

Financial statements and independent auditors' report

Roxy Vietnam Company Limited

Year ended 30 June 2014

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Report of the Board of Directors

The Board of Directors submits its report together with the audited financial statements of Roxy Vietnam Co Ltd (“the Company”) for the year ended 30 June 2014.

Results of operations

The results of the Company’s operations for the year ended 30 June 2014 are presented in the statement of income.

Auditors

The Company’s financial statements for the year ended 30 June 2014 have been audited by Grant Thornton (Vietnam) Limited.

Members’ Council and Board of Directors

The members of the Members’ Council and Board of Directors during the year and to the date of this report were:

Members’ Council	Position	
Mr Don Di Lam	Chairman	
Mr Vu Cong Thanh	First Vice Chairman	Resigned on 18 December 2013
Mr Craig Andrew Douglas	Second Vice Chairman	
Mr Nguyen Quoc Tri	Member	
Mr Jason Ng Bak Huat	Member	
Ms Nguyen Thi Lien	Member	Resigned on 18 December 2013

Board of Directors

Mr Craig Andrew Douglas	General Director
Ms Le Mai Hoa	Deputy General Director

The Board of Directors’ responsibility in respect of the financial statements

The Board of Directors is responsible for ensuring the financial statements are properly drawn up to give a true and fair view of the financial position of the Company as at 30 June 2014 and of the results of its operations and its cash flows for the year then ended, in accordance with Vietnamese Accounting Standards and System and relevant statutory requirements on preparation and presentation of the financial statements. When preparing the financial statements, the Board of Directors is required to:

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

- comply with the disclosure requirements of Vietnamese Accounting Standards and System, and relevant statutory requirements on preparation and presentation of the financial statements;
- maintain adequate accounting records and an effective system of internal control;
- prepare the financial statements on a going-concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

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

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

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying Balance Sheet, Statement of Income and 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 Company as at 30 June 2014 and the income statement and cash flows for the year then ended, in accordance with Vietnamese Accounting Standards and System, and in compliance with relevant statutory requirements on preparation and presentation of the financial statements.

On behalf of the Board of Directors,



Craig Andrew Douglas
General Director

Hanoi, Vietnam
15 September 2014

Independent auditors' report

on the financial statements of
Roxy Vietnam Company Limited
for the year ended 30 June 2014

Grant Thornton (Vietnam) Limited
18th Floor, Hoa Binh International Office Building
106 Hoang Quoc Viet Street
Cau Giay District, Hanoi
Vietnam

T +84 (4) 3850 1686
F +84 (4) 3850 1688
www.gt.com.vn

H/14/120

**To: The Members' Council
Roxy Vietnam Company Limited**

We have audited the accompanying financial statements of Roxy Vietnam Company Limited ("the Company"), prepared on 15 September 2014 as set out on pages 5 to 23, which comprise the balance sheet as at 30 June 2014, the statement of income, the statement of cash flows for the year then ended together with a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards and System and in compliance with the relevant statutory requirements on preparation and presentation of the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 and fair presentation of the financial statements 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion, the financial statements give a true and fair view of the financial position of Roxy Vietnam Company Limited as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards and System and in compliance with the relevant statutory requirements on preparation and presentation of the financial statements.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Note 6 of the financial statements. The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As disclosed in the financial statements, as at 30 June 2014, the Company had significant negative net worth and working capital deficiency amounting to VND175,263,808,105 and VND193,589,133,890 respectively. Furthermore, the Company has significant portion of long term loans from bank that require refinancing within the next twelve months amounting to VND162,629,640,263. Such matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern. The parent company has undertaken to provide the necessary financial support to enable the Company to carry on business as a going concern during the year ending 30 June 2015.

Other matter

The Company's financial statements for the year ended 30 June 2013 were audited by other auditors whose report dated 18 October 2013 expressed a unqualified opinion.

**GRANT THORNTON (VIETNAM) LTD**

Nguyen Tuan Nam

Auditor Practising Certificate No. 0808-2014-068-1

Deputy General Director



Nguyen Hong Ha

Auditor Practising Certificate No. 1710-2014-068-1

Auditor

Hanoi, Vietnam

15 September 2014

Balance sheet

	Notes	Code	30 June 2014 VND	30 June 2013 VND
ASSETS				
Current assets				
Cash and cash equivalents	7	110	11,210,297,478	5,161,550,525
Accounts receivable				
Trade accounts receivable	8	131	4,137,006,865	4,982,683,338
Prepayments to suppliers		132	-	104,839,062
Receivables from related parties	29	133	4,041,615,643	30,005,052,371
Other receivables		135	166,076,310	28,920,612
		130	8,344,698,818	35,121,495,383
Inventories	9	140	1,365,789,250	1,349,200,867
Other current assets				
Short-term prepaid expenses		151	537,376,768	760,453,175
Other current assets		158	680,324,023	507,457,267
		150	1,217,700,791	1,267,910,442
		100	22,138,486,337	42,900,157,217
Non-current assets				
Fixed assets				
Tangible fixed assets	10	221	162,578,458,149	188,871,989,158
- Historical cost		222	479,018,394,302	480,343,289,318
- Accumulated depreciation		223	(316,439,936,153)	(291,471,300,160)
Intangible fixed assets	11	227	12,484,074,767	14,059,506,969
- Historical cost		228	41,042,350,694	40,934,357,301
- Accumulated depreciation		229	(28,558,275,927)	(26,874,850,332)
		220	175,062,532,916	202,931,496,127
Other non-current assets				
Long-term prepaid expenses	12	261	1,980,330,032	4,094,167,721
Deferred tax assets	28	262	2,474,962,837	8,201,634,011
		260	4,455,292,869	12,295,801,732
		200	179,517,825,785	215,227,297,859
		270	201,656,312,122	258,127,455,076

