



LAHDEN AMMATTIKORKEAKOULU
Lahti University of Applied Sciences

**International Accounting
Standards/International Financial Reporting
Standards versus Vietnamese Accounting
Standards**

LAHTI UNIVERSITY OF APPLIED
SCIENCES
Degree programme in International
Business
Thesis
Autumn 2014
Dinh, Thi Ngoc Thuy

Lahti University of Applied Sciences
Degree Programme in International Business

DINH, THI NGOC THUY: International Accounting
Standards/International Financial
Reporting Standards versus Vietnamese
Accounting Standards

Bachelor's Thesis of Degree Programme in International Business 97 pages, 48
pages of appendices

Autumn 2014

ABSTRACT

International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) have increasingly achieved global acceptance in recent years. In the face of globalisation process, it is critical for Vietnam to direct its current accounting system in order to improve its competitiveness regarding financial services and capital markets on the globally coordinated market.

This thesis aims at comparing IAS/IFRS and Vietnamese Accounting Standards (VAS) in terms of accounting standards and qualitative characteristics between five Finnish entities' and five Vietnamese firms' financial statements. As Vietnam has been reluctant to adopt IAS/IFRS, advantages, disadvantages and challenges of its adoption are explored based on previous studies and survey's outcomes.

Inductive, qualitative and quantitative research methods are combined and utilised to conduct the research. Across the thesis, primary data are obtained from the author's observations, survey results and an in-depth interview. In addition, secondary data are collected from books, accounting journals, articles, government publications, reliable newspapers and companies' websites.

Comparison reveals the main differences between IAS/IFRS and VAS regarding seven accounting standards. Also, in terms of qualitative characteristics, Vietnamese financial statements do not fully meet the criteria of relevance, faithfulness, comparability, timeliness and understandability, which are five out of six IAS/IFRS' characteristics. This finding alludes that such financial statements are not highly useful. Next, the author finds that there are various advantages in the adoption, especially higher accounting quality. Some disadvantages discovered are expected to be addressed in short term. Several challenges are inevitable, specifically staff training. However, based on the survey result, the majority of respondents think that the advantages might exceed the disadvantages; leading to their support for IAS/IFRS adoption within the next five years. This support could give Vietnamese government an optimistic picture regarding the forthcoming adoption; however, this progress should be slow but sure.

Key words: IAS/IFRS, VAS, adoption, accounting standards, qualitative characteristics, advantages, disadvantages, challenges, Vietnamese perspectives

CONTENTS

1	INTRODUCTION	1
1.1	Background information	1
1.2	Research objectives, research questions and limitations	3
1.3	Research methodology	4
1.4	Thesis structure	6
2	INTERNATIONAL ACCOUNTING STANDARDS/INTERNATIONAL FINANCIAL REPORTING STANDARDS	9
2.1	Overview of the origin and the development of IASB and IAS/IFRS	9
2.2	Accounting standards and interpretations	12
2.3	Qualitative characteristics	21
3	VIETNAMESE ACCOUNTING STANDARDS	23
3.1	Overview of Vietnamese accounting development	23
3.2	Accounting standards and interpretations	27
3.3	Qualitative characteristics	30
3.4	Advantages, disadvantages and challenges of IAS/IFRS adoption	31
3.4.1	Advantages	31
3.4.2	Disadvantages	32
3.4.3	Challenges	33
4	COMPARISON BETWEEN IAS/IFRS AND VAS AND THE SURVEY OF PROFESSIONALS' VIEWPOINTS TOWARDS IAS/IFRS ADOPTION IN VIETNAM	35
4.1	Comparison between IAS/IFRS and VAS in practice in terms of accounting standards and qualitative characteristics	35
4.1.1	Research design for comparison between IAS/IFRS and VAS	35
4.1.2	Differences between IAS/IFRS and VAS in terms of accounting standards and qualitative characteristics	38
4.1.2.1	Comparison between Kesko's and Kinh Do's financial statements	38
4.1.2.2	Comparison between Rautaruukki's and Hoa Phat Joint Stock Corporation's financial statements	43

4.1.2.3	Comparison between Nokia Solutions and Networks' and FPT's financial statements	50
4.1.2.4	Comparison between Raisio's and Masan's financial statements	56
4.1.2.5	Comparison between YIT Group's and Hoang Anh Gia Lai (HAGL) Group's financial statements	62
4.1.2.6	Comparison between IAS/IFRS and VAS regarding qualitative characteristics	70
4.2	Survey of professionals' perspectives in Vietnam towards IAS/IFRS adoption	74
4.2.1	Questionnaire design for Vietnamesees' viewpoints regarding IAS/IFRS adoption	74
4.2.2	Data analysis	77
4.2.2.1	Demographic data	77
4.2.2.2	Awareness of VAS, IAS/IFRS and the intention to adopt IAS/IFRS in the future	80
4.2.2.3	Advantages, disadvantages and challenges of IAS/IFRS adoption	83
4.3	Conclusions and recommendations	88
4.3.1	Conclusions	88
4.3.2	Recommendations for future research	94
5	SUMMARY	95
	REFERENCES	98
	APPENDICES	107

LIST OF FIGURES

FIGURE 1. Research methodology	4
FIGURE 2. Thesis structure	7
FIGURE 3. Three phases of IASB	10
FIGURE 4. Accounting models.....	11
FIGURE 5. Qualitative characteristics of the IAS/IFRS	21
FIGURE 6. Qualitative characteristics of VAS	30
FIGURE 7. Research design.....	37
FIGURE 8. Property, plant and equipment-Kesko.....	39
FIGURE 9. Tangible fixed assets-Kinh Do.....	40
FIGURE 10. Intangible assets-Kesko.....	40
FIGURE 11. Intangible assets-Kinh Do	41
FIGURE 12. Goodwill-Kinh Do	41
FIGURE 13. Debt-equity instruments-Kesko	43
FIGURE 14. Property, plant and equipment-Rautaruukki	45
FIGURE 15. Tangible fixed assets-Hoa Phat.....	45
FIGURE 16. Goodwill-Rautaruukki.....	46
FIGURE 17. Non-current assets-Rautaruukki	46
FIGURE 18. Other intangible assets-Rautaruukki	47
FIGURE 19. Intangible fixed assets-Hoa Phat	47
FIGURE 20. Goodwill-Hoa Phat.....	48
FIGURE 21. Goodwill-Hoa Phat.....	48
FIGURE 22. Finance lease liabilities-Rautaruukki	49
FIGURE 23. Accrued expenses-Hoa Phat.....	49
FIGURE 24. Bonds-Rautaruukki.....	50
FIGURE 25. Property, plant and equipment-NSN	52
FIGURE 26. Tangible fixed assets-FPT	52
FIGURE 27. Intangible assets-NSN.....	53
FIGURE 28. Goodwill and intangible assets-FPT	53
FIGURE 29. Expenses by nature-NSN	54
FIGURE 30. Other income-NSN.....	54
FIGURE 31. Finance lease assets-FPT.....	55

FIGURE 32. Bond issuance-NSN	55
FIGURE 33. Property, plant and equipment-Raisio.....	57
FIGURE 34. Tangible fixed assets-Masan	58
FIGURE 35. Intangible assets-Raisio.....	59
FIGURE 36. Intangible fixed assets-Masan	59
FIGURE 37. Goodwill-Masan.....	60
FIGURE 38. Financial leasing liabilities-Raisio	60
FIGURE 39. Finance lease tangible fixed assets-Masan.....	61
FIGURE 40. Impairment tests of goodwill	62
FIGURE 41. Tangible assets-YIT	63
FIGURE 42. Tangible fixed assets-HAGL.....	64
FIGURE 43. Intangible fixed assets-YIT	65
FIGURE 44. Intangible fixed assets-HAGL.....	65
FIGURE 45. Goodwill-HAGL	66
FIGURE 46. Finance lease liabilities-YIT	66
FIGURE 47. Finance expenses-YIT	67
FIGURE 48. Finance lease assets-HAGL	67
FIGURE 49. Finance lease liabilities-HAGL.....	67
FIGURE 50. Bonds-YIT.....	68
FIGURE 51. Subsidiaries-YIT	68
FIGURE 52. Questionnaire design process	74
FIGURE 53. Age distribution.....	78
FIGURE 54. Education level.....	78
FIGURE 55. Working industry and job roles.....	79
FIGURE 56. Advantages outweigh disadvantages.....	86
FIGURE 57. Adoption related issues	87

LIST OF TABLES

TABLE 1. Seven features of financial statements.....	13
TABLE 2. Structure of financial statements-IFRS.....	14
TABLE 3. Structure of financial statements-VAS.....	28
TABLE 4. Five Finnish entities and five Vietnamese entities.....	35
TABLE 5. Main differences between IAS/IFRS and VAS.....	69
TABLE 6. Cross tabulation of VAS and job roles.....	80
TABLE 7. Cross tabulation of IAS/IFRS and job roles.....	81
TABLE 8. Chi-square Test of IAS/IFRS and job roles.....	81
TABLE 9. Awareness of Vietnam's intention to adopt IAS/IFRS.....	82
TABLE 10. Multiple linear regression.....	82
TABLE 11. Advantages of IAS/IFRS adoption.....	83
TABLE 12. Disadvantages of IAS/IFRS adoption.....	84
TABLE 13. Challenges of IAS/IFRS adoption.....	85

ABBREVIATIONS

AFA	ASEAN Federation of Accountants
Big Four	PwC, KPMG, Deloitte and Ernst & Young
CAWI	Computer-Assisted Web Interview
DRV	Democratic Republic of Vietnam
EC	European Commission
EU	European Union
FASB	Financial Accounting Standards Board
FDI	Foreign Direct Investment
HAGL	Hoang Anh Gia Lai
HoSTC	Ho Chi Minh City Securities Trading Center
HOSE	Ho Chi Minh City Stock Exchange
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IASC	International Accounting Standards Committee
IASPlus	International Accounting Standards Plus
ICAEW	Institute of Chartered Accountants in England and Wales
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IOSCO	International Organisation of Securities Commissions
PhD	Doctor of Philosophy

PP&E	Property, Plant and Equipment
P-value	Probability value
PwC	PricewaterhouseCoopers
RVN	Republic of Vietnam
SPSS	Statistical Package for Social Sciences
US GAAP	American's generally accepted accounting principles
VAA	Vietnamese Accounting Association
VAS	Vietnamese Accounting Standards
WTO	World Trade Organisation

1 INTRODUCTION

1.1 Background information

Globalisation has been increasingly expanded over recent years, regarding not only economies but also societies, cultures and politics. Accounting, one of the most important parts of economies, has not been out of this path. Specifically, the globalisation process has led to the invention of IAS/IFRS with the purpose of supplying essential guidelines on preparation for companies' financial statements. As a matter of fact, IAS/IFRS has been adopted in a large number of countries in the world. Particularly, the year 2005 witnessed IAS/IFRS convergence in the 27 EU member countries, Australia, New Zealand and South Africa, which marked the beginning era of the harmonisation of accounting standards throughout the world. This was followed by the convergence of the accounting systems in Argentina, Brazil, Korea, Canada, Russia, Mexico and China. It is significant that some other major economies such as Japan and the USA have also considered adopting this set of accounting standards in the near future. (Mackenzie et al. 2013, 17.) Currently, there are about 120 countries requiring and permitting IAS/IFRS (IFRS 2014), which is a remarkable figure, reflecting the development and the influence of IAS/IFRS in the worldwide capital market.

Nonetheless, there are still a significant number of countries being reluctant to completely adopt IAS/IFRS, especially Vietnam. In the late 1990s, Vietnam endeavoured to revolutionise its accounting system through a special assistance of the EU. At that time, the EU encouraged Vietnam to adopt IAS/IFRS in order to achieve a highly professional level of accounting with effort. These attempts led to an establishment of VAS based on IAS/IFRS in 2001; however, Vietnam has still not fully converged with IAS/IFRS as the EU's expectation because of some specific modifications. Instead, VAS has been considered as the country-specific version of IAS/IFRS (Sarikas, Vu & Djatej 2009, 181-190).

For the last ten years, Vietnam has been evaluated as one of the best emerging markets for investors (Bland 2011) who require highly qualified financial reports in order to exactly assess returns on their potential investments. This has led to a high demand for IAS/IFRS convergence. Particularly, Vietnamese Ministry of

Finance has considered ascertaining whether they should fully adopt IAS/IFRS or keep the current VAS (Phan, Mascitelli & Barut 2013).

Prior to this thesis, there have still been a limited number of studies concerning the adoption of IAS/IFRS in Vietnam. In addition, it is ambiguous from the existing findings that whether IAS/IFRS should be adopted within the whole Vietnamese economy or not. More specifically, Pham (2012) only conducted a research with respect to the influence of IAS/IFRS on banks in Vietnam. With such a restricted research target, the question of adopting IAS/IFRS or retaining VAS cannot be answered. Besides that, Nguyen (2014) conducted a survey concerning their perspectives towards the fair value adoption in Vietnam on 43 surveyees with different job titles, including accountants, auditors, consultants and academics. As a result, most of the respondents were optimistic about the implementation of fair value accounting in the future. Nonetheless, she omitted one of the most important target groups, which is investors. Meanwhile, with respect to the emergence of global capital market, investors are of the biggest group concerning about financial reports as well as their quality. Regarding these research gaps, the author aims to compare between IAS/IFRS and VAS in order that investors could take cognizance of Vietnamese accounting practices; thereby making suitable decisions on their investments. In addition, this comparison could support Vietnamese Government, especially the Ministry of Finance with regard to determination of the level of differences between the two systems as well as the level of difficulties in case of the adoption. Besides that, some researches will be undertaken to understand advantages, disadvantages and challenges for Vietnam if it decides to adopt IAS/IFRS. Furthermore, the author aims to conduct a survey of professionals' perspectives towards IAS/IFRS adoption. Obviously, the range of survey groups will be larger; and more importantly, the survey will investigate the Vietnamese viewpoints towards IAS/IFRS adoption in general, not specific like the fair value implementation. The results of this survey are believed to be valuable indicators for Vietnam to make its final decision in regard to this issue.

1.2 Research objectives, research questions and limitations

The purpose of this study is to find a proper answer to the question: should Vietnam adopt the IAS/IFRS in the future?

This thesis aims to compare IAS/IFRS and VAS in terms of current accounting treatments as well as qualitative characteristics. This comparison will be implemented between five large listed companies in Finland and five large listed companies in Vietnam. In addition, some studies on advantages, disadvantages as well as challenges will have been made to find out whether or not the advantages will outweigh the disadvantages; and possibly main challenges Vietnam could face up with in case of IAS/IFRS adoption. The author then continues to conduct a survey of three main groups of professionals, including accountants/auditors, academics and investors in Vietnam with regard to their perspectives towards the application of IAS/IFRS into the Vietnamese accounting system.

Overall, in order to address the main question, there are three sub-questions identified:

- What are main differences between IAS/IFRS and VAS?
- What are advantages, disadvantages and challenges in case of IAS/IFRS adoption?
- What are perspectives of professional Vietnamese towards IAS/IFRS adoption?

With regard to limitations of the research, first of all, whilst it is hoped to conduct a significantly thorough comparison between IAS/IFRS and VAS, there are some specific restrictions concerned. It is noteworthy that the IAS/IFRS version 2013 has a remarkably broad range of issues; meanwhile the latest version of VAS has just covered a few basic points. Therefore, the thesis aims to compare IAS/IFRS and VAS in terms of accounting standards which are established clearly in both the accounting systems. In addition, qualitative characteristics are studied and compared between the five large listed companies' annual reports/financial statements in Finland and Vietnam. However, this small number of samples will be definitely given valuable results since there has been no research on this matter at the time of doing this thesis.

Another limitation is a language barrier. As VAS has still been not officially translated into English and the questionnaire will be undertaken in both English and Vietnamese, language will be obviously a significant barrier with reference to the comparison between the two accounting standards systems as well as data collection and analysis of the survey. Hence, it is possible that there will be some misunderstandings during the translation process although the author is a Vietnamese native speaker.

1.3 Research methodology

Research methodology is considered as one of the most important parts of the thesis because it represents the way to achieve the study's objectives and questions. It is usually divided into research design and data collection (Saunders, Lewis & Thornhill 2009, 43). This section will reveal more details about these two parts.



FIGURE 1. Research methodology

According to Saunders, Lewis & Thornhill (2009, 43), the research design usually represents the method that the authors chose to conduct the study and the reasons why they chose it. In the part on the research design, there are three different types of research approaches, including deduction, induction and combination. On the one hand, deductive approach can be explained as testing theory, which means that authors intend to develop and test hypotheses. On the other hand, inductive research requires authors to collect and analyse data; conclusions are then drawn based on these findings. Concerning differences between IAS/IFRS and VAS apropos of the current standards and qualitative characteristics, there has not been

an actual research on this issue. Furthermore, there have been a limited number of researches on Vietnamese professionals' points of view towards IAS/IFRS convergence. Therefore, the author aims to utilise the inductive approach to grasp the fundamental differences in terms of the current standards and qualitative characteristics. Besides that, such an approach is used to understand the professionals' perspectives concerning the adoption of IAS/IFRS, especially focusing on the group of investors who have not been surveyed in previous studies. Advantages, disadvantages and challenges of the IAS/IFRS implementation, in addition, are assimilated.

In addition, the author uses the mixture of qualitative and quantitative methods in this study. Qualitative research can be explained as an assessment of attributes that are not calculated or counted with the purpose of attaining depth and assimilation in regard to specific issues (Scott & Garner 2013, 9-10). Thus, this method is applied to compare between IAS/IFRS and VAS. Moreover, the author uses various qualitative resources to attain the possible advantages, disadvantages as well as challenges when the IAS/IFRS will be implemented in Vietnam. Furthermore, some studies on Vietnamese professionals' attitudes around IAS/IFRS adoption will be undertaken through this research method. Besides that, quantitative research, which is used by gathering and analysing quantitative variables and their relationships (Kumar 2005, 12) will be applied in this dissertation. This method will be utilised to gain statistics of the opinions of Vietnamese professionals concurring with the IAS/IFRS adoption.

Furthermore, there are two types of sources including primary sources and secondary sources used to collect data. Primary data is usually obtained by researchers for the aim of the study, for example focus groups and unobtrusive sources. Meanwhile, secondary data is collected from available sources such as books, journals and government publications (Sekaran 2003, 219-223). To address the research objectives, the author mainly focuses on secondary data which are gained from the IAS/IFRS version 2013, academic books, international accounting journals, articles, reputable newspapers as well as reliable websites. Specifically, VAS-related data are obtained from one of the most reliable accounting websites in Vietnam, which is Webketoan.com (Nguyen 2010, 251). Apart from secondary data, some primary sources are also used as a supporting

tool for the purpose of the study such as the author's personal observations through the IAS/IFRS and the VAS publications as well as annual reports/financial statements of large listed companies in Finland and Vietnam.

Significantly, since professionals involved in using financial reports are the studied objects, an Internet survey technique, called as Computer-Assisted Web Interviewing (CAWI) (Malhotra, Birks & Wills 2012, 335) will be utilised to collect various points of view through sending an email survey to target groups. Data will be then collected from the website and analysed through SPSS version 20.0. Most importantly, the structure of the survey is designed in such an approach that participants can totally understand and complete the questionnaire. As followed from the outline of Naval (2011, 72), three main steps which essentially determine the questionnaire are pre-construction phase, construction phase and post-construction phase. In particular, questionnaire information, participants and survey technique are considered as the first step. After that, questions are formally defined and arranged into the full questionnaire. The questionnaire is tested to check any flaws and finally sent to the candidates. (See section 4.2.1 for more details). In addition, a depth interview is conducted with an accounting expert so as to collect invaluable insights with regard to the IAS/IFRS related issues. According to Naval (2011, 29), a depth interview is of a prevailing technique for qualitative data collection. Besides that, through such an interview, comprehensive information could be obtained, which is difficult in case of applying other techniques.

1.4 Thesis structure

The thesis is divided in two main sections: theoretical research and empirical research. Figure 2 illustrates the basic structure of the thesis in a nutshell.

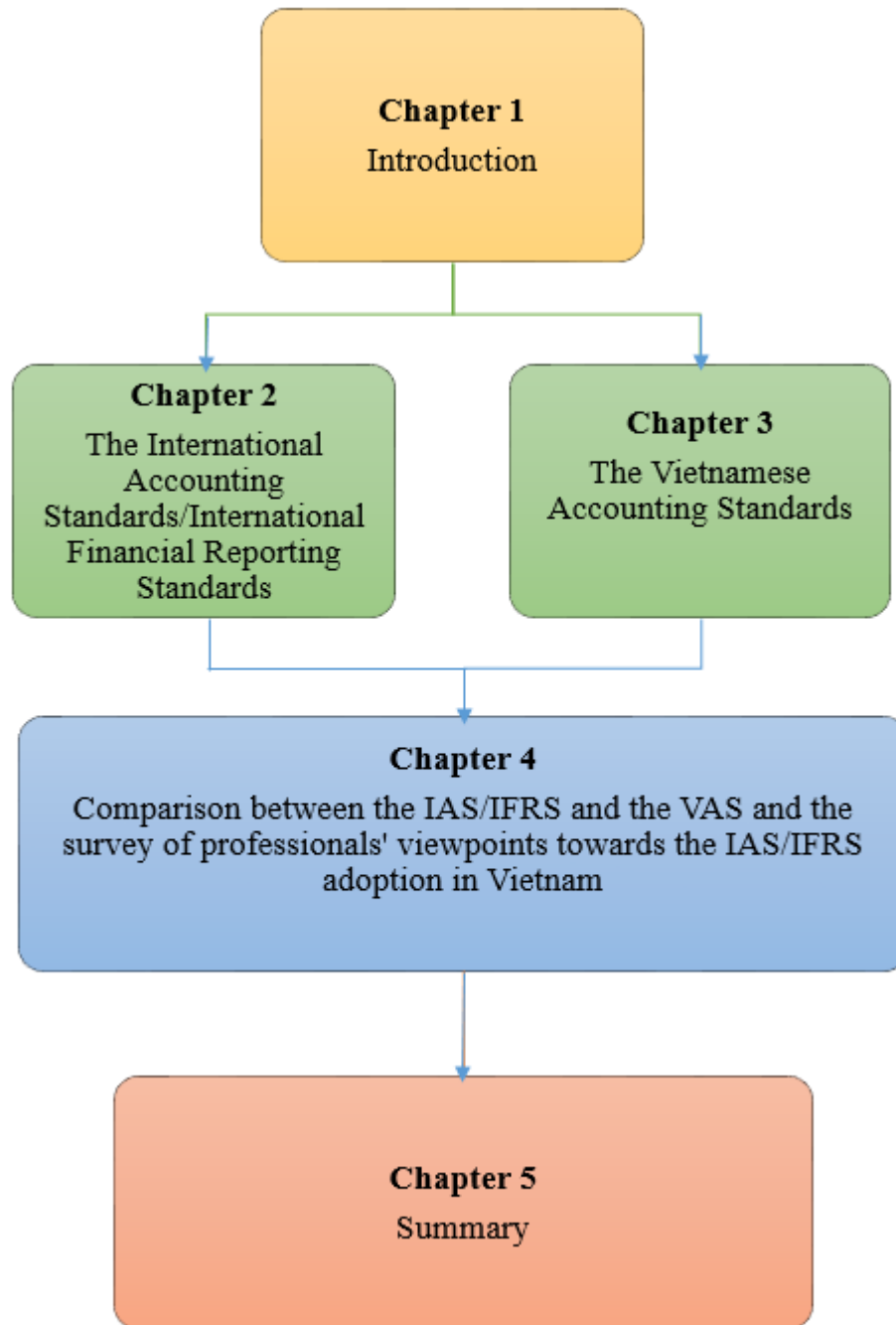


FIGURE 2. Thesis structure

Chapter 1 briefly introduces background information with regard to IAS/IFRS and VAS and then represents previous studies on research issues. In addition, research objectives and questions are revealed to address, together with an important part of the thesis, research methodology. It is noteworthy that all researches have their own limitations; therefore, the author intends to explain restraints concerning this topic.

Next, chapter 2 illustrates the framework of IAS/IFRS and its stages of development. Chapter 3 then shows the overview of Vietnamese accounting development, the current VAS framework as well as advantages, disadvantages and challenges of IAS/IFRS convergence.

Chapter 4 explores the main differences between IAS/IFRS and VAS in practice in regard to accounting standards. In addition, there will be a comparison between the Vietnamese accounting's qualitative characteristics as compared to the international qualitative characteristics. This comparison will be based on a collection and an analysis of five large listed Finnish companies' and five large listed Vietnamese entities' annual reports/financial statements. In addition, this chapter provides and analyses the survey results with reference to professionals' perspectives in Vietnam surrounding IAS/IFRS adoption. The thesis then continues with the sub-part of conclusions and recommendations concerning the research findings. Finally, chapter 5 summarises all the main points of the study.

2 INTERNATIONAL ACCOUNTING STANDARDS/INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 Overview of the origin and the development of IASB and IAS/IFRS

Over the last decade, the world has witnessed the adoption of IAS/IFRS in a vast number of countries (IFRS 2014). According to Mackenzie et al. (2013, 17), the IAS/IFRS can be formally defined as a single set of financial reporting standards which has been accepted globally in regard to preparation for financial statements of public companies. This accounting standards set has been established and developed by the International Accounting Standards Board (IASB). This sub-part will represent the origin and the development of the IASB and IAS/IFRS simultaneously.

The IASB was first known as the International Accounting Standards Committee (IASC) which was formed in 1973 in London. The IASC endeavoured to become a part of International Federation of Accountants (IFAC), an international organisation for professional accountants (IFAC 2014). In 1987, the new phase in which the IASC cooperated with the International Organisation of Securities Commissions (IOSCO) in order to establish a single set of global accounting standards (known as IAS/IFRS now) was created. Clearly, the IASC was a standard-setter recognised by the world; however, its power and responsibility were limited by the IOSCO. Simultaneously, this committee was supported by the European Commission (EC) due to the decision of adopting IAS/IFRS across the European Union (EU). As a result, the IASC had undergone a fundamental reorganisation at the beginning of 2000. Notably, the IASC was replaced by the IASB which is responsible for developing global accounting standards as well as promoting this set's application (Mackenzie et al. 2013, 23). The following chart will show the three important phases of the IASB in a nutshell.

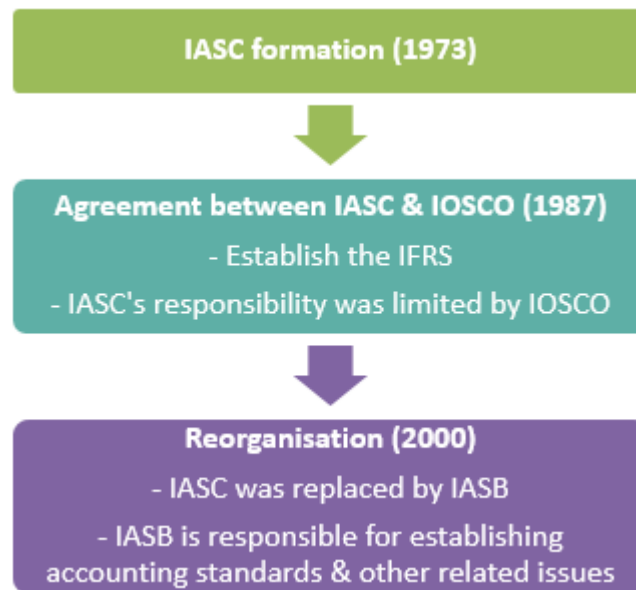


FIGURE 3. Three phases of IASB (Mackenzie et al. 2013, 21 – 24)

With regard to the origin of IAS/IFRS, there were two accounting models recognised in the late 17th century. The first form, which was appeared in continental Europe in 1673, required fair value statements of individual companies' financial positions in order to protect economies from possible threats. Significantly, this accounting regulation had been reformed by Germany in which the fair values were replaced by historical costs and depreciations since 1870. It was then used to evaluate taxation of business entities in the early years of 20th century. In short, the main focus of this accounting model was to tighten relationships between governments and companies, to carry out tax assessments as well as to keep economies stable. (Mackenzie et al. 2013, 19 – 20.)

Since the beginning of the industrial revolution, capital markets had increasingly developed across the world, especially in developed nations; leading to an increase in the need for information between investors. Therefore, Anglo-Saxon model was created. It is noteworthy that there were no tax purposes indicated in this system and investors were considered as the main target group using the model rather than governments. (Mackenzie et al. 2013, 20.)

The IAS/IFRS was created based on the second financial reporting system with the focus on capital markets. The following figure represents shortly the two basic accounting models and IAS/IFRS of the IASB in a nutshell.

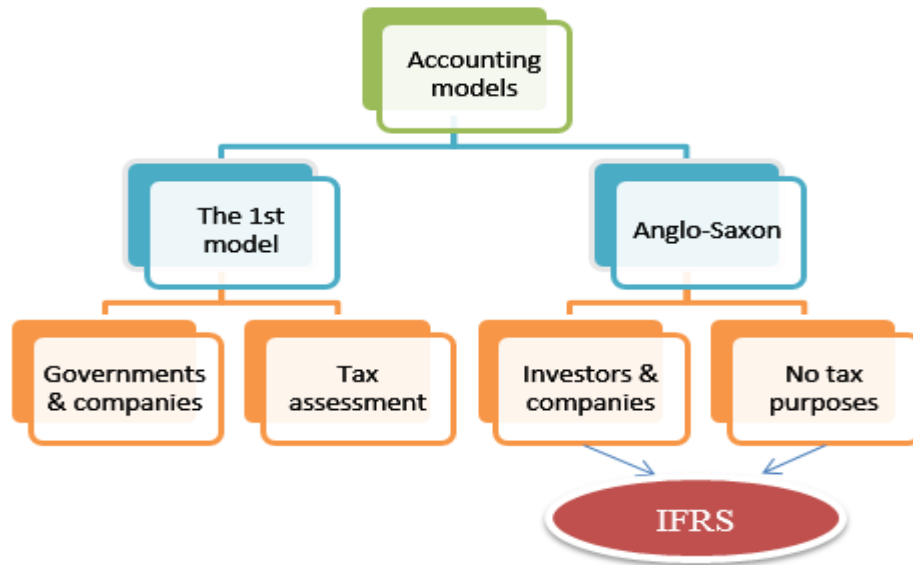


FIGURE 4. Accounting models (Mackenzie et al. 2013, 19 – 20)

The spread of this accounting system has been marked by the announcement of the EC that all listed European companies have been required to use IAS/IFRS since 2005 with the purpose of forming a single financial market in the Europe (Mackenzie et al. 2013, 30). Obviously, this announcement has led to a great interest of America, one of the world biggest economies, in IAS/IFRS. Currently, this country has still used America's General Accepted Accounting Principles (US GAAP), a list of financial reporting standards established by Financial Accounting Standards Board (FASB) in 1973 in America in order to control the companies' financial statements in particular and protect its economy in general (FASB 2014). It is clear that the objectives of IAS/IFRS and US GAAP are considerably similar. In addition, an application of global financial reporting standards could result in divergent advantages in the American economy. As a consequence, it behoves the American to harmonise or adopt with IAS/IFRS shortly (The Economist 2012).

As can be seen from the origin and the development of the IASB and IAS/IFRS over a hundred countries, a thorough assimilation of IAS/IFRS is in essence. Consequently, the next two sub-parts will represent this financial reporting standards set in terms of some typical accounting standards as well as qualitative characteristics.

2.2 Accounting standards and interpretations

There are 69 specific accounting standards and respective interpretations (Appendix 1). This sub-part will represent short descriptions about the content of the most paramount standards, including IAS 1, IAS 2, IAS 16, IAS 17, IAS 32, IAS 39, IFRS 7 and IFRS 10.

According to IAS 1 (Mackenzie et al. 2013, 54), financial statements could be considered as focal points of financial reports. Specifically, they represent essential financial information, including not only financial position but also financial performance and cash flows, of an organisation so that people could go through these statements to acknowledge the organisation they are interested in. Besides that, these tools show the effectiveness of resources management during the specific time of period. In regard to the objective, financial statements are used to compare with previous periods' financial statements as well as with other organisations'. Based on these comparisons, the users could forecast the future of the organisation and then make their decisions.

With respect to financial statements, there are six kinds of information presented as follows (Mackenzie et al. 2013, 57):

- Assets
- Liabilities
- Equity
- Income and expenses
- Contribution by and distribution to owners
- Cash flows

Regarding general characteristics, in accordance with IAS/IFRS, financial statements are required to present faithfully throughout all the six kinds of financial information, as mentioned above. In addition, in order to achieve fair presentation, additional disclosures are needed. Furthermore, a clear statement of adherence to all IAS/IFRS's requirements is compulsory to include in the notes (Mackenzie, et al, 2013, 58). Moreover, there are seven more features emphasised within IAS 1, including going concern, accrual accounting, materiality and aggregation, offsetting, reporting's frequency, comparative information and

consistent presentation. These features will be represented shortly in the following table.

TABLE 1. Seven features of financial statements (Mackenzie et al. 2013, 58–62)

Going concern	Under going concern, an entity is evaluated concerning the ability of its operation in the future. In case of any confusion with regard to the ability to continue operating, relevant disclosures are required.
Accrual accounting	Apart from cash flows statements, this method applies to all other financial statements. Specifically, it measures economic transactions when they happen, even though payment might not be made at that time.
Materiality & aggregation	An item which could influence decisions is considered as a material item; and this item must be presented in financial statements. About aggregation, this could happen if a line item is evaluated as immaterial; and the aggregation could contribute to the assessment of the future cash flows.
Offsetting	Under this feature, income and expenses; and assets and liabilities cannot be offset against each other.
Reporting's frequency	Organisations are required to present their financial statements annually. It is essential to include reasons in case of earlier or later submissions.
Comparative information	Organisations must include comparative information of their previous period's financial statements.
Consistent presentation	Organisations are required to present and classify items consistently. Specifically, the same accounting policies and procedures must be applied within one period across the organisations or from period-to-period in an organisation.

Finally, according to IAS 1, financial statements are structured as the following table.

TABLE 2. Structure of financial statements-IFRS (Mackenzie et al. 2013, 62-63)

A statement of financial position	<p>This title replaces the old one, the balance sheet. Both titles might be used.</p> <p>This statement reports assets, liabilities and equity of entities at a specific point.</p>
A statement of profit or loss & other comprehensive income	<p>This titles replaces the old one, the statement of comprehensive income</p> <p>It is preferable that the statement of profit or loss and the statement of comprehensive income are reported separately.</p> <p>This statement presents sales, costs and expenses of entities during a period of time.</p>
A statement of change in equity	<p>This statement reports activities of owners', partners' or shareholders' equity during a period of time.</p> <p>Changes of owners' equity and non-owners' should be presented separately.</p>
A statement of cash flows	<p>This title replaces the old one, the cash flows statement. Both titles can be used.</p> <p>This statement represents information about cash receipts and payments and a deep view of financial activities.</p>
Notes	<p>Give statement of compliance with IAS/IFRS</p> <p>Present accounting policies used</p> <ul style="list-style-type: none"> - Be compulsory to disclose key judgements, key assumptions about the future & other sources of potential risks. <p>Disclose supporting information</p> <p>Disclose relevant information</p>
A statement of financial position at the beginning of the earliest comparative period	<p>This statement is required just in case of</p> <ul style="list-style-type: none"> - Applying a retrospective accounting policy - Using a retrospective restatement of items - Reclassifying items

According to IAS 2 under IAS/IFRS, inventories can be defined as

Items that are held for sale in the ordinary course of business; in the process of production for such sale; or in the form of materials or supplies to be consumed in the production process or in the rendering of services (Mackenzie et al. 2013, 138).

It is noteworthy that the most important component of accounting for inventories is cost, which refers to the sum of the purchase cost and all other costs contributing to bring all the items to the current location (Mackenzie et al. 2013, 145). The question is how to evaluate the inventories. IAS 2 presents some particular methods, including specific identification; first-in, first-out (FIFO); weighted-average cost; retail method and standard costs.

- Specific identification can be defined as the continuous update on all the inventories. This method can be used for large products such as furniture (Mackenzie et al. 2013, 148-149).
- FIFO assumes that the first items, which are produced or purchased, are considered as the firstly used or sold products (Mackenzie et al. 2013, 149-150).
- Weighted-average cost can be defined as follows (Mackenzie et al. 2013, 150):

$$\text{Weighted average cost} = \frac{\text{Cost of goods available for sale}}{\text{Units available for sale}}$$

- Retail method refers to the calculation of ending inventories at retail prices rather than original costs, which could save time for entities to evaluate their inventories. In order to apply this technique, the two cost flow assumptions, FIFO and weighted-average cost, could be utilised (Mackenzie et al. 2013, 152).
- Standard costs are the costs that entities precalculate based on estimation rather than based on actual costs. This technique is suitable for manufacturers which handle a various range of costs (Mackenzie et al. 2013, 154).

According to IAS 16 under IAS/IFRS, property, plant and equipment (PP&E), also known as long-term tangible assets, are significantly vital for business

operations. These assets are firstly calculated based on their historical costs; then measured based on periodic revaluations and/or accumulated depreciation in regard of appropriate conditions (IASPlus 2014).

With respect to the revaluation method, fair value is of significant importance. This term can be defined as the estimation of current prices of assets or liabilities. It is noteworthy that the fair value is determined by market participants; thereby leading to rationality and fairness (Mackenzie et al. 2013, 175-176). Since the fair value is paramount for investors and creditors to make economic decisions, the demand for the fair value has considerably increased. Therefore, IFRS 13, named Fair value measurements, is promulgated in order to support entities regarding the way to report the fair value of assets and liabilities within their financial reports (Mackenzie et al. 2013, 667).

About depreciation, this term refers to the process of reducing tangible assets' value because of age, use or obsolescence. Depreciation method can be defined as the allocation of depreciable amount of assets throughout their life cycles (Mackenzie et al. 2013, 161). This method is vital for revaluating assets in order that entities as well as investors have a deeper and more exact understanding of the assets, their current values as well as their estimated future values.

Another important term is impairment test, which refers to the process of testing whether assets' values are gauged more than their fair values. This term is also known as recoverability test (Mackenzie et al. 2013, 162). Note that regarding intangible assets, IAS 36, named impairment of assets, requires entities to test annually (IASPlus 2014).

