

CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**



CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Executive Board	2
Independent auditor's report	3
Balance sheet (Form B01 – CTQ)	5
Income statement (Form B02 – CTQ)	7
Cash flow statement (Form B03 – CTQ)	8
Statement of changes in equity (Form B05 – CTQ)	9
Notes to the financial statements (Form B09 – CTQ)	10

CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

CORPORATE INFORMATION

Establishment and Operation Licence	No. 52/GP-UBCK dated 24 October 2013 No. 13/GPDC-UBCK dated 17 June 2014 No. 26/GPDC-UBCK dated 21 September 2016 No. 03/GPDC-UBCK dated 4 April 2017 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 Chubb Life Fund Management Company Limited are management of securities investment funds, securities investment portfolios and securities investment consultancy in Vietnam.	
Registered Office	Parcel K, 8th Floor, Sun Wah Tower, 115 Nguyen Hue Street, District 1, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

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

The Executive Board of Chubb 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 2017 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 in 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 5 to 24 which give a true and fair view of the financial position of the Company as at 31 December 2017 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 the 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
28 March 2018



INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

We have audited the accompanying financial statements of Chubb Life Fund Management Company Limited ("the Company") which were prepared on 31 December 2017 and approved by the Executive Board of the Company on 28 March 2018. The financial statements comprise the balance sheet as at 31 December 2017, the income statement, the statement of changes in equity and 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 5 to 24.

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 the preparation and presentation of financial statements applicable to fund management companies operating in Vietnam and for such internal control which the Executive Board determines 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 and 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 control relevant to the Company'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 Company's internal control. 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 2017, 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 the preparation and presentation of financial statements applicable to fund management companies operating in Vietnam.

Other matters

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Tran Thi Thanh Truc
Audit Practising Licence No.
3047-2017-006-1
Authorised signatory

Report reference number: HCM6904
Ho Chi Minh City, 28 March 2018



Le Quang Dao
Audit Practising Licence No.
2845-2017-006-1

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.

CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

Form B01 – CTQ

BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2017 VND	2016 VND
100	CURRENT ASSETS		16,218,874,392	28,245,859,699
110	Cash and cash equivalents	5.1	2,171,618,264	2,406,674,802
111	Cash		2,171,618,264	2,406,674,802
120	Short-term investments		13,200,000,000	25,000,000,000
123	Investments held-to-maturity	5.2(a)	13,200,000,000	25,000,000,000
130	Short-term receivables		716,578,106	811,571,118
135	Other short-term receivables	5.3(a)	716,578,106	811,571,118
150	Other current assets		130,678,022	27,613,779
151	Short-term prepayments		130,678,022	27,613,779
200	NON-CURRENT ASSETS		16,197,643,594	711,275,801
210	Long-term receivables		463,328,111	144,912,000
216	Other long-term receivables	5.3(b)	463,328,111	144,912,000
220	Fixed assets		136,344,009	377,093,342
221	Tangible fixed assets	5.4(a)	32,728,809	204,401,342
222	Cost		1,036,154,349	1,036,154,349
223	Accumulated depreciation		(1,003,425,540)	(831,753,007)
227	Intangible fixed assets	5.4(b)	103,615,200	172,692,000
228	Cost		345,384,000	345,384,000
229	Accumulated amortisation		(241,768,800)	(172,692,000)
250	Long-term investments		15,400,000,000	-
258	Other long-term investments	5.2(b)	15,400,000,000	-
260	Other long-term assets		197,971,474	189,270,459
261	Long-term prepaid expenses		-	46,747,869
262	Deferred income tax assets	5.11(b)	197,971,474	142,522,590
270	TOTAL ASSETS		32,416,517,986	28,957,135,500

The notes on pages 10 to 24 are an integral part of these financial statements.

