



**Eastspring Investments Fund
Management Limited Liability Company**

Interim Financial Statements for the
six-month period ended 30 June 2020





Eastspring Investments Fund Management Limited Liability Company
General Information

KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

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Eastspring Investments Fund Management Limited Liability Company

Corporate Information

KPMG Limited Branch
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 115 Nguyen Hue Street, Ben Nghe Ward
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Business Registration Licence No. 416400013
 24 May 2005
 23 January 2006

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

Business Licence No. 51/GP-UBCK 23 March 2012

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.

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

Buwalda Jeroen Jelle Bart	Chairman
Ngo The Trieu	Member
Clive Darren Baker	Member (until 21 June 2020)
Phuong Tien Minh	Member (from 22 June 2020)

Board of Directors 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 Board of Directors

KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward

District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn
The Board of Directors of Eastspring Investments Fund Management Limited Liability Company (“the Company”) presents this statement and the accompanying interim financial statements of the Company for the six-month period ended 30 June 2020.

The Board of Directors is responsible for the preparation and fair presentation of the interim 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 interim financial reporting. In the opinion of the Board of Directors:

- (a) the interim financial statements set out on pages 5 to 36 give a true and fair view of the financial position of the Company as at 30 June 2020, and of its results of operations and its cash flows for the six-month period 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 interim 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 interim financial statements have been prepared on a going concern basis.

The Board of Directors has, on the date of this statement, authorised these interim financial statements for issue.



On behalf of the Board of Directors

The Trieu
Chief Executive Officer

Ho Chi Minh City, 11 August 2020



KPMG Limited Branch
10th Floor, Sun Wah Tower
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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Investor

Eastspring Investments Fund Management Limited Liability Company

We have reviewed the accompanying interim financial statements of Eastspring Investments Fund Management Limited Liability Company (“the Company”), which comprise the balance sheet as at 30 June 2020, the statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Directors on 11 August 2020, as set out on pages 5 to 36.

Management’s Responsibility

The Company’s Board of Directors is responsible for the preparation and fair presentation of these interim 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 interim financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

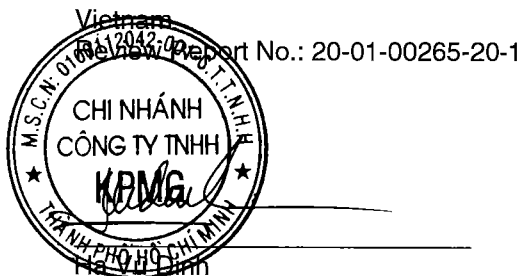
A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the financial position of Eastspring Investments Fund Management Limited Liability Company as at 30 June 2019 and of its results of operations and its cash flows for the six-month period 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 interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City



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, 11 August 2020

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 30 June 2020

Form B01a - CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

	Code	Note	30/6/2020 VND'000	31/12/2019 VND'000
ASSETS				
Current assets (100 = 110 + 120 + 130 + 150)	100		262,808,289	218,474,932
Cash and cash equivalents	110	4	133,713,884	110,034,045
Cash	111		8,613,884	4,034,045
Cash equivalents	112		125,100,000	106,000,000
Short-term financial investments	120		80,000,000	65,000,000
Held-to-maturity investments	123	5	80,000,000	65,000,000
Accounts receivable	130	6	47,098,814	41,793,426
Prepayment to suppliers	132		194,794	94,987
Receivables from fund management activities	134		46,336,375	40,576,618
Other short-term receivables	135		582,645	1,136,821
Allowance for doubtful debts	137		(15,000)	(15,000)
Other current assets	150		1,995,591	1,647,461
Short-term prepaid expenses	151		1,995,591	1,647,461
Long-term assets (200 = 220 + 260)	200		5,174,969	4,254,505
Fixed assets	220		675,023	915,252
Tangible fixed assets	221	7	675,023	915,252
Cost	222		5,035,629	5,035,629
Accumulated depreciation	223		(4,360,606)	(4,120,377)
Intangible fixed assets	227	8	-	-
Cost	228		982,797	982,797
Accumulated amortisation	229		(982,797)	(982,797)
Other long-term assets	260		4,499,946	3,339,253
Deferred tax assets	262	9	3,318,381	2,157,688
Other long-term assets	268	10	1,181,565	1,181,565
TOTAL ASSETS (270 = 100 + 200)	270		267,983,258	222,729,437

