26 October 2011

VinaLand Limited

Audited financial results for the twelve months ended 30 June 2011

VinaLand Limited ("the Company" or "VNL"), an AIM-quoted investment vehicle that targets key growth segments within Vietnam's emerging real estate market, today announces its full year results for the twelve months ended 30 June 2011 ("the Period").

Financial highlights

- Net loss for the year attributable to the Group's shareholders of USD2.6 million (2010: net profit of USD48.5 million).
- Losses per share of USD0.005 for the year (2010: earnings per share of USD0.10).
- Net asset value per share at 30 June 2011 of USD1.34 (2010: USD 1.36).

Operational highlights

- Construction and sales continued at Danang Beach Resort, World Trade Centre Danang, Ceana Villas and Resort, My Gia township, Dai Phuoc Lotus township, and The Garland. FY2011 saw USD84.1 million in total sales contracts signed (FY2010: 68.4 million).
- Successful launch of 'VinaLiving', a sales brand for all VNL-invested residential assets.
- One retail anchor tenant (Parkson Vietnam) was signed for the retail component of the World Trade Centre Danang. Negotiations are at an advanced stage with a hypermart operator and a cinema chain.
- FY2011 saw three divestments: Mandarin Gardens, Quoc Te and Bai Dai, a small holding in Cam Ranh Bay. These divestments resulted in gross proceeds of USD57.5 million, resulting in a gross IRR of 27.7 percent. A fourth divestment was concluded shortly after the financial year ended, and several divestment and co-investment deals are under negotiation.

Commenting, David Henry, Managing Director of VNL's Investment Manager, said:
"The past year has been a challenging one for the real estate market in Vietnam, with high inflation forcing strict fiscal policies and limited government lending. The Company has worked hard to adapt to the adverse economic climate through market positioning and by making suitable adjustments to our portfolio. By doing so, we have been able maintain solid residential sales while continuing to strengthen our reputation through our 'VinaLiving' sales brand."

Notes to Editors:

VinaCapital is the leading investment management and real estate development firm in Vietnam, with a diversified portfolio of USD1.7 billion in assets under management. VinaCapital was founded in 2003 and boasts a team of managing directors who bring extensive international finance and investment experience to the firm. Our mission is to produce superior returns for investors by using our experience and knowledge to identify the key trends and opportunities that emerge as Vietnam continues to develop its economy. To achieve this, VinaCapital has industry-leading asset class teams covering capital markets, private equity, fixed income, venture capital, real estate and infrastructure.

VinaCapital manages three closed-end funds trading on the AIM Market of the London Stock Exchange. These funds are: VinaCapital Vietnam Opportunity Fund Limited (VOF), VinaLand Limited (VNL), and Vietnam Infrastructure Limited (VNI). VinaCapital also co-manages the USD32 million DFJ VinaCapital L.P. technology venture capital fund with Draper Fisher Jurvetson.

VinaCapital has offices in Ho Chi Minh City, Hanoi, Danang, Nha Trang, Phnom Penh (Cambodia) and Singapore. More information about VinaCapital is available at www.vinacapital.com.

More information on VinaLand Limited is available at www.vinacapital.com/vnl

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Chairman's Statement

The past year has seen Vietnam struggle to contain high inflation, with the government enacting strict fiscal and monetary tightening policies. These policies have cooled the real estate market and created a number of challenges for VinaLand, as for other real estate developers and funds. With the cost of Vietnam dong debt exceeding 20 percent and new government policies limiting the lending available to real estate projects, VNL has focused its development activities on residential townhouse and villa projects, where pre-construction sales result in minimal need for project financing.

Given the difficult economic environment and its impact on the performance on the Fund, the past year has been challenging, and some shareholders have expressed concerns. Both the Board and the Manager have, therefore, extended efforts to communicate to shareholders the Fund's financial position, the fundamentals of the investment portfolio, and the strategy for the next three years.

The Fund has also looked to divest from non-core holdings that require significant financing or future capital commitments. The Fund holds a diverse portfolio, and the process of licensing and master planning continues to add value to assets even without starting construction. Projects can be divested once regulatory milestones are reached and third-party investors can see the value in the cleared and licensed land. In a number of cases this licensing and planning phase, in particular land clearance, has taken longer than expected.

However, the Fund has now moved into a phase that will see exits from projects via both sales to end-users and project divestments, with negotiations underway on several potential disposals. The ongoing residential sales have been reassuring given the current market slowdown in Vietnam. While many other developers in 2011 have slowed or stopped construction, VinaLand, under its 'VinaLiving' sales brand, has continued to bring products to market and strengthen its reputation in the retail home-buying market.

The Board is keenly aware, however, that shareholders require clear evidence that the Fund will generate a return on their investment. One area of particular concern to shareholders has been the delay to the capital distribution programme that was announced in late 2010. Over the first half of 2011, delays in closing two divestment transactions meant insufficient cash was available to complete the distribution. However, with the closing of one of these transactions in August, the capital distribution programme will now go ahead.

In addition, the Board has focused on improving the level of reporting and transparency to ensure shareholders receive more information on the Fund's performance, assets and strategy. A new quarterly report format will provide increased information, and the Board and Manager will provide semi-annual investor update briefings in key financial centres in Europe and Asia. The Board will also look to restructure its composition and add new directors, to maintain the current high standard of corporate governance that reflects international best practice, and also to deepen the experience base of the existing Board.

Given the current stage of development of the Fund's projects, the opportunity now exists to demonstrate the Fund's long-term ability to generate returns for its shareholders by divesting assets and distributing capital. However, the current global macro economic conditions cannot be ignored and, while the Fund anticipates being in a position to release to the market several residential projects for sale to end users and investors over the next twelve months, timing of such releases is presently uncertain.

We will remain in close contact with our shareholders during the upcoming year, and thank you for your ongoing support.

Nicholas Brooke
Chairman
VinaLand Limited
24 October 2011

Consolidated Statement of Financial Position

	Note	**30 June 2011 USD'000**	30 June 2010 USD'000 (Reclassified)
ASSETS			
Non-current			
Investment properties	8	**693,185**	620,650
Property, plant and equipment	9	**130,697**	111,569
Intangible assets	10	**12,653**	13,400
Investments in associates	11	**83,994**	71,789
Goodwill		**3,923**	3,923
Prepayments for operating lease assets	12	**4,687**	41,595
Prepayments for acquisitions of investments	13	**41,869**	52,208
Other long-term financial assets	14	**2,556**	9,980
Deferred tax assets	15	**16,301**	18,268
Non-current assets		**989,865**	943,382
Current			
Inventories		**4,029**	712
Properties developed for sale	16	**113,447**	80,057
Trade and other receivables	17	**108,147**	112,637
Receivables from related parties	18	**2,800**	4,389
Short-term investments	19	**3,605**	15,215
Financial assets at fair value through profit or loss	20	**17,831**	32,796
Cash and cash equivalents	21	**49,017**	79,979
Current assets		**298,876**	325,785
Assets classified as held for sale	23	**30,106**	-
Total assets		**1,318,847**	1,269,167
Equity attributable to shareholders of the parent			
Share capital	24	**4,999**	4,999
Additional paid-in capital	25	**588,870**	588,870
Revaluation reserve	26	**7,054**	3,483
Translation reserve		**(40,897)**	(29,733)
Retained earnings		**112,262**	114,025
		672,288	681,644
Non-controlling interests		**233,298**	224,269
Total equity		**905,586**	905,913
LIABILITIES			
Non-current			
Long-term borrowings and debts	27	**105,541**	70,995
Long-term trade and other payables	28	**6,435**	879
Long-term payables to related parties	31	**71,545**	76,856
Deferred tax liabilities	29	**51,056**	50,823
Non-current liabilities		**234,577**	199,553
Current			
Short-term borrowings and debts	27	**12,030**	21,090
Trade and other payables	30	**125,303**	116,466

Payables to related parties	31	**41,021**	26,145
Current liabilities		**178,354**	163,701
Liabilities included in disposal group held for sale	23	**330**	-
Total liabilities		**413,261**	363,254
Total equity and liabilities		**1,318,847**	1,269,167
Net asset per share attributable to shareholders of the Company	41	**1.34**	1.36

Consolidated Statement of Changes in Equity

	Share capital	Additional paid-in capital	Revaluation reserve	Translation reserve	Retained earnings	Non-controlling interests	Total equity
	Equity attributable to shareholders of the parent						
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
1 July 2009	**4,999**	**588,870**	**10,799**	**(16,147)**	**72,008**	**166,445**	**826,974**
Acquisition of non-controlling interests	-	-	-	-	1,683	(18,133)	**(16,450)**
Transaction with owners	-	-	-	-	1,683	(18,133)	**(16,450)**
Gain for the year ended 30 June 2010	-	-	-	-	48,451	27,541	**75,992**
Other comprehensive income							
-Revaluation gain (Note 26)	-	-	439	-	-	1,387	**1,826**
-Currency translation	-	-	-	(13,586)	-	(13,081)	**(26,667)**
Total other comprehensive income	-	-	439	(13,586)	-	(11,694)	**(24,841)**
Total comprehensive income	-	-	439	(13,586)	48,451	15,847	**51,151**
Acquisitions of subsidiaries	-	-	-	-	-	44,119	**44,119**
Capital contributions in subsidiaries	-	-	-	-	-	37,298	**37,298**
Disposals of subsidiaries	-	-	(7,755)	-	(8,117)	(20,685)	**(36,557)**
Dividend distributions to non-controlling interests	-	-	-	-	-	(622)	**(622)**
30 June 2010	**4,999**	**588,870**	**3,483**	**(29,733)**	**114,025**	**224,269**	**905,913**
1 July 2010	**4,999**	**588,870**	**3,483**	**(29,733)**	**114,025**	**224,269**	**905,913**
Acquisition of non-controlling interests	-	-	-	-	840	(2,048)	**(1,208)**
Transaction with owners	-	-	-	-	840	(2,048)	**(1,208)**
Profits for the year ended 30 June 2011	-	-	-	-	(2,603)	18,110	**15,507**
Other comprehensive income							
-Revaluation gains (Note 26)	-	-	3,571	-	-	1,357	**4,928**
-Currency translation	-	-	-	(11,164)	-	(9,797)	**(20,961)**
Total other comprehensive income	-	-	3,571	(11,164)	-	(8,440)	**(16,033)**
Total comprehensive income	-	-	3,571	(11,164)	(2,603)	9,670	**(526)**
Capital contributions in subsidiaries	-	-	-	-	-	15,280	**15,280**
Reversal of non-controlling share premium capital in a subsidiary	-	-		-	-	(10,970)	**(10,970)**
Decrease in non-controlling interest due to change in corporate structure	-	-	-	-	-	(2,775)	**(2,775)**
Dividend distributions to non-controlling interests	-	-	-	-	-	(128)	**(128)**
30 June 2011	**4,999**	**588,870**	**7,054**	**(40,897)**	**112,262**	**233,298**	**905,586**

