



**Eastspring Investments Fund  
Management Limited Liability Company**

Financial Statements for the year ended  
31 December 2020

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

	<b>Pages</b>
Corporate Information	1
Statement of the Management	2
Independent Auditor's Report	3 - 4
Balance sheet	5 - 7
Statement of income	8
Statement of cash flows	9
Statement of changes in equity	10
Notes to the financial statements	11 - 37

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## Eastspring Investments Fund Management Limited Liability Company Corporate Information

<b>Business Registration Licence No.</b>	4104000113 1 <sup>st</sup> amendment	24 May 2005 23 January 2006
<b>Fund Management Establishment and Operation Licence No.</b>	03/UBCK-GPHDQLQ 17/UBCK-GP 27/UBCK-GPDC 67/UBCK-GPDC 25/GPDC-UBCK 51/GP-UBCK 08/GPDC-UBCK 29/GPDC-UBCK 63/GPDC-UBCK	26 May 2005 23 July 2008 20 November 2008 15 April 2010 9 December 2011 23 March 2012 26 March 2013 12 September 2013 10 August 2018
<b>Business Licence No.</b>	51/GP-UBCK	23 March 2012
	<p>The Business Registration Licence and Fund Management Establishment and Operation Licence were issued by the Ho Chi Minh City Department of Planning and Investment and the State Securities Commission, respectively. 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 existing Company's licences.</p> <p>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.</p>	
<b>Members' Council</b>	Buwalda Jeroen Jelle Bart Ngo The Trieu Clive Darren Baker  Phuong Tien Minh	Chairman Member Member (until 21 June 2020) Member (from 21 June 2020)
<b>Management</b>	Ngo The Trieu	Chief Executive Officer
<b>Registered Office</b>	Saigon Trade Center 37 Ton Duc Thang Street, District 1 Ho Chi Minh City Vietnam	
<b>Auditor</b>	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 2020.

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 37 give a true and fair view of the financial position of the Company as at 31 December 2020, and of its results of operations, its changes in equity 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 financial statements have been prepared on a going concern basis.

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



Ngo The Trieu  
*Chief Executive Officer*

Ho Chi Minh City, 25 March 2021



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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 2020, the statements of income, changes in equity and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Management on 25 March 2021, as set out on pages 5 to 37.

### 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.





## 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 2020 and of its results of operations, its changes in equity 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.: 20-01-00267-21-1



Hà Vũ Đình

Practicing Auditor Registration  
Certificate No. 0414-2018-007-1  
*Deputy General Director*

Tran Thi Le Hang

Practicing Auditor Registration  
Certificate No. N.3782-2017-007-1

Ho Chi Minh City, 25 March 2021

**Eastspring Investments Fund Management Limited Liability Company**  
**Balance sheet as at 31 December 2020**

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

	Code	Note	31/12/2020 VND'000	31/12/2019 VND'000
<b>ASSETS</b>				
<b>Current assets (100 = 110 + 120 + 130 + 150)</b>	<b>100</b>		<b>331,181,489</b>	<b>218,474,932</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>253,696,998</b>	<b>110,034,045</b>
Cash	111		8,596,998	4,034,045
Cash equivalents	112		245,100,000	106,000,000
<b>Short-term financial investments</b>	<b>120</b>	<b>5</b>	<b>20,000,000</b>	<b>65,000,000</b>
Held-to-maturity investments	123		20,000,000	65,000,000
<b>Accounts receivable</b>	<b>130</b>		<b>55,384,746</b>	<b>41,793,426</b>
Prepayment to suppliers	132		-	94,987
Receivables from fund management activities	134	6(a)	55,080,479	40,576,618
Other short-term receivables	135	6(b)	325,267	1,136,821
Allowance for doubtful debts	139		(21,000)	(15,000)
<b>Other current assets</b>	<b>150</b>		<b>2,099,745</b>	<b>1,647,461</b>
Short-term prepaid expenses	151		2,099,745	1,647,461
<b>Long-term assets (200 = 220 + 260)</b>	<b>200</b>		<b>5,530,243</b>	<b>4,254,505</b>
<b>Fixed assets</b>	<b>220</b>		<b>525,815</b>	<b>915,252</b>
Tangible fixed assets	221	7	525,815	915,252
<i>Cost</i>	222		5,096,229	5,035,629
<i>Accumulated depreciation</i>	223		(4,570,414)	(4,120,377)
Intangible fixed assets	227	8	-	-
<i>Cost</i>	228		982,797	982,797
<i>Accumulated amortisation</i>	229		(982,797)	(982,797)
<b>Other long-term assets</b>	<b>260</b>		<b>5,004,428</b>	<b>3,339,253</b>
Deferred tax assets	262	9	3,822,863	2,157,688
Other long-term assets	268	10	1,181,565	1,181,565
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>336,711,732</b>	<b>222,729,437</b>

