

ACE LIFE FUND MANAGEMENT COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**



ACE LIFE FUND MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Executive Board	2
Auditor's report	3
Balance sheet (Form B01a – CTQ)	4
Income statement (Form B02a – CTQ)	6
Cash flow statement (Form B03a – CTQ)	7
Statement of changes in equity (Form B05a – CTQ)	8
Notes to the financial statements (Form B09a – CTQ)	9

ACE LIFE FUND MANAGEMENT COMPANY LIMITED

CORPORATE INFORMATION

Operation Licence	No. 52/GP-UBCK dated 24 October 2013 No. 13/GPDC-UBCK dated 17 June 2014 were issued by the State Securities Commission of Vietnam.	
The Executive Board	Mr. Lam Hai Tuan Mr. Nguyen Hong Son Ms. Le Thi Hong Thai	Chairman of the Company Vice Chairman of the Company Director
Legal Representative	Mr. Lam Hai Tuan	Chairman of the Company
Principal activities	The principal activities of ACE Life Fund Management Company Limited are management of securities investment funds, securities investment portfolios and securities investment consultancy in Vietnam.	
Registered Office	Parcel K, 8 th Floor, Sun Wah Tower, 115 Nguyen Hue Street, District 1 Ho Chi Minh City, Vietnam	
Auditor	PricewaterhouseCoopers (Vietnam) Limited	

ACE LIFE FUND MANAGEMENT COMPANY LIMITED

STATEMENT OF THE EXECUTIVE BOARD'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Executive Board of ACE Life Fund Management Company Limited ("the Company") is responsible for the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2015 and the results of its operations, changes in equity and cash flows for the year then ended. In preparing these financial statements, the Executive Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.


The Executive Board is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable the financial statements to be prepared which comply with the basis of accounting set out from Note 2 to Note 4 of the financial statements. The Executive Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other errors.

APPROVAL OF THE FINANCIAL STATEMENTS

The Executive Board hereby approves the accompanying financial statements as set out on pages 4 to 23 which give a true and fair view of the financial position of the Company as at 31 December 2015 and its operations, changes in equity and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to fund management companies operating in Vietnam.

On behalf of the Executive Board 




Lam Hai Tuan
Chairman of the Company

Ho Chi Minh City, Vietnam
25 March 2016

INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE BOARD OF ACE LIFE FUND MANAGEMENT COMPANY LIMITED

We have audited the accompanying financial statements ACE Life Fund Management Company Limited ("the Company") which were prepared on 31 December 2015 and approved by the Executive Board of the Company on 25 March 2015. The financial statements comprise the balance sheet as at 31 December 2015, the income statement, the statement of changes in equity, the cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 4 to 23.

The Executive Board's Responsibility to the Financial statements

The Executive Board is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of financial statements applicable to fund management companies operating in Vietnam and for such internal control which management determines is necessary to enable the preparation and fair presentation 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 the 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 standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from 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 judgment, including an 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 controls relevant to the entity's preparation and true 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, 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 present fairly, in all material respects, the financial position of the Company as at 31 December 2015, the results of its operations, changes in equity and cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of financial statements applicable to fund management companies operating in Vietnam.

For and on behalf of PricewaterhouseCoopers (Vietnam) Limited



Nguyen Hoang Nam
Audit Practising Licence No. 0849-2013-006-1
Authorised signatory
Report reference number: HCM5191
Ho Chi Minh City, 28 March 2016



Lai Hung Phuong
Audit Practising Licence No. 2432-2013-006-1

As indicated in Note 3.1 to the financial statements, the accompanying financial statements are not intended to present the financial position, results of operations, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam, and furthermore their utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices.

BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2015 VND	2014 VND
100	CURRENT ASSETS		25,624,770,446	22,782,228,443
110	Cash and cash equivalents	5.1	2,927,886,359	2,070,521,548
111	Cash		1,927,886,359	2,070,521,548
112	Cash equivalents		1,000,000,000	-
120	Short-term investments		22,000,000,000	20,000,000,000
128	Other short-term investments	5.2	22,000,000,000	20,000,000,000
130	Short-term receivables		669,585,004	711,706,895
134	Receivables from operational activities		-	339,763,837
135	Other short-term receivables	5.3	669,585,004	371,943,058
150	Other current assets		27,299,083	-
151	Short-term prepayments		27,299,083	-
200	NON-CURRENT ASSETS		1,185,506,364	1,821,326,667
210	Long-term receivables		144,912,000	144,912,000
216	Other long-term receivables		144,912,000	144,912,000
220	Fixed assets		797,699,711	1,156,351,362
221	Tangible fixed assets	5.4(a)	555,930,911	845,505,762
222	Cost		1,036,154,349	968,805,749
223	Accumulated depreciation		(480,223,438)	(123,299,987)
227	Intangible fixed assets	5.4(b)	241,768,800	310,845,600
228	Cost		345,384,000	345,384,000
229	Accumulated amortisation		(103,615,200)	(34,538,400)
240	Long-term assets in progress		-	20,732,580
242	Construction in progress		-	20,732,580
260	Other long-term assets		242,894,653	499,330,725
261	Long-term prepaid expenses		150,536,653	270,091,048
262	Deferred income tax assets	5.10	92,358,000	229,239,677
270	TOTAL ASSETS		26,810,276,810	24,603,555,110

The notes on pages 9 to 23 are an integral part of these financial statements.

BALANCE SHEET
(Continued)

Code	RESOURCES	Note	As at 31 December	
			2015 VND	2014 VND
300	LIABILITIES		707,090,168	520,513,816
310	Current liabilities		707,090,168	520,513,816
312	Short-term accounts payable		-	22,618,444
314	Taxes payable and obligations to the State Budget		143,901,168	24,968,727
315	Payables to employees		90,840,000	53,481,000
316	Accrued expenses	5.5	461,790,000	418,878,500
319	Other current liabilities		10,559,000	567,145
400	OWNER'S EQUITY		26,103,186,642	24,083,041,294
410	Equity		26,103,186,642	24,083,041,294
411	Capital		26,000,000,000	25,000,000,000
418	Financial reserve		5,159,332	-
419	Other reserve		5,159,332	-
420	Undistributed earnings/(accumulated loss)		92,867,978	(916,958,706)
440	TOTAL RESOURCES		26,810,276,810	24,603,555,110



Do Thi Thu Nguyet
Preparer/Chief Accountant



Le Thi Hong Thai
Director




Lam Hai Tuan
Chairman of the Company
25 March 2016

The notes on pages 9 to 23 are an integral part of these financial statements.

INCOME STATEMENT

Code		Note	Year ended 31.12.2015 VND	Period from 24.10.2013 to 31.12.2014 VND
01	Revenue	5.6	4,954,088,738	1,877,943,589
02	Less deductions		-	-
10	Net revenue		4,954,088,738	1,877,943,589
11	Operating expenses	5.7	(1,578,572,556)	(1,140,336,285)
20	Gross operating profit		3,375,516,182	737,607,304
21	Financial income	5.8	1,324,681,810	1,085,761,797
25	General and administrative expenses	5.9	(3,422,523,474)	(2,969,567,484)
30	Net operating profit/(loss)		1,277,674,518	(1,146,198,383)
40	Net other income		-	-
50	Net profit/(loss) before tax		1,277,674,518	(1,146,198,383)
51	Business income tax - current	5.10	(120,647,493)	-
52	Business income tax - deferred	5.10	(136,881,677)	229,239,677
60	Net profit/(loss) after tax		1,020,145,348	(916,958,706)