Consolidated Statement of Income

	Note	**Year ended 30 June 2011 USD'000**	Year ended 30 June 2010 USD'000
Revenue		**56,551**	17,277
Cost of sales		**(46,822)**	(10,235)
Gross profit		**9,729**	7,042
Net gains on fair value adjustments of investment properties and impairment of properties, plant and equipment	33	**67,499**	95,487
Selling and administration expenses	32	**(49,305)**	(46,171)
Other net changes in fair value of financial assets at fair value through profit or loss	34	**(2,701)**	7,695
Gain (loss) on disposal of investments	35	**(1,063)**	19,696
Other income	36	**16,597**	25,451
Other expenses	37	**(19,115)**	(7,048)
Operating profit from continuing operations		**21,641**	102,152
Finance income	38	**8,639**	6,860
Finance expenses	39	**(13,260)**	(8,244)
Finance expenses – net		**(4,621)**	(1,384)
Share of gains/(losses) of associates	11	**1,841**	(9,609)
		(2,780)	(10,993)
Profit from continuing operations before tax		**18,861**	91,159
Tax expense	40	**(3,354)**	(15,167)
Net profit for the year from continuing and total operations		**15,507**	75,992
Attributable to equity shareholders of the Company		**(2,603)**	48,451
Attributable to holders of non-controlling interests		**18,110**	27,541
		15,507	75,992
(Losses)/earnings per share – basic and diluted (USD per share)	41	**(0.005)**	0.10

Consolidated Statement of Comprehensive Income

	Year ended 30 June 2011 USD’000	Year ended 30 June 2010 USD’000 (Reclassified)
Net profits for the year after tax from continuing and total operations	**15,507**	75,992
Other comprehensive income/(losses)		
Gains on revaluation of buildings during the year	**4,928**	1,826
Exchange differences on translating foreign operations	**(20,961)**	(26,667)
Other comprehensive losses for the year	**(16,033)**	(24,841)
Total comprehensive (loss)/income for the year	**(526)**	51,151
Attributable to equity shareholders of the parent	**(10,196)**	35,304
Attributable to non-controlling interests	**9,670**	15,847
	(526)	51,151

Consolidated Statement of Cash Flows

	Note	**30 June 2011**	30 June 2010
		USD'000	USD'000
Operating activities			
Net profits for the year before tax		**18,861**	91,159
Adjustments	42	**(45,071)**	(92,186)
Net losses before changes in working capital		**(26,210)**	(1,027)
Change in trade and other assets		**(9,941)**	(38,972)
Change in inventory		**(3,317)**	(566)
Change in trade and other liabilities		**(39,111)**	36,767
Corporate income tax paid		**(874)**	(1,224)
Cash flow from operating activities		**(79,453)**	(5,022)
Investing activities			
Interest received		**8,098**	6,877
Purchases of investment property, plant, equipment, and other non-current assets		**(92,846)**	(151,948)
Proceeds from disposals of investments and residential properties		**74,739**	41,438
Deposits for acquisitions of investments		**-**	(12,472)
Proceeds from disposals of held for sale assets/liabilities and financial assets held at fair value through profit or loss		**25,828**	30,600
Investments in associates		**(22,835)**	(3,768)
Net proceeds from short-term investments		**11,611**	27,405
Net cash receipts from related parties for real estate projects		**7,689**	27,113
Cash flow from investing activities		**12,284**	(34,755)
Financing activities			
Additional capital contributions from non-controlling shareholders		**15,280**	37,298
Acquisitions of non-controlling interest in subsidiary, net of cash	7	**(1,200)**	(18,524)
Loan proceeds from banks		**49,939**	76,866
Loan repayments to banks		**(22,864)**	(26,449)
Dividends paid to non-controlling interest		**(128)**	(622)
Debt proceeds/(repayments) from/to others		**1,403**	(278)
Interest paid		**(7,822)**	-
Cash flow from financing activities		**34,608**	68,291
Net change in cash and cash equivalents		**(32,561)**	28,514
Cash and cash equivalents at the beginning of the year		**79,979**	50,274
Exchange differences on cash and cash equivalents		**1,599**	1,191
Cash and cash equivalents at end of the year	21	**49,017**	79,979

Notes to the Consolidated Financial Statements

1. General information

VinaLand Limited 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 listed on the AIM Market of the London Stock Exchange under the ticker symbol VNL.

The Company does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board will convene an extraordinary general meeting of the Company in 2013 where a special resolution will be proposed that the Company continue as presently constituted. If the resolution is passed, the Board intends that a similar resolution will be proposed at an extraordinary general meeting to be convened each third subsequent year thereafter. If the resolution is not passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up.

The consolidated financial statements for the year ended 30 June 2011 were authorised for issue by the Board of Directors on 24 October 2011.

2. Statement of compliance with IFRS and adoption of new and amended standards and interpretations

2.1 Statement of compliance with IFRS

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).

2.2 Changes in accounting policies

2.2.1 Overall considerations

The Group has adopted the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the annual periods beginning 1 July 2010:

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Annual Improvements 2009
  - IAS 17 Leases
- Annual Improvements 2010
  - IFRS 3 Business Combinations
  - IFRS 7 Financial Instruments: Disclosures
  - IAS 1 Presentation of Financial Statements
  - IAS 21 The Effects of Changes in Foreign Exchange Rates
  - IAS 28 Investments in Associates

Significant effects on current, prior or future periods arising from the first-time application of these new requirements in respect of presentation, recognition and measurement are described in note 2.2.2. An overview of standards, amendments and interpretations to IFRSs issued but not yet effective is given in note 2.2.3.

2.2.2 Adoptions of revised and amended standards

Adoption of Improvements to IFRSs 2009

The Improvements to IFRSs 2009 made several minor amendments to IFRSs. The only amendment relevant to the Group relates to IAS 17 *Leases*. The amendment requires that leases of land are classified as finance or operating by applying the general principles of IAS 17. Prior to this amendment, IAS 17 generally required a lease of land to be classified as an operating lease. The Group has reassessed the classification of the land elements of its unexpired leases at 1 July 2010 on the basis of information existing at the inception of those leases and has determined that none of its leases require reclassification.

Adoption of Annual Improvement 2010

The IASB has issued Improvements to IFRS 2010. Most of these amendments become effective in annual periods beginning on or after 1 July 2010 or 1 January 2011. The Group has applied the amendments to IFRS 3 *Business Combinations,* IFRS 7 *Financial instruments: Disclosures,* IAS 1 *Presentation of Financial Statements,* IAS 21 *The Effects of Changes in Foreign Exchange Rates*, and IAS 28 *Investments in Associates* to the current consolidated financial statements.

IFRS 3 *Business Combinations* is effective for the periods beginning on or after 1 July 2010. In respect of transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS, the improvements clarify that contingent consideration balances arising from business combinations that occurred before an entity's date of adoption of IFRS 3 (Revised 2008) shall not be adjusted on the adoption date. Guidance is also provided on the subsequent accounting for such contingent balances. In respect of measurement of non-controlling interests ("NCI"), the choice of measuring NCI either at fair value or at the proportionate share in the recognised amounts of an acquiree's identifiable assets, is now limited to NCI that are present ownership instruments and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. This clarifies that all other components of NCI shall be measured at their acquisition date fair values, unless another measurement basis is required by IFRS. The Group has applied IFRS 3 Business Combinations prospectively to all business combinations from 1 July 2010.

IFRS 7 *Financial instruments: Disclosures* is effective for the periods beginning on or after 1 January 2011. This clarifies the disclosure requirement of the standards to remove inconsistencies, duplicative disclosure requirements and specific disclosures that may be misleading. The Group has made sufficient disclosure in compliance with IFRS 7 in the consolidated financial statements.

IAS 1 *Presentation of Financial Statements* is effective for the periods beginning on or after 1 January 2011. This clarifies that entities may present the required reconciliations for each component of other comprehensive income either in the Consolidated Statement of Changes in Equity or in the notes to financial statements. The Group has presented the required reconciliations for each component of other comprehensive income in the Consolidated Statement of Changes in Equity.

IAS 21 *The Effects of Changes in Foreign Exchange Rates* and IAS 28 *Investments in Associates* are effective for the periods beginning on or after 1 July 2010. These amend the transition requirements to apply certain consequential amendments arising from the IAS 27 (2008) amendments prospectively, to be consistent with the related IAS 27 transition requirement. The adoptions have no impact on the consolidated financial statements.

2.2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

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

Management anticipates that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's 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 financial statements.

IFRS 9 Financial Instruments (effective from 1 January 2015)

The IASB aims to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety. The replacement standard (IFRS 9) is being issued in phases. The chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued.

These chapters are effective for annual periods beginning 1 January 2015. IFRS 9 is the first part of Phase 1 of this project. The main phases are:

- Phase 1: Classification and Measurement
- Phase 2: Impairment methodology
- Phase 3: Hedge accounting

Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Management have yet to assess the impact that this amendment is likely to have on the consolidated financial statements of the Group. However, they do not expect to implement the amendments until all chapters of IFRS 9 have been published and they can comprehensively assess the impact of all changes.

IFRS 10 Consolidated Financial Statements (effective from 1 July 2013)
IFRS 10: "Consolidated Financial Statements" was issued by the IASB in May 2011 and replaces both the existing IAS 27: "Consolidated and Separate Financial Statements" and SIC 12: "Consolidation-Special Purpose Entities". The new standard revises the definition of control and related application guidance so that a single control model can be applied to all entities. This standard will apply to the Group from 1 July 2013 but is not expected to have a material impact on the Group's financial statements.

IFRS 12 Disclosure of Interests in other Entities (effective from 1 July 2013)
IFRS 12: "Disclosure of Interests in other Entities" was issued by the IASB in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms on interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This standard is applicable from 1 July 2013 and management is currently assessing the impacts of the standard, which will be limited to disclosure impacts only. There have also been consequential amendments to IAS 28: "Investments in Associates" as a result of above new standard. These amendments are applicable from 1 July 2013.

Consequential amendments to IAS 27 and IAS 28 Investments in Associates and Joint Ventures (IAS 28)
IAS 27 now only deals with separate financial statements. IAS 28 brings investments in joint ventures into its scope. However, IAS 28's equity accounting methodology remains unchanged.

IFRS 13 Fair Value Measurements (effective from 1 July 2013)
IFRS 13: "Fair Value Measurements" was issued by the IASB in May 2011 and provides a precise definition of fair value, as a single source of fair value measurement and prescribes disclosure requirements for use across IFRS. The requirements 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 IFRS. The standard will apply to the Group from 1 July 2015 and at this stage it is believed there will be no impact.

Amendments to IAS 1 Presentation of Financial Statements (IAS 1 Amendments)
The IAS 1 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Group's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

3. Summary of significant accounting policies

3.1 Presentation of consolidated financial statements
The consolidated financial statements are presented in United States Dollars (USD) and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements have been prepared using the historical cost convention, as modified by the revaluation of investment property, leasehold land and certain financial assets and financial liabilities, the measurement bases of which are described in the accounting policies below.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4 to the consolidated financial statements.

