



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

VIETNAM INDUSTRIAL INVESTMENTS LIMITED

28 August 2015

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

Dear Sirs

REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2015

(Previous corresponding period: 30 June 2014)

Attached is our report for the six months ended 30 June 2015 incorporating the requirements of Appendix 4D.

Results for announcement to the market

	6 months to 30.06.2015	6 months to 30.06.2014	Change \$	Change %
Revenues from ordinary activities (A\$)	181.502m	159.728m	21.774m	14%
Net profit for the period (A\$)	5.964m	0.280m	5.684m	2,033%
Net profit for the period attributable to members (A\$)	4.884m	0.019m	4.865m	25,605%
Dividends (distributions)	Amount per security	Franked amount per security		
Interim dividend	NIL	NIL		
Previous interim dividend	NIL	NIL		

Brief explanation of any of the figures reported above:

Explanation of the results for the half-year ended 30 June 2015 is provided in Review of Results of Operations of the consolidated entity in the Half-Year Financial Report.

Net Tangible Asset Backing	Current Period	Previous Corresponding Period
Net tangible asset per ordinary security	0.30	0.23

There had been no entities gained or lost control in the half-year.

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

The financial report has been reviewed, and a copy of the independent review report is attached to the financial report.

Yours faithfully

ROGER SING-LEONG KWOK
Director



VIETNAM INDUSTRIAL INVESTMENTS LIMITED
A.B.N. 64 063 656 333

HALF-YEAR FINANCIAL REPORT 30 JUNE 2015

Corporate Information

A.B.N. 64 063 656 333

This half-year report covers the consolidated entity comprising Vietnam Industrial Investments Limited (“the Company”) and its subsidiaries (“the Group”). The Group's presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the directors' report. The directors' report is unaudited and does not form part of the financial report.

Directors

R.S.Kwok	<i>Independent Non-Executive Director, Chairman</i>
H.V.H. Lam	<i>Managing Director (Chief Executive Officer)</i>
A.D. Walker	<i>Independent Non-Executive Director</i>
A.A. Young	<i>Non-Executive Director</i>

P. Williams *Company Secretary*

Registered Office in Australia

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Auditors

Ernst & Young
11 Mounts Bay Road
PERTH Western Australia 6000

Legal Advisors

DLA Piper
Level 31, Central Park
152-158 St Georges Terrace
PERTH Western Australia 6000

Bankers

Australia & New Zealand Banking Group Limited
8 St George's Terrace
PERTH Western Australia 6000

Bankwest
Bankwest Place, 300 Murray Street
PERTH Western Australia 6000

Share Registry

Security Transfer Registrars Pty Ltd
Suite 1/770 Canning Hwy
APPLECROSS Western Australia 6153

Home Exchange

Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
PERTH Western Australia 6000

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Directors' Report

Your directors submit their report for the half-year ended 30 June 2015.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Roger (Sing-Leong) Kwok, *Independent Non-Executive Director, Chairman*

Henry (Van Hung) Lam, *Managing Director (Chief Executive Officer)*

Andrew David Walker, *Independent Non-Executive Director*

Alan Alexander Young, *Non-Executive Director*

On 23 March 2015, the Company announced that Mr Alan Young resigned as to his executive positions in the Group and remains on the Board in a non-executive capacity.

REVIEW AND RESULTS OF OPERATIONS

The total comprehensive income for the period was \$7.863 million compared to previous period's total comprehensive loss of \$1.957 million. The total comprehensive income for the period consisted of: 1) Net profit for the period of \$5.964 million (2014 net profit: \$0.280 million), and 2) Foreign currency translation gain of \$1.899 million (2014: loss of \$2.237 million).

Net profit for the period

For the period ended 30 June 2015 ("1H2015"), the Group's net profit after tax was \$5.964 million on revenues of \$181.502 million (including other revenues of \$0.598 million and other income of \$0.315 million) (2014: net profit after tax \$0.280 million on revenues of \$159.728 million).

