



**Eastspring Investments Fund
Management Limited Liability Company**

Financial Statements for the year ended
31 December 2017

MS
MS

**Eastspring Investments Fund Management Limited Liability Company
Content**

	Pages
Corporate information	1 - 2
Statement of the Board of Directors	3
Independent Auditor's Report	4 - 5
Balance sheet	6 - 8
Statement of income	9
Statement of cash flows	10
Statement of changes in equity	11
Notes to the financial statements	12 - 37

Eastspring Investments Fund Management Limited Liability Company
Corporate information

Business Registration Licence No.	4104000113 1 st amendment	24 May 2005 23 January 2006
Fund Management Establishment and Operation Licence No.	03/UBCK-GPHDQLQ 17/UBCK-GP 27/UBCK-GPDC 67/UBCK-GPDC 25/GPDC-UBCK 51/GP-UBCK 08/GPDC-UBCK 29/GPDC-UBCK	26 May 2005 23 July 2008 20 November 2008 15 April 2010 9 December 2011 23 March 2012 26 March 2013 12 September 2013
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	Xavier Bernard Maurice Meyer	Chairman (from 3 April 2017)
	Julian Christopher Vivian Pull	Chairman (until 3 April 2017)
	Nguyen Tuan Thên An	Member
	Stephen James Clark	Member
	Niall Dermot Grady	Member (until 3 April 2017)
Board of Directors	Nguyen Tuan Thên 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 Directors**

The Board of Directors 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 2017.

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

- (a) the financial statements set out on pages 6 to 37 give a true and fair view of the financial position of the Company as at 31 December 2017, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the other relevant statutory requirements applicable to financial reporting; 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 Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Nguyen Tuan Then An
Chief Executive Officer

Ho Chi Minh City, 21 March 2018



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

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 2017, 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 Directors on 21 March 2018, as set out on pages 6 to 37.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the other relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors 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 Directors, as well as evaluating the overall presentation of the financial statements.

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



Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Eastspring Investments Fund Management Limited Liability Company as at 31 December 2017 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the other relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Audit Report No.: 17-01-299/1



Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2018-007-1
Deputy General Director

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 21 March 2018

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 31 December 2017

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

	Code	Note	31/12/2017 VND'000	31/12/2016 VND'000
ASSETS				
Current assets (100 = 110 + 130 + 150)	100		116,381,541	115,098,576
Cash and cash equivalents	110	4	92,837,443	93,546,502
Cash	111		6,837,443	12,100,083
Cash equivalents	112		86,000,000	81,446,419
Accounts receivable – short-term	130	5	21,871,391	19,404,969
Prepayments to suppliers	132		-	20,000
Receivables from management activities	134		21,321,646	17,090,114
Other receivables	135		549,745	2,294,855
Other current assets	150		1,672,707	2,147,105
Short-term prepaid expenses	151		1,672,707	2,147,105
Long-term assets (200 = 220 + 260)	200		3,891,277	3,187,994
Fixed assets	220		386,814	417,563
Tangible fixed assets	221	6	345,126	355,031
Cost	222		3,676,278	3,473,550
Accumulated depreciation	223		(3,331,152)	(3,118,519)
Intangible fixed assets	227	7	41,688	62,532
Cost	228		982,797	982,797
Accumulated amortisation	229		(941,109)	(920,265)
Other long-term assets	260		3,504,463	2,770,431
Long-term prepaid expenses	261		-	5,042
Deferred tax assets	262	8	2,468,751	2,765,389
Other long-term assets	268	9	1,035,712	-
TOTAL ASSETS (270 = 100 + 200)	270		120,272,818	118,286,570

The accompanying notes are an integral part of these financial statements

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 31 December 2017 (continued)

