

PRUDENTIAL CORPORATION HOLDINGS LIMITED

Annual Report and Accounts

For the year ended 31 December 2018

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PRUDENTIAL CORPORATION HOLDINGS LIMITED

Incorporated and registered in England and Wales. Registered no. 1404713.

Registered office: 1 Angel Court, London EC2R 7AG.

Report and Accounts for the year ended 31 December 2018

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PRUDENTIAL CORPORATION HOLDINGS LIMITED

Directors

K J Devlin
K L Jones
D C Martin

Secretary

Prudential Group Secretarial Services Limited

Auditor

KPMG LLP

PRUDENTIAL CORPORATION HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Principal activity

The principal activity of the Company is to act as the holding company of the Prudential Group's insurance and asset management operations in Asia. This activity is expected to continue in 2019.

Strategic objective

The strategic objective of the Company is to support the Prudential Group's business operations in Asia.

Company performance and measurement

Key performance indicators	2018 £000	2017 £000
Profit on ordinary activities before tax	878,454	767,209
Net assets	2,706,829	- 2,578,727

The profit for 2018 primarily reflected income from shares in Group undertakings and participating interests.

The intended UK exit from the EU may adversely impact economic conditions, increase market volatility, increase political and regulatory uncertainty, and cause operational disruption. The majority of the company's operating subsidiaries are located outside of the UK and European Union. The Company has not incurred any costs in preparation for the United Kingdom's proposed exit from the European Union.

Principal risks and uncertainties

Apart from the financial risk management objectives, policies and exposure set out below, the Company has no risks or uncertainties because it is an intermediate holding company within the Prudential Group.

Financial risk management objectives, policies and exposure

The Company's financial risks primarily relate to the future performance of its subsidiary undertakings in Asia. These risks are managed and monitored at a Group level, and the Group's risk management and internal frameworks are described in the consolidated financial statements of Prudential plc. Due to the current financial strength of the Prudential Group, the directors consider that there is a minimal level of risk associated with the Company.

Signed on behalf of the Board of directors.



D C Martin
Director

21 May 2019

PRUDENTIAL CORPORATION HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Incorporated and registered in England and Wales. Registered no. 1404713.

Accounts and dividend

The state of affairs of the Company at 31 December 2018 is shown in the statement of financial position on page 8. The statement of comprehensive income appears on page 7. In 2018, the Company paid dividends totalling £702,297,000 (2017: £685,000,000).

Post balance sheet events

On 1 March 2019 the company paid an interim dividend of £36 million to Prudential Holdings Limited.

On 5 April 2019 the Company sold a 3.71% shareholding in ICICI Prudential Life Insurance Company Limited for a consideration of US\$249.2 million, realising a gain of £167.5 million.

On 11 April 2019 the Company entered into a new loan agreement with Prudential plc for US\$249.2 million.

Directors

The present directors of the Company are shown on page 1. S J Turner resigned as a director of the Company on 6 March 2018, A Parkes was appointed a Director of the Company on 6 March 2018 and resigned on 26 March 2018, and K L Jones was appointed a Director of the Company on 26 March 2018.

Directors' and officers' protection

Prudential plc has arranged appropriate insurance cover in respect of legal action against directors and senior managers of companies within the Prudential Group. In addition, the Articles of Association of the Company provide for the directors, officers and employees of the Company to be indemnified in respect of liabilities incurred as a result of their office.

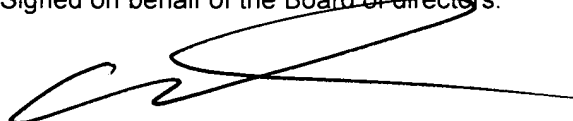
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

In accordance with Section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to be re-appointed auditor of the Company for the current financial year.

Signed on behalf of the Board of directors.