	Notes	Code	30 June 2014 VND	30 June 2013 VND
RESOURCES				
Liabilities				
Current liabilities				
Short term borrowings		311	162,629,640,263	63,390,000,000
Trade accounts payable	13	312	25,572,145,638	48,850,013,763
Advances from customers		313	859,110,541	1,004,235,470
Taxes and amounts payable to State budget	14	314	4,429,654,852	1,789,469,483
Payables to employees		315	2,388,382,924	2,788,748,464
Accrued expenses payable	15	316	5,493,900,973	8,556,230,905
Payables to related parties	29	317	13,258,522,523	38,588,459,691
Other payables	16	319	1,096,262,513	1,041,142,766
		310	215,727,620,227	166,008,300,542
Long-term liabilities				
Long term borrowings	17	334	161,192,500,000	269,160,700,966
		300	376,920,120,227	435,169,001,508
Owners' equity				
Capital sources and funds				
Charter capital	18,19	411	140,566,568,244	140,566,568,244
Accumulated losses	18	420	(315,830,376,349)	(317,608,114,676)
		410	(175,263,808,105)	(177,041,546,432)
		430	201,656,312,122	258,127,455,076

Off balance sheet items

	30 June 2014	30 June 2013
Foreign currencies:		
- United State Dollars (USD)	306,933	113,203

15 September 2014



Craig Andrew Douglas
General Director

Tran Thi Duyen
Chief Accountant

Statement of income

	Notes	Code	Year ended 30 June 2014 VND	Year ended 30 June 2013 VND
Gross sales	20	01	141,162,072,202	147,610,152,528
Less sale deductions	20	02	(4,273,179,285)	(6,778,102,366)
Net sales		10	136,888,892,917	140,832,050,162
Cost of sales	21, 25	11	(70,243,957,866)	(72,096,006,774)
Gross margin		20	66,644,935,051	68,736,043,388
Income from financial activities		21	417,135,008	37,917,221
Expenses from financial activities	22	22	(25,299,836,317)	(31,633,351,246)
<i>Including: interest expenses</i>		23	(20,941,241,423)	(25,361,502,858)
Selling expenses	25	24	(9,329,274,406)	(10,058,475,392)
General and administrative expenses	25	25	(36,643,491,365)	(38,757,754,838)
Operating loss		30	(4,210,532,029)	(11,675,620,867)
Other income	23	31	19,468,547,890	15,429,955,672
Other expenses	24	32	(7,753,606,360)	(2,750,429,418)
Net other profit		40	11,714,941,530	12,679,526,254
Net profit before tax		50	7,504,409,501	1,003,905,387
Corporate income tax for the current year	27	51	-	-
Deferred corporate income tax	28	52	(5,726,671,174)	-
Net profit after tax		60	1,777,738,327	1,003,905,387

15 September 2014



Craig Andrew Douglas
General Director

Tran Thi Duyen
Chief Accountant

Statement of cash flows

	Code	Year ended 30 June 2014 VND	Year ended 30 June 2013 VND
Cash flows from operating activities			
Net profit before tax	01	7,504,409,501	1,003,905,387
Adjustments for:			
Depreciation and amortisation	02	27,517,321,703	28,938,086,719
Unrealised foreign exchange losses	04	2,114,583,336	5,319,930,644
Loss from investing activities	05	-	792,519,120
Interest expense	06	20,941,241,423	25,361,502,858
Interest income	07	(137,146,993)	-
Operating profit before adjustments to working capital	08	57,940,408,970	61,415,944,728
Changes in accounts receivable	09	(19,002,517,818)	(14,253,393,620)
Changes in inventories	10	(16,588,383)	288,838,021
Changes in accounts payable	11	(5,418,829,956)	421,894,631
Changes in prepaid expenses	12	3,061,090,888	5,122,021,022
Interest paid	13	(20,182,384,960)	(10,949,484,417)
Net cash generated from operating activities	20	16,381,178,741	42,045,820,365
Cash flows from investing activities			
Purchase of fixed assets	21	(372,535,283)	(1,239,913,909)
Proceeds from disposals of fixed assets	22	-	1,921,018,000
Interest received	27	137,146,993	20,350,075
Net cash (used in) generated from investing activities	30	(235,388,290)	701,454,166
Cash flows from financing activities			
Proceeds of borrowings' principals	33	161,192,500,000	-
Repayments of borrowings' principals	34	(171,318,112,984)	(61,027,381,612)
Net cash used in financing activities	40	(10,125,612,984)	(61,027,381,612)
Net increase (decrease) in cash and cash equivalents	50	6,020,177,467	(18,280,107,081)
Cash and cash equivalents at beginning of the year	60	5,161,550,525	23,425,147,460
Effects of changes in foreign exchange rates	61	28,569,486	16,510,146
Cash and cash equivalents at end of the year	70	11,210,297,478	5,161,550,525



Craig Andrew Douglas
General Director

Tran Thi Duyen
Chief Accountant

Notes to the financial statements

1 Principal activity

Roxy Vietnam Company Limited (“the Company”) was established in the Socialist Republic of Vietnam as a limited liability company with two members or more pursuant to Investment Certificate No. 011022000176 dated 17 September 2008 which was to replace the original Investment licence No. 638/GP dated 20 July 1993 issued by the Ministry of Planning and Investment. Accordingly, the Company’s investors were Roxy Assets Limited, a company incorporated in Commerce Chambers, P.O.Box 2208, Road Town, Tortola, British Virgin Islands, and Transportation and Construction Company, a company incorporated in the Socialist Republic of Vietnam. In accordance with the Investment Certificate No. 011043002178 dated 18 December 2013, the Company changed its legal form to a wholly foreign owned company following the capital assignment agreement from Transportation and Construction Company to Roxy Assets Limited.