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

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 30 June 2020 (continued)

Form B01a - CTQ
(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)

	Code	Note	30/6/2020 VND'000	31/12/2019 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		35,192,352	36,097,823
Current liabilities	310		30,559,564	31,113,111
Accounts payable to suppliers	312		249	338,976
Taxes payable to State Treasury	314	11	7,735,101	5,424,669
Payables to employees	315		-	56,824
Accrued expenses	316	12	20,782,945	22,106,302
Other short-term payables	319	13	2,041,269	3,186,340
Long-term liabilities	330		4,632,788	4,984,712
Provision for severance allowance	336	14	1,461,473	1,385,147
Provisions	337	15	3,171,315	3,599,565
EQUITY (400 = 410)	400		232,790,906	186,631,614
Equity	410		232,790,906	186,631,614
Contributed capital	411	16	25,000,000	25,000,000
Financial reserve	418		2,500,000	2,500,000
Supplement charter capital reserve	419		2,500,000	2,500,000
Retained profits	420		202,790,906	156,631,614
- <i>Retained profits brought forward</i>	420a		156,631,614	86,749,953
- <i>Retained profit for the current period/year</i>	420b		46,159,292	69,881,661
TOTAL RESOURCES (440 = 300 + 400)	440		267,983,258	222,729,437

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

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 30 June 2020 (continued)

Form B01a - CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

OFF BALANCE SHEET ITEMS

	Code	Note	30/6/2020 VND'000	31/12/2019 VND'000
Foreign currencies	005	23	73,306	73,291
Cash and cash equivalents of local entrustors and a fund under management	030	17	4,870,816,362	1,760,229,638
Investment portfolio of local entrustors and a fund under management	040	18	110,677,248,718	100,737,388,254
Receivables of local entrustors and a fund under management	050		549,836,568	154,006,917

11 August 2020

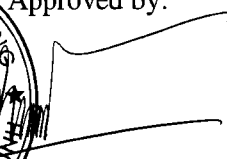
Prepared by:



Le Minh Thuy
Chief Accountant



Approved by:



Ngo The Trieu
Chief Executive Officer

Eastspring Investments Fund Management Limited Liability Company
Statement of income for the six-month period ended 30 June 2020

Form B02a - CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2020 VND'000	30/6/2019 VND'000
Net revenue	10	19	93,303,540	66,268,789
Financial income	21	20	2,997,825	2,338,146
General and administration expenses	25	21	38,572,034	33,105,518
Net operating profit (30 = 10 + 21 - 25)	30		57,729,331	35,501,417
Accounting profit before tax (50 = 30)	50		57,729,331	35,501,417
Income tax expense – current	51	22	12,730,732	3,272,715
Income tax benefit – deferred	52	22	(1,160,693)	(105,990)
Net profit after tax (60 = 50 - 51 - 52)	60		46,159,292	32,334,692

11 August 2020

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Ngô The Trieu
Chief Executive Officer

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

Eastspring Investments Fund Management Limited Liability Company
Statement of cash flows for the six-month period ended 30 June 2020
(Direct method)

Form B03a - CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

	Code	Six-month period ended	
		30/6/2020 VND'000	30/6/2019 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from fund management activities	01	87,543,783	63,275,750
Cash payments to employees	03	(28,232,514)	(27,123,372)
Payment for corporate income tax	05	(10,872,399)	-
Other receipts from operating activities	06	-	15,959
Other payments for operating activities	07	(13,240,485)	(12,692,822)
Net cash flows from operating activities	20	35,198,385	23,475,515
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of term deposits at banks	23	(80,000,000)	-
Collection of term deposits at banks	24	65,000,000	38,000,000
Receipts of interest	27	3,481,454	2,760,338
Net cash flows from investing activities	30	(11,518,546)	40,760,338
Net cash flows during the period (50 = 20 + 30)	50	23,679,839	64,235,853
Cash and cash equivalents at the beginning of the period	60	110,034,045	69,292,045
Cash and cash equivalents at the end of the period (70 = 50 + 60) (Note 4)	70	133,713,884	133,527,898

11 August 2020

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Ngô The Trieu
Chief Executive Officer

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

Eastspring Investments Fund Management Limited Liability Company
Notes to the interim financial statements for the six-month period ended 30 June 2020

Form B09a - 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 interim 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 30 June 2020, the Company had 20 employees (31/12/2019: 21 employees) of which one (1) is management personnel. During the period, there was one (1) employee resigning and no disciplinary action was taken against any of the employees. As at 30 June 2020, the Company had 9 employees (31/12/2019: 9 employees) who were qualified for fund and assets management.