The Group's net profit after tax for the period ended 30 June 2015 included the net profit of Vietnam operations which was attributable to the operations of the Steel Making Division (Vinausteel and SSESTEEL). The Steel Making Division contributed a net profit after tax of \$5.988 million (2014: net profit after tax of \$0.205 million). The Steel Making Division 1H2015 external revenue of \$176.535 million (VND2.954 trillion) is higher than the previous corresponding period of \$153.630 million (VND2.975 trillion). Average gross profit margins of the Steel Making Division improved significantly in the first half of 2015 as compared to the corresponding period. The high average gross profit margins were mainly attributable, indirectly, to the fall in iron ore and oil prices.

The corporate net loss after tax was \$0.148 million (2014: net loss after tax of \$0.491 million).

The Steel Product Division (Austnam, TBS and VRC) reported a net profit after tax of \$0.124 million (2014: net profit after tax of \$0.147 million).

In 2014, VRC was classified as a disposal group held for sale and as a discontinued operation. For the period ended 30 June 2014, VRC reported a net profit after tax of \$0.419 million which included a gain on property, plant and equipment of \$0.444 million from the sale of this company's land and factory, and intangible asset.



REVIEW AND RESULTS OF OPERATIONS (continued)*Foreign currency translation*

For the half year ended 30 June 2015, the foreign currency translation gain was \$1.899 million (2014: loss of \$2.237 million). The Vietnam Dong ("VND") appreciated against the Australian Dollar ("AUD") over the 1H2015 reporting period. The average VND/AUD exchange rate in 1H2015 was VND16,730/A\$1, an increase of approximately 14% from the average VND/AUD exchange rate of VND19,363/A\$1 in 1H2014. The VND/AUD spot rate at 30 June 2015 was VND16,752/A\$1, an increase of approximately 5% from 31 December 2014 VND/AUD spot rate of VND17,548.

The results of the Vietnam operations are as follows:

Steel Making Division***SSESTEEL Ltd (VII 100%)***

SSESTEEL owns and operates a fully automated rolling mill based in Hai Phong. It produces high tensile rebar and wire rod for the construction industry.

Sales of VND1.710 trillion (\$102.207 million) were down by 13% on 2014 (VND1.956 trillion (\$101.030 million)). Finished goods sales volumes for 2015 were 123,377 tonnes, an increase of 46% on the previous period (84,282 tonnes).

SSESTEEL recorded a net profit after tax of VND42.614 billion (\$2.547 million) for the half-year ended 30 June 2015 (2014: net loss after tax: VND10.272 billion (\$0.530 million)). The increase in net profit was due to the increase in average gross profit margin from 1.9% for the half-year ended 30 June 2014 to 8.5% for the half-year ended 30 June 2015.

Vinausteel Ltd (VII 70%)

Vinausteel owns and operates a steel rolling mill in Haiphong which produces deformed reinforcing steel bar for the construction industry.

Sales of VND1.244 trillion (\$74.328 million) were up by 22% on 2014 (VND1.019 trillion (\$52.600 million)). Finished goods sales volumes for 2015 were 114,234 tonnes, an increase of 46% on the previous period (78,095 tonnes).

Vinausteel recorded a net profit after tax of VND57.569 billion (\$3.441 million) for the half-year ended 30 June 2015 (2014: a net profit after tax of VND14.243 billion (\$0.736 million)). The increase in net profit was due to the increase in average gross profit margin from 4.4% for the half-year ended 30 June 2014 to 9.9% for the half-year ended 30 June 2015.

Steel Products Division***Austnam Joint Stock Corporation (VII 67%)***

Austnam produces metal roofing and cladding from its factory in Hanoi which it distributes in that city and surrounding provinces.

Sales of VND28.990 billion (\$1.733 million) were up by 23% on 2014 (VND23.484 billion (\$1.212 million)). Sales volumes were 259,919m² which was 39% higher than the previous period (186,730m²).

Austnam reported a net profit after tax of VND2.391 billion (\$0.143 million) (2014: net profit after tax of VND2.359 billion (\$0.122 million)).



REVIEW AND RESULTS OF OPERATIONS (continued)

Total Building Systems Ltd (VII 99%)

Total Building Systems Limited (“TBS”) is a full service building systems provider supplying engineering services, building systems and construction services to industrial and commercial customers in Vietnam.