Christopher F Smith
On behalf of
Prudential Group Secretarial Services Limited
Secretary

21 May 2019

PRUDENTIAL CORPORATION HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUDENTIAL CORPORATION HOLDINGS LIMITED

Opinion

We have audited the financial statements of Prudential Corporation Holdings Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kushan Tikkoo (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

21 May 2019

PRUDENTIAL CORPORATION HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £000	2017 £000
Income from shares in Group undertakings	3	786,498	665,012
Income from participating interests	4	64,652	85,072
Income from other investments	5	161	274
Interest receivable		8,807	7,365
Gain on sale of Group undertaking	3	-	4,361
Interest payable and similar charges	7	(9,970)	(9,890)
Exchange gains		24,667	6,631
Unrealised investment gains	5	4,193	8,844
Amounts written off investments	3	-	(209)
Expenses		(555)	(253)
Other operating income		1	2
Profit on ordinary activities before tax		878,454	767,209
Tax charge on profit on ordinary activities	2	(48,055)	(56,184)
Profit and comprehensive income for the financial year		<u>830,399</u>	<u>711,025</u>

All of the above items relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018


	Share capital £000	Profit and loss account £000	Total £000
Balance at 1 January 2017	2,290,000	262,702	2,552,702
Profit and comprehensive income for the financial year as above	-	711,025	711,025
Dividends	-	(685,000)	(685,000)
Balance at 31 December 2017	<u>2,290,000</u>	<u>288,727</u>	<u>2,578,727</u>
Balance at 1 January 2018	2,290,000	288,727	2,578,727
Profit and comprehensive income for the financial year as above	-	830,399	830,399
Dividends	-	(702,297)	(702,297)
Balance at 31 December 2018	<u>2,290,000</u>	<u>416,829</u>	<u>2,706,829</u>

The notes on pages 9 to 19 form part of these financial statements.

PRUDENTIAL CORPORATION HOLDINGS LIMITED**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018**

	Notes	2018 £000	2017 £000
FIXED ASSETS			
Investments			
Shares in Group undertakings	3	2,657,755	2,770,081
Participating interests	4	282,397	375,620
Other investments	5	41,196	37,003
Office equipment		5	5
		<u>2,981,353</u>	<u>3,182,709</u>
CURRENT ASSETS			
Debtors			
Amounts owed by Group undertakings		798,589	608,584
Other debtors		13,849	13,412
Cash at bank and in hand	6	<u>17,324</u>	<u>17,288</u>
		829,762	639,284
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(1,100,500)	(1,239,900)
NET CURRENT LIABILITIES		<u>(270,738)</u>	<u>(600,616)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,710,615	2,582,093
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	2	(3,786)	(3,366)
NET ASSETS		<u>2,706,829</u>	<u>2,578,727</u>
CAPITAL AND RESERVES			
Called up share capital	8	2,290,000	2,290,000
Profit and loss account		416,829	288,727
TOTAL SHAREHOLDERS' FUNDS		<u>2,706,829</u>	<u>2,578,727</u>

The financial statements on pages 7 to 19 were approved by the Board of directors on 21 May 2019 and signed on its behalf by:



D C Martin
Director

The notes on pages 9 to 19 form part of these financial statements.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS

1. Accounting policies

A. Basis of presentation

Prudential Corporation Holdings Limited (the "Company") is a company incorporated and domiciled in the United Kingdom ("UK").

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

These financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), Part 15 of the Companies Act 2006 and Schedule 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board and endorsed by the EU ('EU-endorsed IFRS'), but makes amendments where necessary in order to comply with Companies Act 2006.

The Company's ultimate parent undertaking, Prudential plc, includes the Company in its consolidated financial statements. Those consolidated financial statements are prepared in accordance with IFRS and are available to the public. Copies of the accounts can be obtained from the Company Secretary, 1 Angel Court, London EC2R 7AG.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes
- Disclosures in respect of transactions between wholly owned subsidiaries within the Prudential Group
- Disclosure in respect of capital management
- The effects of new but not yet effective IFRSs
- Disclosures in respect of the compensation of key management personnel
- Certain disclosures required by IFRS13 "Fair Value Measurement" and the disclosures required by IFRS7 "Financial Instruments: Disclosures"

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements. This conclusion has been based upon the fact that the Company's profit for the financial year ended 31 December 2018 was £878 million, its shareholders' funds at that date were £2,707 million and the Company's cash flow forecast for the next twelve months which shows that the Company will have sufficient cash to cover its net current liabilities.

B. Dividends

Dividends are recognised in the period in which they are received or paid.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

1. Accounting policies (continued)

C. Interest receivable and payable

Interest receivable and payable are recognised on an accruals basis.

