



A.C.N. 063 656 333  
A.B.N. 64 063 656 333

## VIETNAM INDUSTRIAL INVESTMENTS LIMITED

27 February 2015

Company Announcements Office  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

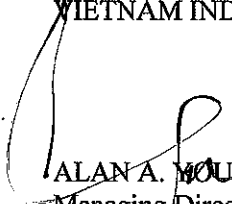
Dear Sirs

### **APPENDIX 4E**

Please find attached Appendix 4E for the year ended 31 December 2014.

Yours faithfully

VIETNAM INDUSTRIAL INVESTMENTS LIMITED

  
ALAN A. YOUNG  
Managing Director  
(Chief Operating Officer)

## APPENDIX 4E

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

(Corresponding year: 31 December 2013)

#### Results for announcement to the market

	2014	2013	Movement	
	\$'000	\$'000	Amount \$'000	%
Revenues from ordinary activities	301,093	263,003	38,090	14%
Loss from ordinary activities after tax attributable to members	(180)	(9,156)	8,976	(98%)
Net Loss for the period attributable to members	(180)	(9,156)	8,976	(98%)

#### Dividend Distribution

The Directors did not declare/pay dividends for the full financial year ended 31 December 2014 (2013: Nil).

Attached are the following:

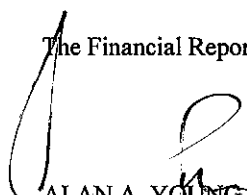
- Commentaries for the net results for the year attributable to members
- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Segment information
- Retained earnings reconciliation
- Earnings per share calculation
- Cash and cash equivalents
- Discontinued operation
- Revenues and expenses
- Trade and other receivables
- Advances to suppliers
- Inventories
- Property, plant and equipment
- Trade and other payables
- Interest-bearing loans and borrowings

NTA Backing	Current Period	Previous Corresponding Period
Net tangible asset per ordinary security	25.84 cents per share	24.15 cents per share

There had been no entities which control had been gained/lost during the year.

The applicable accounting standards used by the consolidated entity are Australian Accounting Standards issued by the Australian Accounting Standards Board.

The Financial Report for the year ended 31 December 2014 is in the process of being audited.

  
ALAN A. YOUNG  
Managing Director  
(Chief Operating Officer)

## **APPENDIX 4E**

### **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors submit the Appendix 4E of Vietnam Industrial Investments Limited (“VII”, “Company”, “consolidated entity” or “Group”) for the year ended 31 December 2014.

#### **SCHEME OF ARRANGEMENT**

On 29 November 2013, the Company announced its intention to restructure its group of companies by way of a Scheme of Arrangement (Scheme), whereby Structure Steel Engineering Pte Ltd (“SSE”), a wholly owned unlisted subsidiary of the Company domiciled in Singapore, would become the holding company for the Group.

The meeting of shareholders held on 4 February 2014 (“Scheme Meeting”), to approve the Scheme, was adjourned to allow the VII Board to explore and discuss, with the Company’s major shareholders, amendments to the Scheme that were in the best interests of all VII shareholders.

The VII Board was unable to agree amendments to the Scheme and, on 28 April 2014, VII announced that the VII Board considered that it was in the best interests of VII and its shareholders to terminate the Scheme and that the Scheme had been terminated.

As a result of the termination of the Scheme, VII shareholders retain their VII shares, VII continues to be the parent company of the VII Group domiciled in Australia and listed on the ASX.

#### **OPERATIONAL AND FINANCIAL REVIEW**

This operational and financial review reports on the period under review for the Company and its businesses in Vietnam, Steel Making Division: Vinausteel Limited (“Vinausteel”), and SSESTEEL Ltd (“SSESTEEL”), and Steel Products Division: Austnam Joint Stock Corporation (“Austnam”), Total Building Systems Limited (“TBS”); and VRC Weldmesh (Vietnam) Ltd (“VRC”).

##### *Net Loss for the year*

The total unaudited comprehensive income for the year was \$3.085 million which was 206% higher than previous year’s total comprehensive loss of \$2.909 million. The total unaudited comprehensive income for the year consisted of: 1) unaudited net profit for the year of \$0.273 million (2013: net loss of \$8.719 million), and 2) Foreign currency translation of a gain of \$2.812 million (2013: gain of \$5.810 million).