Regarding intangible assets, they can be simply defined as the assets without physical substance, such as trademarks and copyrights. Unlike tangible assets, it is difficult to determine historical costs of some intangible assets, for example company brand names. According to IAS 38, intangible assets are divided into identifiable and unidentifiable. Identifiable intangibles refer to the assets that can be transfers to other owners without relating to other physical assets. Particularly, patents, brand names, trademarks and some specific rights are identifiable intangibles. On the other hand, unidentifiable intangibles can be defined as the

assets that are difficult to transfer to other entities because of complexity. If this kind of asset is sold, there are many other relevant assets sold. A typical example for unidentifiable intangibles is goodwill. More specifically, goodwill can be defined as an intangible asset which is acquired from business combinations (Mackenzie et al. 2013, 201-202). However, accounting treatment for goodwill is out of the scope of IAS 38; instead, IFRS 3 solves the accounting issues of such intangible asset. This treatment will be mentioned later.

Continuing with accounting for intangible assets, such assets' costs can be measured based on their purchase costs and any relevant costs which contribute to the final use of the assets. Subsequently, cost model and revaluation method are applied. With regard to the cost model, the costs of assets are determined based on their initial costs less accumulated impairment losses and amortisations (Mackenzie et al. 2013, 217). So what is amortisation? Similar to the depreciation of tangible assets, it refers to the process of decreasing intangible assets' value due to life cycles or obsolescence. IAS 38 requires entities to determine whether or not their tangible assets have a limited future life. In case of a limited useful life, these assets are compulsory to be amortised over that time period (Mackenzie et al. 2013, 220-222). About the revaluation method, specifically fair value, it is similar to the revaluation method of PP&E represented above.

Regarding the accounting for goodwill, it is critical to understand definition of a business combination. According to IFRS 3, this term refers to an event in which there is an entity achieving control over one or several other entities (Mackenzie et al. 2013, 307). Since goodwill is unidentifiable asset, it is not amortised; instead, such asset's impairment test is undertaken at the end of each reporting period (Mackenzie et al. 2013, 345-346). The impairment test relates to various terms, including carrying amount, recoverable amount, cash-generating units and fair value. Carrying amount, in other words, book value is defined as the value of assets or liabilities presented in the statement of financial position. Such amount is influenced by depreciations and impairment charges; thereby being different from fair value (Mackenzie et al. 2013, 160). The recoverable amount is determined as "the higher of fair value less costs of disposal and value in use". The term of value in use refers to the net present value of cash flows recognised from continuously using assets and from clearing at the end of such assets' useful lives (Mackenzie

et al. 2013, 162-163). To measure value in use, discount rate is applied. This term refers to the pre-tax rate which comprises of current market rate and specific risks (IASPlus 2014). In case of identifiable assets, the above method is applied; however, to unidentifiable assets like goodwill, cash-generating units are utilised to measure goodwill's recoverable amount. According to IAS 36, a cash-generating unit is defined as follows:

The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows associated with other assets or groups of assets; used for impairment testing purposes (Mackenzie et al. 2013, 243).

With respect to the impairment test of goodwill, there are three steps mentioned (Mackenzie et al. 2013, 348-349).

- Calculate the recoverable amount of a cash-generating unit
- If the recoverable amount is higher than the carrying amount, no impairment charge is recorded. Therefore, the impairment test ceases.
- Otherwise, impairment charges are recorded

According to IAS 17 under IAS/IFRS, leases can be defined as arrangements based on contracts in which lessees have to pay for lessors in order to use assets (Mackenzie et al. 2013, 510). It is significant that leasing has been one of the common ways to acquire business properties (Mackenzie et al. 2013, 508). With regard to accounting for leases, it is divided into accounting for lessees and accounting for lessors. Before continuing with these two accounting types, it is essential to understand what finance leases and operating leases are. Finance leases refer to the leases that transfer almost the risks as well as rewards along with the assets' ownership. In case that leases do not fulfil this criterion, they should be operating leases (Mackenzie et al. 2013, 510-511).

Regarding the accounting for lessees, operating leases and finance leases are presented as follows:

- Operating leases: It is simple that leases are recorded to account payables in the statement of financial position if there is no payment at the time of

accounting; or rental expenses in the statement of profit or loss in case of completed payments (Mackenzie et al. 2013, 516).

- Finance leases: Such leases are recorded to assets as well as liabilities within the statement of financial position (Mackenzie et al. 2013, 517-518)

About the accounting for lessors, operating leases, finance leases and sales – type leases are emphasised as follows:

- Operating leases: Analogous to the accounting for lessees, leases are recorded to account receivables in the statement of financial position in case of no payment at the time of reporting; or rental incomes in the statement of profit or loss if the payment occurs (Mackenzie et al. 2013, 521-522).
- Finance leases: There are two types of finance leases, including direct and indirect (Mackenzie et al. 2013, 522). Regarding direct finance leases, interest incomes or interest receivables are usually recorded to the financial statements (Mackenzie et al. 2013, 526).
- Sales – type leases: Such leases are also known as indirect finance leases. Similar to the direct finance leases, interest incomes or interest receivables are charged during the lease term. However, the profits on the sale are also recorded at the inception of the leases. In short, there are two types of revenues recorded in case of sales – type leases, which are gross profit or loss on the sale and interest incomes or interest receivables (Mackenzie et al. 2013, 522-524).

Under IFRS 10 (Mackenzie et al. 2013, 265), parent companies are responsible to present consolidated financial statements that consist of not only the parents' but also all subsidiaries' financial statements. Firstly, it is necessary to understand a definition of subsidiary. This term simply refers to an entity that is governed by another entity (Mackenzie et al. 2013, 266). Regarding duties of parent companies, there are only two cases in which the parents do not have to submit their consolidated financial statements.

- Firstly, parent companies should fulfil all of the following criteria (Mackenzie et al. 2013, 266):

- Being subsidiaries which are wholly – owned or partially – owned of other entities and all the owners.
 - Do not trade debt instruments and equity instruments in public markets.
 - Do not involve in public markets both in the past and at the present time, including filing financial statements and intending to issue instruments.
 - Their ultimate or intermediate parents publish the consolidated financial statements which follow IAS/IFRS.
- Secondly, the parents which are eligible for IAS 19, named as employee benefits, are excluded from IFRS 10's scope.

According to IAS 32, IAS 39 and IFRS 7, financial instruments can be defined as follows:

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity (Mackenzie et al. 2013, 580).

Financial assets can be cash; equity instruments of other entities; rights of contracts such as rights to gain cash or other financial assets from other entities and rights to swap financial assets with other entities (Mackenzie et al. 2013, 579-580). Equity instruments refer to contracts which hold assets' continuing interests after reducing all the entity's liabilities (Mackenzie et al. 2013, 579). Regarding financial liabilities, they can be obligations of contracts such as giving cash or other financial liabilities to other enterprises and exchanging financial liabilities with other enterprises (Mackenzie et al. 2013, 580).

Amongst the number of financial instruments, cash and receivables are the most common instruments applied in reality. Under IAS 1, cash refers to on – hand currency and all bank accounts (Mackenzie et al. 2013, 582). About receivables, they can be trade receivables, note receivables, trade acceptances and instruments of third parties. Trade receivables refer to amounts promised to pay for goods sold to customers (Mackenzie et al. 2013, 584).

2.3 Qualitative characteristics

As Mackenzie et al. (2013, 48) stated, qualitative characteristics refer to features of information that are most advantageous in financial statements as well as other finance related means. There are two types of qualitative characteristics used to determine whether or not financial information is useful, including fundamental and enhancing. The chart below will show these characteristics in more details.

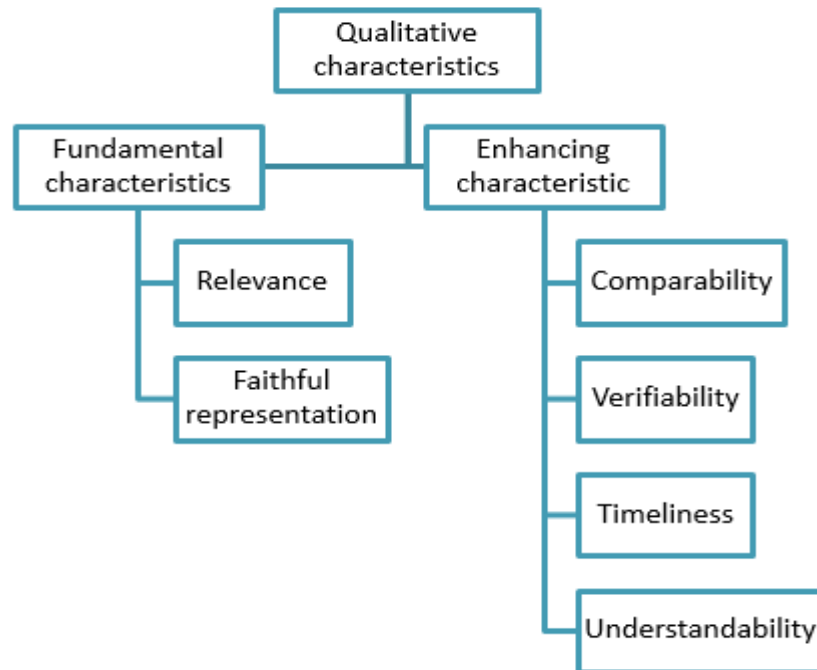


FIGURE 5. Qualitative characteristics of the IAS/IFRS (Mackenzie et al. 2013, 48-49)

With regard to the fundamental characteristics, relevance is of the most importance. Specifically, it is critical to identify information which could create a difference in decision making; in other words, this information is possible to confidentially predict future results, also known as predictive value; or provide valuable feedback about previous assessments, called as confirmatory value. Note that such relevant information is usually material; thereby influencing users' decisions. Besides relevance, faithful representation is emphasised in financial reporting. In order to attain a faithful representation, there are three features mentioned, including complete, free from error and neutral. Concerning completion, it is important to include all essential information in order that

economic phenomena could be fully understandable. Free from error means that no error is accepted in financial reporting. Regarding neutrality, there is no bias or prejudice involved in financial statements and other finance-related means (Mackenzie et al. 2013, 48).

Following the fundamental characteristics, the enhancing characteristics are applied. Comparability is defined as the ability to reveal differences as well as similarities between items. Significantly, consistency, which refers to the adoption of the same accounting principles for similar events or transactions in all accounting periods, is utilised as a supporting tool for comparability. With respect to verifiability, financial information is considered as verifiable in case that there is no bias or error presented; and independent observations could draw the same conclusions. Regarding to timeliness, punctual provision of financial information is required. Otherwise, it could eventually lead to out-of-date and less useful information for users. Finally, understandability refers to provision of apparent and concise information in order that users who have a fundamental knowledge of finance, business as well as economics could attain considerable acumen in companies' financial positions as well as their operational outcomes (Mackenzie et al. 2013, 48-49).

3 VIETNAMESE ACCOUNTING STANDARDS

3.1 Overview of Vietnamese accounting development

In Vietnam, organisations and companies have been strongly affected by politics. Vietnamese accounting system has been influenced by France, America, China as well as the former Soviet Union through different periods, including 1884 – 1945, 1945 – 1975, 1975 – 1986 and 1986 – Present as follows:

During the period of 1884 – 1945, under French Empire, in terms of politics and economics, there was a limited investment on commerce and manufacturing sectors. Agriculture was the main industry in Vietnam (90% population did farm work). Rice was of the biggest agricultural product exported to foreign countries, nearly 60 million tons from 1890 to 1939. Most seriously, Vietnamese famine in 1945 took 2 million people's lives because of starvation. Many researches on French colony system revealed that Vietnam was the least developed nation, as compared to other Asian colonies in the period of 1884 – 1945 (Vietnamese Government 2014). Regarding accounting system, because the economy of Vietnam was mainly based on agriculture, there was limited demand for French government to promote as well as encourage accounting practices. However, as the rise of centralised control over revenues and expenses of the colonies raised, French accounting was introduced and forced to adopt. To be specific, the Commercial Code 1807 was applied to control balance sheets and profit and loss accounts in different periods. Accounting practices were almost undertaken by French accountants rather than Vietnamese accountants (Vo Bui 2011, 90 – 97).

During the period of 1945-1954, President Ho Chi Minh declared the independence of Vietnam from France on 2nd September 1945. He then identified two main goals for Vietnam in short term, which were to abolish starvation and illiteracy. Vietnam at this time was divided into two regions: Democratic Republic of Vietnam (DRV) in the North and Republic of Vietnam (RVN) in the South. Manufacturing industries were encouraged to improve and develop. Remarkably, there was an establishment of Vietnamese State Bank along an issuance of Vietnamese bank note in 1951 (Vietnamese Government, 2014). Respecting the accounting system, the accounting practice imported by the French colonists was

replaced by General Accounting of the DRV and Revenue and Spending's Regulation. Specifically, this accounting procedure was considerably simple, including assets, inventories and warehouse management. In addition, accounting records were elementary in terms of budget receipts and expenditures. In summary, there was no significant development concerning the accounting system during this period (Vo Bui 2011, 98 – 100).

During the period of 1954-1975, the North Government aimed to build socialism via developing political, economic and military strength and promote national unification. In this period, the value of food production was significantly high for agriculture. Only 10% of total economic value was counted for industry. Moreover, the transportation system was rapidly improved. Regarding the South, the French colonists began to leave Vietnam; and the US sent many advisors to the South to support its new government. The South government oriented the economy towards consumer goods and services. Private sectors were the main drive of the economy, while private services dramatically increased and accounted for 60% of the economy in 1975. The South economy followed market economy which was familiar to other developed countries (Vietnamese Government 2014 & Vo Bui 2011, 103-126).

Since Vietnam was divided into two political and economic regions, including the socialist and the capitalist, there were two accounting systems established, particularly the North system which was based on Chinese and Soviet Union scheme and the South system which was based on French scheme (Vo Bui 2011, 103).

- The socialist accounting system
 - Based on Chinese accounting

Communist Party is the single party of China, which is similar to the political system of Vietnam. Also, China supported Vietnam in terms of economic management and human resources training. Therefore, the socialist accounting system had been established based on the practice of industrial accounting of China since 1956.

Significantly, the Charter for Organisation of State Accounting was issued in 1961 (Vo Bui 2011, 106 – 113).

- Based on Soviet Union accounting

In the 1960s and the 1970s, there had been an intractable political conflict between Vietnam and China; therefore, Vietnam sought for the support of the Soviet Union. Subsequently, the DRV decided to adopt the Soviet Union model of economy which was managed and controlled centrally. The accounting system was not an exception, which was marked by the issuance of Chief Accountant's New Regulations in 1970. There were 12 vouchers, including 11 journals and 1 ledger regarding the Vietnamese accounting system meanwhile the Soviet model had 17 vouchers. Under the centrally managed economy, the accounting system was standardised and applied in all industries throughout the country. However, there was no common presentation of financial statements ruled and required (Vo Bui 2011, 113 – 124).

- The capitalist accounting system

The USA entered the South of Vietnam in order to assist the new government. Withstanding this, the main accounting system used in the RVN was still the French model (Vo Bui 2011, 125 – 132).

During the period of 1975-1986, the South of Vietnam was liberated on 30th April 1975. Vietnam was still a “poor backward agriculture country” and gained a remarkable growth in population. Trading business with foreigners was still controlled by the State. Besides that, income was distributed following egalitarianism. Until 1985, the industry sector had reached its target for the first time of an increase of 9.5%. This period was considered as the pre-Doi Moi period of Vietnam (Vietnamese Government 2014). The accounting system still followed the Soviet Union model. As a result, many Vietnamese students as well as specialists were sent to the Soviet Union to study its accounting model. However, this mechanism was unsuccessful to fulfil economic requirements in the time of peace. There was limited market for accounting services since the

Ministry of Finance was still the primary user of financial statements (Vo Bui 2011, 149 – 151).

After 1986, the 6th National Congress was held to show shortcomings in the social-economic developing plan, and offer some solutions. GDP increased by 6.94% averagely from 1996 to 2000. Vietnam was accepted to become a full member of WTO in November 2006. The government aimed to improve services, production and social centers at international standards for serving international customers (Vietnamese Government 2014).

With regard to the accounting system, from 1986 to 1990, the accounting system was reformed, particularly regarding private sectors, in the period of the very initial stage of the Doi Moi campaign. However, the accounting reform of this stage was not fully complete (Nguyen & Gong 2012). During the period of 1991-1995, Vietnamese government started to reduce the number of state-owned entities. In addition, the consolidated chart of accounts was promulgated in the community. Also, there were a large number of accounting specialists involved in the accounting reform. Especially, in 1994, Vietnamese Accounting Association (VAA) was inaugurated publicly, underlining the importance of accounting in the market oriented economy (Nguyen & Gong 2012).

Then, since 1996, Vietnamese economy has been substantially integrated into the world economy, as well as the stock market was in the stage of preparation; therefore, it is essential for the Vietnamese accounting system to meet requirements from foreign investors as well as international organisations. The Technical Assistance Programme for transition to the market economy in Vietnam, organised by the EC (EU Association 2001), was of the most supportive programme in regard to an approach to international accounting standards. Also, VAA became the member of IFAC and AFA in 1996 and 1998 respectively. It is clear that Vietnam has greatly involved in international accounting practices (Nguyen & Gong 2012). Especially, Vietnam has formulated VAS based on IAS. Currently, there are 26 standards regarding to the Vietnamese accounting system (Appendix 2). Also, the highest legal document, “Ordinance on Accounting and Statistics”, has been replaced by “Accounting law” since 2003 (Nguyen & Gong 2012).

3.2 Accounting standards and interpretations

This subpart will show concise interpretations of the most important Vietnamese accounting standards, including VAS 2, VAS 3, VAS 4, VAS 6, VAS 21 and VAS 25.

Similar to IAS 1, according to VAS 21 (Webketoan 2012), financial statements provide information regarding financial positions, financial performances as well as cash flows of entities for users in order to make their economic decisions. Specifically, there are five kinds of financial information presented as follows (Webketoan 2012):

- Assets
- Liabilities
- Equity
- Revenue and expenses
- Cash flows

It is clear that there is no information with regard to owners' capacity of contribution and distribution under VAS 1.

About requirements of preparations and presentation, financial statements should be reported fairly in terms of financial positions, performances and cash flows. In addition, analogous to IAS 1, there are seven more characteristics shown under this standard, including going concern, accrual accounting, consistent presentation, materiality and aggregation, offsetting, comparative information and reporting period (Webketoan 2012). Because of no significant differences between IAS 1 and VAS 21 in terms of these features, the author will not represent them in more details.

The structure of financial statements will be revealed in the following table.

TABLE 3. Structure of financial statements-VAS (Webketoan 2012)

Balance sheet	<p>Instead of the statement of financial position, VAS 21 still used the old term, balance sheet.</p> <p>This statement reports current/non-current assets and current/non-current liabilities.</p>
Income statement	<p>Instead of the statement of profit or loss and other comprehensive income, VAS 21 used the term of income statement.</p> <p>Similar to IAS 1, this statement presents revenue, costs and expenses of enterprises during a specific period of time.</p>
Cash flow statement	<p>Instead of the statement of cash flow, VAS 1 still uses the old term.</p> <p>This statement represents information about cash receipts and payments for users to assess capabilities of creating cash for enterprises' activities.</p>
Notes to the financial statements	<p>Statement of compliance with VAS</p> <p>Present measurement bases and accounting policies used</p> <p>Disclose supporting information</p> <p>Dissimilar to IAS 1, statement of changes in equity is presented within the notes' part.</p> <p>Disclose relevant information</p>

Similar to IAS 2, according to VAS 2 (Webketoan 2012), inventories could be defined as items which are held for sale in daily business activities; in process of production or materials and instruments used for business purposes. As mentioned earlier, cost is evaluated as the most important element in regard to the inventories. Under VAS 2, there are 4 methods of measuring the inventories' values, including specific identification, weighted average, FIFO and last – in, first – out (LIFO). The first three of these methods have already been explained in the sub-part of 2.2. About LIFO, this method assumes that last produced or purchased items are considered as the first goods sold or delivered (Webketoan 2012).

In accordance with VAS 3 (Webketoan 2012), tangible fixed assets could be recognised by four criteria, including predicted economic benefits in the future, reliable determination of historical costs, more-than-one-year useful lives and fulfilment of the latest regulation regarding value criteria. Similar to IAS 16, tangible assets are usually valued firstly based on their historical costs. After initial recognition, in case of costs related to replacement and renovation of assets' parts as well as application of new technologies, such costs are recorded to the historical costs. On the other hand, restoration and sustaining costs are categorised as business expenses during the operating period.

According to VAS 4, intangible fixed assets can be defined as assets without physical forms. They can be recognised by four criteria which are similar to those of tangible fixed assets. In order to determine the initial value of intangible assets, historical costs and incurred costs which contribute to create intangible assets or increase their economic benefits. Other costs are recorded to production and business expenses. Afterwards, accumulated depreciation is applied; however, under VAS 4, the depreciation period is limited to no more than 20 years. In case of exceeding 20 years, it is essential to provide reliable evidences concerning the useful life extension of the intangible fixed assets. In addition, it is worth noting that under VAS 4, intangible assets are compulsory to be identifiable; therefore, goodwill is not recognised as intangible asset (Webketoan 2012).

In respect of VAS 11, the terms of business combinations and goodwill are defined similar to the explanations under IFRS 3. Nonetheless, regarding treatment for goodwill, such asset is measured at costs and accumulated amortisations. It is worth noting that a short definition of fair value is represented in this standard. Specifically, such value refers to the price of assets or liabilities between entities who have considerable knowledge with regard to relevant issues, act independently and have no relationship with each other (Webketoan 2012).

Almost all the issues related to leases under VAS 6 (Webketoan 2012) are similar to that under IAS 17. Nonetheless, according to VAS 6, sale – type leases are not presented; therefore, there is no guidance on how to record initial profits by manufacturer or dealer lessors.

Analogous to IFRS 10, according to VAS 25 (Webketoan 2012), parent entities are responsible to present consolidated financial statements which include parents' and all their subsidiaries' statements. There are two exceptions in which the parents are not obliged to present the consolidated financial statements, which are wholly-owned and virtually wholly-owned subsidiaries. Clearly, there is no extreme requirement, as compared to IFRS 10.

In addition, there are two exceptions in which subsidiaries are not in the scope of consolidation. Firstly, the subsidiaries are considered to be temporarily controlled. Secondly, the ability to transfer funds to the parent entities is significantly limited in the long term (Webketoan 2012).

3.3 Qualitative characteristics

According to the Ministry of Finance (2014), there are six basic requirements, in other words, qualitative characteristics, included in financial reports.

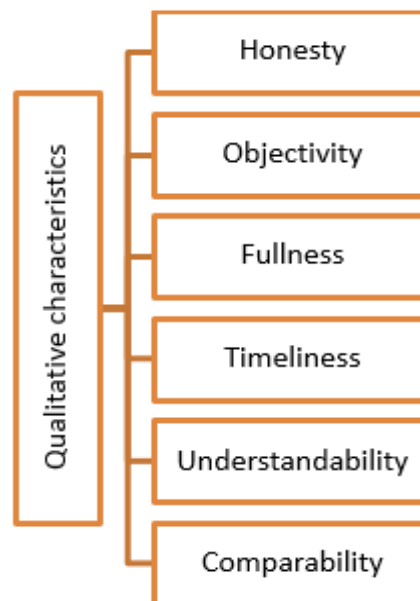


FIGURE 6. Qualitative characteristics of VAS (Ministry of Finance 2014)

In regard to honesty, all financial information is required to represent based on the truth and clear evidences. This characteristic is significantly connected to objectivity in which it is important for accountants/auditors to introduce accounting practices in a detached way. About fullness, there are no financial or

economic activities in relation to accounting period eliminated; in other words, all accounting-related operations are forced to include in financial reports. With respect to timeliness, accounting practices must be completed in scheduled times. Concerning understandability, accounting data is required to represent in an understandable manner in which users that have basic knowledge of business, finance as well as economics could assimilate. Note that with regard to complex information, extra interpretations are needed. The last qualitative characteristic is comparability which means that all information of different periods as well as entities must be comparable. Particularly, all data are required to present in a uniformed way. In the absence of uniformity, it is compulsory to disclose explanatory parts in order to support the users to compare different financial reports of different organisations in different periods of time (Ministry of Finance 2014). Apparently, comparability is of the great concern regarding the Vietnamese accounting system as this system has still been in the progress towards adopting the international accounting standards.

3.4 Advantages, disadvantages and challenges of IAS/IFRS adoption

3.4.1 Advantages

Enhancing accounting quality is the most important achievement in case of IAS/IFRS adoption. There are many researchers revealing different reasons why the adoption could lead to higher accounting quality. Firstly, IAS/IFRS was established based on the demand of developed markets; hence, this accounting frame is evidently qualified (Ball 2006). In addition, higher quality measurement is required, for instance the application of fair value, leading to better reflection in economic positions of entities in the market (Phan, Mascetelli & Barut 2013). Also, there are more disclosures included under IAS/IFRS; therefore, information asymmetries are alleviated between different organisations (Phan, Mascetelli & Barut 2013). Furthermore, IAS/IFRS could eradicate alternative accounting methods; thereby reducing managerial discretion. In reality, under other systems, companies could be given some discretion in regard to classify accounting items, which might result in manipulation of earnings. Hence, adopting IAS/IFRS could boost the accounting quality. Finally, IAS/IFRS was based on fundamental

principles; thus, it is difficult for organisations to falsify records (Ahmed, Neel & Wang 2013).

It is clear that adopting IAS/IFRS will lead to higher levels of compatibility and comparability. Currently, there are a huge range of countries requiring and adopting IAS/IFRS in the world. Subsequently, in case that Vietnam will adopt with IAS/IFRS, financial reports of Vietnamese organisations will be more comparable to such reports in other countries. Therefore, more and more investors will pay attention to the Vietnamese market. In addition, there will be more opportunities for Vietnamese entities, who use the globally accepted accounting standards, to enter into foreign markets (Phan, Mascetelli & Barut 2013).

Furthermore, the adoption of the set of international accounting standards could improve the accounting information and data; thereby increasing comparability between financial reports across different countries as well as markets. Subsequently, information asymmetries and unfamiliarity of foreign investors are eliminated. These positive signs are clearly a great encouragement to international trade and Foreign Direct Investments (FDIs). It is worth noting that transition economies like Vietnam might achieve more advantages as compared to developed nations in case of the adoption (M´arquez-Ramos 2008).

Apart from the above three main advantages, the adoption of the international accounting standards could support companies to gain higher reputation because of greater transparency, as compared to domestic competitors who do not use IAS/IFRS (Phan, Mascetelli & Barut 2013).

3.4.2 Disadvantages

According to Institute of Chartered Accountants in England and Wales (ICAEW 2007), there are nine different costs in case of IAS/IFRS adoption, as follows:

- IFRS project team
- Staff training
- Software and system amendment
- Extra costs of external audit
- Extra costs of external data

- Extra costs of technical advice
- Extra costs of tax advice
- Costs of third-parties communication
- Costs of changes, as compared to previous contracts

Note that actual costs could be higher since it depends on different sizes of companies and organisations. It is significant that these costs could account for 24% of turnover, which is a remarkable figure to concern in case of conversion. Furthermore, countries which have tighter and more transparent regimes of regulations will be more beneficial than other countries with looser and less clear law systems (Chen & Cheng 2007, 58 – 71), for example Vietnam. Hence, in case of conversion, it is paramount for Vietnam to improve its own regulation regime before taking any further step.

3.4.3 Challenges

One of the most significant challenges in regard to IAS/IFRS adoption is the difference in the primary purpose between the Vietnamese accounting system and the international one. Particularly, the Vietnamese accounting system is highly controlled by the government; also, all financial information is forced to submit to the Ministry of Finance. Even though financial reports have been required to publish in the community in recent years, accounting data is primarily intended for the government rather than the investors. Meanwhile, under IAS/IFRS, the investors are the main targets of this accounting mechanism; in other words, the government as well as the entities are subordinate to IAS/IFRS. Therefore, it is difficult for Vietnam to adopt IAS/IFRS in case that its government has still been prioritised in terms of accounting information (Nguyen & Tran 2012, 431 – 451).

Another considerable challenge is the lack of adequate and professional personnel with regard to the new accounting system. Although there has been an increase in accounting education, qualified accountants have still been limited. In addition, a large number of experienced current accountants were educated and trained according to the former accounting system, leading to their familiarity with the old model. Clearly, there has still been a long journey for Vietnam to adopt

IAS/IFRS in terms of staff since training a large number of accountants is certainly time-consuming (Nguyen & Tran 2012, 431 – 451).

Lastly, tax regime and accounting mechanism are tightly linked, leading to difficulties for the adoption in Vietnam (Nguyen & Tran 2012, 431 – 451). Additionally, the official language of Vietnam is Vietnamese; hence, time-consumption of translation is inevitable (Tokar 2005, 687).

4 COMPARISON BETWEEN IAS/IFRS AND VAS AND THE SURVEY OF PROFESSIONALS' VIEWPOINTS TOWARDS IAS/IFRS ADOPTION IN VIETNAM

4.1 Comparison between IAS/IFRS and VAS in practice in terms of accounting standards and qualitative characteristics

This sub-chapter will represent research design in more details. Subsequently, research results, which are the main differences between IAS/IFRS and VAS, will be clearly generated.

4.1.1 Research design for comparison between IAS/IFRS and VAS

It is critical to determine appropriate sample design to conduct the research. Based on the research objectives, the author intends to choose 5 large listed Finnish companies and 5 large listed Vietnamese companies, with respective operating fields. Afterwards, financial reports will be collected, analysed and compared as the primary sources from these companies' main websites. The following table will show the chosen companies as well as their fields of operation, respectively.

TABLE 4. Five Finnish entities and five Vietnamese entities

Vietnam		Finland	
Companies	Operating fields	Companies	Operating fields
Kinh Do Corporation	Food production, especially confectionary (Kinh do 2014)	Kesko Group	Grocery, home related goods and machines (Kesko 2014)
Hoa Phat Joint Stock Corporation	Steel and steel production (Hoa Phat 2014)	Rautaruukki	Steel and steel construction (Rautaruukki 2014).
FPT Corporation	Information technology and telecommunications (FPT 2014)	Nokia	Advanced technologies, particularly mobile devices (Nokia 2014).
Masan Group	Manufacturer and distributor of food and beverage products (Masan 2014)	Raisio Group	Manufacturer of consumer products (Raisio 2014)
HAGL Group	Construction and real estate services and agriculture related business (HAGL 2014)	YIT Group	Construction services (YIT 2014).

All the above Vietnamese corporations are amongst the companies on VN Index 30. So what is the VN Index 30? And why does the author choose these companies? For these questions, it is essential to understand the terms of Ho Chi Minh City Securities Trading Center (HoSTC), Ho Chi Minh City Stock Exchange (HOSE) and VN Index.

HoSTC, one of the first two trading platforms in Vietnam, was established in July 2000. After 7 years of operations, it was renamed as HOSE in August 2007. HOSE has then gradually integrated into the worldwide securities market and considerably enlarged the number of listed companies, trading volumes as well as the quality of services (AseanExchanges 2014). It is worth noting that VN Index was the only index that HOSE had utilized from 2000 to 2011. Nonetheless, because of inappropriate methods of calculating index and an increasing number of stocks with large market capitalisation, VN Index was unable to fulfil the requirement of market. As a result, VN Index 30 has been launched since February 2012. This new index includes 30 stocks with the largest market capitalisation as well as the largest trading volume in the stock exchange market. In addition, the companies listed on VN Index 30 usually have good reputation and transparency in their operations; thereby gaining more trust from investors (Nguyen 2013, 26). Due to these reasons, the author intends to choose 5 research candidates from VN Index 30. Specifically, amongst the VN Index 30 during the first six months of 2014 (Appendix 3), Kinh Do Corporation, Hoa Phat Joint Stock Corporation, FPT Corporation, Masan Group and HAGL Group are selected to conduct the research of this thesis.

To each Vietnamese company, the author chooses a respective Finnish company, which is operating in the same field, in order that the comparison of financial reports between Finnish companies, following IAS/IFRS, and Vietnamese companies, following VAS is conducted in an easier and more adequate way. Particularly, both Kinh Do Corporation and Kesko Group operate in food related business. Similarly, Hoa Phat Joint Stock Corporation and RautaRuukki emphasise on steel and steel related operations. Both FPT Corporation and Nokia are the multinational companies of information technologies and telecommunications. Masan Group and Raisio Group mainly produce consumer goods. Finally, HAGL Group and YIT Group operate in the construction area.

The following figure represents the research design in a nutshell.

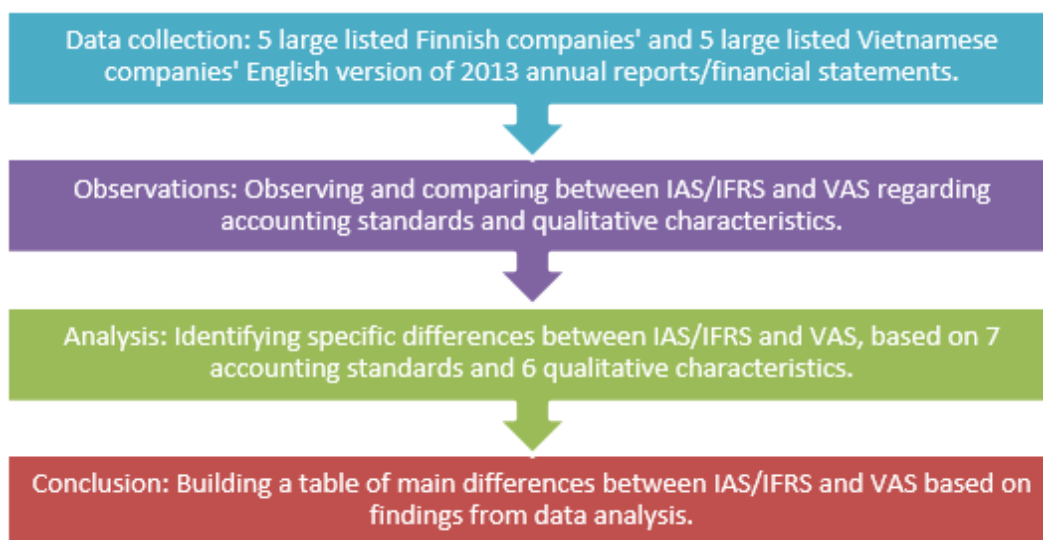


FIGURE 7. Research design

Regarding data collection, the 2013 annual reports/financial statements of all the research companies collected from their database will be exploited. In addition, in order to reduce effects of translation errors, the author intends to use the English – version annual reports/financial statements.

Through the author's personal observations, comparison between Finnish entities' and Vietnamese companies' annual reports/financial statements will be conducted. Since there are a wide range of differences between IAS/IFRS and VAS, the author intends to compare based on 7 main standards shown in the theoretical part, namely presentation of financial statements; inventories; PP&E; intangible assets; business combinations; leases and consolidated financial statements. Regarding the qualitative characteristics, the comparison will be made upon 6 criteria of IAS/IFRS, namely relevance, faithful presentation, comparability, verifiability, timeliness and understandability.

In respect of analysis part, the key differences between IAS/IFRS and VAS will be identified after data collection and observations. Subsequently, these differences will be concluded and represented through a table.

4.1.2 Differences between IAS/IFRS and VAS in terms of accounting standards and qualitative characteristics

4.1.2.1 Comparison between Kesko's and Kinh Do's financial statements

As stated by the Board of Directors and the Managing Directors of Kesko Group, they prepared their financial statements 2013 in accordance with IAS/IFRS as well as Finnish laws and regulations (Kesko 2013, 142). On the other hand, Kinh Do Corporation complied with VAS, Vietnamese Enterprise Accounting System and relevant requirements regarding preparation for the financial statements 2013 (Kinh Do 2013, 69).

Regarding the presentation of financial statements, Kesko group indicates disclosures concerning critical accounting assumptions and related sources of estimation uncertainty about the future, which are represented based on actual experiences as well as appropriate expectations of forthcoming events that can influence carrying amounts of assets, liabilities, incomes and expenses, under Note 1 – Accounting policies (Kesko 2013, 32). Specifically, the group shows the sensitivity analysis of impairment test for goodwill under Note 12 – Intangible assets. The key variable named EBITDA margin is emphasised within this analysis since it has a significant influence on the impairment test for brand of Byggmakker business related to building and home improvement trade in Norway. The term EBITDA margin refers to the earnings before interest, taxes, depreciation and amortisations divided by revenue. It is assumed that a decrease in the EBITDA margin of more than 0.2 percentage points will lead to the impairment recognition (Kesko 2013, 63). On the other hand, disclosure requirements regarding the future assumptions and judgments are not clearly mentioned within Kinh Do Corporation's financial statements. Furthermore, the statement of changes in equity of Kesko group is presented as one of the primary financial statements (Appendix 4) meanwhile such a statement is revealed under Note 22 – Owners' equity (Appendix 5).

With regard to accounting for inventories, both Kesko and Kinh Do use weighted average method in order to record inventories (Kesko 2013, 38 and Kinh Do 2013, 80). Besides that, Kesko applies FIFO method (Kesko 2013, 38).

Concerning PP&E, such assets of Kesko group are measured at historical costs, depreciation, impairment and relevant costs, including repair and maintenance costs. In addition, fair value is applied when assets are acquired (Kesko 2013, 36). The following figure shows the way of accounting for such tangible assets in more details.

Note 11. Property, plant and equipment

2013					Prepayments and purchases in progress	Total 2013
€ million	Land and waters	Buildings	Machinery and equipment	Other tangible assets		
Cost						
Cost as at 1 Jan. 2013	401.9	1,461.4	569.2	87.6	68.7	2,588.7
Currency translation differences	-2.9	-10.3	-8.1	-1.5	-0.7	-23.5
Additions	13.5	61.0	46.7	7.8	22.5	151.5
Disposals	-4.2	-55.7	-46.4	-2.9	-0.6	-109.9
Transfers between items	8.0	45.8	-1.7	4.1	-59.4	-3.2
Cost as at 31 Dec. 2013	416.3	1,502.2	559.6	95.1	30.5	2,603.6
Accumulated depreciation, amortisation and impairment						
Accumulated depreciation, amortisation and impairment charges as at 1 Jan. 2013	-4.8	-484.8	-388.4	-32.9		-911.0
Currency translation differences		2.5	5.0	0.5		8.1
Accumulated depreciation of disposals and transfers		40.4	38.9	2.7		82.0
Depreciation charge for the year and impairments	-0.3	-71.0	-52.7	-7.3		-131.4
Accumulated depreciation, amortisation and impairment charges as at 31 Dec. 2013	-5.2	-513.0	-397.1	-37.0		-952.2
Carrying amount as at 1 Jan. 2013	397.1	976.5	180.8	54.7	68.7	1,677.8
Carrying amount as at 31 Dec. 2013	411.1	989.2	162.4	58.1	30.5	1,651.4

FIGURE 8. Property, plant and equipment-Kesko (Kesko 2013, 57)

As can be seen from Figure 8, besides costs, accumulated depreciation, amortisations and impairment charges are recorded. Regarding relevant costs, they are accounted for as additions.

