

JARDINE LLOYD THOMPSON LIMITED

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

JARDINE LLOYD THOMPSON LIMITED

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JARDINE LLOYD THOMPSON LIMITED

CORPORATE INFORMATION

Licence for Establishment and Operation No. 48/GP/KDBH dated 14 February 2008

The Licence and its subsequent amendments were issued by the Ministry of Finance for a period of 50 years from the date of the initial Licence for Establishment and Operation

Board of Members Mr Thomas Michael O'dore Chairman
Ms Le Thi Ngoc Huong Member

Legal representative Ms Le Thi Ngoc Huong General Director

Registered office 5th Floor, CJ Tower
6 Le Thanh Ton Street, District 1
Ho Chi Minh City, Vietnam

Auditor PwC (Vietnam) Limited

JARDINE LLOYD THOMPSON LIMITED

STATEMENT OF THE RESPONSIBILITY OF THE GENERAL DIRECTOR OF THE COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

The General Director of Jardine Lloyd Thompson Limited ("the Company") is responsible for preparing 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 and cash flows for the year then ended. In preparing these financial statements, the General Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 General Director 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 financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The General Director 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 irregularities.

APPROVAL OF THE FINANCIAL STATEMENTS

I hereby approve the accompanying financial statements as set out on pages 5 to 21 which give a true and fair view of the financial position of the Company as at 31 December 2017 and of the results of its operations and cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of financial statements applicable to insurance brokerage companies operating in Vietnam.



Le Thi Ngoc Huong
General Director

Ho Chi Minh City, SR Vietnam
28 March 2018



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JARDINE LLOYD THOMPSON LIMITED

We have audited the accompanying financial statements of Jardine Lloyd Thompson Limited ("the Company") which were prepared on 31 December 2017 and approved by the General Director on 28 March 2018. The financial statements comprise the balance sheet as at 31 December 2017, the income statement and 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 21.

The General Director's Responsibility to the Financial Statements

The General Director of the Company 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 insurance brokerage companies operating in Vietnam, and for such internal control which the General Director 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 these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical 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 General Director, 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, its financial performance and cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of financial statements applicable to insurance brokerage companies operating in Vietnam.

Other matter

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



Dao Quang Huy
Audit Practising Licence No.
1895-2018-006-1

Report reference number: HCM6935
Ho Chi Minh City, 28 March 2018

As indicated in Note 2.1 to the financial statements, the accompanying financial statements are not intended to present the financial position and 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 utilization 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 31 December	
			2017 VND	2016 VND
100	CURRENT ASSETS		46,993,469,022	43,719,484,133
110	Cash	3	22,307,542,955	12,468,804,554
111	Cash		22,307,542,955	12,468,804,554
130	Short-term receivables		24,151,626,857	30,868,279,652
131	Short-term trade accounts receivable	4	24,466,186,057	26,991,382,299
135	Other short-term receivables	6(a)	188,506,149	4,241,866,826
139	Provision for doubtful debts - short term	5	(503,065,349)	(364,969,473)
150	Other current assets		534,299,210	382,399,927
151	Short-term prepaid expenses		534,299,210	343,266,327
152	Value Added Tax to be reclaimed		-	39,133,600
200	LONG-TERM ASSETS		2,044,118,291	2,376,005,477
210	Long-term receivables		845,054,589	758,288,217
218	Other long-term receivables	6(b)	845,054,589	758,288,217
220	Fixed assets		864,388,227	1,317,257,167
221	Tangible fixed assets	7(a)	864,388,227	1,317,257,167
222	Historical cost		3,537,339,009	3,537,339,009
223	Accumulated depreciation		(2,672,950,782)	(2,220,081,842)
227	Intangible fixed assets	7(b)	-	-
228	Historical cost		74,009,334	74,009,334
229	Accumulated amortisation		(74,009,334)	(74,009,334)
260	Other long-term assets		334,675,475	300,460,093
261	Long-term prepaid expenses		334,675,475	300,460,093
270	TOTAL ASSETS		49,037,587,313	46,095,489,610

The notes on pages 9 to 21 are an integral part of these financial statements.

BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2017 VND	2016 VND
300	LIABILITIES		27,393,999,546	30,443,923,817
310	Short-term liabilities		27,393,999,546	30,443,923,817
312	Short-term trade accounts payable		-	170,799,769
313	Short-term advances from customers		-	216,714,229
314	Tax and other payables to the State Budget	9	1,741,518,411	689,425,603
315	Payable to employee		25,512,509	-
316	Short-term accrued expenses	10	4,377,222,650	4,579,522,000
319	Other short-term payables	11	14,418,745,976	17,944,462,216
320	Short-term borrowings	8	6,831,000,000	6,843,000,000
400	OWNER'S EQUITY		21,643,587,767	15,651,565,793
410	Capital and reserves		21,643,587,767	15,651,565,793
411	Owner's capital	13,14	45,324,140,730	45,324,140,730
420	Accumulated losses	14	(24,183,559,228)	(29,875,980,103)
423	Compulsory reserve fund		503,006,265	203,405,166
440	TOTAL RESOURCES		49,037,587,313	46,095,489,610



Trinh Bao Tho
Preparer/Chief Accountant



Le Thi Ngoc Huong
General Director
28 March 2018

The notes on pages 9 to 21 are an integral part of these financial statements.

INCOME STATEMENT

Code	Note	Year ended 31 December	
		2017 VND	2016 VND
01 Sales		56,444,500,067	47,671,360,897
02 Less deductions		-	-
10 Net sales	16	56,444,500,067	47,671,360,897
11 Cost of sales		(439,833,104)	(367,101,909)
20 Gross profit		56,004,666,963	47,304,258,988
21 Financial income		-	850,553,770
22 Financial expenses	17	(1,466,836,251)	(296,514,178)
23 - Including: Interest expense		(104,289,287)	(100,203,753)
26 General and administrative expenses	18	(47,832,983,494)	(49,475,950,895)
50 Net accounting profit/(loss) before tax		6,704,847,218	(1,617,652,315)
51 Business income tax - current	19	(712,825,244)	-
52 Business income tax - deferred	12,19	-	-
60 Net profit/(loss) after tax		5,992,021,974	(1,617,652,315)



Trinh Bao Tho
Preparer/Chief Accountant



Le Thi Ngoc Huong
General Director
28 March 2018

The notes on pages 9 to 21 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 accounting profit/(loss) before tax	6,704,847,218	(1,617,652,315)
	Adjustments for:		
02	Depreciation	452,868,940	551,536,544
03	Provisions	138,095,876	193,912,529
04	Net unrealised foreign exchange losses/(gains)	630,493,223	(742,402,685)
06	Interest expenses	104,289,287	100,203,753
08	Operating profit/(loss) before changes in working capital	8,030,594,544	(1,514,402,174)
09	Decrease in receivables	6,528,965,287	2,444,108,924
11	(Decrease)/increase in payables	(4,353,395,034)	1,207,776,690
12	(Increase)/decrease in prepaid expenses	(225,248,265)	35,530,036
13	Interest paid	(104,289,287)	(100,203,753)
20	Net cash inflows from operating activities	9,876,627,245	2,072,809,723
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	-	(20,985,196)
30	Net cash outflows from investing activities	-	(20,985,196)
CASH FLOW FROM FINANCING ACTIVITIES			
40	Net cash inflows from financing activities	-	-
50	Net increase in cash	9,876,627,245	2,051,824,527
60	Cash at beginning of year	12,468,804,554	10,416,866,961
61	Effect of foreign exchange difference on cash	(37,888,844)	113,066
70	Cash at end of year	22,307,542,955	12,468,804,554



Trinh Bao Tho
Preparer/Chief Accountant



Le Thi Ngoc Huong
General Director
28 March 2018

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

1 GENERAL INFORMATION

Jardine Lloyd Thompson Limited ("the Company") was established in SR Vietnam pursuant to Licence for Establishment and Operation No. 48/GP/KDBH dated 14 February 2008 which was issued by the Ministry of Finance for a period of 50 years from 14 February 2008.

The Company is a one-member-limited liability company which is 100% owned by Jardine Lloyd Thompson Group Plc Ltd., a company incorporated in the United States.

On 11 May 2015, the company received the eighth amended Licence No. 48/GPDC8/KDBH issued by the Ministry of Finance which approved the Company's insurance and reinsurance brokerage services in Vietnam and overseas.

The principal activity of the Company is to provide insurance brokerage services.

The normal business cycle of the Company is 12 months.

As at 31 December 2017, the Company had 45 employees (2016: 44 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 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 preparation and presentation of financial statements applicable to insurance brokerage 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 and results of operations 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.