For the year ended 31 December 2014, the unaudited Group net loss after tax attributable to members was \$0.180 million on revenues of \$299.392 million (2013: net loss after tax attributable to members \$9.156 million on revenues of \$262.529 million which included a non-cash impairment loss of assets of \$5.821 million).

The Steel Making Division reported a net profit after tax attributable to members of \$0.854 million (VND16.294 billion) on revenues of \$287.937 million (VND5.491 trillion) (2013: net loss after tax attributable to members of \$7.090 million (VND135.612 billion) on revenues of \$255.761 million (VND5.168 trillion)). During 2014, SSESTEEL reported a lower net loss after tax of \$0.104 million as compared to 2013 net loss after tax of \$8.040 million due to the 2013 recognition of a non-cash impairment loss of assets of \$5.821 million. As some assets of SSESTEEL were impaired in 2013, no depreciation expense was recognised in 2014 which improved its operating performance in 2014.

The corporate net loss after tax was \$1.327 million (2013: net loss after tax of \$1.541 million).

The Group’s Steel Products Division reported a net profit after tax attributable to members of \$39,000 (2013: \$65,000).

VRC was classified as a disposal group held for sale at 31 December 2013 and as a discontinued operation. For the year ended 31 December 2014, VRC reported a net profit after tax of \$0.254 million (2013: net loss after tax of \$0.590 million) which included a gain of \$0.459 million resulting from the sale of its property, plant and equipment and intangible asset for \$1.306 million. After the disposal of its property, plant and equipment and intangible asset, the assets and liabilities have been reclassified as part of the continuing operations as at balance date.

## APPENDIX 4E

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### *Foreign currency translation*

For the year ended 31 December 2014, the foreign currency translation was a gain of \$2.812 million (2013: a gain of \$5.810 million). In 2014, the Vietnam Dong appreciated against the Australian dollars. The average VND/AUD exchange rate in 2014 was VND19,070, a decrease of approximately 6% from the average VND/AUD exchange rate of VND20,207 in 2013. The VND/AUD spot rate at 31 December 2014 was VND17,548, a decrease of approximately 7% from 31 December 2013 VND/AUD spot rate of VND18,894. The Australian dollar continued to depreciate against the US dollar in 2014. The Australian dollar spot rate at 31 December 2014 of US\$0.8202/A\$1 was weaker than 31 December 2013 spot rate of US\$0.8948/A\$1.

#### CASH FLOWS

At 31 December 2014, cash and cash equivalents is \$34.660 million. There was net decrease in cash and cash equivalents during the year of \$17.173 million due to the following:

	<b>\$'000</b>
Increase in net cash flows from operating activities (a)	21,112
Decrease in net cash flows from investing activities (b)	(1,259)
Decrease in net cash flows from financing activities (c)	(39,228)
Net foreign exchange differences	<u>2,202</u>
<b>Net Increase</b>	<b><u>(17,173)</u></b>

#### Notes:

- (a) Net cash inflows from operating activities were mainly due to the receipts from customers of \$306.975 million and payment to suppliers and employees of \$283.892 million due largely to raw material costs and other operating costs.
- (b) Net cash outflows from investing activities were due to acquisition of plant, property and equipment and disposal of some plant, property and equipment, and intangible asset in VRC of \$1.177 million.
- (c) Net cash inflows from financing activities were mainly due to net repayments of bank borrowings of \$38.570 million and dividend payment to non-controlling interests of \$0.528 million.

#### SUBSEQUENT EVENTS AFTER BALANCE DATE

At this date of the Appendix 4E, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

#### LIKELY DEVELOPMENTS

The consolidated entity expects to continue with the commercial production of rebar and wire rod from VII's rolling mills at Vinausteel and SSESTEEL, roofing and wall cladding at Austnam's factory in Hanoi, and the provision of engineering and project management services by TBS. The scaled down operations of VRC will not be material.