The principal activity of the Company is to build and operate an international four-star hotel (“the Hotel”) located at 83A Ly Thuong Kiet Street, Hoan Kiem District, Hanoi and provide other related services. The Company also establishes a separate place within the Hotel’s premises to operate electronic prize winning game machines for foreigners with maximum 38 machines.

As at 30 June 2014, the Company had 239 employees (30 June 2013: 233 employees).

2 Fiscal year and currency

Fiscal year

The Company’s fiscal year starts on 1 July and ends on 30 June.

Currency and foreign exchange

The financial statements are prepared in Vietnamese Dong (“VND”).

Transactions arising in currencies other than the reporting currency are translated at the prevailing exchange rates on transaction dates. Monetary assets and liabilities denominated in currencies other than the reporting currency are translated at the prevailing exchange rates at the balance sheet date. Translation gains and losses and expenses relating to foreign exchange transactions arising thereafter are recorded in the statement of income.

3 Basis of preparation of financial statements

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System of the Ministry of Finance and relevant statutory requirements in the Socialist Republic of Vietnam. The financial statements are not intended to present the financial position and results of operations and cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than the Socialist Republic of Vietnam. Furthermore their use is not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices.

Accounting system and form of records

The Company uses the general journal to record its transactions.

4 Adoption of new regulations

Circular No. 45/2013/TT-BTC

The Company has adopted Circular No. 45/2013/TT-BTC (“Circular 45”) dated 25 April 2013, issued by the Ministry of Finance which provides guidance on the management, usage and depreciation of fixed assets. The Circular is to be applied prospectively from its effective date, 10 June 2013.

Accordingly, under Circular 45, the key change in fixed asset definition is that the cost of a fixed asset at recognition date is not less than VND30,000,000 (previously the threshold was VND10,000,000). Net book value of all previously recorded fixed assets which do not meet this criterion are reclassified to long-term prepaid expenses and are allocated to the statement of income on a straight line basis over a period of 3 years from the date of reclassification.

Details of the aforesaid reclassification are presented in Note 10 – Tangible fixed assets and in Note 11- Intangible fixed assets.

5 Significant accounting policies

5.1 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash in banks as well as short-term highly liquid investments and bank deposits with maturity terms of not more than 3 months.

5.2 Accounts receivable

Accounts receivable are carried at invoice value less a provision for doubtful debts in an amount that reflects the extent to which it is estimated that the accounts will not be collected in full.

5.3 Inventories

Inventories are accounted for using the periodic method and valued at the lower of cost and net realisable value. Cost of inventories, which are calculated on a monthly weighted average basis, is comprised of purchases and related costs.

Net realisable value comprises the estimated sales proceeds less estimated selling expenses. A provision for decline is recorded where cost exceeds net realisable value.

5.4 Tangible fixed assets

Tangible fixed assets are valued at historical cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful life of the assets, at the following annual rates:

Buildings	10 – 30 years
Plant and machinery	3 – 10 years
Office equipment	3 – 10 years

5.5 Intangible fixed assets

Land use rights

Cost of land use rights and site clearance related to land plot located at 83A Ly Thuong Kiet Street, Hoan Kiem District, Hanoi were amortised on a straight-line basis with estimated useful life of 30 years.

Software

Software, including accounting software, hotel management and other software, which is not an integral part of computer is amortised on a straight-line basis with estimated useful life from 3 to 10 years.

5.6 Short-term prepaid expenses and Long term prepaid expenses

Short term prepaid expenses are consisted of prepayments for operating leases and other expenses related to operating activities for a period of less than 1 year. These expenses are deferred and then allocated to the statement of income depending on the estimated useful time or related prepayment terms.

Long term prepaid expenses are consisted of tools and consumables, low value furniture and equipment and other prepayment expenses related to operating activities for a period of more than one operating year. Long term prepaid expenses are amortised to the statement of income over the estimated useful life of 3 years or related prepayment terms.

5.7 Payables and accruals

Payables and accruals are recognised for amount to be paid in the future for goods and services received, whether or not billed to the Company.

5.8 Employee benefits

Post employment benefits

Post employment benefits are paid to retired employees of the Company by the Social Insurance Vietnam. The Company is required to contribute to these post employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17% in 2013 and 18% in the first six months in 2014 of an employee's basic salary on a monthly basis. The Company has no further obligation to fund the post employment benefits of its employees.

Unemployment benefits

According to Circular No. 04/2009/TT-BLĐTBXH guiding Decree No. 127/2008/ND-CP on unemployment insurance, from 1 January 2009, the Company is obliged to pay unemployment insurance at 1% of its salary fund used for payment of unemployment insurance for insurance participants and deduct 1% of salary of each employee to simultaneously pay to the Unemployment Insurance Fund.