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

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**Eastspring Investments Fund Management Limited Liability Company**  
**Balance sheet as at 31 December 2020 (continued)**

**Form B01 - CTQ**

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

	Code	Note	31/12/2020 VND'000	31/12/2019 VND'000
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>44,417,541</b>	<b>36,097,823</b>
<b>Current liabilities</b>	<b>310</b>		<b>39,038,966</b>	<b>31,113,111</b>
Accounts payable to suppliers	312		83,909	338,976
Taxes and payables to State Treasury	314	11	5,416,060	5,424,669
Payables to employees	315		2,000	56,824
Accrued expenses	316	12	29,111,699	22,106,302
Other short-term payables	319	13	4,425,298	3,186,340
<b>Long-term liabilities</b>	<b>330</b>		<b>5,378,575</b>	<b>4,984,712</b>
Provision for severance allowance	336	14	1,180,183	1,385,147
Provisions – long - term	337	15	4,198,392	3,599,565
<b>EQUITY</b>	<b>400</b>		<b>292,294,191</b>	<b>186,631,614</b>
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		262,294,191	156,631,614
- Retained profits brought forward	420a		156,631,614	86,749,953
- Retained profit for the current year	420b		105,662,577	69,881,661
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>336,711,732</b>	<b>222,729,437</b>

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

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**Eastspring Investments Fund Management Limited Liability Company**  
**Balance sheet as at 31 December 2020 (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	31/12/2020 VND'000	31/12/2019 VND'000
Foreign currencies (USD)	005	23	3,172.75	3,172.75
Deposit of entrustors	030	17	6,610,218,288	1,760,229,638
Investment portfolio of entrustors	040	18	123,609,522,321	100,737,388,254
Receivables of local entrustors	050		1,046,457,447	154,006,917

25 March 2021

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 2020**

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

	Code	Note	2020 VND'000	2019 VND'000
<b>Net revenue</b>	<b>10</b>	<b>19</b>	<b>199,074,237</b>	<b>142,933,017</b>
Financial income	21	20	5,091,352	5,382,841
Financial expense	22		105,292	13,932
General and administration expenses	25	21	81,495,519	64,400,565
<b>Net operating profit</b> {30 = 10 + (21 - 22) - 25}	<b>30</b>		<b>122,564,778</b>	<b>83,901,361</b>
Other income	31		6,877	-
<b>Results of other activities (40 = 31)</b>	<b>40</b>		<b>6,877</b>	<b>-</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>122,571,655</b>	<b>83,901,361</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>22</b>	<b>18,574,253</b>	<b>12,898,356</b>
<b>Income tax (benefit)/expense – deferred</b>	<b>52</b>	<b>22</b>	<b>(1,665,175)</b>	<b>284,258</b>
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>105,662,577</b>	<b>70,718,747</b>

25 March 2021

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 2020 (Direct method)**

**Form B03 - CTQ**

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

	Code	Note	2020 VND'000	2019 VND'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from fund management activities	01		184,570,376	132,679,768
Cash payments to employees	03		(41,282,730)	(38,059,497)
Payments of corporate income tax	05		(19,180,049)	(7,903,510)
Other receipts from operating activities	06		6,877	-
Other payments for operating activities	07		(31,272,435)	(24,278,904)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>92,842,039</b>	<b>62,437,857</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets	21	7	(60,600)	-
Placement of term deposits at banks	23		(131,000,000)	(65,000,000)
Collection of term deposits at banks	24		176,000,000	38,000,000
Receipts of interest	27		5,881,514	5,304,143
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>50,820,914</b>	<b>(21,695,857)</b>
<b>Net cash flows during the year (50 = 20 + 30)</b>	<b>50</b>		<b>143,662,953</b>	<b>40,742,000</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>110,034,045</b>	<b>69,292,045</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60)</b>	<b>70</b>	<b>4</b>	<b>253,696,998</b>	<b>110,034,045</b>

