Company are cancelled and whilst the amount of the authorised share capital is not affected, the issued share capital is reduced accordingly.

If the cost of purchasing ordinary shares is less than the net asset value attributable to the shares acquired, the difference is transferred to the Company’s equity reserve. If the cost of purchasing ordinary shares is greater than the net asset value of the shares, i) the amount of any equity reserve, additional paid-in capital account or fully paid share capital of the Company, and ii) any amount representing unrealised profits of the Company for the time being standing to the credit of any revaluation reserve maintained by the Company may be reduced by a sum not exceeding the amount by which the repurchase payment exceeds the net asset value of the shares.

2.20 Revaluation reserve

The revaluation reserve arises from the revaluation of buildings and leasehold land improvements including hotels and golf courses. The revaluation policy is consistent with the fair value policy as described in Note 3. Any increase in the carrying amount arising on revaluation is recognised in profit or loss to the extent that it reverses a provision for impairment loss, with any remaining increase recognised in other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged to other comprehensive income and debited against revaluation reserve directly in equity; all remaining decreases are charged to the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.22 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

On 17 December 2013, VinaLand ZDP Ltd., a wholly owned subsidiary of the Company, issued 15 million Zero Dividend Preference Shares (“the ZDP Shares”), with a gross redemption yield of 8% after three years. The shares were admitted to the standard listing segment of the Official List of the UK Listing Authority and trading on the London Stock Exchange’s main market on 20 December 2013.

Each preference share has an issue price of £1 and a final capital entitlement of £1.26 at the end of its term. These shares are classified as liabilities and measured at amortised cost using the effective interest method.

2.23 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.24 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax assets and/or liabilities comprise claims from or obligations to fiscal authorities relating to the current or prior reporting periods that are not yet settled at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Current and deferred income tax (continued)

forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to other comprehensive income are charged or credited directly to other comprehensive income.

2.25 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation and there is uncertainty about the timing or amount of the future expenditure require in settlement. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long-term provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the Group's management.

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.
A contingent asset is a possible asset that arises from past events, whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses their existence when inflows of economic benefits are probable, but not virtually certain.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(a) Sale of goods and revenues from hotel operations and other related services

Revenue from sale of goods is recognised in the consolidated income statement when the significant risks and rewards of ownership of goods have passed to the buyer. Revenue from hotel operations and other related services is recognised as and when the services are provided.

(b) Sales of real estate

Deposits received from buyers to reserve rights to buy houses are recognised as a liability on the consolidated balance sheet. These amounts are recorded as unearned revenue when the house's foundation is completed and a sales and purchase agreement is signed with the buyer. Unearned revenue is recorded as revenue when the construction is completed and the house is handed over to the buyer.

Revenue on sales of apartments is recognised when the Company has transferred to the buyer the usual risks and rewards of the ownership in a transaction that is in substance a sale and does not have a substantial continuing involvement with the property.

(c) Rental income

Rental income from investment property is recognised in the consolidated income statement on a straight-line basis over the term of the operating lease. Lease incentives granted are recognised as an integral part of the total rental income.

(d) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Related parties

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.

Enterprises and individuals that directly, or indirectly through one or more immediately, control, or are controlled by, or under common control with, the Company, including holding Company, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owing directly, or indirectly, an interest in the voting power of the Company that give them significant influence over the Company, key management personnel, including directors and officers of the Company and the close members of the family. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.28 Realisation fee

In accordance with the Amended Management Agreement, the Investment Manager is entitled to receive a share of any realisations of the Group, up to a total amount equalling the previously accrued performance fee payable. The Investment Manager may receive its share of these realisations on a deal-by-deal basis throughout the Cash Return Period. In accordance with the Amended Management Agreement, the amount of performance fees due to the Investment Manager, is re-assessed at each reporting date, taking into account the future expected realisation strategy of the Company. The change in performance fees due to the Investment Manager during the period is included as "realisation fee (expense)/recovery" in the consolidated income statement and is further described in Note 35 to these consolidated financial statements. An expense results from an increase in the realisation fee liability to the Investment Manager, and a recovery of previously expensed realisation fees results from a decrease in the realisation fee liability to the Investment Manager at the reporting date.

The realisation fee liability is initially recognised at fair value, and subsequently measured based on the realisable value of the investments of the Group on which the realisation fee would be ultimately crystallised, which is estimated using the fair values of those investments at the reporting date. Realisation fees are paid when the relevant investments are sold and proceeds distributed to the Company's shareholders.

2.29 Earnings per share and net asset value per share

The Group presents basic earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding during the year to assume conversion of all dilutive potential ordinary shares.

Net asset value (“NAV”) per share is calculated by dividing the net asset value attributable to ordinary shareholders of the Company by the number of outstanding ordinary shares as at the reporting date. NAV is determined as total assets less total liabilities and non-controlling interests.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 Segment reporting

An operating segment is a component of the Group:

- that engages in investment activities from which it may earn revenues and incur expenses;
- whose operating results are based on internal management reporting information that is regularly reviewed by the Investment Manager to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the consolidated financial statements, the Group undertakes a number of accounting judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and may not equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

3.1 Fair value of investment properties, buildings and leasehold land improvements

The investment properties, buildings and leasehold land improvements of the Group are stated at fair value in accordance with accounting policies 2.5 and 2.8. The fair values of investment properties, buildings and leasehold land improvements are based on valuations by independent professional valuers including CBRE, Savills, JLL, Colliers and HVS. These valuations are based on certain assumptions which are subject to uncertainty and might materially differ from the actual results. The estimated fair values provided by the independent professional valuers are used by the Valuation Committee as the primary basis for estimating each property's fair value for recommendation to the Board.

In making its judgement, the Valuation Committee considers information from a variety of sources including:

(i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

(ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the dates of those transactions;

(iii) recent developments and changes in laws and regulations that might affect zoning and/or the Group's ability to exercise its rights in respect to properties and therefore fully realise the estimated values of such properties;

(iv) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of external evidence such as current market rents and sales prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows; and

(v) recent compensation prices public by local authority at the province where the property is located.

As at 30 June 2014, if the discount rates used had been 1% higher/lower (30 June 2013: 1%), the total carrying values of the Group's investment properties and property, plant and equipment would have been USD22.9 million lower/USD24.5 million higher (30 June 2013: USD24.3 million lower/USD26.2 million higher).

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.2 Impairment

(a) Trade and other receivables

The Group’s management determines the provision for impairment of trade and other receivables on a regular basis. This estimate is based on the credit history of its customers and prevailing market conditions.

(b) Prepayments for acquisition of investments

Except for the Long An Services and Residential projects mentioned below, the Group engages professional valuers to estimate the recoverable amounts of its prepayments for acquisitions of investments in accordance with the valuation methods and processes as set out in Notes 2.5 and 3.1.

The carrying value of the prepayment for acquisition of Long An Services and Residential projects was originally based on the sale and purchase agreement signed between the Group and a purchaser in June 2012; however, the buyer has defaulted on its obligations to settle the outstanding receivable balance, citing market conditions as the cause. The Investment Manager is in negotiations with the purchaser to recover the full amount, while reserving the right to take legal action if a satisfactory outcome is not achieved. In light of these developments, the Group has estimated the prepayment's recoverable amount at 30 June 2014 based on the payment terms over a two-year period proposed by the buyer discounted at a rate of 12%.

(c) Other assets

The Group’s prepayments for acquisitions of investments, other assets and interests in associates are subject to impairment testing in accordance with Note 2.14.

3.3 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. Management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in Notes 6 and 7.

3.4 Realisation fee

As of the date of the Ordinary Resolution, management has assessed that the fair value of the realisation fee liability under the restructured terms is equivalent to the fair value of the derecognised performance fee liability of the Group, which was extinguished at that date (USD28.2 million).

Payment of any realisation fees is contingent on the Group realising their portfolio investments and making distributions to the shareholders of the Company. Given that the Group is adopting a new realisation strategy during the Cash Return Period it is reasonable to assume that it is highly likely that the accrued realisation fees will be paid to the Investment Manager.

4 SEGMENT ANALYSIS

In identifying its operating segments, management generally follows the Group's sectors of investment which are based on internal management reporting information for the Investment Manager's management, monitoring of investments and decision making. The operating segments by investment portfolio include commercial, residential, office buildings and undetermined use, hospitality, mixed-use segments and cash and deposits.

The activities undertaken by the commercial segment include the development and operation of investment properties. Apartments and villas properties which are developed for sale, land and office buildings are included in the residential and office buildings segment. The hospitality segment includes the development and operation of hotels and related services. The mixed-use segment includes multi-purpose projects. Strategic decisions are made on the basis of segment operating results.

Each of the operating segments are managed and monitored separately by the Investment Manager as each requires different resources and approaches. The Investment Manager assesses segment profit or loss using a measure of operating profit or loss from the investment assets. Although IFRS 8 requires measurement of segmental profit or loss, the majority of expenses are common to all segments and therefore cannot be individually allocated. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

There is no measure of segment liabilities regularly reported to the Investment Manager; therefore, liabilities are not disclosed in the sector analyses.

