

CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**



CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

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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 2015
No. 03/GPDC-UBCK dated 4 April 2016
were issued by the State Securities Commission of Vietnam.

The Executive Board

Mr. Lam Hai Tuan	Chairman of the Company
Mr. Nguyen Hong Son	Vice Chairman of the Company
Ms. Le Thi Hong Thai	Director

Legal Representative

Mr. Lam Hai Tuan	Chairman of the Company
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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 INTERIM FINANCIAL STATEMENTS

The Executive Board of Chubb Life Fund Management Company Limited ("the Company") is responsible for the interim financial statements which give a true and fair view of the financial position of the Company as at 30 June 2017 and the results of its operations, changes in equity and cash flows for the six-month period then ended. In preparing these interim 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 interim 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 interim financial statements to be prepared which comply with the basis of accounting set out from Note 2 to Note 4 of the interim 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 INTERIM FINANCIAL STATEMENTS

The Executive Board hereby approves the accompanying interim financial statements as set out on pages 5 to 25 which give a true and fair view of the financial position of the Company as at 30 June 2017 and its operations, changes in equity and cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to fund management companies and prevailing regulations on preparation and presentation of interim 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
11 August 2017



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE OWNER OF CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

We have reviewed the accompanying interim financial statements of Chubb Life Fund Management Company Limited ("the Company") which were prepared on 30 June 2017 and approved by the Executive Board on 11 August 2017. The interim financial statements comprise the balance sheet as at 30 June 2017, the income statement, the cash flow statement, the statement of changes in equity for the six-month period then ended and explanatory notes to these interim financial statements including significant accounting policies, as set out on pages 5 to 25.

The Executive Board's Responsibility to the interim Financial Statements

The Executive Board of the Company is responsible for the preparation and the true and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to fund management companies and prevailing regulations on preparation and presentation of interim 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 the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

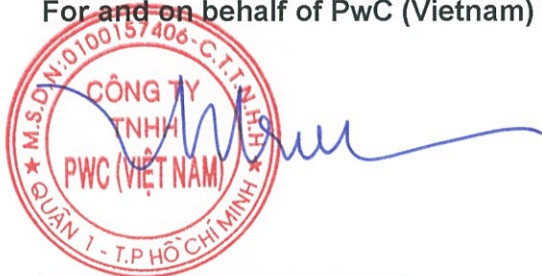
Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not presented fairly, in all material respects, the financial position of the Company as at 30 June 2017, its financial performance, its changes in equity and cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to fund management companies and prevailing regulations on preparation and presentation of interim financial statements applicable to fund management companies operating in Vietnam.

For and on behalf of PwC (Vietnam) Limited



Tran Thi Thanh Truc
Audit Practising Licence No.
3047-2014-006-1

Authorised signatory
Report reference number: HCM6359
Ho Chi Minh City, 11 August 2017

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

BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2017 VND	31.12.2016 VND
100	CURRENT ASSETS		29,544,541,770	28,245,859,699
110	Cash and cash equivalents	5.1	1,368,653,027	2,406,674,802
111	Cash		1,368,653,027	2,406,674,802
120	Short-term investments		26,500,000,000	25,000,000,000
128	Other short-term investments	5.2	26,500,000,000	25,000,000,000
130	Short-term receivables		1,629,335,419	811,571,118
134	Receivables from operational activities	5.3	658,037,103	-
135	Other short-term receivables	5.4(a)	971,298,316	811,571,118
150	Other current assets		46,553,324	27,613,779
151	Short-term prepaid expenses		46,553,324	27,613,779
200	NON-CURRENT ASSETS		516,137,124	711,275,801
210	Long-term receivables		190,252,000	144,912,000
216	Other long-term receivables	5.4(b)	190,252,000	144,912,000
220	Fixed assets		217,604,079	377,093,342
221	Tangible fixed assets	5.5(a)	79,450,479	204,401,342
222	Cost		1,036,154,349	1,036,154,349
223	Accumulated depreciation		(956,703,870)	(831,753,007)
227	Intangible fixed assets	5.5(b)	138,153,600	172,692,000
228	Cost		345,384,000	345,384,000
229	Accumulated amortisation		(207,230,400)	(172,692,000)
260	Other long-term assets		108,281,045	189,270,459
261	Long-term prepaid expenses		10,624,376	46,747,869
262	Deferred income tax assets	5.12(b)	97,656,669	142,522,590
270	TOTAL ASSETS		30,060,678,894	28,957,135,500

The notes on pages 10 to 25 are an integral part of these interim financial statements.

BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2017 VND	31.12.2016 VND
300	LIABILITIES		961,300,252	1,165,674,391
310	Current liabilities		961,300,252	1,165,674,391
312	Short-term trade accounts payable		-	181,174
314	Taxes payable and obligations to the State Budget	5.6	219,163,846	240,973,583
315	Payables to employees		253,408,643	206,811,000
316	Accrued expenses	5.7	488,283,351	712,612,954
319	Other current liabilities	7(b)	444,412	5,095,680
400	OWNER'S EQUITY		29,099,378,642	27,791,461,109
410	Equity		29,099,378,642	27,791,461,109
411	Owner's equity		26,000,000,000	26,000,000,000
418	Financial reserve		154,968,932	89,573,055
419	Other reserve		154,968,932	89,573,055
420	Undistributed earnings		2,789,440,779	1,612,314,999
420a	- Undistributed post-tax profits accumulated by the end of the previous period		1,612,314,999	92,867,978
420b	- Undistributed post-tax profits of the current period		1,177,125,780	1,519,447,021
440	TOTAL RESOURCES		30,060,678,894	28,957,135,500


Do Thi Thu Nguyet
Preparer/Chief Accountant

Le Thi Hong Thai
DirectorLam Hai Tuan
Chairman of the Company
11 August 2017

The notes on pages 10 to 25 are an integral part of these interim financial statements.

INCOME STATEMENT

			Six-month period ended	
Code		Note	30.6.2017 VND	30.6.2016 VND
01	Revenue	5.8	3,737,108,083	2,873,542,327
02	Less deductions		-	-
10	Net revenue		3,737,108,083	2,873,542,327
11	Operating expenses	5.9	(1,172,815,218)	(974,910,193)
20	Gross operating profit		2,564,292,865	1,898,632,134
21	Financial income	5.10	888,788,048	764,069,586
25	General and administrative expenses	5.11	(1,818,183,995)	(1,830,086,905)
30	Net operating profit		1,634,896,918	832,614,815
32	Other expenses		-	(2,799,022)
40	Net other expenses		-	(2,799,022)
50	Net profit before tax		1,634,896,918	829,815,793
51	Business income tax – current	5.12(a)	(282,113,464)	(158,724,537)
52	Business income tax – deferred	5.12(a)	(44,865,921)	(7,238,621)
60	Net profit after tax		1,307,917,533	663,852,635



Do Thi Thu Nguyet
Preparer/Chief Accountant



Le Thi Hong Thai
Director



Lam Hai Tuan
Chairman of the Company
11 August 2017

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CASH FLOW STATEMENT
(Indirect method)

		Six-month period ended	
Code	Note	30.6.2017 VND	30.6.2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	1,634,896,918	829,815,793
Adjustments for:			
02	Depreciation and amortisation	159,489,263	210,303,185
05	Profits from investing activities	(888,788,048)	(764,069,586)
08	Operating profit before changes in working capital	905,598,133	276,049,392
09	Increase in receivables	(701,274,587)	(682,961,784)
11	(Decrease)/increase in payables	(184,179,073)	13,504,194
12	Decrease in prepaid expenses	17,183,948	85,047,022
15	Business income tax paid	(302,308,530)	(143,809,893)
20	Net cash outflow from operating activities	(264,980,109)	(452,171,069)
CASH FLOWS FROM INVESTING ACTIVITIES			
25	Investments in term deposits	(1,500,000,000)	(1,000,000,000)
27	Interest received	726,958,334	637,505,555
30	Net cash outflows from investing activities	(773,041,666)	(362,494,445)
50	Net decrease in cash and cash equivalents	(1,038,021,775)	(814,665,514)
60	Cash and cash equivalents at beginning of the period	2,406,674,802	2,927,886,359
70	Cash and cash equivalents at end of the period	1,368,653,027	2,113,220,845



Do Thi Thu Nguyet
Preparer/Chief Accountant



Le Thi Hong Thai
Director



Lam Hai Tuan
Chairman of the Company
11 August 2017

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CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

Form B05a – 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	26,000,000,000	5,159,332	5,159,332	92,867,978	26,103,186,642
Capital increase during the year	-	-	-	-	-
Profit for the year	-	-	-	1,688,274,467	1,688,274,467
Appropriate to statutory reserves (Note 4.11)	-	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 period	-	-	-	1,307,917,533	1,307,917,533
Appropriate to statutory reserves (Note 4.11)	-	65,395,877	65,395,877	(130,791,753)	-
As at 30 June 2017	26,000,000,000	154,968,932	154,968,932	2,789,440,779	29,099,378,642



Do Thi Thu Nguyet
Preparer/Chief Accountant



Le Thi Hong Thai
Director



Lam Hai Tuan
Chairman of the Company
11 August 2017

The notes on pages 10 to 25 are an integral part of these interim financial statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 Establishment 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 Establishment and Operating License.