2. Basis of preparation

(a) Statement of compliance

The interim 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 interim 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 interim financial statements are not intended to present the financial position and results of operations 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 interim financial statements for the six-month period ended 30 June 2020
(continued)

Form B09a - CTQ

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

(b) Basis of measurement

The interim 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. The interim financial statements are prepared for the six-month period ended 30 June 2020.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement 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 interim financial statements.

The accounting policies that have been adopted by the Company in the preparation of these interim financial statements are consistent with those adopted in the preparation of the latest annual financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the period 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 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 comprises cash balances and call deposits. 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 interim financial statements for the six-month period ended 30 June 2020
(continued)

Form B09a - 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 Board of Directors has the intention and ability to hold until maturity. Held-to-maturity investments comprise term deposit at banks with term to maturity of more than three months to one year. 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 period 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 interim financial statements for the six-month period ended 30 June 2020
(continued)

Form B09a - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
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(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 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 interim financial statements for the six-month period ended 30 June 2020
(continued)

Form B09a - 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:

	Annual allocation	Maximum balance
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 Board of Directors 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 interim financial statements for the six-month period ended 30 June 2020
(continued)

Form B09a - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
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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 Board of Directors 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 interim financial statements for the six-month period ended 30 June 2020
(continued)

Form B09a - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
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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 period 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 period, using tax rates enacted at the end of the 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 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 is 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 interim financial statements for the six-month period ended 30 June 2020
(continued)

Form B09a - CTQ

*(Issued under Circular No. 125/2011/TT-BTC
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(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.

(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 interim 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.

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Notes to the interim financial statements for the six-month period ended 30 June 2020
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(t) Seasonality of operation

The Company's result of operation is not affected by seasonality or cyclical factors except for the following items:

(i) Employee's bonus

The Company has temporarily accrued for employee's bonus based on the Group's financial budget for 2020 in these interim financial statements. However, the accrued bonus will be finalised at the end of the annual accounting period based on the Group's actual financial performance for the year ending 31 December 2020.

(ii) Corporate income tax

In accordance with the prevailing tax regulations, corporate income tax is computed and finalised at the year-end. The corporate income tax for the six-month period ended 30 June 2020 is temporarily calculated at 20% of the Company's profit for the six-month period ended 30 June 2020.

(iii) Statutory reserves

In accordance with the regulations, statutory reserves are computed at the year-end.

(u) Change in accounting estimate

In preparing these interim financial statements, the Board of Director of the Company has made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in accounting estimates compared to those made in the most recent annual financial statements or those made in the same interim period of the prior year.

(v) Unusual items

There were no unusual items which affect the Company's interim financial statements for the six-month period ended 30 June 2020.

(w) Changes in the composition of the Company

There were no changes in the composition of the Company since the end of the most recent annual accounting period which affect the interim financial statements of the Company for the six-month period ended 30 June 2020.

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4. Cash and cash equivalents

	30/6/2020	31/12/2019
	VND'000	VND'000
Cash at banks		
▪ Deutsche Bank AG – Ho Chi Minh City Branch	8,144,474	2,792,987
▪ HSBC Bank (Vietnam) Ltd.	469,410	1,241,058
	8,613,884	4,034,045
Cash equivalents - Term deposits with original term to maturity not exceeding three months		
▪ ANZ Bank (Vietnam) Limited	40,000,000	20,000,000
▪ Deutsche Bank AG – Ho Chi Minh City Branch	20,000,000	55,000,000
▪ HSBC Bank (Vietnam) Ltd.	65,100,000	31,000,000
	125,100,000	106,000,000
Cash and cash equivalents in the statement of cash flows	133,713,884	110,034,045

The Company's cash equivalents as at 30 June 2020 earned annual interest at rates ranging from 0.94% to 2.56% (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

	30/6/2020	31/12/2019
	VND'000	VND'000
Held-to-maturity investments - Term deposits with term to maturity of more than three months to one year		
▪ ANZ Bank (Vietnam) Limited	20,000,000	65,000,000
▪ Deutsche Bank AG – Ho Chi Minh City Branch	10,000,000	-
▪ MUFG Bank, Ltd., – Hanoi Branch	50,000,000	-
	80,000,000	65,000,000

Held-to-maturity investments as at 30 June 2020 represented term deposits at banks denominated in VND, with term to maturity of more than three months to one year, earned annual interest at rates ranging from 1.88% to 3.88% (31/12/2019: from 3.90% to 4.10%).