Segment information can be analysed as follows for the reporting years:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 SEGMENT ANALYSIS (CONTINUED)
(a) Consolidated income statement

	Year ended 30 June 2014				
	Commercial USD'000	**Residential and office buildings USD'000**	**Hospitality USD'000**	**Mixed use USD'000**	**Total USD'000**
Revenue	-	27,526	13,599	-	41,125
Cost of sales	-	(23,793)	(8,075)	-	(31,868)
Gross margin	-	3,733	5,524	-	9,257
Net gain/(loss) from disposals of investments	-	(448)	645	-	197
Other income	-	2,005	136	1,132	3,273
Finance income	4	1,221	32	853	2,110
Net gain/(loss) on fair value adjustments of investment properties and revaluations of property, plant and equipment	234	(19,360)	12,999	429	(5,698)
Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss	-	475	-	15	490
Share of profits/(losses) of associates	20	(4,950)	(392)	(545)	(5,867)
Impairments/(reversal of impairment) of assets	-	1,620	(259)	(2,490)	(1,129)
Total profit/(loss) before unallocatable expenses	258	(15,704)	18,685	(606)	2,633
Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss					(242)
Selling and administration expenses					(25,887)
Other expenses					(1,319)
Finance expenses					(7,631)
Loss before tax					(32,446)
Income tax					5,026
Net loss for the year					(27,420)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 SEGMENT ANALYSIS (CONTINUED)

(a) Consolidated income statement (continued)

	Year ended 30 June 2013				
	Commercial USD'000	**Residential and office buildings USD'000**	**Hospitality USD'000**	**Mixed use USD'000**	**Total USD'000**
Revenue	-	42,558	24,845	-	67,403
Cost of sales	-	(44,592)	(16,564)	-	(61,156)
Gross margin	-	(2,034)	8,281	-	6,247
Net gain/(loss) from disposals of investments	-	1,573	(808)	-	765
Other income	8	232	499	462	1,201
Finance income	16	1,392	102	1,021	2,531
Net loss on fair value adjustments of investment properties and revaluations of property, plant and equipment	(768)	(48,638)	(2,119)	(33,830)	(85,355)
Net changes in fair value of financial assets at fair value through profit or loss	-	-	(44)	-	(44)
Share of profits/(losses) of associates	1	(1,480)	(877)	-	(2,356)
Impairments of assets	-	(11,943)	(914)	-	(12,857)
Total (loss)/profit before unallocatable expenses	(743)	(60,898)	4,120	(32,347)	(89,868)
Selling and administration expenses					(33,394)
Other expenses					(975)
Finance expenses					(7,371)
Loss before tax					(131,608)
Income tax					15,175
Net loss for the year					(116,433)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 SEGMENT ANALYSIS (CONTINUED)

(b) Consolidated balance sheet

	As at 30 June 2014					
	Commercial USD'000	Residential and office buildings USD'000	Hospitality USD'000	Mixed use USD'000	Cash and deposits USD'000	Total USD'000
Investment properties	4,500	358,996	-	151,300	-	**514,796**
Property, plant and equipment	-	13,714	-	719	-	**14,433**
Intangible assets	-	42	-	11	-	**53**
Investments in associates	18,599	24,336	4,746	2,055	-	**49,736**
Prepayments for acquisitions of investments	-	23,875	12,341	4,932	-	**41,148**
Inventories	-	85,024	-	19,845	-	**104,869**
Cash and cash equivalents	-	-	-	-	53,894	**53,894**
Trade, tax and other receivables	28	81,379	111	2,872	-	**84,390**
Financial assets at fair value through profit or loss (*)	-	-	-	750	-	**750**
Short-term investments	-	-	-	-	4,257	**4,257**
Long-term investments	-	-	-	-	1,369	**1,369**
Assets classified as held for sale	-	14,931	34,451	1,424	-	**50,806**
Other assets	186	5,913	-	3,222	-	**9,321**
Total assets	**23,313**	**608,210**	**51,649**	**187,130**	**59,520**	**929,822**
Total assets include:						
- Addition to non-current assets (other than financial instruments and deferred tax assets)	-	18,561	30	580	-	19,171

(*) The amount presented in this table does not include the fair value of the call options which give the Group the rights to early redeem the ZDP shares. The Investment Manager does not manage the ZDP shares and call options under any particular segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 SEGMENT ANALYSIS (CONTINUED)

(b) Consolidated balance sheet (continued)

	As at 30 June 2013					
	Commercial USD'000	Residential and office buildings USD'000	Hospitality USD'000	Mixed use USD'000	Cash and deposits USD'000	Total USD'000
Investment properties	4,300	359,871	-	150,416	-	**514,587**
Property, plant and equipment	-	11,507	43,086	810	-	**55,403**
Intangible assets	-	83	10,887	17	-	**10,987**
Investments in associates	18,578	29,241	5,175	2,600	-	**55,594**
Prepayments for acquisitions of investments	-	44,372	13,886	7,423	-	**65,681**
Inventories	-	92,763	494	28,253	-	**121,510**
Cash and cash equivalents	-	-	-	-	16,496	**16,496**
Trade, tax and other receivables	24	66,384	2,687	4,749	-	**73,844**
Financial assets at fair value through profit or loss	-	2,256	-	736	-	**2,992**
Short-term investments	-	-	-	-	2,997	**2,997**
Other assets	249	4,964	1,420	2,620	-	**9,253**
Total assets	**23,151**	**611,441**	**77,635**	**197,624**	**19,493**	**929,344**
Total assets include:						
- Addition to non-current assets (other than financial instruments and deferred tax assets)	34	8,483	679	1,779	-	10,975

5 INVESTMENT PROPERTIES

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	514,587	606,971
Additions	18,163	8,415
Reversals	-	(3,483)
Disposals	-	(3,000)
Transfers from prepayments to suppliers	5,000	-
Transfers to inventories (Note 11)	-	(1,515)
Net loss from fair value adjustments (Note 25)	(18,697)	(83,236)
Translation differences	(4,257)	(9,565)
Closing balance	514,796	514,587

The Group's investment properties were revalued during the year by independent professionally qualified valuers who hold recognised relevant professional qualifications and have recent experience in the locations and categories of the investment properties valued.

Bank borrowings are secured by investment properties with a fair value of USD236.9 million (30 June 2013: USD237.2 million). During the year, the Group capitalised borrowing costs amounting to USD5.1 million (year ended 30 June 2013: USD4.5 million) in investment properties.

At 30 June 2014, land use rights certificates have not been fully issued for certain portions of the Group's investment properties as final issuance is subject to the completion of a number of administrative steps required by local authorities and/or the settlement of any outstanding land taxes. In the Investment Manager's view, the lack of land use rights certificates does not have any material impact on the existence and valuation of the investment properties as land use rights over the land area for each project have been specifically granted under each investment licence.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. All of the Group's investment properties are in Level 3 of the fair value hierarchy. There were no transfers between Levels during the year (2013: none).

5 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements using unobservable inputs (Level 3) is set out below:

		Level 3 – Range of unobservable inputs (probability-weighted average)				Sensitivity on management's estimates							
Segment	**Valuation technique**	**Valuation (USD'000)**	**Discount rate**	**Cap rate**	**Valuation per square metre (USD)**	**Sensitivities in sales price per square metre (USD'000)**			**Sensitivities in discount and cap rates (USD'000)**				
Residential and office buildings (*)	Discounted cash flows	198,729	18%-22%	N/A	N/A		N/A				**Change in discount rate**		
											-1%	0%	1%
											203,548	198,729	193,923
Residential and office buildings	Comparisons	160,267	N/A	N/A	80-6,499	**Change in sales price per square metre**							
						-10%	0%	10%					
						140,550	160,267	179,984					
Mixed use	Discounted cash flows	151,300	14.5%-18%	8.5%-13%	N/A						**Change in discount rate**		
											-1%	0%	1%
									Change in cap rate	-1%	180,589	160,687	142,407
										0%	170,672	151,300	133,510
										1%	161,992	143,082	125,726
Commercial	Comparisons	4,500	N/A	N/A	1,818	**Change in sales price per square metre**							
						-10%	0%	10%					
						4,050	4,500	4,950					

(*) The valuations of these investment properties assume that they will be developed and sold within a definite time period; therefore, no capitalisation rates are used in such valuations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 PROPERTY, PLANT AND EQUIPMENT

	Buildings, hotels and golf course USD'000	Machinery, plant and equipment USD'000	Furniture, fixtures and office equipment USD'000	Motor vehicles USD'000	Total USD'000
Gross carrying amount					
At 1 July 2013	72,821	21,773	3,576	1,105	99,275
Additions	307	35	77	40	459
Revaluation gains (Note 18, 25)	23,695	-	-	-	23,695
Transfers to assets reclassified as held for sale (Note 15)	(75,607)	(17,270)	(2,271)	(352)	(95,500)
Disposals	(3,936)	(3,188)	(430)	-	(7,554)
Write-offs	(631)	(251)	(206)	(82)	(1,170)
Translation differences	(240)	(457)	(12)	(10)	(719)
At 30 June 2014	16,409	642	734	701	18,486
Depreciation					
At 1 July 2013	(26,913)	(14,118)	(2,209)	(632)	(43,872)
Charge for the year	(2,848)	(901)	(367)	(118)	(4,234)
Transfers to assets reclassified as held for sale (Note 15)	25,424	13,049	1,902	350	40,725
Disposals	1,023	1,505	368	-	2,896
Write-offs	-	164	113	45	322
Translation differences	72	24	7	7	110
At 30 June 2014	(3,242)	(277)	(186)	(348)	(4,053)
Carrying value					
At 1 July 2013	45,908	7,655	1,367	473	55,403
At 30 June 2014	13,167	365	548	353	14,433

The Group's buildings, hotels and the golf course were revalued during the year by independent professionally qualified valuers who hold recognised relevant professional qualifications and have recent experience in the locations and categories of the properties valued.

