



**Eastspring Investments Fund
Management Limited Liability Company**

Financial Statements for the year ended
31 December 2016



Eastspring Investments Fund Management Limited Liability Company
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Eastspring Investments Fund Management Limited Liability Company
Corporate information

Business Registration License No. 4104000113 24 May 2005
 1st amendment 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 09 December 2011
 51/GP-UBCK 23 March 2012
 08/GPDC-UBCK 26 March 2013
 29/GPDC-UBCK 12 September 2013

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 the Business Licence No. 51/GP-UBCK which allowed 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 function to the existing Company's licences.

The Company's operating life, as defined in the charter, is to be consistent with the life of the parent company, Prudential Assurance Vietnam Private Limited. The parent company's investment licence is valid until 29 October 2049.

Members' Council

Julian Christopher Vivian Pull	Chairman
Nguyen Tuan Thân An	Member
Niall Dermot Grady	Member
	(from 7 September 2016)
Stephen James Clark	Member
	(from 12 December 2016)
Wilfred John Blackburn	Member
	(until 12 December 2016)
Jackie Chew Pei Pei	Member
	(until 7 September 2016)

Board of Director Nguyen Tuan Thân An Chief Executive Officer

Eastspring Investments Fund Management Limited Liability Company
Corporate information (continued)

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 Director

The Board of Director 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 2016.

The Board of Director is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, the relevant requirements of 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 Board of Director:

- (a) the financial statements set out on pages 6 to 38 give a true and fair view of the financial position of the Company as at 31 December 2016, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, the relevant requirements of 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 Board of Director has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Director



Ho Chi Minh City, 27 March 2017



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10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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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 2016, 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 Board of Director on 27 March 2017, as set out on pages 6 to 38.

Management's Responsibility

The Company's Board of Director is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, the relevant requirements of 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 Board of Director 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 Board of Director, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a



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 2016 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, the relevant requirements of 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.: 16-01-242



Trương Vinh Phúc

Practicing Auditor Registration
Certificate No. 1901-2013-007-1
Deputy General Director

Pham Huy Cuong

Practicing Auditor Registration
Certificate No. 2675-2014-007-1

Ho Chi Minh City, 27 March 2017

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 31 December 2016

Form B01 - CTQ

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

	Code	Note	31/12/2016 VND'000	31/12/2015 VND'000 Reclassified
ASSETS				
Current assets (100 = 110 + 130 + 150)	100		115,098,576	118,962,176
Cash and cash equivalents	110	4	93,546,502	106,154,989
Cash	111		12,100,083	8,489,561
Cash equivalents	112		81,446,419	97,665,428
Accounts receivable – short-term	130	5	19,404,969	12,331,227
Prepayments to suppliers	132		20,000	101,181
Receivables from management activities	134		17,090,114	9,700,450
Other receivables	135		2,294,855	2,529,596
Other current assets	150		2,147,105	475,960
Short-term prepaid expenses	151		2,147,105	475,960
Long-term assets (200 = 220 + 260)	200		3,187,994	4,073,607
Fixed assets	220		417,563	379,215
Tangible fixed assets	221	6	355,031	295,840
Cost	222		3,473,550	3,225,910
Accumulated depreciation	223		(3,118,519)	(2,930,070)
Intangible fixed assets	227	7	62,532	83,375
Cost	228		982,797	982,797
Accumulated amortisation	229		(920,265)	(899,422)
Other long-term assets	260		2,770,431	3,694,392
Long-term prepaid expenses	261	8	5,042	96,589
Deferred tax assets	262	9	2,765,389	3,597,803
TOTAL ASSETS (270 = 100 + 200)	270		118,286,570	123,035,783

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 31 December 2016 (continued)