25 March 2021

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 changes in equity for the year ended 31 December 2020**

**Form B05 - CTQ**

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

	<b>Contributed capital VND'000</b>	<b>Financial reserve VND'000</b>	<b>Other capital reserve VND'000</b>	<b>Retained profits VND'000</b>	<b>Total VND'000</b>
<b>Balance at 1 January 2019</b>	25,000,000	2,081,457	2,081,457	86,749,953	115,912,867
Net profit for the year	-	-	-	70,718,747	70,718,747
Appropriation to reserves	-	418,543	418,543	(837,086)	-
<b>Balance at 1 January 2020</b>	25,000,000	2,500,000	2,500,000	156,631,614	186,631,614
Net profit for the year	-	-	-	105,662,577	105,662,577
<b>Balance at 31 December 2020</b>	25,000,000	2,500,000	2,500,000	262,294,191	292,294,191

25 March 2021

Prepared by:



Le Minh Thuy  
*Chief Accountant*

Approved by:



Ngo The Trieu  
*Chief Executive Officer*

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020**

**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 VND25 billion.

As at 31 December 2020, the Company had 21 employees (31/12/2019: 21 employees) of which one (1) is management personnel. During the year, there was one (1) employee resigning and no disciplinary action was taken against any of the employees. As at 31 December 2020, the Company had 8 employees (31/12/2019: 9 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 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 2020 (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").

**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 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.

**(b) Cash and cash equivalents**

Cash and cash equivalents comprise demand deposit and term deposits with original term to maturity not exceeding three (3) months from transaction date. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

**(c) Investments**

**Held-to-maturity investments**

Held-to-maturity investments are those that the Company's Management has the intention and ability to hold until maturity. Held-to-maturity investments comprise term deposit at banks with original term to maturity of more than three months. These investments are stated at cost less allowance for doubtful debts.

**(d) Accounts receivable**

Accounts receivable from fund management activities and other receivables are stated at cost less allowance for doubtful debts.

**(e) Tangible fixed assets**

**(i) Cost**

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

**(ii) Depreciation**

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

- |                    |             |
|--------------------|-------------|
| ▪ renovation costs | 3 years     |
| ▪ office equipment | 3 – 4 years |

**(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.



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

**(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 six-month period 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**

The 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/decrease by reference to the profitability of total Eastspring Investments business in Asia during the vesting period.

**(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 off balance sheet in accordance with the guidance in Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance.

**(k) Contributed capital**

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





**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

**(l) Statutory reserves**

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:

	<b>Annual allocation</b>	<b>Maximum balance</b>
Financial reserve	5% of profit after tax	10% of charter capital
Supplement charter capital reserve	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.

Supplement charter capital reserve 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 supplement charter capital reserve to pay dividends.

**(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.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

*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.

*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.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

*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.

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 service 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.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

**(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, its ultimate parent company and their subsidiaries and associates. Related parties also include funds managed by the Company.

**(r) Nil balances**

Items or balances required by Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on the promulgation of accounting guidance for investment fund management companies and the Vietnamese Accounting System for enterprises 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.



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

**4. Cash and cash equivalents**

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND'000</b>	<b>VND'000</b>
<b>Cash at banks</b>		
▪ Deutsche Bank AG – Ho Chi Minh City Branch	7,942,159	2,792,987
▪ HSBC Bank (Vietnam) Ltd.	654,839	1,241,058
	<hr/>	<hr/>
	8,596,998	4,034,045
	<hr/>	<hr/>
<b>Cash equivalents - Term deposits with original term to maturity of not exceeding three months</b>		
▪ Deutsche Bank AG – Ho Chi Minh City Branch	86,000,000	55,000,000
▪ HSBC Bank (Vietnam) Ltd.	69,100,000	31,000,000
▪ MUFG Bank, Ltd., Ha Noi Branch	50,000,000	-
▪ ANZ Bank (Vietnam) Limited	40,000,000	20,000,000
	<hr/>	<hr/>
	245,100,000	106,000,000
	<hr/>	<hr/>
Cash and cash equivalents in the statement of cash flows	253,696,998	110,034,045

The Company's cash equivalents as at 31 December 2020 earned annual interest at rates ranging from 0.15% to 1.07% (31/12/2019: from 3.44% to 4.41%) for term deposits in VND. In the event of withdrawal before the maturity, these term deposits earn interest at rates in accordance with the bank's policy applied for withdrawal before maturity.