There were no impairment charges to property, plant and equipment during the financial years ended 30 June 2014 and 30 June 2013.

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Information about fair value measurements using significant unobservable inputs (Level 3) is set out as below:

Segment	Valuation technique	Valuation (USD'000)	Discount rate	Cap rate	Sensitivities in discount and cap rates (USD'000)				
Hospitality	Discounted cash flows	5,049	18%	15%			Change in discount rate		
							-1%	0%	1%
					Change	-1%	5,505	5,174	4,868
					in cap	0%	5,378	5,049	4,761
					rate	1%	5,266	4,955	4,666

For the comparative year:

	Buildings, hotels and golf course USD'000	Machinery, plant and equipment USD'000	Furniture, fixtures and office equipment USD'000	Motor vehicles USD'000	Total USD'000
Gross carrying amount					
At 1 July 2012	112,218	25,553	3,466	2,021	143,258
Additions	1,496	338	434	86	2,354
Revaluation gains (Note 18)	1,469	-	-	-	1,469
Revaluation losses (Note 25)	(2,119)	-	-	-	(2,119)
Disposals and write-offs	(35,702)	(3,942)	(299)	(989)	(40,932)
Translation differences	(618)	(176)	(25)	(13)	(832)
Other adjustments	(3,923)	-	-	-	(3,923)
At 30 June 2013	72,821	21,773	3,576	1,105	99,275
Depreciation					
At 1 July 2012	(23,549)	(13,191)	(1,838)	(793)	(39,371)
Charge for the year	(4,262)	(2,191)	(662)	(180)	(7,295)
Disposals and write-offs	642	1,174	279	337	2,432
Translation differences	256	90	12	4	362
At 30 June 2013	(26,913)	(14,118)	(2,209)	(632)	(43,872)
Carrying value					
At 1 July 2012	88,669	12,362	1,628	1,228	103,887
At 30 June 2013	45,908	7,655	1,367	473	55,403

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

If buildings, hotels and the golf course were stated on the historical cost basis, the amounts would be as follows:

	30 June 2014 USD'000	30 June 2013 USD'000
Cost	16,541	79,971
Accumulated depreciation	(1,207)	(27,944)
Net book amount	15,334	52,027

7 INTANGIBLE ASSETS

	Gaming licences USD'000	Software USD'000	Total USD'000
Gross carrying amount			
At 1 July 2013	14,450	512	14,962
Additions	-	5	5
Reclassification	-	(4)	(4)
Transfers to assets reclassified as held for sale (Note 15)	(14,450)	(218)	(14,668)
Disposals and write-offs	-	(93)	(93)
Translation differences	-	(2)	(2)
At 30 June 2014	-	200	200
Amortisation			
At 1 July 2013	(3,672)	(303)	(3,975)
Charge for the year	(547)	(74)	(621)
Transfers to assets reclassified as held for sale (Note 15)	4,219	147	4,366
Disposals and write-offs	-	81	81
Translation differences	-	2	2
At 30 June 2014	-	(147)	(147)
Carrying value			
At 1 July 2013	10,778	209	10,987
At 30 June 2014	-	53	53

7 INTANGIBLE ASSETS (CONTINUED)

For the comparative year:

	Gaming licences USD'000	Software USD'000	Total USD'000
Gross carrying amount			
At 1 July 2012	14,450	742	15,192
Additions	-	44	44
Write-offs	-	(268)	(268)
Translation differences	-	(6)	(6)
At 30 June 2013	14,450	512	14,962
Amortisation			
At 1 July 2012	(2,931)	(418)	(3,349)
Charge for the year	(741)	(124)	(865)
Write-offs	-	236	236
Translation differences	-	3	3
At 30 June 2013	(3,672)	(303)	(3,975)
Carrying value			
At 1 July 2012	11,519	324	11,843
At 30 June 2013	10,778	209	10,987

8 SUBSIDIARIES AND ASSOCIATES

(a) Investments in associates

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	55,594	55,332
Additions	46	90
Dividends received	(37)	(72)
Reclassification from assets classified as held for sale	-	2,600
Share of losses of associates	(5,867)	(2,356)
Closing balance	49,736	55,594

8 SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) Investment in associates (continued)

Particulars of operating associates and their summarised financial information, extracted from their financial statements as at 30 June 2014 and 30 June 2013, are as follows:

As at 30 June 2014

	Incorporation	Principal activity	Assets USD'000	Liabilities USD'000	Revenue USD'000	Profit/ (loss) USD'000	Share of (losses)/ profit to the Group USD'000	Equity interest held %
Danang Marina Co., Ltd.	Vietnam	Property	4,959	766	-	(1,113)	(545)	49
Aqua City Joint Stock Company(*)	Vietnam	Property	60,560	11,888	3	(9,901)	(4,950)	50
Thang Loi Land Joint Stock Company (*)	Vietnam	Property	12,185	1,799	129	43	20	49
Romana Resort and Spa JSC (*)	Vietnam	Hospitality	11,476	1,984	1,739	(785)	(392)	50
			89,180	**16,437**	**1,871**	**(11,756)**	**(5,867)**	

As at 30 June 2013

	Incorporation	Principal activity	Assets USD'000	Liabilities USD'000	Revenue USD'000	Profit/ (loss) USD'000	Share of (losses)/ profit to the Group USD'000	Equity interest held %
Danang Marina Co., Ltd.	Vietnam	Property	5,306	1	-	-	-	49
Aqua City Joint Stock Company(*)	Vietnam	Property	66,387	7,905	2	(2,961)	(1,481)	50
Thang Loi Land Joint Stock Company (*)	Vietnam	Property	12,234	1,807	109	3	1	49
Romana Resort and Spa JSC (*)	Vietnam	Hospitality	11,792	1,442	2,689	(1,754)	(876)	50
			95,719	**11,155**	**2,800**	**(4,712)**	**(2,356)**	

(*) The Group has a 50% equity interest in Aqua City Joint Stock Company and Romana Resort and Spa Joint Stock Company, and a 49% equity interest in Thang Loi Land Joint Stock Company but does not have control or joint control due to its limited representation on the boards of these companies. Therefore, management considers it appropriate to treat these interests as investments in associates.

8 SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(b) Principal subsidiaries

The Group had the following principal subsidiaries as at 30 June 2014 and 30 June 2013:

		30 June 2014		30 June 2013		
Name	Country of incorporation and place of business	Percentage interest held by the Group	Percentage interest held by non-controlling interest	Percentage interest held by the Group	Percentage interest held by non-controlling interest	Nature of business
The 21st Century International Development Company Limited	Vietnam	75%	25%	75%	25%	Property investment
VinaCapital Hoi An Resort Limited	Vietnam	100%	-	100%	-	Hospitality
VinaCapital Danang Golf Course Limited	Vietnam	75%	25%	75%	25%	Property investment
VinaCapital Danang Resort Limited	Vietnam	75%	25%	75%	25%	Property investment
VinaCapital Commercial Center Limited (Vietnam) (*)	Vietnam	38.2%	61.8%	38.2%	61.8%	Property investment
Mega Assets Company Limited (Vietnam)	Vietnam	75%	25%	75%	25%	Property investment
SIH Real Este Limited Company (Vietnam)	Vietnam	75%	25%	75%	25%	Property investment
Dien Phuoc Long Real Estate Company Limited	Vietnam	100%	-	100%	-	Property investment
VinaCapital Phuoc Dien Co. Limited	Vietnam	100%	-	100%	-	Property investment
Roxy Vietnam Co. Limited	Vietnam	75%	25%	55.6%	44.4%	Hospitality
Dong Binh Duong Urban Development Co. Limited	Vietnam	70%	30%	70%	30%	Property investment
Nam Phat Villas and Hotel Company Limited	Vietnam	100%	-	100%	-	Hospitality
Orchid House Co. Limited	Vietnam	55.6%	44.4%	55.6%	44.4%	Hospitality
Vina Dai Phuoc Corporation Limited	Vietnam	54%	46%	54%	46%	Property investment
SAS Hanoi Royal Hotel Limited (**)	Vietnam	44.6%	55.4%	44.6%	55.8%	Hospitality
Viet Land Development Corporation Limited	Vietnam	90%	10%	90%	10%	Property investment
Vinh Thai Urban Development Corporation Limited	Vietnam	53.3%	46.7%	53.3%	46.7%	Property investment
Thang Long Property Company Limited	Vietnam	65%	35%	65%	35%	Property investment
Hoang Phat Investment Joint Stock Company	Vietnam	60%	40%	60%	40%	Hospitality
AA VinaCapital Co. Limited	Vietnam	80%	20%	80%	20%	Property investment
Vina Alliance Company Limited (*)	Vietnam	46.5%	53.5%	46.5%	53.5%	Property investment
Phu Hoi City Company Limited	Vietnam	52.5%	47.5%	52.5%	47.5%	Property investment
A-1 International (Vietnam) Corporation Ltd	Vietnam	-	-	52.5%	47.5%	Hospitality
Prodigy Pacific Vietnam Co., Ltd	Vietnam	-	-	100%	-	Hospitality