Form B01 - CTQ

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

	Code	Note	31/12/2016 VND'000	31/12/2015 VND'000 Reclassified
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		44,002,842	43,792,830
Current liabilities	310		34,670,411	34,999,797
Accounts payable to suppliers	312		112,448	66,025
Taxes payable to State Treasury	314	10	620,413	683,008
Accrued expenses	316	11	29,459,368	32,274,454
Other short-term payables	319	12	4,478,182	1,976,310
Long-term liabilities	330		9,332,431	8,793,033
Deferred tax liabilities	335	9	-	161,375
Provision for severance allowance	336		853,003	853,003
Provisions – long-term	337	13	8,479,428	7,778,655
EQUITY (400 = 410)	400		74,283,728	79,242,953
Equity	410		74,283,728	79,242,953
Contributed capital	411	14	25,000,000	25,000,000
Retained profits	420		49,283,728	54,242,953
- <i>Retained profits brought forward</i>	<i>420a</i>		<i>54,242,953</i>	<i>90,491,411</i>
- <i>Loss for the current year</i>	<i>420b</i>		<i>(4,959,225)</i>	<i>(36,248,458)</i>
TOTAL RESOURCES (440 = 300 + 400)	440		118,286,570	123,035,783

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 31 December 2016 (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	31/12/2016 VND'000	31/12/2015 VND'000
Foreign currencies	005	21	4,126,174	13,479,121
Cash and cash equivalents of entrustors	030	15	2,460,762,183	1,840,782,548
▪ <i>Local entrustors</i>	031		2,460,320,487	1,840,300,861
▪ <i>Foreign entrustor</i>	032		441,696	481,687
Investment portfolio of entrustors	040	16	47,080,172,171	41,155,312,103
▪ <i>Local entrustors</i>	041		47,031,081,885	41,102,270,400
▪ <i>Foreign entrustor</i>	042		49,090,286	53,041,703
Receivables of entrustors	050		8,993,615	6,879,671

27 March 2017

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Nguyễn Văn Thân An
Chief Executive Office

Eastspring Investments Fund Management Limited Liability Company
Statement of income for the year ended 31 December 2016

Form B02 - CTQ

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

	Code	Note	2016 VND'000	2015 VND'000
Net revenue	10	17	65,114,771	37,664,355
Financial income	21	18	2,786,493	3,930,695
Financial expenses	22		413,356	-
General and administration expenses	25	19	71,776,094	78,840,315
Net operating loss {30 = 10 + (21 - 22) - 25}	30		(4,288,186)	(37,245,265)
Accounting loss before tax (50 = 30)	50		(4,288,186)	(37,245,265)
Income tax expense – current	51	20	-	-
Income tax expense/(benefit) – deferred	52	20	671,039	(996,807)
Net loss after tax (60 = 50 – 51 – 52)	60		(4,959,225)	(36,248,458)

27 March 2017

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Nguyen Phan Thien An
Chief Executive Office

Eastspring Investment Fund Management Limited Liability Company
Statement of cash flows for the year ended 31 December 2016 (Direct method)

Form B03 - CTQ

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

	Code	2016 VND'000	2015 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from fund management activities	01	57,725,107	35,869,533
Cash payments to employees	03	(49,363,437)	(44,923,848)
Other payments for operating activities	07	(23,557,232)	(20,027,135)
Net cash flows from operating activities	20	(15,195,562)	(29,081,450)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(247,640)	(234,959)
Receipts of interest	27	2,834,715	3,525,998
Net cash flows from investing activities	30	2,587,075	3,291,039
Net cash flows during the year (50 = 20 + 30)	50	(12,608,487)	(25,790,411)
Cash and cash equivalents at the beginning of the year	60	106,154,989	131,945,400
Cash and cash equivalents at the end of the year (70 = 50 + 60) (Note 4)	70	93,546,502	106,154,989

27 March 2017

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Nguyễn Văn Thên An
Chief Executive Office

Eastspring Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2016

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 Investment Fund Management Limited Liability Company (“the Company”) is a limited liability company licensed 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 Fund Management Establishment and Operation Licence No. 03/UBCK-GPHDQLQ issued by the State Securities Commission of Vietnam on 26 May 2005 and amended on 23 July 2008, 20 November 2008, 15 April 2010 and 9 December 2011 and under Business Licence No. 51/GP-UBCK issued by the State Securities Commission on 23 March 2012, 26 March 2013 and 12 September 2013 (together referred to as the “Fund Management Licence”).

The total chartered capital amounts of the Company as stipulated in the Fund Management Licence is VND25 billion.

