



**Vietcombank Fund Management**

Financial Statements for the year ended  
31 December 2014



## **Vietcombank Fund Management Content**

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## Vietcombank Fund Management Corporate Information

<b>Operation Licence No.</b>	06/UBCK-GPHDQLQ	2 December 2005
	21/UBCK-GPDC	3 September 2008
	70/UBCK-GPDC	17 May 2010
	76/GPDC-UBCK	3 August 2010
	01/GPDC-UBCK	10 January 2011
	06/GPDC-UBCK	20 April 2011
	28/GPDC-UBCK	21 February 2012
	19/GPDC-UBCK	21 June 2013

The operation licence and updates were issued by the State Securities Commission of Vietnam and are valid for 30 years since the initial licence date.

<b>Board of Directors</b>	Mr. Pham Quang Dung	Chairman
	Mr. Stephen Grundlingh	Vice Chairman
	Mr. Pham Chi Quang	Member
	Mr. Dennis Lim	Member
	Mr. Dam Hai Giang	Member <i>(until 28 February 2014)</i>
	Mr. Nguyen Trung Nam	Member <i>(from 18 March 2014)</i>
<b>Board of Management</b>	Mr. Avinash Deepak Satwalekar	Chief Executive Officer
	Mr. Dam Hai Giang	Deputy Chief Executive Officer <i>(until 28 February 2014)</i>
	Mr. Nguyen Trung Nam	Deputy Chief Executive Officer <i>(from 18 March 2014)</i>
<b>Registered Office</b>	Vietcombank Tower, 15 <sup>th</sup> Floor 198 Tran Quang Khai Street Hoan Kiem District, Hanoi Vietnam	
<b>Auditors</b>	KPMG Limited Vietnam	

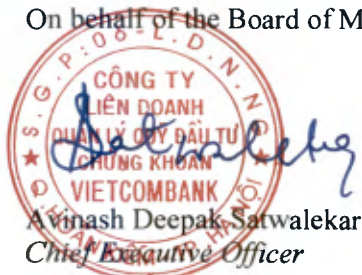
## **Vietcombank Fund Management Statement of the Board of Management**

The Board of Management of Vietcombank Fund Management (“the Company”) is responsible for the preparation and presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for securities investment fund management companies stipulated in Circular No. 125/2011/TT-BTC dated 05 September 2011 by the Ministry of Finance and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Management:

- (a) the financial statements set out on pages 6 to 35 give a true and fair view of the financial position of the Company as at 31 December 2014, and of the results of operations and the cash flows and the changes in equity of the Company for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for securities investment fund management companies stipulated in Circular No. 125/2011/TT-BTC dated 5 September 2011 by the Ministry of Finance and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Management



AVINASH DEEPAK SARWALEKAR  
*Chief Executive Officer*

Hanoi, 17 March 2015



**KPMG Limited**

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The Socialist Republic of Vietnam

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## **INDEPENDENT AUDITORS' REPORT**

### **To the Investors Vietcombank Fund Management**

We have audited the accompanying financial statements of Vietcombank Fund Management (“the Company”), which comprise the balance sheet as at 31 December 2014, the statements of income, cash flows and changes in equity for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 17 March 2015, as set out on pages 6 to 35.

### **Management’s Responsibility**

The Company’s Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for securities investment fund management companies stipulated in Circular No.125/2011/TT-BTC dated 5 September 2011 by the Ministry of Finance and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s 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 and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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 that 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, in all material respects, of the financial position of Vietcombank Fund Management as at 31 December 2014, and of its results of operations, cash flows and changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for securities investment fund management companies stipulated in Circular No.125/2011/TT-BTC dated 5 September 2011 by the Ministry of Finance and the relevant statutory requirements applicable to financial reporting.