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(b) Principal subsidiaries (continued)

(*) At the reporting date, the Group has 38.2% and 46.5% equity interests in VinaCapital Commercial Center Limited (Vietnam) and Vina Alliance Company Limited, respectively. Management considers these companies as subsidiaries as the Group has control through the majority voting rights in these companies.

(**) At the reporting date, the Group has a 44.6% equity interest in SAS Hanoi Royal Hotel Ltd., but it does not lose control of the subsidiary because it still has the power to direct the activities of this company as it retains more than 50% of the voting rights. Therefore, the Group's management considers this company as a subsidiary.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Group do not differ from the proportion of ordinary shares held except the cases mentioned above. The Group further does not have any shareholding in the preference shares of subsidiary undertakings included in the Group.

Disposal of Vina Properties (Singapore) Pte. Limited

During the year, the Group disposed of its 100% equity interest in Vina Properties (Singapore) Pte. Limited, which is incorporated in Singapore for USD16.1 million. This company owns a 70% equity interest in A-1 International (Vietnam) Corporation Ltd., the owner of the Movenpick Saigon Hotel, a five-star hotel located in Phu Nhuan District, Ho Chi Minh City, Vietnam, the net assets of which included a building, gaming licence, inventories, debts and working capital and amounted to USD30.7 million including USD14.6 million attributable to non-controlling interests. The proceeds received from the sale of the company were equal to the book value included in the interim financial statements at 31 December 2013 and therefore it did not result in any gain or loss on the disposal date.

Disposal of Prodigy Pacific Limited

During the year, the Group disposed of its 100% interest in Prodigy Pacific Limited, which owns a 100% equity interest in Prodigy Pacific Vietnam Co. Ltd., the owner of the Mercure De La Gare, a five-star hotel located in Hoan Kiem District, Hanoi, Vietnam, for a total of USD1.9 million. The book value of the net assets at the disposal date was USD1.3 million, resulting in a gain of USD0.6 million recognised in the consolidated income statement.

Summarised financial information of subsidiaries with material non-controlling interests

The total non-controlling interests as at 30 June 2014 is USD182.3 million (30 June 2013: USD204 million), allocated as below:

	30 June 2014 USD'000	**30 June 2013 USD'000**
The 21st Century International Development Company Limited ("Century 21")	25,984	26,794
VinaCapital Danang Golf Course Limited ("Danang Golf")	13,279	17,758
Vina Dai Phuoc Corporation Limited ("Dai Phuoc Lotus")	30,027	30,075
Vina Alliance Company Limited ("Vina Square")	34,557	32,712
Others	78,525	96,705
	182,372	204,044

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 SUBSIDIARIES AND ASSOCIATES (CONTINUED)

Set out below are summarised financial information for each of the subsidiaries with non-controlling interests that are material to the Group.

Summarised balance sheets

	Century 21		Danang Golf		Dai Phuoc Lotus		Vina Square	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Current								
Assets	17,600	48,478	39,082	25,806	26,998	34,829	185	122
Liabilities	(66,426)	(68,370)	(64,561)	(76,808)	(20,092)	-	(41,282)	(41,173)
Total current net (liabilities)/assets	(48,826)	(19,892)	(25,479)	(51,002)	6,906	34,829	(41,097)	(41,051)
Non-current								
Assets	123,017	73,537	84,174	102,278	58,712	55,663	85,639	85,663
Liabilities	(37,029)	(12,456)	(32,183)	(28,136)	-	(24,616)	(25,161)	(28,710)
Total non-current net assets	85,988	61,081	51,991	74,142	58,712	31,047	60,478	56,953
Net assets	37,162	41,189	26,512	23,140	65,618	65,876	19,381	15,902

Summarised income statements

	Century 21		Danang Golf		Dai Phuoc Lotus		Vina Square	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	-	-	4,826	4,129	10,730	14,409	-	-
(Loss)/profit before income tax	(3,252)	(5,834)	4,830	(14,455)	307	(4,944)	4,146	(19,856)
Income tax (expense)/income	(2)	2,577	(1,748)	4,474	(78)	(1,880)	-	1,806
Post-tax (loss)/profit from continuing operations	(3,254)	(3,257)	3,082	(9,981)	229	(6,824)	4,146	(18,050)
Other comprehensive income	(773)	(1,272)	290	(882)	(487)	(943)	(667)	(1,029)
Total comprehensive (loss)/income	(4,027)	(4,529)	3,372	(10,863)	(258)	(7,767)	3,479	(19,079)
Total comprehensive income/(loss) allocated to non-controlling interests	(1,007)	(1,132)	843	(2,716)	(202)	(2,679)	1,806	(10,530)

Summarised cash flow statements

	Century 21		Danang Golf		Dai Phuoc Lotus		Vina Square	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Net cash flows from operating activities	6,180	(3,136)	1,743	494	2,305	8,776	199	(17)
Net cash flows from investing activities	(29,511)	(7,221)	(630)	(672)	(4,020)	(11,132)	(128)	-
Net cash flows from financing activities	24,181	10,393	80	218	1,352	189	-	-
Net increase/(decrease) in cash and cash equivalents	850	36	1,193	40	(363)	(2,167)	71	(17)

The information above is before inter-company eliminations.

9 PREPAYMENTS FOR ACQUISITIONS OF INVESTMENTS

	30 June 2014 USD'000	30 June 2013 USD'000
Prepayments for acquisitions of investments	74,509	80,733
Transfers (to)/from assets classified as held for sale	(16,355)	7,422
	58,154	88,155
Allowance for impairment	(17,006)	(22,474)
	41,148	65,681

Prepayments are made by the Group to property vendors where the final transfer of the property is pending the approval of the relevant authorities and/or is subject to either the Group or the vendor completing certain performance conditions set out in agreements.

As at 30 June 2014, due to market conditions, impairment allowances of USD17 million (30 June 2013: USD22.5 million) have been made against the prepayments for acquisitions of investments. The relevant recoverable amounts are fair values less costs to sell estimated by independent professional qualified valuers who hold recognised relevant professional qualifications and have recent experience in the locations and categories of the properties for which these prepayments are made. Further information on the impairment of the Long An Services and Residential projects is disclosed in Note 3.2(b).

The valuations by the independent valuation companies are prepared based upon direct comparison with sales of other similar properties in the area and the expected future discounted cash flows of a property using a yield that reflects the risks inherent therein. Discount rates applied vary from 15% to 22% (2013: 15% to 22%). If the sales prices of similar properties had increased/decreased, it is expected that the recoverable amounts of these prepayments would have moved up/down accordingly. On the other hand, if discount rates had risen/dropped, their recoverable amounts would have decreased/increased as a result.

It is the Group's view that all of its prepayments for acquisitions of investments are in Level 3 of the fair value hierarchy. Their movements during the year are as follows:

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	65,681	66,591
Additions	544	205
Impairment (Note 27)	(626)	(8,537)
Disposals	(8,096)	-
Transfers (to)/from assets classified as held for sale(*)	(16,355)	7,422
Closing balance	41,148	65,681

(*) During the year, the Group's prepayments for the acquisition of the Marie Curie and Vung Bau projects were transferred to assets classified as held for sale. Their recoverable amounts are fair values less costs to sell, which are based on the selling prices agreed in the relevant sale and purchase agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 DEFERRED INCOME TAX ASSETS

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	6,037	13,021
Net change in the year (*)	2,168	(6,984)
Transfers to assets classified as held for sale	(385)	-
Closing balance	7,820	6,037
Deferred income tax asset to be recovered after more than 12 months	7,698	5,665
Deferred income tax asset to be recovered within 12 months	122	372
	7,820	6,037

(*) The net change mainly arose from changes for tax provisions on fair value adjustments of investment properties and leasehold land and buildings during the year.