2.2 Fiscal year

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.3 Currency**

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

Transactions arising in foreign currencies are translated at an exchange rate which 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 Company ensures that the disparity of the approximate exchange rate does 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 translations are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the transfer rate at the balance sheet date of the commercial bank where the Company regularly trades. The transfer rate is the selling rate of the commercial bank. Foreign exchange differences arising from these translations are recognised in the income statement.

2.4 Cash

Cash comprises cash on hand and cash at bank.

2.5 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the General Director of all outstanding amounts at the year end. Bad debts are written off when identified.

2.6 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. 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 over their estimated useful lives. The estimated useful lives are as follows:

Office equipment	3 years
Accounting 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 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.

2.8 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives.

2.9 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 include non-trade payables, and those not relating to purchases of goods and services.

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

2.10 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

2.11 Accrued expenses

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

2.12 Provisions

Provisions are 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 are 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 an interest expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Capital**

Contributed capital of the owner is recorded according to actual amount contributed.

Undistributed earnings record the Company's results after business income tax at the reporting date.

2.14 Compulsory reserve fund

The Company is annually required to make an appropriation at 5% of the net profit after business income tax in order to establish the compulsory reserve fund until this fund balance reaches 10% of the Company's charter capital.

2.15 Revenue recognition**(a) Insurance brokerage commission**

Insurance brokerage commission income is recognised in the income statement when insurer incurs insurance obligations to the insured, regardless of whether the commission income has been collected or not.

If a method of insurance brokerage commission payment is on an instalment basis according to the insurance policies, only the insurance brokerage commission that is due in the year is recognised as income in the income statement.

(b) Revenue from consultancy services

Revenue from consultancy services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. 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.

2.16 Cost of sales

Cost of sales is expenditure for professional indemnity insurance incurred in the period.

2.17 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses of borrowing and losses from foreign exchange differences.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses (salaries, wages, allowances, etc); expenses of office materials, depreciation of fixed assets used for administration, office rental, provision for bad debts, outside services (electricity, water, telephone, fax, assets insurance, etc) and other cash expenses.

2.19 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from insurance brokerage activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation 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 profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, 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.

2.20 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 the related party relationship, the Company considers the substance of the relationship not merely the legal form.

3 CASH

	2017 VND	2016 VND
Cash on hand	100,769,882	101,540,501
Cash at bank	22,206,773,073	12,367,264,053
	<u>22,307,542,955</u>	<u>12,468,804,554</u>

4 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2017 VND	2016 VND
Third parties		
Hung Vuong Insurance Joint Stock Company	3,948,700,024	-
Bao Viet Insurance Corporation	1,329,568,150	1,182,712,029
Others	8,341,614,769	10,909,773,361
Related parties (Note 20(b))	10,846,303,114	14,898,896,909
	<u>24,466,186,057</u>	<u>26,991,382,299</u>

As at 31 December 2017 and 31 December 2016, the balances of short-term trade accounts receivable which were past due, amounting to VND 1,403,614,285 and VND7,742,759,361, respectively, and presented in Note 5.

5 DOUBTFUL DEBTS

2017				
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days
Receivables that were past due:				
Vien Dong Assurance Corporation	500,000,000	350,000,000	150,000,000	226
Bao Viet Insurance Corporation	411,042,570	225,089,926	185,952,644	From 240 to 799
Others	492,571,715	325,459,010	167,112,705	From 193 to 799
	<u>1,403,614,285</u>	<u>900,548,936</u>	<u>503,065,349</u>	
2016				
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days
Receivables that were past due:				
JLT Specialty Pte .Ltd Singapore	2,151,230,044	2,151,230,044	-	From 2 to 1,285
Jardine Lloyd Thompson Ltd				
- Global Risk Solutions	820,508,587	820,508,587	-	From 2 to 367
Others	4,771,020,730	4,406,051,257	364,969,473	From 2 to 1,285
	<u>7,742,759,361</u>	<u>7,377,789,888</u>	<u>364,969,473</u>	

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

	2017		2016	
	Book value VND	Provision VND	Book value VND	Provision VND
Premiums receivable (*)	-	-	4,006,344,286	-
Receivables from related parties (Note 20(b))	-	-	87,572,008	-
Others	188,506,149	-	147,950,532	-
	<u>188,506,149</u>	<u>-</u>	<u>4,241,866,826</u>	<u>-</u>

(*) Premiums receivable present the premiums which will be collected from the insured on behalf of the insurer.