On the other hand, under Kinh Do's report, tangible fixed assets are calculated at historical costs, depreciation and other costs that contribute to place the assets at current places. Tests of impairment and fair value are not mentioned (Figure 9).

9. TANGIBLE FIXED ASSETS	Buildings and structures VND	Machinery and equipment VND
Cost		
Beginning balance	391,412,863,319	1,091,707,291,181
Increases	19,125,229,299	97,107,882,563
<i>In which:</i>		
<i>Newly purchased</i>	3,284,300,106	41,523,433,494
<i>Transferred from construction in progress</i>	15,840,929,193	55,584,449,069
Decreases	658,129,003	(51,132,382,033)
<i>In which:</i>		
<i>Sold, disposed</i>	-	(6,911,712,487)
<i>Reclassifications</i>	658,129,003	(44,220,669,546)
Ending balance	411,196,221,621	1,137,682,791,711
<i>In which:</i>		
<i>Fully depreciated</i>	17,095,052,818	127,627,080,550
Accumulated depreciation		
Beginning balance	92,033,184,946	547,364,507,782
Depreciation for the year	23,854,875,057	103,323,780,397
Decreases	159,046,871	(44,038,036,253)
<i>In which:</i>		
<i>Sold, disposed</i>	-	(6,213,249,023)
<i>Reclassifications</i>	159,046,871	(37,824,787,230)
Ending balance	116,047,106,874	606,650,251,926
Net carrying amount		
Beginning balance	299,379,678,373	544,342,783,399
Ending balance	295,149,114,747	531,032,539,785

FIGURE 9. Tangible fixed assets-Kinh Do (Kinh Do 2013, 93)

In addition, maintenance and repair costs are charged to expenses within the income statements (Kinh Do 2013, 81).

With respect to intangible assets, analogous to PP&E, it can be seen from Figure 10 that these assets are carried at historical costs, amortisations, impairment as well as incurred costs (Kesko 2013, 36).

Note 12. Intangible assets

2013	Other intangible assets				Total
€ million	Goodwill	Trademarks	Prepayments	Prepayments	2013
Cost					
Cost as at 1 Jan. 2013	154.9	80.7	193.2	9.9	438.6
Currency translation differences	-6.1	-5.1	-5.6		-16.8
Additions			8.4	14.6	23.0
Disposals			-2.2		-2.2
Transfers between items			4.3	-2.3	2.0
Cost as at 31 Dec. 2013	148.7	75.6	198.1	22.2	444.6
Accumulated amortisation and impairment					
Accumulated amortisation and impairment charges as at 1 Jan. 2013	-114.3	-9.6	-122.6		-246.6
Currency translation differences	6.2	1.2	4.5		11.9
Accumulated amortisation of disposals and transfers			0.7		0.8
Amortisation charge for the year and impairments			-21.6		-21.6
Accumulated amortisation and impairment charges as at 31 Dec. 2013	-108.1	-8.4	-139.1		-255.5
Carrying amount as at 1 Jan. 2013	40.5	71.1	70.6	9.9	192.1
Carrying amount as at 31 Dec. 2013	40.7	67.2	59.0	22.2	189.1

FIGURE 10. Intangible assets-Kesko (Kesko 2013, 60)

Meanwhile, Figure 11 shows the way of measuring such assets through historical costs, amortisations and attributable costs. There is no impairment test applied (Kinh Do 2013, 82).

INTANGIBLE FIXED ASSETS

	Brand name VND	Land use right VND	Computer software VND
Cost			
Beginning balance	16,591,966,348	64,772,106,766	76,563,143,961
Increases - Newly purchased	-	349,200,000	231,829,865
Reclassifications	-	(63,843,027,996)	-
Ending balance	16,591,966,348	1,278,278,770	76,794,973,826
<i>In which:</i>			
<i>Fully amortized</i>	-	671,220,840	2,439,995,855
Accumulated amortization			
Beginning balance	3,318,393,116	7,794,602,688	27,841,536,558
Amortization for the year	1,659,196,789	2,171,338,917	7,836,150,379
Reclassifications	-	(8,897,288,093)	(181,844,115)
Ending balance	4,977,589,905	1,068,653,512	35,495,842,822
Net carrying amount			
Beginning balance	13,273,573,232	56,977,504,078	48,721,607,403
Ending balance	11,614,376,443	209,625,258	41,299,131,004

FIGURE 11. Intangible assets-Kinh Do (Kinh Do 2013, 50)

Furthermore, there is a significant difference with regard to goodwill. On the one hand, at Kesko Group, the goodwill's amortisation is not allowed, instead that impairment is tested annually (Kesko 2013, 33). On the other hand, regarding Kinh Do Corporation, it can be seen from Figure 12, goodwill is permitted to amortise over the period of no more than 10 years (Kinh Do 2013, 84).

Goodwill

Goodwill is amortised on a straight line basis over ten years from acquisition date. The amortisation charges of goodwill during the year and the accumulated amortisation as at balance sheet date are as follows:

	Amount VND
Cost	
Beginning balance	433,015,187,595
Increase due to business combination	21,044,558,259
Ending balance	454,059,745,854
Accumulated amortisation	
Beginning balance	83,094,236,290
Amortisation for the year	44,643,343,543
Ending balance	127,737,579,833
Net carrying amount	
Beginning balance	349,920,951,305
Ending balance	326,322,166,021

FIGURE 12. Goodwill-Kinh Do (Kinh Do 2013, 91)

About leases, Kesko is both a lessor and a lessee in regard to machines and real estates. As stated in Note 1 of the group's financial statements, the definitions of operating/finance leases as well as the accounting for lessees and lessors are the same as the explanations under IAS 17 in the theoretical part (Kesko 2013, 37). In terms of accounting for lessees, lease expenditure and interest expenses are recorded to the income statement (Appendix 8). Concerning interest expenses, it is clearly stated that interest expenses on finance leases contribute an amount of 2.7

million euros (Kesko 2013, 53). In addition, lease obligations are recorded in interest-bearing liabilities in the statement of financial position (Kesko 2013, 38). As a lessor, finance leases are accounted for as interest income in the income statement. Specifically, total interest income and other finance costs of 19.8 million euros include 2,4 million euros of interests regarding finance leases (Kesko 2013, 53).

About sale and leaseback transactions, there is a thorough guidance on how to account for such a kind of transactions under Kesko's report. Particularly, in case of finance leases, the exceeding amount of the carrying amount is recorded to liabilities within the statement of financial statement rather than presented as income. This amount is gradually written off over the leasing period of time. In case of operating leases and fair – value – based transactions, any recognised profit or loss is recorded without delay (Kesko 2013, 38). However, there is no disclosure explaining more details about such transactions throughout the Group's financial statements.

Regarding Kinh Do, the terms of operating and finance leases are similarly defined, as compared to IAS17. In respect of accounting for a lessee, rent expenses are recorded to the income statement. As a lessor, lease income is charged to the income statement. In addition, assets used for leasing purposes are recorded to fixed assets in the balance sheet (Kinh Do 2013, 81). Nonetheless, no disclosure or thorough presentation concerning the way to account for leases is represented.

About sale and leaseback types, they are not mentioned within the Corporation's financial statements (Kinh Do 2013, 81).

Respecting consolidated financial statements, Kesko applies IFRS 10. Particularly, the parent company, named as Kesko Corporation, is included in the consolidated financial statements since it does not meet one of the two exemptions from consolidation, which are mentioned in sub-part 2.2. To be specific, the parent has traded debt and equity instruments in public markets during the accounting period (Figure 13); therefore, it is not excluded from consolidation.

Plan assets were comprised as follows in 2013

€ million	Quoted	Unquoted	Total
Europe			
Equity instruments	89.7	38.9	128.6
Debt instruments	6.9	38.7	45.6
Investment funds	12.5	16.6	29.1
Property	-	179.0	179.0
United States			
Equity instruments	10.8	-	10.8
Investment funds	16.3	-	16.3
Other countries			
Investment funds	19.9	-	19.9
Total	156.1	273.2	429.3

FIGURE 13. Debt-equity instruments-Kesko (Kesko 2013, 71)

Besides that, the Group publishes the financial statements of both Kesko parent and all its subsidiaries which the Group could hold more than 50% of voting rights; in other words, it can control over the subsidiaries. Specifically, Keslog Ltd, K-instituutti Oy and K-Plus Oy are amongst the Group's subsidiaries since the Group keeps the ownership interests of 100%, 72% and 100% respectively (Appendix 6). About Kinh Do, according to VAS, consolidation exemption regarding the parent company is simpler, which is just being subsidiaries of other entities and owners. In this case, Kinh Do does not disclose information which could determine whether the parent is excluded or included in the consolidation. However, the Group presents the financial statements of both the parent company and the subsidiaries. Kinh Do Binh Duong Corporation, Vinabico Corporation, Kido Company Limited and North Kinh Do One Member Company Limited are all subsidiaries of Kinh Do Corporation, with the parent's voting right of 99.8%, 100%, 100% and 100% respectively (Appendix 7). In evaluating consolidation exemptions of subsidiaries, VAS 25 presents the two cases explained in sub-part 3.2; however, they are not mentioned in Kinh Do's annual report.

4.1.2.2 Comparison between Rautaruukki's and Hoa Phat Joint Stock Corporation's financial statements

Rautaruukki Corporation prepared its financial statements according to IAS/IFRS, Finnish Accounting Acts as well as relevant regulations (Rautaruukki 2013, 33).

Meanwhile, Hoa Phat Joint Stock Corporation's financial statements complied with VAS, Vietnamese Accounting System and relevant requirements (Hoa Phat 2013, 64).

In regard to the presentation of financial statements, although Rautaruukki does not clearly indicate accounting assumptions about the future, such assumptions are disclosed within the financial statements. Specifically, Rautaruukki discloses sensitivity analysis of goodwill as follows:

Sensitivity analysis has been prepared based on assumptions of weakening cash flow growth rates during and after the forecasting period. A general increase in interest rates has also been taken into consideration as well as a decrease in profitability. A decrease of 20 per cent in operating profit, an increase of 1 per cent in discount rate or zero growth rate after the forecasting period, none of these would result in any impairment losses. Only if the discount rate would increase by 2 per cent or operating profit would decrease by 28 per cent or if the growth assumption of cash flows subsequent to the forecasting period would turn negative one percent, impairment loss is required to be recorded to one operating segment. This impairment loss would amount to approximately 8 per cent of the total goodwill of the group (Rautaruukki 2013, 59).

On the other hand, in case of Hoa Phat's financial statements, there is no disclosure regarding future assumptions or other sources of estimation uncertainty. Regarding statement of changes in equity, Rautaruukki presents it as one of the primary statements (Appendix 9) meanwhile such a statement is shown under Note 24 – Changes in owners' equity (Appendix 10).

About inventories, both Rautaruukki and Hoa Phat use weighted average method to account for their inventories' costs. Besides that, Hoa Phat also utilised the method of specific identification (Rautaruukki 2013, 44 and Hoa Phat 2013, 80).

With regard to accounting for PP&E, such assets are measured at historical costs, depreciation, impairment charges and subsequent costs which could contribute to the assets' future economic benefits (Rautaruukki 2013, 42), as can be seen from the following figure.

Buildings and structures		
Acquisition cost at 1 Jan	732	741
Additions	20	21
Disposals	-4	-8
Disposals through divestments		-32
Impairment for the period		-2
Exchange rate differences	-9	11
Acquisition cost at 31 Dec	739	732
Accumulated depreciation at 1 Jan	-403	-382
Accumulated depreciation on disposals	2	6
Accumulated depreciation on divestments		9
Depreciation for the period	-27	-27
Impairment for the period	-1	0
Exchange rate differences	4	-8
Accumulated depreciation at 31 Dec	-423	-403
Carrying amount at 31 Dec	315	329

FIGURE 14. Property, plant and equipment-Rautaruukki (Rautaruukki 2013, 57)

In case that these assets have different parts which have different estimated depreciation times, each part is considered as an independent asset (Rautaruukki 2013, 42).

About Hoa Phat, tangible fixed assets are only recorded as historical costs, depreciation and relevant costs. No impairment test or fair value is involved in accounting for these assets (Figure 15).

Tangible fixed assets

	Buildings VND
Cost	
Opening balance	1,700,374,671,936
Additions	19,584,753,617
Transfer from construction in progress	628,032,928,378
Disposal of a tier 2 - subsidiary	(3,710,182,000)
Disposals and written off	(1,814,271,939)
Reclassifications (*)	(582,705,600)
Other movements	(178,462,214)
Closing balance	2,341,706,732,178
Accumulated depreciation	
Opening balance	355,159,198,420
Charge for the year	138,238,743,284
Disposal of a tier 2 - subsidiary	(896,173,802)
Disposals and written off	(1,280,148,872)
Reclassifications (*)	(628,291,600)
Other movements	129,959,067
Closing balance	490,723,286,497
Net book value	
Opening balance	1,345,215,473,516
Closing balance	1,850,983,445,681

FIGURE 15. Tangible fixed assets-Hoa Phat (Hoa Phat 2013, 96)

In addition, maintenance, repair and overhaul costs are recorded to expenses within the income statement. Nonetheless, in case that there are evidences

showing such costs are added to the assets' future economic benefits, they are capitalised to the assets' costs (Hoa Phat 2013, 80).

With reference to intangible assets, Rautaruukki outlines various types of such assets, including goodwill, research and development costs, emissions allowances and other intangible assets (Rautaruukki 2013, 43). Regarding goodwill, this type of assets is measured at costs and impairment charges. It is worth noting that goodwill is not amortised, instead its impairment test is conducted annually (Figure 16).

€m	2013	2012
Goodwill		
Acquisition cost at 1 Jan	72	103
Additions through acquisitions		0
Disposals		-3
Disposals through divestments		-25
Impairment for the period		-1
Exchange rate differences	-6	-4
Carrying amount at 31 Dec	65	72

FIGURE 16. Goodwill-Rautaruukki (Rautaruukki 2013, 58)

About research and development costs, such expenses are normally reported to the income statement; nonetheless, in case that research costs contribute to forthcoming economic benefits, these costs are considered as intangible assets. In reality, no research and development costs are recognised as intangible assets within the statement of financial position 2013 because only goodwill and other intangible assets are represented under non-current assets, as can be seen from Figure 17.

Consolidated statement of financial position

€m	Note	31 Dec 2013	31 Dec 2012
ASSETS			
Non-current assets			
Property, plant and equipment	11	1 079	1 122
Goodwill	12	65	72
Other intangible assets	12	38	50
Equity-accounted investees	13	31	35
Available-for-sale financial assets	14	13	14
Other non-current receivables	15	76	79
Deferred tax assets	16	42	46
		1 344	1 416

FIGURE 17. Non-current assets-Rautaruukki (Rautaruukki 2013, 30)

Since this Corporation has been a party of EU Emissions Trading Scheme and given a particular amount of emissions allowances, such allowances are recognised as intangible assets; thereby being measured at costs and impairment

charges (Rautaruukki 2013, 43). However, the amount of emissions allowances have not been confirmed at the time of preparing the financial statements 2013, such allowances are not recognised as intangible assets in the statement of financial position. Instead, unauthorised information is revealed under note 12 – Intangible assets within the financial statements. Specifically, during 2013, the Corporation emitted 3.8 million tonnes of carbon dioxide into the environment meanwhile the emissions allowances given by the EU Emissions Trading Scheme could be 28.6 million tonnes (Rautaruukki 2013, 59).

In case of other intangible assets such as patents and licences, they are measured at costs and accumulated depreciation (Figure 18).

Other intangible assets		
Acquisition cost at 1 Jan	196	200
Additions	5	13
Disposals	-1	-1
Disposals through divestments		-14
Transfers between intangible asset items	3	-1
Exchange rate differences	-1	1
Acquisition cost at 31 Dec	202	196
Accumulated depreciation at 1 Jan	-162	-160
Accumulated depreciation on disposals	0	1
Accumulated depreciation on divestments		11
Depreciation for the period	-11	-14
Impairment for the period	0	-1
Transfers between intangible asset items	-3	0
Exchange rate differences	1	0
Accumulated depreciation at 31 Dec	-175	-162
Carrying amount at 31 Dec	28	34

FIGURE 18. Other intangible assets-Rautaruukki (Rautaruukki 2013, 58)

Concerning Hoa Phat, there are three sorts of intangible assets mentioned in its financial statements, which are land use rights, software and others. These assets are measured at costs and accumulated amortisations. No fair value measurement or impairment tests are applied (Figure 19).

Intangible fixed assets	Land use rights VND	Software VND	Others VND	Total VND
Cost				
Opening balance	184,285,115,653	2,644,303,901	1,367,576,332	188,296,995,886
Additions	26,000,000,000	662,977,540	-	26,662,977,540
Transfer from construction in progress	1,267,660,800	-	-	1,267,660,800
Disposals and written off	-	(16,055,000)	-	(16,055,000)
Reclassifications (*)	-	(294,479,586)	-	(294,479,586)
Closing balance	211,552,776,453	2,996,746,855	1,367,576,332	215,917,099,640
Accumulated amortisation				
Opening balance	19,654,677,272	1,549,200,334	875,783,630	22,079,661,236
Charge for the year	4,250,963,046	617,747,692	200,863,396	5,069,574,134
Disposals and written off	-	(16,055,000)	-	(16,055,000)
Reclassifications (*)	-	(279,695,833)	-	(279,695,833)
Closing balance	23,905,640,318	1,871,197,193	1,076,647,026	26,853,484,537

FIGURE 19. Intangible fixed assets-Hoa Phat (Hoa Phat 2013, 97)

It is significant that goodwill is not recognised as intangible fixed assets within Hoa Phat's balance sheet. Instead, goodwill is recorded separately as one of the assets, as can be seen from Figure 20.

Long-term assets (200 = 210 + 220 + 240 + 250 + 260 + 269)	200		10,673,862,524,545	8,794,975,115,778
Accounts receivable – long-term	210	7	449,759,238,679	448,979,590,000
Other receivables	218		449,759,238,679	448,979,590,000
Fixed assets	220		9,187,130,524,312	7,007,089,647,235
Tangible fixed assets	221	10	8,864,496,339,790	4,295,767,594,850
Cost	222		11,747,912,985,324	6,529,948,378,267
Accumulated depreciation	223		(2,883,416,645,534)	(2,234,180,783,417)
Intangible fixed assets	227	11	189,063,615,103	166,217,334,650
Cost	228		215,917,099,640	188,296,995,886
Accumulated amortisation	229		(26,853,484,537)	(22,079,661,236)
Construction in progress	230	12	133,570,569,419	2,545,104,717,735
Investment property	240	13	62,002,294,764	66,519,066,085
Cost	241		88,066,912,353	88,066,912,353
Accumulated depreciation	242		(26,064,617,589)	(21,547,846,268)
Long-term investments	250	14.2	21,255,298,806	26,218,497,620
Investments in associates	252		5,553,170,441	5,809,369,255
Other long-term investments	258		15,702,128,365	20,409,128,365
Other long-term assets	260		380,858,246,946	394,091,242,174
Long-term prepayments	261	15	326,428,533,088	327,676,686,308
Deferred tax assets	262	16	54,344,805,858	47,988,208,522
Other long-term assets	268		84,908,000	18,426,347,344
Goodwill	269	17	572,856,921,038	852,077,072,664
TOTAL ASSETS (270 = 100 + 200)	270		23,076,377,862,689	19,015,763,461,546

FIGURE 20. Goodwill-Hoa Phat (Hoa Phat 2013, 68)

In addition, unlike accounting for goodwill at Rautaruukki, goodwill is measured at costs and accumulated amortisations (Figure 21).

Goodwill

	An Thong Mineral Investment JSC VND	Hoa Phat Energy JSC VND	Golden Gain Vietnam JSC VND
Cost			
Opening balance	350,232,527,609	206,244,396,684	355,059,967,828
Disposal of a tier 2 - subsidiary	-	-	-
Closing balance	350,232,527,609	206,244,396,684	355,059,967,828
Accumulated amortisation			
Opening balance	125,499,988,264	53,279,802,476	94,613,880,817
Amortisation for the year	35,023,252,757	20,624,439,668	183,844,296,714
Disposal of a tier 2 - subsidiary	-	-	-
Other movements	-	-	-
Closing balance	160,523,241,021	73,904,242,144	278,458,177,531

FIGURE 21. Goodwill-Hoa Phat (Hoa Phat 2013, 103)

Regarding leases, the terms of operating/finance leases as well as the way to account for lessees/lessors are similar to the explanations in the theoretical part

(Rautaruukki 2013, 44). Particularly, as a lessee, finance lease liabilities are recorded to loans and borrowings under the part of liabilities in the statement of financial position (Figure 22).

26. Loans and borrowings

€m	2013	2012
Non-current		
Loans from financial institutions	317	334
Bonds		150
Finance lease liabilities	31	35
Pension loans	9	14
Total	358	533
Current		
Loans from financial institutions	62	52
Bonds	150	
Finance lease liabilities	7	6
Pension loans	5	5
Commercial papers	163	188
Other current interest-bearing liabilities		1
Total	387	253

FIGURE 22. Finance lease liabilities-Rautaruukki (Rautaruukki 2013, 69)

As a lessor, Rautaruukki has given various leases under finance lease agreements, including office premises, machinery and equipment. Regarding sale and leaseback transactions, capital gain is charged to the statement of financial position. At the same time, lease revenue is recorded to the statement of profit or loss (Rautaruukki 2013, 69).

About Hoa Phat Group, there is no definition regarding operating/finance leases as well as how to account for lessees/lessors in general. Instead, there are three leasing issues mentioned in its financial statements, including prepaid land costs, rental income and operating lease payments. In calculating prepaid land costs, lease rentals and incurred costs, for example interest expenses, are included (Hoa Phat 2013, 83) and accounted for as accrued expenses in the income statement (Figure 23).

LIABILITIES (300 = 310 + 330)	300		13,489,417,843,130	10,438,205,916,396
Current liabilities	310		11,142,521,402,951	7,362,009,487,292
Short-term borrowings	311	18	5,743,559,817,748	4,850,248,888,636
Accounts payable – trade	312		2,313,957,097,164	1,520,631,891,532
Advances from customers	313		79,676,433,981	187,595,273,309
Taxes payable to State Treasury	314	19	387,853,096,459	209,932,737,460
Payables to employees	315		122,128,725,001	95,436,269,206
Accrued expenses	316	20	345,447,630,212	332,804,558,333
Other payables	319	21	2,045,822,283,922	105,794,771,676
Provisions	320	22	13,212,673,156	11,211,707,436
Bonus and welfare funds	323		90,863,645,308	48,353,389,704

FIGURE 23. Accrued expenses-Hoa Phat (Hoa Phat 2013, 69)

About rental income attained from leasing properties, such income is recorded to the income statement. In case of operating lease payments, they are accounted for as expenses in the income statement (Hoa Phat 2013, 87). Concerning sale and leaseback transactions, the Group does not mention about such transactions.

Respecting Rautaruukki's consolidated financial statements, the parent company has traded bonds in public markets during the accounting period (Figure 24); thereby not fulfilling the two exemptions from consolidation.

Non-current		
Bonds	242,700,000.00	250,000,000.00
Private Placement notes	50,209,205.02	100,418,410.04
Loans from credit institutions	23,914,863.09	34,383,583.38
Other creditors	194,130.57	11,283.86
	317,018,198.68	384,813,277.28

FIGURE 24. Bonds-Rautaruukki (Rautaruukki 2013, 93)

As a result, its consolidated financial statements include the statements of both the parent company and subsidiaries in which the Group keeps more than 50% of voting rights. In particular, Alamenti Oy, Metform Oy and Ruukki Metal Oy are amongst the Group's subsidiaries, with the Group's voting rights of 100% for each subsidiary (Appendix 11). With regard to Hoa Phat, similar to Kinh Do, there is no disclosing information showing that the parent company should be included in or excluded from consolidation; nonetheless, the Group presents the financial statements of both the parent company and the subsidiaries which are governed by the Group so as to attain benefits from their operations. Note that no specific voting right percentage is mentioned. Three of thirteen subsidiaries of Hoa Phat are Hoa Phat Steel Joint Stock Company (99.99% of equity held by the Group), An Thong Mining Investment Joint Stock Company (99.96% of equity owned by the Group) and Hoa Phat Urban Development and Construction Joint Stock Company (99.67% of equity owned by the Group) (Appendix 12).

4.1.2.3 Comparison between Nokia Solutions and Networks' and FPT's financial statements

Nokia Solutions and Networks, abbreviated by NSN or the Group, is the company which holds all the subsidiaries. As stated in the annual report 2013, the Group

prepares its financial statements according to IAS/IFRS issued by the IASB as well as adopted by the EU (NSN 2013, 53). On the other hand, FPT's financial statements are presented in conformity with VAS, accounting regime for enterprises as well as relevant regulations (FPT 2013, 1).

Presentation of financial statements is of the first concern. In case of NSN, the Group indicates thoroughly estimates, assumptions as well as judgements regarding various areas, such as revenue recognition, inventory-related allowances and assessment of intangible assets, including goodwill (NSN 2013, 60-61). Specifically, sensitivity analysis of goodwill is represented under note 13 – impairment. In order to calculate recoverable amounts of such asset in 2013, there are two key assumptions applied, consisting of discount rate and operating margin. As a result, no impairment charges are recognised in 2013. In addition, no possible changes in other key assumptions such as length of forecast period and estimated growth rates could lead to impairment charges in 2013 (NSN 2013, 80). About FPT, no future-related assumption is mentioned throughout its annual report 2013. With regard to statement of changes in equity, such a statement is presented as one of the main statements of the Group (Appendix 13) meanwhile FPT records shareholders' equity to Note 25 (Appendix 14).

At Nokia Group, the method used to determine inventories' costs is standard cost which estimates actual costs based on FIFO basis (Nokia 2013, 56). Meanwhile, in conformity with VAS, the standard cost method is not permitted; instead, FPT uses FIFO to measure its inventories' costs (FPT 2013, 13).

Regarding PP&E, such assets are measured at historical costs and accumulated depreciation. In addition, following costs which could lead to future economic benefits are included in the assets' carrying amounts, for example renovation costs. Maintenance and repair costs are usually recorded as expenses (NSN 2013, 56). Besides that, impairment tests and fair value are usually applied to measure these assets. Specifically, during 2013, 6 million euros of impairment charges based on the fair value remeasurement are recognised on PP&E (NSN 2013, 80). The following figure shows more details about the way of accounting for such assets.

Buildings and constructions		
Acquisition cost January 1	263	266
Translation differences	(20)	(2)
Additions	24	32
Impairment losses	-	(1)
Disposals and retirements	(37)	(32)
Accumulated acquisition cost December 31	230	263
Accumulated depreciation January 1	(113)	(96)
Translation differences	11	1
Disposals and retirements	23	25
Depreciation	(35)	(43)
Accumulated depreciation December 31	(114)	(113)
Net book value January 1	150	170
Net book value December 31	116	150

FIGURE 25. Property, plant and equipment-NSN (NSN 2013, 83)

As can be seen from Figure 25, apart from acquisition cost and accumulated depreciation, impairment losses are included in terms of accumulated acquisition cost. With regard to FPT, tangible fixed assets are measured at costs, accumulated depreciation and other costs which contribute to bring such assets to current locations. No impairment test or fair value is mentioned (Figure 26).

	Buildings and structures	Machinery and equipment	Motor vehicles
	VND	VND	VND
COST			
As at 01/01/2013	647,997,637,982	1,794,493,460,832	62,402,347,974
Purchases	8,455,627,832	643,962,537,490	13,915,402,401
Transfers from construction in progress	156,126,314,742	-	-
Reclassification	(877,255,408)	41,924,740,382	(1,098,975,639)
Disposals	-	(3,004,452,031)	(1,825,948,726)
Other increases/(decreases) (i)	175,007,195	(5,882,816,089)	(242,976,896)
As at 31/12/2013	811,877,332,343	2,471,493,470,584	73,149,849,114
ACCUMULATED DEPRECIATION			
As at 01/01/2013	78,144,404,840		868,257,414,815
Charge for the year	32,983,600,065	-	263,262,836,106
Reclassification	(475,091,061)	31,120,199,676	(785,871,568)
Disposals	-	(1,521,737,808)	(1,618,726,601)
Other increases/(decreases) (i)	(71,997,359)	(2,539,255,983)	(173,411,131)
As at 31/12/2013	110,580,916,485	1,158,579,456,806	33,865,319,728
NET BOOK VALUE			
As at 31/12/2013	701,296,415,858	1,312,914,013,778	39,284,529,386
As at 31/12/2012	569,853,233,142	926,236,046,017	31,095,419,576

FIGURE 26. Tangible fixed assets-FPT (FPT 2013, 25)

In respect of intangible assets, the Group includes goodwill and other intangible assets such as trademarks and patents. Goodwill is not allowed to amortise, instead such asset is evaluated annually via impairment tests. On the other hand,

other intangible assets are calculated at historical costs, impairment charges and accumulated amortisations (Figure 27).

15 Intangible assets

EURm	2013	2012
Goodwill		
Acquisition cost January 1	182	173
Translation differences	(9)	(1)
Acquisitions ¹	–	10
Accumulated acquisition cost December 31	173	182
Net book value January 1	182	173
Net book value December 31	173	182
Other intangible assets		
Acquisition cost January 1	2 976	3 021
Translation differences	(20)	(2)
Additions	13	25
Impairment losses	–	(51)
Disposals and retirements	(6)	(17)
Accumulated acquisition cost December 31	2 963	2 976
Accumulated amortization January 1	(2 589)	(2 328)
Translation differences	1	(1)
Disposals and retirements	5	16
Impairment losses	–	43
Amortization	(121)	(319)
Accumulated amortization December 31	(2 704)	(2 589)
Net book value January 1	387	693
Net book value December 31	259	387

FIGURE 27. Intangible assets-NSN (NSN 2013, 82)

About FPT, the Group indicates four types of intangible assets, including land use rights; license, copyright and patent; trademark and computer software. Such assets are recorded as historical costs and accumulated amortisations. Impairment tests and fair value are not mentioned (FPT 2013, 14-15). It is noteworthy that goodwill is separately accounted for as an asset in the balance sheet. In addition, goodwill is measured at costs and amortisations (FPT 2013, 12). The following figure reveals more details about how to record such assets in the balance sheet.

B. NON-CURRENT ASSETS	200	4,662,313,781,106	3,979,712,411,237
(200=210+220+250+260+269)			
I. Long-term receivables	210	1,212,664,525	1,434,084,775
1. Other long-term receivables	218	1,212,664,525	1,434,084,775
II. Fixed assets	220	3,075,863,270,475	2,617,661,929,811
1. Tangible fixed assets	221	2,263,586,993,603	1,806,909,797,593
Cost	222	4,132,422,050,335	3,396,114,230,189
Accumulated depreciation	223	(1,868,835,056,732)	(1,589,204,432,596)
2. Finance lease assets	224	545,870,029	645,973,398
Cost	225	794,460,808	1,172,124,293
Accumulated depreciation	226	(248,590,779)	(526,150,895)
3. Intangible assets	227	272,627,710,038	269,109,800,119
Cost	228	480,191,028,731	432,866,818,574
Accumulated amortisation	229	(207,563,318,693)	(163,757,018,455)
4. Construction in progress	230	539,102,696,805	540,996,358,701
III. Long-term financial investments	250	706,727,341,936	696,285,615,938
1. Investments in associates	252	225,525,036,285	210,440,925,092
2. Other long-term investments	258	663,468,944,666	663,357,798,632
3. Provision for impairment of long-term financial investments	259	(182,266,639,015)	(177,513,107,786)
IV. Other long-term assets	260	647,002,229,017	447,964,419,930
1. Long-term prepayments	261	489,423,569,136	330,699,555,321
2. Deferred tax assets	262	103,536,509,729	74,743,219,962
3. Other long-term assets	268	54,042,150,152	42,521,644,647
V. Goodwill	269	231,508,275,153	216,366,360,783
TOTAL ASSETS (270=100+200)	270	17,570,557,253,512	14,209,182,622,439

FIGURE 28. Goodwill and intangible assets-FPT (FPT 2013, 4)

Respecting leases, operating/finance leases are defined as the explanations in sub-part 2.2.1 with regard to the theoretical part. In terms of NSN, it mainly focuses on operating leases since there are a various range of operating leases contracts between the Group and other entities (NSN 2013, 60). Particularly, the Group has given a variety of leases such as offices, warehouses and manufacturing plants, in which the total amount of rental expenses has reached to 211 million euros in 2013 (Nokia 2013, 98). Such expenditure is accounted for as expenses, specifically real estate charges, in the income statement (Figure 29).

5 Expenses by nature

The following table presents cost of sales, research and development expenses, selling and marketing expenses, and administrative and general expenses by nature of expense:

EURm	2013	2012	2011
Employee benefits expense	3 479	4 405	4 092
Cost of materials	2 731	3 704	4 054
Subcontractor costs ¹	2 278	2 982	2 654
Depreciation and amortization	313	587	711
Real estate charges	287	385	337
Other costs and expenses	1 426	1 928	2 016
Total	10 514	13 991	13 864

FIGURE 29. Expenses by nature-NSN (NSN 2013, 67)

At the same time, the Group has attained rental income, which is recorded to other income in the income statement (Figure 30).

10 Other income and expenses

The following table presents other income:

EURm	2013	2012	2011
Gains on hedging forecasted sales and purchases	36	26	2
Interest income from customer receivables and overdue payments	27	10	11
Rental income	17	13	17
Gains on sale of property, plant and equipment	11	-	11
Other	28	56	51
Total	119	105	92

FIGURE 30. Other income-NSN (NSN 2013, 74)

In contrast, the Group has leased multiple properties from Nokia and Siemen (NSN 2013, 106). Such lease-related payments are recorded to expenses, particularly real estate charges, in the income statement (Figure 29). No sale and leaseback transactions are mentioned throughout the Group's financial statements. In case of FPT, assets acquired from finance leases are accounted for as finance lease assets in the balance sheet (Figure 31).

B.	NON-CURRENT ASSETS			4,662,313,781,106	3,979,712,411,237
	(200=210+220+250+260+269)	200			
I.	Long-term receivables	210		1,212,664,525	1,434,084,775
1.	Other long-term receivables	218		1,212,664,525	1,434,084,775
II.	Fixed assets	220		3,075,863,270,475	2,617,661,929,811
1.	Tangible fixed assets	221	12	2,263,586,993,603	1,806,909,797,593
	Cost	222		4,132,422,050,335	3,396,114,230,189
	Accumulated depreciation	223		(1,868,835,056,732)	(1,589,204,432,596)
2.	Finance lease assets	224		545,870,029	645,973,398
	Cost	225		794,460,808	1,172,124,293
	Accumulated depreciation	226		(248,590,779)	(526,150,895)
3.	Intangible assets	227	13	272,627,710,038	269,109,800,119
	Cost	228		480,191,028,731	432,866,818,574
	Accumulated amortisation	229		(207,563,318,693)	(163,757,018,455)
4.	Construction in progress	230	14	539,102,696,805	540,996,358,701

FIGURE 31. Finance lease assets-FPT (FPT 2013, 4)

In addition, as a lessee, financial liabilities are treated as finance lease obligations in the balance sheet. Besides that, financial charges are recorded as financial expenses to the income statement (NSN 2013, 14).

In regard to consolidated financial statements, NSN is the parent company of the Group. Although NSN is a wholly-owned subsidiary of Nokia Corporation, it has still involved in public markets (Figure 32).

28 Loans and borrowings

EURm	Final maturity	2013	2012
Bond 2018 (EUR 450 million 6.75%)	April 2018	450	-
Bond 2020 (EUR 350 million 7.125%)	April 2020	350	-
European Investment Bank	January 2015	25	50
Nordic Investment Bank	March 2015	4	35
Finnish pension loan	October 2015	44	88
Firststrand Bank Limited	March 2015	35	44
Forward Starting Credit Facility term loan: prepaid March 2013		-	600
Differences between Bond nominal and carrying values		(18)	-
Other		5	4
Long-term interest-bearing liabilities		895	821
European Investment Bank		25	100
Nordic Investment Bank		16	45
Finnish pension loan		44	44
Other		1	6
Current portion of long-term interest-bearing liabilities		86	195
Commercial Paper Program		25	82
Borrowings on committed and uncommitted basis		2	3
Other ¹		83	49
Short-term borrowings		110	134
Total loans and borrowings²		1 091	1 150

FIGURE 32. Bond issuance-NSN (NSN 2013, 94)

It can be seen from Figure 31 that NSN issues 450 million euros of bond 2018 and 350 million euros of bond 2020, which are all listed on Luxemburg Stock

Exchange. Therefore, NSN is not out of consolidation exemptions. In other words, the Group's consolidated financial statements include the statements of both the parent company and its subsidiaries. Some subsidiaries are Nokia Solutions and Networks Oy (100% Group ownership), Apertio Limited (100% Group ownership) and Atrica Ireland Limited (100% group ownership) (Appendix 15). In respect of FPT, the Corporation's consolidated financial statements include the statements of both the parent company and its subsidiaries. FPT Information System Corporation, FPT Telecom Joint Stock Company and FPT Online Service Joint Stock Company are amongst the Group's subsidiaries, with the Corporation's voting rights of 100%, 42.51% and 84.04% respectively. Note that although the Corporation only keeps 42.51% of voting power at FPT Telecom Joint Stock Company, the Corporation has the right to cast the final result of meetings' votes. Therefore, it has the power to authorise operations of FPT Telecom Joint Stock Company. As a result, its financial statements are included in the consolidated financial statements of the Corporation (Appendix 16).

4.1.2.4 Comparison between Raisio's and Masan's financial statements

As stated by the Board of Directors and the Managing Director, Raisio Group prepares its financial statements in accordance with IAS/IFRS as well as relevant Finnish laws and regulations, such as Finnish Accounting and Community Legislation (Raisio 2013, 59). Meanwhile, Masan Group follows VAS, Vietnamese Accounting System and related requirements (Masan 2013, 53).