D. Taxation

Current tax expense is charged or credited based upon amounts estimated to be payable or recoverable as a result of taxable amounts for the current year and adjustments made in relation to prior years. Current tax recoverable (payable) recognised in the balance sheet is measured at the amount expected to be either recovered from (paid to) relevant tax authorities or Group undertakings in relation to the surrender (claim) of tax losses.

Deferred taxes are provided under the liability method for all relevant temporary differences. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates (and laws) that have been enacted or are substantively enacted at the end of the reporting period.

E. Shares in Group undertakings and participating interests

Shares in Group undertakings and participating interests are shown at cost, less impairment. The impairment charge is measured as the difference between the cost and the fair value of the operations, which generally is considered to be embedded value for insurance entities and net asset value for non-insurance entities. Reversals of prior year impairment charges are made when the fair value of the operation has increased following changes in the economic conditions since the impairment charge was made.

F. Other investments

Other investments are shown at quoted market prices. Movements in market value are taken to the profit and loss account.

G. Foreign currency

Foreign currency revenue transactions are translated at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated at rates applicable at the balance sheet date. Exchange differences arising are taken to the profit and loss account.

H. Amounts owed by / to Group undertakings

Amounts owed by / to Group undertakings are initially stated at fair value and subsequently measured at amortised cost using the effective interest rate method. In 2018, the Company adopted IFRS 9, 'Financial Instruments' which replaced IAS 39, 'Financial Instruments – Recognition and Measurement' and the Company changed its approach to assessing impairment on its loans and receivables from the IAS 39 incurred loss approach to the IFRS 9 expected credit loss approach. This has not resulted in any expected credit losses in 2018. As permitted by IFRS 9, the Company has not restated its 2017 comparatives.

I. Depreciation and amortisation

Depreciation and amortisation are provided at a rate calculated to write off the cost of the assets in equal annual instalments over their expected useful lives as follows:

Office equipment	10 years
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PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

J. Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2. Tax

(a) Analysis of tax (charge) credit for the year

	2018 £000	2017 £000
Current tax		
UK corporation tax (charge) on profit for the year	(449)	(956)
Prior year adjustments	(418)	4
Foreign tax	(46,769)	(54,348)
Total current tax charge	(47,636)	(55,300)
Deferred tax		
Origination and reversal of timing differences	(419)	(884)
Total deferred tax charge	(419)	(884)
Tax charge on profit on ordinary activities	(48,055)	(56,184)

(b) Factors affecting tax charge for the year

The tax charge assessed in the year is calculated by applying the standard rate of corporation tax in the UK as shown below. The standard rate of tax has been determined by using the UK rate of corporation tax enacted for the period for which the profit of the Company will be taxed.

	2018 £000	2017 £000
Profit on ordinary activities before tax	878,454	767,209
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(166,906)	(147,687)
Effects of:		
Permanent differences	3,912	585
Non-taxable income	161,749	144,444
Adjustments in respect of previous years	(418)	4
Impact of difference in current and deferred tax rates	377	818
Foreign tax	(46,769)	(54,348)
Tax charge on profit on ordinary activities	(48,055)	(56,184)

PRUDENTIAL CORPORATION HOLDINGS LIMITED**NOTES ON THE ACCOUNTS (continued)****(c) Deferred taxation**

	2018 £000	2017 £000
Deferred tax provision at beginning of year	(3,366)	(2,482)
Deferred tax (charged) to the profit and loss account	(420)	(884)
Deferred tax provision at end of year	<u>(3,786)</u>	<u>(3,366)</u>

The deferred tax provision at the end of 2018 related to capital gains and revaluations.

(d) Factors that may affect future tax charges

The reduction in the UK corporation tax rate to 17 per cent from 1 April 2020 was substantively enacted on 6 September 2016 and does not have a material effect on the financial statements for the year ended 31 December 2018.

Aside from this, the only factors that are expected to affect the future tax charges of the Company are those detailed in (b) above.

3. Shares in Group undertakings

	2018 £000	2017 £000
Cost:		
At beginning of year	3,190,715	3,178,955
Additions	67,650	11,895
Return of capital	(179,976)	(135)
At end of year	<u>3,078,389</u>	<u>3,190,715</u>
Cumulative impairment charge:		
At beginning of year	(420,634)	(420,425)
Charge for the year	-	(209)
At end of year	<u>(420,634)</u>	<u>(420,634)</u>
Net book value:		
At end of the year	<u>2,657,755</u>	<u>2,770,081</u>
At beginning of the year	<u>2,770,081</u>	<u>2,758,530</u>

Additions related to further investment in Prudential (Cambodia) Life Assurance Plc, Prudential Life Assurance (Laos) Company Limited, Prudential Vietnam Assurance Private Limited Eastspring Investments (Hong Kong) Limited and a new share holding in TMB Asset Management Co. Ltd in Thailand.