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

	Code	Note	31/12/2017 VND'000	31/12/2016 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		43,256,440	44,002,842
Current liabilities	310		35,363,679	34,670,411
Accounts payable to suppliers	312		78,813	112,448
Taxes payable to State Treasury	314	10	573,468	620,413
Accrued expenses	316	11	29,766,374	29,459,368
Other short-term payables	319	12	4,945,024	4,478,182
Long-term liabilities	330		7,892,761	9,332,431
Provision for severance allowance	336	13	1,252,809	853,003
Provisions – long-term	337	14	6,639,952	8,479,428
EQUITY (400 = 410)	400		77,016,378	74,283,728
Equity	410		77,016,378	74,283,728
Contributed capital	411	15	25,000,000	25,000,000
Financial reserve	418		136,633	-
Supplement charter capital reserve	419		136,633	-
Retained profits	420		51,743,112	49,283,728
- Retained profits brought forward	420a		49,283,728	54,242,953
- Profit/(loss) for the current year	420b		2,459,384	(4,959,225)
TOTAL RESOURCES (440 = 300 + 400)	440		120,272,818	118,286,570

The accompanying notes are an integral part of these financial statements

Eastspring Investments Fund Management Limited Liability Company
Balance sheet as at 31 December 2017 (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	31/12/2017 VND'000	31/12/2016 VND'000
Foreign currencies	005	22	71,955	4,126,174
Cash and cash equivalents of entrustors	030	16	3,298,600,801	2,460,762,183
▪ Local entrustors	031		3,298,600,801	2,460,320,487
▪ Foreign entrustor	032		-	441,696
Investment portfolio of entrustors	040	17	59,123,871,967	47,080,172,171
▪ Local entrustors	041		59,123,871,967	47,031,081,885
▪ Foreign entrustor	042		-	49,090,286
Receivables of entrustors	050		264,094,534	8,993,615

21 March 2018

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Nguyen Tuan Thien An
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Eastspring Investments Fund Management Limited Liability Company
Statement of income for the year ended 31 December 2017

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

	Code	Note	2017 VND'000	2016 VND'000
Net revenue	10	18	78,028,140	65,114,771
Financial income	21	19	2,699,813	2,786,493
Financial expenses	22		90,840	413,356
General and administration expenses	25	20	77,639,895	71,776,094
Net operating profit/(loss) {30 = 10 + (21 - 22) - 25}	30		2,997,218	(4,288,186)
Other income	31		32,070	-
Results of other activities (40 = 31)	40		32,070	-
Accounting profit/(loss) before tax (50 = 30 + 40)	50		3,029,288	(4,288,186)
Income tax expense – current	51	21	-	-
Income tax expense – deferred	52	21	296,638	671,039
Net profit/(loss) after tax (60 = 50 – 51 – 52)	60		2,732,650	(4,959,225)

21 March 2018

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Nguyen Tuan Thien An
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Eastspring Investment Fund Management Limited Liability Company
Statement of cash flows for the year ended 31 December 2017 (Direct method)

Form B03 - CTQ

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

	Code	2017 VND'000	2016 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from fund management activities	01	73,796,608	57,725,107
Cash payments to employees	03	(52,124,705)	(49,363,437)
Other receipts from operating activities	06	32,070	-
Other payments for operating activities	07	(24,872,881)	(23,557,232)
Net cash flows from operating activities	20	(3,168,908)	(15,195,562)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(202,728)	(247,640)
Receipts of interest	27	2,662,577	2,834,715
Net cash flows from investing activities	30	2,459,849	2,587,075
Net cash flows during the year (50 = 20 + 30)	50	(709,059)	(12,608,487)
Cash and cash equivalents at the beginning of the year	60	93,546,502	106,154,989
Cash and cash equivalents at the end of the year (70 = 50 + 60) (Note 4)	70	92,837,443	93,546,502

21 March 2018

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Nguyễn Tuấn Thân An
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Eastspring Investment Fund Management Limited Liability Company
Statement of changes in equity for the year ended 31 December 2017

Form B05 - CTQ

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

	Contributed capital VND'000	Financial Reserve VND'000	Supplement charter capital reserve VND'000	Retained profits VND'000	Total VND'000
Balance at 1 January 2016	25,000,000	-	-	54,242,953	79,242,953
Net loss for the year	-	-	-	(4,959,225)	(4,959,225)
Balance at 1 January 2017	25,000,000	-	-	49,283,728	74,283,728
Net profit for the year	-	-	-	2,732,650	2,732,650
Appropriation to reserves	-	136,633	136,633	(273,266)	-
Balance at 31 December 2017	25,000,000	136,633	136,633	51,743,112	77,016,378

21 March 2018

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Nguyen Tuan Thên An
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Eastspring Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017

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 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 Fund Management Establishment and Operation Licence and their amendments.