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Le Thi Hong Thai
Director




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25 March 2016

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CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31.12.2015 VND	Period from 24.10.2013 to 31.12.2014 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit/(loss) before tax	1,277,674,518	(1,146,198,383)
	Adjustments for:		
02	Depreciation and amortisation	426,000,251	157,838,387
05	Profits from investing activities	(1,324,681,810)	(1,085,761,797)
08	Operating profit/(loss) before changes in working capital	378,992,959	(2,074,121,793)
09	Decrease/(increase) in receivables	343,746,890	(344,151,337)
11	Increase in payables	65,928,859	520,513,816
12	Decrease/(increase) in prepaid expenses	92,255,312	(270,091,048)
16	Other payments on operating activities	-	(144,912,000)
20	Net cash inflow/(outflow) from operating activities	880,924,020	(2,312,762,362)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(46,616,020)	(1,334,922,329)
25	Investments in term deposits	(2,000,000,000)	(20,000,000,000)
27	Interest received	1,023,056,811	718,206,239
30	Net cash outflows from investing activities	(1,023,559,209)	(20,616,716,090)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from capital contribution	1,000,000,000	25,000,000,000
40	Net cash inflows from financing activities	1,000,000,000	25,000,000,000
50	Net increase in cash and cash equivalents	857,364,811	2,070,521,548
60	Cash and cash equivalents at beginning of the year/period	2,070,521,548	-
70	Cash and cash equivalents at end of the year/period	2,927,886,359	2,070,521,548



Do Thi Thu Nguyet
Preparer/Chief Accountant



Le Thi Hong Thai
Director




Lam Hai Tuan
Chairman of the Company
25 March 2016

The notes on pages 9 to 23 are an integral part of these financial statements.

ACE LIFE FUND MANAGEMENT COMPANY LIMITED

Form B05a – CTQ

STATEMENT OF CHANGES IN EQUITY

	Charter capital VND	Financial reserve VND	Other reserve VND	Undistributed earnings/ (accumulated loss) VND	Total VND
As at 23 October 2013 (date of incorporation)					
Capital increase during the period from 24.10.2013 to 31.12.2014	-	-	-	-	-
Loss for the period from 24.10.2013 to 31.12.2014	25,000,000,000	-	-	-	25,000,000,000
	-	-	-	(916,958,706)	(916,958,706)
As at 31 December 2014	25,000,000,000	-	-	(916,958,706)	24,083,041,294
Capital increase during the year	1,000,000,000	-	-	-	1,000,000,000
Profit for the year	-	-	-	1,020,145,348	1,020,145,348
Appropriate to statutory reserves (Note 4.11)	-	5,159,332	5,159,332	(10,318,664)	-
As at 31 December 2015	26,000,000,000	5,159,332	5,159,332	92,867,978	26,103,186,642



Do Thi Thu Nguyet
Preparer/Chief Accountant



Le Thi Hong Thai
Director




Lam Hai Tuan
Chairman of the Company
25 March 2016

The notes on pages 9 to 23 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1 GENERAL INFORMATION

ACE Life Fund Management Company ("the Company") was established in Vietnam pursuant to Investment and Operating Certificate No. 52/GP-UBCK dated 24 October 2013 and the first amended Investment and Operating Licence No. 13/GPDC-UBCK dated 17 June 2014 issued by the State Securities Commission of Vietnam.

The principal activities of the Company are management of securities investment funds, securities investment portfolios and securities investment consultancy in Vietnam.

As at 31 December 2015, the Company had 10 employees (31 December 2014: 11 employees).

2 FISCAL YEAR AND REPORTING CURRENCY

2.1 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

2.2 Reporting currency

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

3 ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS

3.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and other prevailing regulations on preparation and presentation of financial statements applicable to fund management companies in Vietnam. The financial statements have been prepared under the historical cost convention.

The accompanying financial statements are not intended to present the financial position, financial performance, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****3 ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS (continued)****3.2 Form of records applied**

The Company uses general journal to record its transactions.

3.3 Significant changes in the Company's accounting policy applied

On 22 December 2014, the Ministry of Finance issued Circular 200/2014/TT-BTC ("Circular 200") – Providing guidance on Corporate Accounting System replacing Decision 15/2006/QĐ-BTC dated 20 March 2006 ("Decision 15") and Circular 244/2009/TT-BTC dated 31 December 2009. Circular 200 is applicable to fiscal years begin on or after 1 January 2015.

