

**Prudential Vietnam Securities Investment  
Fund Management Company Limited**

Financial Statements for the year ended  
31 December 2009



**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Corporate information**

<b>Business Registration Licence</b>	4104000113 1 <sup>st</sup> amendment	24 May 2005 23 January 2006
<b>Fund Management Licence</b>	03/UBCK-GPHDQLQ 17/UBCK-GP 27/UBCK-GPDC	26 May 2005 23 July 2008 20 November 2008
<b>Decision No.</b>	459/QD-UBCK	13 August 2007

The Business Registration Licence and Fund Management Licences were issued by the Ho Chi Minh City Department of Planning and Investment Department and the State Securities Commission, respectively. On 13 August 2007 the State Securities Commission issued the Decision No. 459/QD-UBCK which allowed the Company to provide portfolio management services.

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.

<b>Board of Directors</b>	Lakshman Kumar Mylavarapu	Chairman (from 13 May 2009)
	Hwang Sung Ho	Chairman (until 13 May 2009)
	Peter Keegan Williams	Member
	Alexander John Hambly	Member
	Lakshman Kumar Mylavarapu	Member (from 21 January 2009 to 13 May 2009)
	Pham Ngoc Bich	Member (until 6 May 2009)
	Julian Christopher Vivian Pull	Member (until 21 January 2009)
<b>Management</b>	Tse Hok Hoi	Chief Executive Officer (Designee) (from 6 May 2009)
	Pham Ngoc Bich	Chief Executive Officer (until 6 May 2009)
<b>Registered Office</b>	Saigon Trade Center 37 Ton Duc Thang Street, District 1 Ho Chi Minh City Vietnam	
<b>Auditors</b>	KPMG Limited Vietnam	



**KPMG Limited**  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street  
District 1, Ho Chi Minh City  
The Socialist Republic of Vietnam

Telephone +84 (8) 3821 9266  
Fax +84 (8) 3821 9267  
Internet www.kpmg.com.vn

## INDEPENDENT AUDITORS' REPORT

### To the Investor

### Prudential Vietnam Securities Investment Fund Management Company Limited

#### Scope

We have audited the accompanying balance sheet of Prudential Vietnam Securities Investment Fund Management Company Limited as of 31 December 2009 and the related statements of income, changes in equity and cash flows for the year then ended and the explanatory notes thereto. These financial statements are the responsibility of the Company's management. 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 plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

#### Audit opinion

In our opinion, the financial statements give a true and fair view of the financial position of Prudential Vietnam Securities Investment Fund Management Company Limited as of 31 December 2009 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 and accounting principles generally accepted in Vietnam.

#### KPMG Limited

Vietnam

Investment Certificate No: 011043000345

Audit Report No: 09-01-290



  
Nguyen Thanh Nghi

CPA No. N0304/KTV

Deputy General Director

Ho Chi Minh City, 26 MAR 2010

  
Vo Thanh Phu Quoc

CPA No. N1079/KTV

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Balance sheet at 31 December 2009**