## APPENDIX 4E

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	34,660	51,149
Trade and other receivables	7	11,299	12,274
Advances to suppliers	8	25,190	29,608
Inventories	9	34,255	42,428
Financial assets – at fair value through profit or loss		9	9
Other current assets		250	305
		<u>105,663</u>	<u>135,773</u>
Assets classified as held for sale	5	-	1,649
<b>Total Current Assets</b>		<u>105,663</u>	<u>137,422</u>
<b>Non-current Assets</b>			
Receivables		5	5
Property, plant and equipment	10	8,333	6,504
Deferred tax assets		33	44
Intangible assets and goodwill		78	78
<b>Total Non-current Assets</b>		<u>8,449</u>	<u>6,631</u>
<b>TOTAL ASSETS</b>		<u>114,112</u>	<u>144,053</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	13,817	9,515
Advances from customers		261	1,504
Income tax provision		732	675
Interest-bearing loans and borrowings	12	57,929	92,742
Provisions		847	655
		<u>73,586</u>	<u>105,091</u>
Liabilities directly associated with assets classified as held for sale	5	-	871
<b>Total Current Liabilities</b>		<u>73,586</u>	<u>105,962</u>
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings	12	-	122
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>122</u>
<b>TOTAL LIABILITIES</b>		<u>73,586</u>	<u>106,084</u>
<b>NET ASSETS</b>		<u>40,526</u>	<u>37,969</u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of parent</b>			
Contributed equity		27,819	27,819
Reserves		(7,361)	(9,922)
Foreign currency translation reserves of a disposal group classified held for sale		-	(14)
Retained earnings	2	16,417	16,597
<b>Parent interests</b>		<u>36,875</u>	<u>34,480</u>
<b>Non-controlling interests</b>		<u>3,651</u>	<u>3,489</u>
<b>TOTAL EQUITY</b>		<u>40,526</u>	<u>37,969</u>

## APPENDIX 4E

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$'000	2013 \$'000
<b>Continuing operations</b>			
Sale of goods		291,188	258,409
Contract revenue		5,818	2,206
Other revenue	6	<u>2,386</u>	<u>1,914</u>
<b>Revenue</b>		<b>299,392</b>	<b>262,529</b>
Cost of sales	6	<u>(285,401)</u>	<u>(248,755)</u>
<b>Gross profit</b>		<b><u>13,991</u></b>	<b><u>13,774</u></b>
Other income	6	1,701	474
Marketing expenses	6	(3,231)	(2,616)
Administrative expenses	6	(7,909)	(8,551)
Impairment of assets	6	(158)	(5,821)
Finance costs	6	<u>(3,748)</u>	<u>(4,769)</u>
<b>Profit/(loss) before income tax</b>		<b>646</b>	<b>(7,509)</b>
Income tax expense		<u>(627)</u>	<u>(620)</u>
Net profit/(loss) after tax from continuing operations		<u>19</u>	<u>(8,129)</u>
<b>Discontinued operations</b>			
Net profit/(loss) after tax from discontinued operations	5	<u>254</u>	<u>(590)</u>
<b>Net profit/(loss) for the year</b>		<b><u>273</u></b>	<b><u>(8,719)</u></b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences – attributable to parent		2,575	5,328
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences – attributable to non-controlling interests		237	482
<b>Other comprehensive income for the year</b>		<u>2,812</u>	<u>5,810</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b><u>3,085</u></b>	<b><u>(2,909)</u></b>
Profit/(loss) attributable to:			
Owners of parent		(180)	(9,156)
Non-controlling interests		<u>453</u>	<u>437</u>
		<u>273</u>	<u>(8,719)</u>
Total comprehensive income/(loss) attributable to:			
Owners of parent		2,395	(3,828)
Non-controlling interests		<u>690</u>	<u>919</u>
		<u>3,085</u>	<u>(2,909)</u>
		Cents	Cents
<b>Loss per share (cents per share) for continuing operations attributable to the ordinary equity holders of the company:</b>			
- Basic and diluted loss per share		(0.31)	(6.02)
<b>Loss per share (cents per share) attributable to the ordinary equity holders of the Company:</b>			
- Basic and diluted loss per share	3	(0.13)	(6.44)