Return of capital in the year relates to the redemption of preference shares in June 2018 of MYR1,058 million in Sri Han Suria Sdn. Bhd.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

3. Shares in Group undertakings (continued)

In 2017, the disposal of the Korea life business, that was classified as held for sale in the Company's 2016 financial statements, was completed, subject to warranties granted. The proceeds net of related expenses were £108 million and a gain on sale of £4,361,000 was recorded.

In accordance with Section 409 of the Companies Act 2006 a list of Company's subsidiaries, joint ventures, associates and significant holdings (being holdings more than 20 per cent) along with the country of incorporation, the classes of shares held and the effective percentage of equity owned at 31 December 2018 is disclosed below.

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Amended Registered office address
BOCI Prudential Asset Management Limited	Ordinary shares	36%	Hong Kong	27/F, Bank of China Tower, 1 Garden Road, Hong Kong
BOCI Prudential Trustee Limited	Ordinary shares	36%	Hong Kong	12th Floor and 25th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong
CITIC-Prudential Life Insurance Company Limited	Ownership interest	50%	China	0501,0502,0507-0510,0515,0516,1601-1616 East Tower, World Financial Centre, No.1 East Third Ring Middle Road, Chaoyang District, Beijing, China 100020
CITIC-CP Asset Management Co., Ltd.	Ownership interest	26.95%	China	Room 101-2, No.128 North Zhangjiabang Road, Pudong District, Shanghai 200120, China
CITIC-Prudential Fund Management Company Limited	Ownership interest	49%	China	Level 9, HSBC Building, Shanghai IFC, 8 Century Avenue, Pudong, Shanghai, China
Eastspring Al-Wara' Investments Berhad	Ordinary shares	100%	Malaysia	Level 25, Menara Hong Leong, No. 6 Jalan, Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Eastspring Asset Management Korea Co. Ltd.	Ordinary shares	100%	Korea	15th Floor, Shinhan Investment Tower, 70 Yoidae-ro, Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments (Hong Kong) Limited	Ordinary shares	100%	Hong Kong	13th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Eastspring Investments (Singapore) Limited	Ordinary shares	100%	Singapore	10 Marina Boulevard #32-01, Marina Bay Financial Centre, Tower 2 Singapore 018983
Eastspring Investments Berhad	Ordinary shares	100%	Malaysia	Level 25, Menara Hong Leong, No. 6 Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Eastspring Investments Fund Management Limited Liability Company	Ownership interest	100%	Vietnam	23/F, Saigon Trade Center, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
Eastspring Investments Services Pte. Ltd.	Ordinary shares	100%	Singapore	10 Marina Boulevard #32-01, Marina Bay Financial Centre, Tower 2 Singapore 018983
Eastspring Securities Investment Trust Co., Ltd.	Ordinary shares	99.54%	Taiwan	4F, No.1 Songzhi Road, Taipei 110, Taiwan
ICICI Prudential Asset Management Company Limited	Ordinary shares	49%	India	12th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi 110001, India
ICICI Prudential Life Insurance Company Limited	Ordinary shares	25.82%	India	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, India
ICICI Prudential Pension Funds Management Company Limited	Ordinary shares	25.82%	India	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, India
ICICI Prudential Trust Limited	Ordinary shares	49%	India	12th Floor, Narain Manzil, 23 Barakhamba Road, New Delhi 110001, India
North Sathorn Holdings Company Limited	Ordinary shares	100%	Thailand	3 Rajanakarn Building, 20th Floor, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok, Thailand
Nova Sepadu Sdn. Bhd. (in liquidation)	Ordinary shares	51%	Malaysia	Suite 1005, 10th Floor Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Amended Registered office address
PCA IP Services Limited	Ordinary shares	100%	Hong Kong	13/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
PCA Life Assurance Co. Ltd.	Ordinary shares	100%	Taiwan	8/F, No.1 Songzhi Road, Taipei 11047, Taiwan
Pru Life Insurance Corporation of U.K.	Ordinary shares	100%	Philippines	9/F, Uptown Place Tower 1, 1 East 11th Drive, Uptown Bonifacio, 1634 Taguig City, Metro Manila, Philippines
Prudence Foundation	Limited by guarantee	100%	Hong Kong	13/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Prudential (Cambodia) Life Assurance Plc	Ordinary shares	100%	Cambodia	Phnom Penh Tower, 20F, #445, Monivong Blvd, Boeung Prolit, 7 Makara, Phnom Penh, Cambodia
Prudential Assurance Company Singapore (Pte) Limited	Ordinary shares	100%	Singapore	30 Cecil Street, #30-01 Prudential Tower, Singapore 049712
Prudential Assurance Malaysia Berhad	Ordinary shares	51%	Malaysia	Level 3, Menara Prudential, No. 10 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Prudential BSN Takaful Berhad	Ordinary shares	49%	Malaysia	Level 8A, Menara Prudential, No. 10 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Prudential Life Assurance (Lao) Company Limited	Ordinary shares	100%	Laos	5th Floor, Lao international Business and Tourist Center Project (Vientiane Center), Khouveng Road, Nongchan Village, Sisattanak District, Vientiane Capital, Lao People's Democratic Republic