	Code	Note	31/12/2009 VND'000	31/12/2008 VND'000
<b>ASSETS</b>				
<b>Current assets</b>	<b>100</b>		<b>278,205,201</b>	<b>331,620,190</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>3</b>	<b>35,429,917</b>	<b>59,322,482</b>
Cash	111		7,209,800	2,121,161
Cash equivalents	114		28,220,117	57,201,321
<b>Short-term investments</b>	<b>120</b>	<b>4</b>	<b>151,889,531</b>	<b>116,960,486</b>
Term deposits	122		151,889,531	116,960,486
<b>Accounts receivable</b>	<b>130</b>		<b>86,100,582</b>	<b>147,070,157</b>
Accounts receivable - trade	131		1,070,266	2,929,775
Receivables from fund management activities	132		756,106	661,002
Inter-company receivables	133	5	83,703,137	139,685,275
Other receivables	134		571,073	3,794,105
<b>Other current assets</b>	<b>150</b>		<b>4,785,171</b>	<b>8,267,065</b>
Tools and supplies	151		33,471	37,691
Other current assets	152		4,751,700	3,246,780
Corporate income tax refundable			-	4,982,594
<b>Long-term assets</b>	<b>200</b>		<b>3,843,303</b>	<b>10,098,004</b>
<b>Fixed assets</b>	<b>210</b>		<b>1,357,332</b>	<b>1,863,558</b>
Tangible fixed assets	211	6	1,184,191	1,593,256
Cost	212		3,047,823	2,716,498
Accumulated depreciation	213		(1,863,632)	(1,123,242)
Intangible fixed assets	217	7	173,141	270,302
Cost	218		567,522	538,309
Accumulated amortisation	219		(394,381)	(268,007)
<b>Other long-term assets</b>	<b>260</b>		<b>2,485,971</b>	<b>8,234,446</b>
Long-term deposits	262		170,583	1,132,766
Deferred tax assets	263	8	2,315,388	7,101,680
<b>TOTAL ASSETS</b>	<b>270</b>		<b>282,048,504</b>	<b>341,718,194</b>

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



**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Statement of income for the year ended 31 December 2009**

	Code	Note	2009 VND'000	2008 VND'000
<b>Total revenue</b>	<b>01</b>	<b>14</b>	<b>134,479,258</b>	<b>136,396,477</b>
Financial income	13	15	14,563,134	22,253,010
Financial expenses	14		(800,032)	(1,119,500)
Operating expenses	15	16	(97,429,739)	(111,148,876)
<b>Net operating profit</b>	<b>16</b>		<b>50,812,621</b>	<b>46,381,111</b>
Other expenses	18		-	(820,422)
<b>Profit before tax</b>	<b>20</b>		<b>50,812,621</b>	<b>45,560,689</b>
<b>Income tax expense - current</b>	<b>21</b>	<b>17</b>	<b>(13,416,607)</b>	<b>(433,018)</b>
<b>Income tax expense - deferred</b>	<b>21</b>	<b>17</b>	<b>(4,786,292)</b>	<b>(4,614,320)</b>
<b>Net profit</b>	<b>22</b>		<b>32,609,722</b>	<b>40,513,351</b>

Prepared by:



Tran Thi Hao Nien  
 Chief Accountant

Approved by:



Tse Hok Hoi  
 Chief Executive Officer (Designee)

26 MAR 2010

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Statement of changes in equity for the year ended 31 December 2009**

	Contributed capital VND'000	Retained profits VND'000	Total VND'000
<b>Balance at 1 January 2008</b>	23,000,000	333,455,059	356,455,059
Contributed capital	2,000,000	-	2,000,000
Net profit for the year	-	40,513,351	40,513,351
Dividends (Note 18)	-	(162,680,000)	(162,680,000)
<b>Balance at 1 January 2009</b>	25,000,000	211,288,410	236,288,410
Net profit for the year	-	32,609,722	32,609,722
Dividends (Note 18)	-	(64,000,000)	(64,000,000)
<b>Balance at 31 December 2009</b>	25,000,000	179,898,132	204,898,132

Prepared by:



Tran Thi Hao Nhen  
*Chief Accountant*

Approved by:



Tse Hok Hoi  
*Chief Executive Officer (Designee)*

26 MAR 2010

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Statement of cash flows for the year ended 31 December 2009**

	Code	2009 VND'000	2008 VND'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from fund management activities	01	191,817,843	289,424,022
Cash receipts from advisory activities	02	-	-
Cash payments to suppliers	06	-	(17,616,891)
Tax payments	08	(1,174,826)	(39,644,197)
Cash payments to employees	09	(81,006,051)	(52,031,769)
Cash payments for purchases of tools and supplies	10	-	(515,892)
Other payments for operating activities	11	(48,731,186)	(6,934,679)
<b>Net cash generated from operating activities</b>	<b>30</b>	<b>60,905,780</b>	<b>172,680,594</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	31	(360,538)	(771,081)
Increase in short-term investments		(34,929,045)	(54,813,819)
Interest received	37	14,491,238	19,927,562
<b>Net cash used in investing activities</b>	<b>40</b>	<b>(20,798,345)</b>	<b>(35,657,338)</b>