In regard to presentation of financial statements, besides estimates and assumptions in terms of accounting principles' application, Raisio Group indicates future assumptions as well as main assumptions concerning estimates (Raisio 2013, 16). Particularly, a disclosure of sensitivity analysis of goodwill's impairment test is revealed under Note 10. It is stated that goodwill's recoverable amounts are calculated based on two key assumptions, including discount rate and EBITDA. Therefore, in terms of goodwill of Candy Plus, the recoverable amount will be less than the carrying amount if there is an increase in discount rate of more than 11.6% or a decrease in EBITDA level of above 52% (Raisio 2013, 32). In contrast, Masan Group does not notify any future assumption or any source

which could lead to estimation uncertainty. Regarding statement of changes in shareholders' equity, such a statement is presented as one of the main financial statements at Raisio (Appendix 17). On the other hand, changes in owners' equity are illustrated under Note 23 (Appendix 18).

Inventories are of the following comparing object. Raisio Group uses the method of FIFO or weighted average cost to measure inventories' acquisition costs (Raisio 2013, 18). Meanwhile, Masan Group applies the weighted average cost method in order to determine inventories' costs (Masan 2013, 68).

At Raisio Group, PP&E are measured at historical costs, accumulated depreciation and impairment charges (Figure 33).

9. TANGIBLE ASSETS 2013

(EUR million)	Land and water areas	Buildings and constructions	Machinery and equipment
Acquisition cost 1.1.	13.9	135.2	259.1
Exchange rate differences	-0.2	-0.9	-2.1
Increase	0.1	0.1	8.1
Divestments and other decreases	0.8	4.1	27.9
Reclassifications between items	0.0	1.2	3.5
Acquisition cost 31.12.	13.0	131.5	240.6
Accumulated depreciation and write-downs 1.1.	0.0	86.6	199.9
Exchange rate differences	0.0	-0.3	-1.2
Accumulated depreciation of decrease and transfers	0.0	2.5	24.8
Depreciation for the financial period	0.0	4.0	9.6
Write-downs and their returns	0.0	0.0	0.5
Accumulated depreciation 31.12.	0.0	87.8	184.1
Book value 31.12.2013	13.0	43.7	56.5

FIGURE 33. Property, plant and equipment-Raisio (Raisio 2013, 30)

It can be seen from Figure 33 that impairment charges are recorded to write-downs. In addition to the mentioned costs, subsequent costs which could produce future economic benefits are considered to be capitalised; nonetheless, during the accounting period ended by 31 December 2013, such costs are not included in tangible assets' carrying amounts. Other costs are recorded to the income statement (Raisio 2013, 17).

Tangible fixed assets of Masan Group are carried at purchase costs and accumulated depreciation. Fair value and impairment tests are not displayed (Figure 34).

9. TANGIBLE FIXED ASSETS

<u>Group</u>	Buildings and structures VND million	Leasehold improvements VND million	Office equipment VND million
Cost			
Opening balance	453,709	22,525	69,412
Acquisition on business combinations	56,666	-	1,892
Additions	2,176	584	5,365
Transfer from construction in progress	115,474	71,111	15,948
Reclassification to short-term prepayments (*)	(37)	-	(7,341)
Reclassification to long-term prepayments (*)	(703)	-	(12,991)
Disposals	(266)	-	(451)
Closing balance	627,019	94,220	71,834
Accumulated depreciation			
Opening balance	53,957	11,661	26,792
Charge for the year	32,865	17,450	17,477
Reclassification to short-term prepayments (*)	(35)	-	(3,664)
Reclassification to long-term prepayments (*)	(610)	-	(7,277)
Disposals	(114)	-	(396)
Closing balance	86,063	29,111	32,932
Net book value			
Opening balance	399,752	10,864	42,620
Closing balance	540,956	65,109	38,902

FIGURE 34. Tangible fixed assets-Masan (Masan 2013, 83)

Following costs such as repair, maintenance and overhaul costs are accounted for as expenses in the income statement (Masan 2013, 68).

Respecting intangible assets, Raisio Group classifies three main types, including goodwill, research and development costs and others. Note that goodwill is not amortised; instead such asset is analysed for impairment annually. Therefore, goodwill's values are measured at purchase costs and impairment charges (Raisio 2013, 18).

In addition, it is possible to record research and development costs as intangible assets in case that such costs could create economic benefits in the future. In reality, the Group has capitalised these costs in 2013. Besides that, capitalised research and development expenses are calculated at costs, depreciation and impairment charges. For other intangible assets, the way of measuring their costs are the same as that of research and development expenditure (Raisio 2013, 18). The following figure shows more details about accounting for intangible assets.

9. INTANGIBLE ASSETS 2013

(EUR million)	Intangible rights	Goodwill	Other long-term expenditure	Advances paid and incomplete acquisitions	Intangible assets total
Acquisition cost 1.1.	47.6	114.4	17.6	0.0	179.7
Exchange rate differences	-0.9	-2.7	0.0	0.0	-3.6
Increase	0.0		1.3	2.5	3.9
Divestments and other decreases	0.1		1.3		1.5
Reclassifications between items	0.3	0.0	0.0	-0.3	0.0
Acquisition cost 31.12.	46.9	111.7	17.6	2.3	178.5
Accumulated depreciation and write-downs 1.1.	9.5	3.2	16.1	0.0	28.8
Exchange rate differences	-0.1	0.0	0.0	0.0	-0.1
Accumulated depreciation of decrease and transfers	0.1	0.0	1.2	0.0	1.3
Depreciation for the financial period	0.7	0.0	0.6	0.0	1.3
Write-downs and their returns	0.0	0.0	0.0	0.0	0.0
Accumulated depreciation 31.12.	10.0	3.2	15.4	0.0	28.7
Book value 31.12.2013	36.9	108.5	2.2	2.3	149.8

FIGURE 35. Intangible assets-Raisio (Raisio 2013, 30)

Note that research and development costs are recorded as other long-term expenditure regarding intangible assets.

At Masan Group, there are five main types of intangible fixed assets mentioned, including land use rights, software, brand value, customer relationships and mineral water resources. Such assets are calculated at historical costs and accumulated amortisations. The term of fair value is used with regard to brand name, customer relationships and mineral water resources. However, impairment tests are not allowed (Figure 36).

Group	Land use rights VND million	Software VND million	Brand Name VND million	Customer relationships VND million	Mineral water resources VND million	Total VND million
Cost						
Opening balance	144,357	19,344	544,435	320,647	-	1,028,783
Acquisition on business combinations	27,201	332	158,431	54,463	305,336	545,763
Additions	2,246	7,161	-	-	-	9,407
Transfer from construction in progress	-	15,097	-	-	-	15,097
Reclassification to short-term prepayments (*)	-	(1,547)	-	-	-	(1,547)
Reclassification to long-term prepayments (*)	(11)	(423)	-	-	-	(434)
Closing balance	173,793	39,964	702,866	375,110	305,336	1,597,069
Accumulated amortisation						
Opening balance	15,920	10,601	63,927	74,819	-	165,267
Charge for the year	4,274	7,236	61,738	67,969	2,387	143,604
Reclassification to short-term prepayments (*)	-	(309)	-	-	-	(309)
Reclassification to long-term prepayments (*)	-	(165)	-	-	-	(165)
Closing balance	20,194	17,363	125,665	142,788	2,387	308,397

FIGURE 36. Intangible fixed assets-Masan (Masan 2013, 86)

Noticeably, goodwill is not classified as intangible fixed assets; instead goodwill is recognised as other long-term investments in the balance sheet (Figure 37).

Other long-term assets	260		970,500	412,505	63,736	31,659
Long-term prepayments	261	14	403,353	97,060	53,311	21,346
Deferred tax assets	262	15	87,572	36,035	-	-
Other long-term assets	268		42,456	30,778	10,425	10,313
Goodwill	269	16	437,119	248,632	-	-

FIGURE 37. Goodwill-Masan (Masan 2013, 55)

Furthermore, it is significant that goodwill is measured at costs and accumulated amortisations (Masan 2013, 70) meanwhile amortisations are not allowed in measuring the value of goodwill at Raisio Group.

The next comparing object is leases. Raisio Group uses the terms of finance lease agreements and other rental agreements. Finance lease agreements are defined as the same as finance leases in the theoretical part. Meanwhile, the definition of other rental agreements is analogous to that of operating leases in theory. In addition, the Group presents thoroughly the way of accounting for a lessee and a lessor. As a lessee, acquired assets from finance leases are recorded to the balance sheet (Raisio 2013, 19). Specifically, machinery and equipment are acquired from financial leasing agreements. Such assets are then accounted for as tangible assets in the statement of financial position (Raisio 2013, 30). Besides that, finance lease obligations are accounted for as financial liabilities (Figure 38).

23. FINANCIAL LIABILITIES

(EUR million)	2013	2012
Long-term financial liabilities valued at amortised acquisition cost		
Bank loans	34.2	55.5
Financial leasing liabilities	0.0	0.0
Total	34.2	55.5
Current financial liabilities recorded at amortised cost:		
Repayments of non-current loans	20.7	22.3
Financial leasing liabilities	0.0	0.0
Other interest-bearing liabilities	0.4	0.3
Total	21.1	22.6
Non-current liabilities (incl. finance leases), will mature as follows:		
Year 2014	20.5	20.8
Year 2015	20.5	20.8
Year 2016	13.7	13.9

FIGURE 38. Financial leasing liabilities-Raisio (Raisio 2013, 37)

With regard to financial interests, such interests are charged to the income statement. About rental expenses of operating leases, these expenses are recorded to the income statement. As a lessor, in 2013, all the Group's rental agreements are operating leases. The assets used for leasing purposes are included in PP&E (Raisio 2013, 19).

In case of Masan Group, the definitions of finance leases and operating leases are similar to the theory. For tangible assets acquired from finance leases, these assets are accounted for as finance lease tangible fixed assets (Figure 39).

LONG TERM ASSETS	35,303,511	29,478,033
Net Long-term Receivables	450,183	23,158
Fixed Assets	23,121,361	17,728,751
Tangible Fixed Assets	1,731,429	1,547,311
Finance Lease Tangible Fixed Assets	58,327	-
Intangible Fixed Assets	1,288,672	863,516
Construction in Progress	20,042,933	15,317,924
Long-term Investments	10,761,467	11,313,619
Other Long-term Assets	970,500	412,505

FIGURE 39. Finance lease tangible fixed assets-Masan (Masan 2013, 42)

In addition, the Group indicates payments of operating leases. Particularly, such payments are accounted for as expenses in the income statement (Masan 2013, 73). About sale and leaseback agreements, both the Groups do not refer to them as a part of leasing issues.

Respecting consolidated financial statements, the parent company, named as Raisio Plc, has still traded in public markets. Specifically, there are a number of shares of Raisio Plc being allocated to Raisio Management Oy in 2013 (Raisio 2013, 34). Therefore, the parent company is not excluded from consolidation. As a result, Raisio Group's consolidated financial statements consist of the statements of the parent company and its subsidiaries, such as Benemilk Limited (57% of Group holding), Nordic Feed Innovations Oy (76% of Group holding) and Raisio Nutrition Limited (100% of Group holding) (Appendix 19). With regard to Masan Group, the Group does not mention that the parent company is a

wholly-owned or partially owned subsidiary of any entity; hence, the consolidated financial statements include the statements of the parent company as well as those of subsidiaries. Masan Consumer Corporation (74.2% of voting rights), Masan Food Company Limited (74.2% of voting rights) and Masan Horizon Corporation (100% of voting rights) are amongst of Masan's subsidiaries (Appendix 20).

4.1.2.5 Comparison between YIT Group's and Hoang Anh Gia Lai (HAGL) Group's financial statements

According to YIT, the Group prepares financial statements 2013 in conformity with IAS/IFRS. In addition, regarding the notes of the financial statements, Finnish Accounting Standards and Companies Act are applied (YIT 2013, 38). Meanwhile, HAGL Group follows VAS, Vietnamese Enterprise Accounting System and relevant requirements (HAGL 2013, 105).

With regard to presentation of financial statements, YIT Group discloses future assumptions which could lead to effects on assets as well as liabilities. In particular, through impairment tests of goodwill based on comparison between the recoverable amount (E) and the carrying amount (T) of such asset, results are presented as follows:

Ratio		Estimate		
E		<	T	Impairment
E	0–20 %	>	T	Slightly above
E	20–50 %	>	T	Clearly above
E	50 %–	>	T	Substantially above

FIGURE 40. Impairment tests of goodwill (YIT 2013, 56)

With these results, in terms of goodwill, the recoverable amount is much higher than the carrying amount. Sensitivity analysis is then revealed based on assessment of some factors such as discount rate and profitability. It is concluded that in case of negative changes in such factors, no impairment charges are included (YIT 2013, 56). On the other hand, there is no disclosure related to future assumptions in HAGL Group's financial statements. Regarding statement of changes in equity, such a statement is presented as one of the key financial statements (Appendix 21). Meanwhile, changes in owners' equity of HAGL Group are shown under Note 28 (Appendix 22).

In respect of inventories, both the Groups use the weighted average cost method for raw materials and supplies. Concerning work-in-progress and finished products such as completed apartments, they are measured at direct materials' costs, labour costs as well as other attributable costs (YIT 2013, 40-41 & HAGL 2013, 115).

About tangible assets, such assets of YIT Group are calculated at historical costs, depreciation and impairment charges (YIT 2013, 40).

2013

EUR mill.	Land and water areas	Buildings and structures	Machinery and equipment
Historical cost at 1 January	4.6	44.2	239.7
Historical cost transferred in partial demerger	-1.6	-17.5	-69.9
Translation differences	0.0	-0.9	-3.0
Increases	0.0	0.3	9.4
Decreases	-0.1	-1.9	-10.5
Reclassifications	0.1	1.1	-0.5
Historical cost at 31 December	3.0	25.2	165.2
Accumulated depreciation at 1 January		-24.5	-166.5
Accumulated depreciation transferred in partial demerger		11.2	57.4
Translation differences		0.2	2.0
Depreciation		-1.1	-13.9
Accumulated depreciation of reclassifications		0.4	3.1
Accumulated depreciation at 31 December		-13.8	-117.9
Carrying value 1 January	4.6	19.7	73.2
Carrying value 31 December	3.0	11.4	47.3

FIGURE 41. Tangible assets-YIT (YIT 2013, 53)

As can be seen from Figure 41, there is no related-to-impairment figure revealed. This means that no impairment is recognised during the accounting period.

On the other hand, at HAGL Group, tangible assets are measured at historical costs and depreciation (HAGL 2013, 116). Impairments and fair values are not mentioned. The following figure shows more details about the way of accounting for such assets.

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Motor vehicles</i>
Cost			
Beginning balance	1,620,536,286	1,180,912,033	299,589,955
Additions	1,504,696,928	2,004,389,013	247,223,501
<i>Transfer from construction in progress</i>	1,494,471,407	1,910,914,588	–
<i>Newly purchases</i>	8,962,599	93,010,860	246,716,969
<i>Foreign exchange differences</i>	1,262,922	463,565	506,532
Decreases	(1,465,249,529)	(1,740,259,041)	(115,056,542)
<i>Disposals</i>	(407,289)	(17,200,575)	(17,566,483)
<i>Disposals of subsidiaries</i>	(1,455,718,979)	(1,712,564,377)	(135,590,992)
<i>Reclassification</i>	(7,594,687)	5,278,568	44,492,315
<i>Other (*)</i>	(1,528,574)	(15,772,657)	(6,391,382)
Ending balance	1,659,983,685	1,445,042,005	431,756,914
Accumulated depreciation			
Beginning balance	(118,298,932)	(200,594,667)	(81,187,225)
Charges for the year	(90,432,898)	(139,431,234)	(38,744,089)
Decreases	65,111,342	151,174,224	23,029,006
<i>Disposals</i>	1,597,826	10,997,177	5,943,969
<i>Disposals of subsidiaries</i>	64,114,134	114,920,162	19,145,281
<i>Foreign exchange differences</i>	14,063	(141,416)	(62,376)
<i>Reclassification</i>	(1,311,479)	18,968,476	(3,855,940)
<i>Other (*)</i>	696,798	6,429,825	1,858,072
Ending balance	(143,620,488)	(188,851,677)	(96,902,308)
Net carrying amount			
Beginning balance	1,502,237,354	980,317,366	218,402,730
Ending balance	1,516,363,197	1,256,190,328	334,854,606
<i>In which:</i>			
<i>Pledged/mortgaged as loan security</i>			
<i>(Notes 20 and 27)</i>	1,516,363,197	1,256,190,328	–

FIGURE 42. Tangible fixed assets-HAGL (HAGL 2013, 130)

Besides that, improvements, additions and renewals are included in the assets' carrying amount; meanwhile, maintenance and repair costs are accounted for as expenses in the income statement (HAGL 2013, 118).

The next comparing object is intangible fixed assets. At YIT Group, there are two main types of intangible assets, including goodwill and others. Goodwill is measured at costs and impairment charges. Note that goodwill's depreciation is not allowed in the Group's financial statements. In case of other intangible assets, such assets are carried at costs, depreciation and impairment charges. It is significant that research and development expenses are also considered to be recognised as intangible assets in case that they could contribute to the assets' future economic benefits; nonetheless, such expenses have not fulfilled capitalisation criteria in 2013 (YIT 2013, 40).

2013

EUR mill.	Goodwill	Allocations from business combinations	Other intangible assets	Advance payments	Total other intangible assets
Historical cost at 1 January	346.6	80.7	49.8	7.8	138.2
Historical cost transferred in partial demerger	-335.7	-74.8	-30.0	-0.8	-105.6
Increases			14.4	5.6	20.0
Decreases			-19.0	-7.1	-26.1
Reclassifications			2.2	-1.9	0.3
Translation differences		-2.6	-0.5	0.0	-3.1
Historical cost at 31 December	10.9	3.3	16.9	3.5	23.7
Accumulated depreciation at 1 January		-43.5	-33.0		-76.5
Accumulated depreciation transferred in partial demerger		44.9	15.0		59.9
Depreciation		-6.2	-3.8		-10.0
Translation differences		1.5	0.2		1.7
Accumulated depreciation of reclassifications			8.3		8.3
Accumulated depreciation at 31 December		-3.3	-13.3	0.0	-16.6
Carrying value 1 January	346.6	37.2	16.8	7.8	61.8
Carrying value 31 December	10.9	0.0	3.6	3.5	7.2

FIGURE 43. Intangible fixed assets-YIT (YIT 2013, 55)

It can be seen from Figure 43 that goodwill is not depreciated over the accounting period. In addition, impairment is not displayed, which means that the Group does not recognise any impairment gains or losses of the intangible fixed assets.

To HAGL, similar to tangible assets, their intangible assets are measured at costs and accumulated amortisations (Figure 44).

	Land use rights	Computer software	Total
Cost			
Beginning balance	176,422,887	9,095,528	185,518,415
Additions	26,029,659	175,490	26,205,149
Disposals	(52,681)	(411,160)	(463,841)
Disposals of subsidiaries	(19,849,656)	(140,807)	(19,990,463)
Reclassification (*)	(93,728,907)	(3,055,465)	(96,784,372)
Ending balance	88,821,302	5,663,586	94,484,888
Accumulated amortisation			
Beginning balance	(2,566,450)	(2,825,832)	(5,392,282)
Charges for the year	(2,313,311)	(786,676)	(3,099,987)
Disposals	6,867	379,946	386,813
Disposals of subsidiaries	1,178,175	75,740	1,253,915
Reclassification (*)	2,939,072	199,742	3,138,814
Ending balance	(755,647)	(2,957,080)	(3,712,727)
Net carrying amount			
Beginning balance	173,856,437	6,269,696	180,126,133
Ending balance	88,065,655	2,706,506	90,772,161
<i>In which:</i>			
<i>Pledged/mortgaged as loan security (Notes 20 and 27)</i>	88,065,655	-	88,065,655

FIGURE 44. Intangible fixed assets-HAGL (HAGL 2013, 131)

For relevant expenses, they are treated the same as the treatment for tangible assets. It is worth noting that goodwill is not classified as intangible assets; instead, such asset is treated separately.

200	B. NON-CURRENT ASSETS		20,072,633,900	16,975,423,677
210	I. Long-term receivable		3,636,154,213	–
218	1. Other long-term receivable	11	3,636,154,213	–
220	II. Fixed assets		14,146,471,120	13,051,403,085
221	1. Tangible fixed assets	12	3,623,079,264	2,907,046,483
222	Cost		4,074,652,762	3,331,218,473
223	Accumulated depreciation		(451,573,498)	(424,171,990)
224	2. Finance leases	13	–	13,652,261
225	Cost		–	21,273,991
226	Accumulated depreciation		–	(7,621,730)
227	3. Intangible fixed assets	14	90,772,161	180,126,133
228	Cost		94,484,888	185,518,415
229	Accumulated amortisation		(3,712,727)	(5,392,282)
230	4. Construction in progress	15	10,432,619,695	9,950,578,208
240	III. Investment properties		14,751,160	–
241	1. Cost		15,001,180	–
242	2. Accumulated depreciation		(250,020)	–
250	IV. Long-term investments		814,896,380	3,054,499,013
252	1. Investments in associates	17.2	203,448,669	211,930,887
258	2. Other long-term investments	18	611,447,711	2,842,568,126
260	V. Other long-term assets		1,199,599,753	581,286,912
261	1. Long-term prepaid expenses	19	1,048,001,738	371,294,803
262	2. Deferred tax assets	35.2	142,838,950	200,119,804
268	3. Other long-term assets		8,759,065	9,872,305
269	VI. Goodwill		260,761,274	288,234,667
270	TOTAL ASSETS		29,813,179,167	31,284,827,419

FIGURE 45. Goodwill-HAGL (HAGL 2013, 108)

In addition, the measurement of goodwill is based on its historical costs and accumulated amortisations (HAGL 2013, 119).

In regard to leases, definitions of operating and finance leases of both the Groups are identical to explanations in the theoretical part. Subsequently, the treatment for such leases are presented. For YIT Group, as a lessee, the main finance lease agreements are of cars, machinery and equipment. Such finance lease assets are recorded to the balance sheet. Regarding finance lease liabilities, they are accounted for as borrowings (Figure 46).

26. Borrowings

EUR mill.	2013 Carrying value	2013 Fair value	2012 Carrying value	2012 Fair value
Non-current liabilities				
Bonds	210.5	218.9	320.9	330.3
Loans from financial institutions	20.0	21.0	88.4	93.9
Pension loans	73.6	72.8	104.6	99.1
Other loans	0.6	0.6	2.6	2.9
Finance lease liabilities	0.3	0.3	0.5	0.5
Non-current liabilities, total	305.1	313.6	517.1	526.7

FIGURE 46. Finance lease liabilities-YIT (YIT 2013, 63)

In addition, finance expenses of such agreements are recorded to the income statement (Figure 47).

EUR mill.	2013	Restated 2012
Future finance charges	0.1	0.0
Finance expenses charged to income statement	0.1	0.0

FIGURE 47. Finance expenses-YIT (YIT 2013, 63)

Concerning operating leases, during 2013, 24.4 million euros of rental expenses are charged to the income statement (YIT 2013, 73). Note that accounting for lessors is not indicated by the Group. For HAGL Group, treatment for leases are similar to YIT Group. Specifically, leased assets are represented in the balance sheet (Figure 48).

220 II. Fixed assets			14,146,471,120	13,051,403,085
221	1. Tangible fixed assets	12	3,623,079,264	2,907,046,483
222	Cost		4,074,652,762	3,331,218,473
223	Accumulated depreciation		(451,573,498)	(424,171,990)
224	2. Finance leases	13	–	13,652,261
225	Cost		–	21,273,991
226	Accumulated depreciation		–	(7,621,730)
227	3. Intangible fixed assets	14	90,772,161	180,126,133
228	Cost		94,484,888	185,518,415
229	Accumulated amortisation		(3,712,727)	(5,392,282)
230	4. Construction in progress	15	10,432,619,695	9,950,578,208

FIGURE 48. Finance lease assets-HAGL (HAGL 2013, 108)

Additionally, finance lease liabilities are included in long-term loans and debts in the balance sheet (Figure 49).

27. LONG-TERM LOANS AND DEBTS

	VND'000	
	31 December 2013	31 December 2012
Long-term bank loans (Note 27.1)	4,538,856,810	4,918,082,340
Domestic straight bonds (Note 27.2)	4,146,073,000	3,930,000,000
Bonds with warrants to bond holders of Rubber (Note 27.3)	2,000,000,000	2,000,000,000
Exchangeable bonds (Note 27.4)	1,130,000,000	1,130,000,000
Convertible bonds (Note 20.2)	–	1,100,000,000
International straight bonds (Note 28.1)	–	1,520,711,335
Finance lease	–	10,351,691
Other loans	48,664,217	40,925,437
TOTAL	11,863,594,027	14,650,070,803
<i>In which:</i>		
Current portion of bank loans and bonds (Note 20)	734,919,642	1,378,555,070
Non-current portion	11,128,674,385	13,271,515,733

FIGURE 49. Finance lease liabilities-HAGL (HAGL 2013, 143)

Rental expenses of operating leases are represented in the income statement (HAGL 2013, 118).

Consolidated financial statements are of final concern. The parent company, named as YIT Corporation, is included in the consolidation since it has involved in trading bonds during 2013 (Figure 50).

LIABILITIES		
Non-current liabilities	15	
Bonds	210.9	321.4
Loans from credit institutions	20.0	88.5
Pension loans	73.8	94.8
Non-current liabilities to group companies		10.0
	304.6	514.7

FIGURE 50. Bonds-YIT (YIT 2013, 79)

As a result, the consolidated financial statements consist of the statements of the parent company and subsidiaries. According to YIT Group, subsidiaries are the entities that the parent company holds more than 50% of voting rights or the Group keeps the controlling interest. The term of controlling interest is defined as the right to order entities' operations to gain benefits. Based on the explanation, the parent's subsidiaries are presented as follows (Figure 51).

Company name	Domicile	Holding, %
Shares in subsidiaries, owned by the parent company		
YIT Construction Ltd	Helsinki	100.00
YIT Kalusto Oy	Urjala	100.00
YIT Information Services Oy	Helsinki	100.00
YIT IT East Oy	Helsinki	100.00
LLC YIT Information Systems	St. Petersburg	100.00
Perusyhtymä Oy	Helsinki	100.00

FIGURE 51. Subsidiaries-YIT (YIT 2013, 74)

About HAGL Group, the parent company is not a wholly-owned or partially-owned subsidiary of any entity; therefore, the consolidated financial statements include the statements of the parent as well as the subsidiaries. As stated by the Group, subsidiaries are enterprises over which the Group could hold the control. Hoang Anh Construction and Housing Development Joint Stock Company (98.18% holding), Hoang Anh Gia Lai Rubber Joint Stock Company (92.13%

holding) and Gia Lai Mineral Joint Stock Company (99.77% holding) are amongst of the Group's subsidiaries (Appendix 23).

In short, based on the above comparisons, the following table will show main differences between IAS/IFRS and VAS in terms of presentation of financial statements, inventories, tangible assets, intangible assets, business combinations, leases and consolidated financial statements.

TABLE 5. Main differences between IAS/IFRS and VAS

IAS/IFRS	VAS	Main Differences
IAS 1 – Presentation of financial statements	VAS 21 – Presentation of financial statements	<p>There is no disclosure requirement concerning key judgements, assumptions about the future and other sources of potential risks within VAS 21.</p> <p>Regarding the notes to financial statements, VAS 21 requires a statement of changes in equity. Meanwhile, this statement is presented as one of the financial statements under IAS 1.</p>
IAS 2 – Inventories	VAS 2 – Inventories	<p>Concerning the valuation methods, weighted average method and FIFO are applied in both systems. However, standard cost is not accepted under VAS 2. In addition, LIFO is not permitted under IAS 2.</p>
IAS 16 – PP&E	VAS 3 – Tangible fixed assets	<p>Under VAS 3, tangible fixed assets are measured based on their historical costs, some incurred costs such as replacement, renovation and depreciation. Fair value measurement or impairment tests are not accepted. Meanwhile, under IAS 16, PP&E are carried at costs, accumulated depreciation and impairment charges. In addition, fair value measurement and impairment tests are always required to evaluate assets' values.</p>

(To be continued)

IAS/IFRS	VAS	Main Differences
IAS 38 – Intangible assets	VAS 4 – Intangible fixed assets	<p>Under VAS 4, intangible assets are measured based on their historical costs, some incurred costs and accumulated amortisations. No fair value measurement or impairment tests are applied, as compared to IAS 38.</p> <p>Under IAS 38, goodwill is considered as intangible assets acquired from business combinations. However, goodwill is not identified as intangible assets under VAS 4.</p>
IFRS 3 – Business combinations	VAS 11 – Business combination	<p>Under IFRS 3, goodwill is not allowed to amortise meanwhile such asset is amortised over its expected useful life under VAS 11.</p> <p>Under IFRS 3, impairment tests are required regarding goodwill. In contrast, such tests are not mentioned under VAS 11.</p>
IAS 17 – Leases	VAS 6 – Leases	<p>Both the standards are significantly similar; however, under VAS 6, there is no guidance for manufacturer and dealer lessors to report their revenue. In other words, sale – type leases are not mentioned.</p>
IFRS 10 – Consolidated financial statements	VAS 25 – Consolidated financial statements and accounting for investments in subsidiaries	<p>Under VAS 25, parents are excluded from consolidation in case of wholly – owned or virtually wholly – owned subsidiaries. Meanwhile, more criteria are required to meet the exception under IFRS 10.</p>

4.1.2.6 Comparison between IAS/IFRS and VAS regarding qualitative characteristics

This sub-part compares IAS/IFRS and VAS based on six qualitative characteristics. Regarding relevance, as can be seen from the comparisons between five Finnish entities and five Vietnamese entities from sub-part 4.1.2.1 to

sub-part 4.1.2.5, all of the Finnish companies, following IAS/IFRS, represent relevant information throughout their financial statements. Specifically, the future assumptions concerning estimates are clearly expressed via various sensitivity analyses such as goodwill. These expressions create predictive value for the financial statements, which could significantly support users to make their decisions. In addition to predictive value, the Finnish firms' financial statements show confirmatory value in which previous assumptions/estimates are compared to the real figures. In particular, Kesko Group emphasises that change in estimates of economic benefits of PP&E are displayed in case that such estimates are different in comparison with previous accounting periods (Kesko 2013, 36). Also, NSN group records gains from change in financial assumptions in regard to pensions (NSN 2013, 70). Meanwhile, as mentioned in Table 5, VAS does not require disclosing assumptions about the future; and the five Vietnamese firms selected for comparison show no such assumptions. Apparently, the predictive value is not attained. A similar pattern happens to the confirmatory value because of no changes in estimates presented throughout all the five Vietnamese entities' financial statements. As a result, these entities do not achieve relevance regarding their financial statements' performance. Also, note that this qualitative characteristic is beyond the Vietnam's six characteristics mentioned in sub-part 3.3.

Another characteristic is faithful presentation. As presented in sub-part 2.3, completeness, free from errors and neutrality are the three main factors to determine whether financial statements are faithful. For the five Finnish entities, all essential information is reported in their financial statements. Also, most accounting treatments applied are clearly explained. In addition, there is no significant mistake or bias recognised. Such financial statements undoubtedly achieve faithfulness. Regarding the five Vietnamese companies, although fair value is shortly defined under VAS 11-Business combinations and used in their financial statements, there is no guidance on the way of measuring fair value, as compared to the IFRS 13-Fair value measurement. Therefore, completeness is not attained. Notwithstanding no error or bias identified, in terms of completeness, the Vietnamese firms do not achieve faithful presentation. Note that such a

characteristic of IAS/IFRS is fairly similar to combination of the fullness and the honesty of VAS.

About comparability, both Finnish and Vietnamese entities show financial statements of 2013 and 2012 in order for users to compare and identify differences as well as similarities between the two accounting periods. Consistency is of an important concern regarding comparability. Specifically, the Finnish companies use the same accounting principles under IAS/IFRS to perform similar transactions throughout the accounting periods. All amendments from IAS/IFRS are apparently expressed within the financial reports. Therefore, their reports are comparable and consistent between the different periods. In addition, users could use these reports to compare with other companies that are operating in respective fields and following IAS/IFRS without significant differences. Clearly, IAS/IFRS has been adopted in a vast number of nations in the world meanwhile VAS is just available in Vietnam. Hence, Finnish financial statements are more comparable than Vietnamese ones. Note that comparability and consistency of the financial statements between accounting periods are still ensured with regard to Vietnamese entities since they all adopt VAS.

Respecting verifiability, in terms of the Finnish companies, no error or bias is recognised by independent auditing firms and public accountants. Particularly, NSN Group is audited by PricewaterhouseCoopers (PwC), one of the big four largest auditing/accounting entities in the world. Kesko Group (Kesko 2013, 143) and YIT Group (YIT 2013, 89) are audited by PwC and authorised public accountants. Regarding Raisio Group (Raisio 2013, 59) and Rautaruukki (Rautaruukki 2013, 110), both of them only use authorised public accountants for auditing purposes. Analogous to the Vietnamese entities, there is no error or bias identified by independent auditing services, such as KPMG Limited Vietnam (Hoa Phat 2013, 63 and Masan 2013, 51), Deloitte Vietnam Company Limited (FPT 2013, 3) and Ernst & Young Vietnam Limited (HAGL 2013, 103 and Kinh Do 2013, 68). These three auditing service companies also belong to the Big Four; leading to the fact that auditing results are reliable. Clearly, all of the research companies achieve verifiability.

With regard to timeliness, there is a tight relationship between such a characteristic and relevance since financial information presented punctually is assessed as more relevant to users' decision-making process. As evaluated above, all the Finnish companies' financial statements achieve relevance. In addition, such statements are not only distributed to external parties annually but also quarterly in order for users to obtain up-to-date information. More specifically, Kesko has issued its interim report every four months and every year (Kesko 2014). Similar patterns happen to Rautaruukki Group (Rautaruukki 2014), NSN Group (NSN 2014), Raisio Group (Raisio 2014) and YIT Group (YIT 2014). Furthermore, as all the research Finnish entities are listed on the stock exchange markets, they are forced to issue their financial statements based on strictly regulated time. Therefore, it can be concluded that the research Finnish firms' financial reports are available in time to the public. Regarding the five Vietnamese entities, their financial statements are also issued annually and even quarterly, such as Kinh Do Corporation (Kinh Do 2014), FPT Group (2014), Masan Group (2014) and HAGL Group (2014). Note that Hoa Phat Group has not issued quarterly financial reports on its official site. Also, since all these Vietnamese entities are listed on VNIndex 30, their statements are obligated to release at the time regulated by the stock exchange commissions. However, as explained above, relevance is not achieved; therefore, overall, neither is the characteristic of timeliness.

Understandability is the last qualitative characteristic. As analysed above, the Finnish companies' financial statements achieve relevance; faithfulness (including completeness, free from errors and neutrality) and comparability. Such achievements could support users to understand the statements in an easier and more logical way. In addition, all the reports are conducted in English with clear and concise words. Apparently, the Finnish reporting entities are successful to represent understandable financial statements to their potential users. Meanwhile, regarding the Vietnamese entities' financial statements, as explained earlier, some reporting information is not relevant. Moreover, there is a lack of complete information, such as the way to measure fair value. Consequently, faithfulness is not achieved. It is apparent that users are not easy to comprehend due to irrelevant

as well as incomplete information. As a result, understandability of such Vietnamese financial statements is not highly evaluated.

4.2 Survey of professionals' perspectives in Vietnam towards IAS/IFRS adoption

4.2.1 Questionnaire design for Vietnamese's viewpoints regarding IAS/IFRS adoption

Questionnaire design is of a paramount step since a poor design could lead to incomplete data and even research's failure. According to Black (1999, 2), the more structured the questionnaire design is, the more valid produced results used to support the research's outcomes. Based on Naval's skeleton outline, steps of questionnaire design will be represented in the following figure.

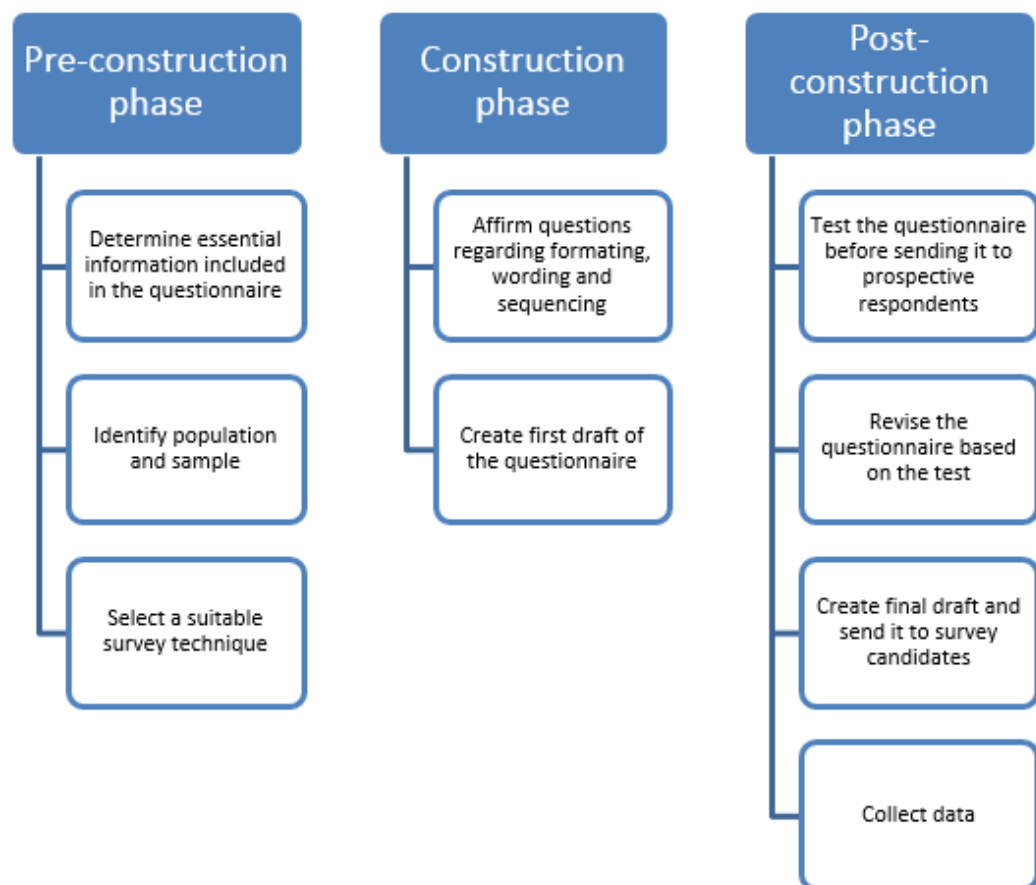


FIGURE 52. Questionnaire design process (Naval 2011, 72)

Regarding pre-construction phase, it is essential to determine necessary information for the questionnaire so as to address research objectives. As clearly stated above, the main purpose of conducting the questionnaire is to find out Vietnamese professionals' perspectives towards IAS/IFRS adoption. Therefore, the survey questions revolve around following issues: Vietnamese's awareness of VAS, IAS/IFRS as well as relationships between such awareness and education levels/working industries/job roles, their opinions in terms of advantages, disadvantages and challenges of IAS/IFRS adoption and their estimation of adoption time. As the next step, identifying survey sample was carefully undertaken. Since the accounting/financial reporting standards are not common issues, the research sample aims at three main groups, including accountants/auditors, academics and investors, who are interested in such standards the most. The final step of the pre-construction phase was to choose an appropriate technique, which was the CAWI. More specifically, the survey was created in accordance with online Google forms; then spread out to target groups via sending emails to them. This method could support the author to collect a large number of respondents in order to obtain a general view with regard to Vietnamese's viewpoints of IAS/IFRS adoption.