### KPMG Limited

Vietnam

Investment Certificate No.: 011043000345

Audit Report No.: 14-02-441/1



Trần Anh Quân

Practicing Auditor Registration

Certificate No.: 0306-2013-007-1

*Deputy General Director*

Hanoi, 17 March 2015



Nguyen Minh Hieu

Practicing Auditor Registration

Certificate No.: 1572-2013-007-1

**Vietcombank Fund Management**  
**Balance sheet as at 31 December 2014**

**Form B01 – CTQ**

	Code	Note	31/12/2014 VND	31/12/2013 VND
<b>ASSETS</b>				
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>57,627,101,086</b>	<b>65,715,808,038</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>9,189,016,665</b>	<b>7,075,828,705</b>
1. Cash	111		7,162,140,378	5,075,828,705
2. Cash equivalents	112		2,026,876,287	2,000,000,000
<b>II. Short-term investments</b>	<b>120</b>	<b>5</b>	<b>43,331,064,638</b>	<b>52,046,314,656</b>
1. Short-term investments	121		44,008,980,556	52,100,000,000
2. Allowance for diminution in the value of short-term investments	129		(677,915,918)	(53,685,344)
<b>III. Short-term accounts receivable</b>	<b>130</b>		<b>4,216,545,428</b>	<b>5,935,132,698</b>
1. Accounts receivable – trade	131	6	3,735,366,617	3,186,203,771
3. Prepayment to suppliers	132		131,996,370	412,172,986
4. Other receivables	135	7	349,182,441	2,336,755,941
<b>V. Other current assets</b>	<b>150</b>		<b>890,474,355</b>	<b>658,531,979</b>
1. Short-term prepayments	151		888,874,355	634,446,653
3. Taxes and other receivables from the State	154		-	22,485,326
5. Other current assets	158		1,600,000	1,600,000
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>11,101,702,822</b>	<b>11,447,499,742</b>
<b>I. Long-term accounts receivable</b>	<b>210</b>		<b>-</b>	<b>1,222,358,378</b>
1. Accounts receivable - trade	211		-	1,222,358,378
<b>II. Fixed assets</b>	<b>220</b>		<b>3,100,050,664</b>	<b>3,970,245,432</b>
1. Tangible fixed assets	221	8	916,605,704	1,707,874,072
Cost	222		5,585,660,139	5,548,216,139
Accumulated depreciation	223		(4,669,054,435)	(3,840,342,067)
3. Intangible fixed assets	227	9	999,310,065	1,078,236,465
Cost	228		1,578,528,000	1,578,528,000
Accumulated amortisation	229		(579,217,935)	(500,291,535)
4. Construction in progress	230	10	1,184,134,895	1,184,134,895
<b>IV. Other long-term assets</b>	<b>260</b>		<b>8,001,652,158</b>	<b>6,254,895,932</b>
2. Deferred tax assets	262	11	6,848,115,072	5,101,358,846
3. Other long-term assets	268	12	1,153,537,086	1,153,537,086
<b>TOTAL ASSETS</b>	<b>270</b>		<b>68,728,803,908</b>	<b>77,163,307,780</b>

*The accompanying notes are an integral part of these financial statements*

	Code	Note	31/12/2014 VND	31/12/2013 VND
<b>RESOURCES</b>				
<b>A - LIABILITIES</b>	<b>300</b>		<b>5,400,613,477</b>	<b>6,791,243,092</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>5,400,613,477</b>	<b>6,791,243,092</b>
2. Accounts payable	312		194,622,223	82,071,996
4. Taxes payable to State Treasury	314	13	2,000,639,385	2,249,312,525
5. Payables to employees	315		2,245,702,200	2,817,709,735
6. Accrued expenses	316		-	84,000,000
8. Other payables	319		268,009,168	313,115,998
10. Bonus and welfare funds	323		190,040,502	675,540,502
12. Unearned revenue	328		501,599,999	569,492,336
<b>B - EQUITY</b>	<b>400</b>		<b>63,328,190,431</b>	<b>70,372,064,688</b>
<b>I. Equity</b>	<b>410</b>		<b>63,328,190,431</b>	<b>70,372,064,688</b>
1. Contributed capital	411	14	55,000,000,000	55,000,000,000
7. Investment and Development fund	417		4,400,548,849	5,055,381,937
8. Financial reserve	418		2,888,934,197	2,888,934,197
10. Retained profits	420		1,038,707,385	7,427,748,554
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>68,728,803,908</b>	<b>77,163,307,780</b>

*The accompanying notes are an integral part of these financial statements*



**OFF - BALANCE SHEET ITEMS**

	Code	Note	31/12/2014 VND	31/12/2013 VND
5 Foreign currencies	005		5,430,266,005	4,324,133,518
7 Non-custody securities	020		34,860,557,600	20,730,278,800
8 Cash and cash equivalents held on behalf of entrusting investors	030	21	17,727,181,594	168,477,649,317
<i>8.1. Domestic entrusting investors</i>	031		17,727,181,594	168,477,649,317
9 Securities held on behalf of entrusting investors	040	22	958,791,201,600	1,443,101,889,750
<i>9.1. Domestic entrusting investors</i>	041		958,791,201,600	1,443,101,889,750
10 Receivables of entrusting investors	050	23	8,014,754,786	40,113,207,172
11 Payables of entrusting investors	051	24	4,839,276,560	3,277,023,071

Prepared by:



Ms. Nguyen Bang Tam  
 Chief Accountant

Approved by:



Mr. Avinash Deepak Satwalekar  
 Chief Executive Officer

17 March 2015



*The accompanying notes are an integral part of these financial statements*

**Vietcombank Fund Management**  
**Statement of income for the year ended 31 December 2014**

**Form B02 – CTQ**

	Code	Note	2014 VND	2013 VND
1. Revenue	01	15	35,672,654,061	18,106,406,869
3. Net revenue from operating activities	10		35,672,654,061	18,106,406,869
4. Operating expenses	11	16	(9,642,457,701)	(11,661,375,298)
5. Gross profit	20		26,030,196,360	6,445,031,571
6. Financial income	21	17	1,197,530,717	10,446,155,880
7. Financial expense	22	18	(949,532,643)	(216,047,067)
8. General and administration expenses	25	19	(34,351,818,194)	(32,962,435,546)
9. Net operating loss	30		(8,073,623,760)	(16,287,295,162)
10. Other income	31		-	152,435,059
12. Other profit	40		-	152,435,059
13. Loss before tax	52		(8,073,623,760)	(16,134,860,103)
14. Income tax expense – current	51	20	(62,173,635)	-
15. Deferred tax benefit	52	20	1,746,756,226	4,337,710,818
16. Net loss after tax	60		(6,389,041,169)	(11,797,149,285)

Prepared by:

  
 Ms. Nguyen Bang Tam  
 Chief Accountant 

Approved by:

  
  
