



**Eastspring Investments Fund
Management Limited Liability Company**

Financial statements
for the year ended 31 December 2022



**Eastspring Investments Fund Management Limited Liability Company
General Information**

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Eastspring Investments Fund Management Limited Liability Company Corporate Information

Business/Enterprise Registration Licence No.	303827455	12 December 2022
	The Company's Business Registration License has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 303827455 dated 12 December 2022. The Business Registration License and its updates were issued by the Ho Chi Minh City Department of Planning and Investment.	
Fund Management Establishment and Operation Licence No.	03/UBCK-GPHDQLQ	26 May 2005
	17/UBCK-GP	23 July 2008
	27/UBCK-GPDC	20 November 2008
	67/UBCK-GPDC	15 April 2010
	25/GPDC-UBCK	9 December 2011
	51/GP-UBCK	23 March 2012
	08/GPDC-UBCK	26 March 2013
	29/GPDC-UBCK	12 September 2013
	63/GPDC-UBCK	10 August 2018
	106/GPDC-UBCK	3 November 2022
Business Licence No.	51/GP-UBCK	23 March 2012
	The Fund Management Establishment and Operation Licence was issued by the State Securities Commission. On 23 March 2012, the State Securities Commission issued Business Licence No. 51/GP-UBCK which allows the Company to provide portfolio management services. On 26 March 2013, the State Securities Commission issued Amendment Licence No. 08/GPDC-UBCK to supplement securities advisory services to the Company's existing licences.	
	The Company's operating period, as defined in the Charter, is to be consistent with the period of the parent company, Prudential Assurance Vietnam Private Limited. The parent company's investment licence is valid until 29 October 2049.	
Members' Council	Wendy Lim	Chairwoman (from 21 March 2022)
	Xavier Bernard Maurice Meyer	Chairman (until 21 March 2022)
	Ngo The Trieu	Member
	Phuong Tien Minh	Member
Management	Ngo The Trieu	Chief Executive Officer
Registered Office	Saigon Trade Center 37 Ton Duc Thang Street, District 1 Ho Chi Minh City, Vietnam	
Auditor	KPMG Limited Vietnam	

Eastspring Investments Fund Management Limited Liability Company Statement of the Management

The Management of Eastspring Investments Fund Management Limited Liability Company (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2022.

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the other relevant statutory requirements applicable to financial reporting. In the opinion of the Management:

- (a) the financial statements set out on pages 5 to 36 give a true and fair view of the financial position of the Company as at 31 December 2022, of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the other relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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



Ho Chi Minh City, 24 March 2023



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INDEPENDENT AUDITOR'S REPORT

To the Investor

Eastspring Investments Fund Management Limited Liability Company

We have audited the accompanying financial statements of Eastspring Investments Fund Management Limited Liability Company ("the Company"), which comprise the balance sheet as at 31 December 2022, the statements of income, cash flows and changes in equity for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Management on 24 March 2023, as set out on pages 5 to 36.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Auditor's Opinion


In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Eastspring Investments Fund Management Limited Liability Company as at 31 December 2022 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the other relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 22-01-00300-23-1




Chong Kwang Puay
Practicing Auditor Registration
Certificate No. 0864-2023-007-1
Deputy General Director

Ho Chi Minh City, 24 March 2023



Pham Huy Cuong
Practicing Auditor Registration
Certificate No. 2675-2019-007-1



Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 31 December 2022

Form B01 - CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND'000	31/12/2021 VND'000
ASSETS				
Current assets (100 = 110 + 120 + 130 + 150)	100		383,489,705	262,015,371
Cash and cash equivalents	110	4	75,982,967	41,886,346
Cash	111		10,982,967	6,886,346
Cash equivalents	112		65,000,000	35,000,000
Short-term financial investments	120	5	240,000,000	155,000,000
Held-to-maturity investments	123		240,000,000	155,000,000
Accounts receivable	130		65,326,027	62,777,023
Receivables from fund management activities	134	6(a)	59,750,342	61,596,644
Other short-term receivables	135	6(b)	5,605,685	1,210,379
Allowance for doubtful debts	139		(30,000)	(30,000)
Other current assets	150		2,180,711	2,352,002
Short-term prepaid expenses	151		2,180,711	2,352,002
Long-term assets (200 = 220 + 260)	200		6,866,003	4,868,833
Fixed assets	220		1,435,877	262,823
Tangible fixed assets	221	7	1,435,877	262,823
Cost	222		6,015,392	5,256,289
Accumulated depreciation	223		(4,579,515)	(4,993,466)
Intangible fixed assets	227	8	-	-
Cost	228		131,501	982,797
Accumulated amortisation	229		(131,501)	(982,797)
Other long-term assets	260		5,430,126	4,606,010
Long-term prepaid expenses	261		495,997	-
Deferred tax assets	262	9	3,695,773	3,424,445
Other long-term assets	268	10	1,238,356	1,181,565
TOTAL ASSETS (270 = 100 + 200)	270		390,355,708	266,884,204