**5. Short-term financial investments**

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND'000</b>	<b>VND'000</b>
<b>Held-to-maturity investments</b>		
▪ ANZ Bank (Vietnam) Limited	20,000,000	65,000,000
	<hr/>	<hr/>

Held-to-maturity investments as at 31 December 2020 represented term deposits at banks denominated in VND, with original term to maturities of five (5) months, earned annual interest at 2.15% (31/12/2019: from 3.90% to 4.10%).

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B09 - CTQ**  
*(Issued under Circular No. 125/2011/TT-BTC  
dated 5 September 2011 of the Ministry of Finance)*

**6. Accounts receivable**

**(a) Receivables from fund management activities**

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND'000</b>	<b>VND'000</b>
Parent company	54,899,479	40,391,618
Other related companies	181,000	185,000
	<hr/>	<hr/>
	<b>55,080,479</b>	<b>40,576,618</b>
	<hr/> <hr/>	<hr/> <hr/>

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**

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND'000</b>	<b>VND'000</b>
Interest receivables	132,318	1,011,342
Receivables from employees	111,000	55,840
Deposits for rental	45,001	39,000
Others	36,948	30,639
	<hr/>	<hr/>
	<b>325,267</b>	<b>1,136,821</b>
	<hr/> <hr/>	<hr/> <hr/>

Included in receivables as at 31 December 2020 were overdue receivables with carrying value amounted to VND30 million (31/12/2019: VND30 million).

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

**7. Tangible fixed assets**

<b>2020</b>	<b>Renovation costs VND'000</b>	<b>Office equipment VND'000</b>	<b>Total VND'000</b>
<b>Cost</b>			
Opening balance	1,858,849	3,176,780	5,035,629
Additions	-	60,600	60,600
Closing balance	1,858,849	3,237,380	5,096,229
<b>Accumulated depreciation</b>			
Opening balance	1,554,289	2,566,088	4,120,377
Charge for the year	138,470	311,567	450,037
Closing balance	1,692,759	2,877,655	4,570,414
<b>Net book value</b>			
Opening balance	304,560	610,692	915,252
Closing balance	166,090	359,725	525,815
<b>2019</b>			
<b>Cost</b>			
Opening balance/closing balance	1,858,849	3,176,780	5,035,629
<b>Accumulated depreciation</b>			
Opening balance	1,382,030	2,230,373	3,612,403
Charge for the year	172,259	335,715	507,974
Closing balance	1,554,289	2,566,088	4,120,377
<b>Net book value</b>			
Opening balance	476,819	946,407	1,423,226
Closing balance	304,560	610,692	915,252

Included in tangible fixed assets as at 31 December 2020 were assets costing VND3,676 million (31/12/2019: VND3,474 million) which were fully depreciated but which are still in active use.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

**8. Intangible fixed assets**

	<b>Software</b>	
	<b>2020</b>	<b>2019</b>
	<b>VND'000</b>	<b>VND'000</b>
<b>Cost</b>		
Opening balance/closing balance	982,797	982,797
<hr/>		
<b>Accumulated amortisation</b>		
Opening balance	982,797	961,953
Charge for the year	-	20,844
<hr/>		
Closing balance	982,797	982,797
<hr/>		
<b>Net book value</b>		
Opening balance	-	20,844
Closing balance	-	-
<hr/>		

Included in intangible fixed assets as at 31 December 2020 were assets costing VND983 million (31/12/2019: VND983 million) which were fully amortised but which are still in active use.