 Mr. Avinash Deepek Satwalekar  
 Chief Executive Officer



17 March 2015

*The accompanying notes are an integral part of these financial statements*

## Statement of cash flows for the year ended 31 December 2014 (Direct method)

	Code	2014 VND	2013 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from fund management activities	01	35,444,617,519	17,096,654,560
Payments to suppliers	02	(13,770,536,927)	(17,509,809,642)
Payments to employees	03	(22,668,612,932)	(21,809,812,531)
Payments for corporate income tax	05	(39,688,309)	-
Other receipts from operating activities	06	212,708,956	239,325,740
Other payments for operating activities	07	(8,794,304,514)	(9,544,751,268)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(9,615,816,207)</b>	<b>(31,528,393,141)</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchases of fixed assets	21	(37,444,000)	(1,679,437,100)
Payments for investments in debt instruments of other entities	23	(11,008,980,556)	(14,000,000,000)
Proceeds from disposal of debt instruments	24	33,000,000,000	28,000,000,000
Payments for investments in other entities	25	(17,500,000,000)	(17,500,000,000)
Proceeds from disposals of investments	26	3,299,450,000	2,700,000,000
Dividends and interest received	27	3,966,355,208	11,051,341,556
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>11,719,380,652</b>	<b>8,571,904,456</b>
<b>Net cash flows during the year</b>	<b>50</b>	<b>2,103,564,445</b>	<b>(22,956,488,685)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>7,075,828,705</b>	<b>30,177,123,986</b>
<b>Currency translation differences</b>	<b>61</b>	<b>9,623,515</b>	<b>(144,806,596)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	<b>9,189,016,665</b>	<b>7,075,828,705</b>

Prepared by:

  
 Ms. Nguyen Bang Tam  
 Chief Accountant 

Approved by:

  
 Mr. Avinash Deepak Satwalekar  
 Chief Executive Officer



17 March 2015

*The accompanying notes are an integral part of these financial statements*

Vietcombank Fund Management  
Statement of changes in equity for the year ended 31 December 2014

Form B05 – CTQ

	Opening balances		Increase/decrease during the year				Closing balances	
	1/1/2013	1/1/2014	Year ended 31/12/2013		Year ended 31/12/2014		31/12/2013	31/12/2014
	VND	VND	Increase	Decrease	Increase	Decrease	VND	VND
Contributed capital	55,000,000,000	55,000,000,000	-	-	-	-	55,000,000,000	55,000,000,000
Investment and Development fund	6,635,207,284	5,055,381,937	-	(1,579,825,347)	-	(654,833,088)	5,055,381,937	4,400,548,849
Financial reserve	2,888,934,197	2,888,934,197	-	-	-	-	2,888,934,197	2,888,934,197
Retained profits	20,224,897,839	7,427,748,554	-	(12,797,149,285)	-	(6,389,041,169)	7,427,748,554	1,038,707,385
	<b>84,749,039,320</b>	<b>70,372,064,688</b>	-	<b>(14,376,974,632)</b>	-	<b>(7,043,874,257)</b>	<b>70,372,064,688</b>	<b>63,328,190,431</b>

Prepared by:

  
Ms. Nguyen Bang Tam  
Chief Accountant

Approved by:

  
Mr. Avinash Deepak Satwalekar  
Chief Executive Officer

17 March 2015

The accompanying notes are an integral part of these financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## **1. Reporting entity**

Vietcombank Fund Management (“the Company”) is a joint venture company incorporated in Vietnam. The joint venture partners are Joint Stock Commercial Bank for Foreign Trade of Vietnam (“Vietcombank”) (incorporated in Vietnam) and Franklin Templeton Capital Holdings Private Limited (incorporated in Singapore) with ownership interest of 51% and 49%, respectively. The principal activities of the Company are to establish and manage investment funds; and to manage investment portfolios.

As at 31 December 2014 the Company had 25 employees (31 December 2013: 28 employees).

## **2. Basis of preparation**

### **(a) Statement of compliance**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for securities investment fund management companies stipulated in Circular No.125/2011/TT-BTC dated 5 September 2011 (“Circular 125”) by the Ministry of Finance and the relevant statutory requirements applicable to financial reporting.

### **(b) Basis of measurement**

The financial statements, except for the statement of cash flows are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the direct method.

### **(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December.

### **(d) Accounting currency**

The financial statements are prepared and presented in Vietnam Dong (“VND”).

### 3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

#### (a) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates of exchange ruling at the transaction dates.

All foreign exchange differences are recorded in the statement of income.

#### (b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

#### (c) Investment in fund certificates

Investments in fund certificates, including partners fund certificates and open-end fund certificates, are initially stated at purchase price and the cost of acquisition (original cost); then, are stated at original cost less allowance for diminution (if any).

Allowance for diminution is the difference between original cost and net asset value (NAV) of investment which is computed on capital contribution rate in case the net asset value is less than original cost. Increases or decreases of the allowance balance are recorded to financial expenses account during the year.

#### (d) Account receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

**(e) Tangible fixed assets****(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure have resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure are capitalised as an additional cost of tangible fixed assets.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

- office equipment 3 years
- motor vehicles 6 years

**(f) Intangible fixed assets****(i) Software**

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over its useful life of 3 years.

**(ii) Golf club memberships**

Golf club memberships are recorded at cost and amortised on a straight-line basis over 20 years.

**(g) Construction in progress**

Construction in progress represents the costs of software which has not been fully installed. No depreciation is provided for construction in progress during the period of installation.

**(h) Accounts payable**

Trade and other payables are stated at their cost.