Concerning construction phase, research questions are formulated in regard to format, words and sequence. According to Naval (2011, 73), there are two types of question formats used in questionnaires, including unstructured and structured questions. Unstructured questions give respondents the opportunity to express their opinions openly; in other words, possible answers are not suggested in advance. On the other hand, regarding structured questions, possible choices are provided to the respondents in the form of either multiple choices or scales (Naval 2011, 74). For the sake of the respondents' convenience, most of the survey questions were formed in the format of multiple choices and scales. However, in order to gain more specific opinions of advantages, disadvantages and challenges in case of IAS/IFRS adoption, some free-to-answer questions were given in the questionnaire (Appendix 25).

Although English has been increasingly popular in Vietnam, the questionnaire's target participants are Vietnamese. Therefore, both Vietnamese and English versions were delivered to research candidates' emails (Appendix 24&25). In

addition, choices of words were conducted in the easiest and shortest way in order for respondents not to misunderstand when they participate in the questionnaire. About the sequence, the survey is started with demographic profile's questions, including ages, education levels, professional memberships, working industries, job roles, work experience, organisation sizes as well as time period of studying related-accounting courses (Appendix 25). Subsequently, such demographic data are used to classify respondents into different segments for analysing. Following are questions which directly solve the main research objective mentioned earlier. Based on the choices of question formats, question wording and question sequencing, the first draft of the questionnaire was created.

Respecting post-construction phase, the first version of the questionnaire was tested so as to be certain that there was no mistake in the survey. In fact, several wording mistakes were discovered and subsequently corrected. Finally, the final draft was formed and sent to the target respondents. As Danang Securities Company is the author's commissioner, they agreed to give the author the permission to access to their database. Therefore, the questionnaire was delivered to investors via emails obtained from such a database. In addition, the authors' friends have been working in the government, Big Four (PwC, KPMG, Deloitte and Ernst & Young), banks as well as other types of companies; hence, they were asked to complete the online survey themselves and spread it out to their colleagues. Furthermore, Associate Professor Tran, Head of Accounting Department of Danang University of Economics agreed to share the survey to his colleagues as well as his students. The survey responses had been accepted from the end of July 2014 to the end of September 2014. Data were then obtained on 1st October 2014 for analysing purposes with the support of SPSS version 20.0.

In addition to the web-page questionnaire, an in-depth interview was conducted with Associate Professor Tran so as to attain his viewpoint towards IAS/IFRS adoption in the future. The email was sent on 31st July 2014 and then received on 1st August 2014. List of interview questions is shown in Appendix 26.

4.2.2 Data analysis

Data obtained from the questionnaire are managed and analysed in this sub-part. In total, there are 314 responses, including 105 Vietnamese version's responses and 209 English version's; however, 10 of them are not completed. As a result, there are only 304 responses analysed in the application of descriptive statistics, Chi-square test and multiple linear regression analysis. With regard to the Chi-square test, such a statistical test is conducted to determine whether or not there is an association between two categorical variables (Field 2009, 688). More specifically, probability value (p-value) is calculated and compared with SPSS default significance level (0.05). P-value refers to the estimated probability of a research question. There are two possible cases as follows (Vickers 2010, 63):

- P-value < 0.05: There is a relationship between two variables.
- P-value > 0.05: There is no relationship between two variables.

Concerning the multiple linear regression analysis, such a technique is applied to determine a linear relationship between one dependent variable and some independent variables, also known as predictors (Yan & Su 2009, 41). Through this technique, significant factors that influence over the dependent variable could be recognised; thereby determining their roles in predicting outcomes. The next two sub-parts will present analysis results in more details.

4.2.2.1 Demographic data

There are four age groups divided in the research sample, including no more than 25, from 26 to 35, from 36 to 45 and no less than 46. Figure 53 will represent age distribution of the questionnaire participants.

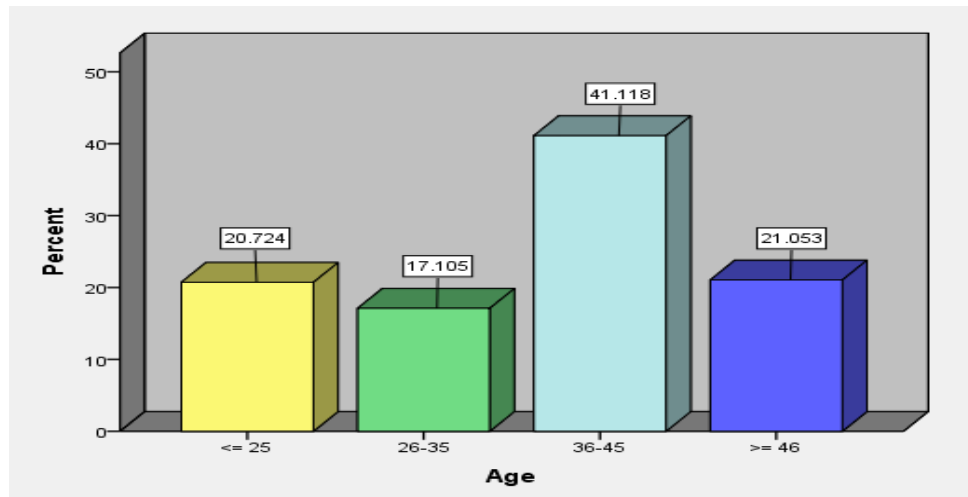


FIGURE 53. Age distribution

As can be seen from Figure 53, the largest group of respondents is aged from 36 to 45, 41.1% (n=125). This is followed by the group of no less than 46, the group of no more than 25 and the group of 26-35, 21.1% (n=64), 20.7% (n=63) and 17.1% (n=52) respectively. However, if group of 36-45 and no less than 46 are combined, these two groups gain an aggregate of 62.2% of the total respondents. It is clear that the age distribution inclines to the older group, who are more than 36 years old.

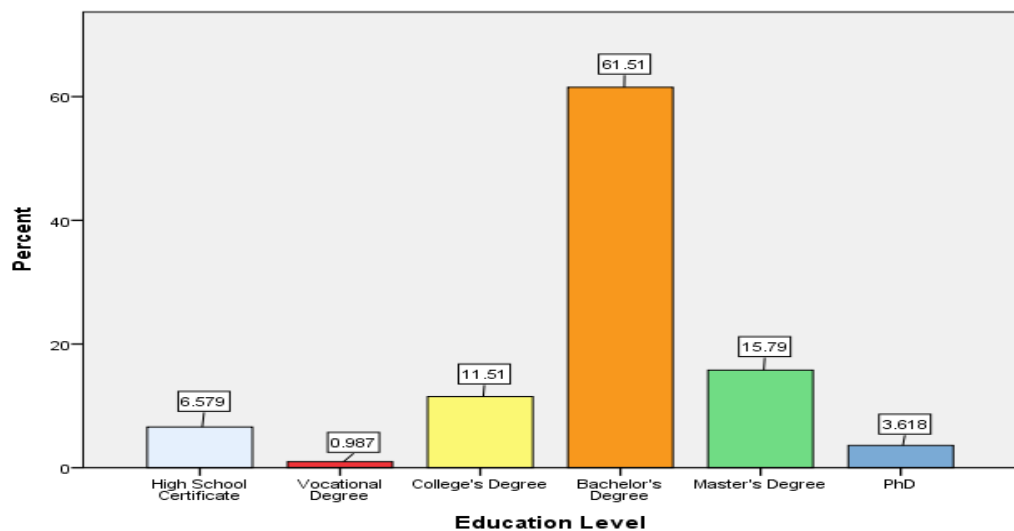


FIGURE 54. Education level

Figure 54 illustrates general education level of the survey respondents. It is significant that more than 60% (n=187) of participants hold Bachelor's Degree. In case that the number of Master's Degree and Doctor of Philosophy (PhD) are

combined with that of Bachelor's Degree, a total of 80,9% of the respondents have Bachelor's Degree or above. Only 19.1% thereof are in the lower education level, including College's Degree, Vocational Degree and High School Diploma. Apparently, the education level of the research sample is significantly high.

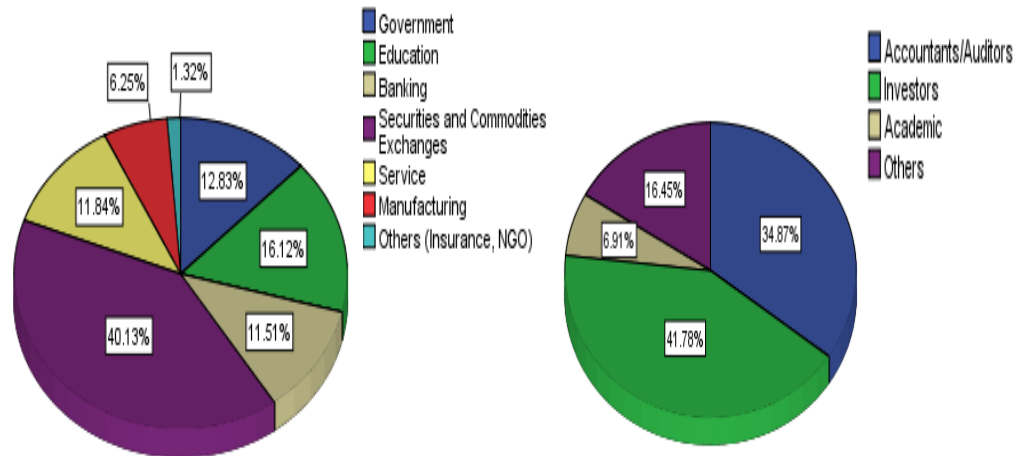


FIGURE 55. Working industry and job roles

As can be seen from Figure 55, regarding working industry, since the author's commissioner is Danang Securities Company, a large number of the respondents are working in securities and commodities exchanges, approximately 40% (n=122). Besides that, more than 16% thereof involve in education fields. Following are service industry and banking industry, 11.84% and 11.51% respectively. Manufacturing and others (insurance and non-government organisations) only add up to approximately 7.5% of the total respondents.

In respect of job roles, because the three main target groups of the questionnaire are accountants/auditors, investors and academics, the author combines accountants and auditors into one group. Additionally, although students contribute to roughly 12% of the total respondents, such a group is beyond the scope of the questionnaire. Subsequently, students are added to the group of others. For investors and academics, these groups remain the same. Figure 55 shows that nearly 42% of the participants (n=127) are investors. This figure is reasonable because of a significant number of the respondents involving in securities and commodities exchange. Following are accountants/auditors, academics and others, 34.9%, 6.9% and 16.4% respectively.

For other demographic data, including professional memberships, work experience and organisation sizes, they are summarised together with age distribution, education level, working industry and job roles in Appendix 27.

4.2.2.2 Awareness of VAS, IAS/IFRS and the intention to adopt IAS/IFRS in the future

In regard to VAS, there are 285 respondents being aware of VAS, accounting for nearly 94% of the total sample (Appendix 28).

TABLE 6. Cross tabulation of VAS and job roles

		Role				Total
		Accountants/ Auditors	Investors	Academic	Others	
VAS	Yes	106	118	21	40	285
	No	0	9	0	10	19
Total		106	127	21	50	304

As shown in Table 6, amongst 19 respondents who do not know about VAS, there are no accountants/auditors as well as academics counted. It is reasonable since accountants/auditors usually use VAS as their tools to perform their work. In addition, academics asked for the survey are people who have taught and researched at Universities of Economics in Vietnam; therefore, it is clear that all of them are aware of VAS. In terms of investors, 9 out of 118 people do not know about VAS. Apparently, not all of investors examine financial reports so as to make investment decisions; instead, they could invest through third parties. Hence, it is acceptable that there are a small number of investors who have no knowledge of VAS.

Amongst 285 VAS-aware respondents, there are 228 of them being aware of IAS/IFRS, making up nearly 80% of the total VAS-knowing respondents and about 75% of the total sample (Appendix 29).

TABLE 7. Cross tabulation of IAS/IFRS and job roles

		Role				Total
		Accountants/Auditors	Investors	Academic	Others	
IAS	Count	90	94	20	23	227
	Yes % within IAS	39.6%	41.4%	8.8%	10.1%	100.0%
	Count	16	24	1	17	58
	No % within IAS	27.6%	41.4%	1.7%	29.3%	100.0%
Total	Count	106	118	21	40	285
	% within IAS	37.2%	41.4%	7.4%	14.0%	100.0%

It can be seen from Table 7 that there are a high proportion of respondents who are accountants/auditors, investors and especially academics being aware of IAS/IFRS. Meanwhile, regarding others including students, officers and executives, a considerably lower rate is revealed.

TABLE 8. Chi-square Test of IAS/IFRS and job roles

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.062 ^a	3	.001
Likelihood Ratio	16.235	3	.001
Linear-by-Linear Association	6.954	1	.008
N of Valid Cases	285		

a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 4.27.

As shown in Table 8, p-value achieved from Chi-square test is $0.001 < 0.05$; therefore, there is an association between the job roles and the awareness of IAS/IFRS. In other words, the survey participants appear to know about IAS/IFRS in case that their jobs relate to such an issue.

Currently, Vietnamese government plans to adopt IAS/IFRS in the future. The question is how many survey participants notice such an intention. Table 9 will show the result shortly.

TABLE 9. Awareness of Vietnam's intention to adopt IAS/IFRS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	66	21.7	28.9	28.9
	Yes	162	53.3	71.1	100.0
	Total	228	75.0	100.0	
Missing		76	25.0		
Total		304	100.0		

In the range of 228 respondents who are aware of both VAS and IAS/IFRS, 162 of them know that Vietnam has a proposal to adopt IAS/IFRS in the future, accounting for 71.1% of the valid sample and 53.3% of the total sample. Overall, IAS/IFRS adoption seems to catch an attention of people who involve in finance, economics and investment fields.

In order to determine the relationship between the awareness of IAS/IFRS and the intention of IAS/IFRS adoption, multiple linear regression is applied to be analysed. Note that the author combines two multiple linear regressions into Table 10. More details are represented in Appendix 30&31.

TABLE 10. Multiple linear regression

	Awareness of the IAS/IFRS		Awareness of the intention of the IAS/IFRS adoption	
	Sig.	Standardised coefficients-Beta	Sig.	Standardised coefficients-Beta
Education level	0.000	0.239	0.003	0.195
Working industry	0.013	-0.143	0.014	-0.159
Job role	0.043	-0.120	0.015	-0.162

As observed from Table 10, in respect of the awareness of IAS/IFRS, all the three predictors, including education level, working industry and job role are significant in predicting such awareness because their p-values are below 0.05 (0.000; 0.013

and 0.043 respectively). Most importantly, the education level records the highest absolute value of Beta (0.239); thereby being the most influential factor regarding the awareness of IAS/IFRS. Concerning working industry and job role, these two predictors' Beta's absolute values are 0.143 and 0.120. Similar to the above analysis, all the three predictors hold a significant contribution for the awareness of the intention of IAS/IFRS adoption since their p-values are all below 0.05 (0.003; 0.014 and 0.015 respectively). Following an analogous pattern, education level is of the most dominant factor in predicting the cognizant of the adoption intention as its Beta's absolute value is the highest figure, which is 0.195. Besides that, the education level's Beta values are positive in both cases (0.239 and 0.195 respectively), which means that higher education level could lead to higher consciousness of IAS/IFRS and the adoption intention. Clearly, the education level, the working industry and the job role could influence over concerning awareness. Therefore, policy-makers could use this information to focus on the most relevant factors so as to improve such awareness, especially the education field.

4.2.2.3 Advantages, disadvantages and challenges of IAS/IFRS adoption

The respondents' opinions are collected by rating the extent to which they agree or disagree with, ranging from strongly disagree (1) to strongly agree (5). The function of compare means is utilised to obtain and evaluate the three main groups' perspectives. Table 11 will show more details regarding the advantages.

TABLE 11. Advantages of IAS/IFRS adoption (Appendix 32)

	Mean		
	Accountants/Auditors	Investors	Academics
More reliability	4.33	4.18	4.05
More comparability	4.56	4.60	4.35
More transparency	4.47	4.21	4.15
Higher quality	4.14	4.14	4.25
More investor confidence	4.14	4.26	4.05
Higher chance to access to global market	4.21	4.23	4.25

As can be seen from Table 11, all the three target groups agree with suggested advantages of IAS/IFRS adoption, specifically more than 4 out of 5 regarding the 1-5 rating scale. In particular, financial reports prepared under IAS/IFRS are expected to give more reliable information. Moreover, the widespread adoption of IAS/IFRS undeniably results in financial statements of Vietnamese entities tending to be more comparable to those of foreign firms in case of the adoption. Therefore, investors are more convenient to make investment decisions based on the unique set of financial reporting standards, especially foreign investors. That is the reason why the investors group strongly agrees with this advantage, 4.6 out of 5. Furthermore, it is obvious that more transparency is added to the reports transferring from VAS to IAS/IFRS since there are only 26 Vietnamese accounting standards meanwhile IAS/IFRS covers 69 standards. With the large range of the standards under IAS/IFRS, specific guidance is given to preparers; thereby leading to clearer reports. Clearly, more reliability, more comparability and more transparency regarding the financial reports could lead to higher quality of financial reports and more investor confidence. Consequently, access to global market could be easier. Apart from the suggested advantages, some respondents indicate several other advantages such as higher level of understandability and attraction of foreign investments.

TABLE 12. Disadvantages of IAS/IFRS adoption (Appendix 33)

	Mean		
	Accountants/Auditors	Investors	Academics
More complicated	4.27	4.13	4.20
Time-consuming	4.23	4.04	4.40
Highly cost	4.03	3.86	4.30
Hard to fully converge because of political issues	4.24	4.24	4.15

From Table 12, it can be concluded that a majority of respondents of the three groups agree with proposed disadvantages although such an agreement level is lower in comparison with the advantages. In regard to complicatedness, it is transparent that a set of 69 standards is significantly more complex than that of 26

standards. In case of IAS/IFRS adoption, those who directly prepare financial reports will be initially influenced. As shown in the table, accountants/auditors agree with such a disadvantage the most, 4.27 out of 5. The group of academics also records a high agreement rate of complexity (4.20 out of 5). It could be due to the intricate process of transferring VAS courses into IAS/IFRS courses regarding universities' curricula. Another disadvantage is time consumption, which is highly recognised by all the three groups, especially academics (4.40 out of 5).

Concerning high costs, although investors show a slight agreement of such a disadvantage, the general agreement level is still satisfied. Finally, political issues are also amongst of the concerns because of the only-one-Party political system in Vietnam.

TABLE 13. Challenges of IAS/IFRS adoption (Appendix 34)

	Mean		
	Accountants/Auditors	Investors	Academics
Accounting process upgrade	4.41	4.10	4.35
Auditing process upgrade	4.38	4.17	4.35
IT upgrade	3.92	4.11	4.00
Insufficient accounting specialists	4.08	4.23	3.90
Staff training	4.27	4.44	4.10
Limited coverage in universities	3.87	4.00	4.20

As illustrated in Table 13, most recommended challenges are agreed by the three target groups. Note that accounting/auditing process upgrades are of significant challenges regarding perspectives of accountants/auditors and academics. Clearly, accountants and auditors are responsible for financial reports' issuance.

Respecting academics, their duty is to transfer all accounting/auditing issues to their students. Therefore, both these groups agreeing with such a challenge the most are understandable. In addition, staff training is also raised amongst the suggested challenges, especially regarding investors (4.44 out of 5).

Accountants/auditors are familiar with VAS which is much simpler than

IAS/IFRS; therefore it is possible that a large amount of efforts are needed for training process. Also, other staffs such as financial analysts are required to update the new accounting standards system in case of IAS/IFRS adoption. Furthermore, upgrade of information system, insufficiency of accounting specialists and limitations of IAS/IFRS courses in universities are concerning challenges.

The next survey question is whether or not advantages outweigh disadvantages in case of IAS/IFRS adoption.

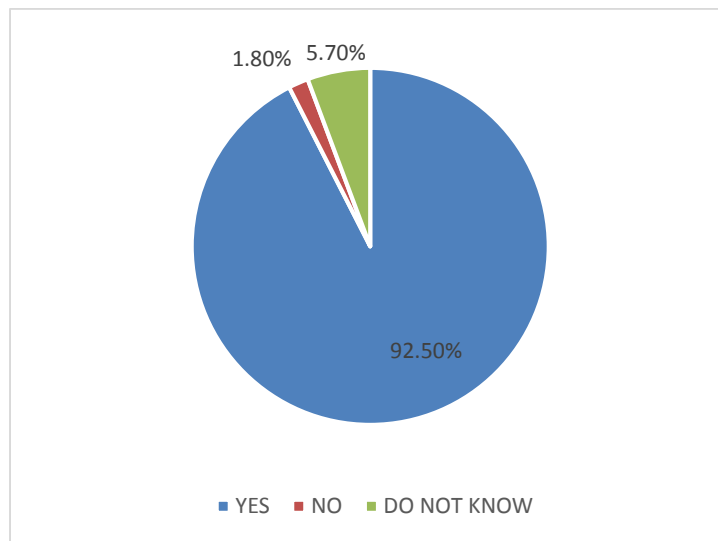


FIGURE 56. Advantages outweigh disadvantages

As can be seen from Figure 56, regarding 228 respondents who are aware of both VAS and IAS/IFRS, there are 211 people, making up 92.5%, stating that the advantages will exceed the disadvantages if Vietnam decides to adopt IAS/IFRS. Only 1.8% of them do not think that the adoption could bring more advantages in comparison with disadvantages. The rest (5.7%) have no idea about this issue.

So should Vietnam adopt IAS/IFRS in the future? The following figure shows the survey result regarding this big question.

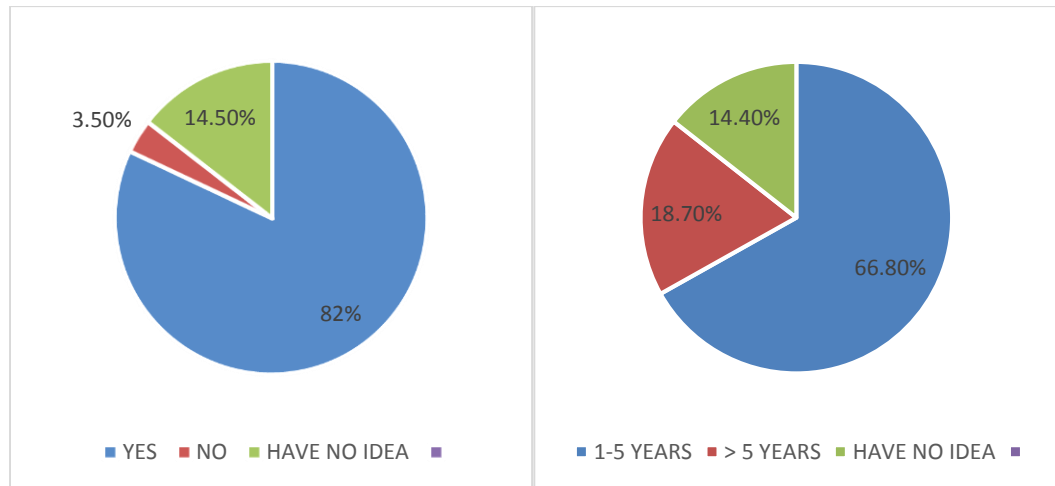


FIGURE 57. Adoption related issues

Amongst the VAS and IAS/IFRS-knowing respondents, 82% of them support IAS/IFRS adoption. In addition, nearly 67% of supporting people indicate that Vietnam should take an action during the next 5 years. Meanwhile, 35% thereof agree with another suggested option, which is more than 5 years. The rest (27%) have no idea regarding the adoption time.

In addition to data collected from the questionnaire, as mentioned earlier, the author conducts an in-depth interview with Associate Professor Tran (Appendix 26). Tran emphasises two main advantages that IAS/IFRS could contribute to the Vietnamese accounting system. Firstly, this single set of global accounting standards could improve the accounting quality in terms of relevance and reliability of financial statements. Another advantage is to build up a new accounting philosophy in accounting field. In addition, the interviewee expects that the accounting service will become a competitive service because of globalisation in the future. With regard to disadvantages made from the adoption, there are two main points indicated. Lack of human resource is of a significant concern since Vietnamese accountants/auditors are familiar with VAS, Vietnamese accounting regime as well as relevant regulations. As a result, the adoption could cost Vietnam a great deal of time and money. Besides that, there exist no clearly defined conditions for fair value in Vietnam. These two disadvantages are predicted to significantly influence over Vietnamese entities in case of the adoption. About challenges, the active market for fair value is of the first concern. Due to insufficient accounting specialists as well as out-of-date

accounting system, the interviewee specifies the quality of accounting and auditing service as another key challenge. The last main challenge mentioned is professional ethics, including integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In fact, there are no accounting ethics prescribed in Vietnam under VAS, leading to various challenges for Vietnamese entities in general and Vietnamese accountants/auditors in particular in case of adopting IAS/IFRS along with the code of ethics. After pinpointing the advantages, disadvantages as well as challenges, according to Tran, the advantages might overshadow the disadvantages, especially large and listed companies. More specifically, large companies that are looking for international funds will save costs. In addition, there are more opportunities for listed firms attracting indirect foreign investments.

In case of IAS/IFRS adoption, the interviewee notifies that it is paramount for accountants/auditors trained and refreshed their accounting philosophy. Regarding education, whether or not IAS/IFRS related courses are included in the curriculum depends on each university's objectives. At the interviewee's university, IAS/IFRS is listed as an optional course. Finally, Associate Professor Tran suggests a roadmap for Vietnam to adopt IAS/IFRS. Particularly, Vietnam should firstly partially adopt IAS/IFRS. Simultaneously, it is essential to revise in line with these global accounting standards. For consolidated financial statements, Vietnam should consider features of financial instruments so as to set appropriate standards. In addition, agricultural activities should be included in the future.

4.3 Conclusions and recommendations

This sub-chapter summarises and discusses the empirical findings in answering the research questions. It then comes up with a set of recommendations for further study based on the research outcomes.

4.3.1 Conclusions

The first question was to explore the main differences between IAS/IFRS and VAS in terms of accounting standards and qualitative characteristics. In fact, because of a large number of accounting/financial reporting standards regulated in

IAS/IFRS, there were only seven typical standards selected and compared between the five Finnish entities' and the five Vietnamese entities' annual reports/financial statements, including presentation of financial statements; inventories; PP&E; intangible assets; business combinations; leases and consolidated financial statements. Regarding the presentation of financial statements, the Finnish entities disclose future-related assumptions meanwhile the Vietnamese firms does not refer to such a disclosure. In addition, the statement of changes in equity is listed as one of the main financial statements; on the other hand, such a statement is presented in one of the notes. Concerning inventories, weighted average method and FIFO are all used throughout the financial statements; however, LIFO is not permitted in the Finnish firms' reports and a similar pattern happens to standard cost in the Vietnamese firms'. Note that as regulated under IAS 2, apart from the mentioned methods, specific identification and retail method are also of acceptable valuation methods. Meanwhile, under VAS 2, specific identification is permitted; nonetheless, the latter is not. Although these two methods were not discovered via the empirical part, they should be taken into consideration.

In respect of PP&E and intangible assets, both of these two types of assets are calculated at costs, accumulated depreciation/amortisations and impairment charges at Finnish companies; however, such assets are only recorded at historical costs and depreciation/amortisations; and no fair value measurement or impairment tests are conducted at Vietnamese firms. It is significant that goodwill is recognised as intangible assets in Finland meanwhile such recognition does not occur in Vietnam. About business combinations, there are two main key differences identified. Specifically, goodwill's amortisation is not allowed under IFRS 3; nonetheless, such a process is conducted under VAS 11. Besides that, similar to the assets, impairment tests of goodwill are usually required in Finland meanwhile such tests are not undertaken in Vietnam. Note that fair value is applied regarding measuring goodwill; however, the way of measurement is not regulated throughout VAS.

With regard to leases, Finnish and Vietnamese companies show a significantly similar presentation of operating as well as finance leases, except one difference which is the fact that sale-type leases and the way to account for such leases are

not mentioned in the Vietnamese entities' financial statements. Finally, respecting consolidated financial statements, Vietnamese firms exclude parents from consolidation with only one condition. Particularly, such parents are wholly-owned or partially-owned subsidiaries. Meanwhile, Finnish firms require more conditions for such an exemption.

About qualitative characteristics, all the five Finnish companies that follow IAS/IFRS achieve both the fundamental characteristics, including relevance and faithful presentation and the enhancing features, consisting of comparability, verifiability, timeliness and understandability. On the other hand, the five Vietnamese entities that follow VAS seem not to present moderately relevant information because of the lack of future assumptions as well as the presentation of changes in estimates. Regarding faithful presentation, completeness is one of the three factors determining faithfulness of the financial reports; however, due to the absence of the way to measure goodwill's fair value, completeness is not attained under the Vietnamese entities' financial statements; leading to the failure of gaining faithfulness. About comparability, the Vietnamese firms' financial reports are less comparable than the Finnish firms' because of the large adoption of IAS/IFRS in the world. It is worth nothing that verifiability is the only characteristic that fulfils the requirements under IAS/IFRS; however, the high level of bribery and corruption in Vietnam has raised the question of whether or not the verifying process is reliable although such processes are conducted by the Big Four. Respecting timeliness, the Vietnamese firms issue both quarter and annual financial statements (except Hoa Phat Group); nonetheless, timeliness is evaluated based on the tight relationship with relevance; and relevance is not achieved regarding the Vietnamese firms. As a consequence, timeliness follows the same pattern as relevance. Finally, understandability is not highly recognised because of irrelevant as well as incomplete information.

The second question was to discover advantages, disadvantages and challenges of IAS/IFRS adoption. Clearly, there are various advantages if Vietnam adopts IAS/IFRS. First of all, more reliability is of an obvious advantage since IAS/IFRS is a set of accounting/financial reporting standards accepted by a large number of countries in the world. In addition, falsification of records can be avoided because IAS/IFRS has been established based on fundamental principles. This advantage

is also recognised by the questionnaire participants and previous studies. Another advantage is a higher level of comparability. It is apparent that Vietnamese companies' financial reports tend to be more comparable to international firms' in case that Vietnam adopts the globally accepted accounting standards.

Furthermore, under IAS/IFRS, there are more accounting/financial reporting standards as well as disclosures required. Such standards and disclosures are not regulated under VAS; thereby leading to another advantage which is more transparency. It is worth noting that fair value and its application are thoroughly prescribed under IAS/IFRS, which could support Vietnam to determine real economic positions of entities in case of the adoption. Overall, reliability, comparability and transparency could add up to a higher level of accounting quality, which is also emphasised by earlier studies. With these advantages, investors are greatly encouraged to make their investments; in addition, an increase in FDIs is reasonably predictable. Finally, for Vietnamese firms that desire to expand their operations in foreign markets, IAS/IFRS adoption will be definitely a great chance for them to reach such markets.

Apart from the significant advantages, there are some inevitable disadvantages. Firstly, the difference of the number of accounting/financial reporting standards between IAS/IFRS and VAS is significant (69 and 26 respectively). In addition, there are various concepts of VAS that are explained unclearly, for example fair value measurement or are not existing, e.g. impairment tests. Furthermore, IAS/IFRS is conducted in English meanwhile there are a large number of Vietnamese companies only using Vietnamese to prepare for their financial statements, especially small and medium sized enterprises (SMEs). Consequently, there is a great need for translation from English to Vietnamese in case of the adoption in order that such adoption could be gone through successfully across Vietnam. As a result, IAS/IFRS is evaluated as a more complicated application, as compared to VAS. Significantly, those who directly involve in preparing financial statements need to explicitly acknowledge IAS/IFRS and its application before applying it into practice.

Another two disadvantages are time consumption and considerable cost. As analysed earlier, there is a big gap between IAS/IFRS and VAS. Such a gap is revealed via not only standard numbers but also qualitative characteristics.

Obviously, the process of transferring from VAS to IAS/IFRS is predicted to be very gradual. Additionally, there are various costs taken into consideration if the adoption happens, including staff training, amendments of software, accounting/auditing system, external advice regarding technical and tax issues and so on. It is clear that combination of these costs could gain an enormous aggregate of money. Note that for countries whose law systems are rather ambiguous like Vietnam, the actual costs could be more than forecasted. Therefore, the adoption's financial strategy is of a paramount step that policy-makers should formulate carefully. Ultimately, political issues are of a considerable disadvantage. Vietnam has only one Party which greatly controls over the whole country in every area, including accounting. As mentioned before, all the financial information is compulsory to present to the Ministry of Finance before issuing it in the public; on the other hand, under IAS/IFRS, such information aims at the main target, which is investors rather than governments. Therefore, it is difficult for Vietnam to fully adopt IAS/IFRS in the way that is not harmful for the Party's power and rights.

Apropos of challenges, accounting process upgrade, auditing process upgrade and IT upgrade are of remarkable issues since Vietnamese accountants/auditors as well as other relevant people are familiar with the current system. In addition, there has been a lack of accounting specialists on IAS/IFRS; thereby leading to a great demand for training them in the way to present accounting/financial reporting standards in conformity with IAS/IFRS. Furthermore, such specialists are required to refresh their accounting philosophy so as to be appropriate with the new set of standards. The training process for accounting specialists is demanding; however, such a process for accounting/auditing staff with regard to the whole country is even more onerous. Lastly, it is essential to focus on education in order to prepare for the future adoption. This process requires universities of economics to include IAS/IFRS and related issues courses into their curricula so that students could take cognizance of such a new set of standards. There have been a number of universities including IAS/IFRS as a selective course, such as Danang University of Economics; however, such a course has still not been popular across Vietnamese universities. Definitely, the journey for amending the curricula is not easy and rapid.

Last but not least, the web-page questionnaire and the in-depth interview were conducted to answer the third research question in regard to the perspectives of Vietnamese professionals surrounding IAS/IFRS adoption. The author found that there are a tremendous number of respondents knowing VAS, about 94%. This result is reasonable since the author aims to conduct the questionnaire with regard to the three main groups, including accountants/auditors, investors and academics who significantly involve in accounting/financial reporting issues. Concerning IAS/IFRS, a lower figure of people being conscious of such a set of standards is recorded, three quarters of the total sample. Despite the smaller number, the IAS/IFRS awareness of respondents is considerable. In addition, more than half of the survey participants take notice of the intention to adopt IAS/IFRS in the future. Clearly, IAS/IFRS has gradually entered the Vietnamese consciousness, which is a positive sign to consider the future adoption.

Another considerable finding is that there is an association between the awareness of the IAS/IFRS/the adoption intention and education level/working industry/job role. Significantly, the level of education records the most deciding factor in predicting such awareness. In addition, the higher degree the respondent holds, the more conscious of IAS/IFRS and the adopt intention the respondent is. Working industry and job role should be also taken into consideration so as to predict the outcomes.

In respect of the adoption, 92% of the respondents indicate that the advantages obtained from such adoption could outweigh the disadvantages. According to Associate Professor Tran, large listed companies and global-oriented firms are more beneficial, as compared to other entities. In addition, the respondents show an agreement with IAS/IFRS adoption, specifically 82% of supportive people. Besides that, Tran suggested a deep concern regarding the adoption. In particular, Vietnam should partially adopt IAS/IFRS along with modifying the current system. Significantly, almost 70% of the total sample collected predict that Vietnam should adopt IAS/IFRS within the range of one to five years. It is apparent that Vietnamese professionals are greatly optimistic about the application of IAS/IFRS into Vietnam in the future.

4.3.2 Recommendations for future research

The first recommendation is to compare IAS/IFRS and VAS based on other standards that are beyond this thesis' scope, including income taxes, foreign exchange, borrowing costs and investments in subsidiaries and associates. Such a comparison together with this thesis' outcomes could add up to a more thorough understanding of the differences between IAS/IFRS and VAS in theory as well as in practice. In addition, regarding standards which are not effective under VAS, it is possible to analyse whether such standards are appropriate for Vietnam. If so, the way to import these standards into Vietnam should be drawn up.

Another recommendation is to conduct a comparison between IAS/IFRS and VAS with regard to SMEs. In Vietnam, state-owned enterprises, which are wholly owned or partially owned by Vietnamese government, have contributed to a great share of the whole economy; nonetheless, SMEs have substantially grown in recent years, leading to a significant role in Vietnam's development progress (Asian Development Bank 2012). As such, their implementation of accounting/financial reporting standards and their viewpoints in terms of the adoption are paramount for Vietnam respecting the adoption road. Therefore, the author highly recommends such a comparison in order not only for the government to understand a more authentic assessment but also for SMEs to recognise the way to apply IAS/IFRS in case of the adoption.

Last but not least, the author suggests implementing a research of financial statements in both English and Vietnamese. Since Vietnamese is the official language in Vietnam, there are a huge number of entities using only Vietnamese to prepare for their financial reports in Vietnam. Hence, a future research that includes Vietnamese versions could give Vietnamese government a big picture of accounting practice in Vietnam.