**9. Deferred tax assets**

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND'000</b>	<b>VND'000</b>
Deferred tax assets:		
▪ Accrued expenses	3,586,763	1,880,659
▪ Provision for severance allowance	236,100	277,029
<hr/>		
Total deferred tax assets	3,822,863	2,157,688
<hr/>		



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2019 (continued)**

**Form B09 - CTQ**  
*(Issued under Circular No. 125/2011/TT-BTC  
dated 5 September 2011 of the Ministry of Finance)*

**10. Other long-term assets**

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND'000</b>	<b>VND'000</b>
Deposits for office rental	1,181,565	1,181,565

**11. Taxes and payables to State Treasury**

	<b>1/1/2020</b>	<b>Incurred</b>	<b>Paid</b>	<b>31/12/2020</b>
	<b>VND'000</b>	<b>VND'000</b>	<b>VND'000</b>	<b>VND'000</b>
Personal income tax	284,161	10,140,388	(10,040,874)	383,675
Withholding tax	145,662	1,291,283	(793,610)	643,335
Corporation income tax	4,994,846	18,574,253	(19,180,049)	4,389,050
	5,424,669	30,005,924	(30,014,533)	5,416,060

**12. Accrued expenses**

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND'000</b>	<b>VND'000</b>
Bonus and incentives	14,643,856	12,732,792
Accrued operating expenses	10,577,077	3,032,820
Current portion of long-term incentive bonus (Note 15)	2,227,200	4,475,625
Others	1,663,566	1,865,065
	29,111,699	22,106,302

**13. Other short-term payables**

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

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND'000</b>	<b>VND'000</b>
Parent company – Non-trade	2,191,246	2,091,131
Other related companies – Non-trade	1,800,198	653,939
Third parties – Non-trade	433,854	441,270
	4,425,298	3,186,340



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**  
*(Issued under Circular No. 125/2011/TT-BTC  
dated 5 September 2011 of the Ministry of Finance)*

**14. Provision for severance allowance**

	<b>2020</b> <b>VND'000</b>	<b>2019</b> <b>VND'000</b>
Opening balance	1,385,147	1,365,483
Provision made during the year	112,531	95,015
Provision utilised during the year	(317,495)	(75,351)
	<hr/>	<hr/>
Closing balance	1,180,183	1,385,147
	<hr/>	<hr/>

**15. Provisions – long - term**

	<b>31/12/2020</b> <b>VND'000</b>	<b>31/12/2019</b> <b>VND'000</b>
Long-term incentive bonus (i)	3,897,600	3,270,500
Other bonus schemes	300,792	329,065
	<hr/>	<hr/>
	4,198,392	3,599,565
	<hr/>	<hr/>

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

	<b>2020</b> <b>VND'000</b>	<b>2019</b> <b>VND'000</b>
Opening balance	3,270,500	4,917,727
Provision made during the year	2,854,300	2,828,398
Transfer to current portion of long-term incentive bonus (Note 12)	(2,227,200)	(4,475,625)
	<hr/>	<hr/>
Closing balance	3,897,600	3,270,500
	<hr/>	<hr/>

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2019 (continued)**

**Form B09 - CTQ**

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

**16. Contributed capital**

The Company's contributed 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.

**17. Deposit of entrustors**

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

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND'000</b>	<b>VND'000</b>
<b>Shareholder Fund</b>	<b>1,471,126,391</b>	<b>635,015,353</b>
Cash at banks	165,606,150	384,015,353
Cash equivalents (*)	1,305,520,241	251,000,000
<b>Universal Life Fund</b>	<b>454,649,487</b>	<b>109,051,578</b>
Cash at banks	66,223,893	9,051,578
Cash equivalents (*)	388,425,594	100,000,000
<b>Life Fund</b>	<b>3,928,870,195</b>	<b>698,573,568</b>
Cash at banks	515,850,463	424,745,568
Cash equivalents (*)	3,413,019,732	273,828,000
<b>Unit-linked Funds</b>	<b>693,167,421</b>	<b>287,815,965</b>
Cash at banks	358,559,790	142,038,560
Cash equivalents (*)	334,607,631	145,777,405
<b>Eastspring Investments Vietnam Navigator Fund</b>	<b>61,590,043</b>	<b>25,237,303</b>
Cash at banks	6,070,077	5,175,659
Cash equivalents (*)	55,519,966	20,061,644
<b>Pension Fund</b>	<b>814,751</b>	<b>4,535,871</b>
Cash at banks	814,751	4,535,871
	<b>6,610,218,288</b>	<b>1,760,229,638</b>

(\*) Cash equivalents represented term deposits at banks with original terms to maturity of not exceeding three months from transaction date.