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

As at 31 December 2017, the Company had 22 employees (31/12/2016: 24 employees) of which one (1) is management personnel. During the year, there were three (3) employees resigned and no disciplinary action was taken against any of the employees. As at 31 December 2017, the Company had 11 employees (31/12/2016: 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, 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 2017 (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

Accounts receivable from customers 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 2017 (continued)

Form B09 - CTQ

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

(d) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(e) 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 asset. Software cost is amortised on a straight-line basis over 4 years.

(f) Accounts payable to suppliers and other payables

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

(g) 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.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

Form B 09-CTQ

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

Severance allowance

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

(h) 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.

(i) 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.

(j) Contributed capital

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

(k) Statutory 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 reserve	5% of profit after tax	10% of charter capital
Supplement charter capital reserve	5% of profit after tax	10% of charter capital

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

Form B 09-CTQ

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

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.

(I) 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.

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.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

Form B 09-CTQ

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

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.

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.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

Form B 09-CTQ

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

(m) 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.

(n) 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.

(ii) *Interest income*

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

(o) *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.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

Form B 09-CTQ

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

(p) 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.

(q) 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.

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

(s) Segment reporting

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

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

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

4. Cash and cash equivalents

	31/12/2017	31/12/2016
	VND'000	VND'000
Cash at banks	6,837,443	12,100,083
Cash equivalents	86,000,000	81,446,419
	<hr/>	<hr/>
Cash and cash equivalents in the statement of cash flows	92,837,443	93,546,502
	<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 2017 earned annual interest rates ranging from 2.32% to 3.82% per annum (31/12/2016: from 2.36% to 4.53% per annum) 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. Accounts receivable – short-term

Receivables from management activities included:

	31/12/2017	31/12/2016
	VND'000	VND'000
Amounts due from the parent company	21,166,646	16,960,006
Amounts due from related companies	155,000	130,108
	<hr/>	<hr/>
	21,321,646	17,090,114
	<hr/>	<hr/>

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

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

Form B 09-CTQ

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

Other receivables comprised:

	31/12/2017 VND'000	31/12/2016 VND'000
Deposits for rental	39,000	1,503,101
Interest receivables	363,328	326,092
Receivables from employees	85,000	376,978
Others	62,417	88,684
	549,745	2,294,855

No receivables as at 31 December 2017 and 2016 were overdue. The Company believed that no allowance for doubtful debts was necessary in respect of the outstanding receivables as at 31 December 2017 and 2016.

6. Tangible fixed assets

2017	Renovation costs VND'000	Office equipment VND'000	Total VND'000
Cost			
Opening balance	1,342,074	2,131,476	3,473,550
Additions	202,728	-	202,728
Closing balance	1,544,802	2,131,476	3,676,278
Accumulated depreciation			
Opening balance	1,186,656	1,931,863	3,118,519
Charge for the year	82,144	130,489	212,633
Closing balance	1,268,800	2,062,352	3,331,152
Net book value			
Opening balance	155,418	199,613	355,031
Closing balance	276,002	69,124	345,126

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

Form B 09-CTQ

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

2016	Renovation costs VND'000	Office equipment VND'000	Total VND'000
Cost			
Opening balance	1,342,074	1,883,836	3,225,910
Additions	-	247,640	247,640
Closing balance	1,342,074	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	1,186,656	1,931,863	3,118,519
Net book value			
Opening balance	203,774	92,066	295,840
Closing balance	155,418	199,613	355,031

Included in the cost of tangible fixed assets were assets costing VND2,903 million which were fully depreciated as at 31 December 2017 (31/12/2016: VND2,741 million), but which are still in active use.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

Form B 09-CTQ

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

7. Intangible fixed assets

	Software	
	2017	2016
	VND'000	VND'000
Cost		
Opening and closing balance	982,797	982,797
Accumulated amortisation		
Opening balance	920,265	899,422
Charge for the year	20,844	20,843
Closing balance	941,109	920,265
Net book value		
Opening balance	62,532	83,375
Closing balance	41,688	62,532

Included in the cost of intangible fixed assets were assets costing VND1,085 million which were fully amortised as at 31 December 2017 (31/12/2016: VND893 million), but which are still in active use.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2015 (continued)