Sales of VND36.758 billion (\$2.197 million) were down by 22% on 2014 (VND47.066 billion (\$2.431 million)). TBS recorded a net profit after tax of VND700 million (\$42,000) (2014: net profit after tax of VND488 million (\$25,000)).

EVENTS SUBSEQUENT TO BALANCE DATE

There has not been any matter or circumstance that has arisen since the end of the half-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.

ROUNDING

The amounts contained in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 6 and forms part of the directors' report for the half-year ended 30 June 2015.

Signed in accordance with a resolution of the directors.

ROGER SING-LEONG KWOK

Director

Perth, 28 August 2015



FOR THE HALF-YEAR ENDED 30 JUNE 2015

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
CONTINUING OPERATIONS			
Sale of goods		178,392	154,842
Contract revenue		2,197	2,431
Other revenues	4	598	2,187
		<u>181,187</u>	<u>159,460</u>
Cost of sales		<u>(163,810)</u>	<u>(152,172)</u>
Gross profit		<u>17,377</u>	<u>7,288</u>
Other income	4	315	268
Selling expenses	4	(3,739)	(1,875)
Administrative expenses	4	(5,173)	(3,717)
Finance costs		<u>(1,589)</u>	<u>(1,943)</u>
Profit before income tax		7,191	21
Income tax expense	5	<u>(1,227)</u>	<u>(160)</u>
Profit/(loss) for the period from continuing operations		5,964	(139)
DISCONTINUED OPERATION			
Profit after tax from discontinued operation	8	<u>-</u>	<u>419</u>
Net profit for the period		5,964	280
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences – foreign operations	11	<u>1,899</u>	<u>(2,237)</u>
Other comprehensive income/(loss) for the period		<u>1,899</u>	<u>(2,237)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>7,863</u>	<u>(1,957)</u>
Net profit after tax attributable to:			
Equity holders of the parent		4,884	19
Non-controlling interests		<u>1,080</u>	<u>261</u>
		<u>5,964</u>	<u>280</u>
Total comprehensive income/(loss) net of tax attributable to:			
Equity holders of the parent		6,610	(2,005)
Non-controlling interests		<u>1,253</u>	<u>48</u>
		<u>7,863</u>	<u>(1,957)</u>



FOR THE HALF-YEAR ENDED 30 JUNE 2015

	CONSOLIDATED	
	2015	2014
Earnings/(loss) per share (cents per share) attributable to the ordinary equity holders of the company:		
- basic earnings/(loss) per share	0.03	0.00
- diluted earnings/(loss) per share	0.03	0.00
Earnings/(loss) per share (cents per share) for continuing operations attributable to the ordinary equity holders of the company:		
- basic earnings/(loss) per share	0.03	(0.00)
- diluted earnings/(loss) per share	0.03	(0.00)

The accompanying notes form part of the financial report



AS AT 30 JUNE 2015

	Notes	CONSOLIDATED	
		As at 30 June 2015 \$'000	As at 31 December 2014 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	39,290	34,660
Trade and other receivables		26,081	11,403
Advances to suppliers		22,906	25,086
Inventories		33,550	34,255
Financial assets at fair value through profit or loss		9	9
Other current assets		128	250
Total Current Assets		<u>121,964</u>	<u>105,663</u>
Non-current Assets			
Property, plant and equipment		8,027	8,333
Deferred tax assets		35	33
Intangible assets and goodwill		81	78
Other non-current assets		125	5
Total Non-current Assets		<u>8,268</u>	<u>8,449</u>
TOTAL ASSETS		<u>130,232</u>	<u>114,112</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		16,391	14,165
Advances from customers		600	261
Income tax provision		1,386	732
Interest-bearing loans and borrowings	9	63,263	57,929
Provisions		864	847
Total Current Liabilities		<u>82,504</u>	<u>73,934</u>
Non-current Liabilities			
Provisions		82	-
Total Non-current Liabilities		<u>82</u>	<u>-</u>
TOTAL LIABILITIES		<u>82,586</u>	<u>73,934</u>
NET ASSETS		<u>47,646</u>	<u>40,178</u>
EQUITY			
Contributed equity	6	27,819	27,819
Reserves		(5,635)	(7,361)
Retained earnings		20,953	16,069
Parent interests		<u>43,137</u>	<u>36,527</u>
Non-controlling interests		<u>4,509</u>	<u>3,651</u>
TOTAL EQUITY		<u>47,646</u>	<u>40,178</u>

The accompanying notes form part of the financial report.