Deferred income tax assets are the amounts of income taxes to be recovered in future periods in respect of temporary differences between the carrying amounts of revalued assets and their tax bases.

Deferred income tax assets relating to the accumulated tax losses as at 30 June 2014 of USD22.5 million (30 June 2013: USD20.4 million) of the Group's subsidiaries subject to corporate income tax in Vietnam have not been recognised due to uncertainties as to the timing of their recoverability. Estimated tax losses available for offset against future taxable income are as follows:

Years of expiration

	30 June 2014 USD'000	30 June 2013 USD'000
2014	-	848
2015	2,056	2,115
2016	4,808	4,864
2017	4,506	4,746
2018	6,030	7,869
2019	5,151	-
	22,551	20,442

11 INVENTORIES

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	121,510	141,243
Additions	5,663	21,335
Transfers from investment properties (Note 5)	-	1,515
Transfers to cost of sales	(22,173)	(42,296)
Translation differences	(131)	(287)
	104,869	121,510
Provision for impairment	-	-
	104,869	121,510

During the year, the Group capitalised borrowing costs amounting to USD1.8 million (2013: USD3.2 million) into the value of inventories.

Inventories which belong to VinaCapital Danang Resort Limited and Vinh Thai Urban Development Corporation Limited with a total carrying value of USD39 million as at 30 June 2014 (30 June 2013: USD48.5 million) are pledged as security for bank borrowings disclosed in Note 18.

12 TRADE AND OTHER RECEIVABLES

	30 June 2014 USD'000	30 June 2013 USD'000
Non-current		
Receivables as compensation for property exchanged	63,646	39,656
Current		
Trade receivables	3,494	7,628
Receivable from non-controlling interests	140	573
Receivables from disposals of subsidiaries (*)	6,048	10,436
Interest receivables	9	15
Prepayments to suppliers	1,212	6,186
Short-term prepaid expenses	635	1,404
Advances for land compensation	3,366	3,386
Advances to employees	74	260
Other receivables	1,503	1,746
	16,481	31,634
Allowance for impairment	(1,755)	-
	14,726	31,634

(*) Receivables from disposals of subsidiaries represent the final settlements upon completion of the transfer of ownership of subsidiaries to the buyers in accordance with the relevant sale and purchase agreements.

All trade and other receivables are short-term in nature and their carrying values, after allowances for impairment, approximate their fair values at the date of the consolidated balance sheet.

13 CASH AND CASH EQUIVALENTS

	30 June 2014 USD'000	30 June 2013 USD'000
Cash on hand	52	408
Cash at banks	42,155	7,294
Cash equivalents	11,687	8,794
	53,894	16,496

Cash equivalents include short-term highly liquid investments with original maturities of three months or less.

At 30 June 2014, cash and cash equivalents held at the Company level amounted to USD39.8 million (30 June 2013: USD3.4 million). The remaining balance of cash and cash equivalents is held by subsidiaries in Vietnam. Cash held in Vietnam is subject to restrictions imposed by co-investors and the Vietnamese government and therefore it cannot be transferred out of Vietnam unless such restrictions are satisfied.

14 FINANCIAL INSTRUMENTS BY CATEGORY

As at 30 June 2014

	Loans and receivables USD'000	Assets at fair value through profit or loss USD'000	Total USD'000
Assets as per consolidated balance sheet			
Non-current:			
Long-term investments	1,369	-	1,369
Compensation receivable for property exchanged	63,646	-	63,646
Current:			
Trade receivables	3,494	-	3,494
Receivables from non-controlling interests	140	-	140
Receivables from disposals of subsidiaries	6,048	-	6,048
Interest receivables	9	-	9
Receivables from related parties	2,215	-	2,215
Short-term investments	4,257	-	4,257
Financial assets at fair value through profit or loss	-	767	767
Cash and cash equivalents	53,894	-	53,894
Total	135,072	767	135,839

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

As at 30 June 2014

Liabilities as per consolidated balance sheet	Other financial liabilities at amortised cost USD'000	Liabilities at fair value through profit or loss USD'000	Total USD'000
Non-current:			
Bank borrowings and debts	120,134	-	120,134
Trade and other payables	31,380	-	31,380
Payables to related parties	31,323	-	31,323
Current:			
Bank borrowings and debts	13,969	-	13,969
Payables to related parties	2,993	-	2,993
Trade payables	957	-	957
Payables for property acquisitions and land compensation	25,862	-	25,862
Financial liabilities at fair value through profit and loss	-	259	259
Interest payables	1,074	-	1,074
Other accrued liabilities	416	-	416
Other payables	3,206	-	3,206
Total	**231,314**	**259**	**231,573**

As at 30 June 2013

Assets as per consolidated balance sheet	Loans and receivables USD'000	Assets at fair value through profit or loss USD'000	Total USD'000
Non-current:			
Receivable from a related party	960	-	960
Compensation receivable for property exchanged	39,656	-	39,656
Current:			
Trade receivables	7,628	-	7,628
Receivables from non-controlling interests	573	-	573
Receivables from disposals of subsidiaries	10,436	-	10,436
Interest receivables, net of impairment	15	-	15
Receivables from related parties	427	-	427
Short-term investments	2,997	-	2,997
Financial assets at fair value through profit or loss	-	2,992	2,992
Cash and cash equivalents	16,496	-	16,496
Total	79,188	2,992	82,180

14 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

As at 30 June 2013

Liabilities as per consolidated balance sheet	**Other financial liabilities at amortised cost USD'000**
Non-current:	
Bank borrowings and debts	83,892
Trade and other payables	34,090
Payable to a related party	28,218
Current:	
Bank borrowings and debts	12,202
Payables to related parties	9,042
Trade payables	7,724
Payables for property acquisitions and land compensation	22,057
Interest payables	164
Other accrued liabilities	5,721
Other payables	3,662
Total	**206,772**

15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

	30 June 2014				
				Attributable to	
	Assets classified as held for sale USD'000	**Liabilities classified as held for sale USD'000**	**Net assets classified as held for sale USD'000**	**Non-controlling interests USD'000**	**Equity shareholders of the parent USD'000**
Roxy Assets (Singapore) Pte. Limited	34,451	18,628	15,823	3,956	11,867
Marie Curie project	10,749	-	10,749	-	10,749
Vung Bau project	5,606	1,000	4,606	-	4,606
	50,806	19,628	31,178	3,956	27,222

The assets and liabilities relating to Roxy Assets (Singapore) Pte. Limited, which holds a 100% interest in Roxy Vietnam Co. Ltd., the owner of the Movenpick Hanoi Hotel, Marie Curie Project and Vung Bau Project have been presented as held for sale following the signing of the relevant sale and purchase agreements.

15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (CONTINUED)

It is the Group's view that all of its assets and liabilities classified as held for sales are in Level 3 of the fair value hierarchy. The major classes of assets and liabilities of USD50.8 million and USD19.6 million and their movements during the year are as follows:

	30 June 2013 USD'000	Transfers in USD'000	Disposal USD'000	30 June 2014 USD'000
Assets classified as held for sale				
Property, plant and equipment (net of accumulated depreciation)	-	54,775	(26,935)	27,840
Intangible assets (net of accumulated amortisation)	-	10,302	(7,040)	3,262
Prepayment for operating leases	-	233	-	233
Deferred income tax assets	-	385	-	385
Other non-current assets	-	93	-	93
Inventories	-	466	(402)	64
Trade and other receivables	-	2,439	(391)	2,048
Prepayments for acquisition of investments	-	16,355	-	16,355
Cash and cash equivalents	-	2,786	(2,260)	526
	-	87,834	(37,028)	50,806
Liabilities classified as held for sale				
Borrowings and debts	-	18,439	(3,236)	15,203
Trade and other payables	-	7,501	(3,076)	4,425
	-	25,940	(6,312)	19,628
Net assets classified as held for sale	-	61,894	(30,716)	31,178

A building, equipment and construction project in progress which belongs to Roxy Vietnam Co. Ltd. with a total carrying value of USD27.8 million as at 30 June 2014 (30 June 2013: USD15.5 million) are pledged as security for bank borrowings disclosed in liabilities classified as held for sale.

During the year, the assets and liabilities of Vina Properties (Singapore) Pte. Limited and its subsidiary were reclassified as held for sale and were subsequently disposed of. This disposal is disclosed in Note 8(b).

There were no assets and liabilities classified as held for sale as at 30 June 2013.

16 SHARE CAPITAL

	30 June 2014		30 June 2013	
	Number of shares	USD'000	Number of shares	USD'000
Authorised:				
Ordinary shares of USD0.01 each	500,000,000	5,000	500,000,000	5,000
Issued and fully paid:				
Opening balance	481,298,227	4,813	493,487,622	4,935
Shares purchased and cancelled	(22,571,147)	(226)	(12,189,395)	(122)
Closing balance	458,727,080	4,587	481,298,227	4,813

The Company considers investors holding more than a 10% beneficial interest in the ordinary shares of the Company as major shareholders. As at 30 June 2014, there were two investors that held more than 10% of the ordinary shares of the Company (30 June 2013: two).

