Consolidated financial statements and independent auditors' report

VinaLand Limited and its subsidiaries

30 June 2011

Contents

Report of the Board of Directors

The Board of Directors submits its report together with the consolidated financial statements of VinaLand Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 30 June 2011 ("the year").

The Group

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

The details of the Group's principal subsidiaries and associates are set out in Note 6 and Note 11 of the consolidated financial statements.

Principal activities

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 to provide shareholders a potential capital growth, from investing in a diversified portfolio of mainly property investments.

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

Results and dividend

The results of the Group's operations for the year ended 30 June 2011 and the state of its affairs as at that date are set out in the consolidated financial statements on pages 6 to 52.

The Board of Directors do not recommend the payment of a dividend for the year ended 30 June 2011 (30 June 2010: USD nil).

Board of Directors

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

Name	Position	Appointed on
Nicholas Brooke	Chairman	13 January 2006
Horst Geicke	Director	31 August 2005
Don Lam	Director	13 January 2006
Robert Gordon	Director	16 February 2009
Michael Arnold	Director	17 March 2009
Nicholas Allen	Director	29 June 2010

Auditors
The Group's auditors, Grant Thornton Cayman Islands, with the assistance of Grant Thornton Vietnam Ltd., have expressed their willingness to accept reappointment.

Subsequent events after the reporting date
There were no material events after the reporting date that have a bearing on the understanding of these consolidated financial statements.

Directors' interest in the Company
As at 30 June 2011, the interests of the directors in the shares, underlying shares and debentures of the Company are as follows:

	No. of shares		Percentage of issued capital
	Direct	Indirect	(direct and indirect holding)
Horst Geicke	2,750,000	1,771,694	0.90%
Don Lam	2,557,250	1,174,710	0.75%
Nicholas Brooke	150,000	-	0.03%
Nicholas Allen	95,627	-	0.02%
Michael Arnold	64,500	-	0.01%
Robert Gordon	27,000	-	0.005%

Board of Directors' responsibility in respect of the consolidated financial statements
The Board of Directors is responsible for ensuring that the consolidated financial statements are properly drawn up so as to give a true and fair view of the financial position of the Group as at 30 June 2011 and of the results of its operations and its cash flows for the year ended on that date. When preparing the consolidated financial statements, the Board of Directors is required to:

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

ii. comply with the disclosure requirements of the International Financial Reporting Standards or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the consolidated financial statements;

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

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

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

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

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

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows, together with the notes thereto, have been properly drawn up and give a true and fair view of the financial position of the Group as at 30 June 2011 and the results of its operations and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

On behalf of the Board of Directors

Nicholas N Brooke

24 October 2011
Nicholas Brooke
Chairman
Kuala Lumpur, Malaysia

Grant Thornton

Indcpendent Auditors' Report

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To the Shareholders of
VinaLand Limited

Introduction

We have audited the accompanying consolidated financial statements of VinaLand Limited and its subsidiaries ("the Group") which are comprised of the Consolidated Statement of Financial Position as of 30 June 2011, and the Consolidated Statement of Changes in Equity, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes from page 6 to page 52.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

This report, including the opinion, has been prepared for and only for the shareholders. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Basis of opinion

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of VinaLand Limited and its subsidiaries as of 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

GRANT THORNTON

Grant Thornton

Grand Cayman, Cayman Islands

Date: OCT 24 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

The accompanying notes are an integral part of these statements

	Note	30 June 2011 USD'000	30 June 2010 USD'000 (Reclassified)
EQUITY			
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

	Equity attributable to shareholders of the parent					Non-controlling interests	Total equity
	Share capital	Additional paid-in capital	Revaluation reserve	Translation reserve	Retained earnings		
	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**

The accompanying notes are an integral part of these statements

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

The accompanying notes are an integral part of these statements

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

The accompanying notes are an integral part of these statements

Consolidated Statement of Cash Flows

	Note	30 June 2011 USD'000	30 June 2010 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

The accompanying notes are an integral part of these statements

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.