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B09 - CTQ**  
*(Issued under Circular No. 125/2011/TT-BTC*  
*dated 5 September 2011 of the Ministry of Finance)*

**18. Investment portfolio of entrustors**

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

	31/12/2020		31/12/2019	
	Quantity	Market value VND'000	Quantity	Market value VND'000
<b>Shareholder Fund</b>				
Listed debt securities	897,000	118,479,409	42,437,000	4,754,463,677
Term deposits	N/A	9,166,599,222	N/A	2,397,620,671
<b>Universal Life Fund</b>				
Listed debt securities	23,403,683	4,484,978,748	24,673,371	3,440,682,853
Term deposits	N/A	771,885,045	N/A	590,321,382
<b>Life Fund</b>				
Listed equity securities	40,058,342	1,746,108,040	50,337,686	1,563,629,156
Listed debt securities	468,336,766	87,182,024,188	506,344,783	67,974,543,634
Term deposits	N/A	13,442,636,915	N/A	4,754,208,976
<b>Unit-linked Funds</b>				
Listed equity securities	127,020,332	5,623,093,413	108,540,776	3,410,959,029
Listed debt securities	3,740,020	467,308,158	3,900,000	433,776,780
Term deposits	N/A	229,877,419	N/A	168,344,308
<b>Eastspring Investments Vietnam Navigator Fund</b>				
Listed equity securities	2,698,316	87,873,482	3,751,392	78,468,249
Term deposits	N/A	12,356,860	N/A	38,934,892
<b>Pension Fund</b>				
Listed debt securities	1,585,000	194,181,479	1,335,000	136,459,566
Term deposits	N/A	82,119,943	N/A	91,887,177
		101,679,100,631		89,834,300,350
		123,609,522,321		100,737,388,254

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B09 - CTQ**

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

**19. Net revenue**

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

	<b>2020</b>	<b>2019</b>
	<b>VND'000</b>	<b>VND'000</b>
Revenue from management of investment portfolios and funds (i)	161,838,132	125,775,610
Revenue from asset allocation service (ii)	25,593,595	8,443,541
Revenue from administration of investment portfolios (iii)	11,642,510	8,713,866
	199,074,237	142,933,017

- (i) As at 31 December 2020, there were five (05) investment portfolios and an investment fund with total net asset value of VND131,266 billion (31/12/2019: VND102,652 billion) under the Company's management.

The Company manages the investments of Shareholder Fund, Universal Life Fund, Life Fund, Unit-linked Funds 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 2020, portfolio management fees earned from services rendered to Prudential Vietnam Assurance Private Limited amounted to VND159,738 million (2019: VND123,649 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 of Vietnam dated 25 March 2014. For the year ended 31 December 2020, management fees earned from services rendered to Eastspring Investments Vietnam Navigator Fund amounted to VND2,100 million (2019: VND2,126 million).

- (ii) For the year ended 31 December 2020, revenue earned from asset allocation service rendered to Prudential Vietnam Assurance Private Limited amounted to VND25,594 million (2019: VND8,444 million).
- (iii) For the year ended 31 December 2020, revenue earned from administration services rendered to Prudential Vietnam Assurance Private Limited amounted to VND11,643 million (2019: VND8,714 million).

There was no performance fee received by the Company for the years ended 31 December 2020 and 2019 because the conditions were not met.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**  
*(Issued under Circular No. 125/2011/TT-BTC  
dated 5 September 2011 of the Ministry of Finance)*

**20. Financial income**

	<b>2020</b> <b>VND'000</b>	<b>2019</b> <b>VND'000</b>
Interest income	5,002,490	5,313,058
Realised foreign exchange gains	88,862	69,783
	5,091,352	5,382,841
	5,091,352	5,382,841