**(i) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(j) Classification of financial instruments**

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Company classifies its financial instruments as follow:

**(i) Financial assets***Financial assets at fair value through profit or loss*

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by the Company as held for trading. A financial asset is considered as held for trading if:
  - it is acquired principally for the purpose of selling it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

*Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company has the positive intention and ability to hold to maturity, other than:

- those that the Company upon initial recognition designates as at fair value through profit or loss;
- those that the Company designates as available-for-sale; and
- those that meet the definition of loans and receivables.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Company intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Company upon initial recognition designates as available-for-sale; or
- for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.



*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

**(ii) Financial liabilities**

*Financial liabilities at fair value through profit or loss*

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by the Company as held for trading. A financial liability is considered as held for trading if:
  - it is incurred principally for the purpose of repurchasing it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

*Financial liabilities carried at amortised cost*

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

**(k) Taxation**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(l) Reserves and funds**

Investment and Development fund is allocated from profit after tax and is to expand the Company's operations and investments.

Financial reserve is allocated from profit after tax and is to cover losses incurred during the normal course of business.

Bonus and welfare fund are allocated from profit after tax and are used primarily to make payments to the Company's employees.

Reserve and funds are allocated at the Company's decision.

**(m) Revenue**

**(i) Services rendered**

Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(ii) Dividend income**

Dividend income is recognised the right to receive the dividend is established.

**(iii) Interest income**

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

**(n) Operating lease payments**

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

**(o) Related parties**

Related parties include the investors, their ultimate parent companies, their subsidiaries and associates of investors and funds managed by the Company.

**(p) Off balance sheet items**

Amounts which are defined as off balance sheet items under the Circular 125 are disclosed in the relevant notes to these financial statements.

**(q) Nil balances**

Items or balances required by the Circular 125 that are not shown in these financial statements indicate nil balances.

**4. Cash and cash equivalents**

	31/12/2014 VND	31/12/2013 VND
Cash on hand	11,772,791	16,766,197
Cash at banks	7,150,367,587	5,059,062,508
Cash equivalents (i)	2,026,876,287	2,000,000,000
	9,189,016,665	7,075,828,705

- (i) Cash equivalents at 31 December 2014 earned interest at fixed rate of 5% per annum (31/12/2013: 6.8% per annum).

**5. Short-term investments**

	31/12/2014 VND	31/12/2013 VND
Investments in fund units (i)	35,000,000,000	21,100,000,000
Other short-term investments (ii)	9,008,980,556	31,000,000,000
Allowance for diminution in the value of investments (iii)	(677,915,918)	(53,685,344)
	43,331,064,638	52,046,314,656

(i) Details of short-term investments in fund units are as follows:

	31/12/2014		31/12/2013	
	Quantity	Cost VND	Quantity	Cost VND
VCBF Tactical Balanced Fund (“VCBF-TBF”)	1,743,027.88	17,500,000,000	1,743,027.88	17,500,000,000
VCBF Blue Chip Fund (“VCBF-BCF”)	1,743,027.88	17,500,000,000	-	-
Vietcombank Partners Fund 3 (“VPF3”)	-	-	3,300	3,600,000,000
	<b>3,486,055.76</b>	<b>35,000,000,000</b>	<b>1,746,327.88</b>	<b>21,100,000,000</b>

(ii) These balances represent term deposits at banks with term of more than three months to one year. These balances are denominated in VND and earn annual interest rates ranging from 5.3% to 6% per annum (31 December 2013: from 7% to 10% per annum).

(iii) Movements in the allowance for diminution in the value of short-term investments during the year were as follows:

	2014 VND	2013 VND
Opening balance	53,685,344	-
Allowance made during the year (Note 18)	624,230,574	53,685,344
Closing balance	<b>677,915,918</b>	<b>53,685,344</b>

## 6. Accounts receivable – trade

	31/12/2014 VND	31/12/2013 VND
Management fee receivable	3,735,366,617	3,186,203,771
	<b>3,735,366,617</b>	<b>3,186,203,771</b>

## 7. Other receivables

	31/12/2014 VND	31/12/2013 VND
Interest receivable from deposits at banks	167,828,924	2,126,149,999
Other receivables	181,353,517	210,605,942
	<b>349,182,441</b>	<b>2,336,755,941</b>

**8. Tangible fixed assets**

<b>2014</b>	<b>Office equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	2,064,860,425	3,483,355,714	5,548,216,139
Additions	37,444,000	-	37,444,000
Closing balance	2,102,304,425	3,483,355,714	5,585,660,139
<b>Accumulated depreciation</b>			
Opening balance	647,357,082	3,192,984,985	3,840,342,067
Charge for the year	589,734,660	238,977,708	828,712,368
Closing balance	1,237,091,742	3,431,962,693	4,669,054,435
<b>Net book value</b>			
Opening balance	1,417,503,343	290,370,729	1,707,874,072
Closing balance	865,212,683	51,393,021	916,605,704
<b>2013</b>			
	<b>Office equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	1,851,707,934	3,483,355,714	5,335,063,648
Additions	1,679,437,100	-	1,679,437,100
Written-off	(252,679,971)	-	(252,679,971)
Disposals	(1,213,604,638)	-	(1,213,604,638)
Closing balance	2,064,860,425	3,483,355,714	5,548,216,139
<b>Accumulated depreciation</b>			
Opening balance	1,725,466,469	2,872,402,995	4,597,869,464
Charge for the year	337,250,088	320,581,990	657,832,078
Written-off	(201,754,837)	-	(201,754,837)
Disposals	(1,213,604,638)	-	(1,213,604,638)
Closing balance	647,357,082	3,192,984,985	3,840,342,067
<b>Net book value</b>			
Opening balance	126,241,465	610,952,719	737,194,184
Closing balance	1,417,503,343	290,370,729	1,707,874,072

Included in the cost of tangible fixed assets were assets costing VND2,363,767,825 which are fully depreciated as of 31 December 2014 (31/12/2013: VND2,363,767,825), but which are still in active use.