On 17 June 2014, the amendment of the Establishment 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 Establishment 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 Establishment 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, 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 30 June 2017, the Company had 10 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

2 FISCAL YEAR AND REPORTING CURRENCY (continued)

2.2 Reporting currency

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

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.

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 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 interim 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.

3.2 Form of records applied

The Company uses general journal to record its transactions.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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.

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.

4.3 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 period 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 or over the term the Establishment and Operating Licence if shorter. The estimated useful lives used are:

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****4.5 Fixed assets (continued)***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 Operating leases

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.

4.7 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****4.10 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 currently 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.

4.11 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.

4.12 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 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.

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.

4.14 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 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.

4.16 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 interim financial statements indicate nil balances.

5 ADDITIONAL INFORMATION TO THE INTERIM FINANCIAL STATEMENTS

5.1 CASH AND CASH EQUIVALENTS

	As at	
	30.6.2017	31.12.2016
	VND	VND
Cash on hand	3,000,000	3,000,000
Cash at bank	1,365,653,027	2,403,674,802
	<u>1,368,653,027</u>	<u>2,406,674,802</u>

(*) Cash equivalents are termed deposits at commercial banks with an original maturity of no more than three (3) months.

5.2 OTHER SHORT-TERM INVESTMENTS

Short-term investments are term deposits at commercial banks with an original maturity of no more than twelve (12) months.

5.3 RECEIVABLES FROM OPERATIONAL ACTIVITIES

	As at	
	30.6.2017	31.12.2016
	VND	VND
Receivables from related parties (Note 7(b))	658,037,103	-
	<u>658,037,103</u>	<u>-</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

**5 ADDITIONAL INFORMATION TO THE INTERIM FINANCIAL STATEMENTS
(continued)**

5.4 OTHER SHORT-TERM RECEIVABLES

(a) Other short-term receivables

	As at	
	30.6.2017	31.12.2016
	VND	VND
Accrued interest income	962,481,944	806,938,888
Other receivables	8,816,372	4,632,230
	<u>971,298,316</u>	<u>811,571,118</u>

(b) Other long-term receivables

Other long-term receivable is a deposit for office rental.

5.5 FIXED ASSETS

(a) Tangible fixed assets

	Office equipment VND	Leasehold improvements VND	Total VND
Historical cost			
As at 1 January 2017 and 30 June 2017	<u>467,902,325</u>	<u>568,252,024</u>	<u>1,036,154,349</u>
Accumulated depreciation			
As at 1 January 2017	(361,015,524)	(470,737,483)	(831,753,007)
Charge for the period	<u>(77,983,722)</u>	<u>(46,967,141)</u>	<u>(124,950,863)</u>
As at 30 June 2017	<u>(438,999,246)</u>	<u>(517,704,624)</u>	<u>(956,703,870)</u>
Net book value			
As at 1 January 2017	<u>106,886,801</u>	<u>97,514,541</u>	<u>204,401,342</u>
As at 30 June 2017	<u>28,903,079</u>	<u>50,547,400</u>	<u>79,450,479</u>

Cost of fully depreciated fixed assets but still in use as at 30 June 2017 was VND397,549,292 (as at 31 December 2016: nil).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

**5 ADDITIONAL INFORMATION TO THE INTERIM FINANCIAL STATEMENTS
(continued)**

5.5 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 1 January 2017 and as at 30 June 2017	345,384,000
	<hr/>
Accumulated amortisation	
As at 1 January 2017	(172,692,000)
Charge for the period	(34,538,400)
	<hr/>
As at 30 June 2017	(207,230,400)
	<hr/>
Net book value	
As at 1 January 2017	172,692,000
	<hr/>
As at 30 June 2017	138,153,600
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As at 30 June 2017 and as at 31 December 2016, there is no fully depreciated tangible asset which is still in use.

5.6 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	As at	
	30.6.2017 VND	31.12.2016 VND
Business income tax-current	195,441,043	215,636,109
Personal income tax	23,722,803	25,337,474
	<hr/>	<hr/>
	219,163,846	240,973,583
	<hr/>	<hr/>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

**5 ADDITIONAL INFORMATION TO THE INTERIM FINANCIAL STATEMENTS
(continued)**

5.6 TAX AND OTHER PAYABLES TO THE STATE BUDGET (continued)

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

	As at 1.1. 2017 VND	Payable during the period VND	Settled during the period VND	As at 30.06. 2017 VND
Business income tax- current	215,636,109	282,113,464	(302,308,530)	195,441,043
Personal income tax	25,337,474	295,034,629	(296,649,300)	23,722,803
	<u>240,973,583</u>	<u>571,148,093</u>	<u>(592,957,830)</u>	<u>219,163,846</u>