5.9 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 the acquisition of tangible fixed assets that are incurred during the period of construction and installation of the assets, which are capitalised as a cost of the related assets.

5.10 Revenue

Revenue from hotel room services is recognised in the statement of income on a daily basis when rooms are occupied.

Food and beverage income is recognised in the statement of income when food and beverage is served to the customers.

Revenue from rendering of electric prize winning game services is recognised in the statement of income based on net cash received from game services.

Revenue from other services rendered is recognized in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date.

Interest income is recognised in the statement of income on a time-proportion basis using the effective interest method.

5.11 Operating leases

Leases wherein substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payments applicable to such leases are recorded in the results of operations as incurred.

5.12 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 balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the statement of income.

Deferred income taxes are calculated using the liability method. This involves the comparison of the carrying amounts of assets and liabilities in the 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 Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they can be applied against future taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the 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 equity are charged or credited directly to equity.

5.13 Related parties

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

5.14 Financial instruments

On 6 November 2009, the Ministry of Finance issued Circular 210/2009/TT-BTC providing guidance on the application of International Financial Reporting Standards (“IFRS”) on the presentation and disclosure of financial instruments (“Circular 210”) which is effective for the financial years beginning on or after 1 January 2011.

As Circular 210 only requires the presentation and disclosure of financial instruments in accordance with IFRS, recognition and measurement of these assets and liabilities on the Company’s financial statements are still in accordance with Vietnamese Accounting Standards and System.

Classification

In accordance with Circular 210/2009/TT-BTC, the Company classifies its financial assets and financial liabilities in the following categories:

For financial assets:

- financial assets at fair value through profit or loss (“FVTPL”);
- held-to-maturity (“HTM”) investments;
- available-for-sale (“AFS”) financial assets; and
- loans and receivables.

For financial liabilities:

- financial liabilities at FVTPL; and
- other financial liabilities at the amortised cost.

Fair value measurement and disclosure

In accordance with Circular 210/2009/TT-BTC, the Company discloses fair values of financial assets and financial liabilities along with their corresponding book values.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Company does not have a financial instrument traded on an active market. The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques.

6 Going concern assumption

The financial statements have been prepared on a going-concern basis which assumes the realisation of assets and satisfaction of liabilities in the ordinary course of business notwithstanding the fact that the Company has a negative net worth amounting to VND175,263,808,105. As of 30 June 2014 the Company had a significant working capital deficiency of VND193,589,133,890. Furthermore, the Company has significant portion of long term loans from bank that require refinancing within the next twelve months amounting to VND162,629,640,263.

The Company's continued existence as a going concern is dependent on the continued financial support of its owner and ultimately dependent on the success of its future operations.

The Company's parent company has undertaken to provide the necessary financial support to enable the Company to carry on business as a going concern for at least twelve months from the balance sheet date. No adjustments have been made in the Company's financial statements for the year ended 30 June 2014 to restate the value of assets to their recoverable amounts, to provide for any further liabilities and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively, had the going concern assumption not been appropriate. The assumption is premised on future events, the outcome of which is inherently uncertain.

7 Cash and cash equivalents

	30 June 2014	30 June 2013
	VND	VND
Cash on hand	1,402,270,607	1,471,787,437
Cash in banks	9,666,067,784	3,588,685,876
Cash in transit	141,959,087	101,077,212
	<u>11,210,297,478</u>	<u>5,161,550,525</u>

8 Trade accounts receivable

	30 June 2014	30 June 2013
	VND	VND
Receivables from third parties	3,979,402,256	4,825,196,132
Amounts due from related parties (Note 29)	157,604,609	157,487,206
	<u>4,137,006,865</u>	<u>4,982,683,338</u>

9 Inventories

	30 June 2014	30 June 2013
	VND	VND
Consumable goods	449,992,541	390,491,759
Operating supplies	787,644,878	796,908,526
Tools and supplies	128,151,831	161,800,582
	<u>1,365,789,250</u>	<u>1,349,200,867</u>

10 Tangible fixed assets

	Buildings VND	Plant and machinery VND	Office equipment VND	Total VND
Historical cost				
1 July 2013	282,752,863,399	193,144,491,994	4,445,933,925	480,343,289,318
New purchases	-	264,541,890	-	264,541,890
Transferred to long-term prepaid expenses (*)	-	(1,101,261,421)	(379,180,905)	(1,480,442,326)
Disposals	-	-	(39,260,780)	(39,260,780)
Write-off	-	-	(69,733,800)	(69,733,800)
30 June 2014	282,752,863,399	192,307,772,463	3,957,758,440	479,018,394,302
<i>In which:</i>				
- Fully depreciated	-	110,947,635,955	2,342,009,458	113,289,645,413
Accumulated depreciation				
1 July 2013	(146,418,636,972)	(141,627,272,244)	(3,425,390,944)	(291,471,300,160)
Charge for the year	(13,579,216,740)	(11,933,677,617)	(321,001,751)	(25,833,896,108)
Transferred to long term prepaid expense (*)	-	523,524,710	232,740,825	756,265,535
Disposals	-	-	39,260,780	39,260,780
Write-off	-	-	69,733,800	69,733,800
30 June 2014	(159,997,853,712)	(153,037,425,151)	(3,404,657,290)	(316,439,936,153)
<i>In which:</i>				
- Fully depreciated	-	(110,947,635,955)	(2,342,009,458)	(113,289,645,413)
Net book value				
1 July 2013	136,334,226,427	51,517,219,750	1,020,542,981	188,871,989,158
30 June 2014	122,755,009,687	39,270,347,312	553,101,150	162,578,458,149
<i>Assets pledged as borrowing securities – Note 17 - Long term borrowing</i>	122,755,009,687	39,270,347,312	553,101,150	162,578,458,149

(*) As mentioned in Note 4 – Adoption of new regulations, the Company has adopted Circular 45 to reclassify all low value fixed assets with historical costs under VND30 million to long term prepaid expenses.