The Company applied prospectively the changes of Circular 200 in accordance with Article 127 of Circular 200. The significant changes in accounting policies were applied prospectively as follows:

- Transactions in foreign currencies and translations of assets and liabilities dominated in foreign currencies - Note 2.2.

Under Decision 15, transactions arising in foreign currencies are translated at the exchange rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date.

According to Circular 200, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Company opens the foreign currency accounts.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**4.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less which are subject in insignificant risk in conversion to cash.

4.2 Investments*Short-term investments*

Short-term investments are those maturing within 12 months at the balance sheet date. Short-term investments are measured at cost less provision.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****4.3 Receivables from customers and operational activities**

Receivables from customers and operational activities are carried at original invoice amount less an estimate made for doubtful receivables based on a review by management of all outstanding amounts at the year end. Bad debts are written off when identified.

4.4 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the balance sheet and are mainly prepaid office rental and tools and equipment which were put to use.

4.5 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation

Fixed assets are depreciated using the straight-line method so as to write off the cost of the assets over their estimated useful lives or over the term the Investment Licence if shorter. The estimated useful lives used are:

Leasehold improvement	5 years
Office equipment	3 years
Computer software	3 years

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

4.6 Provisions

Provisions is recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated, Provision is not recognised for future operating losses.

Provisions is measured at the expenditures expected to be required to settle the obligation, If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation, The increase in the provision due to passage of time is recognised as interest expenses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will inflow to the Company and the revenue can be reliably measured.

(a) Revenue on services rendered

The management fees and performance fees are recognised according to the Charter Fund.

The Company manages Universal Life Fund, Shareholder Fund, Policyholder Participating Fund and Policyholder Non-participating Fund of Chubb Life Insurance Vietnam Company Limited (formerly known as ACE Life Insurance Company Limited) ("the Funds"). The Company earns a management fee from each of the Funds which is calculated on a monthly basis.

(b) Interest income

Interest income is recognised in the income statement on an accruals basis unless collectability is in doubt.

4.8 Expenses

Expenses are accounted for on an accruals basis. Expenses are charged to the income statement except for those incurred on the acquisition of an investment which is included in the cost of that investment.

4.9 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries that the Socialist Republic of Vietnam has not signed any double tax relief agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit and the current tax rates. Current and deferred tax should be recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****4.9 Current and deferred income tax (continued)**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

4.10 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.11 Appropriation of the profit after tax

The financial reserve and the reserve to supplement charter capital are appropriated from the Company's profit after tax and after netting off with loss carried forward from previous years. According to Circular 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, the Company is required to make annual appropriation to each of the reserves at 5% of the profit after tax of the Company of the year until the accumulated balance of each reserve reaches 10% of the charter capital. The reserve to supplemental charter capital is recorded as other reserve on the balance sheet.

4.12 Nil balances

Items or balances required by Circular No. 125/2011/TT-BTC issued by the Ministry of Finance on 5 September 2011 on the promulgation of accounting systems for fund management companies that are not shown in these financial statements indicate nil balances

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

5.1 CASH

	As at 31.12.2015 VND	As at 31.12.2014 VND
Cash on hand	3,000,000	3,000,000
Cash at bank	1,924,886,359	2,067,521,548
Cash equivalents (*)	1,000,000,000	-
	<u>2,927,886,359</u>	<u>2,070,521,548</u>

(*) These were term deposits with an original maturity of three months or less.

5.2 OTHER SHORT-TERM INVESTMENTS

Short-term investments are term deposits at commercial banks with an original maturity of 12 months.