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



**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Statement of cash flows for the year ended 31 December 2009 (continued)**

	Code	2009 VND'000	2008 VND'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from capital contribution	41	-	2,000,000
Payments of dividends	46	(64,000,000)	(162,680,000)
<b>Net cash used in investing activities</b>	<b>50</b>	<b>(64,000,000)</b>	<b>(160,680,000)</b>
<b>Net cash flows during the year</b>	<b>60</b>	<b>(23,892,565)</b>	<b>(23,656,744)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>70</b>	<b>59,322,482</b>	<b>82,979,226</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>90</b>	<b>35,429,917</b>	<b>59,322,482</b>

Prepared by:



Tran Thi Hao Nhen  
 Chief Accountant

Approved by:



Tse Hok Hoi  
 Chief Executive Officer (Designee)

26 MAR 2010

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009**

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

**1 Reporting entity**

Prudential Vietnam Securities Investment Fund Management Company Limited (“the Company”) is a limited liability company licensed and incorporated in the Socialist Republic of Vietnam. The principal activities of the Company are to establish and manage securities investment funds, to give financial consultancy and securities investment consultancy and to provide portfolio management services.

As at 31 December 2009 the Company had 39 employees (2008: 51 employees).

**2 Summary of significant accounting policies**

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

**(a) Basis of financial statement preparation**

The Company maintains its accounting records in Vietnam Dong. The registered accounting documentation system of the Company is the General Journal system.

The financial statements, expressed in Vietnam Dong rounded to the nearest thousand (“VND’000”), have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.

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.

**(b) Fiscal year**

The fiscal year of the Company is from 1 January to 31 December as approved by the Ministry of Finance in the Official Letter No. 7015 dated 9 June 2005.

**(c) Foreign currency transactions**

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates approximating those ruling at the transaction dates. All realised and unrealised foreign exchange differences are recorded in the statement of income.

All foreign exchange differences are recorded in the statement of income in accordance with Vietnamese Accounting Standard No. 10 (“VAS 10”) – The Effects of Changes in Foreign Exchange Rates.

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**(c) Foreign currency transactions (continued)**

On 15 October 2009, the Ministry of Finance issued Circular No. 201/2009/TT-BTC providing guidance on recognition of foreign exchange differences. This Circular requires that foreign exchange differences arising from the period-end translation of current monetary assets and liabilities denominated in currencies other than VND be recorded in the Foreign Exchange Difference Account in equity; and that such exchange differences be subsequently reversed at the beginning of the following period. The Company chose to continue applying VAS 10 for recognition of foreign exchange differences. The management assessed that the impact of the difference between VAS 10 and Circular 201/2009/TT-BTC is not material to the financial statements for the year ended 31 December 2009.

**(d) 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.

**(e) Investments**

Investments are stated at cost. Allowance is made for reductions in investment values which in the opinion of the management are not temporary.

**(f) Accounts receivable**

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

**(g) 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 and maintenance and overhaul costs, are normally 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 an 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 an additional cost of tangible fixed assets.

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**(g) Tangible fixed assets (continued)**

**(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 – 6 years

**(h) Intangible fixed assets**

**Software**

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

**(i) Trade and other payables**

Trade and other payables are stated at their cost.

**(j) 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.

**(k) 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 or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**(k) Taxation (continued)**

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 tax rates enacted or substantively enacted at the balance sheet date.

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 differences 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.

**(l) Revenue**

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. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due. Fees and incentives are recognised when earned.

**(m) 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.

**(n) Related companies**

Related companies include the investor, its ultimate parent company and its subsidiaries and associates.

**(o) Off balance sheet items**

Amounts which are defined as off balance sheet items under the Vietnamese Accounting System are disclosed in the relevant notes to these financial statements.