3.2 Basis of consolidation

The consolidated financial statements of the Group for the year ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

3.3 Subsidiaries

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. In assessing control, potential voting rights that presently are exercisable or convertible, along with contractual arrangements, are taken into account. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that the 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 consolidate management information which is subject to audit for the period to 30 June.

In addition, acquired subsidiaries are subject to application of the acquisition method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated reporting at their revalued amounts, which are also used as the basis for subsequent measurement in accordance with the Group's accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Gain on bargain purchase is immediately allocated to the Consolidated Statement of Income as at the acquisition date. All acquisition related costs are expensed in the period in which the costs are incurred and not included in the cost of investment. All payments to purchase a business are recorded at fair value at the acquisition date. Some changes in the fair value of contingent consideration that the Group recognises after the acquisition date may be the result of additional information after that date, about facts and circumstances that existed at the acquisition date. Where the changes in fair value of the contingent consideration are not measurement period adjustments, contingent consideration classified as equity is not re-measured. Contingent consideration classified as an asset or a liability which is a financial instrument within the scope of IAS 39 is measured at fair value with gains and losses recognised either in the Consolidated Statement of Income or in other Comprehensive Income according to the requirements of IAS 39 and contingent consideration classified as an asset or a liability outside the scope of IAS 39 is accounted for in accordance with IAS 37 or other IFRSs as appropriate.

Contingent consideration balances arising from business combinations whose acquisition dates prior to 1 July 2010 are not adjusted retrospectively. If a business combination provides for an adjustment to the cost of the combination contingent on future events, the Group includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses (unless losses provide evidence of impairment) are eliminated on consolidation.

A non-controlling interest represents the portion of the Consolidated Statement of Income and net assets of a subsidiary attributable to an equity interest that is not owned by the Group. For each business combination, the acquirer measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interest in the acquiree and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Non-controlling interest is based upon the non-controlling interest's share of post-acquisition fair values of the subsidiary's identifiable assets and liabilities. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by other standards. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership interests in a subsidiary that do not result in gaining or losing 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 directly 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.

Where a business combination is achieved in stages, the Group re-measures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. In prior reporting periods, the Group may have recognised changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognised in other comprehensive income shall be recognised on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

3.4 Associate entities

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% to 50% of voting rights, but which are neither subsidiaries nor investments in joint ventures. In the consolidated financial statements, investments in associates are initially recorded at cost and subsequently accounted for using the equity method.

Under the equity method, the Group's interest in an associate is carried at cost and the carrying amount is then increased or decreased to recognise the Group's share of the profit or loss of the associate after the date of acquisition plus any changes in the associate's other comprehensive income less any identified impairment loss, unless it is classified as held for sale or included in a disposal group that is classified as held for sale. The Consolidated Statement of Income includes the Group's share of the post-acquisition, post-tax results of the associate entity for the year, including any impairment loss on goodwill relating to the investment in associate recognised for the year.

All subsequent changes to the Group's share of interest in the equity of the associate are recognised in the carrying amount of the investment. Changes resulting from the profit or loss generated by the associate are reported within "Share of profit/(loss) of associates" in the Consolidated Statement of Income. These changes include subsequent depreciation, amortisation or impairment of the fair value adjustments of assets and liabilities.

Adjustments to the carrying value of the associate are necessary for changes in the associate's other comprehensive income that have not been recognised in their Consolidated Statement of Income, primarily those arising on the revaluation of plant, property and equipment. The Group's share of such changes are recognised directly in the Consolidated Statement of Comprehensive Income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has legal or constructive obligations, or made payments, on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill. Gain on bargain purchase is immediately allocated to the Consolidated Statement of Income as at the acquisition date. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the investment.

Goodwill is included within the carrying amount of an investment and is assessed for impairment as part of the investment. After the application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates.

At each reporting date, the Group determines whether there is any objective evidence that an investment in an associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount of the associate and its respective carrying amount.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in an associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.5 Functional and presentation currency

The 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 which may be Vietnamese Dong or USD ("the functional currency"). The financial statements prepared using Vietnamese Dong 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.

3.6 Foreign currency translation

In the individual financial statements of entities, transactions arising in currencies other than the functional currency of the individual entity are translated at exchange rates in effect on the transaction dates. Monetary assets and liabilities denominated in currencies other than the functional currency of the individual entity are translated at the exchange rates in effect at the reporting date. Translation gains and losses and expenses relating to foreign exchange transactions are recognised in the Consolidated Statement of Income.

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.

In the consolidated financial statements all individual financial statements of subsidiaries, where the functional currency is different from the Group's presentation currency, are converted into USD. Assets and liabilities are translated into USD at the closing rate at the reporting date. Income and expenses are translated using the exchange rates at the dates of the transactions. Where the average rates approximate the exchange rates at the dates of the transactions, income and expenses are translated into the Group's presentation currency at the average rates. Any differences arising from this translation are recognised in other comprehensive income.

3.7 Revenue recognition

Sale of goods and revenues from hotel operations and other related services

Revenue from sale of goods is recognised in the Consolidated Statement of Income 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.

Sales of real estate

Deposits received from buyers to reserve rights to buy houses are recognised as a liability on the 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.

Rental income

Rental income from investment property is recognised in the Consolidated Statement of Income 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.

Interest income

Interest income is recognised on an accrual and effective yield basis.

Dividend income

Dividend income is recorded when the Group's right to receive the dividend is established.

3.8 Expense recognition

Borrowing costs

Borrowing costs, comprising interest and related costs, are recognised as an expense in the period in which they are incurred, except for borrowing costs relating to qualifying assets that need a substantial period of time to get ready for their intended use or sale to the extent that they are directly attributable to the acquisition, production or construction of such assets.

Operating lease payments

Payments made under operating leases are recognised in the Consolidated Statement of Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Consolidated Statement of Income as an integral part of the total lease expense.

3.9 Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiary companies and associated companies 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 Statement of Income when the results of such a review indicate that the carrying value of goodwill is impaired (see accounting policy 3.16).

A gain on bargain purchase represents the excess of the Group's interest in the fair value of identifiable net assets and liabilities, and contingent liabilities over the cost of acquisition. It is recognised directly in the Consolidated Statement of Income at the date of acquisition.

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

3.10 Investment property

Investment properties are properties owned or held under finance leases to earn rentals or for capital appreciation, or both, or 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 Valuation Committee 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 recent 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 4, before recommending each property's estimated fair value to the Board for approval. Discount rates from 13% to 20% are considered appropriate for properties in different locations.

Any gain or loss arising from a change in fair value is recognised in the Consolidated Statement of Income. Rental income from investment property is accounted for as described in the accounting policy 3.7.

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 recognised directly in other comprehensive income if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised in the Consolidated Statement of Income immediately.
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.

3.11 Property developed for sale
Property that is being constructed or developed for sale is classified as property developed for sale until construction or development is complete, at which time it is reclassified and subsequently accounted for as inventory.

3.12 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 (see accounting policy 3.16). 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 courses are revalued to fair value in accordance with the methods set out in accounting policy 3.10. 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 Statement of Income, in which case a credit to that extent is recognised in the Consolidated Statement of Income. Any deficit on revaluation is charged in the Consolidated Statement of Income 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.

If an investment property is reclassified as property, plant and equipment its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

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.

Subsequent expenditure
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 Statement of Income as incurred.

Depreciation
Depreciation is charged to the Consolidated Statement of Income 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 and equipment	4 to 20 years
Furniture and fixtures	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 lease are depreciated over the shorter of the estimated useful lives shown above and the term of the lease.

3.13 Intangible assets
Intangible assets comprise software and hotel gaming licences. Intangible assets acquired separately are measured initially at cost. The cost of intangible assets 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 value of the assets is 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 the intangible asset may be impaired. The amortisation period and the amortisation 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

3.14 Leases
Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases and stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases. Where the Group has the use of an asset held under an operating lease, payments made under the lease are charged to the Consolidated Statement of Income on a straight line basis over the term of the lease. Prepayments for operating leases represent property 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 an investment property.

3.15 Financial assets
Financial assets are divided into the following categories:

- Loans and receivables; and
- Financial assets at fair value through profit or loss.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired. Where allowed and appropriate management re-evaluates this designation at each reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised based on the classification of the financial assets.

The Group's financial assets consist primarily of unlisted equities, loans and receivables.

Loans and receivables

All loans and receivables, except trustee loans, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the Consolidated Statement of Income. Discounting, however, is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment when they are overdue or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and other available features of shared credit risk characteristics. The percentage of the write down is then based on recent historical counterparty default rates for each identified group. Impairment of trade and other receivables are presented within “other expenses”.

Financial assets at fair value through profit or loss

Financial assets at fair value through Consolidated Statement of Income include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. Financial assets at fair value through profit or loss held by the Group include unlisted securities and trustee loans. Purchase or sale of financial assets is recognised using trade date accounting. The trade date is the date that an entity commits itself to purchase or sell an asset.

Trustee loans are loans provided to banks and other parties where the Group receives interest and other income on the loans calculated based on the proceeds from the sales of specific assets held by the counterparties. Fair value is determined based on the expected future discounted cash flows from each loan.

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

3.16 Impairment of assets

The Group’s goodwill, operating lease prepayments, property, plant and equipment, intangible assets and interests in associates, trade and other receivables and other assets 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 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 an indefinite life are tested for impairment annually, while other assets are tested when there is an indicator of impairment.

An impairment loss is recognised in the profit or loss immediately for the amount by which the asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy. An impairment loss on a revalued asset is treated as a revaluation decrease, but only to the extent of the revaluation surplus for that same asset. Further impairment losses are recognised in the profit or loss. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

3.17 Prepayments for acquisitions of investments

Prepayments for acquisition of investments are initially measured at cost until such times as approval is obtained or the conditions are met, at which point they are transferred to investment properties and accounted for accordingly. Such payments are made to vendors for land clearance and other related costs, professional fees directly attributed to the projects 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. The prepayments are presented within Prepayments for acquisitions of investments in the Consolidated Statement of Financial Position.

3.18 Income taxes

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid 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. Current and deferred tax shall be recognised as income or expense and included in profit or loss for the year. Current tax and deferred tax shall be charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity, and if the tax relates to items recognised in other comprehensive income, it is recognised in other comprehensive income.

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 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. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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 Statement of Income. 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.

Current tax and deferred tax that relates to items recognised in other comprehensive income is recognised in other comprehensive income, and current tax and deferred tax that relates to items recognised directly in equity is recognised directly in equity.

3.19 Cash and cash equivalents

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

3.20 Non-current assets and liabilities classified as held for sale

When the Group intends to sell a non-current asset or a group of assets (a disposal group), if the carrying amount will principally be recovered through the sale; they are available for immediate sale in their present condition subject only to terms that are usual and customary for sale of such assets and sale is highly probable at the reporting date, the asset or disposal group is classified as “held for sale” and presented separately in the consolidated financial statements in accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”.

Liabilities are classified as “held for sale” and presented as such in the consolidated financial statements if they are directly associated with a disposal group.