As at 31 December 2016, the Company had 24 employees (31/12/2015: 25 employees) of which 1 is management personnel. During the year, 2 employees were resigned and no disciplinary action was taken against any of the employees. As at 31 December 2016, the Company had 12 employees (31/12/2015: 12 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, the relevant requirements of 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, which 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 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.

Eastspring Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2016 (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, 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 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 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.

(c) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

Eastspring Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2016 (continued)

Form B09 - CTQ

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

(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 current salary level.

Provision for severance allowance to be paid to the existing eligible employees as of 31 December 2016 has been made based on the eligible employees’ years of service, being the total employees’ years of service less the number of years for which the employees 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, if any, and their average salary for the six-month period prior to the end of the annual accounting period.

(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 the 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. Investment 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 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 Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2016 (continued)

Form B09 - CTQ

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

(l) Financial reserves

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

	Annual allocation	Maximum balance
Financial reserves	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 Director 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 Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2016 (continued)

Form B09 - 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 entity 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 Director 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 the year ended 31 December 2016 (continued)

Form B09 - 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 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. The following specific recognition criteria must also be met before revenue is recognised.

(i) Services rendered

Management fees and administration fees 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 Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2016 (continued)

Form B09 - 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.

(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 parties refer to the investor, their ultimate parent companies and their subsidiaries and associates. Related parties also include funds managed by the Company and members of the Company's Members' Council.

(r) Off balance sheet items

Amounts which are defined as off balance sheet items under Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on the promulgation of accounting system of investment fund management companies and the Vietnamese Accounting System for enterprises are disclosed in the relevant notes to these financial statements.

(s) 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 system of investment fund management companies and the Vietnamese Accounting System for enterprises that are not shown in these financial statements indicate nil balances.

(t) Segment reporting

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

Eastspring Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2016 (continued)

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

4. Cash and cash equivalents

	30/12/2016	31/12/2015
	VND'000	VND'000
Cash at banks	12,100,083	8,489,561
Cash equivalents	81,446,419	97,665,428
	<hr/>	<hr/>
Cash and cash equivalents in the statement of cash flows	93,546,502	106,154,989
	<hr/>	<hr/>

Cash equivalents included bank deposits with original terms to maturity of three months or less from their transaction dates.

The Company's cash equivalents as at 31 December 2016 earned annual interest rates ranging from 2.36% to 4.53% per annum (31/12/2015: from 3.70% to 4.39% per annum) for term deposits in VND.

5. Accounts receivable – short-term

Receivables from management activities included:

	31/12/2016	31/12/2015
	VND'000	VND'000
		Reclassified
Amounts due from the parent company	16,960,006	9,590,569
Amounts due from related companies	130,108	109,881
	<hr/>	<hr/>
	17,090,114	9,700,450
	<hr/>	<hr/>

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

Eastspring Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2016 (continued)

Form B09 - CTQ

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

Other receivables comprised:

	31/12/2016	31/12/2015
	VND'000	VND'000
		Reclassified
Deposits for rental	1,503,101	1,471,196
Interest receivables	326,092	374,905
Receivables from employees	376,978	521,979
Others	88,684	161,516
	<hr/>	
	2,294,855	2,529,596
	<hr/>	

No receivables as at 31 December 2016 and 2015 were overdue. The Company believed that no allowance for doubtful debts was necessary in respect of the outstanding receivables as at 31 December 2016 and 2015.

6. Tangible fixed assets

2016	Renovation costs	Office equipment	Total
	VND'000	VND'000	VND'000
Cost			
Opening balance	1,342,074	1,883,836	3,225,910
Additions	-	247,640	247,640
Closing balance	<hr/>	2,131,476	3,473,550
Accumulated depreciation			
Opening balance	1,138,300	1,791,770	2,930,070
Charge for the year	48,356	140,093	188,449
Closing balance	<hr/>	1,931,863	3,118,519
Net book value			
Opening balance	203,774	92,066	295,840
Closing balance	<hr/>	199,613	355,031