During the year ended 30 June 2014, the Company purchased and cancelled 22,571,147 of its ordinary shares (30 June 2013: 12,189,395 shares) for a total cash consideration of USD12.1 million (30 June 2013: USD5.6 million) at an average cost of USD0.54 per share (30 June 2013: USD0.46 per share). The difference between the cost of the shares repurchased and their net asset value has been recorded in an equity reserve.

17 ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital represents the excess of consideration received over the par value of shares issued.

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	567,374	580,835
Shares repurchased and cancelled (Note 16)	(20,382)	(13,461)
Closing balance	546,992	567,374

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18 REVALUATION RESERVE

	30 June 2013 USD'000	30 June 2013 USD'000
Opening balance	-	4,186
Revaluation gain on buildings	10,696	1,469
Transfer of share of revaluation gain attributable to non-controlling interests	(2,674)	(545)
Disposal of a subsidiary	-	(5,110)
	8,022	-

19 BORROWINGS AND DEBTS

	30 June 2014 USD'000	30 June 2013 USD'000
Long-term borrowings:		
Bank borrowings	102,521	92,913
Loans from non-controlling interests	1,980	1,298
Zero dividend preference shares	26,298	-
Less:		
Current portion of long-term borrowings and debts	(10,665)	(10,319)
	120,134	83,892
Short-term borrowings:		
Bank borrowings	3,304	1,883
Current portion of long-term borrowings	10,665	10,319
	13,969	12,202
Total borrowings and debts	**134,103**	**96,094**

i) Borrowings

Borrowings mature at a range of dates until September 2024 and bear average annual interest rates of 12% for amounts in VND and 3.75% for amounts in USD (30 June 2013: 13% for amounts in VND and 6% for amounts in USD). USD14.8 million of the Group's borrowings bears fixed interest rates and the remaining is subject to floating interest rates.

All bank borrowings are secured by certain investment properties and inventories of the Group (Notes 5 and 11).

During the year, the Group capitalised borrowing costs amounting to USD6.9 million (2013: USD7.7 million) in qualifying assets (Notes 5 and 11).

The maturity of the Group's borrowings at the end of the reporting year is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19 BORROWINGS AND DEBTS (CONTINUED)

	30 June 2014 USD'000	30 June 2013 USD'000
6 months or less	5,332	5,159
6-12 months	8,637	7,044
1-5 years	93,836	83,069
Over 5 years	-	822
	107,805	96,094

The fair value of current borrowings equals their carrying amounts, as the impact of discounting is not significant. The fair value of long-term bank borrowings is USD93.4 million (30 June 2013: USD83.9 million). These are Level 2 fair values which are estimated using the discounted cash flow method.

The Group's borrowings are denominated in the following currencies:

	30 June 2014 USD'000	30 June 2013 USD'000
VND	106,586	75,016
USD	1,219	21,078
	107,805	96,094

During the year, the Group's subsidiaries borrowed USD59.3 million (30 June 2013: USD23.4 million) from banks to finance working capital and property development activities.

ii) Zero dividend preference shares

VinaLand ZDP Ltd., a subsidiary of the Company, issued 15 million zero dividend preference shares with a par value of GBP1.00 per share on 17 December 2013. The ZDP Shares have a three-year term and provide a gross redemption yield of 8%. They were admitted to the standard listing segment of the Official List of the UK Listing Authority and trading on the London Stock Exchange's main market on 20 December 2013.

The fair value of the ZDP Shares as at 30 June 2014 is USD26.3 million. This is a Level 1 fair value based on market quotes on 30 June 2014.

20 NON-CURRENT TRADE AND OTHER PAYABLES

The balance as at 30 June 2014 includes VND535 billion, equivalent to USD25.1 million (30 June 2013: VND606 billion, equivalent to USD28.6 million) due to a minority shareholder in a joint venture company representing the remaining amount payable to reimburse land acquisition costs incurred by that shareholder. The balance will be paid within 12 months of the Company's obtaining a land use rights certificate under its name. The Investment Manager believes that the balance is non-current because it is unlikely that the certificate will be issued before the end of December 2014 and payment could be delayed to 12 months later.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 DEFERRED INCOME TAX LIABILITIES

	30 June 2014 USD'000	30 June 2013 USD'000
Opening balance	27,594	50,360
Net reversal during the year from fair value adjustments of investment properties and property, plant and equipment	(5,839)	(22,766)
Closing balance	21,755	27,594
Deferred income tax liabilities to be recovered after more than 12 months	20,693	24,602
Deferred income tax liabilities to be recovered within 12 months	1,062	2,992
	21,755	**27,594**

Deferred income tax liabilities are the amounts of income taxes for settlement in future periods in respect of temporary differences between the carrying amounts of revalued assets and their tax bases.

22 TRADE AND OTHER PAYABLES

	30 June 2014 USD'000	30 June 2013 USD'000
Trade payables	957	7,724
Payables for property acquisitions and land compensation	25,862	22,057
Deposits from property buyers	20,195	3,750
Deposits from customers of residential projects	33,639	39,381
Interest payables	1,074	164
Other accrued liabilities	416	5,721
Other payables	3,206	3,662
	85,349	82,459

All trade and other payables are short-term in nature. Their carrying values approximate their fair values as at the date of the consolidated balance sheet.

23 REVENUE

	Year ended	
	30 June 2014	**30 June 2013**
	USD'000	**USD'000**
Sales of residential projects	27,526	42,558
Hospitality activities	13,599	24,845
	41,125	67,403

24 COST OF SALES

	Year ended	
	30 June 2014	**30 June 2013**
	USD'000	**USD'000**
Residential projects	23,793	44,592
Hospitality activities	8,075	16,564
	31,868	61,156

Cost of sales include raw material and consumable used, construction costs, land costs, depreciation and amortisation, staff costs, outside service costs and other expenses.

The analysis of cost of sales based on nature of expenses is as follows:

	Year ended	
	30 June 2014	**30 June 2013**
	USD'000	**USD'000**
Raw materials and consumable used	2,524	2,842
Construction costs	14,894	28,933
Land costs	3,723	10,833
Depreciation and amortisation	3,198	7,317
Staff costs	3,461	2,974
Outside service costs	760	1,526
Other expenses	3,308	6,731
	31,868	61,156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25 NET LOSS ON FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES AND REVALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

	Year ended	
	30 June 2014 USD'000	**30 June 2013 USD'000**
Investment properties		
By real estate sector:		
- Commercial	234	(768)
- Residential and office buildings	(19,360)	(48,638)
- Mixed use	429	(33,830)
	(18,697)	(83,236)
Property, plant and equipment		
- Hospitality	12,999	(2,119)
Net loss on fair value adjustments of investment properties and revaluations of property, plant and equipment	(5,698)	(85,355)

26 SELLING AND ADMINISTRATION EXPENSES

	Year ended	
	30 June 2014 USD'000	**30 June 2013 USD'000**
Management fees (Note 35)	7,841	9,282
Professional fees (*)	4,744	6,840
Listing expenses	1,152	-
Depreciation and amortisation (*)	1,657	843
General and administration expenses (*)	5,361	8,122
Staff costs (*)	3,834	5,253
Others (*)	1,298	3,054
	25,887	33,394

(*) These expenses primarily relate to the operating activities of the Group's subsidiaries. Note 31 contains further information in respect to ongoing charges incurred by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27 IMPAIRMENT OF ASSETS

	Year ended	
	30 June 2014	**30 June 2013**
	USD'000	**USD'000**
(Reversal of)/impairment of prepayments for acquisitions of investments	(626)	8,537
Impairment of goodwill	-	3,923
Impairment of trade and other receivables	1,755	397
	1,129	12,857

28 FINANCE INCOME

	Year ended	
	30 June 2014	**30 June 2013**
	USD'000	**USD'000**
Interest income	1,994	2,455
Realised foreign exchange gains	53	25
Dividends	63	51
	2,110	2,531

29 FINANCE EXPENSES

	Year ended	
	30 June 2014	**30 June 2013**
	USD'000	**USD'000**
Realised foreign exchange losses	169	1,035
Unrealised foreign exchange losses	384	453
Interest expense	7,017	5,869
Others	61	14
	7,631	7,371

30 INCOME TAX

VinaLand Limited is domiciled in the Cayman Islands. Under the current laws of the Cayman Islands, there are no income, corporation, capital gains or other taxes payable by the Company.

The majority of the Group's subsidiaries are domiciled in the British Virgin Islands ("BVI") and so have a tax exempt status. A number of subsidiaries are established in Vietnam and Singapore and are subject to corporate income tax in those countries.