**21. General and administration expenses**

	<b>2020</b> <b>VND'000</b>	<b>2019</b> <b>VND'000</b>
Staff costs	41,233,191	39,589,894
Consultancy and other services costs	10,845,775	9,083,510
Office rental	4,293,527	4,011,477
Other expenses	25,123,026	11,715,684
	81,495,519	64,400,565
	81,495,519	64,400,565

**22. Income tax**

**(a) Recognised in the statement of income**

	<b>2020</b> <b>VND'000</b>	<b>2019</b> <b>VND'000</b>
<b>Current tax expense</b>		
Current year	18,574,253	12,898,356
<b>Deferred tax (income)/ expense</b>		
Origination and reversal of temporary differences	(1,665,175)	284,258
	16,909,078	13,182,614
	16,909,078	13,182,614



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

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

	2020 VND'000	2019 VND'000
Accounting profit before tax	122,571,655	83,901,361
Tax at the Company's tax rate	24,514,331	16,780,272
Non-deductible expenses	355,141	368,094
Tax losses utilised	-	(3,965,752)
Tax incentive (*)	(7,960,394)	-
	16,909,078	13,182,614

(\*) Accordance with Decree No. 114/2020/ND-CP, enterprise with total revenue for financial year ended 31 December 2020 of less than VND200 billion is entitled to 30% reduction of income tax payable for 2020.

**(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.

**23. Other off balance sheet items**

**(i) Lease commitments**

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

	31/12/2020 VND'000	31/12/2019 VND'000
Within one year	4,685,604	4,414,225
Within two to five years	7,069,062	11,754,666
	11,754,666	16,168,891

**(ii) Foreign currencies**

	31/12/2020		31/12/2019	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	3,172.75	72,973	3,172.75	73,291

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

**24. Significant transactions with related parties**

The significant transactions with related parties during the year are as follows:

<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>2020 VND'000</b>	<b>2019 VND'000</b>
Prudential Vietnam Assurance Private Limited	Parent company	Management fees	159,737,516	123,649,317
		Asset allocation service fees	25,593,595	8,443,541
		Fund administration service fees	11,642,510	8,713,866
		IT and back office services costs charged by the parent company	4,628,037	3,347,941
		Expenses paid on behalf of the Company	1,190,648	857,233
Prudential Holdings Ltd	Related company	Expenses paid on behalf of the Company	-	515,014
		Expenses paid by the Company on behalf of the related company	-	53,006
Prudential Corporation Holdings Ltd	Related company	Expenses paid on behalf of the Company	375,852	-
		Support service	114,051	-
Eastspring Investments (Singapore) Limited	Related company	IT and back office services costs charged by the related company	10,706,316	6,191,134
Eastspring Investments Services Pte Ltd		Support service	1,058,229	-
Eastspring Investments Vietnam Navigator Fund	Fund under management	Management fees	2,100,616	2,126,293



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for year ended 31 December 2020 (continued)**

**Form B 09-CTQ**

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

Balance with related parties at the end of the year are as follows:

Related party	Relationship	Nature of balance	31/12/2020	31/12/2019
			VND'000	VND'000
			<b>Receivables/(payables)</b>	
Prudential Vietnam Assurance Private Limited	Parent company	Receivable of management fees	43,621,555	35,506,488
		Receivable of fund administration service fees	3,136,621	2,485,250
		Receivable of asset allocation service fees	8,141,303	2,399,880
		Payable for IT services	(1,202,667)	(1,590,107)
		Other payables	(988,579)	(601,351)
Eastspring Investments (Singapore) Limited	Related company	Payable for IT and back office services	(1,531,552)	(653,939)
Eastspring Investments Services Pte Ltd	Related company	Payable for support services	(268,646)	-
Eastspring Investments Vietnam Navigator Fund	Fund under management	Receivable of management fees	181,000	185,000

## 25. 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 Company's 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.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B09 - CTQ**

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

**(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 reporting date was as follows:

	Note	31/12/2020 VND'000	31/12/2019 VND'000
Cash and cash equivalents	(i)	253,696,998	110,034,045
Held-to-maturity investments	(i)	20,000,000	65,000,000
Accounts receivable – gross	(ii)	55,405,746	41,808,426
		<hr/>	<hr/>
		329,102,744	216,842,471
		<hr/>	<hr/>