Assets classified as “held for sale” 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. However, some “held for sale” assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's accounting policy for those assets. No assets classified as “held for sale” are subject to depreciation or amortisation, subsequent to their classification as “held for sale”.

3.21 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. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Revaluation reserve represents the surplus arising on the revaluation of the Group’s owned buildings which are classified under property, plant and equipment.

Currency translation differences on net investments in foreign operations are included in the translation reserve.

Retained earnings include all current and prior period results as disclosed in the consolidated statement of changes in equity.

Changes in ownership interests in a subsidiary that do not result in gaining or losing control of the subsidiary are accounted for as equity transactions and recorded in the Consolidated Statement of Changes in Equity.

3.22 Financial liabilities

The Group's financial liabilities include trade and other payables, borrowings and other liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in finance costs in the Consolidated Statement of Income.

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

Borrowings are raised for support of long term funding of the Group’s investments and are recognised at fair value plus direct transaction costs on initial recognition and thereafter at amortised cost under the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3.23 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group that can be reliably estimated. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events. 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 where there is uncertainty about the timing or amount of the future expenditure required in settlement. Where there are a number of similar obligations, the likelihood that outflows 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.

3.24 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. Parties are considered to be related to the Group if:

1. directly or indirectly, a party controls, is controlled by, or is under common control with the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
2. a party is a jointly-controlled entity;
3. a party is an associate;
4. a party is a member of the key management personnel of the Group; or
5. a party is a close family member of the above categories.

3.25 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 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.

3.26 Segment reporting

An operating segment is a component of the Group:

1. that engages in investment activities from which it may earn revenues and incur expenses;
2. 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
3. for which discrete financial information is available.

4. Critical accounting estimates and judgements

When preparing the consolidated financial statements, management undertakes a number of 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.

Fair value of investment properties, leasehold land, hotels and golf courses
The investment properties, leasehold land, hotels and golf courses of the Group are stated at fair value in accordance with accounting policies 3.10, 3.11 and 3.12. The fair values of investment properties, leasehold land and buildings are based on valuations by independent professional valuers including: CB Richard Ellis, Savills, Jones Lang LaSalle, Colliers, Sallmanns 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 valuation companies 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 date of the transactions that occurred at those prices;
(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; and
(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.

Impairment
Investment properties, leasehold land, hotels and golf courses
Whenever there is an indication of impairment of an investment property or leasehold land and buildings the Valuation Committee and management will assess the need for an impairment adjustment. The estimation of impairment adjustments is based on the same principles used to adjust the periodic independent valuations mentioned above.

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.

Other assets
The Group's goodwill, intangible assets, operating lease prepayments, other assets and interests in associates are subject to impairment testing in accordance with the accounting policy 3.16.

Business combinations
On initial recognition, the assets and liabilities of the acquired business are included in the consolidated statement of financial position at their fair values. In measuring fair value management uses estimates about future cash flows and discount rates or independent valuations for investment properties and buildings.

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 9 and Note 10.

5. Segment reporting

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 segments, Hospitality segment, Mixed-use segment and Cash and short-term investments.

The activities undertaken by the Commercial segment include the development and operation of investment properties. Apartments and villas properties which are developed for sales, land, office buildings and properties held for undetermined future use are included in the Residential, office buildings and undetermined use properties segment. The Hospitality segment includes the development and operation of hotels and related services. 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, 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.

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 periods under review:

Consolidated Statement of Income

		Year ended 30 June 2011			
	Commercial	**Residential , office buildings and undetermined use**	**Hospitality**	**Mixed use**	**Total**
	USD’000	**USD’000**	**USD’000**	**USD’000**	**USD’000**
Revenue	-	32,278	24,273	-	**56,551**
Gain (loss) from disposal of investments	7	(1,559)	278	211	**(1,063)**
Other income	-	8,730	7,866	1	**16,597**
Finance income	51	6,023	2,033	532	**8,639**
Net gain on fair value adjustments of investment properties and impairment of property, plant and equipment	299	63,703	(10,537)	14,034	**67,499**
Net changes in fair value of financial assets at fair value through profit or loss	-	(2,024)	(677)	-	**(2,701)**
Share of profit/(losses) of associates	(12)	3,338	(1,454)	(31)	**1,841**
Total	345	110,489	21,782	14,747	**147,363**
Cost of sales	-	(34,048)	(12,774)	-	**(46,822)**
Profit before unallocated expenses	345	76,441	9,008	14,747	**100,541**
Selling and administration expenses					**(49,305)**
Other expenses					**(19,115)**
Finance expenses					**(13,260)**
Profit before tax					**18,861**
Income tax expenses					**(3,354)**
Net profit for the year					**15,507**

For the comparative year:		Year ended 30 June 2010			
	Commercial	Residential, office buildings and Undetermined use	Hospitality	Mixed used	Total
	USD’000	USD’000	USD’000	USD’000	USD’000
Revenue	-	2,830	14,295	152	17,277
Gain/(loss) from disposal of investments	-	19,696	-	-	19,696
Other income	-	11,594	1,485	12,372	25,451
Finance income	16	4,257	-	2,587	6,860
Net gain/(loss) on fair value adjustments of investment properties	6,704	27,868	-	60,915	95,487
Net changes in fair value of financial assets					

at fair value through profit or loss	-	7,695	-	-	7,695
Share of (losses) of associates	(3,305)	(5,913)	(391)	-	(9,609)
Total	3,415	68,027	15,389	76,026	162,857
Cost of sales	-	-	(10,235)	-	(10,235)
Profit before unallocated expenses	3,415	68,027	5,154	76,026	152,662
Selling and administration expenses					(46,171)
Other expenses					(7,048)
Finance expenses					(8,244)
Profit before tax					91,159
Income tax expenses					(15,167)
Net profit for the year					75,992

Consolidated Statement of Financial Position

	As at 30 June 2011					
	Commercial	**Residential, office buildings and undetermined use**	**Hospitality**	**Mixed use**	**Cash and short-term investments**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Investment properties	7,758	494,637	-	190,790	-	**693,185**
Properties developed for sale	-	100,095	-	13,352	-	**113,447**
Property, plant and equipment	-	27,838	102,769	90	-	**130,697**
Goodwill and intangible assets	-	4,002	12,571	3	-	**16,576**
Cash and cash equivalents	-	-	-	-	49,017	**49,017**
Trade and other receivables	45	89,317	15,695	3,090	-	**108,147**
Investment in associates	18,529	32,901	32,564	-	-	**83,994**
Prepayments for acquisitions of investments	-	29,821	1,860	10,188	-	**41,869**
Financial assets at fair value through profit or loss	-	16,855	976	-	-	**17,831**
Short-term investments	-	-	-	-	3,605	**3,605**
Assets and disposal group classified as held for sale	-	12,790	-	17,316	-	**30,106**
Other assets	352	12,282	9,112	8,627	-	**30,373**
Total assets	26,684	820,538	175,547	243,456	52,622	**1,318,847**

For the comparative year end:

	As at 30 June 2010					
	Commercial	Residential, office building and undetermined use	Hospitality	Mixed use	Cash and short-term investments	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Investment properties	7,852	432,894	-	179,904	-	620,650
Properties developed for sale	-	73,521	-	6,536	-	80,057
Property, plant and equipment	23	6,914	90,601	14,031	-	111,569
Goodwill and intangible assets	1	3,996	13,230	96	-	17,323
Cash and cash equivalents	-	-	-	-	79,979	79,979
Trade and other receivables	578	88,401	16,224	7,434	-	112,637
Investment in associates	14,153	51,701	5,935	-	-	71,789
Prepayments for acquisitions of investments	20	42,512	5,952	3,724	-	52,208
Financial assets at fair value through profit or loss	-	13,859	-	18,937	-	32,796
Short-term investments	-	-	-	-	15,215	15,215
Assets and disposal group classified as held for sale						
Other assets	412	19,694	11,408	43,430	-	74,944
Total assets	23,039	733,492	143,350	274,092	95,194	1,269,167

The Group's revenues, investment income and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) are attributable to the following geographic areas:

	Year ended 30 June 2011		Year ended 30 June 2010	
	Revenue and income	**Non-current assets**	Revenue and income	Non-current assets
	USD'000	**USD'000**	USD'000	USD'000

Vietnam	**153,953**	**885,647**	127,254	849,402
Other countries	**-**	**-**	65	-
Total	**153,953**	**885,647**	127,319	849,402

Revenues and investment income include operating revenue, finance income, net gains/(losses) on fair value adjustments of investment properties and financial assets at fair value through profit or loss. These have been identified on the basis of the operation and investment location. Non-current assets are allocated based on their physical location.

The Group does not rely on major customers therefore information about major customers is excluded from this disclosure.

6. Subsidiaries and associates acquisitions and disposals

Additional acquisition of VinaCapital Hoi An Resort Limited (Hoi An Resort Project)
During the year, the Group acquired a further 20% equity interest of VinaCapital Hoi An Resort Limited, a subsidiary incorporated in Vietnam, for USD1.2 million which was settled in cash and brings the Group's total interest in the project to 100% at the reporting date. The difference of USD0.8 million between the book value and the consideration paid has been recognised directly in equity and attributed to the owners of the Group.

Acquisition of Kotobuki Holding (Hong Kong) Limited
On 19 January 2011, the Group acquired 38% of Kotobuki Holding (Hong Kong) Ltd., which is incorporated in Hong Kong. This company owns and manages the Legend Hotel, a five-star hotel located in District 1, Ho Chi Minh City, and an adjoining office building. The total cost of the acquisition was USD20.8 million, which was settled in cash. The acquisition was the culmination of negotiations that began in 2006 with the signing of a memorandum of understanding with the vendor. The acquisition resulted in a gain due to bargain purchase of USD6.3 million which has been recognised in the Consolidated Statement of Income.

Disposals of International Consultant Company Limited and VinaCapital Long Dien Company Limited (Quoc Te Project)
During the year, the Group disposed of its 100% equity interest in Quoc Te Project which was held by International Consultant Company Limited and VinaCapital Long Dien Company Limited (Quoc Te Project) for a total of USD11.9 million, of which USD5 million is outstanding as at year end. The book value of the net assets at the disposal date was USD10.8 million resulting in a gain on disposal which has been recognised in the Consolidated Statement of Income.