**BALANCE SHEET
(Continued)**

Code	RESOURCES	Note	As at 31 December	
			2017 VND	2016 VND
300	LIABILITIES		1,621,522,523	1,165,674,391
310	Current liabilities		1,621,522,523	1,165,674,391
312	Short-term accounts payable		4,000,000	181,174
314	Tax payable and obligations to the State Budget	5.5	307,631,509	240,973,583
315	Payables to employees		315,927,643	206,811,000
316	Accrued expenses	5.6	989,857,371	712,612,954
319	Other current liabilities		4,106,000	5,095,680
400	OWNER'S EQUITY		30,794,995,463	27,791,461,109
410	Equity		30,794,995,463	27,791,461,109
411	Owner's equity		26,000,000,000	26,000,000,000
418	Financial reserve		239,749,773	89,573,055
419	Other reserve		239,749,773	89,573,055
420	Undistributed earnings		4,315,495,917	1,612,314,999
420a	Undistributed post-tax profits of previous years		1,612,314,999	92,867,978
420b	Undistributed post-tax profit of current year		2,703,180,918	1,519,447,021
440	TOTAL RESOURCES		32,416,517,986	28,957,135,500



Do Thi Thu Nguyet
Preparer/Chief Accountant



Le Thi Hong Thai
Director



SGP: 03 - C.I.I.N.H
CÔNG TY
TRÁCH NHIỆM HỮU HẠN
MỘT THÀNH VIÊN
QUẢN LÝ QUỸ
CHUBB LIFE
Lam Hai Tuan
Chairman of the Company
28 March 2018

The notes on pages 10 to 24 are an integral part of these financial statements.

INCOME STATEMENT

Code		Note	Year ended 31 December	
			2017 VND	2016 VND
01	Revenue	5.7	7,926,120,061	6,216,059,958
02	Less deductions		-	-
10	Net revenue		7,926,120,061	6,216,059,958
11	Operating expenses	5.8	(2,382,046,478)	(2,016,364,016)
20	Gross operating profit		5,544,073,583	4,199,695,942
21	Financial income	5.9	1,872,061,471	1,606,563,906
25	General and administrator expenses	5.10	(3,659,988,876)	(3,690,255,703)
30	Net operating profit		3,756,146,178	2,116,004,145
32	Other expenses		-	(2,799,022)
40	Net other expenses		-	(2,799,022)
50	Net profit before tax		3,756,146,178	2,113,205,123
51	Business income tax - current	5.11	(808,060,708)	(475,095,246)
52	Business income tax - deferred	5.11	55,448,884	50,164,590
60	Net profit after tax		3,003,534,354	1,688,274,467


 Do Thi Thu Nguyet
 Preparer/Chief Accountant


 Le Thi Hong Thai
 Director


 Lam Hai Tuan
 Chairman of the Company
 28 March 2018



The notes on pages 10 to 24 are an integral part of these financial statements.

CASH FLOW STATEMENT
(Indirect method)

		Year ended 31 December	
Code	Note	2017 VND	2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	3,756,146,178	2,113,205,123
Adjustments for:			
02	Depreciation	240,749,333	420,606,369
05	Profits from investing activities	(1,872,061,471)	(1,606,563,906)
08	Operating profit before changes in working capital	2,124,834,040	927,247,586
09	(Increase)/decrease in receivables	(34,417,185)	11,338,903
11	Increase in payables	387,069,885	363,595,607
12	(Increase)/decrease in prepaid expenses	(56,316,374)	103,474,088
14	Business income tax paid	5.5 (739,282,461)	(380,106,630)
20	Net cash inflow from operating activities	1,681,887,905	1,025,549,554
CASH FLOWS FROM INVESTING ACTIVITIES			
25	Investments in term deposits	(3,600,000,000)	(3,000,000,000)
27	Interest received	1,683,055,557	1,453,238,889
30	Net cash outflows from investing activities	(1,916,944,443)	(1,546,761,111)
CASH FLOWS FROM FINANCING ACTIVITIES			
40	Net cash inflows from financing activities	-	-
50	Net decrease in cash and cash equivalents	(235,056,538)	(521,211,557)
60	Cash and cash equivalents at beginning of the year	5.1 2,406,674,802	2,927,886,359
70	Cash and cash equivalents at end of the year	5.1 2,171,618,264	2,406,674,802


 Do Thi Thu Nguyen
 Preparer/Chief Accountant


 Le Thi Hong Thai
 Director


 Lam Hai Tuan
 Chairman of the Company
 28 March 2018

The notes on pages 10 to 24 are an integral part of these financial statements.

CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

Form B05 – CTQ

STATEMENT OF CHANGES IN EQUITY

	Charter capital VND	Financial reserve VND	Other reserve VND	Undistributed earnings VND	Total VND
As at 1 January 2016					
Profit for the year	26,000,000,000	5,159,332	5,159,332	92,867,978	26,103,186,642
Appropriate to statutory reserves (Note 4.16)	-	-	-	1,688,274,467	1,688,274,467
	-	84,413,723	84,413,723	(168,827,446)	-
As at 31 December 2016	26,000,000,000	89,573,055	89,573,055	1,612,314,999	27,791,461,109
Profit for the year	-	-	-	3,003,534,354	3,003,534,354
Appropriate to statutory reserves (Note 4.16)	-	150,176,718	150,176,718	(300,353,436)	-
As at 31 December 2017	26,000,000,000	239,749,773	239,749,773	4,315,495,917	30,794,995,463



Do Thi Thu Nguyen
Preparer/Chief Accountant



Le Thi Hong Thai
Director



Lam Hai Tuan
Chairman of the Company
28 March 2018

The notes on pages 10 to 24 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017****1 GENERAL INFORMATION**

Chubb Life Fund Management Company (formerly known as ACE Life Fund Management Limited) ("the Company") was established in SR Vietnam pursuant to Investment and Operating License No. 52/GP-UBCK dated 24 October 2013 issued by the State Securities Commission of Vietnam ("the SSC") for a period of 50 years from the date of the initial Investment and Operating License.

On 17 June 2014, the amendment of the Investment and Operating License No. 13/GPDC-UBCK was issued by the SSC to approve for the change of the Company's registered office.

On 21 September 2015, the amendment of the Investment and Operating License No. 26/GPDC-UBCK was issued by the SSC to increase the charter capital of the Company to VND26,000,000,000.

On 4 April 2016, the Company received the second amendment of the Investment and Operating License No. 03/GPDC-UBCK issued by the SSC to approve for the change of the Company's name from ACE Life Fund Management Company Limited to Chubb Life Fund Management Company Limited.

The Company is a one-member limited company, wholly owned by the Chubb Life Insurance Vietnam Company Limited (formerly known as ACE Life Insurance Company Limited), a company incorporated in 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 2017, the Company had 11 employees (2016: 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" or "dong").

Transactions arising in foreign currencies are translated at the approximate exchange rate that is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial bank where the Company regularly trades. The approximate exchange rate disparity must not exceed +/- 1% compared with the average transfer exchange rate. The average transfer exchange rate is determined monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial bank. Foreign exchange differences arising from these transactions are recognised in the income statement.

2 FISCAL YEAR AND REPORTING CURRENCY (continued)**2.2 Reporting currency (continued)**

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 commercial bank where the Company regularly trades. The transfer rate can be the buying or selling rate or average transfer rate of the commercial bank. 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 regulations on the preparation and presentation of financial statements applicable to fund management companies operating 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.

3.2 Form of records applied

The Company uses general journal to record its transactions.

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 held-to-maturity

Investments held-to-maturity are investments which the Company's Executive Board has positive intention and ability to hold until maturity.

Investments held-to-maturity include term deposits which are held-to-maturity for interest earning. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held to maturity is made when there is evidence that part or the whole of the investment is uncollectible.

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 the Executive Board 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. Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives.

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 and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. 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 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.7 Payables**

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables including non-trade payables, and not relating to purchase of goods and services.

Payables are classified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

4.8 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

4.9 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.

4.10 Owner's capital

Owner's capital is recorded according to actual amount contributed.

Undistributed earnings recorded the Company's results (profit, loss) after business income tax at reporting date

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.11 Revenue recognition****(a) Revenue on services rendered**

Revenue on services rendered including the management fees and performance fees is recognised in the income statement according to the Charter Fund. Revenue from the sale of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The Company manages Universal Life Fund, Shareholder Fund, Policyholder Participating Fund and Policyholder Non-participating Fund of Chubb Life Insurance Vietnam Company Limited. 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.

4.12 Operating expenses

Operating expenses are total cost of services provided incurred during the period, accounted for on an accrual basis and for prudent 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.

4.13 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration, office rental, outside services, other cash expenses.

4.14 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.14 Current and deferred income tax (continued)**

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.

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

4.15 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 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, the Company considers substance of the relationship not merely the legal form.

4.16 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.

4.17 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.

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**5.1 CASH AND CASH EQUIVALENTS**

	2017 VND	2016 VND
Cash on hand	3,000,000	3,000,000
Cash at bank	2,168,618,264	2,403,674,802
	<u>2,171,618,264</u>	<u>2,406,674,802</u>

5.2 INVESTMENTS HELD-TO-MATURITY

As at 31 December 2017 and as at 31 December 2016, investments held-to-maturity are term deposits at commercial banks with an original maturity of more than three (3) months.