11 Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
1 July 2013	36,406,739,988	4,527,617,313	40,934,357,301
New purchases	-	107,993,393	107,993,393
30 June 2014	36,406,739,988	4,635,610,706	41,042,350,694
<i>In which: Fully amortised</i>	-	1,496,956,889	1,496,956,889
Accumulated amortisation			
1 July 2013	(24,211,012,472)	(2,663,837,860)	(26,874,850,332)
Charge for the year	(1,213,558,002)	(469,867,593)	(1,683,425,595)
30 June 2014	(25,424,570,474)	(3,133,705,453)	(28,558,275,927)
<i>In which: Fully amortised</i>	-	(1,496,956,889)	(1,496,956,889)
Net book value			
1 July 2013	12,195,727,516	1,863,779,453	14,059,506,969
30 June 2014	10,982,169,514	1,501,905,253	12,484,074,767
<i>Assets pledged as borrowing securities – Note 17 - Long term borrowings</i>	10,982,169,514	1,501,905,253	12,484,074,767

12 Long term prepaid expenses

	Tools and supplies VND	Furniture and equipment VND	Other expenses VND	Total VND
1 July 2013	869,931,590	2,405,001,746	819,234,385	4,094,167,721
Additions	1,492,058,897	-	-	1,492,058,897
Amortisation	(888,275,616)	(2,308,005,854)	(409,615,116)	(3,605,896,586)
30 June 2014	1,473,714,871	96,995,892	409,619,269	1,980,330,032

13 Trade accounts payable

	30 June 2014 VND	30 June 2013 VND
Payables to third parties	2,084,205,988	2,947,012,292
Amounts due to related parties (Note 29)	23,487,939,650	45,903,001,471
	25,572,145,638	48,850,013,763

14 Taxes and amount payable to the State Budget

	30 June 2014 VND	30 June 2013 VND
Value added tax	446,229,335	824,252,055
Special sale tax	551,849,779	338,321,950
Foreign contractor withholding tax	3,103,945,150	3,991,680
Personal income tax	327,630,588	622,903,798
	4,429,654,852	1,789,469,483

15 Accrued expenses payable

	30 June 2014 VND	30 June 2013 VND
Payable to employees	717,396,925	800,196,417
Withholding taxes	1,430,311,804	3,707,623,466
Software leasing fee	820,120,934	483,755,294
Designing fee	-	501,954,800
Utilities expenses	758,856,464	844,428,299
Interest expenses	9,409,523	79,937,326
Others	1,757,805,323	2,138,335,303
	5,493,900,973	8,556,230,905

16 Other payables

	30 June 2014 VND	30 June 2013 VND
Operating expenses	493,078,843	221,270,326
Trade union, social and health insurance	227,803,572	280,011,175
Others	375,380,098	539,861,265
	1,096,262,513	1,041,142,766

17 Long term borrowings

	30 June 2014 VND	30 June 2013 VND
<i>Borrowings from bank</i>		
South East Asia Commercial Joint Stock Bank ("SeABank")	323,822,140,263	213,166,200,966
<i>Borrowings from related party</i>		
Roxy Assets Limited	-	119,384,500,000
	323,822,140,263	332,550,700,966
Less: Current portion of long term bank borrowings	(162,629,640,263)	(63,390,000,000)
	161,192,500,000	269,160,700,966

Borrowings from SeABank were detailed as follows:

Loan contract No.	Balance (VND)	Interest	Repayment
00.09.00108/HDTD dated 10 June 2009, credit limit of USD23.6 million	162,629,640,263 (USD7,633,403)	SeaBank 12-month USD saving deposit rate plus 2.5% per annum	12 semi-annual installments from 2009 to 10 June 2015
00.13.00237/HDTD dated 6 June 2014, credit limit of VND161,192,500,000	161,192,500,000	SeaBank 8-month VND saving deposit rate plus 0.6% per annum, not less than the rate of the first withdrawal	8 semi-annual installments until 6 June 2020
	323,822,140,263		

The borrowings from SeABank are secured by properties including:

(i) Property on the land and property in future at 83A Ly Thuong Kiet Street, Hoan Kiem district, Hanoi owned by Company under the Land use right No. E0373693; and (ii) Capital contribution of Roxy Assets Limited to Roxy Vietnam Company Limited.

Borrowings from Roxy Assets Limited

The Company obtained borrowings from Roxy Assets Limited with loan principal of USD5,650,000 equivalent to VND119,384,500,000 under a loan agreement dated 1 December 2009 and the Appendix I dated 1 December 2010. The loan bears interest at the rate of 12% per annum. In 2014, the loan principals was fully paid.

