

**ACE LIFE FUND MANAGEMENT COMPANY LIMITED**

**FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**



**ACE LIFE FUND MANAGEMENT COMPANY LIMITED**

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FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Statement by the Executive Board	2
Auditor's report	3
Balance sheet (Form B 01 – CTQ)	5
Income statement (Form B 02 – CTQ)	7
Cash flow statement (Form B 03 – CTQ)	8
Statement of changes in equity (Form B 05 – CTQ)	9
Notes to the financial statements (Form B 09 – CTQ)	10

## ACE LIFE FUND MANAGEMENT COMPANY LIMITED

### CORPORATE INFORMATION

<b>Operation Licence</b>	No. 52/GP-UBCK dated 24 October 2013 No. 13/GPDC-UBCK dated 17 June 2014 were issued by the State Securities Commission of Vietnam.	
<b>The Executive Board</b>	Mr. Lam Hai Tuan Mr. Nguyen Hong Son Ms. Le Thi Hong Thai	Chairman of the Company Vice Chairman of the Company Director
<b>Legal Representative</b>	Mr. Lam Hai Tuan	Chairman of the Company
<b>Principal activities</b>	The principal activities of ACE Life Fund Management Company Limited are management of securities investment funds, securities investment portfolios and securities investment consultancy in Vietnam.	
<b>Registered Office</b>	Parcel K, 8 <sup>th</sup> Floor, Sun Wah Tower, 111 Nguyen Hue Street, District 1 Ho Chi Minh City, Vietnam	
<b>Auditor</b>	PricewaterhouseCoopers (Vietnam) Limited	

## ACE LIFE FUND MANAGEMENT COMPANY LIMITED

### STATEMENT OF THE EXECUTIVE BOARD'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Executive Board of ACE Life Fund Management Company Limited ("the Company") is responsible for the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2014 and the results of its operations, changes in equity and cash flows for the period from 24 October 2013 (date of incorporation) to 31 December 2014. In preparing these financial statements, the Executive Board is required to:

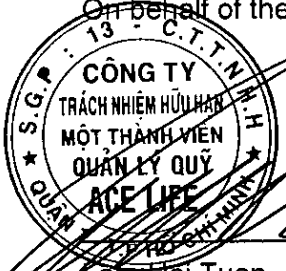
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Executive Board is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable financial statements to be prepared which comply with the basis of accounting set out from Note 2 to Note 4 of the financial statements. The Executive Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other errors.

### APPROVAL OF THE FINANCIAL STATEMENTS

The Executive Board hereby approves the accompanying financial statements as set out on pages 5 to 23 which give a true and fair view of the financial position of the Company as at 31 December 2014 and its operations, changes in equity and cash flows for the period from 24 October 2013 (date of incorporation) to 31 December 2014 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to fund management companies operating in Vietnam.

On behalf of the Executive Board *th*



Lâm Hải Tuan  
Chairman of the Company

Ho Chi Minh City, Vietnam  
25 March 2015



## **INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE BOARD OF ACE LIFE FUND MANAGEMENT COMPANY LIMITED**

We have audited the accompanying financial statements ACE Life Fund Management Company Limited ("the Company") which were prepared on 31 December 2014 and approved by the Executive Board of the Company on 25 March 2015. The financial statements comprise the balance sheet as at 31 December 2014, the income statement, the statement of changes in equity, the cash flow statement for the period from 24 October 2013 (date of incorporation) to 31 December 2014, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 23.

### **The Executive Board's Responsibility to the Financial statements**

The Executive Board is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of financial statements applicable to fund management companies operating in Vietnam and for such internal controls which management determines is necessary to enable the preparation and fair presentation 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 the 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 standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

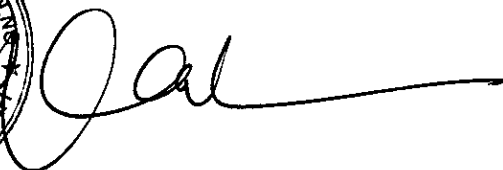
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and true 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Director, 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 present fairly, in all material respects, the financial position of the Company as at 31 December 2014 and the results of its operations, changes in equity and cash flows for the period from 24 October 2013 (date of incorporation) to 31 December 2014 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of financial statements applicable to fund management companies operating in Vietnam.