**9. Intangible fixed assets**

<b>2014</b>	<b>Golf club memberships VND</b>		
<b>Cost</b>			
Opening and closing balance			1,578,528,000
<b>Accumulated amortisation</b>			
Opening balance			500,291,535
Charge for the year			78,926,400
Closing balance			579,217,935
<b>Net book value</b>			
Opening balance			1,078,236,465
Closing balance			999,310,065
<b>2013</b>	<b>Software VND</b>	<b>Golf club memberships VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	19,807,200	1,578,528,000	1,598,335,200
Written-off	(19,807,200)	-	(19,807,200)
Closing balance	-	1,578,528,000	1,578,528,000
<b>Accumulated amortisation</b>			
Opening balance	19,807,200	421,365,135	441,172,335
Charge for the year	-	78,926,400	78,926,400
Written-off	(19,807,200)	-	(19,807,200)
Closing balance	-	500,291,535	500,291,535
<b>Net book value</b>			
Opening balance	-	1,157,162,865	1,157,162,865
Closing balance	-	1,078,236,465	1,078,236,465

**10. Construction in progress**

Construction in progress represents expenses incurred related to development of the management software of the Company. At the date of this report, the software system was still in the process of development and finalisation.

**11. Deferred tax assets***(i) Recognised deferred tax assets and liabilities*

	31/12/2014 VND	31/12/2013 VND
Deferred tax assets:		
Unearned revenue	100,320,000	113,898,467
Tax losses carry-forwards	6,754,807,173	4,989,671,153
Deferred tax liabilities:		
Unrealised foreign exchange gains	(7,012,101)	(2,210,774)
Net deferred tax assets	6,848,115,072	5,101,358,846

*(ii) Movement in temporary differences during the year*

	31/12/2013 VND	Recognised in statement of income VND	31/12/2014 VND
Unearned revenue	569,492,336	(67,892,337)	501,599,999
Tax losses carry-forwards	26,406,909,520	7,367,126,347	33,774,035,867
Unrealised foreign exchange gains	(10,048,970)	(25,011,536)	(35,060,506)
	26,966,352,886	7,274,222,474	34,240,575,360

**12. Other long-term assets**

	31/12/2014 VND	31/12/2013 VND
Deposits for rental	1,153,537,086	1,153,537,086

**13. Taxes payable to State Treasury**

	31/12/2014 VND	31/12/2013 VND
Personal income tax	1,991,951,090	2,249,312,525
Value added tax	8,688,295	-
	2,000,639,385	2,249,312,525

**14. Contributed capital**

The Company's authorised and contributed capital is:

	31/12/2014		31/12/2013	
	VND	%	VND	%
Joint Stock Commercial Bank for Foreign Trade of Vietnam	28,050,000,000	51%	28,050,000,000	51%
Franklin Templeton Capital Holdings Private Limited	26,950,000,000	49%	26,950,000,000	49%
	<b>55,000,000,000</b>	<b>100%</b>	<b>55,000,000,000</b>	<b>100%</b>

**15. Total revenue**

Total revenue represents the gross invoiced value of services rendered exclusive of value added tax.

Net revenue comprised:

	2014 VND	2013 VND
Management fees from entrusting investment management activities (i)	9,259,185,748	10,412,354,481
Management fees from fund management activities (ii)	1,628,413,720	955,500,000
Incentive fees (iii)	19,111,203,944	2,320,340,272
Investment consulting fees	5,292,665,421	4,418,212,116
Others	381,185,228	-
	<b>35,672,654,061</b>	<b>18,106,406,869</b>

- (i) The Company is managing investment portfolios for some clients. The Company earns management fee based on the committed capital or Net Asset Value of the entrusting portfolios.
- (ii) The Company is managing VCBF Tactical Balanced Fund and VCBF Blue Chip Fund. Under the funds' charters, the funds are charged by the Company a management fee based on their Net Asset Value.
- (iii) The Company also receives an annual incentive fee if the increase in Net Asset Value of the entrusted portfolios is higher than a basis threshold as indicated in the entrustment contract.