18 Owners' equity

	Charter capital VND	Accumulated losses VND	Total VND
1 July 2012	140,566,568,244	(318,612,020,063)	(178,045,451,819)
Profit for the year	-	1,003,905,387	1,003,905,387
30 June 2013	140,566,568,244	(317,608,114,676)	(177,041,546,432)
1 July 2013	140,566,568,244	(317,608,114,676)	(177,041,546,432)
Profit for the year	-	1,777,738,327	1,777,738,327
30 June 2014	140,566,568,244	(315,830,376,349)	(175,263,808,105)

19 Charter capital

	Registered charter capital VND	Amount contributed %	Amount contributed VND
<i>30 June 2013</i>			
Transportation and Construction Company	36,406,739,988	25.9%	36,406,739,988
Roxy Assets Limited	104,159,828,256	74.1%	104,159,828,256
	140,566,568,244	100%	140,566,568,244
<i>30 June 2014</i>			
Roxy Assets Limited	140,566,568,244	100%	140,566,568,244

During the year, the Transportation and Construction Company transferred all its share interest in the Company to Roxy Assets Limited. Accordingly, the Company was re-registered as a wholly foreign owned company by Roxy Assets Limited.

20 Revenue

	Year ended 30 June 2014 VND	Year ended 30 June 2013 VND
Sales		
Room services	87,995,089,329	85,999,783,895
Foods and beverages	27,256,034,621	27,308,475,226
Electric prize winning game services	15,464,998,742	24,432,870,494
Other services	10,445,949,510	9,869,022,913
	141,162,072,202	147,610,152,528
Sales deductions		
Special sales tax	(3,692,858,533)	(6,026,792,229)
Sales allowances	(580,320,752)	(751,310,137)
	(4,273,179,285)	(6,778,102,366)
	136,888,892,917	140,832,050,162

21 Cost of sales

	Year ended 30 June 2014 VND	Year ended 30 June 2013 VND
Room services	16,777,575,014	17,091,650,240
Depreciation and amortisation	29,863,508,985	32,798,351,566
Foods and beverages	16,742,101,191	15,511,122,936
Electric prize winning game services	2,262,695,670	2,066,674,326
Other services	4,598,077,006	4,628,207,706
	70,243,957,866	72,096,006,774

22 Expenses from financial activities

	Year ended 30 June 2014 VND	Year ended 30 June 2013 VND
Interest expenses	20,941,241,423	25,361,502,858
Realised loss from foreign exchange differences	2,114,583,336	178,065,330
Unrealised loss from foreign exchange differences	1,543,289,578	5,337,497,790
Others	700,721,980	756,285,268
	25,299,836,317	31,633,351,246

23 Other income

	Year ended 30 June 2014 VND	Year ended 30 June 2013 VND
Proceeds on disposals of fixed assets	-	1,921,018,000
Compensation by the Club Operator (Note 26)	19,118,045,369	12,092,228,206
Others	350,502,521	1,416,709,466
	19,468,547,890	15,429,955,672

24 Other expenses

	Year ended 30 June 2014	Year ended 30 June 2013
	VND	VND
Penalty on early payment of long term borrowings	7,737,297,093	-
Net book value of disposal of fixed assets	-	2,716,743,563
Other	16,309,267	33,685,855
	7,753,606,360	2,750,429,418

25 Cost by elements

	Year ended 30 June 2014	Year ended 30 June 2013
	VND	VND
Materials	8,636,201,472	10,000,811,631
Labour cost	33,969,248,284	30,838,515,916
Depreciation	27,517,321,703	28,938,086,719
Long-term prepayment allocation	2,736,264,303	4,309,679,425
Management and consultant fees	8,875,873,876	10,003,215,111
Outside services	34,481,813,999	36,821,928,202
	116,216,723,637	120,912,237,004

26 Business operation agreement

In accordance with the Business Operation Agreement dated 15 September 2008 between the Company, the Owner, and Goldwin Global Company Limited, the Operator of WINs Club (“the Club Operator”), the Company is entitled to a guaranteed fixed profit amounting to USD1,110,000 or VND23,473,528,593 in equivalent in 2014 (year 2013: fixed profit was USD1,050,000 or VND21,975,622,800 in equivalent) which is receivable from the Club Operator in every six-month basis. As the Club’s operating results did not reach the guaranteed profit amount, the compensation from the Club Operator during the year is as follows:

	Year ended 30 June 2014	Year ended 30 June 2013
	VND	VND
Total guaranteed fixed profit for the year	23,473,528,593	21,975,622,800
Profit of WINs club during the year	4,355,483,224	9,883,394,594
Compensation from the Club Operator (Note 23)	19,118,045,369	12,092,228,206

In conjunction with the Club management contract between the Company and the Club Operator, the Club Operator was engaged in a finance support agreement with Mr Nguyen Quoc Long, the Operator’s management for purchases of the equipment and the working capital injections to maintain the operation of the Club. The payable to Mr. Nguyen Quoc Long has no fixed payable schedule, unsecured and interest-free. In accordance with the Agreement dated 30 June 2014, the receivable from the Club Operator was offset against the payable to Mr Nguyen Quoc Long. As at 30 June 2014, the net outstanding payable to Mr Nguyen Quoc Long was VND5,588,722,469.

27 Corporate income tax

The Company is liable to corporate income tax at the rate of 25% on taxable income from 1 July 2013 to 31 December 2013 and at 22% on taxable income from 1 January 2014 to 30 June 2014.