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

8. Deferred tax assets

(i) Recognised deferred tax assets

	31/12/2017 VND'000	31/12/2016 VND'000
Deferred tax assets:		
Accrued operating expenses	2,218,189	2,594,788
Provision for severance allowance	250,562	170,601
	2,468,751	2,765,389
Total deferred tax assets	2,468,751	2,765,389

(ii) Unrecognised deferred tax assets

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

	31/12/2017		31/12/2016	
	Temporary difference VND'000	Tax value VND'000	Temporary difference VND'000	Tax value VND'000
	Tax losses	61,995,130	12,399,026	68,096,745

The tax losses will be expired in the following years:

Year of expiry	Status of tax review	Tax losses available VND'000
2019	Outstanding	25,847,085
2020	Outstanding	29,482,041
2021	Outstanding	6,666,004
		61,995,130
		61,995,130

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.

Eastspring Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

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

9. Other long-term assets

	31/12/2017	31/12/2016
	VND'000	VND'000
Deposits for office rental	1,035,712	-
	1,035,712	-

10. Taxes payable to State Treasury

	31/12/2016	Incurred	Paid	31/12/2017
	VND'000	VND'000	VND'000	VND'000
Personal income tax	410,675	14,147,961	(14,161,941)	396,695
Withholding tax	209,738	414,001	(462,193)	161,546
Value added tax	-	15,772	(545)	15,227
	620,413	14,577,734	(14,624,679)	573,468

11. Accrued expenses

	31/12/2017	31/12/2016
	VND'000	VND'000
Consultancy fees	-	770,125
Bonuses and incentives	16,090,060	16,597,802
Current portion of long-term incentive bonus (Note 14)	10,776,388	6,754,720
Accrued operating expenses due to related parties	1,213,000	3,947,098
Others	1,686,926	1,389,623
	29,766,374	29,459,368

12. Other short-term payables

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

	31/12/2017	31/12/2016
	VND'000	VND'000
Amounts due to the parent company – Non-trade	2,190,652	3,781,065
Amounts due to other related companies – Non-trade	2,260,910	203,654
	4,451,562	3,984,719

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

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

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

13. Provision for severance allowance

	2017 VND'000	2016 VND'000
Opening balance	853,003	853,003
Provision made during the year	399,806	-
Closing balance	1,252,809	853,003

14. Provisions – long-term

	31/12/2017 VND'000	31/12/2016 VND'000
Long-term incentive bonus (i)	6,365,711	8,057,524
Other bonus schemes	274,241	421,904
	6,639,952	8,479,428

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

	2017 VND'000	2016 VND'000
Opening balance	8,057,524	6,642,012
Provision made during the year	9,084,575	8,170,232
Current portion of long-term incentive bonus (Note 11)	(10,776,388)	(6,754,720)
Closing balance	6,365,711	8,057,524

15. 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
Notes to the financial statements for the year ended 31 December 2017 (continued)

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

16. Cash and cash equivalents of entrustors

(a) Local entrustors

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

	31/12/2017 VND'000	31/12/2016 VND'000
Shareholder Fund	1,372,465,491	1,801,635,420
Cash at banks	639,439,499	50,760,024
Cash equivalents (*)	733,025,992	1,750,875,396
Universal Fund	50,515,456	68,605,678
Cash at banks	50,515,456	68,605,678
Life Fund	1,582,712,940	361,581,654
Cash at banks	593,542,202	330,037,452
Cash equivalents (*)	989,170,738	31,544,202
Unit-link Fund	183,075,216	139,946,196
Cash at banks	94,642,815	29,080,033
Cash equivalents (*)	88,432,401	110,866,163
Eastspring Investments Vietnam Navigator Fund	14,983,241	2,752,514
Cash at banks	10,878,676	2,752,514
Cash equivalents (*)	4,104,565	-
Pension Fund	94,848,457	85,799,025
Cash at banks	9,136,112	25,032
Cash equivalents (*)	85,712,345	85,773,993
	3,298,600,801	2,460,320,487

(*) 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:

	31/12/2017 VND'000	31/12/2016 VND'000
International Opportunities Fund – Vietnam Equity	-	441,696
Cash at banks	-	441,696
	-	441,696