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**3. Cash and cash equivalents**

	31/12/2009 VND'000	31/12/2008 VND'000
Cash on hand	14,673	14,674
Cash at banks	7,195,127	2,106,487
Cash equivalents	28,220,117	57,201,321
	35,429,917	59,322,482

Cash equivalents included bank deposits with original terms to maturity of less than three months. Cash and cash equivalents at 31 December 2009 included amounts denominated in currencies other than VND amounting to approximately VND7,055 million (31/12/2008: VND3,704 million).

**4. Short-term investments**

Short-term investments represent bank deposits with terms to maturity of less than one year. Short-term investments at 31 December 2009 included amounts denominated in currencies other than VND amounting to approximately VND27,856 million (31/12/2008: VND20,465 million).

**5. Inter-company receivables**

	31/12/2009 VND'000	31/12/2008 VND'000
<b>Amounts due from the parent company</b>		
Trade	75,443,881	133,569,950
<b>Amounts due from other related companies</b>		
Trade	6,793,346	6,100,966
Non-trade	1,465,910	14,359
	83,703,137	139,685,275

The non-trade amounts due from related companies were unsecured, interest free and are repayable on demand.

The trade amounts due from the parent company and other related companies represent management fees and other fees receivable from these related companies.

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**6. Tangible fixed assets**

	<b>Renovation costs VND'000</b>	<b>Office equipment VND'000</b>	<b>Total VND'000</b>
<b>Cost</b>			
Opening balance	510,878	2,205,620	2,716,498
Additions	30,933	300,392	331,325
Closing balance	541,811	2,506,012	3,047,823
<b>Accumulated amortisation</b>			
Opening balance	233,713	889,529	1,123,242
Charge for the year	176,208	564,182	740,390
Closing balance	409,921	1,453,711	1,863,632
<b>Net book value</b>			
Opening balance	277,165	1,316,091	1,593,256
Closing balance	131,890	1,052,301	1,184,191

**7. Intangible fixed assets**

	<b>Software VND'000</b>
<b>Cost</b>	
Opening balance	538,309
Additions	29,213
Closing balance	567,522
<b>Accumulated amortisation</b>	
Opening balance	268,007
Charge for the year	126,374
Closing balance	394,381
<b>Net book value</b>	
Opening balance	270,302
Closing balance	173,141

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**8. Deferred tax assets**

Deferred tax assets are attributable to the following:

	<b>31/12/2009</b>	<b>31/12/2008</b>
	<b>VND'000</b>	<b>VND'000</b>
Accrued operating expenses	351,856	433,147
Accrued bonuses and incentives	1,963,532	6,446,173
Provisions	-	222,360
	<u>2,315,388</u>	<u>7,101,680</u>

**9. Taxes payable to State Treasury**

	<b>31/12/2009</b>	<b>31/12/2008</b>
	<b>VND'000</b>	<b>VND'000</b>
Corporate income tax	8,434,013	-
Personal income tax	724,321	1,899,147
	<u>9,158,334</u>	<u>1,899,147</u>

Movements of corporate income tax in the year were as follows:

	<b>2009</b>	<b>2008</b>
	<b>VND'000</b>	<b>VND'000</b>
Opening balance	(4,982,594)	-
Corporate income tax provided	4,211,327	433,018
Under-provision in prior years	9,205,280	-
Amounts paid	-	(5,415,612)
	<u>8,434,013</u>	<u>(4,982,594)</u>

**10. Accrued expenses**

	<b>31/12/2009</b>	<b>31/12/2008</b>
	<b>VND'000</b>	<b>VND'000</b>
Consultancy fees	483,966	535,582
Bonuses and incentives	34,271,192	37,811,864
Others	3,034,589	4,140,810
	<u>37,789,747</u>	<u>42,488,256</u>



**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**11. Inter-company payables**

	31/12/2009 VND'000	31/12/2008 VND'000
Amounts due to the parent company - Non-trade	2,410,381	5,477,909
Amounts due to other related companies - Non-trade	15,234,540	23,947,986
	17,644,921	29,425,895

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

**12. Provision for severance allowance**

	31/12/2009 VND'000	31/12/2008 VND'000
Opening balance	2,223,595	811,535
Provision made during the year	574,978	1,966,504
Amounts paid in the year	(1,462,234)	(554,444)
	1,336,339	2,223,595

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 employee 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.