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2015	Renovation costs VND'000	Office equipment VND'000	Total VND'000
Cost			
Opening balance	1,197,006	2,841,366	4,038,372
Additions	145,068	-	145,068
Written-off	-	(957,530)	(957,530)
Closing balance	1,342,074	1,883,836	3,225,910
Accumulated depreciation			
Opening balance	1,197,006	2,520,946	3,717,952
Charge for the year	90,526	406,079	496,605
Adjustments	(149,232)	(220,265)	(369,497)
Written-off	-	(914,990)	(914,990)
Closing balance	1,138,300	1,791,770	2,930,070
Net book value			
Opening balance	-	320,420	320,420
Closing balance	203,774	92,066	295,840

Included in the cost of tangible fixed assets were assets costing VND2,741 million which were fully depreciated as at 31 December 2016 (31/12/2015: VND2,741 million), but which are still in active use.

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7. Intangible fixed assets

	Software	
	2016	2015
	VND'000	VND'000
Cost		
Opening balance	982,797	892,906
Additions	-	89,891
	<hr/>	<hr/>
Closing balance	982,797	982,797
	<hr/>	<hr/>
Accumulated amortisation		
Opening balance	899,422	822,962
Charge for the year	20,843	76,460
	<hr/>	<hr/>
Closing balance	920,265	899,422
	<hr/>	<hr/>
Net book value		
Opening balance	83,375	69,944
Closing balance	62,532	83,375
	<hr/>	<hr/>

Included in the cost of intangible fixed assets were assets costing VND893 million which were fully amortised as at 31 December 2016 (31/12/2015: VND893 million), but which are still in active use.

8. Long-term prepaid expenses

	Tools and instruments	
	2016	2015
	VND'000	VND'000
Opening balance	96,589	145,854
Addition during the year	-	83,016
Amortisation for the year	(91,547)	(132,281)
	<hr/>	<hr/>
Closing balance	5,042	96,589
	<hr/>	<hr/>

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9. Deferred tax assets and liabilities

(i) Recognised deferred tax assets and liabilities:

	31/12/2016	31/12/2015
	VND'000	VND'000
Deferred tax assets:		
Accrued operating expenses	2,594,788	3,427,202
Provision for severance allowance	170,601	170,601
	<hr/>	<hr/>
Total deferred tax assets	2,765,389	3,597,803
Deferred tax liabilities:		
Unrealised foreign exchange gains	-	(161,375)
	<hr/>	<hr/>
Net deferred tax assets	2,765,389	3,436,428
	<hr/>	<hr/>

(ii) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item:

	31/12/2016		31/12/2015	
	Temporary difference VND'000	Tax value VND'000	Temporary difference VND'000	Tax value VND'000
Tax losses	68,096,745	13,619,349	61,430,741	12,286,148
	<hr/>			

The tax losses will be expired in the following years:

Year of expiry	Status of tax review	Tax losses available VND'000
2019	Outstanding	31,948,700
2020	Outstanding	29,482,041
2021	Outstanding	6,666,004
		<hr/>
		68,096,745
		<hr/>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

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10. Taxes payable to State Treasury

	1/1/2016 VND'000	Incurred VND'000	Paid VND'000	31/12/2016 VND'000
Personal income tax	205,451	14,462,404	(14,257,180)	410,675
Withholding tax	477,557	1,766,505	(2,034,324)	209,738
	683,008	16,228,909	(16,291,504)	620,413

11. Accrued expenses

	31/12/2016 VND'000	31/12/2015 VND'000
Consultancy fees	770,125	749,555
Bonuses and incentives	16,597,802	15,765,552
Current portion of long-term incentive bonus (Note 13)	6,754,720	5,398,736
Accrued operating expenses due to related parties	3,947,098	9,093,724
Others	1,389,623	1,266,887
	29,459,368	32,274,454

12. Other short-term payables

Other short-term payables mainly represents the recharged expenses from the related companies.

Other short-term payables included the following amounts due to the related companies:

	31/12/2016 VND'000	31/12/2015 VND'000
Amounts due to the parent company – Non-trade	3,781,065	108,347
Amounts due to other related companies – Non-trade	203,654	1,523,888

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

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13. Provisions – long-term

	31/12/2016	31/12/2015
	VND'000	VND'000
Long-term incentive bonus (i)	8,057,524	6,642,012
Other bonus schemes	421,904	1,136,643
	<hr/>	<hr/>
	8,479,428	7,778,655
	<hr/>	<hr/>

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

	2016	2015
	VND'000	VND'000
Opening balance	6,642,012	4,784,264
Provision made during the year	8,170,232	7,256,484
Current portion reclassified to accrued expenses (Note 11)	(6,754,720)	(5,398,736)
	<hr/>	<hr/>
Closing balance	8,057,524	6,642,012
	<hr/>	<hr/>

14. 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.