The accompanying notes are an integral part of these financial statements

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 31 December 2022 (continued)

Form B01 - CTQ
(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)

	Code	Note	31/12/2022 VND'000	31/12/2021 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		63,749,663	62,321,874
Current liabilities	310		58,663,153	57,221,314
Accounts payable to suppliers	312		358,859	29,571
Taxes and others payable to State Treasury	314	11	7,638,486	8,305,670
Accrued expenses	316	12	37,910,593	36,144,900
Other short-term payables	319	13	12,755,215	12,741,173
Long-term liabilities	330		5,086,510	5,100,560
Provision for severance allowance	336	14	1,294,074	1,249,363
Provisions – long - term	337	15	3,792,436	3,851,197
EQUITY	400		326,606,045	204,562,330
Contributed capital	411	16	25,000,000	25,000,000
Financial reserve	418		2,500,000	2,500,000
Other capital reserve	419		2,500,000	2,500,000
Retained profits	420		296,606,045	174,562,330
- <i>Retained profits brought forward</i>	420a		174,562,330	62,294,191
- <i>Retained profit for the current year</i>	420b		122,043,715	112,268,139
TOTAL RESOURCES (440 = 300 + 400)	440		390,355,708	266,884,204

The accompanying notes are an integral part of these financial statements

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 31 December 2022 (continued)

Form B01 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

OFF BALANCE SHEET ITEMS

	Code	Note	31/12/2022 VND'000	31/12/2021 VND'000
Foreign currencies (USD)	005	24	6,065.59	3,172.75
Deposits of entrustors	030	17	4,085,809,971	8,617,673,842
Investment portfolio of entrustors	040	18	137,264,645,767	117,027,131,410
Receivables of domestic entrustors	050	19	4,058,834,352	4,537,647,537

24 March 2023

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Ngo The Trieu
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Eastspring Investments Fund Management Limited Liability Company
Statement of income for the year ended 31 December 2022

Form B02 - CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

	Code	Note	2022 VND'000	2021 VND'000
Net revenue	10	20	253,144,036	241,792,991
Financial income	21	21	8,818,419	2,970,929
Financial expense	22		896,730	37,024
General and administration expenses	25	22	108,031,551	103,806,387
Net operating profit (30 = 10 + 21 - 22 - 25)	30		153,034,174	140,920,509
Other income	31		30,483	4,408
Results of other activities (40 = 31)	40		30,483	4,408
Accounting profit before tax (50 = 30 + 40)	50		153,064,657	140,924,917
Income tax expense – current	51	23	31,292,270	28,258,360
Income tax (benefit)/expense – deferred	52	23	(271,328)	398,418
Net profit after tax (60 = 50 - 51 - 52)	60		122,043,715	112,268,139

24 March 2023

Prepared by:



Le Minh Thuy
Chief Accountant



Approved by:


 Ngo The Trieu
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Eastspring Investments Fund Management Limited Liability Company
Statement of cash flows for the year ended 31 December 2022 (Direct method)

Form B03 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

	Code	2022 VND'000	2021 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from fund management activities	01	253,581,825	235,276,826
Cash payments to employees	03	(53,190,504)	(41,659,239)
Payments of corporate income tax	05	(32,333,546)	(25,444,082)
Other receipts from operating activities	06	-	4,408
Other payments for operating activities	07	(53,185,284)	(46,434,478)
Net cash flows from operating activities	20	114,872,491	121,743,435
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(1,621,693)	(160,060)
Proceeds from disposals of fixed assets	22	30,483	-
Placements of term deposits at banks	23	(435,000,000)	(220,000,000)
Collections of term deposits at banks	24	350,000,000	85,000,000
Receipts of interest	27	5,815,340	1,605,973
Net cash flows from investing activities	30	(80,775,870)	(133,554,087)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of profit distribution	36	-	(200,000,000)
Net cash flows from financing activities	40	-	(200,000,000)
Net cash flows during the year (50 = 20 + 30 + 40)	50	34,096,621	(211,810,652)
Cash and cash equivalents at the beginning of the year	60	41,886,346	253,696,998
Cash and cash equivalents at the end of the year (70 = 50 + 60) (Note 4)	70	75,982,967	41,886,346

24 March 2023

Prepared by:



Le Minh Thuy
Chief Accountant



Approved by:



Ngo The Trieu
Chief Executive Officer

Eastspring Investments Fund Management Limited Liability Company
Statement of changes in equity for the year ended 31 December 2022