Pursuant to Law on Social Insurance, effective from 1 January 2009 the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period from 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 December 2009 will be determined based on the eligible employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

For the year ended 31 December 2009, the Company contributed VND315 million (31/12/2008: Nil) to the unemployment insurance fund and the amount is recorded as part of the staff costs in the statement of income.

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**13. Contributed capital**

The Company's authorised chartered capital of VND25,000,000,000 has been fully contributed by the parent company, Prudential Vietnam Assurance Private Limited.

The Company's parent company and the ultimate parent company, Prudential plc, are incorporated in Vietnam and the United Kingdom, respectively.

**14. Total revenue**

Total revenue represents the gross value of services rendered (the Company is exempt from value added tax).

Total revenue comprised:

	2009 VND'000	2008 VND'000
Investment management fees	123,247,593	132,304,708
Investment fund administration fees	2,820,665	1,529,000
Performance fees	8,411,000	-
Other fees	-	2,562,769
	134,479,258	136,396,477

As at 31 December 2009, there were seven investment funds with the total net asset value of VND22,187 billion (2008: VND20,600 billion) under the Company's management.

The Company manages the investments of Shareholder Fund, Policyholder Fund and Unit-link Fund of Prudential Vietnam Assurance Private Limited (the parent company) under an investment management agreement effective from 1 January 2008. Management fees earned from services rendered to Prudential Vietnam Assurance Private Limited in 2009 amounted to approximately VND55.6 billion (2008: VND66.5 billion).

The Company also manages Prudential Balanced Fund, a VND500 billion chartered capital balanced fund established in the Socialist Republic of Vietnam under the Fund Establishment Certificate No. 06/UBCK-DKQDT issued by the State Securities Commission of Vietnam dated 5 October 2006. Management fees earned from services rendered to Prudential Balanced Fund in 2009 amounted to approximately VND8.5 billion (2008: VND8.6 billion)

In 2008, the Company entered into an investment portfolio management agreement with 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. Management fees earned from services rendered to IOF in 2009 amounted to approximately VND0.13 billion (2008: VND0.2 billion).

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**14. Total revenue (continued)**

The Company also provides investment portfolio management services to Vietnam Segregated Portfolio ("VSP"), a closed-end fund listed on the Irish Stock Exchange, under an investment advisory agreement signed on 20 December 2006 and revised on 23 January 2008. Portfolio management fees earned from services rendered to Vietnam Segregated Portfolio in 2009 amounted to approximately VND37.6 billion (2008: VND43.3 billion).

In 2008, the Company entered into an investment portfolio management services agreement with Prudential Property Investment Management (Singapore) Pte Ltd, a company incorporated in Singapore. Portfolio management fees earned from services rendered to Prudential Property Investment Management (Singapore) Pte Ltd in 2009 amounted to approximately VND23.1 billion (2008: VND15.2 billion).

**15. Financial income**

	<b>2009</b> <b>VND'000</b>	<b>2008</b> <b>VND'000</b>
Bank interest income	12,631,729	21,385,892
Foreign exchange gains	1,931,405	867,118
	<hr/>	<hr/>
	14,563,134	22,253,010
	<hr/>	<hr/>

**16. Operating expenses**

	<b>2009</b> <b>VND'000</b>	<b>2008</b> <b>VND'000</b>
Staff costs	62,575,268	74,169,194
Consultancy and other service costs	17,928,909	17,820,848
Other expenses	16,925,562	19,158,834
	<hr/>	<hr/>
	97,429,739	111,148,876
	<hr/>	<hr/>