(b) Other long-term receivables

	2017		2016	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposits for rental	<u>845,054,589</u>	<u>-</u>	<u>758,288,217</u>	<u>-</u>

As at 31 December 2017 and 31 December 2016, there was no balance of other short-term or long-term receivables that was past due or not past due but doubtful.

7 FIXED ASSETS**(a) Tangible fixed assets**

	Office equipment VND
Historical cost	
As at 1 January 2017 and as at 31 December 2017	<u>3,537,339,009</u>
Accumulated depreciation	
As at 1 January 2017	2,220,081,842
Charge for the year	452,868,940
As at 31 December 2017	<u>2,672,950,782</u>
Net book value	
As at 1 January 2017	<u>1,317,257,167</u>
As at 31 December 2017	<u>864,388,227</u>

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2017 was VND 1,461,870,540 (as at 31 December 2016: VND 426,100,032).

7 FIXED ASSETS (continued)**(b) Intangible fixed asset**

The intangible fixed asset represents an accounting software which was fully depreciated but still in use.

8 SHORT-TERM BORROWINGS

	At as 1.1.2017 VND	Increase VND	Revaluation VND	At as 31.12.2017 VND
Borrowings from a related party (Note 20(b))	6,843,000,000	-	(12,000,000)	6,831,000,000

The outstanding balance represents a short-term loan from the Company's parent company amounting to US\$300,000, equivalent to VND 6,831,000,000. The loans are unsecured and bear an interest rate equal to LIBOR plus a margin from 0.5% to 2.5% per annum.

As at 31 December 2017 and 31 December 2016, there was no balance of short-term borrowings that was past due.

9 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	2017 VND	2016 VND
Personal income tax	329,815,993	237,193,265
Value added tax	698,877,174	452,232,338
Business income tax	712,825,244	-
	<u>1,741,518,411</u>	<u>689,425,603</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	Paid/Net-off during the year VND	As at 31.12.2017 VND
VAT on domestic sales	452,232,338	2,072,658,207	(1,826,013,371)	698,877,174
Business income tax – current	-	712,825,244	-	712,825,244
Personal income tax	237,193,265	5,143,683,919	(5,051,061,191)	329,815,993
	<u>689,425,603</u>	<u>7,929,167,370</u>	<u>(6,877,074,562)</u>	<u>1,741,518,411</u>

10 SHORT-TERM ACCRUED EXPENSES

	2017 VND	2016 VND
Bonuses to employees	3,653,673,126	4,085,522,000
Others	723,549,524	494,000,000
	<u>4,377,222,650</u>	<u>4,579,522,000</u>

11 OTHER SHORT-TERM PAYABLES

	2017 VND	2016 VND
Payable to related parties (Note 20(b))	13,202,696,255	11,024,035,610
Premiums payable (*)	1,179,289,359	6,743,932,844
Others	36,760,362	176,493,762
	<u>14,418,745,976</u>	<u>17,944,462,216</u>

(*) This presents the premiums payable to the insurers which were collected on their behalf by the Company.

12 DEFERRED INCOME TAX

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.

The Company's tax losses can be carried forward to offset against future taxable income for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the Company's future taxable income is:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2012	Outstanding	2,052,331,023	2,052,331,023	-
2013	Outstanding	5,450,574,993	5,450,574,993	-
		<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017, the Company's tax losses were fully utilised.

13 OWNER'S CAPITAL

	Charter capital US\$	%	Amount contributed US\$
Jardine Lloyd Thompson Pte. Ltd.	2,397,838	100	2,397,838

Pursuant to the fourth amended Licence No. 48/GPDC4/KDBH dated 11 May 2015 issued by the Ministry of Finance, the charter capital of the Company is US\$2,397,838, equivalent to VND45,324,140,730 as translated using the exchange rate at the time of contribution. As at 31 December 2017, the Company's charter capital has been fully contributed.