On 19 June 2013, the Vietnamese National Assembly approved a new corporate income tax law. Under the new law, the standard corporate income tax was reduced from 25% to 22% effective 1 January 2014. A further reduction in tax rate to 20% will become effective on 1 January 2016. A provision of USD0.5 million has been made for corporate income tax payable by the Vietnamese subsidiaries for the year (30 June 2013: USD0.6 million).

The relationship between the expected tax expense based on the applicable tax rate of 0% and the tax expense actually recognised in the consolidated income statement can be reconciled as follows:

	Year ended	
	30 June 2014 USD'000	30 June 2013 USD'000
Group's loss before tax	(32,446)	(131,608)
Group's loss multiplied by applicable tax rate (0%)		-
Current income tax expenses for subsidiaries	(462)	(607)
Deferred income tax (*)	5,488	15,782
Income tax	5,026	15,175

(*) This amount represents the net deferred income tax income/(expense) which arises from the gains and losses on fair value adjustments of investment properties and property, plant and equipment and the reversal of deferred income tax assets and liabilities as a result of changes to assumptions during the year.

31 LOSS AND NET ASSET VALUE PER SHARE

(a) Basic

	Year ended	
	30 June 2014 USD'000	30 June 2013 USD'000
Loss attributable to owners of the Company from continuing and total operations (USD'000)	(24,193)	(90,137)
Weighted average number of ordinary shares in issue	477,090,363	483,978,820
Basic loss per share from continuing and total operations (USD/share)	(0.05)	(0.19)

31 LOSS AND NET ASSET VALUE PER SHARE (CONTINUED)

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has no category of potential dilutive ordinary shares. Therefore, diluted loss per share is equal to basic loss per share.

(c) Net asset value per share

	As at	
	30 June 2014	30 June 2013
Net asset value (USD'000)	420,134	446,778
Number of outstanding ordinary shares in issue	458,727,080	481,298,227
Net asset value per share (USD/share)	0.92	0.93

32 TOTAL EXPENSES RATIO

	For the year ended	
	30 June 2014	30 June 2013
Total expenses ratio	2.31%	2.15%
Realisation fees	-	-
Total expenses ratio plus realisation fees	2.31%	2.15%

The total expenses ratio has been calculated in accordance with the Association of Investment Companies ("AIC") recommended methodology dated May 2012. It is the ratio of annualised ongoing charges over the average undiluted net asset value during the year.

The total expenses ratio includes management fees, directors' fees and expenses, recurring audit and tax services, custody and fund administration services, fund accounting services, secretarial services, registrars' fees, public relations fees, insurance premiums, regulatory fees and similar charges.

33 COMMITMENTS

As at the balance sheet date, the Group was committed under lease agreements to paying the following future amounts:

	30 June 2014 USD'000	30 June 2013 USD'000
Within one year	282	304
From two to five years	550	915
Over five years	5,357	1,330
	6,189	2,549

As at 30 June 2014, the Group was also committed under construction agreements to pay USD16.4 million (30 June 2013: USD23.3 million) for future construction work of the Group's properties held by subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33 COMMITMENTS (CONTINUED)

The Company's subsidiaries and associates have a broad range of commitments relating to investment projects under agreements it has entered into and investment licences it has received. Further investment in any of these arrangements is at the Group's discretion. The Investment Manager has estimated that, based on the development plan for each project, approximately USD29.9 million (30 June 2013: USD31.2 million) will be used to fund these projects over the next three years.

34 DIRECTORS' FEES AND MANAGEMENT'S REMUNERATION

The aggregate annual directors' fees amounted to USD199,425 (year ended 30 June 2013: USD211,952) of which there were no outstanding payables at the reporting date (30 June 2013: nil).

The details of annual remuneration by director are summarised below:

	Year ended	
	30 June 2014 USD'000	**30 June 2013 USD'000**
Charles Isaac	41.9	37.5
Daniel McDonald	16.4	-
Michael Arnold	-	24.5
Michel Casselman	41.9	37.5
Nicholas Allen	41.9	37.5
Nicholas Brooke	41.9	37.5
Stanley Chou	15.4	37.5
	199.4	212

The other directors in office during the year and prior year did not receive any fee.

35 RELATED PARTY TRANSACTIONS AND BALANCES

Management fees

The Group is managed by VinaCapital Investment Management Limited (the "Investment Manager"), an investment management company incorporated in the Cayman Islands, under a management agreement effective 21 November 2012 (the "Amended Management Agreement").

Under the Amended Investment Management Agreement the management fee from 21 November 2012 is now fixed at USD8.25 million for the subsequent 12 months, USD7.5 million for the next 12 months and USD6.5 million for the next 12 months.

Total management fees for the year amounted to USD7,841,096 (30 June 2013: USD9,281,805), with USD639,941 (30 June 2013: USD633,777) in outstanding accrued fees due to the Investment Manager at the date of the consolidated balance sheet.

Performance fees

Under the Former Management Agreement prior to 21 November 2012, the Investment Manager was also entitled to a performance fee equal to 20% of the annual increase in net asset value over the higher of realised returns over an annualised hurdle rate of 8% (30 June 2012: hurdle rate 8%) and a high-water-mark. Under this arrangement, no performance fee was charged for the year (30 June 2013: nil), but USD28,218,000 (30 June 2013: USD28,218,000) of performance fees had been accrued as payable, which had been earned during prior years. On 21 November 2012, under the Amended Management Agreement, the Investment Manager's entitlement to the accrued performance fee and any future performance fees under the Former Management Agreement were cancelled and a new realisation fee, equivalent to the amount of accrued performance fees due and outstanding to the Investment Manager at 20 November 2012, was introduced.

Realisation fees

In accordance with the Amended Management Agreement, the Investment Manager is entitled to a realisation fee of up to USD28,218,000 based upon the level of distributions made to shareholders from contracted divestments of assets signed prior to 21 November 2015 . An amount of USD27,297,613 (30 June 2013: USD28,218,000) was accrued as a liability for realisation fees payable to the Investment Manager as at 30 June 2014.

Credit facility

In accordance with a facility agreement between the Group and the Investment Manager relating to the Zero Dividend Preference share issuance in December 2013, the Investment Manager has undertaken to provide a loan facility to the Group until 30 June 2015 to meet the working capital requirements of the Group and its subsidiaries. The Investment Manager has made available a USD loan facility of a maximum amount equivalent to (i) USD1,200,000 plus (ii) the cumulative amount of management fees that the Investment Manager has received from the Group since the commencement of the facility. Any amounts outstanding under this facility will be subject to interest at the rate of 13 percent per annum. The funds can only be drawn upon if the Company experiences a cash shortfall and no distributions can be made to shareholders if any amounts are outstanding under the facility. As at 30 June 2014, the Group had not drawn down any amounts from this facility.

35 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Details of payables to related parties at the date of the consolidated balance sheet are as below:

	Relationship	Balances	30 June 2014 USD'000	30 June 2013 USD'000
Non-current				
VinaCapital Investment Management Ltd.	Investment Manager	Realisation fees	27,298	28,218
VinaCapital Corporate Finance Vietnam Ltd.	Affiliate of Investment	Loan	2,347	-
	Manager	Interest	1,678	-
			31,323	28,218
Current				
VinaCapital Vietnam Opportunity Fund Limited ("VOF)	Under common management	Tax and other payments on behalf	959	1,687
		Disposals of real estate projects	-	797
		Loans	-	663
VinaCapital Investment Management Ltd.	Investment Manager	Management fees	640	634
		Development fees and advances for real estate projects	1,394	1,664
VinaCapital Corporate Finance Vietnam Ltd.	Affiliate of Investment	Loans	-	2,394
	Manager	Interest	-	1,203
			2,993	9,042

As at 30 June 2014 and 30 June 2013, receivables from related parties mainly relate to amounts due from VOF pertaining to advances for jointly invested real estate projects.

The interests of the related parties in the shares, underlying shares and debentures of the Company are as follows:

	As at	
	30 June 2014	30 June 2013
	Number of shares	
Vietnam Master Holding 2 Limited(*)	36,216,326	36,216,326
VinaCapital Group Limited	993,333	993,333
VinaCapital Investment Management Limited	79,250	79,250

(*) Vietnam Master Holding 2 Limited is a wholly-owned subsidiary of VOF.

36 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group invests in a diversified property portfolio in Vietnam with the objective to provide shareholders a potential capital growth.

The Group is exposed to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk); credit risk; and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's risk management is coordinated by its Investment Manager who manages the distribution of the assets to achieve the investment objectives. The most significant financial risks to which the Group is exposed are described below.

Foreign exchange risk

The Group's exposure to risk resulting from changes in foreign currency exchange rates is moderate as although transactions in Vietnam are settled in the VND, the value of the VND has historically been closely linked to that of the USD, the presentation currency. The value of real estate in Vietnam is based on pricing that is a combination of VND, USD and gold. For this reason, a decline in the value of the VND against the USD does not necessarily mean proportionately lower prices will be obtained in USD.