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**17. Income tax**

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

	<b>2009</b> <b>VND'000</b>	<b>2008</b> <b>VND'000</b>
<b>Current tax expense</b>		
Current year	4,211,327	742,869
Under provision in prior years	9,205,280	-
Benefit of tax losses utilised	-	(309,851)
	<hr/> 13,416,607	<hr/> 433,018
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(203,115)	4,614,320
Write down of deferred tax asset	4,989,407	-
	<hr/> 4,786,292	<hr/> 4,614,320
	<hr/> <hr/> 18,202,899	<hr/> <hr/> 5,047,338

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

	<b>2009</b> <b>VND'000</b>	<b>2008</b> <b>VND'000</b>
Profit before tax	50,812,621	45,560,689
	<hr/>	<hr/>
Tax at the Company's tax rate	12,703,155	12,756,993
Tax incentives	(10,524,455)	(9,085,206)
Non-deductible expenses	1,829,512	1,375,551
Write down of deferred tax assets	4,989,407	-
Under provision in prior years	9,205,280	-
	<hr/> 18,202,899	<hr/> 5,047,338

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**17. Corporate income tax (continued)**

**(c) Applicable tax rates**

Under the Circular No. 100/TT-BTC dated 20 October 2004 issued by the Ministry of Finance governing the corporate income tax and value added tax for securities domain ("the Circular"), the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits for the first 10 years starting from the first year of operation and 28% for the succeeding years. However, the provisions of the Circular allow the Company to be exempt from income tax for two years starting from the first year it generates a taxable profit (2006 and 2007), and receives a 50% reduction in income tax for the three succeeding years (from 2008 to 2010).

Effective 1 January 2009, the Company's income tax rate is reduced from 28% to 25% due to change in the income tax law.

**18. Dividends**

In 2009 the Board of Directors of the Company resolved to distribute dividends amounting to VND64,000,000,000 to the parent company (2008: VND162,680,000,000).

**19. Leases**

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

	31/12/2009 VND	31/12/2008 VND
Within one year	1,133,260	6,788,515
Within two to five years	-	12,133,922
	<hr/> 1,133,260	<hr/> 18,922,437

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**20. Significant transactions with related parties**

During the year there were the following significant transactions with related parties:

<b>Related Party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>2009 VND'000</b>	<b>2008 VND'000</b>
Prudential Vietnam Assurance Private Limited	Parent company	Management fees	53,873,000	65,006,000
		Fund administration fees	1,753,000	1,529,000
		Performance fees	8,411,000	-
		Expenses paid by the parent company on the Company's behalf	478,656	3,578,337
		Expenses paid by the Company on behalf of the parent company	132,534	880,109
		Services provided by the parent company	2,020,658	3,185,000
Prudential Corporation Asia	Related company	Expenses paid by the related company on the Company's behalf	25,924,126	19,960,311
		Expenses paid by the Company on behalf of the related company	1,363,968	10,666
Prudential Property Investment Management (Singapore ) Pte Ltd.	Related company	Portfolio management fees for property funds	23,082,847	15,258,662
		Expenses paid on behalf of the Company	-	699,978
Prudential Asset Management (Singapore) Limited	Related company	Portfolio management fees for IOF	131,501	155,033
		Portfolio management fees for VSP	37,621,946	43,296,590
		Expenses paid on behalf of the Company	164,555	89,479
Prudential Fund Management Services	Related company	Supporting services provided to the Company	11,047,285	5,773,815

**Prudential Vietnam Securities Investment Fund Management Company Limited**  
**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**21. Indices**

	2009	2008
<b>Asset structure</b>		
Long-term assets / Total assets	1.4%	3.0%
Current assets / Total assets	98.6%	97.0%
<b>Profitability</b>		
Net profit / Total revenue	24.2%	29.7%
Net profit / Equity	15.9%	17.1%
<b>Financial position</b>		
Liabilities / Total assets	27.4%	30.9%
Cash and cash equivalents and short-term investments /		
Current liabilities	285.6%	230.3%
Fixed assets / Equity	0.7%	0.8%

Prepared by:



Tran Thi Hao Nien  
*Chief Accountant*

Approved by:



Tse Hok Hoi  
*Chief Executive Officer (Designee)*

26 MAR 2010