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6. Accounts receivable

Receivables from fund management activities comprised:

	30/6/2020	31/12/2019
	VND'000	VND'000
Amounts due from the parent company	46,166,375	40,391,618
Amounts due from other related companies	170,000	185,000
	46,336,375	40,576,618

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

Other short-term receivables comprised:

	30/6/2020	31/12/2019
	VND'000	VND'000
Interest receivables	494,006	1,011,342
Deposits for rental	39,000	39,000
Receivables from employees	19,000	55,840
Others	30,639	30,639
	582,645	1,136,821

Included in receivables as at 30 June 2020 were overdue receivables with carrying value amounted to VND30 million (31/12/2019: VND30 million).

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7. Tangible fixed assets

Six-month period ended 30 June 2020	Renovation costs VND'000	Office equipment VND'000	Total VND'000
Cost			
Opening balance/closing balance	1,858,849	3,176,780	5,035,629
Accumulated depreciation			
Opening balance	1,554,289	2,566,088	4,120,377
Charge for the period	164,983	75,246	240,229
Closing balance	1,719,272	2,641,334	4,360,606
Net book value			
Opening balance	304,560	610,692	915,252
Closing balance	139,577	535,446	675,023
Six-month period ended 30 June 2019			
	Renovation costs VND'000	Office equipment VND'000	Total VND'000
Cost			
Opening balance/closing balance	1,858,849	3,176,780	5,035,629
Accumulated depreciation			
Opening balance	1,382,030	2,230,373	3,612,403
Charge for the period	181,616	86,129	267,745
Closing balance	1,563,646	2,316,502	3,880,148
Net book value			
Opening balance	476,819	946,407	1,423,226
Closing balance	295,203	860,278	1,155,481

Included in tangible fixed assets as at 30 June 2020 were assets costing VND3,676 million (31/12/2019: VND3,474 million) which were fully depreciated but which are still in active use.

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Notes to the interim financial statements for the six-month period ended 30 June 2020
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8. Intangible fixed assets

	Software	
	Six-month period ended 30/6/2020	30/6/2019
	VND'000	VND'000
Cost		
Opening balance/closing balance	982,797	982,797
<hr/>		
Accumulated amortisation		
Opening balance	982,797	961,953
Charge for the period	-	10,422
<hr/>		
Closing balance	982,797	972,375
<hr/>		
Net book value		
Opening balance	-	20,844
Closing balance	-	10,422
<hr/>		

Included in intangible fixed assets as at 30 June 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

	30/6/2020	31/12/2019
	VND'000	VND'000
Deferred tax assets:		
Accrued expenses	3,026,086	1,880,659
Provision for severance allowance	292,295	277,029
<hr/>		
Total deferred tax assets	3,318,381	2,157,688
<hr/>		

Eastspring Investments Fund Management Limited Liability Company
Notes to the interim financial statements for the six-month period ended 30 June 2020
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10. Other long-term assets

	30/6/2020	31/12/2019
	VND'000	VND'000
Deposits for office rental	1,181,565	1,181,565

11. Taxes payable to State Treasury

	1/1/2020	Incurred	Paid	30/6/2020
	VND'000	VND'000	VND'000	VND'000
Personal income tax	284,161	7,784,639	(7,716,184)	352,616
Withholding tax	145,662	608,938	(225,294)	529,306
Corporation income tax	4,994,846	12,730,732	(10,872,399)	6,853,179
	5,424,669	21,124,309	(18,813,877)	7,735,101

12. Accrued expenses

	30/6/2020	31/12/2019
	VND'000	VND'000
Bonus and incentives	7,070,688	12,732,792
Current portion of long-term incentive bonus (Note 15)	1,670,192	4,475,625
Accrued operating expenses	10,889,154	3,032,820
Others	1,152,911	1,865,065
	20,782,945	22,106,302

13. Other short-term payables

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

	30/6/2020	31/12/2019
	VND'000	VND'000
Amounts due to the parent company – Non-trade	247,061	2,091,131
Amounts due to other related companies – Non-trade	1,360,353	653,939
Amounts due to third parties – Non-trade	433,855	441,270
	2,041,269	3,186,340

The amounts due to the parent company and other related companies were unsecured, interest free and are payable at call.