5 SUMMARY

Globalisation has substantially accelerated the pace of change in the worldwide economy, including accounting. More specifically, IAS/IFRS has heralded a new era of global accounting standard system. In fact, Vietnam established its own accounting standards in accordance with IAS/IFRS in 2001; however, such a set of standards' approach is still far away from IAS/IFRS'. Additionally, Vietnamese government has been hesitant to fully adopt IAS/IFRS. Therefore, this research aims to assist the policy makers in understanding the current VAS in comparison with IAS/IFRS. There are four main parts in this thesis: the introduction, the description of IAS/IFRS; the description of VAS; the main differences between IAS/IFRS and VAS, the discovery of advantages, disadvantages and challenges of the adoption and the professionals' perspectives towards such adoption; and the main findings of the research.

To start with, chapter 1 presents background information of IAS/IFRS, VAS as well as shows previous relevant studies. This chapter then continues with the research objectives, questions and limitations. After that, research methodology, which is a paramount part of this thesis, is clearly explained with the three main factors; including research approach, research method and data collection.

Chapter 2 briefly represents IAS/IFRS in general, including the development stages. It then explains the seven specific accounting/financial reporting standards. This could give the audience a considerable understanding of the standards used for comparison purposes. In addition, the six qualitative characteristics are explored and explicitly described. Through this presentation, readers could take cognizance of the way to present useful financial information under IAS/IFRS.

Next, analogous to chapter 2, chapter 3 illustrates VAS in terms of the seven respective accounting/financial reporting standards and the six qualitative characteristics. Besides that, the overview of Vietnamese accounting system's development is explored in order for audiences to comprehend the whole journey in which Vietnam has come up with the current system. Furthermore, the possible advantages, disadvantages and challenges are revealed in case of IAS/IFRS adoption.

Chapter 4 represents the empirical findings of this research. Firstly, a comparison between the five Finnish entities' and the five Vietnamese entities' annual reports/financial statements is conducted based on the seven selected accounting/financial reporting standards. Subsequently, an analysis of qualitative characteristics of these annual reports/financial statements is carried out. This chapter then finalises the empirical part with the questionnaire results in regard to the perspectives of Vietnamese professionals surrounding IAS/IFRS adoption. Chapter 5 ends the research with a short presentation of the main findings along with some recommendations for further studies.

Finally, the reliability and validity of the thesis is assessed. Regarding the reliability, the author strongly believes that the outcomes of this study are credible. Specifically, all the annual reports/financial statements were collected from the research companies' websites. Besides that, other secondary data were obtained from accounting journals, government publications as well as reliable newspapers. In addition, the author conducted the survey of high quality and value. Particularly, most of respondents who are investors were approached from the database of the author's commissioning company. In respect to accountants/auditors, most of them are working at government organisations, Big Four and banks, which are some of the large institutions in Vietnam. Significantly, an in-depth interview was undertaken with Associate Professor Tran to grasp his perspective in regard to IAS/IFRS adoption. The Associate Professor Tran also supported the author to distribute the survey to his colleagues. Furthermore, collected data were transferred to SPSS version 20.0 for analysis. This programme has been recognised as the best analytical tool in the world (SPSS 2014). With reliable sources and globally accepted analysis tools, the reliability of this thesis' findings is definitely confirmed.

Regarding the validity, IAS/IFRS adoption has been one of the most concerning issues in Vietnam in recent years. The author compares differences between IAS/IFRS and VAS in terms of accounting standards and qualitative characteristics. These comparisons are based on the annual reports/financial statements 2013, which are the latest versions. Furthermore, the survey was conducted to obtain current Vietnamese perspectives towards IAS/IFRS adoption.

Apparently, the findings of this thesis will be at least valid within the next few years.

Nonetheless, there are several weaknesses in this study. Firstly, there are only five Finnish entities' annual reports/financial statements compared with five Vietnamese entities'. In addition, comparison is just based on seven accounting standards and qualitative characteristics. Therefore, in a case where the research sample and the coverage of accounting standards are bigger, the outcome might be slightly different. However, recognised differences between IAS/IFRS and VAS are compared with the framework of both IAS/IFRS and VAS; hence, the reliability and validity are still ensured. Secondly, the questionnaire's analysis is based on 304 valid responses. Subsequently, Vietnamese perspectives surrounding the adoption are revealed. Such perspectives might be adjusted if there are more groups targeted and more responses collected. Nonetheless, the survey result is still reliable and valid regarding the requirement of the bachelor's thesis.

In summary, this thesis presents the main differences between IAS/IFRS and VAS in terms of seven accounting standards, for example the absence of future assumptions' disclosures, fair value measurement and impairment tests. Regarding qualitative characteristics, Vietnamese entities' annual reports/financial statements are not eminently useful. Apart from some significant advantages such as higher accounting quality and more investment attraction, there are still several drawbacks and challenges. The Vietnamese government should attempt to minimise such drawbacks as well as overcome such challenges in case of IAS/IFRS adoption. Significantly, most of the survey respondents are optimistic about IAS/IFRS adoption within the next five years. Apparently, obstacles are inevitable; nonetheless, with optimism and willingness to adopt IAS/IFRS, the road to successful adoption will be foreseeable.

REFERENCES

Published resources:

- Ahmed, A.S., Neel, M. and Wang, D. 2013. Does Mandatory Adoption of IFRS Improve Accounting Quality? Preliminary Evidence. *Contemporary Accounting Research*, 30 (4), p.1344-1372
- Ball, R. 2006. International Financial Reporting Standards (IFRS): Pros and Cons for Investors. *Accounting and Business Research*, Forthcoming, p.25-33
- Black, T.R. 1999. *Doing quantitative research in the social sciences: An integrated approach to research design, measurement and statistics*. London: SAGE Publications Ltd.
- Chen, J.J. & Cheng, P. 2007. The Impact of Regulatory Enforcement on Harmonization of Accounting Practices: Evidence from China. *Journal of Contemporary Accounting & Economics*, 3 (1), p.58-71
- Field, A. 2009. *Discovering statistics using SPSS*. 3rd edition. London: SAGE Publications Ltd.
- Kumar, R. 2005. *Research methodology: A step-by-step guide for beginners*. 2th edition. London: SAGE Publications Ltd.
- Mackenzie, B. et al. 2013. *2013 Interpretation and Application of International Financial Reporting Standards*. New Jersey: John Wiley & Sons, Inc.
- Malhotra, N.K., Birks, D.F. & Wills, P. 2012. *Marketing research: An applied approach*. 4th edition. Essex: Pear Education Limited.
- Naval, B. 2011. *Business research methods*. New Delhi: Dorling Kindersley Pvt. Ltd.
- Nguyen, A.T. and Gong, G. 2012. Vietnamese Accounting Reform and International Convergence of Vietnamese Accounting Standards. *International Journal of Business and Management*, 7 (10), p. 26-36

Nguyen, T.M.T. 2010. The situation of cost accounting management in some manufacturing enterprises in Hanoi (translated). *Journal of Economics and Business of Vietnam National University, Hanoi*, 26, p.245-255

Nguyen, T.N. 2013. An analysis of free float, liquidity and stock price in Vietnam: The case of free float adjusted VN30 Index versus the unadjusted VN Index. A thesis submitted in fulfillment of the requirements for the Degree of Bachelor of Arts in Business Administration. Ho Chi Minh: International University.

Nguyen, T.T.N. 2014. Perceptions of accounting professionals towards the prospect of implementing fair value under IASB in Vietnamese accounting system: A quantitative study of accounting professionals in Vietnam. A Bachelor's thesis submitted in fulfillment of the requirements for the Degree Programme in International Business. Helsinki: Haaga-Helia University of Applied Sciences.

Nguyen, C.P. and Tran, D.K.N. 2012. International harmonization and national particularities of accounting: Recent accounting development in Vietnam. *Journal of Accounting and Organizational Change*, 8 (3), p.431-451

Pham, T. 2012. International financial reporting standards effects on banks in Vietnam. A Bachelor's thesis submitted in fulfillment of the requirements for the Degree Programme in International Business. Jyväskylä: JAMK University of Applied Sciences.

Phan, D., Mascitelli, B. & Barut, M. 2013. Perceptions of Accounting Professionals towards International Financial Reporting Standards (IFRS) in Developing Country: Evidence from Vietnam. Rydges Melbourne: The 3rd Global Accounting, Finance and Economics Conference.

Sarikas, R.H.S., Vu, D.H. & Djatej, A.M. 2009. *Corporate Governance in Developing Countries*. New York: Springer US.

Saunders, M., Lewis, P. & Thornhill, A. 2009. *Research methods for business students*. 5th edition. Essex: Pearson Education Limited.

Scott, G.M. & Garner, R.M. 2013. Doing qualitative research: Designs, Methods, and Techniques. New Jersey: Pearson Education, Inc.

Sekaran, U. 2003. Research methods for business: A skill building approach. 4th edition. New Jersey: John Wiley & Son, Inc.

Tokar, M. 2005. Convergence and the Implementation of a Single Set of Global Standards: The Real-Life Challenge. *Northwestern Journal of International Law & Business*, 25 (3), p.687

Vo Bui, T.M. 2011. A study of the development of accounting in Vietnam. A thesis submitted in fulfillment of the requirements for the Degree of Doctor of Philosophy. Vietnam: RMIT International University Vietnam.

Vickers, A. 2010. What is a p-value anyway? 34 stories to help you actually understand statistics. Boston: Pearson Education, Inc.

Yan, X. and Su, X.G. 2009. Linear regression analysis. London: World Scientific Publishing Co. Pte. Ltd.

Electronic resources:

Asean Exchanges. 2014. Ho Chi Minh Stock Exchange [Retrieved 22.10.2014].. Available on website: <http://www.aseanexchanges.org/Exchange/HOSE>

Asian Development Bank. 2012. Viet Nam: Small and Medium-Sized Enterprise Development Program Cluster (Subprograms 1 and 2) [Retrieved 22.10.2014].. Available on website: <http://www.adb.org/documents/viet-nam-small-and-medium-sized-enterprise-development-program-cluster-subprograms-1-and-2>

Bland, B. 2011. Vietnam: a question of balance [Retrieved 22.10.2014]. Available on Financial Times website: <http://www.ft.com/intl/cms/s/0/0ae832b0-15e1-11e1-a691-00144feabdc0.html#axzz2vfSAHeTD>

FASB. 2014. Facts about FASB [Retrieved 22.10.2014]. Available on FASB website: <http://www.fasb.org/facts/index.shtml#mission>

FPT. 2014. About FPT [Retrieved 24.10.2014]. Available on website:

http://www.fpt.com.vn/en/about_us/general_information/

FPT. 2013. Annual report 2013 [Retrieved 22.10.2014]. Available on website:

http://www.fpt.com.vn/Resources/2014/03/25/1854089/fpt__2013_annual_report.pdf

FPT. 2014. Consolidated financial statements for the quarter II 2014. [Retrieved 22.10.2014]. Available on website:

http://www.fpt.com.vn/Resources/2014/07/25/6603730/_bctc_hop_nhat_fpt_q2.2014__anh_.pdf

HAGL. 2014. Key milestones [Retrieved 25.10.2014]. Available on website:

http://www.hagl.com.vn/Group_Pages/Show/9

HAGL Group. 2013. Annual report 2013 [Retrieved 27.10.2014]. Available on website:

<http://www.hagl.com.vn/UserFiles/file/BCTN%202013/HAGL%20EN%20FINAL%202013%20singles.pdf>

HAGL Group. 2014. Financial reports. [Retrieved 25.10.2014]. Available on website: http://www.hagl.com.vn/Group_Relations/ListCats/13

Hoa Phat. 2014. Introduction [Retrieved 25.10.2014]. Available on website:

<http://www.hoaphat.com.vn/eHome/eAbout.aspx?id=31>

Hoa Phat. 2013. Annual report 2013 [Retrieved 25.10.2014]. Available on website:

<http://www.hoaphat.com.vn/Uploads/Documents/2013%20Annual%20report.pdf>

HOSE. 2014. List of VN-Index 30. [Retrieved 25.10.2014]. Available on website:

<http://www.hsx.vn/hsx/Modules/News/NewsVN30.aspx?type=VN30>

IFRS. 2014. IFRS 9 Financial Instruments (replacement of IAS 39) [Retrieved 25.10.2014]. Available on website: <http://www.ifrs.org/current-projects/iasb-projects/financial-instruments-a-replacement-of-ias-39-financial-instruments-recognition/Pages/financial-instruments-replacement-of-ias-39.aspx>

IFRS. 2014. IFRS FAQs [Retrieved 25.10.2014]. Available on IFRS website:
http://www.ifrs.com/ifrs_faqs.html

ICAEW. 2007. ICAEW Presentation [Retrieved 25.10.2014]. Available on ICAEW website: <http://www.icaew.com/~media/archive/files/technical/icaew-representations/2007/icaew-rep-113-07-a-simplified-business-environment-the-european-commission.ashx>

IFAC. 2014. About IFAC [Retrieved 25.10.2014]. Available on IFAC website:
<http://www.ifac.org/about-ifac>

IASPlus. 2014. IAS 16 — Property, Plant and Equipment [Retrieved 25.10.2014]. Available on website: <http://www.iasplus.com/en/standards/ias/ias16>

IASPlus. 2014. IAS 36 – Impairment of assets [Retrieved 25.10.2014]. Available on website: <http://www.iasplus.com/en/standards/ias/ias36>

Kesko. 2014. Financial statements releases and interim reports. [Retrieved 25.10.2014]. Available on website: <http://www.kesko.fi/en/Investors/Financial-information-and-publications/Financial-statements-releases-and-interim-reports/>

Kesko. 2014. Kesko in brief [Retrieved 25.10.2014]. Available on website:
<http://www.kesko.fi/en/Company/Kesko-in-brief/>

Kesko. 2013. Kesko's financial statements 2013 [Retrieved 25.10.2014]. Available on website:
http://www.kesko.fi/PageFiles/33093/Kesko_Financial_statements_2013.pdf

Kinh Do. 2013. Annual report 2013 [Retrieved 25.10.2014]. Available on website: http://kinhdo.vn/upload/reportfinancial/23432014084343092_88_en.pdf

Kinh Do. 2014. Introduction [Retrieved 25.10.2014]. Available on website:
<http://kinhdo.vn/#/en/gioi-thieu>

Kinh Do. 2014. Reports [Retrieved 25.10.2014]. Available on website:
<http://www.kinhdo.vn/investor/report-financial.html>

Masan Group. 2013. Annual report 2013 [Retrieved 25.10.2014]. Available on website:

http://masangroup.com/static/uploads/downloads/msn_ar2013_en_final_double_page.pdf

Masan Group. 2014. Masan Consumer Overview [Retrieved 25.10.2014].

Available on website: <http://www.masangroup.com/en/businesses/fmcg/masan-consumer-overview>

Masan Group. 2014. Quarterly financial statements [Retrieved 25.10.2014].

Available on website: <http://www.masangroup.com/en/investor-center/financial-information/quarterly-financial-statements>

Marquez-Ramos, L. 2008. The Effects of IFRS Adoption on Trade and Foreign Direct Investments [Retrieved 25.10.2014]. Available on Bepress website:

<http://services.bepress.com/cgi/viewcontent.cgi?article=1124&context=itfa>

Ministry of Finance. 2014. Decision No. 39/2003/QĐ-BKHCHN of December 31, 2003 promulgating Vietnamese standards [Retrieved 25.10.2014]. Available on website:

http://www.moj.gov.vn/vbpq/en/Lists/Vn%20bn%20php%20lut/View_Detail.aspx?ItemID=8195

Nokia Solutions and Networks. 2013. Annual report 2013 [Retrieved 25.10.2014].

Available on website:

http://company.nokia.com/sites/default/files/download/investors/nsn_ar2013_final_for_web.pdf

Nokia Solutions and Networks. 2014. Financial results [Retrieved 25.10.2014].

Available on website: <http://networks.nokia.com/about-us/company/financial/financial-results>

Nokia Solutions and Networks. 2014. Our company [Retrieved 25.10.2014].

Available on website: <http://company.nokia.com/en/about-us/our-company>

Nguyen, T.N. 2013. An analysis of free float, liquidity and stock price in

Vietnam: The case of free float adjusted VN30 Index versus the unadjusted VN

Index [Retrieved 25.10.2014]. Available on website:

<http://csc.hcmiu.edu.vn:8080/dspace/bitstream/handle/123456789/920/022001113%20-%20Nga%2c%20Nguyen%20Thuy.pdf?sequence=1>

PwC. 2008. Similarities and Differences: A Comparison of IFRS and Thai GAAP, Vietnamese GAAP, Cambodian GAAP and Laos GAAP [Retrieved 25.10.2014]. Available on website:

http://www.pwc.com/en_VN/vn/publications/assets/similarities_and_differences_gaap.pdf

Raisio Group. 2014. Financial information. [Retrieved 25.10.2014]. Available on website: <http://www.raisiogroup.com/www/page/4441>

Raisio Group. 2013. Financial statements 2013 [Retrieved 25.10.2014]. Available on website: http://raisio.smartpage.fi/en/financial-statements-2013/files/Raisio_financial_statements_2013_opti.pdf

Raisio Group. 2014. Group [Retrieved 25.10.2014]. Available on website: <http://www.raisio.com/www/page/Group>

Rautaruukki. 2013. Financial statements 2013 [Retrieved 25.10.2014]. Available on website:

http://www.ruukki.com/~/_media/Files/Investors/Annual%20reports/2013/Ruukki%20Financial%20Statements%202013.ashx

Rautaruukki. 2014. About Ruukki [Retrieved 25.10.2014]. Available on website: <http://www.ruukki.com/About-Ruukki>

Rautaruukki. 2014. Quarterly financial data [Retrieved 25.10.2014]. Available on website: <http://www.ruukki.com/Investors/Financial-information/Quarterly-financial-data>

Sgatar meeting. 2011. 41st Sgatar meeting at Sabah, Malaysia [Retrieved 25.10.2014]. Available on the website: <http://en.mta.mn/news/show/31>

SPSS. 2014. Corporate history [Retrieved 29.10.2014]. Available on the website: <http://www.spss.com.hk/corpinfo/history.htm>

Sun&Shield. 2008. IFRSs and VASs: A pocket comparison [Retrieved 25.10.2014]. Available on Sun&Shield website:
[http://ssaudit.com/upload_img/files/ssbook\(comparisionbetweenvassandifrss\)_2.pdf](http://ssaudit.com/upload_img/files/ssbook(comparisionbetweenvassandifrss)_2.pdf)

The Economist. 2012. Closing the GAAP [Retrieved 25.10.2014]. Available on Economist website: <http://www.economist.com/node/21559350>

Vietnamese Government. 2014. Political system [Retrieved 25.10.2014]. Available on website:
<http://www.chinhphu.vn/portal/page/portal/English/TheSocialistRepublicOfVietnam/AboutVietnam/AboutVietnamDetail?categoryId=10000103&articleId=10001578>

Webketoan. 2012. Standard No. 21 Presentation of financial statements [Retrieved 25.10.2014]. Available on website: http://tuvan.webketoan.vn/Standard-No-21-PRESENTATION-OF-FINANCIAL-STATEMENTS_626.html

Webketoan. 2012. Vietnamese accounting standards. [Retrieved 25.10.2014]. Available on website: <http://tuvan.webketoan.vn/95/>

Webketoan. 2012. Standard No. 24 Cash flow statements [Retrieved 25.10.2014]. Available on website: http://tuvan.webketoan.vn/Standard-No-24-CASH-FLOW-STATEMENTS_621.html

Webketoan. 2012. Standard No. 03 Tangible fixed assets [Retrieved 25.10.2014]. Available on website: http://tuvan.webketoan.vn/Standard-No-03-TANGIBLE-FIXED-ASSETS_612.html

Webketoan. 2012. Standard No. 06 Leases [Retrieved 25.10.2014]. Available on website: http://tuvan.webketoan.vn/Standard-No-06-LEASES_616.html

Webketoan. 2012. Standard No. 25 Consolidated financial statements and accounting for investments in subsidiaries [Retrieved 25.10.2014]. Available on website: http://tuvan.webketoan.vn/Standard-No-25-CONSOLIDATED-FINANCIAL-STATEMENTS-AND-ACCOUNTING-FOR-INVSTMENTS-IN-SUBSIDIARIES_627.html

Webketoan. 2012. Standard No. 07 Accounting for investments in associates [Retrieved 25.10.2014]. Available on website:
http://tuvan.webketoan.vn/Standard-No-07-ACCOUNTING-FOR-INVSTMENTS-IN-ASSOCIATES_624.html

Webketoan. 2012. Standard No. 04 Intangible fixed assets [Retrieved 25.10.2014]. Available on website: http://tuvan.webketoan.vn/Standard-No-04-INTANGIBLE-FIXED-ASSETS_613.html

Webketoan. 2012. Standard No.11 Business combination [Retrieved 25.10.2014]. Available on website: http://tuvan.webketoan.vn/Standard-No11-BUSINESS-COMBINATION_636.html

YIT Group. 2013. Financial review 2013 [Retrieved 25.10.2014]. Available on website:
<http://yit.materialbank.net/NiboWEB/YIT/showCartPublicContent.do?uuid=5592731&random=883467&lang=en>

YIT Group. 2014. Interim reports and financial statements. [Retrieved 25.10.2014]. Available on website:
http://www.yitgroup.com/YIT_GROUP/Investors/Reports-and-presentations/interim-reports-and-financial-statements

APPENDICES

APPENDIX 1. IFRS Framework (Mackenzie et al. 2013, 35-36)

Accounting standards	Accounting interpretations
IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 11	Construction Contracts
IAS 12	Income Taxes
IAS 16	Property, plant and equipment
IAS 17	Accounting for Leases
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related-Party Disclosures
IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 27	Separate Financial Statements (Consolidation part replaced by IFRS 10, Consolidated Financial Statements, effective 2013)
IAS 28	Investments in Associates and Joint Ventures (Joint ventures included effective 2013)
IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 31	Financial Reporting of Interests in Joint Ventures (replaced by IFRS 11 and IAS 28, effective 2013)
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairments of Assets
IAS 37	Provisions, Contingent Liabilities, and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IAS 40	Investment Property
IAS 41	Agriculture
IFRS 1	First-Time Adoption of IFRS
IFRS 2	Share-Based Payment
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Noncurrent Assets Held for Sale and Discontinued Operations
IFRS 6	Exploration for and Evaluation of Mineral Resources
IFRS 7	Financial Instruments: Disclosures

(To be continued)

IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interest in Other Entities
IFRS 13	Fair Value Measurement
SIC 7	Introduction of the Euro
SIC 10	Government Assistance—No Specific Relation to Operating Activities
SIC 12	Consolidation—Special-Purpose Entities (replaced by IFRS 10, effective 2013)
SIC 13	Jointly Controlled Entities—Nonmonetary Contributions by Venturers (replaced by IAS 28, effective 2013)
SIC 15	Operating Leases—Incentives
SIC 25	Income Taxes—Changes in the Tax Status of an Enterprise or Its Shareholders
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
SIC 29	Disclosure—Service Concession Arrangements
SIC 31	Revenue—Barter Transactions Involving Advertising Services
SIC 32	Intangible Assets—Web Site Costs
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IFRIC 2	Members' Shares in Cooperative Entities and Similar Instruments
IFRIC 4	Determining Whether an Arrangement Contains a Lease
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IFRIC 6	Liabilities Arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment
IFRIC 7	Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 11	IFRS 2: Group and Treasury Share Transactions
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyalty Programs
IFRIC 14	IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements, and Their Interaction
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Noncash Assets to Owners
IFRIC 18	Transfer of Assets from Customers
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
IFRIC 20	Stripping Cost in the Production Phase of a Surface Mine

APPENDIX 2. VAS Framework (Webketoan 2012)

Accounting standards	Accounting interpretations
VAS 01	Framework
VAS 02	Inventories
VAS 03	Tangible fixed assets
VAS 04	Intangible fixed assets
VAS 04	Investment property
VAS 06	Leases
VAS 07	Accounting for Investments in Associates
VAS 08	Financial Reporting of Interests in Joint Ventures
VAS 10	The Effects of Changes in Foreign Exchange Rates
VAS 11	Business Combination
VAS 14	Revenues and other Incomes
VAS 15	Construction Contracts
VAS 16	Borrowing Costs
VAS 17	Income Taxes
VAS 18	Provision, Contingent assets, Contingent Liabilities
VAS 19	Insurance Contract
VAS 21	Presentation of Financial Statements
VAS 22	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
VAS 23	Events After the Balance Sheet Date
VAS 24	Cash Flow Statements
VAS 25	Consolidated financial statements and accounting for investments in subsidiaries
VAS 26	Related Parties Disclosures
VAS 27	Interim Financial Reporting
VAS 28	Segment Reporting
VAS 29	Changes in Accounting Policies, Accounting Estimates and Errors
VAS 30	Earnings per share

APPENDIX 3. VN-INDEX 30 (HOSE 2014)

Number	Stock	Company name
1	BVH	Bao Viet Holdings
2	CII	Hochiminh City Infrastructure Investment Joint Stock Company
3	CSM	The Southern Rubber Industry Joint Stock Company
4	CTG	Viet Nam Joint Stock Commercial Bank For Industry And Trade
5	DPM	Petrovietnam Fertilizer and Chemicals Corporation
6	DRC	Danang Rubber Joint Stock Company
7	EIB	Vietnam Export Import Commercial Joint Stock Bank
8	FLC	FLC Group
9	FPT	FPT Corporation
10	GMD	Gemadep Corporation
11	HAG	Hoang Anh Gia Lai Joint Stock Company
12	HCM	Ho Chi Minh City Securities Corporation
13	HPG	Hoa Phat Group Joint stock company
14	HSG	Hoa Sen Group
15	IJC	Becamex Infrastructure Development Joint Stock Company
16	ITA	ITA Group
17	KDC	Kinh Do Corporation
18	MBB	Military Commercial Joint Stock Bank
19	MSN	Masan Group
20	OGC	Ocean Group Joint Stock Company
21	PPC	Pha Lai Thermal Power Joint Stock Company
22	PVD	Petrovietnam Drilling and Well Service Corporation
23	PVT	PetroVietNam Transportation Corporation
24	REE	Refrigeration Electrical Engineering Corporation
25	SSI	Sai Gon Securities Incorporation
26	STB	Sai Gon Thuong Tin Commercial Joint Stock Bank
27	VCB	Joint Stock Commercial Bank For Foreign Trade Of Viet Nam
28	VIC	VINGROUP Joint Stock Company
29	VNM	Viet Nam Dairy Products Joint Stock Company
30	VSH	Vinh Son - Song Hinh Hydropower Joint Stock Company

APPENDIX 4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Kesko 2013, 29-30)

KESKO

29

Consolidated statement of changes in equity

€ million	Attributable to owners of the parent						Total	Non-controlling interest	Total equity
	Share capital	Reserves	Currency translation differences	Revaluation reserve	Treasury shares	Retained earnings			
Balance as at 1 January 2013	197.3	441.6	-2.1	9.9	-19.4	1,578.3	2,205.5	66.6	2,272.1
Shares subscribed for with options		19.6					19.6		19.6
Share-based payment					1.6		1.6	0.0	1.6
Dividends						-117.9	-117.9	-4.5	-122.4
Other changes		0.0	-0.3			5.0	4.7	0.0	4.7
Profit for the year						173.1	173.1	11.5	184.6
Other comprehensive income									
Actuarian gains/losses						14.6	14.6		14.6
Currency translation differences related to a foreign operation		0.0	-10.8				-10.8	-3.1	-13.9
Adjustments for hyperinflation						0.3	0.3	2.6	2.8
Cash flow hedge revaluation				-4.7			-4.7		-4.7
Revaluation of available-for-sale financial assets				-4.7			-4.7		-4.7
Others						-0.2	-0.2		-0.2
Tax related to other comprehensive income				0.8		-2.4	-1.6		-1.6
Total other comprehensive income		0.0	-10.8	-8.7		12.3	-7.2	-0.5	-7.7
Total comprehensive income for the period		0.0	-10.8	-8.7		185.4	165.9	11.0	176.9
Balance as at 31 December 2013	197.3	461.2	-13.3	1.2	-17.8	1,650.7	2,279.4	73.1	2,352.5

(To be continued)

Balance as at 31 December 2011	197.3	440.7	-3.4	2.6	-22.0	1,559.4	2,174.7	58.3	2,233.0
Restated in accordance with the revised IAS 19, Employee benefits standard						8.0	8.0	-0.2	7.8
Balance as at 1 January 2012	197.3	440.7	-3.4	2.6	-22.0	1,567.4	2,182.7	58.2	2,240.9
Shares subscribed for with options		1.0					1.0		1.0
Share-based payment					2.5	0.5	3.0	0.0	3.0
Dividends						-117.6	-117.6	-5.3	-123.0
Other changes			0.7		0.0	2.6	3.3	-0.1	3.1
Profit for the year						124.4	124.4	11.4	135.8
Other comprehensive income									
Actuarial gains/losses						1.1	1.1		1.1
Currency translation differences related to a foreign operation		0.0	0.6				0.6	-1.0	-0.5
Adjustments for hyperinflation						0.3	0.3	3.5	3.8
Cash flow hedge revaluation				-2.6			-2.6		-2.6
Revaluation of available-for-sale financial assets				9.1			9.1		9.1
Others						-0.2	-0.2		-0.2
Tax related to other comprehensive income				0.7		-0.3	0.4		0.4
Total other comprehensive income		0.0	0.6	7.3		1.0	8.8	2.5	11.3
Total comprehensive income for the period		0.0	0.6	7.3		125.4	133.3	13.9	147.1
Balance as at 31 December 2012	197.3	441.6	-2.1	9.9	-19.4	1,578.3	2,205.5	66.6	2,272.1

Further information on share capital and reserves is presented in note 22, on other comprehensive income in note 9 and on option schemes in note 30.

APPENDIX 5. NOTES 22-OWNERS' EQUITY-KINH DO CORPORATION
(Kinh Do 2013, 101-103)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B09-DN/HN

22. OWNERS' EQUITY

22.1 Increase and decrease in owners' equity

	Issued share capital	Share premium	Treasury shares
Previous year			
Beginning balance	1,195,178,810,000	1,950,665,093,455	(153,869,778,400)
Issuance of new shares	140,000,000,000	503,153,676,333	-
Issuance of bonus shares	264,037,440,000	(264,037,440,000)	-
Acquisition of treasury shares	-	-	(501,376,498,414)
Foreign exchange differences	-	-	-
Net profit for the year	-	-	-
Dividends declared	-	-	-
Transferred to funds	-	-	-
Board of Directors' allowance	-	-	-
Ending balance	1,599,216,250,000	2,189,781,329,788	(655,246,276,814)
Current year			
Beginning balance	1,599,216,250,000	2,189,781,329,788	(655,246,276,814)
Issuance of new shares to employees	66,010,000,000	31,686,000,000	-
Issuance of new shares for business combination	11,056,450,000	40,630,558,500	-
Issuance of treasury shares	-	82,210,830,889	502,620,072,914
Net profit for the year	-	-	-
Dividends declared	-	-	-
Transferred to funds	-	-	-
Board of Directors' allowance	-	-	-
Ending balance	1,676,282,700,000	2,344,308,719,177	(152,626,203,900)

In accordance with the 2013 Annual General Meeting Resolution dated 12 April 2013, the Company's shareholders approved a plan for the merger of Vinabico into the Group through the issuance of the Company's new shares at a ratio of 1:2.2 (2.2 existing shares of Vinabico will be in exchange for 1 new share of the Company).

On 28 June 2013, the distribution of new shares for the purpose of exchanging the shares of Vinabico was completed and the Company is in process of completion of the Report of Distribution Result to submit to the State Security Committee.

As at the balance sheet date, the Company is in process of obtaining the Amended Business Registration Certificate regarding the increase in share capital arising from the new issuances of share for the said mergers from relevant authorities.

(To be continued)

					VND	
	Foreign exchange differences	Investment and development fund	Financial reserve fund	Other funds belonging to owners' equity	Undistributed earnings	Total
	(891,411,434)	25,370,280,515	25,792,635,752	15,909,752,661	779,434,568,252	3,837,589,950,801
	-	-	-	-	-	643,153,676,333
	-	-	-	-	-	-
	-	-	-	-	-	(501,376,498,414)
	891,411,434	-	-	-	-	891,411,434
	-	-	-	-	353,944,403,336	353,944,403,336
	-	-	-	-	(311,455,718,925)	(311,455,718,925)
	-	-	-	-	(6,728,181,334)	(6,728,181,334)
	-	-	-	-	(5,745,382,185)	(5,745,382,185)
	-	25,370,280,515	25,792,635,752	15,909,752,661	809,449,689,144	4,010,273,661,046
	-	25,370,280,515	25,792,635,752	15,909,752,661	809,449,689,144	4,010,273,661,046
	-	-	-	-	-	97,696,000,000
	-	-	-	-	-	51,687,008,500
	-	-	-	-	-	584,830,903,803
	-	-	-	-	493,869,552,142	493,869,552,142
	-	-	-	-	(318,141,106,487)	(318,141,106,487)
	-	-	-	-	(31,543,480,073)	(31,543,480,073)
	-	-	-	-	(7,028,950,000)	(7,028,950,000)
	-	25,370,280,515	25,792,635,752	15,909,752,661	946,605,704,726	4,881,643,588,931

(To be continued)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B09-DN/HN

22. OWNERS' EQUITY (continued)

22.2 Capital transactions with owners and distribution of dividends

	Current year VND	Previous year VND
Issued share capital		
Beginning balance	1,599,216,250,000	1,195,178,810,000
Increase	77,066,450,000	404,037,440,000
Ending balance	1,676,282,700,000	1,599,216,250,000
Dividends		
Dividends declared	318,141,106,487	311,455,718,925

22.3 Shares

	Ending balance Shares	Beginning balance Shares
Ordinary shares authorised to be issued	167,628,270	159,921,625
Ordinary shares issued and fully paid	167,628,270	159,921,625
Treasury shares held by the Group	(1,492,335)	(14,535,368)
<i>In which: held by the Company</i>	<i>(1,492,256)</i>	<i>(1,492,256)</i>
Ordinary outstanding shares	166,135,935	145,386,257

22.4 Earnings per share

	Current year VND	Previous year VND
Net profit attributable to the Company's shareholders (VND)	493,869,552,142	353,944,403,336
Weighted average number of ordinary shares	161,876,676	152,692,848
Basic earnings per share (VND) <i>(Par value: VND 10,000 per share)</i>	3,051	2,318

The weighted average number of ordinary shares has taken into account the treasury shares and bonus shares made by the Company up to the date of these consolidated financial statements. Accordingly, the opening weighted average number of ordinary shares has been adjusted retrospectively.

There are no potential dilutive ordinary shares as at the balance sheet date.

APPENDIX 6. SUBSIDIARIES & ASSOCIATES-KESKO GROUP (Kesko
2013, 114-117)

Note 35. Subsidiaries and associates as at 31 Dec. 2013

INTERESTS IN GROUP COMPANIES

Owned by the parent	Domicile	Group's ownership interest, %	Parent's ownership interest, %
Ankkuri-Energia Oy	Helsinki	100.00	100.00
Anttila Oy	Helsinki	100.00	100.00
Asunto Oy Kirkkonummen Västeruddintie 33	Kirkkonummi	100.00	100.00
Indoor Group Ltd	Helsinki	100.00	100.00
Intersport Finland Ltd	Helsinki	100.00	100.00
Johaston Oy	Helsinki	100.00	100.00
Kenkäkesko Ltd	Helsinki	100.00	100.00
Kesko Food Ltd	Helsinki	100.00	100.00
Keslog Ltd	Helsinki	100.00	54.95
Kiinteistö Oy Helsingin Satamakatu 3	Helsinki	100.00	100.00
Kiinteistö Oy Lahden Lyhytkatu 1*	Lahti	50.00	50.00
Kiinteistö Oy Sunan Hallitalo	Helsinki	100.00	100.00
Kiinteistö Oy Voisalmen Liiketalo	Helsinki	100.00	100.00
Kiinteistö Oy Välvainion Ostoskeskus	Oulu	65.97	65.97
K-instituutti Oy	Helsinki	72.00	72.00
Kliintcenter Ab	Maarianhamina	100.00	100.00
Konekesko Ltd	Helsinki	100.00	100.00
K-Plus Oy	Helsinki	100.00	100.00
K-talospalvelukeskus Oy	Helsinki	100.00	51.02
Musta Pörssi Ltd	Helsinki	100.00	100.00
Plussa OÜ	Tallinn, Estonia	100.00	100.00
Rautakesko Ltd	Helsinki	100.00	100.00
Sincera Oy	Helsinki	100.00	100.00
VV-Auto Group Oy	Helsinki	100.00	100.00

ASSOCIATES

Owned by the parent	Domicile	Group's ownership interest, %	Parent's ownership interest, %
Graanin Liikekeskus Oy	Mikkeli	50.00	50.00
Itäkeskuksen Pysäköintitalo Oy*	Helsinki	36.16	36.16
Kiinteistö Oy Itäaukio	Lahti	26.20	26.20
Kiinteistö Oy Janakkalan Linnatuuli	Janakkala	29.86	29.86
Kiinteistö Oy Joensuun Kaupunginportti	Joensuu	22.77	22.77
Kiinteistö Oy Mellunmäen Liike- ja toimintakeskus	Helsinki	23.42	23.42
Kiinteistö Oy Ulvila Hansa*	Ulvila	42.41	42.41
Kiinteistö Oy Vantaanportin Liikekeskus*	Vantaa	27.81	27.81
Kruunuvuoren Satama Oy	Helsinki	49.00	49.00
Munkkivuoren Ostoskeskus Oy*	Helsinki	30.65	30.65
Valluga-sijoitus Oy	Helsinki	46.15	46.15
Vähittäiskaupan Takaus Oy	Helsinki	34.35	34.35
Vähittäiskaupan Tilipalvelu VTP Oy	Helsinki	30.00	30.00

APPENDIX 7. SUBSIDIARIES & ASSOCIATES-KINH DO CORPORATION (Kinh Do 2013, 28)

Subsidiaries

Kinh Do Binh Duong Corporation ("KDBD")

KDC holds a 99.8% equity interest in KDBD which is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4603000129 issued by the Department of Planning and Investment of Binh Duong Province on 13 October 2004 and the subsequent amended BRC.

The principal activities of KDBD are to process agricultural products and foods; produce confectionery, purified water, and fruit juice; and sell and purchase agricultural products and foods, industrial products, and fabric.