Form B05 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

	Contributed capital VND'000	Financial reserve VND'000	Other capital reserve VND'000	Retained profits VND'000	Total VND'000
Balance at 1 January 2021	25,000,000	2,500,000	2,500,000	262,294,191	292,294,191
Net profit for the year	-	-	-	112,268,139	112,268,139
Profit distribution	-	-	-	(200,000,000)	(200,000,000)
Balance at 1 January 2022	25,000,000	2,500,000	2,500,000	174,562,330	204,562,330
Net profit for the year	-	-	-	122,043,715	122,043,715
Balance at 31 December 2022	25,000,000	2,500,000	2,500,000	296,606,045	326,606,045

24 March 2023

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Ngo The Trieu
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2022

Form B09 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

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

1. Reporting entity

(a) Ownership structure

Eastspring Investments Fund Management Limited Liability Company (“the Company”) is a limited liability company licenced and incorporated in the Socialist Republic of Vietnam.

(b) Principal activities

The principal activities of the Company are to establish and manage securities investment funds, to provide portfolio management services and to provide financial consultancy and securities investment consultancy under the Fund Management Establishment and Operation Licence and its amendments.

The charter capital of the Company as stipulated in the Fund Management Establishment and Operation Licence is 25 billion Vietnam Dong.

As at 31 December 2022, the Company had 24 employees (31/12/2021: 23 employees) of which 1 is management personnel and 8 employees who were qualified for fund and assets management.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 125/2011/TT-BTC dated 5 September 2011 (“Circular 125”) issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the relevant statutory requirements applicable to financial reporting. These standards and relevant statutory requirements may differ in some material respects from International Financial Reporting Standards and the generally accepted accounting principles and standards of other countries. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations, changes in equity and cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices applicable to fund management companies.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purpose, rounded to the nearest thousand ("VND'000").

(e) Change in accounting policies

Effective from 1 February 2022, the Company has prospectively adopted Circular No. 114/2021/TT-BTC dated 17 December 2021 ("Circular 114") issued by the Ministry of Finance abolishing Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance providing guidance on the financial regime for securities companies and investment fund management companies.

The changes to the Company's accounting policies resulting from the prospective adoption of Circular 114 and the effects on the Company's financial statements for the year ended 31 December 2022, if any, are disclosed in Note 3(I).

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rate approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

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

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

(f) Intangible fixed assets

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over 4 years.

(g) Accounts payable to suppliers and other payables

Accounts payable to suppliers and other payables are stated at their cost.

(h) Provisions

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

Severance allowance

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more (“eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employees severance allowance calculated based on years of service and employees’ compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the year prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

(i) Long-term incentive bonus

Long-term incentive bonus is a cash award scheme granted to employees over a period of three years. It is recognised as an expense in the statement of income, with a corresponding increase in liability, over the period that the employees become entitled to the awards (“vesting period”). The amount recognised as an expense is adjusted annually to reflect the increase or decrease by reference to the profitability of total Eastspring Investments business in Asia during the vesting period.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

(j) Portfolio management contracts

The Company receives money from clients and uses the money to invest in securities on behalf of the clients in accordance with the terms of the portfolio management contracts. Investments in securities on behalf of clients under portfolio management contracts together with assets and liabilities in relation to such contracts are recorded in off balance sheet in accordance with the guidance in Circular 125.

(k) Contributed capital

Contributed capital is recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

(l) Statutory reserves

Before 1 February 2022

According to Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance providing guidance on the financial regime for securities companies and investment fund management companies, the Company is required to make the following allocations:

	Annual allocation	Maximum balance
Financial reserve	5% of profit after tax	10% of charter capital
Reserve to supplement charter capital	5% of profit after tax	10% of charter capital

The purpose of the financial reserve is to compensate for loss incurred in the course of business, net of amount of loss that is compensated for by insurance companies or individuals causing such loss.

Other capital reserve is the reserve to supplement charter capital that is allocated from annual profit after tax and is to supplement charter capital of the Company.

The Company is not allowed to use financial reserve and reserve to supplement charter capital to distribute profit.

From 1 February 2022

In accordance with Circular 114:

- The reserve to supplement charter capital that was already made under Circular 146 shall be used to supplement charter capital as promulgated under Securities Law No. 59/2019/QH14 dated 26 November 2019 and other relevant regulations.
- The financial reserve can be used to supplement to charter capital or used following the decision of the Members' Council of the Company as promulgated under Securities Law No. 59/2019/QH14 dated 26 November 2019 and other relevant regulations.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

The Members' Council has not yet made any decision regarding the existing balances of reserve to supplement charter capital and financial reserve during the year ended 31 December 2022.