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15. Cash and cash equivalents of entrustors

(a) Local entrustors

Details of cash and cash equivalents held on behalf of local entrustors were as follows:

	31/12/2016 VND'000	31/12/2015 VND'000
Shareholder Fund	1,801,635,420	549,707,420
Cash at banks	50,760,024	7,191,491
Cash equivalents (*)	1,750,875,396	542,515,929
Universal Fund	68,605,678	39,229,335
Cash at banks	68,605,678	20,050,547
Cash equivalents (*)	-	19,178,788
Life Fund	361,581,654	1,101,063,577
Cash at banks	330,037,452	41,006,608
Cash equivalents (*)	31,544,202	1,060,056,969
Unit-link Fund	139,946,196	63,945,255
Cash at banks	29,080,033	21,540,505
Cash equivalents (*)	110,866,163	42,404,750
Eastspring Investments Vietnam Navigator Fund	2,752,514	8,629,473
Cash at banks	2,752,514	562,718
Cash equivalents (*)	-	8,066,755
Pension Fund	85,799,025	77,725,801
Cash at banks	25,032	1,213,288
Cash equivalents (*)	85,773,993	76,512,513
	2,460,320,487	1,840,300,861

(*) Cash equivalents represent term deposits at banks with original terms to maturity of three months or less from their transaction dates.

(b) Foreign entrustor

Details of cash held on behalf of a foreign entrustor was as follows:

	31/12/2016 VND'000	31/12/2015 VND'000
International Opportunities Fund – Vietnam Equity	441,696	481,687
Cash at banks	441,696	481,687

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16. Investment portfolio of entrustors

(a) Local entrustors

Details of investment portfolio held on behalf of local entrustors were as follows:

	31/12/2016		31/12/2015	
	Quantity	Market value VND'000	Quantity	Market value VND'000
Shareholder Fund				
Listed debt securities	25,857,210	3,030,186,628	30,551,210	3,525,232,457
Long-term deposits	N/A	-	N/A	140,620,417
Universal Fund				
Listed debt securities	15,200,000	1,756,517,942	9,348,479	1,057,782,147
Life Fund				
Listed equity securities	6,926,060	212,036,376	11,817,577	363,959,671
Listed debt securities	359,468,587	39,715,675,298	299,124,387	33,383,851,762
Unlisted debt securities	631	661,709,906	5,000,631	1,130,641,485
Long-term deposits	N/A	778,091,416	N/A	777,593,250
Unit-link Fund				
Listed equity securities	14,168,356	437,523,048	10,346,980	310,430,442
Listed debt securities	1,920,000	214,816,680	1,890,000	214,959,401
Eastspring Investment Vietnam Navigator Fund				
Listed equity securities	2,505,629	57,016,509	2,486,235	58,329,627
Unlisted equity securities	238,900	3,822,400	-	-
Listed debt securities	277,000	31,047,162	127,000	14,863,237
Pension Fund				
Listed debt securities	1,200,000	132,638,520	1,200,000	124,006,504
		47,031,081,885		41,102,270,400

(b) Foreign entrustor

Details of investment portfolio held on behalf of a foreign entrustor was as follows:

	31/12/2016		31/12/2015	
	Quantity	Market value VND'000	Quantity	Market value VND'000
International Opportunities Fund – Vietnam Equity				
Listed equity securities	1,322,826	49,090,286	1,422,259	53,041,703

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17. Net revenue

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

Net revenue comprised:

	2016 VND'000	2015 VND'000
Revenue from management of investment portfolios	60,522,980	33,546,047
Revenue from administration of investment portfolios	4,591,791	4,118,308
	65,114,771	37,664,355

As at 31 December 2016, there were seven securities investment funds with the total net asset values of VND49,535 billion (31/12/2015: VND42,992 billion) under the Company's management.