The reconciliation between the profit before income tax and the taxable profit is as shown below:

	Year ended 30 June 2014	Year ended 30 June 2013
	VND	VND
Net accounting profit before tax	7,504,409,501	1,003,905,387
<i>Adjustments:</i>		
<i>Permanent differences</i>		
Penalty expense during the year	16,309,267	16,742,552
Non-executive's salary and allowance	38,160,000	37,800,000
<i>Temporary differences</i>		
Reversal of foreign contractor tax paid during the year	(2,277,311,662)	822,261,058
13th salary not yet paid at the year end	717,396,925	800,196,417
The prior year's 13th salary paid during the year	(800,196,417)	-
Foreign exchange gain (loss) difference	(12,059,340)	217,700,387
Taxable income before deduction of tax loss brought forward	5,186,708,274	2,898,605,801
Tax loss brought forward from previous years	(5,186,708,274)	(2,898,605,801)
Assessable income	-	-

Tax losses can be carried forward to offset future years' taxable income of up to five years from the year in which they were incurred. The actual amount of accumulated losses that can be carried forward is subject to the result of a tax audit which will be carried out by the local tax authorities.

Tax losses available for offset against future taxable income are as follows:

Year incurred	Status of tax review	(Tax loss)/		Tax losses		Year of expiration
		Taxable income	Utilised	Forfeited	carried forward	
		VND	VND	VND	VND	
2009	Finalization	(37,693,680,336)	19,762,407,388	17,931,272,948	-	2014
2010	Finalization	(11,870,026,671)	-	-	(11,870,026,671)	2015
2011	Outstanding	(4,662,361,948)	-	-	(4,662,361,948)	2016
2012	Outstanding	11,676,151,813	(11,676,151,813)	-	-	2017
2013	Outstanding	2,898,605,801	(2,898,605,801)	-	-	2018
2014	Outstanding	5,186,708,274	(5,186,708,274)	-	-	2019
				17,931,272,948	(16,532,388,619)	

28 Deferred corporate income tax

Deferred tax assets recorded by Company and movements are presented as below:

	Balance sheet		Statement of income	
	30 June 2014	30 June 2013	2014	2013
	VND	VND	VND	VND
Deferred tax assets				
Tax loss carried forward	2,474,962,837	8,201,634,011	(5,726,671,174)	-
Net deferred tax expense recognised in the statement of income			(5,726,671,174)	

29 Related party transactions and balances

During the year, the following transactions with related parties were recorded:

Related parties	Relationship	Nature of transactions	Year ended	Year ended
			30 June 2014	30 June 2013
			VND	VND
Prodigy Pacific Vietnam Company Ltd	Common Management	Provide services	1,033,264,986	1,250,351,542
Movenpick Hotels & Resorts Management AG	Hotel Management	Management fee and marketing contribution	8,820,993,630	8,699,155,886
Hospitality Consulting Company Limited	Related party	Consultant services	1,266,600,000	1,253,800,000
Roxy Assets Limited	Owner	Repayments of borrowing principals	(120,373,250,000)	-
		Interest paid	(40,489,797,346)	-
		Early repayment penalty	(7,736,761,615)	-
		Interest expense	13,324,328,943	14,369,420,112
Mr Nguyen Quoc Long	Director of the Club Operator	Cash advanced to the Club	20,143,370,000	7,000,000,000

As at 30 June, the following balances were outstanding with related parties:

Related parties	Relationship	Transactions	30 June 2014	30 June 2013
			VND	VND
Trade receivable (Note 8)				
Prodigy Pacific Vietnam	Common Management	Provide services	157,604,609	157,487,206
Receivables from related parties				
Transportation and Construction Company	Former investor	Land rental expense paid on behalf (*)	-	3,438,789,810
Goldwin Global Co Ltd	Club operator	Guaranteed profit (Note 26)	-	26,488,402,258
Roxy Assets Limited	Owner	Land rental and other fees paid on behalf (*)	4,038,471,610	73,955,000
Other	Related party	Payments paid on behalf	3,144,033	3,905,303
			4,041,615,643	30,005,052,371
Trade accounts payables (Note 13)				
Roxy Assets Limited	Owner	Interest expense	22,581,383,359	41,548,623,263
Moevenpick Hotels & Resort Management AG	Hotel management	Management fee	586,981,291	1,184,878,208
Hospitality Consulting Company Limited	Related party	Consulting fee	319,575,000	3,169,500,000
			23,487,939,650	45,903,001,471
Payables to related parties				
Goldwin Global Co Ltd	Club operator	Deposit for BCC	7,669,800,000	7,498,080,000
Mr Nguyen Quoc Long	Director of the Club Operator	Cash advanced to the Club (Note 26)	5,588,722,469	31,051,800,096
Other	Related party	Payment paid on behalf	54	38,579,595
			13,258,522,523	38,588,459,691
Long term borrowings (Note 17)				
Roxy Assets Limited	Owner	Loan principals	-	119,384,500,000

(*) In accordance with the share purchase agreement between Transportation and Construction Company and Roxy Assets Limited, obligation related to land rental was transferred to Roxy Assets Limited.

Receivables from/payables to related parties are unsecured, non interest bearing and paid upon demand.

30 Directors' remuneration

During the year, members of the Board of Directors received total remuneration including salary and other allowances as follows:

	Year ended 30 June 2014	Year ended 30 June 2013
	VND	VND
Salary and allowances	448,368,000	439,674,000

31 Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 32. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated and mentioned by its senior managers to ensure that an appropriate balance between risk and control is achieved. The most significant financial risks to which the Company is exposed are described below.

31.1 Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from its operating activities.