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 - CTQ

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

17. Investment portfolio of entrustors

(a) Local entrustors

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

	31/12/2017		31/12/2016	
	Quantity	Market value VND'000	Quantity	Market value VND'000
Shareholder Fund				
Listed debt securities	35,879,363	4,304,323,709	25,857,210	3,030,186,628
Universal Fund				
Listed debt securities	23,142,500	2,697,450,571	15,200,000	1,756,517,942
Life Fund				
Listed equity securities	7,355,511	368,166,823	6,926,060	212,036,376
Listed debt securities	401,372,438	49,096,429,573	359,468,587	39,715,675,298
Unlisted debt securities	-	-	631	661,709,906
Long-term deposits	N/A	778,091,417	N/A	778,091,416
Unit-link Fund				
Listed equity securities	25,862,723	1,297,020,752	14,168,356	437,523,048
Listed debt securities	2,900,000	316,677,209	1,920,000	214,816,680
Eastspring Investment Vietnam Navigator Fund				
Listed equity securities	2,825,976	103,486,513	2,505,629	57,016,509
Unlisted equity securities	-	-	238,900	3,822,400
Listed debt securities	-	-	277,000	31,047,162
Long-term deposits	N/A	24,753,400	-	-
Pension Fund				
Listed debt securities	1,200,000	137,472,000	1,200,000	132,638,520
		59,123,871,967		47,031,081,885

(b) Foreign entrustor

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

	31/12/2017		31/12/2016	
	Quantity	Market value VND'000	Quantity	Market value VND'000
International Opportunities Fund – Vietnam Equity				
Listed equity securities	-	-	1,322,826	49,090,286

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

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

18. Net revenue

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

Net revenue comprised:

	2017	2016
	VND'000	VND'000
Revenue from management of investment portfolios	72,455,336	60,522,980
Revenue from administration of investment portfolios	5,572,804	4,591,791
	78,028,140	65,114,771

As at 31 December 2017, there were six securities investment funds with the total net asset values of VND62,686,567 million (31/12/2016: there were seven securities investment funds with the total net asset values of VND49,549,928 million) 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 2017, portfolio management fees earned from services rendered to Prudential Vietnam Assurance Private Limited amounted to approximately VND70,726 million (2016: VND59,111 million).

In 2008, the Company also entered into a non-discretionary investment portfolio management services agreement with Eastspring Investments (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 2017, management fees earned from services rendered to IOF amounted to approximately VND46 million (2016: VND58 million). The investment portfolio management services agreement with IOF was terminated on 30 September 2017.

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 2017, management fees earned from services rendered to Eastspring Investments Vietnam Navigator Fund amounted to approximately VND1,683 million (2016: VND1,354 million).

For the year ended 31 December 2017, revenue from administration earned from services rendered to Prudential Vietnam Assurance Private Limited amounted to VND5,573 million (2016: VND4,592 million).

There was no performance fee received by the Company for the years ended 31 December 2017 and 2016 because the conditions have not been met.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

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

19. Financial income

	2017 VND'000	2016 VND'000
Bank interest income	2,699,813	2,785,902
Foreign exchange gain	-	591
	<hr/> 2,699,813	<hr/> 2,786,493

20. General and administration expenses

	2017 VND'000	2016 VND'000
Staff costs	54,198,961	52,252,444
Consultancy and other services costs	12,644,394	9,304,291
Office rental	4,822,927	4,648,723
Other expenses	5,973,613	5,570,636
	<hr/> 77,639,895	<hr/> 71,776,094

21. Income tax

(a) Recognised in the statement of income

	2017 VND'000	2016 VND'000
Current tax expense		
Current year	-	-
Deferred tax expense		
Origination and reversal of temporary differences	296,638	671,039
	<hr/> 296,638	<hr/> 671,039

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

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

(b) Reconciliation of effective tax rate

	2017	2016
	VND'000	VND'000
Accounting profit/(loss) before tax	3,029,288	(4,288,186)
Tax at the Company's tax rate	605,858	(857,637)
Non-deductible expenses	911,103	396,829
Tax loss utilised	(1,220,323)	-
	296,638	(460,808)
Deferred tax assets not recognised	-	1,131,847
	296,638	671,039

(c) Applicable tax rates

The prevailing income tax rate applicable to the Company is 20% (2016: 20%). The corporate income tax computation is subject to the review and approval of the tax authorities.