14 MOVEMENTS IN OWNER'S EQUITY

	Owner's capital VND	Accumulated losses VND	Compulsory reserve fund VND	Total VND
As at 1 January 2016	45,324,140,730	(28,258,327,788)	203,405,166	17,269,218,108
Loss for the year	-	(1,617,652,315)	-	(1,617,652,315)
As at 31 December 2016	45,324,140,730	(29,875,980,103)	203,405,166	15,651,565,793
Profit for the year	-	5,992,021,974	-	5,992,021,974
Appropriation to reserve	-	(299,601,099)	299,601,099	-
As at 31 December 2017	45,324,140,730	(24,183,559,228)	503,006,265	21,643,587,767

15 OFF BALANCE SHEET ITEMS**a) Foreign currencies**

Included in cash and cash equivalents are balances held in foreign currencies of US\$ 723,755 (as at 31 December 2016: US\$391,258).

b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were VND 9,603,853,770 and VND 1,596,736,647 for the year ended 31 December 2017 and 31 December 2016, respectively (Note 21).

16 NET REVENUE

	2017 VND	2016 VND
Insurance brokerage commission	50,732,187,748	41,495,673,044
Rendering of consultancy services	5,712,312,319	6,175,687,853
	56,444,500,067	47,671,360,897

17 FINANCIAL EXPENSES

	2017 VND	2016 VND
Realised foreign exchange losses	732,053,741	53,692,139
Interest expenses	104,289,287	100,203,753
Net loss from foreign currency translation at year-end	630,493,223	142,618,286
	<u>1,466,836,251</u>	<u>296,514,178</u>

18 GENERAL AND ADMINISTRATIVE EXPENSES

	2017 VND	2016 VND
Staff costs	32,557,646,908	31,566,114,779
Office rental	3,655,002,228	3,523,643,464
Management fees (Note 20(a))	2,699,204,772	6,075,405,383
Stationary and utilities expenses	1,885,271,670	1,739,713,865
Travelling expenses	883,013,812	1,141,870,801
Depreciation	452,868,940	551,536,544
Provision for doubtful debts	138,095,876	193,912,529
Others	5,561,879,288	4,683,753,530
	<u>47,832,983,494</u>	<u>49,475,950,895</u>

19 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:

	2017 VND	2016 VND
Net accounting profit/(loss) before tax	6,704,847,218	(1,617,652,315)
Tax calculated at a rate of 20%	1,340,969,444	(323,530,463)
Effect of:		
Expenses not deductible for tax purposes	570,809,056	1,268,122,151
Temporary tax differences for which a deferred income tax asset was not recognised	105,980,649	(58,960,727)
Utilisation of previously unrecognised tax losses	(1,304,933,905)	(885,630,961)
Business income tax charge (*)	<u>712,825,244</u>	<u>-</u>
Charged to income statement:		
Business income tax – current	712,825,244	-
Business income tax – deferred (Note 12)	-	-
	<u>712,825,244</u>	<u>-</u>

(*) The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

20 RELATED PARTY DISCLOSURES

The Company is controlled by Jardine Lloyd Thompson Pte. Ltd. ("the parent company"), a company incorporated in Singapore, which owns 100% of the Company's charter capital. The ultimate parent company is Jardine Lloyd Thompson Group Plc Ltd., a company incorporated in the United Kingdom.

(a) Related party transactions

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

	2017 VND	2016 VND
i) Sales of services		
Brokerage and consulting of services provided to fellow subsidiaries	8,989,905,237	14,958,692,150
ii) Compensation of key management		
Gross salaries and other benefits	4,894,993,965	4,361,531,728
iii) Management fees (Note 17)		
Parent company	2,699,204,772	6,075,405,383

(b) Year end balances with related parties

	2017 VND	2016 VND
Short-term trade accounts receivables (Note 4)		
Fellow subsidiaries	10,846,303,114	14,898,896,909
Other short-term receivables (Note 6(a))		
Other receivables from fellow subsidiaries	-	87,572,008
Short-term borrowings (Note 8)		
Borrowings from the parent company	6,831,000,000	6,843,000,000
Other short-term payables (Note 11)		
Other payables to fellow subsidiaries	13,202,696,255	11,024,035,610

21 COMMITMENTS UNDER OPERATING LEASES

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

	Office rental	
	2017	2016
	VND	VND
Within one year	3,820,210,330	1,596,736,647
Between one and five years	5,783,643,440	-
Total minimum payments	9,603,853,770	1,596,736,647

The financial statements were approved by the General Director on 28 March 2018.



Trinh Bao Tho
Preparer/Chief Accountant



Le Thi Ngoc Huong
General Director