Foreign currency sensitivity

Most of the Company's transactions are carried out in Vietnamese dong. Exposures to currency exchange rates arise from the Company's financing activities and management expenses, which are primarily denominated in US Dollars. The Company has a US Dollar loan which has been used to fund the hotel operation.

Foreign currency denominated financial assets and liabilities, translated into VND at the closing rate, are as follows:

	Original currency USD		Equivalent to VND	
	2014 USD	2013 USD	2014 VND	2013 VND
Financial assets	306,933	113,203	6,539,214,809	2,391,971,149
Financial liabilities	(8,708,312)	(5,116,334)	(185,530,590,782)	(108,108,123,263)
Short-term exposure	(8,401,379)	(5,003,131)	(178,991,375,973)	(105,716,152,114)
Financial assets	-	-	-	-
Financial liabilities	-	(12,738,320)	-	(269,160,701,600)
Long-term exposure	-	(12,738,320)	-	(269,160,701,600)

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Company's financial assets and financial liabilities and the US Dollar / VND exchange rate.

It assumes a +/- 0.85% change of the US-Dollar/VND exchange rate for the year ended at 30 June 2014 (2013: 1.34%). These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each balance sheet date.

If the VND had strengthened/weakened against the US Dollar by +/-0.85% (2013: +/-1.34%) respectively then this would have had the following impact:

	Year ended 30 June 2014		Year ended 30 June 2013	
	+0.85%	VND -0.85%	+1.34%	VND -1.34%
Net result for the year	(1,525,133,618)	1,525,133,618	(5,034,317,460)	5,034,317,460
Equity	(1,525,133,618)	1,525,133,618	(5,034,317,460)	5,034,317,460

Interest rate sensitivity

Interest rate risk is the risk that the fair value (fair value interest rates risk) or future cash flows (cash flow interest rates risks) of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rates risk arising from financial instruments carried fixed interest rates which are measured at fair value. As 30 June 2014, the Company's borrowings were subjected to floating interest rates.

The Company is exposed to cash flow interest rates risks in relation to interest expenses from borrowing subject to floating rates. The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +/-100 bps (2013: +/-100 bps), occurring from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Company's financial instruments subject to floating rates held at each balance sheet date. All other variables are held constant.

	Year ended 30 June 2014		Year ended 30 June 2013	
	+100 bps	VND -100 bps	+100 bps	VND -100 bps
Net result for the year	(73,818,401)	73,818,401	(109,920,827)	109,920,827
Equity	(73,818,401)	73,818,401	(109,920,827)	109,920,827

31.2 Credit risk

The Company's exposure to credit risk is limited to the carrying amount of the financial assets recognised at the balance sheet date, as summarised below:

	30 June 2014	30 June 2013
	VND	VND
Classes of financial assets - carrying amounts		
Cash and cash equivalents	11,210,297,478	5,161,550,525
Trade and other receivables	4,983,407,198	5,623,900,279
Receivables from related parties	4,041,615,643	30,005,052,371
	20,235,320,320	40,790,503,175

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

31.3 Liquidity risk

According to the liquidity risk management policy, the Company monitors and maintains a reasonable amount of cash and cash equivalents for payment transactions in order to reduce the liquidity risk and impact from the fluctuation of cash flows. The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

As at 30 June, the Company's liabilities have contractual maturities which are summarised below:

	Current		Non-current	
	Within 6 months VND	6 to 12 months VND	1 to 5 years VND	Over 5 years VND
30 June 2014				
Borrowings	162,629,640,263	-	161,192,500,000	-
Trade payables	25,575,349,954	-	-	-
Other financial liabilities	27,525,834,326	-	-	-
	215,727,620,227	-	161,192,500,000	-
30 June 2013				
Borrowings	63,390,000,000	-	269,160,700,966	-
Trade payables	48,850,013,763	-	-	-
Other financial liabilities	53,768,286,779	-	-	-
	166,008,300,542	-	269,160,700,966	-

32 Fair value of financial assets and financial liabilities

Information on fair values of financial assets and financial liabilities, compared to their book values are presented below:

	30 June 2014		30 June 2013	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Financial assets				
Financial assets at fair value through profit and loss	-	-	-	-
Loan and receivables				
<i>Cash and cash equivalents</i>	11,210,297,478	11,210,297,478	5,161,550,525	5,161,550,525
<i>Trade and other receivables</i>	4,983,407,198	4,983,407,198	5,623,900,279	5,623,900,279
<i>Receivable from related parties</i>	4,041,615,643	4,041,615,643	30,005,052,371	30,005,052,371
Held-to-maturity investments	-	-	-	-
Available for sales	-	-	-	-
	20,235,320,320	20,235,320,320	40,790,503,175	40,790,503,175
Financial liabilities				
Financial liabilities at fair value through profit and loss	-	-	-	-
Other liabilities:				
<i>Short term borrowings</i>	162,629,640,263	162,629,640,263	63,390,000,000	63,390,000,000
<i>Trade payables</i>	25,575,349,954	25,575,349,954	48,850,013,763	48,850,013,763
<i>Other financial liabilities</i>	27,525,834,326	27,525,834,326	53,768,286,779	53,768,286,779
<i>Long term borrowings</i>	161,192,500,000	161,192,500,000	269,160,700,966	269,160,700,966
	376,920,120,227	376,920,120,227	435,169,001,508	435,169,001,508

33 Approval of the financial statements

The financial statements were approved for issuance by the Board of Directors on 15 September 2014.

Craig Andrew Douglas
General Director

Tran Thi Duyen
Chief Accountant