FOR THE HALF-YEAR ENDED 30 JUNE 2015

CONSOLIDATED	Attributable to equity holders of the parent						Non- controlling interests	Total equity
	Contributed equity	Foreign currency translation reserves	Retained Earnings	Discon- tinued Operation	Legal reserves	Owners of the parent		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2015	27,819	(8,485)	16,069	-	1,124	36,527	3,651	40,178
Net profit for the period	-	-	4,884	-	-	4,884	1,080	5,964
Other comprehensive income	-	1,726	-	-	-	1,726	173	1,899
Total comprehensive income for the period	-	1,726	4,884	-	-	6,610	1,253	7,863
Dividends paid by subsidiaries	-	-	-	-	-	-	(395)	(395)
At 30 June 2015	27,819	(6,759)	20,953	-	1,124	43,137	4,509	47,646
At 1 January 2014	27,819	(11,046)	16,597	(14)	1,124	34,480	3,489	37,969
Net profit for the period	-	-	19	-	-	19	261	280
Other comprehensive loss	-	(2,024)	-	-	-	(2,024)	(213)	(2,237)
Total comprehensive loss for the period	-	(2,024)	19	-	-	(2,005)	48	(1,957)
Discontinued operation	-	(14)	-	14	-	-	-	-
Dividends paid by subsidiaries	-	-	-	-	-	-	(528)	(528)
At 30 June 2014	27,819	(13,084)	16,616	-	1,124	32,475	3,009	35,484

The accompanying notes form part of the financial report.



FOR THE HALF-YEAR ENDED 30 JUNE 2015

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
Cash flows from operating activities			
Receipts from customers		170,151	158,484
Payments to suppliers and employees		(167,634)	(149,027)
Interest income		598	1,678
Borrowing costs		(1,589)	(1,944)
Income tax paid		(613)	(334)
Net cash flows provided by operating activities		<u>913</u>	<u>8,857</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(78)	(61)
Acquisition of software costs		(4)	-
Proceeds from sale of property, plant and equipment		-	1,162
Net cash flows (used in)/provided by investing activities		<u>(82)</u>	<u>1,101</u>
Cash flows from financing activities			
Proceeds from bank borrowings		145,511	159,901
Repayment of bank borrowings		(142,927)	(183,779)
Proceeds from other creditors		-	991
Repayments to other creditors		-	(354)
Dividends paid to non-controlling interests		(395)	(528)
Net cash flows provided by/(used in) financing activities		<u>2,189</u>	<u>(23,769)</u>
Net increase/(decrease) in cash and cash equivalents		3,020	(13,811)
Net foreign exchange difference		1,610	(2,515)
Cash and cash equivalents at beginning of period		<u>34,660</u>	<u>51,833</u>
Cash and cash equivalents at end of period	7	<u>39,290</u>	<u>35,507</u>

The accompanying notes form part of the financial report.



Notes to the Half-Year Financial Statements FOR THE HALF-YEAR ENDED 30 JUNE 2015

1. CORPORATE INFORMATION

The half year financial statements of the Company and its subsidiaries (the Group) for the six months ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 24 August 2015.

Vietnam Industrial Investments Limited is a limited company incorporated and domiciled in Australia whose shares are publicly traded. The Group is a for-profit entity. The principal activities of the Group are described in the Directors' Report.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

The half year financial statements for the six months ended 30 June 2015 are condensed general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half year financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations as of 1 January 2015, noted below:

- Amendments to AASB 2014-1 Part A – Annual Improvements 2010-2012 Cycle; and
- Amendments to AASB 2014-1 Part A – Annual Improvements 2011-2013 Cycle.