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14. Provision for severance allowance

	Six-month period ended	
	30/6/2020	30/6/2019
	VND'000	VND'000
Opening balance	1,385,147	1,365,483
Provision made during the period	76,326	47,977
Provision utilised during the period	-	(75,351)
Closing balance	1,461,473	1,338,109

15. Provisions

	30/6/2020	31/12/2019
	VND'000	VND'000
Long-term incentive bonus (i)	2,610,160	3,270,500
Other bonus schemes	561,155	329,065
	3,171,315	3,599,565

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

	Six-month period ended	
	30/6/2020	30/6/2019
	VND'000	VND'000
Opening balance	3,270,500	4,917,727
Provision made during the period	1,009,852	1,182,817
Transfer to current portion of long-term incentive bonus (Note 12)	(1,670,192)	(3,812,231)
Closing balance	2,610,160	2,288,313

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Notes to the interim financial statements for the six-month period ended 30 June 2020
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16. Contributed capital

(a) Changes in owner's equity

	Contributed capital VND'000	Financial reserve VND'000	Supplement charter capital reserve VND'000	Retained profits VND'000	Total VND'000
Balance at 1 January 2020	25,000,000	2,500,000	2,500,000	156,631,614	186,631,614
Net profit for the period	-	-	-	46,159,292	46,159,292
Balance at 30 June 2020	25,000,000	2,500,000	2,500,000	202,790,906	232,790,906
Balance at 1 January 2019	25,000,000	2,081,457	2,081,457	86,749,953	115,912,867
Net profit for the period	-	-	-	32,334,692	32,334,692
Balance at 30 June 2019	25,000,000	2,081,457	2,081,457	119,084,645	148,247,559

(b) Contributed capital

The Company's authorised charter capital of VND25,000,000,000 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.

Eastspring Investments Fund Management Limited Liability Company
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17. Cash and cash equivalents of local entrustors and a fund under management

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

	30/6/2020	31/12/2019
	VND'000	VND'000
Shareholder Fund	314,993,183	635,015,353
Cash at banks	64,558,799	384,015,353
Cash equivalents (*)	250,434,384	251,000,000
Universal Life Fund	182,194,248	109,051,578
Cash at banks	112,194,248	9,051,578
Cash equivalents (*)	70,000,000	100,000,000
Life Fund	3,820,261,215	698,573,568
Cash at banks	1,096,360,681	424,745,568
Cash equivalents (*)	2,723,900,534	273,828,000
Unit-linked Funds	512,743,950	287,815,965
Cash at banks	170,658,206	142,038,560
Cash equivalents (*)	342,085,744	145,777,405
Eastspring Investments Vietnam Navigator Fund	38,206,874	25,237,303
Cash at banks	18,843,198	5,175,659
Cash equivalents (*)	19,363,676	20,061,644
Pension Fund	2,416,892	4,535,871
Cash at banks	2,416,892	4,535,871
	<hr/>	<hr/>
	4,870,816,362	1,760,229,638
	<hr/>	<hr/>

(*) Cash equivalents represented term deposits at banks with original terms to maturity of not more than three months.