22. Off balance sheet items

(i) Lease commitments

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

	31/12/2017	31/12/2016
	VND'000	VND'000
Within one year	3,828,779	3,277,402
Within two to five years	6,082,900	-
	9,911,679	3,277,402

(ii) Foreign currencies

	31/12/2017		31/12/2016	
	Original currency	VND'000	Original currency	VND'000
USD	3,172.75	71,955	181,610	4,126,174

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 - CTQ

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

23. 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	2017 VND'000	2016 VND'000
Prudential Vietnam Assurance Private Limited	Parent company	Management fees	70,725,760	59,111,184
		Fund administration fees	5,572,804	4,591,791
		Services provided by the parent company	2,161,633	5,759,100
Prudential Corporation Asia	Related company	Expenses paid on the Company's behalf	1,165,432	1,127,250
		Expenses paid on behalf by the Company	45,765	-
Eastspring Investments (Singapore) Limited	Related company	Portfolio management fees for IOF	45,973	57,693
		Service provided by the related company	6,738,884	4,534,920
		Expenses paid on behalf by the Company	69,974	-
Eastspring Investments Vietnam Navigator Fund	Fund under management	Management fees	1,683,603	1,354,103

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 - CTQ

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

24. 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 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	31/12/2017 VND'000	31/12/2016 VND'000
Cash and cash equivalents	(i)	92,837,443	93,546,502
Accounts receivable	(ii)	21,832,391	17,881,868
		114,669,834	111,428,370

(i) Cash and cash equivalents

Cash and cash equivalents 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.

Eastspring Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

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

(b) Liquidity risk

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

At the 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
As at 31 December 2017						
Accounts payable to suppliers	78,813	78,813	78,813			
Accrued expenses	2,899,926	2,899,926		2,899,926		
Other short-term payables	4,945,024	4,945,024	4,945,024			
	<u>7,923,763</u>	<u>7,923,763</u>	<u>5,023,837</u>	<u>2,899,926</u>		
As 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			
	<u>10,697,476</u>	<u>10,697,476</u>	<u>4,590,630</u>	<u>6,106,846</u>		

Eastspring Investment Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 - CTQ

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

(c) Market risk

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

(i) Currency risk

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	
	31/12/2017	31/12/2016
	VND'000	VND'000
Cash and cash equivalents	71,955	4,126,174
Accounts receivable	-	10,108
	71,955	4,136,282

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

	Exchange rate as at	
	31/12/2017	31/12/2016
USD/VND	22,665	22,720

Below is an analysis of the possible impact on the net profit/(loss) after tax of the Company as at 31 December 2017 and 2016. This analysis assumes that all other variables, in particular interest rates, remain constant:

	Effect to net profit/(loss) after tax	
	2017	2016
	VND'000	VND'000
USD (1% weakening)	576	33,090

The opposite movement of the USD would have equal but opposite effect to the net profit/(loss) after tax of the Company as at 31 December 2017 and 2016.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

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

(ii) Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. The Company's exposure to 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	
	31/12/2017	31/12/2016
	VND'000	VND'000
<i>Fixed rate instruments</i>		
Cash equivalents	86,000,000	81,446,419
<hr/>		
<i>Variable rate instruments</i>		
Cash at banks	6,837,443	12,100,083
<hr/>		

A change of 100 basis points in interest rates would have increased or decreased the net profit/(loss) after tax of the Company by VND55 million (31/12/2016: VND97 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 2017 and 2016.

Eastspring Investments Fund Management Limited Liability Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 - CTQ

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

(d) Fair value of financial assets and liabilities

Fair value is the 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 at the balance sheet date, were as follows:

	31/12/2017		31/12/2016	
	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	92,837,443	92,837,443	93,546,502	93,546,502
Accounts receivable	21,832,391	(*)	17,881,868	(*)
Financial liabilities categorised as liabilities at amortised cost:				
Accounts payable to suppliers	78,813	(*)	112,448	(*)
Accrued expenses	2,899,926	(*)	6,106,846	(*)
Other short-term payables	4,945,024	(*)	4,478,182	(*)

(*) 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, 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.

21 March 2018

Prepared by:



Le Minh Thuy
Chief Accountant

Approved by:



Nguyen Tuan Thên An
Chief Executive Officer