**(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 risks 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 management fees receivable. Credit risk in relation to management fees receivable is considered minimal as these are receivables from related parties and funds under management of the Company who have good collection track records with the Company.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B09 - CTQ**  
*(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)*

**(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 reporting date, 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	From 3 months to 1 year VND'000	From 1 year to 5 years VND'000
<b>As at 31 December 2020</b>						
Accounts payable to suppliers	83,909	83,909	83,909	-	-	-
Accrued expenses	13,205,730	13,205,730	-	13,205,730	-	-
Other short-term payables	4,425,298	4,425,298	4,425,298	-	-	-
	17,714,937	17,714,937	4,509,207	13,205,730	-	-
<b>As at 31 December 2019</b>						
Accounts payable to suppliers	338,976	338,976	338,976	-	-	-
Accrued expenses	5,811,755	5,811,755	-	5,811,755	-	-
Other short-term payables	3,186,340	3,186,340	3,186,340	-	-	-
	9,337,071	9,337,071	3,525,316	5,811,755	-	-

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B09 - CTQ**  
*(Issued under Circular No. 125/2011/TT-BTC  
dated 5 September 2011 of the Ministry of Finance)*

**(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**

*Exposure to currency risk*

At the reporting date, the Company had the following net monetary asset position exposed to currency risk as follows:

	<b>Denominated in USD</b>	
	<b>31/12/2020</b>	<b>31/12/2019</b>
Cash and cash equivalents	3,172.75	3,172.75

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The following was the significant exchange rate applied by the Company:

	<b>Exchange rate as at</b>	
	<b>31/12/2020</b>	<b>31/12/2019</b>
USD/VND	23,000	23,100

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Below is an analysis of the possible impact on the net profit of the Company as at 31 December 2020. This analysis assumes that all other variables, in particular interest rates, remain constant:

	<b>31/12/2020</b>
	<b>VND'000</b>
USD (1% weakening)	(586)

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Below is an analysis of the possible impact on the net profit of the Company as at 31 December 2020. This analysis assumes that all other variables, in particular interest rates, remain constant:

	<b>31/12/2019</b>
	<b>VND'000</b>
USD (1% strengthening)	586

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The opposite movement of the USD would have equal but opposite effect to the net profit of the Company as at 31 December 2020.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B09 - CTQ**

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

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

	Carrying amount	
	31/12/2020 VND'000	31/12/2019 VND'000
<i>Fixed rate instruments</i>		
Cash equivalents	245,100,000	106,000,000
Held-to-maturity investments	20,000,000	65,000,000
<i>Variable rate instruments</i>		
Cash at banks	8,596,998	4,034,045

A change of 100 basis points in interest rates would have increased or decreased the net profit of the Company by VND69 million (31/12/2019: VND32 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 2020 and 31 December 2019.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B09 - CTQ**

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

**(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:

	31/12/2020		31/12/2019	
	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	253,696,998	253,696,998	110,034,045	110,034,045
▪ Accounts receivable - gross	55,405,746	(*)	41,808,426	(*)
<i>Financial assets categorised as held-to-maturity investments:</i>				
▪ Held-to-maturity investments	20,000,000	(*)	65,000,000	(*)
<i>Financial liabilities categorised as financial liabilities carried at amortised cost:</i>				
▪ Accounts payable to suppliers	83,909	(*)	338,976	(*)
▪ Accrued expenses	13,205,730	(*)	5,811,755	(*)
▪ Other short-term payables	4,425,298	(*)	3,186,340	(*)

- (\*) 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 No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for securities investment fund management companies and the other relevant statutory requirements applicable to financial reporting. The fair values of these financial instruments may differ from their carrying amounts.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B09 - CTQ**

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

**26. Post balance sheet event**

On 17 March 2021, the Members' Council resolved to distribute a profit amounting to VND200 billion from the Company's retained profits for the years 2017, 2018, 2019 and a part of the Company retained profit for the year 2020. As at the issuance date of these financial statements, the profit distribution has not been paid.

Except for the above event, there was no other significant event arisen after 31 December 2020 that could have materially affected to the financial position of the Company that requires adjustment or disclosure in the financial statements as at 31 December 2020 and for the year then ended.

25 March 2021

Prepared by:



Le Minh Thuy  
*Chief Accountant*

Approved by:



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