Eastspring Investments Fund Management Limited Liability Company
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18. Investment portfolio of local entrustors and a fund under management

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

	30/6/2020			31/12/2019		
	Quantity	Cost VND'000	Market value VND'000	Quantity	Cost VND'000	Market value VND'000
Shareholder Fund						
Listed debt securities	13,287,000	1,457,714,683	1,846,097,955	42,437,000	4,754,463,677	5,493,678,443
Term deposits	N/A	6,692,973,428	6,692,973,428	N/A	2,397,620,671	2,397,620,671
Universal Life Fund						
Listed debt securities	23,403,441	3,380,569,552	4,117,914,155	24,673,371	3,440,682,853	4,056,781,862
Term deposits	N/A	852,183,711	852,183,711	N/A	590,321,382	590,321,382
Life Fund						
Listed equity securities	41,837,084	1,348,386,210	1,249,932,222	50,337,686	1,563,629,156	1,586,428,094
Listed debt securities	467,556,113	64,731,425,614	80,315,045,772	506,344,783	67,974,543,634	77,299,468,077
Term deposits	N/A	11,096,514,532	11,096,514,532	N/A	4,754,208,976	4,754,208,975
Unit-linked Funds						
Listed equity securities	109,681,950	3,655,166,405	3,492,123,739	108,540,776	3,410,959,029	3,547,695,656
Listed debt securities	3,600,000	400,384,185	426,673,181	3,900,000	433,776,780	460,554,293
Term deposits	N/A	223,307,326	223,307,326	N/A	168,344,308	168,344,308
Easpring Investments Vietnam Navigator Fund						
Listed equity securities	3,222,367	60,449,268	60,403,112	3,751,392	78,468,249	86,656,335
Term deposits	N/A	38,751,089	38,751,089	N/A	38,934,892	38,934,892
Pension Fund						
Listed debt securities	1,335,000	136,459,566	169,076,021	1,335,000	136,459,566	164,808,088
Term deposits	N/A	96,252,475	96,252,475	N/A	91,887,177	91,887,178
		94,170,538,044	110,677,248,718		89,834,300,350	100,737,388,254

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19. Net revenue

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

	Six-month period ended	
	30/6/2020	30/6/2019
	VND'000	VND'000
Revenue from management of investment portfolios and funds	77,336,084	58,415,191
Revenue from administration of investment portfolios	5,551,962	3,962,325
Revenue from asset allocation service	10,415,494	3,891,273
	93,303,540	66,268,789

As at 30 June 2020, there were five (05) investment portfolios and an investment fund with total net asset value of VND116,098 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 six-month period ended 30 June 2020, portfolio management fees earned from services rendered to Prudential Vietnam Assurance Private Limited amounted to VND76,290 million (for the six-month period ended 30 June 2019: VND57,396 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 six-month period ended 30 June 2020, management fees earned from services rendered to Eastspring Investments Vietnam Navigator Fund amounted to VND1,046 million (for the six-month period ended 30 June 2019: VND1,019 million).

For the six-month period ended 30 June 2020, revenue earned from administration services rendered to Prudential Vietnam Assurance Private Limited amounted to VND5,552 million (for the six-month period ended 30 June 2019: VND3,962 million).

For the six-month period ended 30 June 2020, revenue earned from asset allocation service rendered to Prudential Vietnam Assurance Private Limited amounted to VND10,415 million (for the six-month period ended 30 June 2019: VND3,891 million).

There was no performance fee received by the Company for the periods ended 30 June 2020 and 30 June 2019 because the conditions were not met.

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20. Financial income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND'000	VND'000
Bank interest income	2,964,118	2,322,187
Foreign exchange gains	33,707	15,959
	<hr/>	<hr/>
	2,997,825	2,338,146
	<hr/>	<hr/>

21. General and administration expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND'000	VND'000
Staff costs	19,810,835	19,640,680
Consultancy and other services costs	5,266,728	4,460,817
Office rental expense	2,071,423	1,940,054
Other expenses	11,423,048	7,063,967
	<hr/>	<hr/>
	38,572,034	33,105,518
	<hr/>	<hr/>

22. Income tax

(a) Recognised in the statement of income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND'000	VND'000
Current tax expense		
Current period	12,730,732	3,272,715
Deferred tax benefit		
Origination and reversal of temporary differences	(1,160,693)	(105,990)
	<hr/>	<hr/>
Income tax expense	11,570,039	3,166,725
	<hr/>	<hr/>

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(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2020	30/6/2019
	VND'000	VND'000
Accounting profit before tax	57,729,331	35,501,417
Tax at the Company's tax rate	11,545,866	7,100,283
Non-deductible expenses	24,173	32,194
Tax losses utilised	-	(3,965,752)
	11,570,039	3,166,725

(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:

	30/6/2020	31/12/2019
	VND'000	VND'000
Within one year	4,564,907	4,414,225
Within two to five years	9,411,864	11,754,666
	13,976,771	16,168,891