The Company manages the investments of Shareholder Fund, Universal Fund, Life Fund, Unit-link Fund and Pension Fund of Prudential Vietnam Assurance Private Limited (the parent company) under an investment management agreement effective from 1 January 2008. For the year ended 31 December 2016, portfolio management fees earned from services rendered to Prudential Vietnam Assurance Private Limited amounted to approximately VND59,111 million (2015: VND32,341 million).

In 2008, the Company also entered into a non-discretionary investment portfolio management services agreement with Eastspring Investments (Singapore) Limited (previously known as Prudential Asset Management (Singapore) Limited) to provide portfolio management services to International Opportunities Fund – Vietnam Equity ("IOF"), a sub-fund of the Société d'Investissement à Capital Variable incorporated under the laws of the Grand-Duchy of Luxembourg. For the year ended 31 December 2016, management fees earned from services rendered to IOF amounted to approximately VND58 million (2015: VND67 million).

The Company also manages Eastspring Investments Vietnam Navigator Fund, an open ended fund established in the Socialist Republic of Vietnam under the 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 2016, management fees earned from services rendered to Eastspring Investments Vietnam Navigator Fund amounted to approximately VND1,354 million (2015: VND1,138 million).

For the year ended 31 December 2016, revenue from administration earned from services rendered to Prudential Vietnam Assurance Private Limited amounted to VND4,592 million (2015: VND4,118 million).

There was no performance fee received by the Company for the year ended 31 December 2016 and 2015 because the conditions have not been met.

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18. Financial income

	2016 VND'000	2015 VND'000
Bank interest income	2,785,902	3,542,635
Foreign exchange gain	591	388,060
	<hr/> 2,786,493	<hr/> 3,930,695

19. General and administration expenses

	2016 VND'000	2015 VND'000
Staff costs	52,252,444	52,282,709
Consultancy and other services costs	9,304,291	12,382,170
Office rental	4,648,723	4,091,155
Other expenses	5,570,636	10,084,281
	<hr/> 71,776,094	<hr/> 78,840,315

20. Income tax

(a) Recognised in the statement of income

	2016 VND'000	2015 VND'000
Current tax expense		
Current year	-	-
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	671,039	(996,807)
	<hr/> 671,039	<hr/> (996,807)

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(b) Reconciliation of effective tax rate

	2016 VND'000	2015 VND'000
Accounting loss before tax	(4,288,186)	(37,245,265)
Tax at the Company's tax rate	(857,637)	(8,193,958)
Non-deductible expenses	396,829	143,694
Effect of change in tax rate	-	1,157,049
	(460,808)	(6,893,215)
Deferred tax assets not recognised	1,131,847	5,896,408
	671,039	(996,807)

(c) Applicable tax rates

Under the prevailing corporate income tax rate, the Company has an obligation to pay the Government income tax rate of 20% for the year ended 31 December 2016 (2015: 22%). The corporate income tax computation is subject to the review and approval of the tax authorities.

21. Off balance sheet items

(i) Lease commitments

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

	31/12/2016 VND'000	31/12/2015 VND'000
Within one year	3,277,402	5,266,483
Within two to five years	-	3,277,402
	3,277,402	8,543,885

(ii) Foreign currencies

	31/12/2016 Original currency	31/12/2015 VND'000	31/12/2016 Original currency	31/12/2015 VND'000
USD	181,610	4,126,174	601,210	13,479,121

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22. Significant transactions with related parties

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

Related Party	Relationship	Nature of transaction	2016 VND'000	2015 VND'000
Prudential Vietnam Assurance Private Limited	Parent company	Management fees	59,111,184	32,341,200
		Fund administration fees	4,591,791	4,118,308
		Services provided by the parent company	5,759,100	186,530
Prudential Corporation Asia	Related company	Expenses paid on the Company's behalf	1,127,250	1,526,073
Eastspring Investments (Singapore) Limited	Related company	Portfolio management fees for IOF	57,693	67,120
		Expenses paid on the Company's behalf	4,534,920	4,751,335
Eastspring Investments Vietnam Navigator Fund	Fund under management	Management fees	1,354,103	1,137,727