(m) Classification of financial instruments

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

(i) Financial assets

Financial assets at fair value through profit or loss

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

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

Held-to-maturity investments

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

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

Loans and receivables

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

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

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

Available-for-sale financial assets

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

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

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities carried at amortised cost

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

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

(n) Taxation

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

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

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

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

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

(o) Revenue and other income

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

(i) Services rendered

Fund and portfolio management fees, administration fees and asset allocation services fee are recognised in the statement of income when earned. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(ii) Interest income

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

(p) Operating lease payments

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

(q) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Related companies refer to the parent company (the investor), its ultimate parent company and their subsidiaries and associates. Related parties also include funds managed by the Company.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

(r) Nil balances

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

(s) Segment reporting

The Company operates as one segment, which is investment management and one geographical segment, which is Vietnam.

(t) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operations or cash flows for the prior year.

4. Cash and cash equivalents

	31/12/2022	31/12/2021
	VND'000	VND'000
Cash in banks		
▪ Deutsche Bank AG – Ho Chi Minh City Branch	9,500,736	6,342,224
▪ HSBC Bank (Vietnam) Ltd.	1,482,231	544,122
	<hr/> 10,982,967	<hr/> 6,886,346
Cash equivalents - Term deposits with original term to maturity of not exceeding three months		
▪ MUFG Bank, Ltd., Hanoi Branch	20,000,000	20,000,000
▪ ANZ Bank (Vietnam) Limited	20,000,000	10,000,000
▪ HSBC Bank (Vietnam) Ltd.	20,000,000	-
▪ United Overseas Bank (Vietnam) Limited	5,000,000	-
▪ Deutsche Bank AG – Ho Chi Minh City Branch	-	5,000,000
	<hr/> 65,000,000	<hr/> 35,000,000
Cash and cash equivalents in the statement of cash flows	<hr/> <hr/> 75,982,967	<hr/> <hr/> 41,886,346

The Company's cash equivalents as at 31 December 2022 earned annual interest at rates ranging from 3.80% to 6.00% (31/12/2021: from 0.88% to 2.54%) for term deposits in VND. In the event of withdrawal before maturity, these term deposits earn interest at rates determined in accordance with the policy of the bank applied for withdrawal before maturity.

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Notes to the financial statements for the year ended 31 December 2022 (continued)

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5. Short-term financial investments

	31/12/2022	31/12/2021
	VND'000	VND'000
Held-to-maturity investments		
▪ United Overseas Bank (Vietnam) Limited	125,000,000	45,000,000
▪ MUFG Bank, Ltd., Hanoi Branch	80,000,000	20,000,000
▪ ANZ Bank (Vietnam) Limited	35,000,000	20,000,000
▪ Deutsche Bank AG – Ho Chi Minh City Branch	-	70,000,000
	240,000,000	155,000,000

Held-to-maturity investments as at 31 December 2022 represented term deposits at banks denominated in VND, with remaining terms to maturity of twelve (12) months or less at the end of annual accounting period, earned annual interest at rates ranging from 5.00% to 8.35% (31/12/2021: from 1.12% to 3.50%).

6. Accounts receivable

(a) Receivables from fund management activities

	31/12/2022	31/12/2021
	VND'000	VND'000
Parent company	59,460,112	61,326,644
Other related companies	290,230	270,000
	59,750,342	61,596,644

The amounts due from the parent company and other related companies were unsecured, interest free and are receivable upon demand.

(b) Other short-term receivables

	31/12/2022	31/12/2021
	VND'000	VND'000
Interest receivables	3,877,445	1,119,421
Deposits for rental	45,000	45,001
Receivables from employees	35,000	9,000
Others	1,648,240	36,957
	5,605,685	1,210,379

Included in receivables as at 31 December 2022 were overdue receivables amounting to VND30 million (31/12/2021: VND30 million).

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7. Tangible fixed assets

2022	Renovation costs VND'000	Office equipment VND'000	Total VND'000
Cost			
Opening balance	1,858,849	3,397,440	5,256,289
Additions	1,551,403	70,290	1,621,693
Disposals	-	(862,590)	(862,590)
Closing balance	3,410,252	2,605,140	6,015,392
Accumulated depreciation			
Opening balance	1,779,995	3,213,471	4,993,466
Charge for the year	258,567	190,072	448,639
Disposals	-	(862,590)	(862,590)
Closing balance	2,038,562	2,540,953	4,579,515
Net book value			
Opening balance	78,854	183,969	262,823
Closing balance	1,371,690	64,187	1,435,877
2021			
Cost			
Opening balance	1,858,849	3,237,380	5,096,229
Additions	-	160,060	160,060
Closing balance	1,858,849	3,397,440	5,256,289
Accumulated depreciation			
Opening balance	1,692,759	2,877,655	4,570,414
Charge for the year	87,236	335,816	423,052
Closing balance	1,779,995	3,213,471	4,993,466
Net book value			
Opening balance	166,090	359,725	525,815
Closing balance	78,854	183,969	262,823

Included in tangible fixed assets as at 31 December 2022 were assets costing VND4,173 million (31/12/2021: VND4,553 million) which were fully depreciated but are still in use.