5.3 OTHER SHORT-TERM RECEIVABLES

	As at 31.12.2015 VND	As at 31.12.2014 VND
Accrued interest income	669,180,557	367,555,558
Other receivables	404,447	-
	<u>669,585,004</u>	<u>367,555,558</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)

5.4 FIXED ASSETS

(a) Tangible fixed assets

	Office equipment VND	Leasehold improvements VND	Total VND
Historical cost			
As at 1 January 2015	467,902,325	500,903,424	968,805,749
Purchases	-	46,616,020	46,616,020
Transferred from construction in progress	-	20,732,580	20,732,580
As at 31 December 2015	467,902,325	568,252,024	1,036,154,349
Accumulated depreciation			
As at 1 January 2015	(49,080,642)	(74,219,345)	(123,299,987)
Charge for the year	(155,967,440)	(200,956,011)	(356,923,451)
As at 31 December 2015	(205,048,082)	(275,175,356)	(480,223,438)
Net book value			
As at 1 January 2015	418,821,683	426,684,079	845,505,762
As at 31 December 2015	262,854,243	293,076,668	555,930,911

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)

5.4 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 1 January 2015 and as at 31 December 2015	345,384,000
	<hr/>
Accumulated amortisation	
As at 1 January 2015	(34,538,400)
Charge for the year	(69,076,800)
	<hr/>
As at 31 December 2015	(103,615,200)
	<hr/>
Net book value	
As at 1 January 2015	310,845,600
	<hr/>
As at 31 December 2015	241,768,800
	<hr/>

5.5 ACCRUED EXPENSES

	As at 31.12.2015 VND	As at 31.12.2014 VND
Staff costs	306,265,000	268,878,500
Other accrued expenses	155,525,000	150,000,000
	<hr/>	<hr/>
	461,790,000	418,878,500
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)

5.6 REVENUE

	Year ended 31.12.2015 VND	Period from 24.10.2013 to 31.12.2014 VND
Fund management services (Note 7(a))	4,954,088,738	1,877,943,589

5.7 OPERATING EXPENSES

Operating expenses incurred during the year are expenses for management of securities investment fund activities.

	Year ended 31.12.2015 VND	Period from 24.10.2013 to 31.12.2014 VND
Staff costs	982,841,636	651,417,726
Rental expenses	487,843,321	348,809,086
Depreciation expenses	65,118,399	87,687,993
Other expenses	42,769,200	52,421,480
	<u>1,578,572,556</u>	<u>1,140,336,285</u>

5.8 FINANCIAL INCOME

All the financial income earned during the year/period is interest income.

5.9 GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 31.12.2015 VND	Period from 24.10.2013 to 31.12.2014 VND
Staff costs	2,053,594,815	2,318,720,546
Office rental and insurance expenses	594,954,120	279,047,268
Depreciation and amortisation expenses	356,923,451	70,150,394
Other expenses	417,051,088	301,649,276
	<u>3,422,523,474</u>	<u>2,969,567,484</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)

5.10 TAXATION

(a) Business income tax

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	Year ended 31.12.2015 VND	Period from 24.10.2013 to 31.12.2014 VND
Net accounting profit/(loss) before tax	1,277,674,518	(1,146,198,383)
Tax calculated at tax rate of 20%	255,534,904	(229,239,677)
Effect of:		
Expenses not deductible for tax purposes	1,994,266	-
Business income tax charge	<u>257,529,170</u>	<u>(229,239,677)</u>
Charged/(credited) to income statement:		
Business income tax – current	120,647,493	-
Business income tax – deferred	136,881,677	(229,239,677)
	<u>257,529,170</u>	<u>(229,239,677)</u>

The business income tax charge for the year/period is based on estimated taxable income and is subject to review and possible adjustment by the tax authority.

(b) Deferred income tax assets

	As at 31.12.2015 VND	As at 31.12.2014 VND
Deferred tax assets to be recovered within 12 months	<u>92,358,000</u>	<u>229,239,677</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)

5.10 TAXATION (continued)

The movement in the deferred income tax assets is as follows:

	2015 VND	2014 VND
As at 1 January	229,239,677	-
(Charged)/credited to income statement	(136,881,677)	229,239,677
As at 31 December	<u>92,358,000</u>	<u>229,239,677</u>

The deferred income tax assets arise from deductible temporary differences relating to accrued expenses.

Deferred income tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable.

6 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk.

The Executive Board is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Executive Board establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the Executive Board. The information presented below is based on information received by the Executive Board.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and market prices will affect the Company's income or the value of its holdings of financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****6 FINANCIAL RISK MANAGEMENT (continued)****(a) Market risk (continued)***(i) Currency risk*

Currency risk is the risk that the value of the Company's financial instruments will be affected by changes in exchange rates. The Company is not exposed to currency risk as the Company's assets and liabilities are denominated in Vietnamese Dong which is the Company's functional currency.