**APPENDIX 4E**  
**PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014**

	Atributable to equity holders of the parent						Non-controlling interests	Total equity
	Contributed equity	Foreign currency translation reserves	Retained earnings	Discontinued Operation	Legal reserves	Owners of the parent		
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>At 1 January 2014</b>	27,819	(11,046)	16,597	(14)	1,124	34,480	37,969	
Net (loss)/profit for the year	-	-	(180)	-	-	(180)	273	
Other comprehensive income	-	2,575	-	-	-	2,575	2,812	
<b>Total comprehensive income/(loss) for the year</b>	-	2,575	(180)	-	-	2,395	3,085	
<b>Dividends paid by subsidiaries</b>	-	-	-	-	-	-	(528)	
<b>Discontinued operation</b>	-	(14)	-	14	-	-	-	
<b>At 31 December 2014</b>	27,819	(8,485)	16,417	-	1,124	36,875	40,526	
<b>At 1 January 2013</b>	27,819	(16,636)	25,753	248	1,124	38,308	42,056	
Net (loss)/profit for the year	-	-	(9,156)	-	-	(9,156)	(8,719)	
Other comprehensive loss	-	5,328	-	-	-	5,328	5,810	
<b>Total comprehensive income/(loss) for the year</b>	-	5,328	(9,156)	-	-	(3,828)	(2,909)	
<b>Dividends paid by subsidiaries</b>	-	-	-	-	-	-	(1,178)	
<b>Discontinued operation</b>	-	262	-	(262)	-	-	-	
<b>At 31 December 2013</b>	27,819	(11,046)	16,597	(14)	1,124	34,480	37,969	

## APPENDIX 4E

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of VAT)		306,975	259,696
Payments to suppliers and employees (inclusive of VAT)		(283,892)	(267,448)
Interest received		2,386	1,914
Interest paid		(3,748)	(4,769)
Income taxes paid		(609)	(534)
<b>Net cash flows provided by/(used in) operating activities</b>		<u>21,112</u>	<u>(11,141)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,436)	(1,210)
Proceeds from sale of property, plant and equipment and intangible asset		1,177	5
<b>Net cash flows used in investing activities</b>		<u>(1,259)</u>	<u>(1,205)</u>
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings		274,560	278,741
Repayment of bank borrowings		(313,130)	(256,452)
Proceeds from other creditors		1,809	698
Repayment to other creditors		(1,939)	(575)
Dividends paid to non-controlling interest		(528)	(1,178)
<b>Net cash flows (used in)/ provided by financing activities</b>		<u>(39,228)</u>	<u>21,234</u>
Net (decrease)/increase in cash and cash equivalents		(19,375)	8,888
Net foreign exchange differences		2,202	5,801
Cash and cash equivalents at beginning of year		51,833	37,144
<b>Cash and cash equivalents at end of year</b>	4	<u>34,660</u>	<u>51,833</u>



## APPENDIX 4E

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### 1. SEGMENT INFORMATION

##### Segment Performance

	<b>Steel Making</b>	<b>Steel Products</b>	<b>Others</b>	<b>Total</b>	<b>Adjustments and eliminations</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Year ended 31 December 2014</b>						
<b>Revenues</b>						
External revenues	287,937	9,069	-	297,006	-	297,006
Inter-segment revenues	18	-	-	18	(18)	-
Interest income	2,296	89	1	2,386	-	2,386
Other revenues	1,383	258	60	1,701	-	1,701
<b>Total segment revenues</b>	<b>291,634</b>	<b>9,416</b>	<b>61</b>	<b>301,111</b>	<b>(18)</b>	<b>301,093</b>

##### Results

Segment results before income tax	1,809	164	-	1,973	-	1,973
Income tax expense	(543)	(84)	-	(627)	-	(627)
<b>Segment results after tax</b>	<b>1,266</b>	<b>80</b>	<b>-</b>	<b>1,346</b>	<b>-</b>	<b>1,346</b>
Corporate charges	-	-	(1,327)	(1,327)	-	(1,327)
<b>Net profit after tax</b>	<b>1,266</b>	<b>80</b>	<b>(1,327)</b>	<b>19</b>	<b>-</b>	<b>19</b>