Particulars of principal subsidiaries of the Group at of 30 June 2011 are as follows:

Name	Place of incorporation /operations	Share capital (USD/ USD equivalents)	Percentage interest held by the Group	Principal activities
Onshine Investments Limited	BVI	1	100%	Property investment
Vietnam Property Holdings Limited	BVI	100	75%	Property investment
Prosper Big Investment Limited	BVI	50,000	75%	Property investment
VinaCapital Danang Resorts Limited	BVI	4	75%	Property investment
VinaCapital Commercial Center Limited – Class A Shares (*)	BVI	28,094,769	38.25%	Property investment

Name	Place of incorporation /operations	Share capital (USD/ USD equivalents)	Percentage interest held by the Group	Principal activities
VinaCapital Commercial Center Limited – Class B Shares	BVI	1,623,702	75%	Property investment
Bates Assets Limited	BVI	4	100%	Property investment
Proforma Asia Limited	BVI	4	100%	Property investment
Cypress Assets Limited	BVI	10,000	77%	Property investment
Roxy Assets Limited	BVI	4	75%	Property investment
VinaCapital Hoi An Resort Limited	Vietnam	5,900,000	100%	Hospitality
VinaCapital Danang Golf Course Limited	Vietnam	18,083,192	75%	Property investment
Maplecity Investments Limited	BVI	4	75%	Property investment
Henry Enterprise Group Limited	BVI	11,460,100	61.5%	Property investment
VinaCapital Danang Resort Limited	Vietnam	13,502,000	75%	Property investment

VinaCapital Commercial Center Limited (Vietnam)	Vietnam	27,428,535	38.25%	Property investment
VinaCapital Commercial Center Limited (Vietnam)	Vietnam	-	75%	Property investment
VinaCapital Commercial Center Private Limited – Class A Shares (*)	Singapore	23,601,177	38.25%	Property investment
VinaCapital Commercial Center Private Limited – Class B Shares	Singapore	1,623,600	75%	Property investment
Tungshing International Investment Limited	BVI	1,915,345	100%	Property investment
Dien Phuoc Long Real Estate Company Limited	Vietnam	2,474,482	100%	Property investment
VinaCapital Phuoc Dien Co. Limited	Vietnam	2,827,500	100%	Property investment
East Ocean Real Estate and Tourism Joint Stock Company	Vietnam	22,439,160	62.55%	Hospitality
Vina Properties (Singapore) Pte. Limited	Singapore	1	75%	Property investment
Roxy Vietnam Co. Limited	Vietnam	6,748,923	55.6%	Hospitality
Top Star International Limited	Hong Kong	13	75%	Hospitality
A-1 International (Vietnam) Corporation Limited	Vietnam	16,700,000	52.5%	Hospitality
Dong Binh Duong Urban Development Co. Limited	Vietnam	7,324,043	70%	Property investment
Nam Phat Villas and Hotel Company Limited	Vietnam	2,337,516	100%	Hospitality
Orchid House Co. Limited	Vietnam	565,206	55.56%	Hospitality
Vina Dai Phuoc Corporation Limited	Vietnam	73,046,074	54%	Property investment
Prodigy Pacific Vietnam Co. Limited	Vietnam	1,500,000	100%	Property investment
Pavia Properties Limited	BVI	1,896,462	100%	Property investment
Nguyen Du Joint Venture Company	Vietnam	2,324,834	65%	Hospitality
SIH Investment Limited	Singapore	8,379,168	63.75%	Property investment
SAS Hanoi Royal Hotel Limited (**)	Vietnam	12,000,000	44.63%	Hospitality
Viet Land Development Corporation Limited	Vietnam	2,500,000	90%	Property investment
VinaLand Espero Limited	BVI	100	75%	Property investment
Vinh Thai Urban Development Corporation Limited	Vietnam	37,348,756	53.25%	Property investment
Thang Long Property Company Limited	Vietnam	4,908,979	65%	Property investment
Hoang Phat Investment Joint Stock Company	Vietnam	2,985,075	60%	Hospitality
AA VinaCapital Co. Limited	Vietnam	8,102,160	80%	Property investment
Vina Alliance Company Limited	Vietnam	38,006,734	62%	Property investment
Phu Hoi City Company Limited	Vietnam	43,651,074	52.5%	Property investment

(*) At the reporting date, the Group has a 38.25% of Class A Shares and 75% of Class B Shares of VinaCapital Commercial Center Limited. Management considers this company as a subsidiary holding as it has control through the majority voting rights in this company.

(**) At the reporting date, the Group has a 44.63% equity interest in SAS Hanoi Royal Hotel Ltd., but it does not lose control of the subsidiary because it still retains the power to govern the financial and operating policies of the company as it retains more than 50% of the voting rights on the Board. Therefore, the Group's management considers this company as a subsidiary.

7. Net cash for acquisitions of non-controlling interest in subsidiaries

	30 June 2011	30 June 2010
	USD'000	USD'000
Cash payments for acquisitions of non-controlling interest in subsidiaries		
VinaCapital Hoi An Resort (Vietnam) (Note 6)	**1,200**	-
Vina Alliance Company Limited	**-**	7,181
Phu Hoi City Company Limited	**-**	5,443
Vinh Thai Urban Development Corporation Limited	**-**	2,800
Viet Land Development Corporation Limited	**-**	13,500
SIH Investment Limited	**-**	600
	1,200	29,524
Less:		
Acquisition costs not yet settled	**-**	(11,000)
	1,200	18,524

8. Investment properties

	30 June 2011	30 June 2010

	USD'000	USD'000
Opening balance	**620,650**	446,614
Acquisitions of subsidiaries	**-**	84,097
Additions during the year	**46,527**	79,133
Transferred from prepayments for operating lease (Note 12)	**-**	5,391
Transferred from property, plant and equipment (Note 9)	**30,694**	-
Net gains/(losses) on fair value adjustments of investment properties (Note 33)	**78,036**	95,487
Disposals of investment properties	**(13,041)**	(23,052)
Transferred from prepayments for acquisition of investment	**-**	27,134
Transferred to properties developed for sale (Note 16)	**(25,211)**	(80,057)
Transferred to property, plant and equipment (Note 9)	**(9,879)**	-
Transferred to non-current assets classified as held for sale	**(12,755)**	-
Translation differences	**(21,836)**	(14,097)
Closing balance	**693,185**	620,650

9. Property, plant and equipment

	Buildings, hotels and golf courses	**Machinery and equipment**	**Furniture and fixtures**	**Motor vehicles**	**Construction in progress**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Gross carrying amount						
1 July 2010	104,278	23,990	2,390	1,672	44,826	**177,156**
Additions	7,258	1,488	678	913	8,407	**18,744**
Reclassifications	12,952	984	(379)	-	(13,557)	**-**
Transferred from investment properties (Note 8)	9,879	-	-	-	-	**9,879**
Transferred from prepayments for operating lease assets (Note 12)	34,532	-	-	-	-	**34,532**
Transferred to investment properties (Note 8)	(30,694)	-	-	-	-	**(30,694)**
Disposals and written-off	-	(850)	(27)	(411)	-	**(1,288)**
Revaluation gains	9,030	-	-	-	-	**9,030**
Translation differences	(40)	(71)	(28)	(73)	-	**(212)**
30 June 2011	147,195	25,541	2,634	2,101	39,676	**217,147**
Depreciation and impairment						
1 July 2010	(30,984)	(8,428)	(706)	(424)	(25,045)	**(65,587)**
Charge for the year	(38)	(2,407)	(478)	(240)	-	**(3,163)**
Asset impairments	(17,730)	-	-	-	-	**(17,730)**
Translation differences	8	-	2	20	-	**30**
30 June 2011	(48,744)	(10,835)	(1,182)	(644)	(25,045)	**(86,450)**
Carrying amount 1 July 2010	73,294	15,562	1,684	1,248	19,781	**111,569**
Carrying amount 30 June 2011	98,451	14,706	1,452	1,457	14,631	**130,697**

Buildings which belong to East Ocean Real Estate and Tourism Joint Stock Company with a carrying value of USD36.2 million as at 30 June 2011 (30 June 2010: USD29.0 million) are pledged as security for bank borrowings disclosed in Note 27.

Buildings, equipment and construction in progress, which belong to Roxy Vietnam Co. Ltd. with a carrying value of USD18.5 million as at 30 June 2011 (30 June 2010: USD16.0 million), are pledged as security for bank borrowings disclosed in Note 27.

Prior year comparatives:	Buildings, hotels and golf courses	Machinery and equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Gross carrying amount						
1 July 2009	70,743	14,866	2,016	892	51,323	**139,840**
Additions	72	1,869	186	814	34,602	**37,543**
Reclassifications	32,563	9,613	708	2	(42,886)	**-**
Disposals	(3)	(2,356)	(507)	(23)	-	**(2,889)**
Revaluation gains	903	-	-	-	4,356	**5,259**
Translation differences	-	(2)	(13)	(13)	(2,569)	**(2,597)**
30 June 2010	104,278	23,990	2,390	1,672	44,826	**177,156**

	Buildings, hotels and golf	Equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Depreciation and impairment						
1 July 2009	(26,129)	(8,709)	(776)	(273)	(25,045)	**(60,932)**
Charge for the year	(2,361)	(1,746)	(421)	(153)	-	**(4,681)**
Asset impairments	(2,523)	-	-	-	-	**(2,523)**
Disposals	29	2,027	486	2	-	**2,544**
Translation differences	-	-	5	-	-	**5**
30 June 2010	(30,984)	(8,428)	(706)	(424)	(25,045)	**(65,587)**
Carrying amount 1 July 2009	44,614	6,157	1,240	619	26,278	**78,908**
Carrying amount 30 June 2010	73,294	15,562	1,684	1,248	19,781	**111,569**

If the cost model had been used, the carrying amount of buildings would be as follows:

	USD'000
Buildings at 30 June 2011	
At cost	**117,057**
Accumulated depreciation	**(14,404)**
Net carrying amount	**102,653**
Buildings at 30 June 2010	
At cost	132,512
Accumulated depreciation	(13,345)
Net carrying amount	119,167

10. Intangible assets

	Gaming licences	Software	Total
	USD'000	**USD'000**	**USD'000**
Gross carrying amount			
1 July 2010	14,450	500	**14,950**
Additions	-	255	**255**
Translation differences	-	(104)	**(104)**
30 June 2011	14,450	651	**15,101**
Amortisation and impairment			
1 July 2010	(1,449)	(101)	**(1,550)**
Charge for the year	(741)	(171)	**(912)**

Translation differences	-	14	**14**
30 June 2011	(2,190)	(258)	**(2,448)**
Carrying amount 1 July 2010	13,001	399	**13,400**
Carrying amount 30 June 2011	12,260	393	**12,653**

Prior year comparatives:

	Gaming licences	Software	Total
	USD'000	USD'000	USD'000
Gross carrying amount			
1 July 2009	12,700	239	**12,939**
Additions	-	182	**182**
Revaluation gains	1,750	-	**1,750**
Reclassifications	-	87	**87**
Translation differences	-	(8)	**(8)**
30 June 2010	14,450	500	**14,950**
Amortisation and impairment			
1 July 2009	(796)	(52)	**(848)**
Charge for the year	(653)	(49)	**(702)**
30 June 2010	(1,449)	(101)	**(1,550)**
Carrying amount 1 July 2009	11,904	187	**12,091**
Carrying amount 30 June 2010	13,001	399	**13,400**

11. Investments in associates

	30 June 2011	30 June 2010
	USD'000	USD'000
Opening balance	**71,789**	104,764
Acquisitions during the year	**29,090**	3,768
Transferred from prepayment for acquisition of investment (Note 13)	**1,345**	-
Transferred to investment in subsidiary	**-**	(27,134)
Disposals	**(1,200)**	-
Write off of unqualified investment costs (note 37)	**(3,216)**	-
Reclassification to assets held for sale	**(15,655)**	-
Share of associates' profits/(losses)	**1,841**	(9,609)
Closing balance	**83,994**	71,789