The registered head office and factory of KDBD are located at VSIP, Vietnam – Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam.

1. CORPORATE INFORMATION (continued)

Subsidiaries (continued)

Vinabico Corporation ("Vinabico")

KDC holds a 100% equity interest in Vinabico which is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4103001904 issued by the Ho Chi Minh City Department of Planning and Investment on 3 November 2003 and the subsequent amended BRC.

The principal activities of Vinabico are to produce and sell confectionery and purified water.

The registered head office and factory of Vinabico are located at 436 No Trang Long Street, Ward 13, Binh Thanh District, Ho Chi Minh City, Vietnam.

Kido Company Limited ("KIDO")

KDC holds a 100% equity interest in KIDO, was formerly a shareholding company, is currently a one member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4103001557 issued by the Ho Chi Minh City Department of Planning and Investment on 14 April 2003 and the subsequent amended BRC.

The principal activities of KIDO are to produce and trade all kinds of food and drink products such as ice, ice cream, milk and other dairy products.

The registered head office and factory of KIDO are located at Cu Chi Northwest Industrial Park, Cay Sop Village, Tan An Hoi Ward, Cu Chi District, Ho Chi Minh City, Vietnam.

North Kinh Do One Member Company Limited ("NKD")

KDC holds a 100% equity interest in NKD, was formerly a shareholding company, is currently a one member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the Decision No.139/QĐ-UB dated 19 August 1999 issued by the People's Committee of Hung Yen Province and the BRC No. 0503000001 and No. 0900178525 issued by the Department of Planning and Investment of Hung Yen Province on 28 January 2000 and 25 January 2011, respectively.

The principal activities of NKD are to produce and process food stuffs, including various ranges of high-grade cookies, to trade food and food stuffs, various types of beverages and liquors as well as cigarettes produced in Vietnam, and to lease a factory.

The registered head office is located at Ban Yen Nhan Town, My Hao District, Hung Yen Province, Vietnam and one branch at 200 Thai Ha Street, Dong Da District, Hanoi City, Vietnam.

Associates

Tan An Phuoc Company Limited ("TAP")

KDC holds a 49% equity interest in TAP which is a limited liability company with two and more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0309403269 issued by the Ho Chi Minh City Department of Planning and Investment on 24 September 2009.

The principal activity of TAP is to operate in the real estate industry.

The registered office of TAP is located at 6/134 National Road No. 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam.

Thanh Thai Real Estate Corporation ("TTR")

KDC holds a 30% equity interest in TTR which is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0310442801 issued by the Ho Chi Minh City Department of Planning and Investment on 10 November 2010.

The principal activity of TTR is to operate in the real estate industry.

The registered office of TTR is located at 332 To Hien Thanh, Ward 14, District 10, Ho Chi Minh City, Vietnam.

APPENDIX 8. CONSOLIDATED INCOME STATEMENT-KESKO GROUP
(Kesko 2013, 23)

KESKO

23

Consolidated financial statements (IFRS)

Consolidated income statement

€ million	Note	1 Jan.–31 Dec.		1 Jan.–31 Dec.	
		2013	%	2012	%
Net sales	2	9,315.2	100.0	9,685.9	100.0
Cost of sales		-8,033.8	-86.2	-8,366.9	-86.4
Gross profit		1,281.4	13.8	1,319.0	13.6
Other operating income	4 5	734.3	7.9	747.2	7.7
Staff costs	6 30	-811.1	-8.6	-807.6	-8.3
Lease expenditure		-421.7	-4.5	-433.6	-4.5
Marketing costs		-240.7	-2.6	-276.2	-2.9
Property and store site maintenance costs		-128.4	-1.4	-133.5	-1.4
Information system expenses		-81.0	-0.9	-97.9	-1.0
Other operating expenses	4	-131.4	-1.4	-147.0	-1.5
Depreciation, amortisation and impairment	11 12	-153.0	-1.6	-158.5	-1.6
Operating profit		248.4	2.7	212.0	2.2
Interest income and other finance income	7	19.8	0.2	21.1	0.2
Interest expense and other finance costs	7	-20.0	-0.2	-17.8	-0.2
Foreign exchange differences	7	-5.7	-0.1	-4.0	0.0
Total finance income and costs	7	-5.8	-0.1	-0.6	0.0
Share of profit from associates		-0.3	0.0	-0.9	0.0
Profit before tax		242.3	2.6	210.5	2.2
Income tax	8	-57.7	-0.6	-74.6	-0.8
Profit for the year		184.6	2.0	135.8	1.4
Profit for the year attributable to					
Owners of the parent		173.1		124.4	
Non-controlling interests		11.5		11.4	
Earnings per share for profit attributable to owners of the parent					
Basic, €	10	1.75		1.27	
Diluted, €	10	1.75		1.26	

APPENDIX 9. CONSOLIDATED FINANCIAL STATEMENTS- RAUTARUUKKI (Rautaruukki 2013)

Contents

Report of the Board of Directors 2013

Consolidated financial statements

Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flows

Notes to the consolidated financial statements

1. Accounting policies
2. Operating segments
3. Net sales
4. Specification of costs by function
5. Other operating income and expenses
6. Employee benefits
7. Depreciation, amortisation and impairment
8. Finance income and costs
9. Income taxes
10. Earnings per share
11. Property, plant and equipment
12. Intangible assets
13. Equity-accounted investees
14. Available-for-sale financial assets
15. Other non-current receivables
16. Deferred tax assets and liabilities
17. Inventories
18. Trade and other receivables
19. Current financial assets
20. Cash and cash equivalents
21. Adjustments to cash flows
22. Shares and share capital
23. Reserves in equity
24. Pension obligations
25. Provisions
26. Loans and borrowings
27. Trade and other payables
28. Contingent liabilities and investment commitments
29. Related party disclosures
30. Share-based payments
31. Financial risk and capital management
32. Financial assets and liabilities by category
33. Derivative contracts
34. Fair value hierarchy of financial assets and liabilities
35. Business combinations
36. Business disposals
37. Litigation and other pending legal actions
38. Events after the report period

Financial indicators

Parent company financial statements

Parent company income statement
Parent company balance sheet
Parent company cash flow statement
Notes to the parent company financial statements

Board of Directors' proposal for the disposal of distributable funds
Auditor's report
Figures by quarter

APPENDIX 10. NOTE 24-CHANGES IN OWNERS' EQUITY-HOA PHAT
(Hoa Phat 2013, 108)

Hoa Phat Group Joint Stock Company
Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

Form B 09 – DN/HN

24. Changes in owners' equity

	Share capital VND	Capital surplus VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Financial reserve VND	Retained profits VND	Total VND
Balance at 1 January 2012	3,178,497,600,000	2,257,862,350,000	313,613,480,000	(150,970,558,021)	5,594,607,014	269,337,278,874	1,539,869,803,156	7,413,804,561,023
Share capital issued	313,613,480,000	-	(313,613,480,000)	-	-	-	-	-
Treasury shares reissued	-	(50,511,532,932)	-	150,970,558,021	-	-	-	100,459,025,089
Net profit for the year	-	-	-	-	-	-	994,024,322,436	994,024,322,436
Appropriation to financial reserve	-	-	-	-	-	-	(30,471,197,332)	-
Appropriation to bonus and welfare funds	-	-	-	-	-	30,471,197,332	-	-
Fund utilisations	-	-	-	-	-	(9,130,386,122)	-	(9,130,386,122)
Dividends	698,414,250,000	-	-	-	-	-	(60,973,138,627)	(60,973,138,627)
Members of Supervising Board and Board of Management allowances	-	-	-	-	-	-	(1,047,625,558,000)	(349,211,108,000)
Other movements	-	-	-	-	(1,173,375,909)	(563,784,388)	(2,646,000,000)	(2,646,000,000)
Balance at 1 January 2013	4,190,525,330,000	2,207,350,817,068	-	-	4,421,231,105	290,114,305,696	1,392,723,450,940	8,085,135,114,809
Net profit for the year	-	-	-	-	-	-	1,954,187,537,863	1,954,187,537,863
Appropriation to financial reserve	-	-	-	-	-	169,215,674,105	(169,215,674,105)	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	(114,372,976,377)	(114,372,976,377)
Dividends (Note 26)	-	-	-	-	-	-	(419,052,533,000)	(419,052,533,000)
Members of Supervising Board and Board of Management allowances	-	-	-	-	-	-	(2,556,000,000)	(2,556,000,000)
Other movements	-	-	-	-	(4,421,231,105)	(249,782,323)	1,657,124,550	(3,013,888,878)
Balance at 31 December 2013	4,190,525,330,000	2,207,350,817,068	-	-	-	459,080,197,478	2,643,370,909,871	9,500,327,254,417

APPENDIX 11. SUBSIDIARIES-RAUTARUUKKI (Rautaruukki 2013, 71)

Name	Country	Domicile	The group's share of share capital, %	The group's share of votes, %
Subsidiaries of Rautaruukki Corporation:				
Alamenti Oy	FI	Alajärvi	100	100 *)
LLC Ruukki Ukraine	UA	Kiev	100	100
Metform Oy	FI	Helsinki	100	100 *)
OOO Ruukki Rus	RU	Obninsk	100	100
Ruukki Australia Pty Ltd	AU	Melbourne	100	100
Ruukki Austria GmbH	AT	Wien	100	100
Ruukki Bulgaria EOOD	BG	Sofia	100	100
Ruukki Canada Inc	CA	Toronto	100	100
Ruukki Chile SpA	CL	Santiago	100	100
Ruukki Construction Oy	FI	Helsinki	100	100
Ruukki Croatia d.o.o	HR	Zagreb	100	100 *)
Ruukki CZ s.r.o.	CZ	Prague	100	100
Ruukki d.o.o.	SI	Ljubljana	100	100 *)
Ruukki DOO Belgrade	RS	Belgrade	100	100 *)
Ruukki Engineering Oy	FI	Helsinki	100	100
Ruukki France SARL	FR	Paris	100	100
Ruukki Holding AB	SE	Halmstad	100	100
Ruukki Holding B.V.	NL	Almelo	100	100
Ruukki Holding Danmark A/S	DK	Brøndby	100	100
Ruukki Holding GmbH	DE	Duisburg	100	100
Ruukki Hungary Kft	HU	Biatorbágy	100	100
Ruukki Insurance Ltd.	GG	Guernsey	100	100
Ruukki Istanbul Metal Sanayi ve Ticaret Limited Sirketi	TR	Istanbul	100	100
Ruukki Metals (Shanghai) Co Ltd	CN	Shanghai	100	100
Ruukki Metals Oy	FI	Helsinki	100	100
Ruukki Metals Trading and Marketing India Private Limited	IN	Mumbai	100	100
Ruukki Norge AS	NO	Oslo	100	100
Ruukki Polska Sp.zo.o	PL	Zyrardów	100	100
Ruukki Products AS	EE	Pärnu	100	100
Ruukki Romania s.r.l.	RO	Bolintin	100	100
Ruukki Slovakia s.r.o	SK	Bratislava	100	100
Ruukki Spain S.L.	ES	Vitoria-Gasteiz	100	100
Ruukki Stainless Steel & Aluminium Oy	FI	Helsinki	100	100
Ruukki Trading (Shanghai) Co Ltd	CN	Shanghai	100	100
Ruukki UK Ltd	GB	Solihull	100	100
Ruukki USA Inc.	US	Wilmington, DE	100	100
SIA Ruukki Latvija	LV	Riga	100	100
UAB Ruukki Lietuva	LT	Vilnius	100	100
Subsidiary of Ruukki Engineering Oy				
Presteel Oy	FI	Raahe	80.1	80.1
Subsidiaries of Ruukki Holding AB:				
Ruukki Sverige AB	SE	Halmstad	100	100
Plåtleverantören Express AB	SE	Stockholm	100	100
Subsidiaries of Ruukki Norge AS:				
Ruukki Construction Norge AS	NO	Sandnessjøen	100	100
Ruukki Profiler AS	NO	Mo i Rana	100	100 *)

APPENDIX 12. SUBSIDIARIES & ASSOCIATES-HOA PHAT (Hoa Phat 2013, 8-9)

As of 31 December 2013 Hoa Phat Group Joint Stock Company has 13 subsidiaries and 2 associates:

No.	Subsidiaries	Address	Principal business activities	Contributed charter capital (VND billion)	% of equity owned by HPG
1	Hoa Phat Steel JSC	Hiep Son Commune, Kinh Mon District, Hai Duong Province	Produce iron, steel, and cast iron;	2,500	99.99%
2	Hoa Phat Steel One-member Co.,Ltd.	Pho Noi A Industrial Zone, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	Produce iron, steel, and cast iron;	600	100%
3	Hoa Phat Steel Pipe Co., Ltd.	39 Nguyen Dinh Chieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Produce and trade various kinds of steel pipes.	450	99.89%
4	Hoa Phat Energy JSC	Hiep Son Commune, Kinh Mon District, Hai Duong Province	Produce and trade coal coke	1,000	99.89%
5	An Thong Mining Investment JSC	415 Tran Phu, Ha Giang City, Ha Giang Province, Vietnam	Explore, exploit, prepare and make, process, purchase and sell, export and import minerals, primarily iron ores.	500	99.96%
6	Hoa Phat Mining JSC	Pho Noi A Industrial Zone, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	Exploit and collect lignite; exploit iron ore, aluminum ore, and other rare metals; non-ferrous metal and rare metal	150	99.8%
7	Nam Giang Mining One-Member Limited Liability Company	119 Tran Cao Van, Vinh Dien Town, Dien Ban District, Quang Nam Province, Vietnam	Exploit iron ore, rare metal ore, and other non-iron metalore	30	100%
8	Hoa Phat Equipments and Accessories Co., Ltd.	39 Nguyen Dinh Chieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Manufacture construction equipment; trade construction and mining machinery and equipment of small and medium size.	180	99.72%

(To be continued)

No.	Subsidiaries	Address	Principal business activities	Contributed charter capital (VND billion)	% of equity owned by HPG
9	Hoa Phat Furniture JSC	Road B4, Area B, Pho Noi A Industrial Zone, Lac Hong Commune, Van Lam District, Hung Yen Province, Vietnam	Produce and trade furniture and interior products.	400	99.60%
10	Hoa Phat Refrigeration Engineering Co., Ltd.	Pho Noi A Industrial Zone, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	Produce and trade Refrigeration products.	150	99.67%
11	Hoa Phat Trading Co., Ltd.	39 Nguyen Dinh Chieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Trade, import and export various types of steel, construction materials, interior furniture, air-conditioners, washing machines and refrigerators.	50	99.00%
12	Hoa Phat Urban Development and Construction JSC	39 Nguyen Dinh Chieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Civil and industrial construction; trading of freehold or leasehold real estate; house and office leasing; integrated investment and construction of infrastructure.	300	99.67%
13	Golden Gain Vietnam JSC	No3 Dong Nam Tran Duy Hung Urban Zone, Hoang Minh Giam Street, Trung Hoa Ward, Cau Giay District, Hanoi, Vietnam	Real estate trading	433	84.954%
Associates					
1	Hoa Phat - SSG Mining JSC	55B Phan Dinh Phung, Quyet Thang Ward, Kon Tum City, Kon Tum Province, Vietnam	Exploit and collect lignite; exploit non-iron ore; provide supporting services for mining	5.73	38%
2	Yen Phu Investment and Mineral JSC	39 Nguyen Dinh Chieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Exploit and refine metal ores.	1.5	50%

APPENDIX 13. FINANCIAL STATEMENTS-NSN (NSN 2013, 47)

Financial statements

Consolidated Financial Statements 2013	48	Consolidated Income Statement
	49	Consolidated Statement of Comprehensive Income
	50	Consolidated Statement of Financial Position
	51	Consolidated Statement of Cash Flows
	52	Consolidated Statement of Changes in Shareholders' Equity
	53	Notes to the Consolidated Financial Statements
Company Financial Statements 2013	108	Company Statement of Financial Position
	109	Company Income Statement
	110	Notes to the Company Financial Statements
Other information	117	Proposed profit appropriation
	117	Proposed appropriation of result
	117	Subsequent events
	118	Independent auditor's report

APPENDIX 14. NOTE 25-SHAREHOLDERS' EQUITY-FPT (FPT 2013, 33-34)

25. SHAREHOLDERS' EQUITY

	Charter capital		Share premium		Treasury shares		Foreign exchange reserve		Investment and development fund		Financial reserve fund		Retained earnings		Total		
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	
As at 01/01/2012	2,160,826,760,000	49,546,879,484	(513,440,000)	19,393,997,526	103,009,261	115,476,089,217	3,173,427,464,165	5518,254,779,653									
Shares issued	37,628,990,000	-	-	-	-	-	-	37,628,990,000									
Stock dividends declared	590,023,580,000	-	-	-	-	-	-	(590,023,580,000)									
Profit for the year	-	-	-	-	-	-	1,500,326,900,331	1,500,326,900,331									
Charges in treasury shares	-	-	(28,000,000)	-	-	-	-	(28,000,000)									
Transferred to funds	-	-	-	-	6,700,000,000	1,055,638	(67,000,055,638)	-									
Transferred to bonus and welfare funds	-	-	-	-	-	-	(161,943,559,274)	(161,943,559,274)									
Dividends declared	-	-	-	-	-	-	(783,394,538,000)	(783,394,538,000)									
Other movements	-	(81,176,283)	-	456,764,608	-	-	12,185,463	860,643,928									
As at 01/01/2013	2,738,488,330,000	49,465,703,201	(794,340,000)	27,959,758,134	67,103,009,261	115,477,144,855	3,181,312,460,987	6,179,072,066,838									
Shares issued	1,552,200,000	-	-	-	-	-	-	1,552,200,000									
Profit for the year	-	-	-	-	-	-	1,607,782,718,960	1,607,782,718,960									
Charges in treasury shares	-	-	(294,000,000)	-	-	-	-	(294,000,000)									
Transferred to bonus and welfare funds	-	-	-	-	-	-	(167,218,666,746)	(167,218,666,746)									
Dividends declared	-	-	-	-	-	-	(41,657,906,500)	(41,657,906,500)									
Other movements	-	-	-	(2,345,728,043)	11,563,329,614	633,327,346	(1,270,602,027)	(3,897,586,701)									
As at 31/12/2013	2,752,071,550,000	49,465,703,201	(823,760,000)	4,302,900,092	78,666,938,875	114,943,857,509	4,207,341,884,795	7,205,914,664,772									

25. SHAREHOLDERS' EQUITY (CONTINUED)

Dividends

On 06 April 2013, at the Company's Shareholders' Annual General Meeting, shareholders approved the plan of cash dividend payment of the whole year 2012 at the pay-out ratio of 20% per par value (VND 2,000/share) and approved the policy of cash dividend advance of 2013 at the maximum pay-out ratio of 20% per par value (VND 2,000/share). All dividends of 2012 were fully paid in 2012, dividend of 2013 is advanced at the ratio of 15% per par value (VND 1,500/share) in 2013. The pay-out ratio of the whole year 2013 will be decided by the Company's Shareholders' Annual General Meeting in 2014.

Number of outstanding shares

	31/12/2013	31/12/2012
	Number of shares	Number of shares
Authorised share capital	275,201,755	273,848,833
Issued share capital	275,201,755	273,848,833
Ordinary shares	273,696,515	272,389,802
Shares subject to restriction in ownership transfer	1,505,240	1,459,031
Treasury shares	(82,376)	(79,434)
Shares subject to restriction in ownership transfer	(82,376)	(79,434)
Outstanding shares in circulation	275,119,379	273,769,399
Ordinary shares	273,696,515	272,389,802
Shares subject to restriction in ownership transfer	1,422,864	1,379,597

All ordinary shares have a par value of VND 10,000. Each share is entitled to one vote at shareholders' meetings of the Company. Shareholders are entitled to receive dividends as declared at each point in time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are re-issued.

Shares subject to restriction in ownership transfer have a par value of VND 10,000. These shares are subject to restrictions according to which shareowners are not allowed to resell their shares within specified term from the date of issuance.

APPENDIX 15. SUBSIDIARIES & ASSOCIATES-NSN GROUP (NSN 2013,
111-113)

Name	Place of residence and country	Group ownership %
Full consolidation		
Nokia Solutions and Networks MEAFZ-LLC	Dubai, United Arab Emirates	100.00**
Nokia Siemens Networks Afghanistan LLC	Kabul, Afghanistan	100.00
"Nokia Solutions and Networks" CJSC	Yerevan, Armenia	100.00
Nokia Solutions and Networks Argentina S.A.	Buenos Aires, Argentina	100.00
Nokia Solutions and Networks Holding Österreich GmbH	Vienna, Austria	100.00
Nokia Solutions and Networks Österreich GmbH	Vienna, Austria	100.00
Nokia Solutions and Networks Australia Pty. Ltd.	Sydney, Australia	100.00
Nokia Solutions and Networks Baku LLC	Baku, Azerbaijan	100.00**
Nokia Solutions and Networks d.o.o. Banja Luka	Banja Luka, Bosnia-Herzegovina	100.00
Nokia Solutions and Networks d.o.o., Sarajevo	Sarajevo, Bosnia-Herzegovina	100.00
Nokia Solutions and Networks Bangladesh Limited	Dhaka, Bangladesh	100.00
Nokia Solutions and Networks Belgium NV	Turnhout, Belgium	100.00
Nokia Solutions and Networks EOOD	Sofia, Bulgaria	100.00
Nokia Solutions and Networks Bolivia S.A.	Cochabamba, Bolivia	100.00
Nokia Solutions and Networks do Brasil Serviços Ltda.	Sao Paulo, Brazil	100.00
Nokia Solutions and Networks do Brasil Telecomunicações Ltda.	Sao Paulo, Brazil	100.00
Nokia Solutions and Networks LLC	Minsk, Belarus	100.00
IRIS Telekom FLLC	Minsk, Belarus	100.00
Nokia Solutions and Networks Canada Inc.	Mississauga, Canada	100.00**
Nokia Solutions and Networks Schweiz AG	Zürich, Switzerland	100.00**
Nokia Solutions and Networks Chile Ltd.	Santiago, Chile	100.00
Hunan Hua Nuo Technology Co. Ltd.	Changsha, China	100.00
Nokia (Beijing) Communication Technology Service Co. Ltd.	Beijing, China	100.00*
Nokia Solutions and Networks Technology Service Co., Ltd.	Beijing, China	100.00
Nokia Solutions and Networks (Beijing) Communications Co., Ltd.	Beijing, China	100.00
Nokia Solutions and Networks (Shanghai) Ltd.	Shanghai, China	60.00
Nokia Solutions and Networks (Suzhou) Co., Ltd.	Suzhou, China	83.90
Nokia Solutions and Networks (Suzhou) Supply Chain Service Co., Ltd.	Suzhou, China	100.00
Nokia Solutions and Networks (Tianjin) Co., Ltd.	Tianjin, China	100.00
Nokia Solutions and Networks Investment (China) Co., Ltd.	Beijing, China	100.00
Nokia Solutions and Networks Neu CommTech Co., Ltd.	Liaoning, China	54.00
Nokia Solutions and Networks System Co., Ltd.	Beijing, China	83.90*
Nokia Solutions and Networks System Technology (Beijing) Co., Ltd.	Beijing, China	100.00
Nokia Solutions and Networks Colombia Ltda.	Santafe de Bogota, Colombia	100.00
Nokia Solutions and Networks Costa Rica, S.A.	San Jose, Costa Rica	100.00
Nokia Solutions and Networks Czech Republic, s.r.o.	Prague, Czech Republic	100.00
Nokia Solutions and Networks Beteteiligungen Inland GmbH & Co. KG	Munich, Germany	100.00
Nokia Solutions and Networks Beteteiligungen Inland Management GmbH	Munich, Germany	100.00
Nokia Solutions and Networks Deutschland GmbH	Munich, Germany	100.00
Nokia Solutions and Networks GmbH & Co. KG	Munich, Germany	100.00
Nokia Solutions and Networks International Holding GmbH	Munich, Germany	100.00**
Nokia Solutions and Networks Management GmbH	Munich, Germany	100.00
Nokia Solutions and Networks Management International GmbH	Munich, Germany	100.00
Nokia Solutions and Networks Operations GmbH	Munich, Germany	100.00
Nokia Solutions and Networks Services GmbH & Co. KG	Munich, Germany	100.00
Nokia Solutions and Networks Services Management GmbH	Munich, Germany	100.00
Nokia Solutions and Networks Transfergesellschaft mbH	Munich, Germany	100.00
Nokia Solutions and Networks Vermögensverwaltung GmbH	Munich, Germany	100.00
Nokia Solutions and Networks Vorratsgesellschaft 6 mbH	Munich, Germany	100.00
Nokia Solutions and Networks Danmark A/S	Copenhagen, Denmark	100.00
Nokia Siemens Networks Algérie SARL	Algiers, Algeria	100.00
Nokia Solutions and Networks Ecuador S.A.	Guayaquil, Ecuador	100.00
Nokia Solutions and Networks OÜ	Tallinn, Estonia	100.00
Nokia Solutions and Networks Egypt LLC	Cairo, Egypt	100.00**
Nokia Solutions and Networks S.A.E.	Cairo, Egypt	75.20
Nokia Solutions and Networks Spain, S.L.	Madrid, Spain	99.90

(To be continued)

Name	Place of residence and country	Group ownership %
Nokia Solutions and Networks Asset Management Oy	Helsinki, Finland	100.00
Nokia Solutions and Networks Branch Operations Oy	Helsinki, Finland	100.00
Nokia Solutions and Networks Oy	Helsinki, Finland	100.00
Nokia Solutions and Networks France	Bobigny, France	99.99
Apertio Ltd.	Bristol, United Kingdom	100.00
Apertio Partners Ltd.	Bristol, United Kingdom	100.00
Invergence Ltd.	Bristol, United Kingdom	100.00
Nokia Solutions and Networks UK Ltd.	Huntingdon, United Kingdom	100.00
Nokia Solutions and Networks Hellas A.E.	Athens, Greece	100.00
Nokia Siemens Networks Guatemala S.A.	Guatemala City, Guatemala	100.00*
Nokia Solutions and Networks H.K. Ltd.	Hong Kong, China	100.00**
Nokia Solutions and Networks Honduras, S.A.	Tegucigalpa, Honduras	100.00**
Nokia Solutions and Networks d.o.o.	Zagreb, Croatia	100.00
Nokia Solutions and Networks Kft.	Budapest, Hungary	100.00
Nokia Solutions and Networks Trafficom Kft.	Budapest, Hungary	99.00
PT Nokia Siemens Networks	Jakarta, Indonesia	100.00
Atrica Ireland Ltd.	Clare, Ireland	100.00
Nokia Solutions and Networks Ireland Limited	Dublin, Ireland	100.00
Nokia Solutions and Networks Ethernet Services Ltd	Hod HaSharon, Israel	100.00
Nokia Solutions and Networks Israel Ltd.	Hod HaSharon, Israel	100.00
Nokia Solutions and Networks Technologies Israel (1990) Ltd.	Hod HaSharon, Israel	100.00**
Nokia Solutions and Networks India Private Limited	New Delhi, India	100.00
Pishahang Communications Networks Development Company	Tehran, Iran	49.00
Nokia Solutions and Networks Italia S.p.A.	Milan, Italy	100.00
Nokia Solutions and Networks S.p.A.	Milan, Italy	100.00
Nokia Solutions and Networks Japan Corp.	Tokyo, Japan	100.00
Nokia Solutions and Networks Kenya Ltd.	Nairobi, Kenya	100.00
Nokia Solutions and Networks Korea Ltd.	Seoul, South Korea	100.00
Nokia Siemens Networks Kuwait Company W.L.L.	Safat, Kuwait	49.00
Nokia Solutions and Networks Kazakhstan LLP	Almaty, Kazakhstan	100.00
Nokia Siemens Networks Lanka Pvt. Ltd.	Colombo, Sri Lanka	100.00
UAB *Nokia Solutions and Networks*	Vilnius, Lithuania	100.00
Nokia Solutions and Networks SIA	Riga, Latvia	100.00
Nokia Siemens Networks Maroc SARL	Rabat, Morocco	100.00**
Nokia Solutions and Networks S.R.L.	Chisinau, Moldova	100.00
Nokia Siemens Networks Myanmar Limited	Myanmar, Myanmar	100.00
Nokia Solutions and Networks Delivery, S.A. de C.V.	Mexico City, Mexico	100.00
Nokia Solutions and Networks, S.A. de C.V.	Mexico City, Mexico	100.00
Nokia Solutions and Networks Servicios, S.A. de C.V.	Mexico City, Mexico	100.00
Nokia Solutions and Networks Sdn. Bhd.	Kuala Lumpur, Malaysia	100.00
Nokia Siemens Networks Nigeria Ltd.	Lagos, Nigeria	100.00**
Nokia Siemens Networks Nicaragua S.A.	Managua, Nicaragua	100.00**
Nokia Solutions and Networks Finance B.V.	Haarlem, Netherlands	100.00
Nokia Solutions and Networks Nederland B.V.	s'Gravenhage, Netherlands	100.00**
Nokia Solutions and Networks Norge AS	Oslo, Norway	100.00
Nokia Solutions and Networks NZ Ltd.	Auckland, New Zealand	100.00
Nokia Solutions and Networks Peru S.A.	Lima, Peru	100.00**
Nokia Solutions and Networks Philippines, Inc.	Taguig City, Philippines	100.00
Nokia Solutions and Networks Pakistan (Private) Limited	Islamabad, Pakistan	100.00
Nokia Solutions and Networks Sp. z o.o.	Warsaw, Poland	100.00
Nokia Solutions and Networks Portugal, S.A.	Amadora, Portugal	100.00
Nokia Solutions and Networks Romania SRL	Bucharest, Romania	100.00
Nokia Solutions and Networks Serbia D.O.O. Beograd	Belgrade, Serbia	100.00
Nokia Solutions and Networks LLC	Moscow, Russia	100.00**
Nokia Solutions and Networks C.JSC	Moscow, Russia	100.00
Wireless Technologies Center LLC	Tomsk, Russia	51.00
Nokia Solutions and Networks AB	Stockholm, Sweden	100.00
Nokia Solutions and Networks Singapore Pte. Ltd.	Singapore, Singapore	100.00**
Nokia Solutions and Networks d.o.o.	Ljubljana, Slovenia	100.00

Name	Place of residence and country	Group ownership %
Nokia Solutions and Networks Slovakia, s.r.o.	Bratislava, Slovakia	100.00
Nokia Solutions and Networks El Salvador, S.A.	San Salvador, El Salvador	100.00*
Nokia Solutions and Networks (Thailand) Ltd.	Bangkok, Thailand	100.00
Nokia Solutions and Networks CCC	Tunis, Tunisia	100.00
Nokia Solutions and Networks Tunisia S.A.	Tunis, Tunisia	100.00
IRIS Telekomünikasyon Mühendislik Hizmetleri A.Ş.	Istanbul, Turkey	100.00
Nokia Solutions and Networks İletişim A.Ş.	Istanbul, Turkey	100.00
Nokia Solutions and Networks Taiwan Co., Ltd.	Taipei, Taiwan	100.00
Nokia Solutions and Networks Tanzania Ltd.	Dar Es Salaam, Tanzania	65.00**
LLC *Nokia Solutions and Networks Ukraine*	Kiev, Ukraine	100.00
OOO MKM Telekom	Vyshgorod, Ukraine	66.33*
Nokia Solutions and Networks Holdings USA Inc.	Delaware, U.S.	100.00
Nokia Solutions and Networks US LLC	Delaware, U.S.	100.00
IRIS Telekom Tashkent LLC	Tashkent, Uzbekistan	100.00*
Nokia Solutions and Networks Tashkent LLC	Tashkent, Uzbekistan	100.00
Nokia Siemens Networks de Venezuela C.A.	Caracas, Venezuela	100.00**
Nokia Solutions and Networks Technical Services Vietnam Company Limited	Phuong Mai, Vietnam	100.00
Nokia Solutions and Networks Holdings (Pty) Ltd	Pretoria, South Africa	87.00**
Nokia Solutions and Networks South Africa (Pty) Ltd	Pretoria, South Africa	100.00
Associated companies and other equity stakes		
Fujian Funo Mobile Communication Technology Co. Ltd.	Fuzhou, China	49.00
Open Cloud Ltd.	Cambridge, United Kingdom	35.00
TD Tech Holding Ltd.	Hong Kong, China	51.00
MobilRail V.O.F.	Rotterdam, The Netherlands	50.00
ETSI Technologies Inc.	Rizal, Philippines	40.00
Site-Con Inc.	Makati, Philippines	40.00*
Nokia Siemens Networks Al Saudia Ltd.	Riyadh, Saudi Arabia	49.00

* In process of liquidation.

** Provision recognized (refer to Note 6, Provisions, in the Company financial statements).

Company names are as at April, 2014.

APPENDIX 16. SUBSIDIARIES-FPT GROUP (FPT 2013, 27-28)

15. INVESTMENTS IN SUBSIDIARIES

Details of the Corporation's subsidiaries as at 31 December 2013 are as follows:

Name of subsidiary	Place of Incorporation and operation	Proportion of ownership	Proportion of voting right	Principal activities
FPT Information System Corporation (i)	Floor 22, Keangnam Landmark 72, E6 Pham Hung, Me Tri, Tu Liem, Hanoi	100%	100%	Providing application software solution, EPR service, IT service and integrated system service
FPT Software Company Limited	Floor 6-12 FPT Cau Gay Building, Duy Tan Street, Cau Gay District, Hanoi	100%	100%	Providing software services and products
FPT Trading Company Limited	FPT Cau Gay Building, Duy Tan Street, Cau Gay District, Hanoi	100%	100%	Producing technology products and distributing IT devices and mobile phones; and manufacturing computers
FPT Telecom Joint Stock Company (ii)	Floor 2, FPT Cau Gay Building, Duy Tan Street, Cau Gay District, Hanoi	42.51%	42.51%	Providing ADSL services, fixed line internet services, online advertising, online games and other online services
FPT Education Company Limited	FPT Cau Gay Building, Duy Tan Street, Cau Gay District, Hanoi	100%	100%	Providing training and technology services

Name of subsidiary	Place of Incorporation and operation	Proportion of ownership	Proportion of voting right	Principal activities
FPT Online Service Joint Stock Company	No. 408 Dien Bien Phu Street, Ward 11, District 10, Hochiminh City	50.05%	84.04%	Providing online services
FPT Investment Company Limited	Floor 13, FPT Cau Gay Building, Duy Tan Street, Cau Gay District, Hanoi	100%	100%	Providing financial services activities (investment consulting service, excluding legal and financial consulting services)
FPT Digital Retail Joint Stock Company	No. 261 - 263 Khanh Hoi, Ward 5, District 4, Hochiminh City	94.51%	94.51%	Retails of computers, peripheral devices, software and telecommunication equipment; telecom service agent
FPT Media Company Limited (iii)	No. 153 Nguyen Dinh Chieu, Ward 6, District 3, Hochiminh City	100%	100%	Producing news and entertainment shows; providing telecom and advertising services
F-Agrex Global Company Limited	Floor 10, Detech Tower, No. 8 Ton That Thuyet, My Dinh Ward, Tu Liem District, Hanoi	51%	51%	Consulting and installing hardware service; preparing, processing data and producing software service

(i) According to Resolution No. 23-2013/QĐ-FPT-HĐQT, on 29 March 2013, the Board of Directors of FPT Corporation approved to transfer its ownership of FPT Informatics Services Company Limited to FPT Information System Corporation.

(ii) As at 31 December 2013, FPT Corporation holds 42.51% ownership interest (31 December 2012: 42.51%) and 42.51% of voting rights (31 December 2012: 42.51%) at FPT Telecom Joint Stock Company. However, the Corporation has the power to cast the majority of votes at meetings of the Board of Management of FPT Telecom Joint Stock Company and thus, the Corporation has the power to control the financial and operating policies of FPT Telecom Joint Stock Company. Therefore, the Corporation has control over FPT Telecom Joint Stock Company, and thus, the financial statements of FPT Telecom Joint Stock Company are incorporated in the Corporation's consolidated financial statements.

(iii) On 08 August 2011, Executive President of FPT Corporation issued Decision No. 79.1-2011/QĐ- FPT-TGD on temporarily narrowing the business activities of FPT Media Company Limited.

Contents

Report of the Board of Directors	3
Consolidated income statement	11
Consolidated balance sheet.....	12
Changes in shareholders' equity in the financial period ended 31 December 2012	13
Consolidated cash flow statement.....	14
Accounting policies for the consolidated financial statements.....	15
Consolidated notes.....	25
Financial indicators	43
Share indicators	44
Calculation of indicators.....	45
Shares and shareholders.....	46
Parent company income statement.....	50
Parent company balance sheet	51
Parent company cash flow statement.....	52
Parent company accounting principles.....	53
Notes to the parent company income statement.....	54
Notes to the parent company balance sheet	55
Other notes to the parent company accounts.....	58
Board's proposal for the disposal of profit.....	58
Auditors' report.....	59
Statement of the Supervisory Board.....	59

Financial reporting

Raisio Group reports on its performance in line with the continuing operations and all figures mentioned in this review are comparable. The Divisions that are reported in line with continuing operations include Brands and Raisioagro.

The Brands Division includes Consumer brands and Licensed brands units. In the text, Consumer brands unit is examined by key market areas that are Western Europe, Northern Europe and Eastern Europe. The non-dairy business that Raisio sold is included in the Northern European figures until 9 May 2013. Licensed brands unit includes Benecol business and a joint venture called Benemilk Ltd from 1 July 2013.

Raisioagro Division includes feeds, farming supplies, vegetable oils, grain trade and bioenergy.