	<b>Steel Making</b>	<b>Steel Products</b>	<b>Others</b>	<b>Total</b>	<b>Adjustments and eliminations</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Year ended 31 December 2013</b>						
<b>Revenues</b>						
External revenues	255,761	4,854	-	260,615	-	260,615
Inter-segment revenues	25	850	-	875	(875)	-
Interest income	1,868	46	-	1,914	-	1,914
Other revenues	284	130	60	474	-	474
<b>Total segment revenues</b>	<b>257,938</b>	<b>5,880</b>	<b>60</b>	<b>263,878</b>	<b>(875)</b>	<b>263,003</b>

##### Results

Segment results before income tax	(6,093)	125	-	(5,968)	-	(5,968)
Income tax expense	(589)	(31)	-	(620)	-	(620)
<b>Segment results after tax</b>	<b>(6,682)</b>	<b>94</b>	<b>-</b>	<b>(6,588)</b>	<b>-</b>	<b>(6,588)</b>
Corporate charges	-	-	(1,541)	(1,541)	-	(1,541)
<b>Net loss after tax</b>	<b>(6,682)</b>	<b>94</b>	<b>(1,541)</b>	<b>(8,129)</b>	<b>-</b>	<b>(8,129)</b>

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### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### 1. SEGMENT INFORMATION (continued)

	Steel Making \$'000	Steel Products \$'000	Others \$'000	Total \$'000
<b>Segment assets</b>				
<b>At 31 December 2014</b>				
Segment operating assets	109,830	4,486	861	115,177
Inter-segment eliminations	-	-	-	(1,065)
Total assets per statement of financial position				<u>114,112</u>
<b>At 31 December 2013</b>				
Segment operating assets	137,958	4,659	1,893	144,510
Assets classified as held for sale	-	-	-	1,649
Inter-segment eliminations	-	-	-	(2,106)
Total assets per statement of financial position				<u>144,053</u>
<b>Segment liabilities</b>				
<b>At 31 December 2014</b>				
Segment operating liabilities	71,223	3,001	427	74,651
Inter-segment eliminations	-	-	-	(1,065)
Total liabilities per statement of financial position				<u>73,586</u>
<b>At 31 December 2013</b>				
Segment operating liabilities	101,527	2,518	1,364	105,409
Liabilities directly associated with assets classified as held for sale	-	-	-	871
Inter-segment eliminations	-	-	-	(196)
Total liabilities per statement of financial position				<u>106,084</u>

#### 2. RETAINED EARNINGS

	2014 \$'000	2013 \$'000
Retained earnings	<u>16,417</u>	<u>16,597</u>
Movement in retained earnings		
Opening balance	16,597	25,753
Net loss for the year	(180)	(9,156)
Closing balance	<u>16,417</u>	<u>16,597</u>

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### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### 3. EARNINGS PER SHARE

	2014 \$'000	2013 \$'000
Net loss attributable to ordinary equity holders of the Parent from continuing operations	(434)	(8,566)
Profit/(loss) attributable to ordinary equity holders of the Parent from discontinued operation	254	(590)
Net (loss)/profit attributable to ordinary equity holders of the Parent for basic and diluted loss	<u>(180)</u>	<u>(9,156)</u>
	<b>2014 No. of Shares</b>	<b>2013 No. of Shares</b>
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>142,277,423</u>	<u>142,277,423</u>

	Cents	Cents
<b>Loss per share (cents per share) for continuing operations attributable to the ordinary equity holders of the company:</b>		
- Basic and diluted loss per share	(0.31)	(6.02)
<b>Loss per share (cents per share) for profit attributable to the ordinary equity holders of the Company:</b>		
- Basic and diluted loss per share	(0.13)	(6.44)

There have been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of this Appendix 4E.