Particulars of operating associates and their summarised financial information, extracted from their financial statements as at 30 June 2011 are as follows:

	Incorpor-ation	**Equity interest held**	**Principle activity**	**Assets**	**Liabilities**	**Revenue**	**Profit/ (loss)**	**Share of (losses)/ profit to the Group**
		%		**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Long An S.E.A Industrial Park Development Co. Ltd. (*)	Vietnam	9.38	Property	7,320	3,371	-	(330)	(31)
Aqua City Joint Stock Company (**)	Vietnam	50	Property	79,087	1,725	-	5,976	2,988
Thang Loi Land Joint Stock Company	Vietnam	49	Property	12,499	1,880	-	(22)	(11)
Danang Maria Co. Ltd.	Vietnam	49	Property	2,953	-	2,953	2,953	1,447
Kotobuki Holding (Hong Kong) Ltd. (Note 7)	Hong Kong	38	Hospitality	51,671	3,722	10,729	(2,616)	(994)
Romana Resort and Spa JSC (**)	Vietnam	50	Hospitality	4,591	1,906	1,567	(920)	(460)

Savico-Vinaland Co. Ltd.	Vietnam	49.5	Property	17,568	2,163	-	(2,219)	(1,098)
				175,689	**14,767**	**15,249**	**2,822**	**1,841**

(*)At 30 June 2011 the Group held 18% equity interest in Long An S.E.A Industrial Park Development Co. Ltd. which was changed from a limited company to a joint stock company – Long An Industrial Park Joint Stock Company during the year. At the same time a local partner became a shareholder in this company. This resulted in the dilution of the Group's interest from 18% to 9.38%. However, the Group still has significant influence since it has power to participate in the financial and operating policies of this company, therefore it is considered appropriate to treat this interest as an associate.

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

12. Prepayments for operating lease assets

	30 June 2011	30 June 2010
	USD'000	USD'000
Opening balance	**41,595**	53,041
Additions during the year	**8**	210
Charge for the year	**(1,592)**	(2,417)
Transferred to investment properties (Note 8)	**-**	(5,391)
Transferred to property, plant and equipment (Note 9)	**(34,532)**	(1,688)
Leasehold land exchanged	**-**	(1,335)
Translation differences	**(792)**	(825)
Closing balance	**4,687**	41,595

Prepayments for operating leases relates to leasehold land occupied by subsidiaries of the Group.

Leasehold land held by Roxy Vietnam Co. Ltd. with a carrying value of USD0.4 million as at 30 June 2011 (30 June 2010: USD1.6 million) is pledged as security for bank borrowing disclosed in Note 27.

Leasehold land held by East Ocean Real Estate and Tourism Joint Stock Company with a carrying value of USD1.8 million as at 30 June 2011 (30 June 2010: USD2.5 million) is pledged as security for bank borrowing disclosed in Note 27.

13. Prepayments for acquisitions of investments

	30 June 2011	30 June 2010
	USD'000	USD'000
Prepayments for acquisitions of investments	**51,904**	61,648
Transferred to investments in subsidiary	**(7,721)**	(4,280)
Transferred to investment in associates (Note 11)	**(1,345)**	-
Reclassified as financial assets held at fair value through profit or loss	**(969)**	-
	41,869	57,368
Allowance for loss on prepayments for acquisitions of investments	**-**	(5,160)
	41,869	52,208

These prepayments are payments made by the Group to property/investment vendors where the final transfer of the property/investment 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.

14. Other long-term financial assets

	30 June 2011	30 June 2010
	USD'000	USD'000
Deposits in banks	**25**	4,042
Loans receivable	**-**	5,252
Others long-term financial assets	**2,531**	1,050

	2,556	10,344
Allowance for impairment of long-term financial assets	**-**	(364)
	2,556	9,980

15. Deferred tax assets

	30 June 2011	30 June 2010
	USD'000	USD'000
Opening balance	**18,268**	5,024
(Decrease)/increase in the year, net (*)	**(1,967)**	13,244
Closing balance	**16,301**	18,268

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

Unrecognised deferred tax assets relating to the accumulated tax losses as at 30 June 2011 of USD28.8 million (30 June 2010: USD26.5 million) relating to losses of the subsidiaries, which are established in Vietnam and are subject to corporate income tax in Vietnam, have not been recognised due to uncertainties as to their recoverability.

16. Properties developed for sale

	30 June 2011	30 June 2010
	USD'000	USD'000
Opening balance	**80,057**	-
Additions during the year	**43,066**	-
Transferred from investment properties (Note 8) (*)	**25,211**	80,057
Transferred to cost of sales	**(34,350)**	-
Translation differences	**(537)**	-
Closing balance	**113,447**	80,057

(*) The amount represents the value of investment properties held by subsidiaries of the Group being developed for sale.

17. Trade and other receivables

	30 June 2011	30 June 2010
	USD'000	USD'000
Trade receivables	**3,047**	566
Loans to local partners (a)	**31,000**	31,467
Receivable as compensation for property exchanged (b)	**46,659**	27,004
Receivables from non-controlling interests	**104**	10,752
Receivable from disposal of subsidiary	**7,542**	18,227
Tax receivables	**3,594**	5,394
Interest receivables	**6,264**	6,482
Prepayment to suppliers	**8,616**	9,665
Other receivables (c)	**7,804**	4,584
Other current assets	**1,764**	47
	116,394	114,188
Allowance for impairment (d)	**(8,247)**	(1,551)
	108,147	112,637

(a) Loans to local partners represent loans to co-investors of the Group's subsidiaries. These loans are short term, unsecured and interest earning.
(b) Receivable as compensation for property exchanged represents receivable from Vietnamese Government for a resettlement project and a suspended project under the Government's direction.
(c) Included in the other receivables, there was a loan to a director of the Group's subsidiary, amounts to USD4 million. The loan is secured and partly interest bearing.
(d) Provision for uncollected receivables mainly represents provision made for interest receivable.

All other trade and other receivables are short-term in nature. Their carrying value is considered a reasonable approximation of their fair value at the reporting date.

18. Receivables from related parties

			30 June 2011	30 June 2010
	Relationship	**Transactions**	**USD'000**	USD'000
VinaCapital Vietnam Opportunity Fund Ltd.	Under common management	Expenses paid for projects	**1,555**	3,644
Romana Resort and Spa JSC	Associate	Shareholder loan	**710**	710
VinaCapital Real Estate Vietnam Co. Ltd.	Under common management	Expenses paid for projects	**535**	35
			2,800	4,389

All receivables from related parties are short-term in nature. Their carrying value is considered a reasonable approximation of their fair value at the reporting date.

19. Short-term investments

	30 June 2011	30 June 2010
	USD'000	USD'000
Short-term deposits at banks	**3,605**	10,466
Bank secured deposit	**-**	4,749
	3,605	15,215

As short-term deposits have terms to maturity between three months and one year, their carrying value is considered a reasonable approximation of their fair value as at the reporting date.

20. Financial assets held at fair value through profit or loss

	30 June 2011	30 June 2010
	USD'000	USD'000
Designated at fair value through profit or loss:		
Financial assets in Vietnam		
Trustee loans	**2,785**	16,690
Ordinary shares – unlisted	**15,046**	16,106
Total financial assets designated at fair value through profit or loss	**17,831**	32,796

These financial assets are denominated in the following currencies:

	30 June 2011	30 June 2010
	USD'000	USD'000
United States Dollars	**12,987**	16,690
Vietnam Dong	**4,844**	16,106
	17,831	32,796

The carrying amounts disclosed above are the Group's maximum possible credit risk exposure in relation to these instruments. See Note 46 for further information on the Group's exposure to credit risk.

21. Cash and cash equivalents

	30 June 2011	30 June 2010
	USD'000	USD'000
Cash on hand	**735**	337
Cash at banks	**18,305**	57,219
Cash equivalents	**29,977**	22,423
	49,017	79,979

22. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	Note	**30 June 2011**	30 June 2010
		USD'000	USD'000
Financial assets			
Financial assets held for trading (carried at fair value through profit or loss)			
- Ordinary shares – unlisted	20	**15,046**	16,106
- Trustee loans	20	**2,785**	16,690
		17,831	32,796
Loans and receivables (carried at amortised costs)			
Non-current:			
- Other long-term financial assets	14	**2,556**	9,980
Current:			
- Trade and other receivables	17	**108,147**	112,637
- Receivable from related parties	18	**2,800**	4,389
- Short-term investments	19	**3,605**	15,215
- Cash and cash equivalents	21	**49,017**	79,979
		166,125	222,200
		183,956	254,996
Financial liabilities			
Financial liabilities measured at amortised cost:			
Non-current:			
- Bank borrowings	27	**102,919**	69,792
- Debts payable to non-controlling interests' shareholders	27	**2,622**	1,203
- Payable to related parties	31	**71,545**	76,856
- Long-term trade and other payables	28	**6,435**	879
		183,521	148,730
Current:			
- Debts and borrowings	27	**12,030**	21,090
- Trade and other payables	30	**125,303**	116,466
- Payable to related parties	31	**41,021**	26,145
		178,354	163,701
		361,875	312,431

The fair values are presented in the related notes. A description of the Group's risk management objectives and policies for financial instruments is given in Note 46.

23. Assets and liabilities classified as held for sale

Summary of the assets/(liabilities) held for sale at the reporting date:

			30 June 2011		
	Assets classified as held for sale	Liabilities classified as held for sale	Net assets classified as held for sale	Non-controlling interests	Attributable to Equity shareholders of the parent
	USD'000	USD'000	USD'000	USD'000	USD'000
Oriental Sea Co., Ltd.	10,827	-	10,827	-	10,827
Savico - VinaLand Company Ltd.	14,716	-	14,716	-	14,716
Glory Tourism Company Ltd.	1,963	(330)	1,633	-	1,633
Danang Marina Co., Ltd.	2,600	-	2,600	-	2,600
	30,106	**(330)**	**29,776**	**-**	**29,776**

On 15 November 2010, the Group signed a Memorandum of Understanding to dispose of its 100% equity interest in Oriental Sea Co., Ltd, which is developing the Oriental Sea Villas and Hotel project on the land area of 12ha in Danang City, with a sale price of USD14 million.

On 14 December 2010, the Group signed a Memorandum of Understanding to dispose of its 49% equity interest in Savico - VinaLand Company Ltd., which is developing the Savico Plaza project on the 3,055 square metres of land in District 1, Ben Nghe Ward, Ho Chi Minh City, with a sale price of USD18.7 million.

On 27 April 2010, the Group entered into a Sales and Purchase Agreement with a local party to dispose of its 100% equity interest in Glory Tourism Company Ltd., which is developing the Vinh Quang Tourism project at Khanh Hoa Province on a land area of 10.74ha, with a sale price of USD1.8 million.