(ii) Market price risk

Market price risk is the risk that the value of the financial instruments will decrease as a result of change in equity indices and the values of individual securities.

During the year, the Company was under no securities price risk as it did not enter into any securities transactions. The Company is not significantly exposed to commodity price risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. The Company is not exposed to significant interest rate risk as the Company does not have borrowings.

(b) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from cash in banks, and accounts receivables.

All call deposits and term deposits were placed with financial institutions where the Company does not expect any losses arising from the non-performance of these financial institutions.

Receivables include receivables from customers and operating activities. The Company's Executive Board believes no allowance for receivables was considered necessary as at 31 December 2015.

The maximum exposure to credit risk faced by the Company is equal to the carrying amounts of cash in banks and receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. As at 31 December 2015, the Company had financial liabilities comprising current trade payables amounting to VND707,090,168 (31 December 2014: VND520,513,816) which represented contractual undiscounted cash outflows payable in less than one year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7 RELATED PARTY DISCLOSURE

The Company is controlled by Chubb Life Insurance Vietnam Company Limited (formerly known as ACE Life Insurance Company Limited), a company incorporated in Vietnam, which owns 100% of the Company's capital.

(a) Related party transactions

During the year/period, the following transactions were carried out with related parties:

	Year ended 31.12.2015 VND	Period from 24.10.2013 to 31.12.2014 VND
i) Sales of services (Note 5.6)		
Parent company - Chubb Life Insurance Vietnam Company Limited	4,954,088,738	1,877,943,589
	<u>4,954,088,738</u>	<u>1,877,943,589</u>
ii) Financing activity		
Capital contribution from the parent company - Chubb Life Insurance Vietnam Company Limited	1,000,000,000	25,000,000,000
	<u>1,000,000,000</u>	<u>25,000,000,000</u>
iii) Other transactions		
Expenses paid on behalf of the Company		
Parent company - Chubb Life Insurance Vietnam Company Limited	15,419,435	204,667,816
	<u>15,419,435</u>	<u>204,667,816</u>
Expenses paid on behalf of		
Parent company - Chubb Life Insurance Vietnam Company Limited	-	22,734,000
	<u>-</u>	<u>22,734,000</u>
iv) Compensation for the Executive Board		
Gross salaries and other benefits	782,603,364	1,242,150,000
	<u>782,603,364</u>	<u>1,242,150,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7 RELATED PARTY DISCLOSURE (continued)

(b) Year-end balances with related parties

As at 31 December, there were outstanding balances with related parties as follows:

	2015 VND	2014 VND
Trade accounts receivable		
Parent company - Chubb Life Insurance Vietnam Company Limited	-	339,763,837
	<u> </u>	<u> </u>
Other payables		
Parent company - Chubb Life Insurance Vietnam Company Limited	1,249,000	567,145
	<u> </u>	<u> </u>

8 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	31.12.2015 VND	31.12.2014 VND
Within 1 year	809,472,000	829,522,364
Between 1 and 5 years	134,912,000	944,384,000
	<u> </u>	<u> </u>
Total minimum payments	944,384,000	1,773,906,364
	<u> </u>	<u> </u>

9 EVENTS AFTER THE BALANCE SHEET DATE

In January 2016, the ultimate parent of the Company changed its name from ACE Limited to Chubb Limited.

On 9 March 2016, the parent of the Company received the amendment of the License for Establishment and Operation No. 33/GPDC13/KDBH issued by the MoF to change the name from ACE Life Insurance Company Limited to Chubb Life Insurance Vietnam Company Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10 COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified to conform with the current year's presentation.

The financial statements were approved by the Executive Board on 25 March 2016.



Do Thi Thu Nguyet
Preparer/Chief Accountant



Le Thi Hong Thai
Director



Lam Hai Tuan
Chairman of the Company