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23. 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 Director 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 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	31/12/2016 VND'000	31/12/2015 VND'000
Cash and cash equivalents	(i)	93,546,502	106,154,989
Trade and other receivables	(ii)	17,881,868	10,758,850
		<hr/>	<hr/>
		111,428,370	116,913,839

(i) Cash and cash equivalents

Cash and cash equivalents of the Company are mainly held with well-known financial institutions. The Board of Director 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) Trade and other receivables

Account receivables 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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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 balance sheet 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
at 31 December 2016						
Accounts payable to suppliers	112,448	112,448	112,448	-	-	-
Accrued expenses	6,106,846	-	-	6,106,846	-	-
Other short-term payables	4,478,182	4,478,182	4,478,182	-	-	-
	10,697,476	10,697,476	4,590,630	6,106,846	-	-
at 31 December 2015						
Accounts payable to suppliers	66,025	66,025	66,025	-	-	-
Accrued expenses	11,110,166	11,110,166	-	11,110,166	-	-
Other short-term payables	1,976,310	1,976,310	1,976,310	-	-	-
	13,152,501	13,152,501	2,042,335	11,110,166	-	-

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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

The Company is exposed to currency risk on revenue and purchases that are denominated in a currency other than the respective accounting currency of the Company. The currency in which these transactions primarily are denominated is USD.

Exposure to currency risk

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

	Denominated in USD	
	31/12/2016	31/12/2015
	VND'000	VND'000
Cash and cash equivalents	4,126,174	13,479,121
Trade and other receivables	10,108	9,569
	4,136,282	13,488,690

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

	Exchange rate as at	
	31/12/2016	31/12/2015
USD/VND	22,720	22,420

Below is an analysis of the possible impact on the net loss after tax of the Company as at 31 December 2016 and 2015. This analysis assumes that all other variables, in particular interest rates, remain constant:

	Effect to net loss after tax	
	31/12/2016	31/12/2015
	VND'000	VND'000
USD (1% strengthening)	33,090	315,635

The opposite movement of the USD would have equal but opposite effect to the net loss after tax of the Company as at 31 December 2016 and 2015.

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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 market risk due to changes in interest rates is minimal since all term deposits have short-term maturities.

At the balance sheet date, the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2016	31/12/2015
	VND'000	VND'000
<i>Fixed rate instruments</i>		
Cash equivalents	81,446,419	97,665,428
	<hr/>	
<i>Variable rate instruments</i>		
Cash at banks	12,100,083	8,489,561
	<hr/>	

A change of 100 basis points in interest rates would have increased or decreased the net loss after tax of the Company by VND97 million (31/12/2015: VND66 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 does not hold any securities as at 31 December 2016 and 2015.

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(d) Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction on the measurement date.

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

	31/12/2016		31/12/2015	
	Carrying amount VND'000	Fair value VND'000	Carrying amount VND'000	Fair value VND'000
Financial assets categorised as loans and receivables:				
Cash and cash equivalents	93,546,502	93,546,502	106,154,989	106,154,989
Trade and other receivables	17,881,868	(*)	10,758,850	(*)
Financial liabilities categorised as liabilities at amortised cost:				
Accounts payable to suppliers	112,448	(*)	66,025	(*)
Accrued expenses	6,106,846	(*)	11,110,166	(*)
Other short-term payables	4,478,182	(*)	1,976,310	(*)

- (*) 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 relevant requirements of Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting system of 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.

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24. Corresponding figures

Certain corresponding figures as at 31 December 2015 have been reclassified to conform to the current year's presentation. A comparison of the amounts previously reported and as reclassified is as follows:

Balance sheet	31/12/2015 VND'000 (as reclassified)	31/12/2015 VND'000 (as previously reported)
Account receivables from customers	-	374,905
Inter-company receivables	-	9,700,450
Receivables from management activities	9,700,450	-
Other receivables	2,529,596	191,195
Other current assets	-	1,963,496
Inter-company payables	-	1,632,235
Other short-term payables	1,976,310	344,075

27 March 2017

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Nguyen Tuan Thên An
Chief Executive Office