On 9 November 2010, the Group entered into a Sales and Purchase Agreement to dispose of its 49% equity interest in Danang Marina Co Ltd., which is developing the villas and marina project at Danang City, with a sale price of USD2.6million.

At the balance sheet date, the above sales transactions were not completed and assets and liabilities of the above entities were classified as Non-current Assets held for sale.

24. Share capital

	30 June 2011		30 June 2010	
	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	**499,967,622**	**4,999**	499,967,622	4,999
Closing balance	**499,967,622**	**4,999**	499,967,622	4,999

25. Additional paid-in capital

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

	30 June 2011	30 June 2010
	USD'000	USD'000
Additional paid-in capital	**588,870**	588,870

26. Revaluation reserve

	30 June 2011	30 June 2010
	USD'000	USD'000
Opening balance	**3,483**	10,799
Revaluation gains/(reversal) on buildings	**4,928**	1,826
Share of revaluation (gain)/reversal attributable to non-controlling interests	**(1,357)**	(1,387)
Disposal of subsidiary	**-**	(7,755)
Closing balance	**7,054**	3,483

The Group's share of valuation gains/(losses) resulting from the revaluation of subsidiaries' hospitality properties has been recorded directly in Other Comprehensive Income.

27. Borrowings and debts

	30 June 2011	30 June 2010
	USD'000	USD'000
Non-current financial liabilities carried at amortised cost at the reporting date:		
Bank borrowings (*)	**112,125**	79,204
Debts borrowed from non-controlling interests	**2,622**	1,203

	30 June 2011	30 June 2010
	USD'000	USD'000
	114,747	80,407
Less:		
Current portions of long-term borrowings and debts	**(9,206)**	(9,412)
	105,541	70,995
Current:		
Bank borrowings [(*)]	**2,824**	11,678
Current portions of long-term borrowings [(*)]	**9,206**	9,412
	12,030	21,090
Total borrowings and debts	**117,571**	92,085

[(*)] Details of the bank borrowings at the reporting date are as follows:

Lenders	**USD'000**	**Loan period**	**Repayment term**	**Interest**
Non-current				
Eximbank – Ho Chi Minh City branch, Vietnam	**39,167**	Twelve to fifteen years, from September 2009	Quarterly	12-month lender saving rate plus a 4% margin for VND and 2% margin for USD
SeAbank – Ho Chi Minh City branch, Vietnam	**31,580**	Five to six years, from June 2009	Repayable in 7-12 semi-annual amounts	USD 12-month lender saving rate plus a 2.5% margin
Dong A bank – Ho Chi Minh City branch, Vietnam	**13,729**	Five years, from July 2010	Repayable quarterly from 5 October 2012	16.2 % per annum
Vietinbank – Ho Chi Minh City branch, Vietnam	**1,626**	Six years, from June 2009	Within six years after the first withdraw	Floating rate plus 3.2% for VND loan and 2.7% for USD loan
Saigon – Hanoi Commercial bank – Da Nang branch, Vietnam	**16,745**	Three to five years, from September 2010	Three to five years after the first withdraw	Saving interest rate for 12-month period plus 2.5% per annum for loan in USD and 3.5% for loan in VND
BIDV – Ho Chi Minh branch, Vietnam	**9,278**	Five years, from February 2010	Repaid in twelve instalments from 27th month from the first drawdown	USD reference interest rate and 3% for loan in US Dollar and VND reference interest rate and fee loan in Vietnam Dong
	112,125			

Current Bank borrowings:				
Saigon – Hanoi Commercial bank – Da Nang branch, Vietnam	**2,824**	One year	20 October 2010	0.875%/month
	2,824			
Current portions of long-term borrowings:				
Eximbank – Nha Trang branch, Vietnam	**45**	One year	Monthly	at base rate of State Bank of Vietnam
BIDV – Da Nang branch, Vietnam	**750**	One year	Monthly	at base rate of State Bank of Vietnam
Seabank – Ho Chi Minh City branch, Vietnam	**5,764**	One year	Monthly	12-month lender saving rate plus a 2.5% margin

Dong A bank – Ho Chi Minh City branch, Vietnam	**2,647**	One year	Quarterly by 12 December 2011	at 19% per annum
	9,206			
	12,030			

For all borrowings, the lenders have security over the assets of the respective Group subsidiary. During the year, the Group's subsidiaries borrowed USD49.9 million (30 June 2010: USD76.9 million) from banks and non-controlling shareholders to finance working capital and property development activities.

28. Long-term trade and other payables

	30 June 2011	30 June 2010
	USD'000	USD'000
Trade payables	**1,291**	-
Deposit received from customers (*)	**2,543**	-
Other payables	**2,601**	879
	6,435	879

(*) The amount represents the deposits received from customers for purchasing residential properties from subsidiaries of the Group.

29. Deferred tax liabilities

	30 June 2011	30 June 2010
	USD'000	USD'000
Opening balance	**50,823**	19,367
Increase during the year from fair value adjustments, net	**233**	31,476
Decrease	**-**	(20)
Closing balance	**51,056**	50,823

On recognition of investment properties, leasehold land and buildings at their fair value, the future recovery of the carrying amount of these assets may result in a taxable flow of economic benefits to the entity and the amount that will be deductible for tax purposes will differ from the amount of those economic benefits. The difference between the carrying amount of the revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability.

30. Trade and other payables

	30 June 2011	30 June 2010
	USD'000	USD'000
Trade payables	**2,976**	12,987
Payables for property acquisitions and land compensations	**35,999**	41,873
Advances from property buyers	**16,410**	-
Payables to non-controlling interests	**9,126**	18,288
Tax payables	**4,245**	12,346
Payable to suppliers	**6,863**	238
Deposit received from customers (*)	**41,312**	17,812
Other accrued liabilities	**3,349**	7,207
Other payables	**5,023**	5,715
	125,303	116,466

(*) The amount represents the deposits received from customers for purchasing residential properties from subsidiaries of the Group.

All trade and other payables are short-term in nature. Their carrying values are considered a reasonable approximation of their fair values as at reporting date.

31. Payables to related parties

	30 June 2011	30 June 2010

	Relationship	Transactions	USD'000	USD'000
Non-current				
VinaCapital Investment Management Ltd.	Investment Manager	Performance fee	**-**	13,000
VinaCapital Vietnam Opportunity Fund Ltd.	Under common management	Shareholder loans payable (*)	**71,545**	63,856
			71,545	76,856
Current				
VinaCapital Vietnam Opportunity Fund Ltd.	Under common management	Dividends from a subsidiary	**613**	613
		Payment on behalf	**299**	-
VinaSecurities Co. Ltd.	Affiliate of Investment Manager	Professional fee	**-**	55
VinaCapital Investment Management Ltd.	Investment Manager	Management fees	**7,979**	981
		Performance fees	**28,218**	20,218
		Advances for real estate projects	**1,129**	4,278
VinaCapital Corporate Finance Vietnam Ltd.	Under common management	Loan	**2,433**	-
	Under common management	Loan interest	**350**	-
			41,021	26,145

(*) This represents shareholder loans granted by VinaCapital Vietnam Opportunity Fund Ltd. (VOF) to subsidiaries of the Group. VOF is a non-controlling interest shareholder in these subsidiaries. The loans are to finance real estate projects which are co-invested with VOF. The loans bear interest at 6-month SIBOR plus 3%. The amount of each loan is based on the respective ownership of VOF and the Group in each subsidiary. The loans are carried at cost in the Consolidated Statement of Financial Position. Interest expenses incurred for the year have been waived by VOF.

32. Operation, selling and administration expenses

	Year ended 30 June 2011	Year ended 30 June 2010
	USD'000	USD'000
Management fees (Note 44)	**14,267**	13,472
Professional fees	**9,873**	11,804
Depreciation and amortisation (*)	**1,990**	3,896
General and administration expenses (*)	**17,191**	9,159
Staff costs (*)	**5,535**	3,783
Outside service costs (*)	**449**	4,057
	49,305	46,171

(*) 75% of these costs relate to the operating activities of the Group's subsidiaries.

33. Net gains on fair value adjustments of investment properties and impairment of properties, plant and equipment

	Year ended 30 June 2011 USD'000	Year ended 30 June 2010 USD'000
Investment Property		
By real estate sector:		
Commercial	**299**	6,704
Office buildings and undetermined use (*)	**63,703**	27,868
Mixed use	**14,034**	60,915
	78,036	95,487
Property, plant and equipment		
Hospitality	**(10,537)**	-
Net gains on fair value adjustments of investment properties and impairment of properties, plant and equipment	**67,499**	95,487

(*)USD41.2 million of the gain during the year was attributable to the increase in the land value of the Danang 220 hectare Project which received approval for its new master plan in November 2010. The new master plan increased the amount of land available for development and sale by 23.9 hectare.

34. Other net changes in fair value of financial assets at fair value through profit or loss

	Year ended 30 June 2011 USD'000	Year ended 30 June 2010 USD'000
Unrealised gains (losses) from unlisted securities	**(2,701)**	7,673
Unrealised gain/(loss) from other financial assets	-	22
	(2,701)	7,695

35. Gain/(loss) from disposal of investments

	Year ended 30 June 2011 USD'000	Year ended 30 June 2010 USD'000
Proceeds from disposals of investments and fixed assets	**9,704**	20,358
Costs of investments disposed and fixed assets	**(10,767)**	(662)
	(1,063)	19,696

36. Other income

	Year ended 30 June 2011 USD'000	Year ended 30 June 2010 USD'000
Gain on bargain purchase (Note 6)	**6,255**	4,986
Gain on swap investment project/ transferred of compensation rights	**5,000**	19,669
Other operating income	**5,342**	796
	16,597	25,451

37. Other expenses

	Year ended 30 June 2011 USD'000	Year ended 30 June 2010 USD'000
Allowances for impairments of assets	**5,075**	5,110
Provision for doubtful debts	**9,777**	-
Write off of unqualified investment costs (Note 11)	**3,216**	-
Other operating expenses	**1,047**	1,938
	19,115	7,048

38. Finance income

	Year ended 30 June 2011 USD'000	Year ended 30 June 2010 USD'000
Interest income	**7,880**	6,227
Realised gains on foreign exchange differences	**759**	633
	8,639	6,860

39. Finance expenses

	Year ended 30 June 2011 USD'000	Year ended 30 June 2010 USD'000
Realised losses on foreign exchange differences	**2,434**	1,490
Unrealised losses on foreign exchange differences	**2,452**	3,309
Interest expense	**8,223**	3,407
Other finance expenses	**151**	38
	13,260	8,244

40. Corporate income tax

VinaLand Limited is domiciled in the Cayman Islands. Under the current laws of the Cayman Islands, there is no income, state, 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 under BVI rules are not subject to Corporate Income Tax. A number of subsidiaries are established in Vietnam and are subject to corporate income tax in Vietnam at the regular tax rate of 25% (30 June 2010: 25%). A current tax provision of USD1,117,000 has been made for these Vietnamese subsidiaries of the Group for the year ended 30 June 2011 (30 June 2010: USD1,372,000).