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8. Intangible fixed assets

	Software	
	2022 VND'000	2021 VND'000
Cost		
Opening balance	982,797	982,797
Disposals	(851,296)	-
Closing balance	131,501	982,797
Accumulated amortisation		
Opening balance	982,797	982,797
Disposals	(851,296)	-
Closing balance	131,501	982,797
Net book value		
Opening balance/closing balance	-	-

Included in intangible fixed assets as at 31 December 2022 were assets costing VND132 million (31/12/2021: VND983 million) which were fully amortised but are still in use.

9. Deferred tax assets

	31/12/2022 VND'000	31/12/2021 VND'000
Recognised deferred tax assets:		
▪ Accrued expenses	2,678,471	2,443,198
▪ Long-term incentives bonus	758,487	731,374
▪ Provision for severance allowance	258,815	249,873
Total deferred tax assets	3,695,773	3,424,445

10. Other long-term assets

	31/12/2022 VND'000	31/12/2021 VND'000
Deposits for office rental	1,238,356	1,181,565

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11. Taxes and others payable to State Treasury

	1/1/2022	Incurred	Paid	31/12/2022
	VND'000	VND'000	VND'000	VND'000
Personal income tax	363,563	13,831,216	(13,804,413)	390,366
Withholding tax	738,779	1,811,292	(1,464,003)	1,086,068
Corporate income tax	7,203,328	31,292,270	(32,333,546)	6,162,052
	8,305,670	46,934,778	(47,601,962)	7,638,486

12. Accrued expenses

	31/12/2022	31/12/2021
	VND'000	VND'000
Bonus and incentives	22,482,739	19,759,313
Accrued operating expenses	8,611,156	8,550,635
Current portion of long-term incentive bonus (Note 15)	4,292,004	5,483,431
Others	2,524,694	2,351,521
	37,910,593	36,144,900

13. Other short-term payables

Other short-term payables mainly included Information Technology and back office related costs payable to related companies, detailed as follows:

	31/12/2022	31/12/2021
	VND'000	VND'000
The parent company – Non-trade	296,254	5,014,028
Other related companies – Non-trade	12,025,108	7,293,291
Third parties – Non-trade	433,853	433,854
	12,755,215	12,741,173

The non-trade related amounts due to the parent company and other related companies were unsecured, interest free and are payable upon demand.

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14. Provision for severance allowance

	2022 VND'000	2021 VND'000
Opening balance	1,249,363	1,180,183
Provision made during the year	60,112	69,180
Provision utilised during the year	(15,401)	-
	<hr/>	<hr/>
Closing balance	1,294,074	1,249,363
	<hr/> <hr/>	<hr/> <hr/>

15. Provisions – long-term

	31/12/2022 VND'000	31/12/2021 VND'000
Long-term incentive bonus (i)	3,409,287	3,656,871
Other bonus schemes	383,149	194,326
	<hr/>	<hr/>
	3,792,436	3,851,197
	<hr/> <hr/>	<hr/> <hr/>

(i) Movements of provision for long-term incentive bonus during the year were as follows:

	2022 VND'000	2021 VND'000
Opening balance	3,656,871	3,897,600
Provision made during the year	4,044,420	5,242,702
Transfer to current portion of long-term incentive bonus (Note 12)	(4,292,004)	(5,483,431)
	<hr/>	<hr/>
Closing balance	3,409,287	3,656,871
	<hr/> <hr/>	<hr/> <hr/>

16. Contributed capital

The Company's charter capital has been fully contributed by the parent company, Prudential Vietnam Assurance Private Limited, a company incorporated in Vietnam.

The ultimate parent company, Prudential plc, is incorporated in the United Kingdom.

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17. Deposits of entrustors

Details of cash and cash equivalents held on behalf of domestic entrustors and a fund under management by the Company were as follows:

	31/12/2022 VND'000	31/12/2021 VND'000
Life Funds	2,516,387,907	5,848,930,520
Cash at banks	1,168,952,909	1,430,268,402
Cash equivalents (*)	1,347,434,998	4,418,662,118
Unit-linked Funds	1,288,820,982	1,190,904,650
Cash at banks	505,946,438	562,737,080
Cash equivalents (*)	782,874,544	628,167,570
Shareholder Fund	8,259,469	1,012,834,791
Cash at banks	8,259,469	577,731,015
Cash equivalents (*)	-	435,103,776
Universal Life Fund	194,807,303	532,586,260
Cash at banks	159,207,303	180,252,035
Cash equivalents (*)	35,600,000	352,334,225
Pension Fund	62,300,199	10,213,132
Cash at banks	45,228,390	10,213,132
Cash equivalents (*)	17,071,809	-
Eastspring Investments Vietnam Navigator Fund	15,234,111	22,204,489
Cash at banks	15,234,111	11,084,088
Cash equivalents (*)	-	11,120,401
	4,085,809,971	8,617,673,842

(*) Cash equivalents represent term deposits at banks with original terms to maturity of not exceeding three months.