**16. Operating expenses**

	2014 VND	2013 VND
Salary and related expenses	5,016,427,182	5,540,152,576
Depreciation and amortisation expenses	128,119,500	63,547,272
Other expenses	4,497,911,019	6,057,675,450
	9,642,457,701	11,661,375,298

**17. Financial income**

	2014 VND	2013 VND
Interest income from deposits at banks	1,162,055,425	5,534,519,332
Dividends income	-	4,896,212,400
Foreign exchange gains	35,475,292	15,424,148
	1,197,530,717	10,446,155,880

**18. Financial expenses**

	2014 VND	2013 VND
Losses from investing activities	300,000,000	-
Allowance for diminution in the value of investments (Note 5)	624,230,574	53,685,344
Foreign exchange losses	25,302,069	162,361,723
	949,532,643	216,047,067

**19. General and administration expenses**

	2014 VND	2013 VND
Salary and related	24,358,453,370	22,452,015,839
Office rental	4,044,966,029	4,258,381,757
Public relation	898,139,826	887,799,447
Transportation	990,248,388	996,568,588
Depreciation and amortisation	779,519,268	673,211,206
Telecommunication	462,252,690	480,295,083
Accommodation	447,046,617	427,079,503
Stationery	175,500,229	182,153,384
Tax and legal fee	34,307,000	86,096,814
Other expenses	2,161,384,777	2,518,833,925
	34,351,818,194	32,962,435,546

**20. Income tax****(a) Recognised in the statement of income**

	<b>2014</b> <b>VND</b>	<b>2013</b> <b>VND</b>
<b>Current tax expense</b>		
Under provision in prior years	62,173,635	-
	<hr/> 62,173,635	<hr/> -
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences	(1,746,756,226)	(4,337,710,818)
	<hr/> (1,746,756,226)	<hr/> (4,337,710,818)
Income tax benefit	<hr/> (1,684,582,591)	<hr/> (4,337,710,818)

**(b) Reconciliation of effective tax rate**

	<b>2014</b> <b>VND</b>	<b>2013</b> <b>VND</b>
Loss before tax	(8,073,623,760)	(16,134,860,103)
Tax at the Company's tax rate	(1,614,724,752)	(3,226,972,021)
Write-off of deferred tax assets previously recognised	-	30,487,012
Effect of changes in tax rate	(296,871,693)	(437,867,599)
Non taxable income	-	(1,224,053,100)
Effect of different tax rate applied to other income	4,959,962	519,127,194
Non-deductible expenses	159,880,257	1,567,696
Under provision in prior years	62,173,635	-
	<hr/> (1,684,582,591)	<hr/> (4,337,710,818)

**(c) Applicable tax rates**

Under the terms of Circular No.100/2004/TT-BTC dated 20 October 2004 and Circular No.72/2006/TT-BTC dated 10 August 2006 by the Ministry of Finance, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits from fund management activities for the first 10 years starting from the first year of operations and 22% for the succeeding years from the year 2015. Profits from other activities are subject to the tax rate of 22%.

On 19 June 2013, the National Assembly approved the Law on amendments and supplements to a number of articles of the Corporate Income Tax Law. Accordingly, the highest income tax rate shall be reduced from 25% to 22% for 2014 and 2015, and to 20% from 2016.

**21. Cash and cash equivalents held on behalf of entrusting investors**

Movements in cash and cash equivalents held on behalf of entrusting investors during the year were as follows:

	<b>2014</b> <b>VND</b>	<b>2013</b> <b>VND</b>
Opening balance	168,477,649,317	95,469,733,777
Additions	891,553,258,077	271,269,713,600
Deductions	(1,042,303,725,800)	(198,261,798,060)
Closing balance	<u>17,727,181,594</u>	<u>168,477,649,317</u>

Details of cash and cash equivalents held on behalf of entrusting investors were as follows:

	<b>31/12/2014</b> <b>VND</b>	<b>31/12/2013</b> <b>VND</b>
AM01	-	58,597,290,548
AM03	2,481,348,351	2,972,189,213
AM06	-	80,001,725,941
AM07	1,087,499,735	125,763,482
AM11	362,360	362,360
AM14	-	32,413,122
AM15	-	6,692,898
AM16	5,729,881,636	9,314,359,293
AM17	8,332,583,332	17,426,852,460
AM18	95,506,180	-
	<u>17,727,181,594</u>	<u>168,477,649,317</u>

## Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2014 (continued)

## 22. Securities held on behalf of entrusting investors

31/12/2014	AM03 VND	AM07 VND	AM11 VND	AM16 VND	AM17 VND	AM18 VND	Total VND
Listed shares	16,419,188,100	75,028,229,400	-	41,930,602,300	20,157,538,500	-	153,535,558,300
<i>Detail of devaluated securities:</i>							
CTD	644,100,000	3,055,200,000	-	855,000,000	1,306,440,000	-	5,860,740,000
DIH	-	-	-	334,880,000	-	-	334,880,000
LSS	-	85,405,000	-	-	-	-	85,405,000
MBB	681,108,300	-	-	-	-	-	681,108,300
POM	-	683,928,000	-	-	-	-	683,928,000
PSD	226,000,000	-	-	-	-	-	226,000,000
TRC	284,000,000	779,864,000	-	568,000,000	-	-	1,631,864,000
VNM	-	-	-	2,395,140,000	3,506,760,000	-	5,901,900,000
DPR	-	1,415,500,000	-	659,680,000	-	-	2,075,180,000
TRA	-	462,090,000	-	-	-	-	462,090,000
FPT	-	-	-	-	1,128,000,000	-	1,128,000,000
VSC	-	-	-	-	1,225,000,000	-	1,225,000,000
PVS	-	-	-	976,470,000	1,310,030,000	-	2,286,500,000
PVD	-	-	-	-	1,632,495,000	-	1,632,495,000
DPM	-	-	-	1,989,372,000	-	-	1,989,372,000
SVI	-	-	-	1,052,975,000	-	-	1,052,975,000
PHR	-	-	-	599,248,000	-	-	599,248,000
FCN	541,098,000	2,295,216,000	-	1,852,650,000	1,438,650,000	-	6,127,614,000
Unlisted shares	-	-	-	-	-	6,000,000,000	6,000,000,000
Bonds	49,255,643,300	-	750,000,000,000	-	-	-	799,255,643,300
	65,674,831,400	75,028,229,400	750,000,000,000	41,930,602,300	20,157,538,500	6,000,000,000	958,791,201,600