### PricewaterhouseCoopers (Vietnam) Limited



Nguyen Hoang Nam  
Audit Practising Licence No.  
0849-2013-006-1  
Authorised signatory



Lai Hung Phuong  
Audit Practising Licence No.  
2432-2013-006-1

Report reference number: HCM4494  
Ho Chi Minh City, 25 March 2015

As indicated in Note 3.1 to the financial statements, the accompanying financial statements are not intended to present the financial position, results of operations, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam, and furthermore their utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices.

## BALANCE SHEET

Code	ASSETS	Note	As at 31.12.2014 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>22,782,228,443</b>
<b>110</b>	<b>Cash and cash equivalents</b>		<b>2,070,521,548</b>
111	Cash	5.1	2,070,521,548
<b>120</b>	<b>Short-term investments</b>		<b>20,000,000,000</b>
128	Other short-term investments	5.2	20,000,000,000
<b>130</b>	<b>Short-term receivable</b>		<b>707,319,395</b>
131	Receivables from investing activities	5.3	339,763,837
135	Other short-term receivable	5.4	367,555,558
<b>150</b>	<b>Other current assets</b>		<b>4,387,500</b>
154	Tax receivables		4,387,500
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>1,821,326,667</b>
<b>220</b>	<b>Fixed assets</b>		<b>1,177,083,942</b>
221	Tangible fixed assets	5.5(a)	845,505,762
222	Cost		968,805,749
223	Accumulated depreciation		(123,299,987)
227	Intangible fixed assets	5.5(b)	310,845,600
228	Cost		345,384,000
229	Accumulated amortisation		(34,538,400)
230	Construction in progress	5.5(c)	20,732,580
<b>260</b>	<b>Other long-term assets</b>		<b>644,242,725</b>
261	Long-term prepaid expenses	5.6	270,091,048
262	Deferred income tax assets	5.7	229,239,677
268	Other long-term assets	5.8	144,912,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>24,603,555,110</b>

The notes on pages 10 to 23 are an integral part of these financial statements.

ACE LIFE FUND MANAGEMENT COMPANY LIMITED


Form B 01 – CTQ

BALANCE SHEET  
(continued)

Code	ASSETS	Note	As at 31.12.2014 VND
<b>300</b>	<b>LIABILITIES</b>		<b>520,513,816</b>
<b>310</b>	<b>Current liabilities</b>		<b>520,513,816</b>
312	Accounts payable		22,618,444
314	Taxes payable and obligations to the State Budget		24,968,727
315	Payables to employees		53,481,000
316	Accrued expenses	5.9	418,878,500
319	Other current liabilities		567,145
<b>400</b>	<b>OWNER'S EQUITY</b>		<b>24,083,041,294</b>
<b>410</b>	<b>Equity</b>		<b>24,083,041,294</b>
411	Capital		25,000,000,000
420	Accumulated losses		(916,958,706)
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>24,603,555,110</b>

  
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Nguyen Thi Hong Hanh  
Chief Accountant

  
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Le Thi Hong Thai  
Director

  
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Lam Hai Tuan  
Chairman of the Company  
25 March 2015

The notes on pages 10 to 23 are an integral part of these financial statements.