The Group converted the proceeds from the ZDP share issue from GBP to USD. The Group has entered into a cross currency swap with a bank to hedge its future cash flows against fluctuations in the GBP/USD exchange rate.

The Group has not entered into any other hedging mechanism as the estimated benefits of available instruments outweigh their cost. On an ongoing basis the Investment Manager analyses the current economic environment and expected future conditions and decides the optimal currency mix considering the risk of currency fluctuation, interest rate return differentials and transaction costs. The Investment Manager updates the Board regularly and reports on any significant changes for further actions to be taken.

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign exchange risk (continued)

The Group's financial assets' and liabilities' exposures to risk of fluctuations in exchange rates at the reporting dates are as follows:

30 June 2014	Short-term exposure VND (USD as functional currency) USD'000	Short-term exposure USD (VND as functional currency) USD'000	Long-term exposure VND (USD as functional currency) USD'000	Long-term exposure USD (VND as functional currency) USD'000
Financial assets	11,380	3,175	-	-
Financial liabilities	(1,908)	(10,944)	-	-
Net exposure	9,472	(7,769)	-	-

30 June 2013	Short-term exposure VND (USD as functional currency) USD'000	Short-term exposure USD (VND as functional currency) USD'000	Long-term exposure VND (USD as functional currency) USD'000	Long-term exposure USD (VND as functional currency) USD'000
Financial assets	14,322	3,575	-	-
Financial liabilities	-	(4,529)	-	(15,330)
Net exposure	14,322	(954)	-	(15,330)

The functional currency of the Company is the USD. The functional currencies of the Group's subsidiaries in the BVI and Singapore are the USD while those of its Vietnamese subsidiaries are the VND. The Group's exposure to currency risk arises from VND denominated balances at the BVI and Singapore levels and USD denominated balances at the Vietnamese level.

At 30 June 2014, if the VND weakened/strengthened by 5% (30 June 2013: 5%), post-tax loss for the year would have been USD0.8 million (30 June 2013: USD2.2 million) higher/lower.

Price risk sensitivity

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Group's financial instruments are carried at fair value with fair value changes recognised in the consolidated income statement, all changes in market conditions will directly affect net investment income.

The Group invests in real estate projects and is exposed to market price risk. If the prices of real estate had increased/decreased by 10%, post-tax loss for the year would have been USD41.4 million lower/higher (30 June 2013: USD42.7 million).

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash flow and fair value interest rate sensitivity

The Group's exposure to interest rate risk is related to interest bearing financial assets and financial liabilities. Cash and cash equivalents, bank deposits and bonds are subject to interest at fixed rates.

The Group currently has all financial liabilities with floating interest rates which are disclosed in Note 19 to the consolidated financial statements. This is the maximum exposure of the Group to cash flow interest rate risk.

At 30 June 2014, if interest rates had been 0.5% (30 June 2013: 0.5%) higher/lower with all other variables held constant, post-tax loss for the year would have been USD0.53 million higher/lower (30 June 2013: post-tax loss for the year would have been USD0.47 million lower/higher).

The Investment Manager is responsible for the Group's cash flow planning and cash management, including borrowings. While the Group's subsidiaries may work directly with financial institutions to raise project financing, the Investment Manager has the overall responsibility for relations with financial institutions and is kept informed or involved in all financing activities.

The Investment Manager is involved from the early stage of the negotiation processes to ensure that the right structure and strategy are set at the beginning of each project. The Investment Manager is also responsible for ensuring the structure, pricing, financial ratios/covenants and other conditions are achievable and that repayment obligations can be met.

Credit risk analysis

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the Group at the reporting date.

The Investment Manager maintains a list of approved banks for holding deposits and set aggregate limits for deposits or exposures to individual banks. While this list is formally reviewed at least monthly, it is updated to reflect developments in the market on a timely basis as information becomes available.

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, analysis by credit quality is as follows:

	30 June 2014 USD'000	**30 June 2013 USD'000**
Current and not impaired	64,123	27,803
Past due but not impaired, less than 6 months	-	106
Past due but not impaired, more than 6 months	69,194	51,279
Past due and impaired	1,755	-
	135,072	79,188
Less: Allowance for impairment	(1,755)	-
Total	133,317	79,188

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk analysis (continued)

	30 June 2014 USD'000	30 June 2013 USD'000
Neither past due nor impaired:		
Long-term investments	1,369	-
Short-term investments	4,257	2,997
Cash and cash equivalents	53,894	16,496
Receivable from a related party	960	960
Trade receivables	3,494	6,762
Interest receivables	9	15
Receivable from non-controlling interests	140	573
	64,123	27,803
Past due but not impaired:		
Compensations receivable for property exchanged	63,646	39,656
Receivables from disposals of subsidiaries	4,293	10,436
Trade receivables	-	866
Receivables from related parties	1,255	427
	69,194	51,385
Past due but not impaired:		
Receivables from related parties	1,755	-
	1,755	-
Less: Allowance for impairment	(1,755)	-
Total trade and other receivables, net of provision for impairment	133,317	79,188

As at 30 June 2014, USD1.8 million had been provided for receivables from disposal of subsidiaries that the Group expected to be uncollectible (30 June 2013: nil).

Cash and cash equivalents and short-term investments are held at international and local banks and financial institutions which do not have histories of default.

The Group has no other significant concentrations of credit risk.

In accordance with the Group's policy, the Investment Manager continuously monitors the Group's credit position on a monthly basis, identified either individually or by group, and incorporates this information into its credit controls.

The Investment Manager reconsiders the valuations of financial assets that are impaired or overdue at each reporting date based on the payment status of the counterparties, recoverability of receivables, and prevailing market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk analysis

Liquidity risk is the risk that the Group will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with investments and financial instruments. There is an inherent liquidity risk associated with the Company's primary business, being property investment. As a consequence, the value of the majority of the Company's investments cannot be realised as quickly as other investments such as cash or listed equities. Furthermore, the development and realisation of the Company's property investments will normally require access to debt financing at a reasonable cost or shareholder loans from the Company's surplus funds and its co-investors.

The Company seeks to minimise liquidity risk through:

- Preparing and monitoring cash flow forecasts for each investment project and the Company;
- Arranging financing to fund real estate developments as required; and
- Providing ample lead times for the disposal of assets and realisation of cash.

At year end, the Group's financial liabilities have contractual maturities which are summarised follows:

	Current		Non-current	
30 June 2014	**Within 6 months USD'000**	**6 to 12 months USD'000**	**From 1 to 5 years USD'000**	**Over 5 years USD'000**
Trade and other payables	5,653	25,862	31,548	-
Short-term borrowings	5,333	8,637	-	-
Payables to related parties (*)	2,993	-	31,323	-
Long-term borrowings and debts	-	-	108,982	-
Zero dividend preference shares	-	-	32,074	-
Loans from non-controlling interests	-	-	2,147	-
	13,979	34,499	206,074	-

	Current		Non-current	
30 June 2013	**Within 6 months USD'000**	**6 to 12 months USD'000**	**From 1 to 5 years USD'000**	**Over 5 years USD'000**
Trade and other payables	13,609	25,719	34,090	-
Short-term borrowings	5,159	7,043	-	-
Payables to related parties (*)	3,196	5,846	28,218	-
Long-term borrowings and debts	-	-	95,663	823
Loans from non-controlling interests	-	-	1,298	-
	21,964	38,608	159,269	823

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk analysis (continued)

(*) Payables to related parties are primarily shareholder loans from related parties to jointly owned subsidiaries. These loans are not repayable until the respective subsidiaries have sufficient cash to repay these obligations.

The above contractual maturities reflect the gross cash flows, which may differ from the carrying value of the liabilities at year end .

Capital management

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern;
- To provide investors with an attractive level of investment income; and
- To preserve a potential capital growth level.

The Group considers the capital to be managed as equal to the net assets attributable to the equity shareholders of the parent. The Group is not subject to any externally imposed capital requirements. The Group has engaged the Investment Manager to allocate the net assets in such a way so as to generate a reasonable investment returns for its shareholders and to ensure that there is sufficient funding available for the Company to continue as a going concern.

Capital as at year end is summarised as follows:

	30 June 2014 USD'000	30 June 2013 USD'000
Net assets attributable to the equity shareholders of the parent	420,134	446,778

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The difference levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level within which the financial asset is classified is determined based on the lowest level of significant input to the fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value estimation (continued)

The financial assets and financial liabilities measured at fair value in the consolidated balance sheet are grouped into the fair value hierarchy as follows:

As at 30 June 2014	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Financial assets held at fair value through profit or loss				
- Ordinary shares – unlisted	-	750	-	**750**
- Derivatives	-	17	-	**17**
Financial liabilities				
- Derivatives	-	(259)	-	**(259)**

As at 30 June 2013	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Financial assets held at fair value through profit or loss				
- Ordinary shares – unlisted	-	2,992	-	**2,992**

There were no significant transfers between levels during the year.