	2014 \$'000	2013 \$'000
<b>4. CASH AND CASH EQUIVALENTS</b>		
For the purpose of the statement of cash flows, cash and cash equivalents are comprised of the following:		
Cash at bank and in hand	8,724	6,642
Short-term deposits	25,936	44,507
	<u>34,660</u>	<u>51,149</u>
Cash at bank attributable to discontinued operation	-	684
	<u>34,660</u>	<u>51,833</u>

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### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### 5. DISCONTINUED OPERATION

In 2012, the Board of Directors decided to discontinue the operations of VRC Weldmesh (Vietnam) Limited ("VRC") despite management's efforts to cut costs and improve revenues. VRC is the wholly owned subsidiary of Vietnam Projects (Singapore) Pte Ltd which Vietnam Industrial Investments Limited owns 100%. VRC was part of the Steel Products division. VRC was classified as a disposal group held for sale at 31 December 2013 and as a discontinued operation.

During the year, VRC sold its property, plant and equipment and intangible asset for \$1.306 million and recognised a gain of \$0.459 million. After the disposal of its property, plant and equipment and intangible asset, the assets and liabilities have been reclassified as part of the continuing operations as at balance date.

The result of VRC for the year ended 31 December 2014 is as follows:

	2014 \$'000	2013 \$'000
Revenue	228	249
Gain on sale of property, plant and equipment and intangible assets	459	-
Expense	(433)	(839)
Profit/(loss) for the period from discontinued operation	<u>254</u>	<u>(590)</u>

The major assets and liabilities of VRC disclosed as held for sale at 31 December 2013 are as follows:

	31 December 2013 \$'000
<b>ASSETS</b>	
Property, plant and equipment	622
Intangible assets	246
Cash	684
Receivables	57
Others	40
<b>Disposal group classified as held for sale</b>	<u>1,649</u>
<b>LIABILITIES</b>	
Other payables	871
<b>Liabilities directly associated with disposal group classified as held for sale</b>	<u>871</u>
<b>Foreign currency translation reserves of a disposal group classified held for sale</b>	<u>(14)</u>

The major assets disposed during the year are as follows:

	2014 \$'000
Proceeds on sale of assets	<u>1,306</u>
Cost of disposal	
Property, plant and equipment	607
Intangible assets	240
	<u>847</u>
Gain on sale of property, plant and equipment and intangible assets	<u>459</u>

	2014 Cents	2013 Cents
<b>Earnings/(loss) per share:</b>		
Basic and diluted earnings/(loss) per share from discontinued operations	0.18	(0.41)

## APPENDIX 4E

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### 5. DISCONTINUED OPERATION

The net cash flows incurred by VRC are as follows:

	2014 \$'000	2013 \$'000
Operating	(891)	563
Investing	1,177	5
Financing	-	-
Net cash inflow	<u>286</u>	<u>568</u>

#### 6. REVENUES AND EXPENSES

##### Revenues and expenses from continuing operations

	2014 \$'000	2013 \$'000
<b>(a) Other revenue</b>		
Interest income-banks	1,632	1,914
Interest income - customers	754	-
	<u>2,386</u>	<u>1,914</u>
<b>(b) Other income</b>		
Consultancy service income	1,095	-
Rent income	162	128
Financial and executive services income	60	60
Other	384	286
	<u>1,701</u>	<u>474</u>
<b>(c) Cost of sales</b>		
Cost of goods sold	(280,114)	(246,122)
Construction costs	(5,287)	(2,633)
	<u>(285,401)</u>	<u>(248,755)</u>
<b>(d) Finance costs</b>		
Bank loans and other borrowings	<u>(3,748)</u>	<u>(4,769)</u>
<b>(e) Marketing expenses</b>		
Salaries and wages	(542)	(438)
Delivery expenses	(195)	(283)
Other	(2,494)	(1,895)
	<u>(3,231)</u>	<u>(2,616)</u>
<b>(f) Administrative expenses</b>		
Employee related expenses	(2,743)	(2,539)
Consultancy service expenses	(1,083)	-
Professional fees	(448)	(1,490)
Rent expense	(422)	(372)
Other	(3,213)	(4,150)
	<u>(7,909)</u>	<u>(8,551)</u>
<b>(g) Depreciation and amortisation</b>		
Depreciation expense	(1,066)	(1,744)
Amortisation of intangible assets	-	(1)
	<u>(1,066)</u>	<u>(1,745)</u>
<b>(h) Impairment of assets</b>		
Property, plant and equipment	(9)	(5,070)
Construction in progress	(149)	(751)
	<u>(158)</u>	<u>(5,821)</u>