ACE LIFE FUND MANAGEMENT COMPANY LIMITED

Form B 02 – CTQ

INCOME STATEMENT

Code	Note	Period from 24.10.2013 to 31.12.2014 VND
01	Revenues	1,877,943,589
02	Less deductions	-
10	<b>Net revenues</b>	<b>1,877,943,589</b>
11	Operating expenses	(1,140,336,285)
20	<b>Gross operating profit</b>	<b>737,607,304</b>
21	Financial income	1,085,761,797
25	General and administrative expenses	(2,969,567,484)
30	<b>Net operating loss</b>	<b>(1,146,198,383)</b>
31	Other income	-
32	Other expenses	-
40	<b>Net other income</b>	<b>-</b>
50	<b>Net accounting loss before tax</b>	<b>(1,146,198,383)</b>
51	Business income tax - current	-
52	Business income tax - deferred	229,239,677
60	<b>Net loss after tax</b>	<b>(916,958,706)</b>

  
 Nguyen Thi Hong Hanh  
 Chief Accountant

  
 Le Thi Hong Thai  
 Director

  
 LẬP HẠNH ĐAN  
 Chairman of the Company  
 25 March 2015


The notes on pages 10 to 23 are an integral part of these financial statements.

**CASH FLOW STATEMENT**  
 (Indirect method)

Code	Note	Period from 24.10.2013 to 31.12.2014 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01	<b>Net loss before tax</b>	<b>(1,146,198,383)</b>
	Adjustments for:	
02	Depreciation and amortisation	157,838,387
04	Profits from investing activities	(1,085,761,797)
08	<b>Operating loss before changes in working capital</b>	<b>(2,074,121,793)</b>
09	Increase in receivables	(344,151,337)
11	Increase in payables	520,513,816
12	Increase in prepaid expenses	(270,091,048)
16	Other payments on operating activities	(144,912,000)
20	<b>Net cash outflows from operating activities</b>	<b>(2,312,762,362)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
21	Purchases of fixed assets	(1,334,922,329)
25	Investments in term deposits	(20,000,000,000)
27	Interest received	718,206,239
30	<b>Net cash outflows from investing activities</b>	<b>(20,616,716,090)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
31	Proceeds from capital contribution	25,000,000,000
40	<b>Net cash inflows from financing activities</b>	<b>25,000,000,000</b>
50	<b>Net increase in cash and cash equivalents</b>	<b>2,070,521,548</b>
60	<b>Cash and cash equivalents at beginning of the period</b>	<b>-</b>
70	<b>Cash and cash equivalents at end of the period</b>	<b>2,070,521,548</b>

  
 \_\_\_\_\_  
 Nguyen Thi Hong Hanh  
 Chief Accountant

  
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 Le Thi Hong Thai  
 Director

  
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 Lam Thi Tuan  
 Chairman of the Company  
 25 March 2015

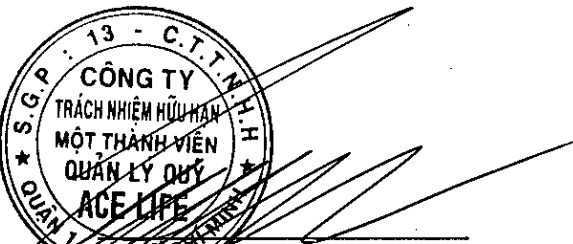

The notes on pages 10 to 23 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Code		As at 24.10.2013 (date of incorporation) VND	Increase in capital VND	Losses for the period from 24.10.2013 to 31.12.2014 VND	Total VND
1	Share capital	-	25,000,000,000	-	25,000,000,000
10	Accumulated losses	-	-	(916,958,706)	(916,958,706)
		-	25,000,000,000	(916,958,706)	24,083,041,294

  
 \_\_\_\_\_  
 Nguyen Thi Hong Hanh  
 Chief Accountant

  
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 Le Thi Hong Thai  
 Director

  
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 Lam Hai Tuan  
 Chairman of the Company  
 25 March 2015

The notes on pages 10 to 23 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**1 GENERAL INFORMATION**

ACE Life Fund Management Company (“the Company”) was established in Vietnam pursuant to Investment and Operating Certificate No. 52/GP-UBCK dated 24 October 2013 and the first amended Investment and Operating Licence No. 13/GPDC-UBCK dated 17 June 2014 issued by the State Securities Commission of Vietnam.