The adoption of those accounting standards and interpretations had no material impact on the financial statements of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.



Notes to the Half-Year Financial Statements FOR THE HALF-YEAR ENDED 30 JUNE 2015

3. SEGMENT INFORMATION

Segment Performance

	Steel Making	Steel Products	Unallocated	Total	Adjustments and eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Half-year ended 30 June 2015						
Revenues						
External revenues	176,535	4,054	-	180,589	-	180,589
Inter-segment revenues	-	1	-	1	(1)	-
Other revenues	569	29	-	598	-	598
Total segment revenues	<u>177,104</u>	<u>4,084</u>	<u>-</u>	<u>181,188</u>	<u>(1)</u>	<u>181,187</u>
Results						
Other income	190	95	30	315	-	315
Finance costs	<u>(1,761)</u>	<u>-</u>	<u>-</u>	<u>(1,761)</u>	<u>172</u>	<u>(1,589)</u>
Segment result before tax	7,215	124	-	7,339	-	7,339
Income tax expense	<u>(1,227)</u>	<u>-</u>	<u>-</u>	<u>(1,227)</u>	<u>-</u>	<u>(1,227)</u>
Segment result after tax	5,988	124	-	6,112	-	6,112
Corporate charges	-	-	<u>(148)</u>	<u>(148)</u>	<u>-</u>	<u>(148)</u>
Net profit after tax from continuing operations	<u>5,988</u>	<u>124</u>	<u>(148)</u>	<u>5,964</u>	<u>-</u>	<u>5,964</u>
Half-year ended 30 June 2014						
Revenues						
External revenues	153,630	3,643	-	157,273	-	157,273
Inter-segment revenues	19	-	-	19	(19)	-
Other revenues	2,158	29	-	2,187	-	2,187
Total segment revenues	<u>155,807</u>	<u>3,672</u>	<u>-</u>	<u>159,479</u>	<u>(19)</u>	<u>159,460</u>
Results						
Other income	147	91	30	268	-	268
Finance costs	<u>(2,077)</u>	<u>(6)</u>	<u>-</u>	<u>(2,713)</u>	<u>140</u>	<u>(1,943)</u>
Segment result before tax	360	152	-	512	-	512
Income tax expense	<u>(155)</u>	<u>(5)</u>	<u>-</u>	<u>(160)</u>	<u>-</u>	<u>(160)</u>
Segment result after tax	205	147	-	352	-	352
Corporate charges	-	-	<u>(491)</u>	<u>(491)</u>	<u>-</u>	<u>(491)</u>
Net loss after tax from continuing operations	<u>205</u>	<u>147</u>	<u>(491)</u>	<u>(139)</u>	<u>-</u>	<u>(139)</u>



**Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 30 JUNE 2015**

3. SEGMENT INFORMATION (continued)

	Steel Making \$'000	Steel Products \$'000	Unallocated \$'000	Total \$'000
Segment assets				
At 30 June 2015				
Segment assets	125,122	4,724	1,518	131,364
Inter-segment eliminations				(1,132)
Total assets per statement of financial position				<u>130,232</u>
At 31 December 2014				
Segment assets	109,830	4,486	861	115,177
Inter-segment eliminations				(1,065)
Total assets per statement of financial position				<u>114,112</u>
Segment liabilities				
At 30 June 2015				
Segment liabilities	80,015	3,045	746	83,806
Inter-segment eliminations				(1,220)
Total liabilities per statement of financial position				<u>82,586</u>
At 31 December 2014				
Segment liabilities	71,223	3,001	775	74,999
Inter-segment eliminations				(1,065)
Total liabilities per statement of financial position				<u>73,934</u>

4. REVENUE AND EXPENSES

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	CONSOLIDATED	
	2015 \$'000	2014 \$'000
(i) Other income		
Rent income	81	91
Other	234	177
	<u>315</u>	<u>268</u>
(ii) Other revenues		
Interest income - banks	598	936
Interest income - customers	-	742
Consultancy service income	-	509
	<u>598</u>	<u>2,187</u>
(ii) Expenses		
Depreciation and amortisation	(782)	(455)



**Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 30 JUNE 2015**

4. REVENUE AND EXPENSES (continued)

	CONSOLIDATED	
	2015	2014
	\$'000	\$'000
(iii) Selling expenses		
Salaries and wages	(676)	(242)
Delivery expenses	(271)	(102)
Other	(2,792)	(1,531)
	<u>(3,739)</u>	<u>(1,875)</u>
(iv) Administration expenses		
Employee related expenses	(2,095)	(786)
Consultancy service expenses	-	(509)
Impairment of receivables	(681)	(354)
Professional fees	(108)	(323)
Rent expenses	(267)	(220)
Travel expenses	(350)	(30)
Foreign exchange loss	(320)	(110)
Other	(1,352)	(1,385)
	<u>(5,173)</u>	<u>(3,717)</u>

5. INCOME TAX EXPENSE

	CONSOLIDATED	
	2015	2014
	\$'000	\$'000
Income tax expense consists of:		
Current income tax	(1,227)	(155)
Deferred tax income	-	(5)
	<u>(1,227)</u>	<u>(160)</u>
Current income tax expense consists of:		
Vinausteel income tax expense	(1,227)	(155)
Austnam income tax expense	-	(5)
	<u>(1,227)</u>	<u>(160)</u>

6. CONTRIBUTED EQUITY

	CONSOLIDATED	
	30 June 2015	31 December 2014
	\$'000	\$'000
Ordinary shares	<u>27,819</u>	<u>27,819</u>
	Number	Number
Number of shares	<u>142,277,423</u>	<u>142,277,423</u>



Notes to the Half-Year Financial Statements FOR THE HALF-YEAR ENDED 30 JUNE 2015

7. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2015 \$'000	2014 \$'000
For the purpose of the half-year statement of cash flows, cash and cash equivalents are comprised of the following:		
Cash at bank and in hand	3,773	6,719
Short-term deposits	35,517	28,788
	39,290	35,507

8. DISCONTINUED OPERATION

For the half-year ended 30 June 2014, VRC sold its property, plant and equipment and intangible asset for \$1.291 million and recognised a gain of \$0.444 million. After the disposal of its property, plant and equipment and intangible asset, the remaining assets (including cash and receivables) have been reclassified as part of the continuing operations as at 31 December 2014.

The result of VRC for the period is as follows:

	30 June 2015 \$'000	30 June 2014 \$'000
Revenue	-	249
Gain on sale of property, plant and equipment	-	444
Expense	-	(274)
Profit for the period from discontinued operation	-	419

	30 June 2015 Cents	30 June 2014 Cents
Earnings per share:		
Basic and diluted earnings per share for the period from discontinued operations	-	0.00

The net cash flows incurred by VRC are as follows:

	30 June 2015 \$'000	30 June 2014 \$'000
Operating	-	(787)
Investing	-	1,162
Financing	-	-
Net cash flow outflow	-	(375)



**Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 30 JUNE 2015**

9. INTEREST-BEARING LOANS AND BORROWINGS

	30 June 2015	31 December 2014
	\$'000	\$'000
Current		
Bank loans – secured	63,263	57,929
	63,263	57,929

Terms and conditions of Interest bearing loans and borrowings

Outstanding bank loans of \$63.263 million (31 December 2014: \$57.929 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 (\$20.833 million) (31 December 2014: US\$16.000 million (\$19.507 million)). At 30 June 2015 the total interest bearing liabilities drawdown to which these corporate guarantees relate to were US\$13.434 million (\$17.493 million) (31 December 2014: US\$10.808 million (\$13.178 million)).

10. FAIR VALUE MEASUREMENT

The carrying values of financial assets and financial liabilities approximate their fair values at the balance sheet date.

11. 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.

12. COMMITMENTS AND CONTINGENCIES

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets.

13. EVENTS AFTER BALANCE SHEET DATE

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the consolidated entity in future financial years.



Directors' Declaration

In accordance with a resolution of the directors of Vietnam Industrial Investments Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 30 June 2015 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

ROGER SING-LEONG KWOK
Director

Perth, 28 August 2015