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18. Investment portfolio of entrustors

Details of investment portfolio held on behalf of domestic entrustors and a fund under management were as follows:

	Quantity	31/12/2022 Cost VND'000	Market value VND'000	Quantity	31/12/2021 Cost VND'000	Market value VND'000
Life Funds						
Listed equity securities	-	-	-	5,237,722	197,381,550	296,701,830
Listed debt securities	535,126,653	61,833,491,337	62,808,232,792	501,934,153	58,452,023,429	76,359,892,732
Unlisted debt securities	8,812,120	13,832,811,523	Not determined	3,412,380	12,877,811,523	Not determined
Term deposits	N/A	25,211,195,425	Not determined	N/A	19,458,723,502	Not determined
Unit-linked Funds						
Listed equity securities	272,682,286	11,493,321,091	11,547,117,819	185,751,585	7,413,688,119	10,342,326,048
Listed debt securities	3,440,000	386,371,442	350,704,593	4,440,000	518,975,335	540,617,332
Unlisted debt securities	27,220	67,000,000	Not determined	27,420	87,000,000	Not determined
Term deposits	N/A	619,191,891	Not determined	N/A	409,136,385	Not determined
Shareholder Fund						
Term deposits	N/A	16,715,525,297	Not determined	N/A	11,994,953,922	Not determined
Universal Life Fund						
Listed debt securities	26,180,000	2,722,901,796	2,916,861,371	22,312,500	2,316,473,838	2,994,161,913
Unlisted debt securities	825,316	1,541,500,000	Not determined	225,626	1,341,500,000	Not determined
Term deposits	N/A	2,473,177,871	Not determined	N/A	1,558,142,246	Not determined
Pension Fund						
Unlisted debt securities	1,885,000	194,303,894	Not determined	1,585,000	161,841,065	Not determined
Term deposits	N/A	8,443,788	Not determined	N/A	84,181,160	Not determined
Eastspring Investments Vietnam Navigator Fund						
Listed equity securities	1,612,273	75,466,808	79,928,242	2,526,428	85,376,865	126,814,686
Unlisted debt securities	50	5,000,000	Not determined	100	10,000,000	Not determined
Term deposits	N/A	84,943,604	Not determined	N/A	59,922,471	Not determined
		<u>137,264,645,767</u>			<u>117,027,131,410</u>	

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The par value of unlisted debt securities and term deposits were as follows:

	31/12/2022	31/12/2021
	VND'000	VND'000
Under investors' name		
▪ Unlisted debt securities	15,640,615,417	14,316,000,000
▪ Term deposits	45,112,477,876	39,410,447,774
	<hr/>	<hr/>
	60,753,093,293	53,726,447,774
	<hr/> <hr/>	<hr/> <hr/>

The Company has not determined fair values of the unlisted securities held on behalf of investors for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and Circular 125. The fair values of these investments may differ from their carrying amounts.

19. Receivables of domestic entrustors

	31/12/2022	31/12/2021
	VND'000	VND'000
Interest receivable from term deposits at banks	1,340,984,483	2,094,243,313
Interest receivable from debt securities	2,216,313,918	2,425,836,234
Other receivables	501,535,951	17,567,990
	<hr/>	<hr/>
	4,058,834,352	4,537,647,537
	<hr/> <hr/>	<hr/> <hr/>

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

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20. Net revenue

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

	2022	2021
	VND'000	VND'000
Revenue from management of investment portfolios and funds (i)	208,395,389	199,454,601
Revenue from asset allocation service (ii)	29,671,073	28,307,264
Revenue from administration of investment portfolios (iii)	14,960,443	14,031,126
Revenue from investment advisory	117,131	-
	<hr/>	<hr/>
	253,144,036	241,792,991

- (i) As at 31 December 2022, there were five (05) investment portfolios and an investment fund with total net asset value of VND145,409 billion (31/12/2021: VND151,214 billion) under the Company's management.

The Company manages the investments of Life Fund, Shareholder Fund, Unit-linked Funds, Universal Life Fund and Pension Fund of Prudential Vietnam Assurance Private Limited (the parent company) under an investment management agreement effective from 1 January 2008. For the year ended 31 December 2022, portfolio management fees earned from services rendered to Prudential Vietnam Assurance Private Limited amounted to VND205,327 million (2021: VND196,502 million).