For those with maturities equal or less than twelve (12) months from the end of reporting period, they are represented as short-term investments.

For those with maturities more than twelve (12) months from the end of reporting period, they are represented as long-term investments.

	2017		2016	
	Cost VND	Book value VND	Cost VND	Book value VND
(a) Short-term				
Term deposits				
Vietnam Technological and Commercial Joint Stock Bank	10,000,000,000	10,000,000,000	11,000,000,000	11,000,000,000
An Binh Commercial Joint Stock Bank	1,500,000,000	1,500,000,000	-	-
Vietnam Prosperity Joint Stock Commercial Bank	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Orient Commercial Joint Stock Bank	700,000,000	700,000,000	-	-
Asia Commercial Bank	-	-	12,000,000,000	12,000,000,000
Saigon Thuong Tin Commercial Joint Stock Bank	-	-	1,000,000,000	1,000,000,000
	<u>13,200,000,000</u>	<u>13,200,000,000</u>	<u>25,000,000,000</u>	<u>25,000,000,000</u>

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**5.2 INVESTMENTS HELD-TO-MATURITY (continued)**

	2017		2016	
	Cost VND	Book value VND	Cost VND	Book value VND
(b) Long-term				
Term deposits				
Asia Commercial Bank	12,000,000,000	12,000,000,000	-	-
Vietnam Prosperity Joint Stock Commercial Bank	1,500,000,000	1,500,000,000	-	-
An Binh Commercial Joint Stock Bank	1,200,000,000	1,200,000,000	-	-
Vietnam Export Import Commercial Joint Stock Bank	700,000,000	700,000,000	-	-
	<u>15,400,000,000</u>	<u>15,400,000,000</u>	<u>-</u>	<u>-</u>

5.3 OTHER RECEIVABLES**(a) Other short-term receivables**

	2017 VND	2016 VND
Accrued interest income	709,193,056	806,938,888
Receivable from related parties (Note 7(b))	7,024,000	-
Other receivables	361,050	4,632,230
	<u>716,578,106</u>	<u>811,571,118</u>

(b) Other long-term receivables

	2017 VND	2016 VND
Accrued interest income	273,076,111	-
Other receivables	190,252,000	144,912,000
	<u>463,328,111</u>	<u>144,912,000</u>

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 2017 and 31 December 2017	467,902,325	568,252,024	1,036,154,349
Accumulated depreciation			
As at 1 January 2017	361,015,524	470,737,483	831,753,007
Charge for the year	106,886,801	64,785,732	171,672,533
As at 31 December 2017	467,902,325	535,523,215	1,003,425,540
Net book value			
As at 1 January 2017	106,886,801	97,514,541	204,401,342
As at 31 December 2017	-	32,728,809	32,728,809

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2017 was VND932,800,217 (as at 31 December 2016: nil)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 1 January 2017 and as at 31 December 2017	345,384,000
Accumulated amortisation	
As at 1 January 2017	172,692,000
Charge for the year	69,076,800
As at 31 December 2017	241,768,800
Net book value	
As at 1 January 2017	172,692,000
As at 31 December 2017	103,615,200

As at 31 December 2017 and as at 31 December 2016, there is no fully depreciated intangible asset which is still use.

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**5.5 TAX PAYABLE AND OBLIGATIONS TO THE STATE BUDGET**

	2017 VND	2016 VND
Business income tax – current	284,414,356	215,636,109
Personal income tax	23,217,153	25,337,474
	<u>307,631,509</u>	<u>240,973,583</u>

Movements in tax and other payables to the State Budget during the year were as follows:

	As at 1.1.2017 VND	Payable during the year VND	Settled during the year VND	As at 31.12.2017 VND
Business income tax - current	215,636,109	808,060,708	(739,282,461)	284,414,356
Personal income tax	25,337,474	465,147,465	(467,267,786)	23,217,153
Total	<u>240,973,583</u>	<u>1,273,208,173</u>	<u>(1,206,550,247)</u>	<u>307,631,509</u>

5.6 ACCRUED EXPENSES

	2017 VND	2016 VND
Staff costs	841,517,121	557,162,954
Other accrued expenses	148,340,250	155,450,000
	<u>989,857,371</u>	<u>712,612,954</u>

5.7 REVENUE

	2017 VND	2016 VND
Investment portfolio management services (Note 7(a))	<u>7,926,120,061</u>	<u>6,216,059,958</u>

5.8 OPERATING EXPENSES

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

	2017 VND	2016 VND
Staff costs	1,604,597,895	1,364,231,753
Rental expenses	598,294,400	531,005,200
Depreciation expenses	69,076,800	69,076,800
Other expenses	110,077,383	52,050,263
	<u>2,382,046,478</u>	<u>2,016,364,016</u>

5.9 FINANCIAL INCOME

Financial income earned during the year includes interest income.

