26. CONTINGENT LIABILITIES

Foreign contractor withholding tax

The Corporation has not provided for the potential foreign contractor withholding taxes from the offshore payments of reinsurance premiums ceded to overseas reinsurers from countries without Double Tax Treaty with Vietnam for the period from 1 Jan 2005 to 31 December 2008. The potential tax risks relating to these issues are VND1.6 billions for foreign contractor withholding tax.

For year 2009, the Corporation has sufficiently made provision for potential tax obligation relating to reinsurance premium ceded to overseas reinsurer. However, for year 2010 up to date, the Corporation only accounted for the FCT on reinsurance premiums ceded to overseas reinsurers from countries without Double Tax Treaty with Vietnam or from countries with Double Tax Treaty with Vietnam but the reinsurers have not submitted adequate supporting documents.

27. EARNINGS PER SHARE

Basic earnings per share ("EPS") amounts is calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Corporation by the weighted average number of ordinary share outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computation.

	For year ended 31 December 2012	*For year ended 31 December 2011*
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	84,178,164,009	79,065,512,609
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share (unit)	65,002,312	65,919,999
EPS (VND)	1,295	1,199

28. RISK MANAGEMENT FRAMEWORK

28.1 Governance framework

The primary objective of the Corporation's risk and financial management framework is to protect the Corporation's shareholders from events that hinder the sustainable achievement of financial performance objectives. The Board of Directors and Management recognise the importance of having efficient and effective risk management systems in place.

The Corporation has established a risk management function which agreed clear terms of reference from the Board of Directors. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to the Board of Management and other senior management. A policy framework has been developed and implemented which sets out the risk profiles for the Corporation, risk management; control and business conduct standards for the Corporation's operations. Each policy has a member of the Board of Management charged with overseeing compliance with the policy throughout the Corporation.

28.2 Risk management objectives, policies and processes for management of insurance risk

The primary insurance activity carried out by the Corporation is the assumption of risk of loss from persons or organisations that are directly subject to the risk. Such risks may relate to property, liability, accident, health, financial or other perils that may arise from an insurable event. As such the Corporation is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Corporation also has exposure to market risk through its insurance and investment activities.

The Corporation manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or those exceed set limits, risk diversification, pricing guidelines, reinsurance and monitoring of emerging issues.

28.3 Capital management and regulatory framework

The primary capital management objective of the Corporation is to maintain a strong capital base to support the development of its business and to comply with regulatory capital requirements at all times. The Corporation recognises the impact on shareholders returns of the level of equity capital employed and seek to maintain a prudent balance.

Regulatory capital requirements arise from the operations of the Corporation require the Corporation to hold assets sufficient to cover liabilities and satisfy the solvency margin requirements in Vietnam. The principal solvency requirements that apply to the Corporation is those set out in Circular 125 issued by the Ministry of Finance.

The tables below summarise the minimum regulatory solvency margin for the Corporation and the solvency capital held against each of them. Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the insurance subsidiaries are satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Corporation maintain appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

	Corporation Solvency Capital VND million	*Minimum Solvency Margin VND million*	*Solvency Margin Ratio*
31 December 2012	696,054	120,695	577%
31 December 2011	648,081	101,192	640%

The solvency ratio of the Corporation is calculated based on the relevant regulators promulgated by the Ministry of Finance in Vietnam, which is an indicator of the overall solvency position of the relevant insurance operations.

28. RISK MANAGEMENT FRAMEWORK (continued)

28.4 Underwriting strategy

The Corporation's underwriting strategy seeks the diversity for products, distribution channel and focus on the most profitable products to ensure a balanced mix of business portfolio and is based on a large portfolio of similar risks over a number of years and, as such, reduces the variability of the outcome.

28.5 Reinsurance strategy

The Corporation reinsures a portion of the insurance risks it underwrites in order to control its exposures to losses and protect its capital, through treaty and facultative reinsurance arrangements. These reinsurance agreements transfer part of the risk and limit the exposure from each insured. The amount of each risk retained depends on the Corporation' s evaluation of the specific risk, subject in certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the Corporation remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

Ceded reinsurance contains credit risk, and to minimise such risk, only those reinsurers meeting the Corporation's credit rating standard, either assessed from public rating information or internally investigations, will be used.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Corporation issues contracts that transfer insurance risk or financial risk or both. The following gives details of the Corporation's main products and the ways in which it manages the associated risks.