**Vietcombank Fund Management**

**Form 09 – CTQ**

**Notes to the financial statements for the year ended 31 December 2014 (continued)**

31/12/2013	AM01 VND	AM03 VND	AM06 VND	AM07 VND	AM11 VND	AM14 VND	AM15 VND	AM16 VND	Total VND
<b>Listed shares</b>	24,643,993,600	14,850,812,400	38,970,813,300	31,185,005,300	-	-	-	23,552,269,000	133,202,893,600
<i>Detail of devaluated securities:</i>									
CTD	-	-	-	578,225,000	-	-	-	-	578,225,000
CTG	32,400	-	-	-	-	-	-	-	32,400
DIH	-	-	-	-	-	-	-	382,720,000	382,720,000
DPR	446,957,000	-	1,110,592,000	-	-	-	-	-	1,557,549,000
GDT	-	-	-	-	-	-	-	343,497,000	343,497,000
HBC	113,150,000	113,150,000	-	-	-	-	-	-	226,300,000
HDC	677,213,600	-	1,982,290,800	-	-	-	-	-	2,659,504,400
HDG	-	-	-	-	-	-	-	270,000,000	270,000,000
LSS	23,200	-	-	92,800	-	-	-	-	116,000
MBB	333,629,000	301,879,000	-	-	-	-	-	3,159,379,000	3,794,887,000
POM	-	-	1,075,182,000	1,034,034,000	-	-	-	-	2,109,216,000
PSD	297,000,000	198,000,000	-	-	-	-	-	990,000,000	1,485,000,000
TRC	805,140,000	614,880,000	1,147,020,000	813,960,000	-	-	-	-	3,381,000,000
VNM	-	-	-	-	-	-	-	2,565,000,000	2,565,000,000
VST	-	-	409,076,000	116,529,000	-	-	-	-	525,605,000
<b>Bonds</b>	150,000,000,000	44,809,096,150	225,000,000,000	89,900,000	750,000,000,000	120,000,000,000	20,000,000,000	-	1,309,898,996,150
	174,643,993,600	59,659,908,550	263,970,813,300	31,274,905,300	750,000,000,000	120,000,000,000	20,000,000,000	23,552,269,000	1,443,101,889,750

**23. Receivables of entrusting investors**

	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>VND</b>	<b>VND</b>
AM01	-	3,708,713,081
AM03	473,882,029	496,321,446
AM06	-	4,904,085,334
AM07	522,178,480	11,658,659,205
AM11	5,678,901,250	6,761,713,750
AM14	-	10,314,623,452
AM15	-	1,913,378,569
AM16	1,293,182,927	202,366,666
AM17	46,610,100	153,345,669
	<hr/>	<hr/>
	8,014,754,786	40,113,207,172
	<hr/>	<hr/>

**24. Payables of entrusting investors**

	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>VND</b>	<b>VND</b>
AM01	-	148,766,312
AM03	1,842,717,468	1,697,919,668
AM06	-	19,333,737
AM07	1,640,055,376	315,766,803
AM15	-	412,410,980
AM16	1,183,830,954	678,625,571
AM17	131,987,831	4,200,000
AM18	40,684,931	-
	<hr/>	<hr/>
	4,839,276,560	3,277,023,071
	<hr/>	<hr/>

**25. Significant transactions and balances with related parties****(a) Significant transactions with related parties**

	Transaction value	
	2014 VND	2013 VND
<b>VCBF Tactical Balanced Fund</b>		
Management fee	1,147,649,494	-
Commission fee	225,162,052	-
<b>VCBF Blue Chip Fund</b>		
Management fee	480,764,226	-
Commission fee	156,023,176	-
<b>Vietcombank Partners Fund 3</b>		
Management fee	-	955,500,000
Receipt from release of contributed capital	3,300,000,000	2,700,000,000
<b>Vietcombank Securities Co., Ltd</b>		
Receipts of cash for entrusting investment contracts	35,000,000,000	17,500,000,000
Repayment for entrusting investment contracts	23,000,000,000	-
Entrusting investment management fee	291,800,567	2,107,664
<b>Joint Stock Commercial Bank for Foreign Trade of Vietnam</b>		
Entrusting investment management fee	4,360,273,974	5,600,000,000
Incentive fee	3,256,969,599	-
Interest income from deposits	903,769,658	5,534,519,332
<b>Franklin Templeton Capital Holdings Private Limited</b>		
Revenue from consultancy fee	5,292,665,421	4,418,212,116

**(b) Significant balances with related parties**

	Balance as at	
	31/12/2014 VND	31/12/2013 VND
<b>Joint Stock Commercial Bank for Foreign Trade of Vietnam</b>		
Deposits	7,150,367,587	38,059,062,508
Interest receivables	-	2,126,149,999
<b>VCBF Tactical Balanced Fund</b>		
Investments in fund units	17,500,000,000	17,500,000,000
<b>VCBF Blue Chip Fund</b>		
Investments in fund units	17,500,000,000	-

## 26. Financial instruments

### (a) Financial risk management

#### *Overview*

The Company has exposure mainly to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### (b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