The principal activities of the Company are management of securities investment funds, securities investment portfolios and securities investment consultancy in Vietnam.

As at 31 December 2014, the Company had 11 employees.

**2 FISCAL YEAR AND REPORTING CURRENCY**

**2.1 Fiscal year**

The Company’s fiscal year is from 1 January to 31 December. The first financial year is from 24 October 2013 (date of incorporation) to 31 December 2014.

**2.2 Reporting currency**

The Company maintains its accounting records in Vietnamese Dong (“VND”).

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising from these translations are recognised in the income statement.

**3 ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS**

**3.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System, and other prevailing regulations on preparation and presentation of financial statements applicable to fund management companies in Vietnam. The financial statements have been prepared under the historical cost convention.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**3 ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS (continued)**

**3.1 Basis of preparation of financial statements (continued)**

The accompanying financial statements are not intended to present the financial position, financial performance, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

**3.2 Form of records applied**

The Company uses general journal to record its transactions.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less which are subject in insignificant risk in conversion to cash.

**4.2 Investments**

*Short-term investments*

Short-term investments are those maturing within 12 months at the balance sheet date. Short-term investments are measured at cost less provision.

**4.3 Receivables from customers and operational activities**

Receivables from customers and operational activities are carried at original invoice amount less an estimate made for doubtful receivables based on a review by management of all outstanding amounts at the year end. Bad debts are written off when identified.

**4.4 Prepaid expenses**

Prepaid expenses include short-term or long-term prepayments on the balance sheet and are mainly prepaid office rental and tools and equipment which were put to use.

**4.5 Fixed assets**

*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.5 Fixed assets (continued)**

*Depreciation*

Fixed assets are depreciated using the straight-line method so as to write off the cost of the assets over their estimated useful lives or over the term the Investment Licence if shorter. The estimated useful lives used are:

Leasehold improvement	5 years
Office equipment	3 years
Computer software	3 years

*Disposals*

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

**4.6 Provisions**

Provisions is recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions is measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expenses.

**4.7 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will inflow to the Company and the revenue can be reliably measured.

(a) Revenue on services rendered

The management fees and performance fees are recognized according to the Charter Fund.

The Company manages Universal Life Fund, Shareholder Fund, Policyholder Participating Fund and Policyholder Non-participating Fund of ACE Life Insurance Company Limited ("the Funds"). The Company earns a management fee from each of the Funds which is calculated on monthly basis.

(b) Interest income

Interest income is recognised in the income statement on an accruals basis unless collectability is in doubt.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.8 Expenses**

Expenses are accounted for on an accruals basis. Expenses are charged to the income statement except for those incurred on the acquisition of an investment which is included in the cost of that investment.

**4.9 Current and deferred income tax**

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries that the Socialist Republic of Vietnam has not signed any double tax relief agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit and the current tax rates. Current and deferred tax should be recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**4.10 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

**5.1 CASH**

	<b>As at 31.12.2014 VND</b>
Cash on hand	3,000,000
Cash at bank	2,067,521,548
	<u>2,070,521,548</u>

**5.2 OTHER SHORT-TERM INVESTMENTS**

Short-term investments are term deposits at commercial banks with an original maturity of 12 months or less.

**5.3 RECEIVABLES FROM CUSTOMERS**

	<b>As at 31.12.2014 VND</b>
A related party (Note 7(b))	339,763,837
	<u>339,763,837</u>

**5.4 OTHER SHORT-TERM RECEIVABLE**

	<b>As at 31.12.2014 VND</b>
Accrued interest income	367,555,558
	<u>367,555,558</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014