29.1 Insurance risk

Assumptions, changes in assumptions and sensitivity analysis

The process used to determine the assumptions is intended to result in estimates of the most likely outcome. The sources of data used as inputs for the assumptions are internal, based on detailed studies that are carried out regularly. The assumptions are checked to ensure that they are consistent with other observable information. There is more emphasis on current trends, and where there is insufficient historical information, prudent assumptions are used.

The nature of the business makes it very difficult to predict with certainty the outcome of any particular claim and the ultimate cost. Each notified claim is assessed on a separate case by case basis with due regard to the circumstances, information available from loss adjusters and historical evidence of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.1 *Insurance risk* (continued)

The key method in calculating the claim reserves is based on Circular No 125/2012/TT-BTC dated 30 July 2012 issued by the Ministry of Finance. Details of such reserving methodologies are as follows:

Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year, in accordance to the Circular No 125/2012/TT-BTC; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR).

The Corporation is calculating the reserve for incurred but not reported claims based on the following formula:

$$\text{Reserve for payment of losses which have incurred but not yet reported for the current fiscal year} = \frac{\text{Total indemnity for claims incurred but not reported at the end of the last three years}}{\text{Total indemnity for losses arising in the last three years}} \times \text{Indemnity for losses arising in the current fiscal year} \times \frac{\text{Net operating revenue of current fiscal year}}{\text{Net operating revenue of the previous fiscal year}} \times \frac{\text{Average delay in making claims of current fiscal year}}{\text{Average delay in making claims of previous fiscal year}}$$

The Corporation issues general insurance contracts such as cargo, hull, aviation, engineering, fire, health and personal accident, general indemnity and automobile. Risks under general insurance contracts usually cover twelve month duration.

The Corporation is exposed to risk of accumulation in view of the economic development across the country and flow of foreign investment in manufacturing and real estates, especially in the major economic hubs such as Ho Chi Minh City, Hanoi, Hai Phong, Da Nang and Dong Nai.

For general insurance contracts the most significant risks arise from climate changes and natural disasters. Vietnam has suffered heavily from catastrophes loss such as tropical typhoon, river flood, flash flood, heavy rain and landslide. It is expected that tropical typhoon will affect Vietnam regularly with the high severity and insured losses. In view of the exposures, the general insurance has arranged the reinsurance protection for the fire, engineering, motor, marine hull & cargo, fishing vessels portfolios against the catastrophe events to minimize the risks.

For longer tail claims that take over a year to settle; there is also inflation risk. These risks do not vary significantly in relation to the location of the risk insured by the general insurance, type of risk insured and by industry.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.1 *Insurance risk* (continued)

The above risk exposure is mitigated by diversifying across a large portfolio of insurance products, distribution channels and selecting the low insurance products. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors. Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the general insurance. The general insurance further enforces a policy of activity managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Corporation has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. typhoon and flood damages).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the general insurance's risk appetite as decided by management. The management may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

29.2 *Financial risk*

The Corporation's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Corporation's operations. The Corporation has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Corporation does not hold or issue derivative financial instruments.

The Corporation is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Corporation. The Corporation has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Corporation's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for managing each of these risks which are summarized below.

29.2.1 *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2012 and 31 December 2011.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that the statement of the balance sheet relates to available-for-sale debt instrument; the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2012 and 31 December 2011.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.2 *Financial risk* (continued)

29.2.1 *Market risk* (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to market risk for changes in interest rate relates primarily to the Corporation's cash, short-term deposits and corporate bonds.

The Corporation manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favourable for its purposes within its risk management limits.

A sensitivity analysis is not performed for interest rate risk as the Corporation's exposure to interest-rate risk is minimal at reporting date.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between VND and other currencies in which the Corporation conducts business may affect its financial condition and results of operations. The foreign current risk facing the Corporation mainly comes from movements in the USD/VND exchange rates. The Corporation seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

Major of the Corporation financial assets are denominated in VND which mitigates the foreign currency risk. With assets denominated in foreign currency, most of them are in USD.