5.7 ACCRUED EXPENSES

	As at	
	30.6.2017 VND	31.12.2016 VND
Staff costs	334,666,477	557,162,954
Other accrued expenses	153,616,874	155,450,000
	<u>488,283,351</u>	<u>712,612,954</u>

5.8 REVENUE

	Six-month period ended	
	30.6.2017 VND	30.6.2016 VND
Fund management services (Note 7(a))	<u>3,737,108,083</u>	<u>2,873,542,327</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

**5 ADDITIONAL INFORMATION TO THE INTERIM FINANCIAL STATEMENTS
(continued)**

5.9 OPERATING EXPENSES

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

	Six-month period ended	
	30.6.2017	30.6.2016
	VND	VND
Staff costs	795,592,569	636,408,920
Rental expenses	283,741,700	222,604,800
Depreciation expenses	47,200,869	48,426,193
Software maintenance expenses	-	25,500,000
Other expenses	46,280,080	41,970,280
	<u>1,172,815,218</u>	<u>974,910,193</u>

5.10 FINANCIAL INCOME

Financial income earned during the year includes interest income.

5.11 GENERAL AND ADMINISTRATIVE EXPENSES

	Six-month period ended	
	30.6.2017	30.6.2016
	VND	VND
Staff costs	1,074,891,514	1,168,923,879
Office rental and utilities expenses	329,540,530	271,065,780
Depreciation and amortisation expenses	124,950,863	175,764,785
Tools and equipment expenses	27,995,994	55,083,637
Other expenses	260,805,094	159,248,824
	<u>1,818,183,995</u>	<u>1,830,086,905</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

**5 ADDITIONAL INFORMATION TO THE INTERIM FINANCIAL STATEMENTS
(continued)**

5.12 CURRENT AND DEFERRED BUSINESS INCOME TAX

(a) Business income tax-current

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

	Six-month period ended	
	30.6.2017	30.6.2016
	VND	VND
Net accounting profit before tax	1,634,896,918	829,815,793
Tax calculated at tax rate of 20%	326,979,385	165,963,158
Business income tax charge	<u>326,979,385</u>	<u>165,963,158</u>
Charged to income statement:		
Business income tax – current	282,113,464	158,724,537
Business income tax – deferred	44,865,921	7,238,621
	<u>326,979,385</u>	<u>165,963,158</u>

The business income tax charge for the 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	
	30.6.2017	31.12.2016
	VND	VND
Deferred tax assets to be recovered within 12 months	<u>97,656,669</u>	<u>142,522,590</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

**5 ADDITIONAL INFORMATION TO THE INTERIM FINANCIAL STATEMENTS
(continued)**

(b) Deferred income tax assets (continued)

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

	Six-month period ended 30.06.2017 VND	Financial year ended 31.12.2016 VND
Opening balance	142,522,590	92,358,000
Charged to income statement in the period/year	(44,865,921)	50,164,590
Closing balance	<u>97,656,669</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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****6 FINANCIAL RISK MANAGEMENT (continued)****(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.

(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 30 June 2017.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

6 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. As at 30 June 2017, the Company had financial liabilities comprising current trade payables amounting to VND961,300,252 (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 period, the following transactions were carried out with related parties:

	Six-month period ended	
	30.6.2017	30.6.2016
	VND	VND
i) Sales of services (Note 5.8)		
Parent company - Chubb Life Insurance Vietnam Company Limited	3,737,108,083	2,873,542,327
ii) Other transactions		
Receivable on behalf of parent company - Chubb Life Insurance Vietnam Company Limited	5,223,714	11,442,695
iv) Compensation for the Executive Board		
Gross salaries and other benefits	1,019,487,697	885,507,526

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

7 RELATED PARTY DISCLOSURE (continued)

(b) Period-end/year-end balances with related parties

	As at	
	30.6.2017	31.12.2016
	VND	VND
Short-term receivable from operational activities (Note 5.3)		
Parent company - Chubb Life Insurance Vietnam Company Limited	658,037,103	-
Other payables		
Parent company - Chubb Life Insurance Vietnam Company Limited	444,412	1,249,000

8 COMMITMENTS UNDER OPERATING LEASES

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

	As at	
	30.6.2017	31.12.2016
	VND	VND
Within 1 year	572,040,000	445,209,600
Between 1 and 5 years	4,767,000,000	148,403,200
Total minimum payments	5,339,040,000	593,612,800

9 SEASONALITY

None of the Company's activities have any element of seasonality.

The interim financial statements were approved by the Executive Board on 11 August 2017.


Do Thi Thu Nguyet
Preparer/Chief Accountant


Le Thi Hong Thai
Director


Lam Hai Tuan
Chairman of the Company