## 5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)

## 5.5 FIXED ASSETS

## (a) Tangible fixed assets

	Office equipment VND	Office improvements VND	Total VND
<b>Historical cost</b>			
As at 24 October 2013 (date of incorporation)	-	-	-
Purchases	452,196,387	181,046,612	633,242,999
Transferred from construction in progress (Note 5.5(c))	15,705,938	319,856,812	335,562,750
	<u>467,902,325</u>	<u>500,903,424</u>	<u>968,805,749</u>
As at 31 December 2014	467,902,325	500,903,424	968,805,749
<b>Accumulated depreciation</b>			
As at 24 October 2013 (date of incorporation)	-	-	-
Charge for the year	(49,080,642)	(74,219,345)	(123,299,987)
	<u>(49,080,642)</u>	<u>(74,219,345)</u>	<u>(123,299,987)</u>
As at 31 December 2014	(49,080,642)	(74,219,345)	(123,299,987)
<b>Net book value</b>			
As at 24 October 2013 (date of incorporation)	-	-	-
	<u>418,821,683</u>	<u>426,684,079</u>	<u>845,505,762</u>
As at 31 December 2014	418,821,683	426,684,079	845,505,762

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**

**5.5 FIXED ASSETS (continued)**

**(b) Intangible fixed assets**

	<b>Computer software VND</b>
<b>Historical cost</b>	
As at 24 October 2013 (date of incorporation)	-
Purchases	17,269,200
Transferred from construction in progress (Note 5.5(c))	328,114,800
	<hr/>
As at 31 December 2014	345,384,000
	<hr/>
<b>Accumulated amortisation</b>	
As at 24 October 2013 (date of incorporation)	-
Charge for the year	(34,538,400)
	<hr/>
As at 31 December 2014	(34,538,400)
	<hr/>
<b>Net book value</b>	
As at 24 October 2013 (date of incorporation)	-
	<hr/> <hr/>
As at 31 December 2014	310,845,600
	<hr/> <hr/>

**(c) Construction in progress**

	<b>VND</b>
As at 24 October 2013 (date of incorporation)	-
Increases	684,410,130
Transferred to tangible assets (Note 5.5(a))	(335,562,750)
Transferred to intangible assets (Note 5.5(b))	(328,114,800)
	<hr/>
As at 31 December 2014	20,732,580
	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**

**5.6 LONG-TERM PREPAID EXPENSES**

	VND
As at 24 October 2013 (date of incorporation)	-
Increases	336,388,192
Allocation during the period	(66,297,144)
	<hr/>
As at 31 December 2014	270,091,048
	<hr/> <hr/>

**5.7 DEFERRED INCOME TAX**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

	As at 31.12.2014 VND
Deferred tax assets:	
Deferred tax asset to be recovered after more than 12 months	229,239,677
	<hr/> <hr/>

The gross movement in the deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	VND
As at 24 October 2013 (date of incorporation)	-
Credit to income statement	229,239,677
	<hr/>
As at 31 December 2014	229,239,677
	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**

**5.7 DEFERRED INCOME TAX (continued)**

The Company's tax losses can be carried forward to offset against future taxable profits for up to five years from the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different than the figures presented. The estimated amount of tax losses available for offset against the Company's future taxable profits are:

<b>Period of tax loss</b>	<b>Status of tax authorities' review</b>	<b>Losses available VND</b>
Period from 24 October 2013 (date of incorporation) to 31 December 2014	Outstanding	1,146,198,383

The Company recognised deferred income tax assets relating to the above tax losses carried forward, as the realisation of the related tax benefit through future taxable profit was currently assessed as probable.

**5.8 OTHER LONG-TERM ASSETS**

Other long-term assets are deposits for office rentals.

**5.9 ACCRUED EXPENSES**

	<b>As at 31.12.2014 VND</b>
Staff costs	268,878,500
Other accrued expenses	150,000,000
	<u>418,878,500</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**

**5.10 REVENUE**

	Period from 24.10.2013 to 31.12.2014 VND
Fund management services (Note 7(a))	1,877,943,589

**5.11 OPERATING EXPENSES**

Operating expenses incurred during the year are expenses for fund management activities and placing activities.