The Company also manages Eastspring Investments Vietnam Navigator Fund, an open-ended fund established in the Socialist Republic of Vietnam under Fund Establishment Certificate No. 09/GCN-UBCK issued by the State Securities Commission dated 25 March 2014. For the year ended 31 December 2022, management fees earned from services rendered to Eastspring Investments Vietnam Navigator Fund amounted to VND3,068 million (2021: VND2,953 million).

- (ii) For the year ended 31 December 2022, revenue earned from asset allocation service rendered to Prudential Vietnam Assurance Private Limited amounted to VND29,671 million (2021: VND28,307 million).
- (iii) For the year ended 31 December 2022, revenue earned from administration services rendered to Prudential Vietnam Assurance Private Limited amounted to VND14,960 million (2021: VND14,031 million).

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21. Financial income

	2022	2021
	VND'000	VND'000
Interest income	8,573,364	2,593,076
Foreign exchange gains	245,055	377,853
	8,818,419	2,970,929
	8,818,419	2,970,929

22. General and administration expenses

	2022	2021
	VND'000	VND'000
Staff costs	55,115,628	50,158,087
Information technology services costs	25,289,709	25,698,440
Consultancy and back office services costs	13,091,291	13,324,385
Office rental	4,705,932	4,564,906
Other expenses	9,828,991	10,060,568
	108,031,551	103,806,387
	108,031,551	103,806,387

23. Income tax

(a) Recognised in the statement of income

	2022	2021
	VND'000	VND'000
Current tax expense		
Current year	31,300,670	28,258,360
Over provision in prior years	(8,400)	-
	31,292,270	28,258,360
Deferred tax (benefit)/expense		
Originations and reversals of temporary differences	(271,328)	398,418
	(271,328)	398,418
Income tax expense	31,020,942	28,656,778

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(b) Reconciliation of effective tax rate

	2022	2021
	VND'000	VND'000
Accounting profit before tax	153,064,657	140,924,917
Tax at the Company's tax rate	30,612,931	28,184,983
Non-deductible expenses	416,411	471,795
Over provision in prior years	(8,400)	-
	<u>31,020,942</u>	<u>28,656,778</u>

(c) Applicable tax rates

The prevailing corporate income tax rate applicable to the Company is 20%. The corporate income tax computation is subject to the review and approval of the tax authorities.

24. Other off-balance sheet items

(i) Lease commitments

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

	31/12/2022	31/12/2021
	VND'000	VND'000
Within one year	4,776,318	4,705,932
Within two to five years	12,192,989	2,363,130
	<u>16,969,307</u>	<u>7,069,062</u>

(ii) Foreign currencies

	31/12/2022		31/12/2021	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	6,065.59	142,002	3,172.75	71,615

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25. Significant transactions with related parties

The Company incurred the following significant transactions with related parties during the year:

Related party	Relationship	Nature of transaction	Income/(expense)	
			2022 VND'000	2021 VND'000
Prudential Vietnam Assurance Private Limited	Parent company	Portfolio management fees	205,327,193	196,501,801
		Asset allocation service fees	29,671,073	28,307,264
		Fund administration service fees	14,960,443	14,031,126
		IT and back office services expense	(5,208,897)	(5,918,598)
		Expenses paid on behalf of the Company	(600,174)	(408,063)
Prudential Corporation Holdings Ltd	Related company	Expenses paid on behalf of the Company	(574,665)	(491,217)
		Back office support service expense	(3,747,142)	(5,596,882)
Eastspring Investments (Singapore) Limited	Related company	IT and back office services expense	(25,289,709)	(25,698,440)
		Payment made on behalf by the Company	90,961	88,706
		Advisory fees	117,131	-
Eastspring Investments Services Pte Ltd	Related company	Support services expense	(2,152,036)	(971,096)
Eastspring Investments Vietnam Navigator Fund	Fund under management	Fund management fees	3,068,196	2,952,800
General Director and other key management personnel	Management	Salaries, bonus and other benefits	41,122,114	31,654,797

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The Company's balances with related parties at the end of the annual accounting period were as follows:

Related party	Relationship	Nature of balance	31/12/2022	31/12/2021
			Receivables/(payables)	
			VND'000	VND'000
Prudential Vietnam Assurance Private Limited	Parent company	Receivable of portfolio management fees	48,824,561	50,265,011
		Receivable of asset allocation services fees	7,064,237	7,355,421
		Receivable of fund administration service fees	3,571,314	3,706,212
		Payable for IT services	-	(4,035,589)
		Other payables	(296,254)	(978,439)
Eastspring Investments (Singapore) Limited	Related company	Payable for IT support services	(11,216,628)	(7,293,291)
		Receivable of advisory fees	50,230	-
Eastspring Investments Services Pte Ltd	Related company	Payable for support services	(808,480)	-
Eastspring Investments Vietnam Navigator Fund	Fund under management	Receivable of fund management fees	240,000	270,000

26. Financial risk management

Overview

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

- credit risk;
- liquidity risk; and
- market risk.