During the year, foreign exchange rate between VND and USD fluctuated from 20,800 to 21,031 VND/USD.

The table below indicates the effect of a reasonably possible movement of the USD rate against the VND, with all other variables held constant, on the income statement and statement of financial position of the Corporation:

Change in variance	*Impact on profit before tax VND*	*Impact on equity after tax VND*
31 December 2012		
+10%	(5,379,875,132)	(4,034,906,349)
-10%	5,379,875,132	4,034,906,349
31 December 2011		
+10%	1,490,216,849	1,117,662,637
-10%	(1,490,216,849)	(1,117,662,637)

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.2 *Financial risk* (continued)

29.2.1 *Market risk* (continued)

Equity price risk

The Corporation's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Corporation manages equity price risk by placing a limit on equity investments and prediction analysis of market. The Corporation's Board of Management reviews and approves significant equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was VND 35,349,293,751 (31 December 2011: VND 25,969,792,000). A decrease of 10% on the stock market index could have an impact of approximately VND (2,994,964,679) (31 December 2011: VND (2,176,101,200)) on the Corporation's profit after tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Corporation's profit after tax by VND 2,190,154,861 (31 December 2011: VND 2,176,101,200).

29.2.2 *Credit risk*

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities (primarily for trade receivables from original insurance and reinsurance activities) and from its financing activities, including deposits at banks and other financial instruments.

Trade receivables

The trade receivables, which subject to credit risk, include trade receivables come from original insurance and reinsurance activities, advances to customers and other receivable amounts subject to credit risk. Customer credit risk is managed by the Corporation based on its established policy, procedures and control relating to customer credit risk management.

The most significant of reinsurance receivables are reinsurance recoveries. To mitigate the risk of the counterparties not paying the amount due, the Corporation has established certain business and financial guidelines for reinsurer approval, incorporating ratings by major agencies and considering currently available market information. The Corporation also periodically reviews the financial stability of reinsurers from public and other sources and the settlement trend of amounts due from reinsurers.

Bank deposits and other financial instruments

The Corporation's bank balances are mainly maintained with well-known banks in Vietnam. The Corporation evaluates the concentration of credit risk in respect to bank deposit is as low.

The Corporation's management evaluate all financial assets are neither past due nor impaired as they related to recognized and creditworthy counterparties except for the following receivables which are past due and impaired as at 31 December 2012.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.2 *Financial risk* (continued)

29.2.2 *Credit risk* (continued)

Currency: VND million

	Past due but not impaired		*Past due and impaired*		*Provision for impairment*
	< 90 days	*91–180 days*	*181–360 days*	*> 360 days*	
As at 31 December 2012					
Receivables from original insurance activities	29,949	2,772	3,404	8,921	8,895
Receivables from financial activities		-	-	3,000	1,500
Total	**29,949**	**2,772**	**3,404**	**11,921**	**10,395**
As at 31 December 2011					
Receivables from original insurance activities	21,145	5,627	2,117	7,113	6,333
Receivables from financial activities	-	3,016	-	-	-
Total	**21,145**	**8,643**	**2,117**	**7,113**	**6,333**

Provisions for impairment of the receivables were made under the Circular 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009.

29.2.3 *Liquidity risk*

The Corporation has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts and early surrender of policies for surrender value. There is therefore a risk that cash will not be available to settle liabilities when due at a reasonable cost. The Corporation manages this risk by monitoring and setting an appropriate level of operating funds to settle these liabilities. Investment portfolios are also structured with regard to the liquidity requirement of each underlying fund, and early surrender penalties and market adjustment clauses are used to defray costs of unexpected cash requirements.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.2 *Financial risk* (continued)

29.2.3 *Liquidity risk* (continued)

Contractual maturity

The table below summarizes the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments as at the reporting date:

	On demand	*Less than 1 year*	*From 1 to 5 years*	*Total*
31 December 2012				
Financial liabilities				
Insurance payables	12,791,747,413	-	-	12,791,747,413
Reinsurance payables	5,280,607,716	167,129,544,341	-	172,410,152,057
Accrued expenses	22,072,958,365	-	-	22,072,958,365
Other payables	67,882,257,809	-	-	67,882,257,809
	108,027,571,303	**167,129,544,341**	**-**	**275,157,115,644**

Contractual maturity

The table below summarizes the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments as at the reporting date:

	On demand	*Less than 1 year*	*From 1 to 5 years*	*Total*
31 December 2011				
Financial liabilities				
Loans and borrowings	-	90,861,243	542,138,757	633,000,000
Insurance payables	10,778,090,352	-	-	10,778,090,352
Reinsurance payables	11,665,289,698	214,105,383,452	-	225,770,673,150
Accrued expenses	19,379,257,044	-	-	19,379,257,044
Other payables	64,449,258,112	501,001,194,444	-	565,450,452,556
	106,271,895,206	**715,197,439,139**	**542,138,757**	**822,011,473,102**

30. SUPPLEMENT NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 1 January 2011. Circular 210 provides the definitions of financial assets, financial liabilities and derivative financial instruments, equity instruments as well as presentation and disclosures of financial instruments.

Due to Circular 210 only requires the presentation and disclosure of financial instruments, the definitions of financial assets, financial liabilities and other relevant definitions as shown in Note 30 are applicable for preparing this note only. The assets, liabilities and equities of the Corporation still are recognized and accounting in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable for insurance companies and comply with the relevant statutory requirements.

Financial assets

Financial assets within the scope of Circular 210 include cash and short-term deposits, trade and other receivables, loan receivables, quoted and unquoted financial instruments.

According to Circular 210, for the purpose of disclosure in the financial statements, financial assets are classified as appropriate into one of the following categories:

- ***Financial asset recognized at fair value through profit or loss statements that satisfies either of the following conditions:***

  Being classified as held for trading. A financial asset will be classified as securities held for trading if:

  (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;

  (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or,

  (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).

- ***Held-to-maturity investments are non-derivative financial assets with fixed or identifiable payments and fixed maturity periods which an entity has the intent and ability to hold until the date of maturity, with the exceptions of:***

  a/ Financial assets that, upon initial recognition, were categorized as such recognized at fair value through profit or loss statements;

  b/ Financial assets already categorized as available for sale;

  c/ Financial assets that meet the definitions of loans and receivables.

30. SUPPLEMENT NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

Financial assets (continued)

- ***Loans and receivables are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:***

  a/ The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair, value through profit or loss statements;

  b/ The amounts categorized by the entity as available for sale upon initial recognition; or,

  c/ The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

- ***Available-for-sale assets are non-derivative financial assets determined as available for sale or not classified as:***

  a/ Loans and receivables;

  b/ Held-to-maturity investments;

  c/ Financial assets recognized at fair value through profit or loss statements.

Financial liabilities

Financial liabilities within the scope of Circular 210 include trade and other payables, loans and borrowings.

According to Circular 210, for the purpose of disclosure in the financial statements, financial liabilities are classified as appropriate into one of the following categories:

- *Financial liability recognized at fair value through profit or loss statements that satisfies either of the following conditions:*

  Being classified as held for trading. A financial liability will be classified as securities held for trading if:

  (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;

  (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or,

  (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).

- *Financial liabilities measured at amortised cost,* include financial liabilities that were not categorized as financial liabilities at fair value through profit or loss statements.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

30. SUPPLEMENT NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

This table below presents carrying amount and fair value of the Corporation's assets as at 31 December 2012 and as at 31 December 2011:

	Carrying amount				*Fair value*	
	31 December 2012		*31 December 2011*		*31 December 2012*	*31 December 2011*
	Cost	*Provision*	*Cost*	*Provision*		
	VND	*VND*	*VND*	*VND*	*VND*	*VND*
Financial assets						
Fair value through Profit and Loss	**35,349,293,754**	**(4,197,954,161)**	**36,340,585,857**	**(11,346,576,697)**	**31,151,339,593**	**24,994,009,160**
- Listed shares	35,349,293,754	(4,197,954,161)	36,340,585,857	(11,346,576,697)	31,151,339,593	24,994,009,160
Loan and receivables	**1,237,352,504,408**	**(10,395,411,406)**	**1,716,437,498,856**	**(6,333,102,436)**	**1,226,957,093,002**	**1,710,104,396,420**
- Trade receivable	167,579,145,524	(8,895,411,406)	272,186,073,448	(6,333,102,436)	158,683,734,118	265,852,971,012
- Receivable from related parties	36,984,783,124	-	4,339,965,596	-	36,984,783,124	4,339,965,596
- Other receivable	13,814,742,430	(1,500,000,000)	41,048,259,812	-	12,314,742,430	41,048,259,812
- Unlisted bonds (*)	197,145,833,330	-	119,790,000,000	-	197,145,833,330	119,790,000,000
- Short term deposits	821,828,000,000	-	1,279,073,200,000	-	821,828,000,000	1,279,073,200,000
Available for sale	**34,709,906,636**	**(8,599,332,190)**	**37,758,426,636**	**(11,006,889,256)**	**26,110,574,446**	**26,751,537,380**
- Unlisted shares	5,438,143,000	(161,999,999)	8,486,663,000	(963,040,000)	5,276,143,001	7,523,623,000
- Investment in BIDV Finance Investment Corporation (*)	29,271,763,636	(8,437,332,191)	29,271,763,636	(10,043,849,256)	20,834,431,445	19,227,914,380
Other long-term investment	**99,927,143,685**	**(16,939,899,164)**	**50,000,000,000**	**-**	**82,987,244,521**	**50,000,000,000**
- Investment in Vinaconex-Viettel Finance Joint Stock Corporation	50,000,000,000	-	50,000,000,000	-	50,000,000,000	50,000,000,000
- Joint-venture Investment in Lao Viet Insurance Company	23,837,143,685	-	-	-	23,837,143,685	-
- Investment in Green Indochina Development JSC (*)	26,090,000,000	(16,939,899,164)	-	-	9,150,100,836	-
Cash and cash equivalents	**15,192,045,761**	**-**	**17,800,852,231**	**-**	**15,192,045,761**	**17,800,852,232**
Total	**1,422,530,894,244**	**(40,132,596,921)**	**1,858,337,363,580**	**(28,686,568,389)**	**1,382,398,297,323**	**1,829,650,795,192**

30. SUPPLEMENT NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

This table below presents carrying amount and fair value of the Corporation's financial liabilities as at 31 December 2012 and as at 31 December 2011:

	Carrying amount		*Fair value*	
	31 December 2012 VND	*31 December 2011 VND*	*31 December 2012 VND*	*31 December 2011 VND*
Financial liabilities				
Loans and borrowings	-	633,000,000	-	633,000,000
Trade payables	183,992,249,585	240,347,597,966	183,992,249,585	240,347,597,966
Payable to related parties	2,447,952,178	421,001,194,444	2,447,952,179	421,001,194,444
Accrued expense	22,072,958,365	19,379,257,044	22,072,958,365	19,379,257,044
Other payables	66,643,955,516	140,650,423,648	66,643,955,516	140,650,423,648
Total	**275,157,115,644**	**822,011,473,102**	**275,157,115,645**	**822,011,473,102**

(*) For these items, of which the active market information was not available to determine their fair value at the reporting date, their carrying amounts were used instead of

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption are used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of listed shares is determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh City Stock Exchange) as at 31 December 2012.
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCom) is the average price of the trading market as at 31 December 2012.
- Fair value of unlisted shares which have not been registered in the unlisted public companies market (UPCom) is the average of public price quotations of at least three (03) reputed and large securities companies in the market.

31. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements other than those presented (if any) in the enclosed audited financial statements.

32. APPROVAL FOR ISSUANCE

The financial statements as at 31 December 2012 and for the year then ended were authorised for issuance by the Corporation's General Director on 13 March 2013.

Ms. Nguyen Thi Hoa Accountant of Financial and Accounting Division	Ms. Lai Ngan Giang Director of Financial and Accounting Division	Mr. Ton Lam Tung General Director

Hanoi, Vietnam

13 March 2013