#### (i) *Exposure to credit risk*

The maximum exposure to credit risk at the reporting date was as follows:

	Note	31/12/2014 VND	31/12/2013 VND
Cash and cash equivalents	(ii)	9,177,243,874	7,059,062,508
Short-term investments	(ii)	9,008,980,556	31,000,000,000
Accounts receivable – trade (short-term)	(iii)	3,735,366,617	3,186,203,771
Other receivables	(iii)	349,182,441	2,336,755,941
Accounts receivable – trade (long-term)	(iii)	-	1,222,358,378
Other long-term assets	(iii)	1,153,537,086	1,153,537,086
		23,424,310,574	45,957,917,684

#### (ii) *Cash and cash equivalents*

The cash and cash equivalents at bank and short-term investments (being term deposits at banks) of the Company are mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits.

#### (iii) *Trade and other receivables*

Account receivables mainly include management fee receivables and interest receivable from deposits at banks. Credit risk is considered minimal as these are mainly receivables from funds managed by the Company.



**(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

	Carrying amount VND	Contractual undiscounted cash flow VND	Less than 1 month VND	From 1 to 3 months VND
<b>31/12/2014</b>				
Accounts payable – trade	194,622,223	194,622,223	194,622,223	-
	194,622,223	194,622,223	194,622,223	-
<b>31/12/2013</b>				
Accounts payable – trade	82,071,996	82,071,996	82,071,996	-
Accrued expenses	84,000,000	84,000,000	-	84,000,000
	166,071,996	166,071,996	82,071,996	84,000,000

**(d) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**(i) Currency risk**

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective accounting currencies of the Company.

The Company had the following net monetary asset position exposed to currency risk:

	31/12/2014 VND equivalent	31/12/2013 VND equivalent
<b>USD</b>		
Cash and cash equivalent	5,430,266,005	4,324,133,518

The followings are the significant exchange rates applied by the Company:

	Exchange rate as at	
	31/12/2014	31/12/2013
VND/USD	21,380	21,085

Below is an analysis of the possible impact on the net loss of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 31 December. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases:

	Effect to net loss	
	2014 VND	2013 VND
USD strengthens 2% against VND	108,605,320	86,482,670

The opposite movement of the currencies would have the equal but opposite effect to the net loss of the Company.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2014 VND	31/12/2013 VND
<i>Fixed rate instruments</i>		
Cash and cash equivalents	9,177,243,874	7,059,062,508
Short-term investments – deposits at bank	9,008,980,556	31,000,000,000
	18,186,224,430	38,059,062,508

Because the financial instruments have fixed rate and are recorded at original cost, changes in market interest rate have no effect on profit/loss of the Company.

**(iii) Other market price risk**

Market price risk is the risk that the value of the financial instruments will decrease as a result of change in equity indices and the values of individual securities. The Company invests and trades in fund units of the VCBF Tactical Balanced Fund and the VCBF Blue Chip Fund (*Note 5*) and is exposed to market price risk of listed securities in their investment portfolios.

As at 31 December 2014, market price of listed securities in their investment portfolios is VND106,637,340,500. If the market price of listed securities in their investment portfolios increased or decreased by 17% as at 31 December 2014 and all other variables remained constant, net loss after tax of the Company for the year would have decreased VND528,774,416 or increased VND2,178,983,273 correspondingly.

**(e) Fair values**

The fair values of financial assets and liabilities are as follows:

	31/12/2014		31/12/2013	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<i>Available-for-sale assets:</i>				
- Investments in fund units	34,322,084,082	(*)	21,046,314,656	(*)
<i>Loans and receivables:</i>				
- Cash and cash equivalents	9,189,016,665	9,189,016,665	7,075,828,705	7,075,828,705
- Other short-term deposits	9,008,980,556	9,008,980,556	31,000,000,000	31,000,000,000
- Accounts receivable - trade	3,735,366,617	3,735,366,617	3,186,203,771	3,186,203,771
- Other receivables (short-term)	349,182,441	349,182,441	2,336,755,941	2,336,755,941
- Other receivables (long-term)	-	(*)	1,222,358,378	(*)
- Other long-term assets	1,153,537,086	(*)	1,153,537,086	(*)
<i>Liabilities at amortised cost:</i>				
- Accounts payable	194,622,223	194,622,223	82,071,996	82,071,996
- Accrued expenses	-	-	84,000,000	84,000,000

- (\*) The Company has not determined fair values of these financial assets and financial liabilities for disclosure because (i) quoted prices in active market is not available for these financial assets and liabilities; and (ii) Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements do not provide guidance on measurement of fair values in the case where quoted prices in active market are not available. Fair values of these financial instruments may be different from their carrying values.

**27. Commitments****(a) Capital expenditure**

The Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2014 VND	31/12/2013 VND
Approved and contracted	138,970,000	137,052,500
	138,970,000	137,052,500

**(b) Leases**

The future minimum lease payments under non-cancellable operating leases were:

	31/12/2014 VND	31/12/2013 VND
Within one year	4,624,092,744	5,288,360,837
Within two to five years	8,281,381,581	10,913,478,197
More than five years	33,125,526,324	34,509,751,531
	46,031,000,649	50,711,590,565

Prepared by:

  
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Chief Accountant



Approved by:



  
Mr. Avinash Deepak Satwalekar  
Chief Executive Officer



17 March 2015