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

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

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(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from cash in banks and cash equivalents, held-to-maturity investments and accounts receivable.

Exposure to credit risk

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of annual accounting period was as follows:

	Note	31/12/2022 VND'000	31/12/2021 VND'000
Cash and cash equivalents	(i)	75,982,967	41,886,346
Held-to-maturity investments	(i)	240,000,000	155,000,000
Accounts receivable – gross	(ii)	66,594,383	63,988,588
		382,577,350	260,874,934

(i) Cash and cash equivalents and held-to-maturity investments

Cash and cash equivalents and held-to-maturity investments of the Company are mainly held with well-known financial institutions. The Management does not foresee any significant credit risk from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

(ii) Accounts receivable

Accounts receivable mainly include investment management fees receivable. Credit risk in relation to management fees receivable is considered minimal as these are receivables from related parties and a fund managed by the Company who have good collection track records with the Company.

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(b) Liquidity risk

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

At the end of annual accounting period, the financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments as follows:

	Carrying amount VND'000	Undiscounted contractual cash flows VND'000	Less than 1 month VND'000	From 1 to 3 months VND'000
As at 31 December 2022				
Accounts payable to suppliers	358,859	358,859	358,859	-
Accrued expenses	11,135,850	11,135,850	-	11,135,850
Other short-term payables	12,755,215	12,755,215	12,755,215	-
	24,249,924	24,249,924	13,114,074	11,135,850

	Carrying amount VND'000	Undiscounted contractual cash flows VND'000	Less than 1 month VND'000	From 1 to 3 months VND'000
As at 31 December 2021				
Accounts payable to suppliers	29,571	29,571	29,571	-
Accrued expenses	10,902,156	10,902,156	-	10,902,156
Other short-term payables	12,741,173	12,741,173	12,741,173	-
	23,672,900	23,672,900	12,770,744	10,902,156

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(c) Market risk

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

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rate.

As at 31 December 2022 and 31 December 2021, the Company is not significantly exposed to currency risk as the Company's assets and liabilities are mainly denominated in Vietnam Dong, which is the Company's functional currency.

(ii) Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. The Company's exposure to interest rate risk due to changes in interest rates is minimal since all term deposits have fixed rates.

At the end of annual accounting period, the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2022 VND'000	31/12/2021 VND'000
<i>Fixed rate instruments</i>		
Cash equivalents	65,000,000	35,000,000
Held-to-maturity investments	240,000,000	155,000,000
<i>Variable rate instruments</i>		
Cash at banks	10,982,967	6,886,346

A change of 300 basis points in interest rates would have increased or decreased the net profit of the Company by VND264 million (31/12/2021: a change of 100 basis points in interest rates would have increased or decreased the net profit of the Company by VND55 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(iii) Market price risk

Market price risk is the risk that the value of the financial instruments will decrease as a result of changes in equity indices and the values of individual securities. The Company is not directly exposed to market price risk as it did not hold any equity securities as at 31 December 2022 and 31 December 2021.

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(d) Fair value of financial assets and liabilities

Fair value is the value which is determined as the price appropriate to market price that would be received for sale of an asset or paid to transfer a liability at the measurement date.

The fair values of financial assets and liabilities, together with the carrying amounts shown on the balance sheet were as follows:

	31/12/2022		31/12/2021	
	Carrying amount VND'000	Fair value VND'000	Carrying amount VND'000	Fair value VND'000
<i>Financial assets categorised as loans and receivables:</i>				
▪ Cash and cash equivalents	75,982,967	75,982,967	41,886,346	41,886,346
▪ Accounts receivable - net	66,564,383	(*)	63,958,588	(*)
<i>Financial assets categorised as held-to-maturity investments:</i>				
▪ Held-to-maturity investments	240,000,000	(*)	155,000,000	(*)
<i>Financial liabilities categorised as financial liabilities carried at amortised cost:</i>				
▪ Accounts payable to suppliers	358,859	(*)	29,571	(*)
▪ Accrued expenses	11,135,850	(*)	10,902,156	(*)
▪ Other short-term payables	12,755,215	(*)	12,741,173	(*)

(*) The Company has not determined the fair values of these financial instruments for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting Systems for enterprise, Circular 125 and the other relevant statutory requirements applicable to financial reporting. The fair values of these financial instruments may differ from their carrying amounts.

24 March 2023

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Ngo The Trieu
Chief Executive Officer