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

	Year ended 30 June 2011	Year end 30 June 2010
	USD'000	USD'000
Group profits before tax	**18,861**	91,159
Group profit/(loss) multiplied by applicable tax rate (0%)	**-**	-
Current income tax expenses on Vietnamese subsidiaries	**(1,117)**	(1,372)
Deferred income tax income/(expense), net (*)	**(2,237)**	(13,795)
Tax expense	**(3,354)**	(15,167)

(*) This amount represents the net deferred income tax income/(expense) which arose from the (losses)/gains on fair value adjustments of investment properties, leasehold land and buildings in the year.

Under the law of Vietnam, tax losses can be carried forward to offset against future taxable income for five years from the year a loss is incurred. Unrecognised deferred tax assets for the accumulated tax losses as at 30 June 2011 of USD28.8 million (30 June 2010: USD26.5 million) have not been recognised due to uncertainties as to their recoverability.

41. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of ordinary shares in issue during the year.

	Year ended 30 June 2011	Year end 30 June 2010
(Loss)/profit attributable to equity shareholders of the Company from continuing and total operations (USD'000)	**(2,603)**	48,451
Weighted average number of ordinary shares on issue	**499,967,622**	499,967,622
Basic (losses)/earnings per share from continuing and total operations (USD per share)	**(0.005)**	0.10

(b) Diluted earnings per share

Diluted earnings 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 earnings per share are equal to basic earnings per share.

(c) Net asset value per share

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

	30 June 2011	30 June 2010
Net asset value attributable to ordinary shareholders of the Company (USD'000)	**672,288**	681,644
Number of outstanding ordinary shares	**499,967,622**	499,967,622

Net asset value per share (USD/share)	**1.34**	1.36

42. Operating cash flows

The following non-cash flow adjustments have been made to the pre-tax result for the year to arrive at operating cash flow:

	30 June 2011 USD'000	30 June 2010 USD'000
Depreciation and amortisation	**4,499**	7,856
Other net changes in fair value of financial assets at fair value through profit or loss	**2,701**	(7,695)
Gains on fair value adjustments of investment properties	**(78,036)**	(95,487)
Net losses on disposal of fixed assets and written-off account balances	**1,449**	660
Loss/(gains) from liquidations of investments and subsidiaries	**1,012**	(8,445)
Allowances for impairments of assets	**15,612**	5,813
Allowance for impairment of receivables and write off of expenses	**12,993**	-
Gain on bargain purchase	**(6,255)**	(4,986)
Share of associates (gains)/losses	**(1,841)**	9,609
Unrealised losses on foreign exchange differences	**2,452**	3,309
Interest expense	**8,223**	3,407
Interest income	**(7,880)**	(6,227)
	(45,071)	(92,186)

43. Directors and management remuneration

The directors' fees payable to members of the Board of Director during the year were as follows:

	30 June 2011 USD	30 June 2010 USD
Short term benefits		
Nicholas Brooke	**37,500**	40,000
Robert Gordon	**37,500**	40,000
Michael Arnold	**37,500**	40,000
Nicholas Allen	**37,500**	-
	150,000	120,000

The Board of Management and certain other individuals who act on behalf of the Group are remunerated by the Investment Manager. However it is not possible to specifically allocate their cost to the Group. Part of the management fees disclosed in Note 44 can be allocated to remuneration of these individuals.

44. Related party transactions

Management fees

The Group is managed by VinaCapital Investment Management Limited (the "Investment Manager"), an investment management company incorporated in the British Virgin Islands ("BVI"), under a management agreement dated 16 March 2006 (the "Management Agreement"). From 1 January 2011, the Group is managed by VinaCapital Investment Management Limited (the "CI Investment Manager"), a 100% owned subsidiary company of the BVI Investment Manager incorporated and registered as a licenced fund manager in the Cayman Islands ("CI"), under the novation agreement between the BVI Investment Manager and the CI Investment Manager. The Investment Manager receives a fee based on the net asset value of the Group, payable monthly in arrears, at an annual rate of 2% (30 June 2010: 2%).

Total management fees for the year amounted to USD14, 267,168 (30 June 2010: USD13,472,000), with USD7,979,000 (30 June 2010: USD981,000) in outstanding accrued fees due to the Investment Manager at the reporting date.

Performance fees

In accordance with the Management Agreement, the Investment Manager is 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 2010: hurdle rate of 8%) and a high water-mark.

There was no performance fee charged for the year (30 June 2010: nil). An amount of USD28,218,000 (30 June 2010: USD33,218,000) was in outstanding payable to the Investment Manager at this date.

Other related party transactions and balances
During the year, Mr Don Lam, a director and the CEO of the Investment Manager, purchased 100,000 shares on the open market and the Investment Manager purchased 50,000 shares from its staff. As a result of these transactions, Mr Don Lam has a direct and indirect interest of 2,557,250 and 1,174,710 shares bringing his total share holding to 0.75% at the reporting date.

Mr Michael Arnold, Mr Nicholas Allen, and Mr Robert Gordon, directors of the Company, purchased 64,500 shares, 95,627 shares, and 27,000 shares, respectively, bringing their total share holdings to 0.01%, 0.02%, and 0.005%, respectively, at the reporting date.

45. Commitments

At the reporting date, the Group was committed under non-cancellable operating lease agreements to paying the following future amounts:

	30 June 2011	30 June 2010
	USD'000	USD'000
Within one year	**659**	906
From two to five years	**2,390**	3,440
Over five years	**8,253**	12,463
	11,302	16,809

As at 30 June 2011, subsidiaries of the Company were also committed under construction agreements to paying USD32.6 million (30 June 2010: USD14.1 million) for future construction works of the Group's properties held by subsidiaries.

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 USD75.4 million will used for investment into these projects over the next three years.

46. Risk management objectives and policies

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 currency sensitivity
The Group's exposure to risk resulting from changes in foreign currency exchange rates is moderate as although transactions in Vietnam are settled in Vietnam Dong (VND), the value of the Vietnam Dong has historically been closely linked to that of 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's financial assets and liabilities exposure to risk of fluctuations in foreign currency exchange rates at the reporting date are as follows:

	Short-term exposure		**Long-term exposure**	
	VND	**Others**	**VND**	**Others**
	USD'000	**USD'000**	**USD'000**	**USD'000**
30 June 2011				
Financial assets	**147,376**	**34,024**	**2,556**	**-**

Financial liabilities	**(60,804)**	**(102,586)**	**(53,459)**	**(145,037)**
Net exposure	**86,572**	**(68,562)**	**(50,903)**	**(145,037)**

	Short-term exposure		Long-term exposure	
	VND	Others	VND	Others
	USD'000	USD'000	USD'000	USD'000
30 June 2010				
Financial assets	144,252	100,764	9,980	-
Financial liabilities	(54,823)	(108,878)	(44,400)	(103,451)
Net exposure	89,429	(8,114)	(34,420)	(103,451)

Sensitivity analysis to a reasonably possible change in exchange rates
Assets valuations in Vietnam are based on a combination of factors linked to both the USD and VND. Assuming all properties are valued based on VND cash flows, a 5% weakening of the VND against USD at the end of the year ended 30 June 2011 and 30 June 2010 would have impacted to the Group's Consolidated Statement of Comprehensive Income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	30 June 2011	30 June 2010
	USD'000	USD'000
	Net loss	Net loss (*)
5% devaluation of the Vietnam Dong	**(32,854)**	(31,768)

(*) Prior year number has been restated.

A 5% strengthening of the VND against USD would have had the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

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 Statement of Income, 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 the real estate were to fluctuate by 10%, the impact on the Consolidated Statement of Income and equity would amount to approximately USD63.0 million (2010: USD46.5 million).

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. They are exposed to fair value changes due to interest rate changes. The Group currently has some financial liabilities with floating interest rates which are disclosed in Note 27 to the consolidated financial statements. This is the maximum exposure of the Group to cash flow interest rate risk.

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 Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	30 June 2011	30 June 2010
	USD'000	USD'000
Classes of financial assets – carrying amounts:		
Ordinary shares – unlisted	**15,046**	16,106
Trustee loans	**2,785**	16,690
Other long-term financial assets	**2,556**	9,980

Short-term investments	**3,605**	15,215
Cash and cash equivalents	**49,017**	79,979
Trade and other receivables, receivable from related parties	**110,947**	117,026
	183,956	254,996

The carrying amount of trade and other receivables and loans represent the Group's maximum exposure to credit risk in relation to its financial assets.

At 30 June 2011, the amounts of trade receivables that are overdue but not impaired are insignificant. 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 Group's 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.

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 on a consolidated basis;
- Arranging financing to fund real estate developments as required; and
- Providing ample lead times for the disposal of assets and realisation of cash.

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

	Current		**Non-current**	
30 June 2011	**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	**125,303**	**-**	**6,435**	**-**
Short-term borrowings	**12,030**	**-**	**-**	**-**
Payables to related parties (*)	**41,021**	**-**	**89,763**	**-**
Long-term borrowings and debts	**-**	**-**	**71,545**	**-**
Other liabilities	**-**	**-**	**-**	**-**
	178,354	**-**	**167,743**	**-**

This compares to the maturity of the Group's financial liabilities in the previous year as follows:

	Current		Non-current	
30 June 2010	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	116,466	-	-	-
Short-term borrowings	21,090	-	-	-
Payables to related parties (*)	26,145	-	76,856	-
Long-term borrowings and debts	-	-	39,603	31,392
Long-term payables to minority shareholders	-	-	-	-
Other liabilities	-	-	879	-
	163,701	-	117,338	31,392

(*) 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 the reporting date.

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 holders of ordinary shares. The Group is not subject to 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.

Capital for the reporting periods under audit is summarised as follows:

	30 June 2011	30 June 2010
	USD'000	USD'000
Net assets attributable to the holders of ordinary shares	**672,288**	681,644

47. Fair value hierarchy

The Group adopted the amendments to IFRS 7 Improving Disclosures about Financial Instruments effective from 1 January 2010. These amendments require the Group to present certain information about financial instruments measured at fair value in the Consolidated Statement of Financial Position. In the first year of application, comparative information need not be presented for the disclosures required by the amendment. Accordingly, the disclosure for the fair value hierarchy is only presented for the 30 June 2011 year end.

The following table presents financial assets and liabilities measured at fair value in the Consolidated Statement of Financial Position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices in active market 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 (ie. as prices) or indirectly (ie. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

30 June 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**
Financial assets held at fair value through profit or loss				
- Ordinary share – unlisted	**-**	15,046	**-**	**15,046**
- Trustee loans	**-**	2,785	**-**	**2,785**
	-	17,831	**-**	**17,831**

30 June 2010	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
Financial assets held at fair value through profit or loss				

- Ordinary share – unlisted	-	16,106	-	16,106
- Trustee loans	-	16,690	-	16,690
	-	32,796	-	32,796

There have been no transfers between Level 1 and 2 during the year.

48. Comparative figures

Certain figures for the year ended 30 June 2010, which are included in this year's consolidated financial statements for comparative purposes, have been reclassified to conform to current year's presentation. The reclassification does not have any impact on net assets or net results.