## APPENDIX 4E

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### 7. TRADE AND OTHER RECEIVABLES

	2014 \$'000	2013 \$'000
Trade receivables	8,705	8,122
Allowance for impairment loss	(1,945)	(1,567)
	<u>6,760</u>	<u>6,555</u>
Construction contract receivables	97	1,512
Allowance for impairment loss	-	(38)
	<u>97</u>	<u>1,474</u>
Other receivables	4,602	4,568
Allowance for impairment loss	(160)	(323)
	<u>4,442</u>	<u>4,245</u>
Carrying amount of trade and other receivables	<u>11,299</u>	<u>12,274</u>

#### 8. ADVANCES TO SUPPLIERS

	2014 \$'000	2013 \$'000
Other suppliers	25,190	29,608
	<u>25,190</u>	<u>29,608</u>

#### 9. INVENTORIES

	2014 \$'000	2013 \$'000
Raw materials – at cost	12,630	11,227
Finished goods – at lower of cost and net realisable value	21,625	31,201
Total inventories at lower of cost and net realisable value	<u>34,255</u>	<u>42,428</u>

#### 10. PROPERTY, PLANT AND EQUIPMENT

	2014 \$'000	2013 \$'000
Building on leasehold land		
- Cost	7,887	7,334
- Accumulated depreciation	(4,981)	(4,095)
Net carrying amount	<u>2,906</u>	<u>3,239</u>
Plant and equipment		
- Cost	25,424	22,281
- Accumulated depreciation and impairment	(22,079)	(21,105)
Net carrying amount	<u>3,345</u>	<u>1,176</u>
Motor vehicles		
- Cost	2,223	1,886
- Accumulated depreciation	(1,597)	(1,297)
Net carrying amount	<u>626</u>	<u>589</u>
Construction in progress – cost	1,456	1,500
Net carrying amount	<u>8,333</u>	<u>6,504</u>

## APPENDIX 4E

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### 11. TRADE AND OTHER PAYABLES

	2014 \$'000	2013 \$'000
Trade payables	7,629	3,590
Other payables	5,939	5,284
Related party payables		
- key management personnel	249	641
	<u>13,817</u>	<u>9,515</u>

#### 12. INTEREST-BEARING LOANS AND BORROWINGS

	2014 \$'000	2013 \$'000
Current		
Bank loans – secured	57,929	92,733
Other creditor	-	9
	<u>57,929</u>	<u>92,742</u>
Non-Current		
Other creditor	-	122
	<u>-</u>	<u>122</u>

#### Terms and conditions of interest bearing loans and borrowings

Outstanding bank loans of \$57.929 million (2013: \$92.733 million) relate to loans from various banks in Vietnam which are valued in Vietnamese Dong and US Dollar. These interest bearing liabilities of the Group's operating subsidiaries have various repayment terms. The Group's operating subsidiaries in Vietnam have banking facilities with various banks in Vietnam for working capital and project finance purposes. These facilities are secured by a chattel pledge over machinery, equipment, receivables and inventories of the subsidiaries and in certain instances, by the guarantee of Vietnam Industrial Investments Limited ("Parent"). The Parent has provided security to various banks for banking facilities provided to Vietnam subsidiaries in the form of letters of guarantee totalling US\$16.000 million (\$19.507 million) (2013: US\$16.000 million (\$17.881 million)). At 31 December 2014 the total interest bearing liabilities drawdown to which these corporate guarantees relate to were US\$10.808 million (\$13.178 million) (2013: US\$13.810 million (\$15.434 million)).

#### 13. FOREIGN CURRENCY TRANSLATION

The foreign currency translation in the statement of comprehensive income reflects the movement of foreign currency between the assets and liabilities of the Vietnam subsidiaries and the investment in an associate which are translated to Australian Dollars (presentation currency) at the prevailing rate at the reporting date, and the results of these subsidiaries and associate which are translated at exchange rates as at the date of each transaction.

#### 14. SUBSEQUENT EVENT AFTER BALANCE DATE

At this date of the Appendix 4E, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.