(ii) Foreign currencies

	30/6/2020		31/12/2019	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	3,172.75	73,306	3,172.75	73,291

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24. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the interim financial statements, the Company had the following transactions with related parties during the period:

Related party	Relationship	Nature of transaction	Six-month period ended	
			30/6/2020 VND'000	30/6/2019 VND'000
Prudential Vietnam Assurance Private Limited	Parent company	Management fees	76,290,013	57,396,092
		Fund administration service fees	5,551,962	3,962,325
		Asset allocation service fees	10,415,494	3,891,273
		IT and back office services costs charged by the parent company	(64,304)	-
		Expenses paid on behalf of the Company	(722,807)	(81,565)
Prudential Corporation Holdings Ltd	Related company	Expenses paid on behalf of the Company	(5,721)	-
Prudential Holdings Ltd	Related company	Expenses paid on behalf of the Company	-	(162,385)
Eastspring Investments (Singapore) Limited	Related company	IT and back office services costs charged by the related company	(3,152,501)	(3,374,430)
Eastspring Investments Services Pte Ltd	Related company	Website revamp service costs charged by the related company	(789,583)	-
Eastspring Investments Vietnam Navigator Fund	Fund under management	Management fees	1,046,071	1,019,100

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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 Board of Directors 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.

(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	30/6/2020 VND'000	31/12/2019 VND'000
Cash and cash equivalents	(i)	133,713,884	110,034,045
Held-to-maturity investments	(i)	80,000,000	65,000,000
Accounts receivable	(ii)	47,059,814	41,754,426
		260,773,698	216,788,471

(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 Board of Directors 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.

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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 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
As at 30 June 2020						
Accounts payable to suppliers	249	249	249	-	-	-
Accrued expenses	12,501,329	12,501,329	-	12,501,329	-	-
Other short-term payables	2,041,269	2,041,269	2,041,269	-	-	-
	14,542,847	14,542,847	2,041,518	12,501,329	-	-
As at 31 December 2019						
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	-	-

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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

Exposure to currency risk

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

	Denominated in USD	
	30/6/2020	31/12/2019
	VND'000	VND'000
Cash and cash equivalents	73,306	73,291
	73,306	73,291

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

	Exchange rate as at	
	30/6/2020	31/12/2019
USD/VND	23,105	23,100
	23,105	23,100

Below is an analysis of the possible impact on the net profit of the Company as at 30 June 2020 and 31 December 2019. This analysis assumes that all other variables, in particular interest rates, remain constant:

	Effect to net profit	
	30/6/2020	31/12/2019
	VND'000	VND'000
USD (1% strengthening)	586	586
	586	586

The opposite movement of the USD would have equal but opposite effect to the net profit of the Company as at 30 June 2020 and 31 December 2019.

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(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	
	30/6/2020	31/12/2019
	VND'000	VND'000
<i>Fixed rate instruments</i>		
Cash equivalents	125,100,000	106,000,000
Held-to-maturity investments	80,000,000	65,000,000
<i>Variable rate instruments</i>		
Cash at banks	8,613,884	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 30 June 2020 and 31 December 2019.

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(d) Fair value of financial assets and liabilities

Fair value is the value which is appropriate for market price that can be generated when selling an asset or transferring a liability at that time.

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

	30/6/2020		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	133,713,884	133,713,884	110,034,045	110,034,045
▪ Accounts receivable	47,059,814	(*)	41,754,426	(*)
<i>Financial assets categorised as held-to-maturity investments:</i>				
▪ Held-to-maturity investments	80,000,000	(*)	65,000,000	(*)
<i>Financial liabilities categorised as financial liabilities carried at amortised cost:</i>				
▪ Accounts payable to suppliers	249	(*)	338,976	(*)
▪ Accrued expenses	12,501,329	(*)	5,811,755	(*)
▪ Other short-term payables	2,041,269	(*)	3,186,341	(*)

(*) The Company has not determined the fair values of these financial instruments for disclosure in the interim 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 interim financial reporting. The fair values of these financial instruments may differ from their carrying amounts.

11 August 2020

Prepared by:



Le Minh Thuy
Chief Accountant



Approved by:

Ngo The Trieu
Chief Executive Officer