APPENDIX 18. CHANGE IN OWNERS' EQUITY-MASAN GROUP (Masan 2013, 112-113)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013 (continued)

Form B 09 - DN/HN

23. CHANGE IN OWNERS' EQUITY

Group

	Share Capital	Capital surplus	Other capital	Foreign exchange differences	Other reserves	Retained profits	Equity attributable to equity holders of Company	Minority interests	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance at 1 January 2012	5,152,723	2,166,136	10,462,804	(16,066)	(6,569,981)	4,680,036	15,875,652	5,679,380	21,555,032
Issuance of new shares through conversion of equity instruments	964,638	5,394,006	(6,358,644)	-	-	-	-	-	-
Equity instruments repurchased	-	-	(4,104,160)	-	(530,235)	-	(4,634,395)	-	(4,634,395)
Issuance of new shares through conversion of debt instruments	344,440	439,025	-	-	-	-	783,465	-	783,465
Issuance of new shares for cash	411,000	-	-	-	-	-	411,000	-	411,000
Issuance of equity instruments	-	-	1,721,824	-	-	-	1,721,824	-	1,721,824
Increase in minority interest from share capital issued by subsidiaries	-	-	-	-	(22,447)	-	(22,447)	34,947	12,500
Decrease in minority interest from acquisitions of share capital in subsidiaries	-	-	-	-	(1,440,708)	-	(1,440,708)	(491,929)	(1,932,637)
Decrease in minority interest from share capital additionally acquired in a subsidiary of MSC	-	-	-	-	(56,108)	-	(56,108)	(65,936)	(122,044)
Foreign exchange differences in a subsidiary	-	-	-	(62)	-	-	(62)	(33)	(95)
Net profit for the year	-	-	-	-	-	1,260,518	1,260,518	702,074	1,962,592
Dividend paid	-	-	-	-	-	-	-	(25,988)	(25,988)
Transfer to funds	-	-	-	-	-	(14,902)	(14,902)	(11,967)	(26,869)
Balance at 31 December 2012	6,872,801	7,999,167	1,721,824	(16,128)	(8,619,479)	5,925,652	13,883,837	5,820,548	19,704,385

	Share Capital	Capital surplus	Other capital	Foreign exchange differences	Other reserves	Retained profits	Equity attributable to equity holders of Company	Minority interests	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance at 1 January 2013	6,872,801	7,999,167	1,721,824	(16,128)	(8,619,479)	5,925,652	13,883,837	5,820,548	19,704,385
Issuance of new shares for cash	178,608	-	-	-	-	-	178,608	-	178,608
Issuance of new shares due to conversion of debt instruments of subsidiary (Note 21(b))	297,704	1,602,460	-	-	-	-	1,900,164	-	1,900,164
Equity instruments repurchased (Note 25(c))	-	-	(1,624,121)	-	(1,056,440)	-	(2,680,561)	-	(2,680,561)
Transactions with minority interest in MSC (Note(13(c)(i)))	-	-	-	-	675,965	-	675,965	2,519,479	3,195,444
Decrease in minority interests from share capital issued by MR (Note(13(c)(ii)))	-	-	-	-	70,184	-	70,184	(311,116)	(240,932)
Foreign exchange differences in a subsidiary	-	-	-	(26,970)	-	-	(26,970)	(13,518)	(40,488)
Net profit for the year	-	-	-	-	-	451,200	451,200	856,024	1,307,224
Dividend paid	-	-	-	-	-	-	-	(24,876)	(24,876)
Transfer to funds	-	-	-	-	-	(19,458)	(19,458)	(18,013)	(37,471)
Balance at 31 December 2013	7,349,113	9,601,627	97,703	(43,098)	(8,929,770)	6,357,394	14,432,969	8,828,528	23,261,497

APPENDIX 19. SUBSIDIARIES & ASSOCIATES-RAISIO GROUP (Raisio 2013, 41)

	Group holding, %	Parent company holding, %
SUBSIDIARY COMPANIES		
Brands		
Anytime Food and Drink Limited, UK	100.00	
Benemilk Ltd, Turku	57.00	
Big Bear Confectionery Limited, UK	100.00	
Big Bear Group Limited, UK	100.00	
Bright Foods Limited, UK	100.00	
Cabin Confectionery Limited, UK	100.00	
Candy Plus, a.s., Czech Republic	100.00	
Candy Plus Polska Sp. z o.o., Poland	100.00	
The Candy Plus Sweet Factory, s.r.o., Czech Republic	100.00	
Carlshamn Mejeri Produktion AB, Sweden	100.00	
Chartnatural Limited, UK	100.00	
Dormen Foods Limited, UK	100.00	
OOO Ecomilk, Russia	100.00	
FDS Informal Foods Limited t/a Snacks Unlimited, UK	100.00	
F. Fravigar Limited, UK	100.00	
Food and Drink Solutions Limited, UK	100.00	
Fox's Confectionery Limited, UK	100.00	
Glisten Limited, UK	100.00	
The Glisten Confectionery Company Limited, UK	100.00	
Glisten Finance Limited, UK	100.00	
Glisten Snacks Limited, UK	100.00	
Halo Foods Limited, UK	100.00	
Health Bars Limited, UK	100.00	
Holgate's Nutritional Foods Limited, UK	100.00	
Honey Monster Foods Limited, UK	100.00	
Jester Food Products Limited, UK	100.00	
The Lindum Snack Company Limited, UK	100.00	

	Group holding, %	Parent company holding, %
Lyme Regis Fine Foods Limited, UK	100.00	
Nimbus Foods Limited, UK	100.00	
Nordic Feed Innovations Oy, Turku	76.00	76.00
The Original Welsh Pantry Company Limited, UK	100.00	
Raisio Eesti AS, Estonia	100.00	
UAB Raisio Lietuva, Lithuania	100.00	
OOO Raisio Nutrition, Russia	100.00	
Raisio Sp. z o.o., Poland	100.00	
Raisio Staest US Inc., USA	100.00	
Raisio Sverige AB, Sweden	100.00	
Raisio UK Limited, UK	100.00	100.00
TOV Raisio Ukraina, Ukrain	100.00	
Raisio Nutrition Ltd, Raisio	100.00	100.00
Shepherd Boy Limited, UK	100.00	
Raisioagro		
ProteinOil Oy, Raisio	100.00	100.00
Raisioagro Ltd., Raisio	100.00	100.00
Others		
Raisio Finance NV, Belgium	100.00	99.99
Raision Konsernipalvelut Oy, Raisio	100.00	100.00
Raisionkaari Industrial Park Ltd., Raisio	100.00	50.00
Reso Management Oy, Raisio	22.22	22.22
ASSOCIATES		
Raisioagro		
Vihervakka Oy, Pöytyä	38.50	38.50

APPENDIX 20. SUBSIDIARIES-MASAN GROUP (Masan 2013, 64-65)

1. REPORTING ENTITY

Ma San Group Corporation ("the Company") is a joint stock company incorporated in Vietnam. The principal activity of the Company is in investment holding.

The consolidated financial statements comprise the Company and its subsidiaries (together referred to as "the Group").

The principal activities of the subsidiaries are described as follows:

Name	Principal activity	Percentage of economic interests at	
		31/12/2013	31/12/2012
MasanConsumerHoldings Company Limited (formerly known as Hoa Bang Lang Consultant Company Limited)	Investment holding	100%	100%
Orchid Consultant Company Limited	Investment holding	100%	100%
Gerbera Consultant Company Limited (*)	Investment holding	(*)	100%
Dahlia Company Limited (*)	Investment holding	(*)	100%
Ma San Consumer Corporation	Trading and distribution	74.2%	80.8%
Masan Food Company Limited	Food Trading	74.2%	80.8%
Ma San Industrial One Member Company Limited	Food sauce and instant noodle manufacturing	74.2%	80.8%
Viet Tien Food Technology One Member Company Limited	Food sauce manufacturing	74.2%	80.8%
Ma San HD One Member Company Limited	Instant noodle manufacturing	74.2%	80.8%
Ma San PQ Corporation	Food sauce manufacturing	70.1%	76.4%

(*) Gerbera Consultant Company Limited and Dahlia Company Limited are not owned by the Company but the Company has been assigned 100% of the voting rights and all economic benefits relating to the ownership in these companies. As such, the Company has control of these companies. During the year, all assets of these companies relating to the Group's interests in Ma San Consumer Corporation were transferred to the Company. The assignment agreements were then cancelled.

For the year ended 31 December 2013 (continued)

Form B 09 - DN/HH

Name	Principal activity	Percentage of economic interests at	
		31/12/2013	31/12/2012
Minh Viet Packaging One Member Company Limited	Packaging	74.2%	80.8%
Masan Agri Corporation (formerly known as Hoa Muoi Gio Company Limited)	Investment holding	37.9%	80.8%
Vinacafe Bien Hoa Joint Stock Company	Beverage manufacturing	39.5%	43%
Vinh Hao Mineral Water Corporation	Beverage manufacturing	47.1%	-
Kronfa., JSC	Beverage manufacturing	47.1%	-
Ma San Horizon Corporation	Investment holding	100%	100%
Ma San Resources Corporation	Investment holding	75.9%	65%
Ma San Thai Nguyen Resources Company Limited	Investment holding	75.9%	65%
Thai Nguyen Trading and Investment Company Limited	Investment holding	75.9%	65%
Nui Phao Mining Company Limited	Exploring and processing mineral	75.9%	65%

Subsequent to 31 December 2013, the Company's economic interests in Ma San Consumer Corporation increased to 77.4% which also increased the Company's economic interests in Ma San Consumer Corporation's subsidiaries (see Note13(c)(i)).

All the subsidiaries are incorporated in Vietnam.

The percentage of economic interests represents the effective percentage of economic interests of the Company both directly and indirectly in the subsidiaries.

As at 31 December 2013, the Company had 38 employees (31/12/2012: 41 employees) and the Group had 7,297 employees (31/12/2012: 5,632 employees).

APPENDIX 21. FINANCIAL STATEMENTS-YIT GROUP (YIT 2013)

YIT Corporation

Contents

YIT is a construction industry leader that creates sustainable urban environments by constructing housing, business premises, infrastructure and entire areas. YIT has over 100 years of experience and a strong market position: we are the largest housing developer in Finland and the largest foreign housing developer in Russia. We are also among the largest business premises and infrastructure construction companies in Finland. Our operating area covers Finland, Russia, the Baltic countries, the Czech Republic and Slovakia. We aim to be a leading European project developer, construction company and service provider, creating value responsibly with our stakeholders. We aim to improve our quality and customer service further and continuously offer consumers new and innovative housing solutions. We are also developing innovative business premises concepts in line with our clients' changing business needs by using the possibilities of developing urban structures. Our success is first and foremost based on skilled employees and continuous development of competence.

YIT's share is listed on NASDAQ OMX Helsinki.

1	YIT IN THE CAPITAL MARKET
5	INVESTOR RELATIONS
7	CORPORATE GOVERNANCE
15	RISK MANAGEMENT
19	REPORT OF THE BOARD OF DIRECTORS
33	CONSOLIDATED FINANCIAL STATEMENTS
33	Consolidated income statement
33	Consolidated statement of comprehensive income
34	Consolidated balance sheet
35	Consolidated cash flow statement
36	Consolidated statement of changes in equity
38	Notes to the consolidated financial statements
38	Accounting principles
46	Segment information
50	Acquisitions
51	Disposals
51	Long-term construction contracts
51	Other operating income
51	Other operating expenses
52	Depreciation and impairment
52	Employee benefit expenses
52	Research and development expenses
52	Financial income and expenses
53	Income tax
53	Earnings per share
53	Tangible assets
55	Intangible assets
56	Investments in associated companies and joint ventures
57	Available for sale investments
57	Non-current receivables
57	Deferred tax receivables and liabilities
59	Inventories
59	Trade and other receivables
59	Cash and cash equivalents
59	Equity
61	Employee benefit obligations
63	Provisions
63	Borrowings
64	Trade and other payables
65	Derivative instruments
66	Financial assets and liabilities by category
68	Financial risk management
73	Operating leases
73	Commitments and contingent liabilities
74	Subsidiaries
74	Related party transactions
75	Discontinued operations
77	PARENT COMPANY FINANCIAL STATEMENTS
78	Income statement of parent company
78	Balance sheet of parent company
79	Cash flow statements of parent company
80	Notes to the parent company financial statements
88	BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF DISTRIBUTABLE EQUITY
89	AUDITOR'S REPORT
90	KEY FIGURES
96	INFORMATION FOR SHAREHOLDERS



YIT'S OPERATIONS, SERVICES, STRATEGIC TARGETS AND EVENTS IN 2013 are described in a separate Annual Review. For further information, visit www.yitgroup.com/investors

APPENDIX 22. NOTE 28-OWNERS' EQUITY-HAGL GROUP (HAGL 2013, 152-154)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B09-DN/HN

28. OWNERS' EQUITY

28.1 Increase and decrease in owners' equity

	Share capital	Share premium	Consolidation reserve	Foreign exchange difference	Investment and development fund	Financial reserve fund	Undistributed earnings	Total
Beginning balance as at 1 January 2012	4,672,805,900	2,880,972,568	(389,966,078)	139,176,056	8,622,737	219,861,914	1,867,109,891	9,398,582,988
Issuance of dividend shares for existing shareholders	700,904,590	-	-	-	-	-	(700,904,590)	-
Net profit for the year	-	-	-	-	-	-	349,964,246	349,964,246
Remuneration of the Board of Directors, Supervisors and Secretary	-	-	-	-	-	-	(1,663,799)	(1,663,799)
Foreign exchange differences	-	-	-	19,799,080	-	-	(5,445,459)	14,353,621
Appropriation to financial reserve fund	-	-	-	-	-	3,810,778	(3,810,778)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(7,946,810)	(7,946,810)
Ending balance as at 31 December 2012	5,373,710,490	2,880,972,568	(389,966,078)	158,975,136	8,622,737	223,672,692	1,497,302,701	9,753,290,246

VND'000

(To be continued)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B09-DN/HN

28. OWNERS' EQUITY (continued)

28.1 Increase and decrease in owners' equity (continued)

	Share capital	Share premium	Consolidation reserve	Foreign exchange difference	Investment and development fund	Financial reserve fund	Undistributed earnings	Total
Beginning balance as at 1 January 2013	5,373,710,490	2,880,972,568	(389,966,078)	158,975,136	8,622,737	223,672,692	1,497,302,701	9,753,290,246
Issuance of shares to existing shareholders (*)	1,074,742,100	(2,214,233)	-	-	-	-	-	1,052,599,770
Issuance of shares to convert international bond (**)	73,094,340	68,560,546	-	-	-	-	-	1,418,702,886
Net profit for the year	-	-	-	-	-	-	846,072,196	846,072,196
Remuneration of the Board of Directors, Supervisors and Secretary	-	-	-	-	-	-	(5,166,510)	(5,166,510)
Dividend paid (***)	-	-	-	-	-	-	(359,077,347)	(359,077,347)
Foreign exchange differences	-	-	-	(67,443,999)	-	-	-	(67,443,999)
Disposals of subsidiaries	-	-	219,305,000	(1,820,287)	-	-	-	217,484,713
Appropriation to financial reserve fund	-	-	-	-	-	63,547,311	(63,547,311)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(3,812,837)	(3,812,837)
Ending balance as at 31 December 2013	7,181,546,930	3,544,438,784	(170,661,078)	89,710,850	8,622,737	230,027,423	1,968,963,472	12,852,649,118

VND/000

(To be continued)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B09-DN/HN

28. OWNERS' EQUITY(continued)

28.1 Increase and decrease in owners' equity (continued)

- (*) The Company offered 107,474,210 shares to existing shareholders as at 8 April 2013 at a ratio of 5:1 (i.e. purchase 1 new share at par value VND 10,000 per share for every 5 shares held). The issuance was executed under the Resolution of Annual Shareholders Meeting No. 0401/13/NQDHDCCD-HAGL dated 4 January 2013 and the share issuance certificate No. 06/GCN-UBCK dated 21 March 2013 issued by State Securities Commission. On 3 June 2013, the Company fully received VND'000 1,074,742,100 for this share issuance. Accordingly, the Company has recorded the additional share capital and the corresponding increase in cash by the same amount. Cost of this issuance amounting to VND'000 22,142,330 has been recorded as negative share premium.
- (**) On 28 May 2013, the Company issued 73,309,434 shares to convert US\$ 75 million international bonds. The issuance was executed under the Resolution of Annual Shareholders Meeting No. 0401/13/NQDHDCCD-HAGL dated 4 January 2013, official letter No. 1551/UBCK-QLPH dated 23 April 2013 issued by State Securities Commission and share subscription agreement dated 10 May 2013. Accordingly, the Company has recorded the additional share capital of VND'000 733,094,340, increase share premium of VND'000 685,608,546 after deduction arrangement fee and other issuance costs and the corresponding decrease in international bond by VND'000 1,562,100,000.
- (***) During the year, the Company declared and paid a cash dividend at 500 VND per share aggregating to VND'000 359,077,347 from profit after tax of the year 2012. This dividend was approved by shareholders in writing as noted in the shareholders' resolution dated 9 October 2013. Accordingly, the Company has recorded the reduction in undistributed earnings of VND'000 359,077,347.

28.2 Shares

	31 December 2013 Shares	31 December 2012 Shares
Shares authorised to be issued	718,154,693	537,371,049
Shares issued and fully paid	718,154,693	537,371,049
<i>Ordinary shares</i>	718,154,693	537,371,049
Outstanding shares	718,154,693	537,371,049
<i>Ordinary shares</i>	718,154,693	537,371,049

Par value of the Company's shares is VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote without restriction.

Appendix 23. SUBSIDIARIES-HAGL GROUP (HAGL 2013, 132-134)

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Real estate				
(1) Hoang Anh Construction and Housing Development JSC	HCMC, Vietnam	Operating	4/6/2007	98.18
(2) Hoang Anh Gia Lai Myanmar Co., Ltd.	Yangon, Myanmar	Pre-operating	21/2/2013	98.18
(3) Hoang Anh Gia Lai (Bangkok) Co., Ltd.	Bangkok, Thai Lan	Pre-operating	2009	(i) 46.14

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Energy				
(4) Hoang Anh Gia Lai Hydropower JSC	Gia Lai, Vietnam	Operating	5/6/2007	93.35
(5) Hoang Anh Dak Bla Hydropower JSC	Kontum, Viet Nam	Pre-operating	30/5/2007	91.48
(6) Hoang Anh Attapeu Power Co., Ltd.	Attapeu, Laos	Pre-operating	18/7/2011	93.35
(7) Nam Kong 3 Electric Co., Ltd.	Attapeu, Laos	Pre-operating	31/5/2013	93.35
(8) Power Construction Installation One Member Co., Ltd.	Gia Lai, Vietnam	Operating	25/7/2013	93.35
Agriculture plantation				
(9) Hoang Anh Gia Lai Rubber JSC	Gia Lai, Vietnam	Operating	26/5/2010	92.13
(10) Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Gia Lai, Vietnam	Operating	5/2/2013	92.13
(11) Hoang Anh Gia Lai Sugar Cane JSC	Gia Lai, Vietnam	Operating	26/1/2011	92.12
(12) Hoang Anh Attapeu Sugar Cane Co., Ltd	Attapeu, Laos	Operating	1/11/2011	92.12
(13) Hoang Anh - Quang Minh Rubber JSC	Gia Lai, Vietnam	Operating	1/2/2007	89.86
(14) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Attapeu, Laos	Operating	12/1/2007	89.86
(15) Gia Lai Industrial Forest Plantation JSC	Gia Lai, Vietnam	Pre-operating	9/9/2008	91.97
(16) Hoang Anh Dak Lak JSC	Dak Lak, Vietnam	Operating	12/9/2007	92.11
(17) Dak Lak Tan Dai Thang JSC	Dak Lak, Vietnam	Pre-operating	27/11/2010	78.29
(18) Ban Me Rubber JSC	Dak Lak, Vietnam	Pre-operating	15/1/2010	75.53
(19) Hoang Anh Attapeu Agriculture Development Co., Ltd.	Attapeu, Laos	Operating	22/5/2008	92.13
(20) Hoang Anh Andong Meas One Member Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	17/2/2011	89.86
(21) Hoang Anh Oyadav Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	16/7/2010	92.13
(22) Heng Brothers Co., Ltd.	Phnom Penh, Cambodia	Pre-operating	25/1/2010	92.13
(23) CRD Co., Ltd.	Phnom Penh, Cambodia	Pre-operating	15/12/2010	92.13
(24) Hoang Anh Rattanakiri Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	18/11/2009	92.13

(To be continued)

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Mining				
(25) HAGL Mineral JSC	Gia Lai, Vietnam	Operating	8/12/2007	99.78
(26) Gia Lai Mineral JSC	Gia Lai, Vietnam	Operating	12/4/2007	99.77
(27) Hoang Anh GL – Kontum Mineral Co., Ltd.	Kontum, Vietnam	Operating	9/2/2010	99.78
(28) Hoang Anh Xekong Mineral Co., Ltd.	Attapeu, Laos	Pre-operating	15/10/2009	99.78
Construction, trading and services				
(29) Hoang Anh Gia Lai Sport JSC	Gia Lai, Vietnam	Operating	12/1/2009	69.88
(30) Central HAGL JSC	Da Nang, Vietnam	Operating	6/7/2007	51.85
(31) Hoang Anh Gia Lai Hospital JSC	Gia Lai, Vietnam	Operating	7/5/2008	99.00
(32) V&H Corporation (Lao) Co., Ltd.	Vientiane, Laos	Pre-operating	6/1/2009	80.00
(33) V&H Corporation Co., Ltd.	Vientiane, Laos	Pre-operating	27/3/2009	100.00
(34) Hoang Anh Gia Lai Bridge & Road JSC	Gia Lai, Vietnam	Operating	22/12/2009	55.12
(35) Hoang Anh Gia Lai Vientiane Co., Ltd.	Vientiane, Laos	Pre-operating	6/5/2010	100.00
(36) Hoang Anh Gia Lai Real Estate and Hotel Management JSC	Da Nang, Vietnam	Operating	27/7/2012	94.50

(i) The Group has more than 50% voting rights in this company

Pre-operating status means the subsidiary is still under investment stage and has not yet started its business operations as at 31 December 2013.

APPENDIX 24. QUESTIONNAIRE-VIETNAMESE VERSION

Câu 1. Bạn nằm trong nhóm tuổi nào?

- ≤ 25
- 26-35
- 36-45
- ≥ 46

Câu 2. Bằng cấp cao nhất của bạn là gì?

- Tốt nghiệp phổ thông trung học
- Chứng chỉ nghề
- Bằng cao đẳng
- Bằng cử nhân
- Bằng thạc sĩ
- Bằng tiến sĩ
- Other:

Câu 3. Bạn là thành viên của tổ chức nào dưới đây?

- Không là thành viên của tổ chức nào
- Hội kế toán và kiểm toán Việt Nam (VAA)
- Hội kiểm toán viên hành nghề Việt Nam (VACPA)
- Hiệp hội kế toán công chứng Anh Quốc (ACCA)
- Other:

Câu 4. Bạn đang làm việc/hoạt động trong lĩnh vực nào?

- Chính phủ
- Giáo dục
- Ngân hàng
- Giao dịch chứng khoán
- Dịch vụ
- Sản xuất
- Other:

Câu 5. Vai trò của bạn trong lĩnh vực trên là gì?

- Kế toán viên
- Kiểm toán viên
- Nhà đầu tư
- Sinh viên

(To be continued)

- Giảng viên đại học
- Other:

Câu 6. Bạn đã làm việc bao lâu trong lĩnh vực trên? (Nếu bạn là sinh viên, hãy bỏ qua câu này và chuyển đến câu 8 để trả lời tiếp)

- < 1 năm
- 1-5 năm
- 6-10 năm
- 11-15 năm
- 16-20 năm
- >20 năm

Câu 7. Có bao nhiêu nhân viên trong tổ chức hiện tại của bạn?

- <= 50 người
- 51-100 người
- 101-200 người
- 201-300 người
- > 300 người

Câu 8. Đối với sinh viên, bạn đã tiếp xúc với những môn có liên quan đến Kế toán trong bao lâu?

- 1-5 năm
- Trên 5 năm
- Không học môn nào liên quan đến kế toán

Câu 9. Bạn có biết rằng Việt Nam có những chuẩn mực kế toán riêng (VAS)?

- Có
- Không (Kết thúc bản khảo sát tại đây. Hãy click submit form. Cảm ơn bạn.)

Câu 10. Bạn có biết những chuẩn mực kế toán/báo cáo tài chính quốc tế (IAS/IFRS)?

- Có
- Không (Kết thúc bản khảo sát tại đây. Hãy click submit form. Cảm ơn bạn.)

Câu 11. Bạn có biết rằng những chuẩn mực kế toán Việt Nam được định hướng chuyển đổi hướng đến những chuẩn mực kế toán/báo cáo tài chính quốc tế (IAS/IFRS)?

- Có
- Không

(To be continued)

Câu 12. Theo bạn những lợi ích nào Việt Nam có được khi chuyển đổi từ chuẩn mực kế toán Việt Nam (VAS) sang chuẩn mực kế toán/báo cáo tài chính quốc tế (IAS/IFRS). Hãy chọn câu trả lời tương ứng với những ích lợi dưới đây.

	Rất không đồng ý	Không đồng ý	Trung lập	Đồng ý	Rất đồng ý
Độ tin cậy của báo cáo tài chính cao hơn	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tính so sánh giữa các báo cáo tài chính rõ ràng hơn	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Báo cáo tài chính trở nên minh bạch hơn	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Báo cáo tài chính có chất lượng cao hơn	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Độ tin cậy của các nhà đầu tư vào báo cáo tài chính cao hơn	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dễ kết nối với thị trường toàn cầu hơn	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Câu 13. Hãy nêu ra những lợi ích khác (nếu có)

Câu 14. Theo bạn những bất lợi nào Việt Nam gặp phải khi chuyển đổi từ chuẩn mực kế toán Việt Nam (VAS) sang chuẩn mực kế toán/báo cáo tài chính quốc tế (IAS/IFRS). Hãy chọn câu trả lời tương ứng với những bất lợi dưới đây.

	Rất không đồng ý	Không đồng ý	Trung lập	Đồng ý	Rất đồng ý
Quá trình chuyển đổi rất phức tạp	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quá trình chuyển đổi tốn nhiều thời gian	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quá trình chuyển đổi tốn nhiều chi phí	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Khó để chuyển đổi hoàn toàn sang chuẩn mực kế toán quốc tế vì những khác biệt chính trị	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Câu 15. Hãy nêu ra những bất lợi khác (nếu có)

Câu 16. Theo bạn những thử thách nào Việt Nam sẽ trải qua nếu chuyển đổi từ chuẩn mực kế toán Việt Nam (VAS) sang chuẩn mực kế toán/báo cáo tài chính quốc tế (IAS/IFRS). Hãy chọn câu trả lời tương ứng với những thử thách dưới đây.

	Rất không đồng ý	Không đồng ý	Trung lập	Đồng ý	Rất đồng ý
Cần nâng cấp quy trình kế toán nếu chuyển đổi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cần nâng cấp quy trình kiểm toán nếu chuyển đổi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(To be continued)

	Rất không đồng ý	Không đồng ý	Trung lập	Đồng ý	Rất đồng ý
Cần nâng cấp hệ thống công nghệ thông tin nếu chuyển đổi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Không có đủ chuyên gia kế toán	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cần huấn luyện đội ngũ nhân viên	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Chương trình dạy liên quan đến chuẩn mực kế toán/báo cáo tài chính quốc tế còn giới hạn tại các trường đại học	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Câu 17. Hãy nêu ra những thử thách khác (nếu có)

Câu 18. Theo bạn, liệu việc áp dụng những chuẩn mực kế toán/báo cáo tài chính quốc tế (IAS/IFRS) sẽ mang lại nhiều lợi ích hơn hay nhiều bất lợi hơn?

- Mang lại nhiều lợi ích hơn
- Mang lại nhiều bất lợi hơn
- Tôi không biết

Câu 19. Bạn có nghĩ Việt Nam nên chuyển đổi sang chuẩn mực kế toán/báo cáo tài chính quốc tế (IAS/IFRS)?

- Có
- Không (Kết thúc bản khảo sát tại đây. Hãy click submit form. Cảm ơn bạn.)
- Tôi không có ý kiến (Kết thúc bản khảo sát tại đây. Hãy click submit form. Cảm ơn bạn.)

Câu 20. Bạn nghĩ khi nào Việt Nam có thể chuyển đổi sang dùng chuẩn mực kế toán/báo cáo tài chính quốc tế (IAS/IFRS)?

- 1-5 năm
- > 5 năm
- Tôi không biết

Survey link:

https://docs.google.com/forms/d/1rdZbdz6cAkfVxGPE5gzcP_Hd1TNubA5hjUXa1lxTlvg/viewform?usp=send_form

APPENDIX 25. QUESTIONNAIRE-ENGLISH VERSION

Question 1. What age bracket are you in?

- <= 25
- 26-35
- 36-45
- >= 46

Question 2. What is your highest level of education?

- High School Certificate
- Vocational Degree
- College's Degree
- Bachelor's Degree
- Master's Degree
- PhD
- Other:

Question 3. Do you have any following professional membership?

- None
- Vietnam Association of Accountants and Auditors (VAA)
- Vietnam Association of Certified Public Accountants (VACPA)
- Association of Chartered Certified Accountants (ACCA)
- Other:

Question 4. Which industry sector do you work in?

- Government
- Education
- Banking
- Securities and Commodities Exchanges
- Service
- Manufacturing
- Other:

Question 5. What is your role within the above industry?

- Accountants
- Auditors
- Investors
- Students

(To be continued)

- Academic
- Other:

Question 6. How long have you worked within the above industry? (If you are a student, please ignore this question and move to question 8)

- < 1 year
- 1-5 years
- 6-10 years
- 11-15 years
- 16-20 years
- > 20 years

Question 7. How many employees are there in your current organisation?

- <= 50
- 51-100
- 101-200
- 201-300
- > 300

Question 8. For students, how long have you studied courses related to Accounting?

- 1 - 5 years
- Over 5 years
- I don't study any accounting related courses

Question 9. Do you know that Vietnamese accounting system is currently following Vietnamese Accounting Standards (VAS)?

- Yes
- No (End questionnaire. Please submit form. Thank you)

Question 10. Do you know International Accounting Standards/International Financial Reporting Standards (IAS/IFRS)?

- Yes
- No (End questionnaire. Please submit form. Thank you)

Question 11. Do you know that Vietnam intends to adopt with IAS/IFRS in the future?

- Yes
- No

Question 12. What are advantages of IAS/IFRS, as compared to the current VAS? Please indicate your response to the following statements.

(To be continued)

- No
- Don't know

Question 19. Do you think Vietnam should adopt with IAS/IFRS in the future?

- Yes
- No (End questionnaire. Please submit form. Thank you)
- No idea (End questionnaire. Please submit form. Thank you)

Question 20. Please indicate when Vietnam could adopt with IAS/IFRS.

- 1-5 years
- 5 years +
- Don't know

Survey link:

https://docs.google.com/forms/d/1t11TSHXwUsgXFEfsODfINnQSgTtw-CWnETInQwCfwt4/viewform?usp=send_form

APPENDIX 26. INTERVIEW QUESTIONS

1. In your opinion, what kind of contribution will the IAS/IFRS make to Vietnamese accounting system in case of IAS/IFRS adoption?
2. Are there disadvantages/costs to be made from the adoption that will seriously affect the organisations in Vietnam?
3. What are the main challenges for Vietnam in case of the adoption?
4. How would you describe the current accounting system in Vietnam, as compared to IAS/IFRS? What would happen in the next 5 years?
5. Do you think Vietnam should adopt IAS/IFRS? If yes, when will be Vietnam ready for this adoption?
6. In case of the adoption, would the accounting specialists in Vietnam be competent enough with IAS/IFRS? If not, would it be necessary to train them?
7. With regards to education, would IAS/IFRS be included in the university's curriculum?
8. Could you please suggest the roadmap for IAS/IFRS adoption in the future?

APPENDIX 27. Demographic data (SPSS version 20.0)

	Frequency	Percent
Age		
<= 25	63	20.7
25-35	52	17.1
36-45	125	41.1
>= 46	64	21.1
Education level		
High School Certificate	20	6.6
Vocational Degree	3	1.0
College's Degree	35	11.5
Bachelor's Degree	187	61.5
Master's Degree	48	15.8
PhD	11	3.6
Working industry		
Government	39	12.8
Education	49	16.1
Banking	35	11.5
Securities and Commodities Exchanges	122	40.1
Service	36	11.8
Manufacturing	19	6.3
Others	4	1.3
Job roles		
Accountants/auditors	106	34.9
Investors	127	41.8
Academics	21	6.9
Others	50	16.4
Work experience		
< 1 year	16	5.3
1-5 years	59	19.4
6-10 years	96	31.6
11-15 years	73	24
16-20 years	18	5.9
>20 years	7	2.3
Professional memberships		
None	235	77.3
Vietnam Association of Accountants and Auditors (VAA)	21	6.9
Vietnam Association of Certified Public Accountants (VACPA)	4	1.3
Association of Chartered Certified Accountants (ACCA)	44	14.5
Organisation size		
<= 50 employees	9	3
51-100 employees	41	13.5
101-200 employees	65	21.4
201-300 employees	61	20.1
>300 employees	89	29.3

APPENDIX 28. DATA OF RESPONDENTS WHO KNOW VAS (SPSS version 20.0)

VAS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	285	93.8	93.8	93.8
No	19	6.3	6.3	100.0
Total	304	100.0	100.0	

APPENDIX 29. DATA OF RESPONDENTS WHO KNOW THE IAS/IFRS
(SPSS version 20.0)

		IAS/IFRS			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	227	74.7	79.6	79.6
	No	58	19.1	20.4	100.0
	Total	285	93.8	100.0	
Missing	System	19	6.3		
Total		304	100.0		

APPENDIX 30. MULTIPLE LINEAR REGRESSION OF IAS/IFRS
 AWARENESS AND EDUCATION LEVEL, WORKING INDUSTRY AND
 JOB ROLE (SPSS version 20.0)

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Industry, Education Level, Role ^b		Enter

a. Dependent Variable: IAS

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.322 ^a	.104	.094	.38385

a. Predictors: (Constant), Industry, Education Level, Role

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.793	3	1.598	10.843	.000 ^b
	Residual	41.403	281	.147		
	Total	46.196	284			

a. Dependent Variable: IAS

b. Predictors: (Constant), Industry, Education Level, Role

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.732	.111		6.598	.000
	Education Level	.095	.023	.239	4.083	.000
	Role	-.028	.014	-.120	-2.035	.043
	Industry	-.040	.016	-.143	-2.495	.013

a. Dependent Variable: IAS

APPENDIX 31. MULTIPLE LINEAR REGRESSION OF AWARENESS OF ADOPTION ATTENTION AND EDUCATION LEVEL, WORKING INDUSTRY AND JOB ROLE (SPSS version 20.0)

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Role, Industry, Education Level ^b	.	Enter

a. Dependent Variable: Adoption intention

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.315 ^a	.099	.087	.43433

a. Predictors: (Constant), Role, Industry, Education Level

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.639	3	1.546	8.197	.000 ^b
	Residual	42.256	224	.189		
	Total	46.895	227			

a. Dependent Variable: Adoption intention

b. Predictors: (Constant), Role, Industry, Education Level

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.701	.149		4.698	.000
	EducationLv	.097	.032	.195	2.981	.003
	Industry	-.051	.021	-.159	-2.465	.014
	Role_Recode	-.044	.018	-.162	-2.454	.015

a. Dependent Variable: Adoption intention

APPENDIX 32. COMPARE MEANS REGARDING ADVANTAGES AND JOB ROLES (SPSS version 20.0)

Role		Reliability	Comparability	Transparency	Higher quality	Investor confidence	Global access
Accountants /Auditors	Mean	4.3333	4.5556	4.4667	4.1444	4.1444	4.2111
	N	90	90	90	90	90	90
	Std. Deviation	.73439	.70490	.69022	.74292	.66300	.66187
Investors	Mean	4.1809	4.5957	4.2128	4.1383	4.2553	4.2340
	N	94	94	94	94	94	94
	Std. Deviation	.91537	.72318	.90247	.78427	.85429	.89713
Academics	Mean	4.0500	4.3500	4.1500	4.2500	4.0500	4.2500
	N	20	20	20	20	20	20
	Std. Deviation	1.14593	1.03999	.98809	.63867	.68633	.55012
Others	Mean	4.1667	4.4167	4.6250	4.2500	4.3750	4.3750
	N	24	24	24	24	24	24
	Std. Deviation	1.04950	.77553	.64690	.73721	.76967	.57578
Total	Mean	4.2281	4.5395	4.3509	4.1623	4.2061	4.2412
	N	228	228	228	228	228	228
	Std. Deviation	.88587	.75281	.81810	.74797	.76057	.75013

APPENDIX 33. COMPARE MEANS REGARDING DISADVANTAGES AND
JOB ROLES (SPSS version 20.0)

Role		Complicated	Time- consuming	Highly cost	Politics intervention
Accountants/ Auditors	Mean	4.2667	4.2333	4.0333	4.2444
	N	90	90	90	90
	Std. Deviation	1.01450	1.14214	1.03261	.93989
Investors	Mean	4.1277	4.0426	3.8617	4.2447
	N	94	94	94	94
	Std. Deviation	.88274	1.08672	1.12260	.99121
Academics	Mean	4.2000	4.4000	4.3000	4.1500
	N	20	20	20	20
	Std. Deviation	1.00525	.88258	.47016	.74516
Others	Mean	3.8333	3.9583	4.0000	4.2917
	N	24	24	24	24
	Std. Deviation	1.12932	1.19707	1.14208	.85867
Total	Mean	4.1579	4.1404	3.9825	4.2412
	N	228	228	228	228
	Std. Deviation	.97618	1.10567	1.04929	.93331

APPENDIX 34. COMPARE MEANS REGARDING CHALLENGES AND JOB ROLES (SPSS version 20.0)

Role		Accounting upgrade	Auditing upgrade	IT upgrade	Insufficient specialists	Staff training	Limited courses
Accountant /Auditor	Mean	4.4111	4.3778	3.9222	4.0778	4.2667	3.8667
	N	90	90	90	90	90	90
	Std. Deviation	.68523	.75814	.79645	.96253	1.00337	.91431
Investors	Mean	4.0957	4.1702	4.1064	4.2340	4.4362	4.0000
	N	94	94	94	94	94	94
	Std. Deviation	.95116	.83779	.95566	.92079	.82382	.91581
Academics	Mean	4.3500	4.3500	4.0000	3.9000	4.1000	4.2000
	N	20	20	20	20	20	20
	Std. Deviation	.93330	.98809	.97333	.71818	.78807	.52315
Others	Mean	4.0417	4.2083	3.7083	4.0833	4.1250	4.0417
	N	24	24	24	24	24	24
	Std. Deviation	.62409	.72106	1.08264	.92861	1.07592	.99909
Total	Mean	4.2368	4.2719	3.9825	4.1272	4.3070	3.9693
	N	228	228	228	228	228	228
	Std. Deviation	.83220	.81056	.91471	.92282	.92567	.89734