5.10 GENERAL AND ADMINISTRATION EXPENSES

	2017 VND	2016 VND
Staff costs	2,248,704,533	2,363,135,406
Office rental and insurance expenses	691,276,135	537,495,900
Depreciation and amortisation expenses	171,672,533	351,529,569
Audit and consultant expenses	233,585,346	180,005,179
Tools and supplies	36,025,291	87,250,721
Other expenses	278,725,038	170,838,928
	<u>3,659,988,876</u>	<u>3,690,255,703</u>

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**5.11 TAXATION****(a) Business income tax**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2017 VND	2016 VND
Net accounting profit before tax	3,756,146,178	2,113,205,123
Tax calculated at tax rate of 20%	751,229,236	422,641,025
Effect of:		
Expenses not deductible for tax purposes	1,382,588	2,289,631
Business income tax charge	<u>752,611,824</u>	<u>424,930,656</u>
Charged/(credited) to income statement:		
Business income tax – current	808,060,708	475,095,246
Business income tax – deferred	(55,448,884)	(50,164,590)
	<u>752,611,824</u>	<u>424,930,656</u>

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

(b) Deferred income tax assets

	2017 VND	2016 VND
Deferred tax assets to be recovered within 12 months	<u>197,971,474</u>	<u>142,522,590</u>

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

	2017 VND	2016 VND
As at 1 January	142,522,590	92,358,000
Credited to income statement	55,448,884	50,164,590
As at 31 December	<u>197,971,474</u>	<u>142,522,590</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.

(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.

6 FINANCIAL RISK MANAGEMENT (continued)**(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 2017 and as at 31 December 2016.

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 2017, the Company had financial liabilities comprising current trade payables amounting to VND1,621,522,523 (as at 31 December 2016: VND1,165,674,391) which represented contractual undiscounted cash outflows payable in less than one year.

7 RELATED PARTY DISCLOSURE

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

(a) Related party transactions

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

	2017 VND	2016 VND
i) Sales of services (Note 5.7)		
Parent company - Chubb Life Insurance Vietnam Company Limited	7,926,120,061	6,216,059,958
	<u>7,926,120,061</u>	<u>6,216,059,958</u>
ii) Compensation for the Executive Board		
Gross salaries and other benefits	1,800,893,640	1,613,943,386
	<u>1,800,893,640</u>	<u>1,613,943,386</u>

7 RELATED PARTY DISCLOSURE (continued)**(a) Related party transactions (continued)**

	2017 VND	2016 VND
iii) Other transactions		
Expenses paid on behalf of the Company		
Parent company - Chubb Life Insurance Vietnam Company Limited	32,557,880	50,431,155
Expenses paid by the Company on behalf of		
Parent company - Chubb Life Insurance Vietnam Company Limited	10,009,590	7,329,420

(b) Year-end balances with related parties

	31.12.2017 VND	31.12.2016 VND
Other short-term receivables		
Parent company - Chubb Life Insurance Vietnam Company Limited	7,024,000	-
Other short-term payables		
Parent company - Chubb Life Insurance Vietnam Company Limited	-	3,599,680

8 COMMITMENTS UNDER OPERATING LEASES

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

	2017 VND	2016 VND
Within 1 year	1,142,064,000	134,912,000
Between 1 and 5 years	2,474,472,000	-
Total minimum payments	3,616,536,000	134,912,000

The financial statements were approved by the Executive Board on 28 March 2018.



Do Thi Thu Nguyet
Preparer/Chief Accountant



Le Thi Hong Thai
Director



Stamp: SGP: 03 - C.I.T.N.H. CÔNG TY TRÁCH NHIỆM HỮU HẠN MỘT THÀNH VIÊN: QUẢN LÝ QUỸ CHỨNG KHOÁN

Lam Hai Tuan
Chairman of the Company