	Period from 24.10.2013 to 31.12.2014 VND
Staff costs	651,417,726
Rental expense	348,809,086
Depreciation expenses	87,687,993
Other expenses	52,421,480
	<u>1,140,336,285</u>

**5.12 FINANCIAL INCOME**

All the financial income earned during the period is interest income.

**5.13 GENERAL AND ADMINISTRATIVE EXPENSES**

	Period from 24.10.2013 to 31.12.2014 VND
Staff costs	2,318,720,546
Rental expense	279,047,268
Depreciation expenses	70,150,394
Other expenses	301,649,276
	<u>2,969,567,484</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**

**5.14 TAXATION**

**Income tax**

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	<b>Period from 24.10.2013 to 31.12.2014 VND</b>
Net accounting loss before tax	(1,146,198,383)
Tax calculated at a applicable tax rate 20% (*)	(229,239,677)
Effect of:	
Non-deductible expenses	-
Business income tax charge	<u>(229,239,677)</u>
Credited to income statement:	
Business income tax – current	-
Business income tax – deferred (Note 5.7)	(229,239,677)
	<u>(229,239,677)</u>

The business income tax charge for the period is based on estimated taxable income and is subject to review and possible adjustment by the tax authority.

**6 FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks from financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk.

The Company's activities expose to market risk (including currency risk, interest rate risk and price risk).

The Executive Board is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Executive Board establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**6 FINANCIAL RISK MANAGEMENT (continued)**

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the Executive Board. The information presented below is based on information received by the Executive Board.

**(a) Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and market prices will affect the Company's income or the value of its holdings of financial instruments.

*Currency risk*

Currency risk is the risk that the value of the Company's financial instruments will be affected by changes in exchange rates. The Company is not exposed to currency risk as the Company's assets and liabilities are denominated in Vietnamese Dong which is the Company's functional currency.

*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.

During the period, the Company was under no securities price risk as it did not enter into any securities transactions. The Company is not significantly exposed to commodity price risk.

*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. The Company is not exposed to significant interest rate risk as the Company does not have borrowings.

**(b) Credit risk**

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from cash in banks, investments in securities and receivables from investment activities.

All call deposits and term deposits were placed with financial institutions where the Company does not expect any losses arising from the non-performance of these financial institutions.

Receivables include receivables from customers and operating activities. The Company's Executive Board believes no allowance for receivables was considered necessary as at 31 December 2014.

The maximum exposure to credit risk faced by the Company is equal to the carrying amounts of cash in banks and receivables.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 24 OCTOBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2014**

**6 FINANCIAL RISK MANAGEMENT (continued)**

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. As at 31 December 2014, the Company had financial liabilities comprising current trade payables amounting to VND520,513,816 which represented contractual undiscounted cash outflows payable in less than one year.

**7 RELATED PARTY DISCLOSURE**

The Company is controlled by ACE Life Insurance Company Limited, a company incorporated in Vietnam, which owns 100% of the Company's capital. The ultimate parent of the Company is ACE Limited, a company incorporated in Switzerland.

**(a) Related party transactions**

During the period, the following transactions were carried out with related parties:

	<b>Period from 24.10.2013 to 31.12.2014 VND</b>
<b><i>i) Sales of services (Note 5.12)</i></b>	
ACE Life Insurance Company Limited	1,877,943,589
	<u>1,877,943,589</u>
<b><i>ii) Financing activity</i></b>	
Equity contribution from ACE Life Insurance Company Limited	25,000,000,000
	<u>25,000,000,000</u>
<b><i>iii) Other transactions</i></b>	
Expenses paid on behalf of the Company	
ACE Life Insurance Company Limited	204,667,816
	<u>204,667,816</u>
Expenses paid on behalf of	
ACE Life Insurance Company Limited	22,734,000
	<u>22,734,000</u>
<b><i>iv) Compensation for the Executive Board</i></b>	
Gross salaries and other benefits	1,242,150,000
	<u>1,242,150,000</u>