Prudential Life Assurance (Thailand) Public Company Limited	Ordinary shares	99.93%	Thailand	9/9a Sathorn Building, 20th- 27th Fl., South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120, Thailand
Prudential Services Asia Sdn. Bhd.	Ordinary shares Class D Preference shares	100.00% 100.00%	Malaysia	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
Prudential Services Singapore Pte. Ltd.	Ordinary shares	100%	Singapore	1 Wallich Street, #19-01 Guoco Tower, Singapore 078881, Singapore
Prudential Singapore Holdings Pte. Limited	Ordinary shares	100%	Singapore	30 Cecil Street, #30-01 Prudential Tower, Singapore 049712, Singapore
Prudential Vietnam Assurance Private Limited	Ownership interest	100%	Vietnam	25/F, Saigon Trade Centre, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
PT. Eastspring Investments Indonesia	Ordinary shares	99.95%	Indonesia	23rd Floor, Prudential Tower, Jl. Jend. Sudirman Kav.79, Jakarta 12910, Indonesia
PT. Prudential Life Assurance	Class A ordinary shares	94.62%	Indonesia	Prudential Tower, 16/F, Jl. Jend. Sudirman Kav 79, Jakarta 12910, Indonesia
Sri Han Suria Sdn. Bhd.	Ordinary shares	51.00%	Malaysia	Suite 1005, 10/F Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
Staple Limited	Ordinary shares	100%	Thailand	3 Rajanakarn Building, 20th Floor, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok, Thailand
Eastspring Investments Asia Pacific Equity Fund	Ordinary shares	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Amended Registered office address
Eastspring Investments Asian Bond Fund	Ordinary shares	47%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Dynamic Fund	Ordinary shares	96%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Equity Fund	Ordinary shares	97%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Equity Income Fund	Ordinary shares	83%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian High Yield Bond Fund	Ordinary shares	49%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Infrastructure Equity Fund	Ordinary shares	65%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Property Securities Fund	Ordinary shares	97%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Dragon Peacock Fund	Ordinary shares	83%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Emerging EMEA Dynamic Fund	Ordinary shares	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments European Inv Grade Bond Fund	Ordinary shares	98%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Emerging Markets Bond Fund	Ordinary shares	94%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Equity Navigator Fund	Ordinary shares	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Market Navigator Fund	Ordinary shares	96%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments India Equity Fund	Ordinary shares	80%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Japan Fundamental Value Fund	Ordinary shares	99%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Latin America Equity Fund	Ordinary shares	94%	Luxembourg	26, boulevard Royal, Luxembourg, L-2450
Eastspring Investments North America Value Fund	Ordinary shares	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS - Alternative Investments Fund	Ordinary shares	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS - Asia Pacific Loan Fund	Ordinary shares	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS Universal USD Bond Fund	Ordinary shares	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS Universal USD Bond II Fund	Ordinary shares	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments US Bond Fund	Ordinary shares	65%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments US Investment Grade Bond Fund	Ordinary Shares	27%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments US Corporate Bond Fund	Ordinary shares	83%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments US High Inv Grade Bond Fund	Ordinary shares	89%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments UT Singapore ASEAN Equity Fund	Ordinary shares	100%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Tower 2, Singapore, 018983
Eastspring Investments UT Singapore Select Bond Fund	Ordinary shares	92%	Singapore	10 Marina Boulevard #32-01, Marina Bay Financial Centre Singapore 018983
Eastspring Asset Management Korea Company Limited	Ordinary Shares	100%	Korea	15th Floor, Shinhan Investment Tower, 70 Yoidae-ro, Youngdungpo-gu, Seoul 07325, Korea
Eastspring Infrastructure Debt Fund L.P.	Partnership Interest	45%	Cayman Islands	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Eastspring Investments - Asian Local Bond Fund	Ordinary Shares	98%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Asian Smaller Companies Fund	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Asian Total Return Bond Fund	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Developed and Emerging Asia Equity Fund	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg

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NOTES ON THE ACCOUNTS (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Amended Registered office address
Eastspring Investments - Global Emerging Markets Customized Equity Fund	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Global Emerging Markets Dynamic Fund	Ordinary Shares	96%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Global Low Volatility Equity Fund	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Global Technology Fund	Ordinary Shares	84%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Japan Equity Fund	Ordinary Shares	85%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Pan European Fund	Ordinary Shares	56%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Singapore 018983
Eastspring Investments - US Equity Income Fund	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - US High Yield Bond Fund	Ordinary Shares	33%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - US Total Return Bond Fund	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments (Hong Kong) Limited	Ordinary Shares	100%	Hong Kong	13th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Eastspring Investments (Luxembourg) SA	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments (Singapore) Limited	Ordinary Shares	100%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Singapore 018983
Eastspring Investments Asian Low Volatility Equity Fund	Ordinary Shares	92%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Berhad	Ordinary Shares	100%	Malaysia	Level 25, Menara Hong Leong, No. 6 Jalan Damansara, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Eastspring Investments China Equity Fund	Ordinary Shares	50%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Fund Management Limited Liability Company	Ownership interest	100%	Vietnam	23rd Floor, Saigon Trade Center, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
Eastspring Investments Global Multi Asset Income Plus Growth Fund	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Greater China Equity Fund	Ordinary Shares	92%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Hong Kong Equity Fund	Ordinary Shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Incorporated	Ordinary Shares	100%	USA	874 Walker Road, Suite C, City of Dover, County of Kent, State of Delaware, 19904, USA
Eastspring Investments India Consumer Equity Open Limited	Ordinary Shares	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius
Eastspring Investments India Equity Fund	Ordinary Shares	81%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments India Equity Open Limited	Ordinary Shares	100%	Mauritius	Suite 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront Port Louis, Mauritius
Eastspring Investments India Infrastructure Equity Open Limited	Ordinary Shares	100%	Mauritius	Suite 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront Port Louis, Mauritius
Eastspring Investments World Value Equity Fund	Ordinary Shares	88%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Real Assets Partners	Ordinary Shares	100%	Cayman Islands	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
M&G European Strategic Value Fund	Ordinary shares	100%	UK	Laurence Pountney Hill, London EC4R 0HH, UK
M&G Real Estate Asia PTE. Ltd	Ordinary shares	33%	Singapore	138 Market Street, CapitaGreen #35-01, 048946, Singapore
M&G Real Estate Asia Holding Company Pte Ltd	Ordinary shares	33%	Singapore	10 Marina Boulevard, #31-03, Marina Bay
M&G Real Estate Japan Co Ltd	Ordinary shares	33%	Japan	Financial Centre Tower 2, Singapore 018983 Shiroyama Trust Tower, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6009, Japan
M&G Real Estate Korea Co Ltd	Ordinary shares	33%	Korea	17th Floor, Kyobo Building 1, Jongno, Jongno-Gu, Seoul, Korea
Prudential Mauritius Holdings Limited	Ordinary shares	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius

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NOTES ON THE ACCOUNTS (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Amended Registered office address
Reksa Dana Eastspring IDR Fixed Income Fund (NDEIFF)	Ordinary shares	100%	Indonesia	Prudential Tower 23rd Floor Jl. Jendral Sudirman Kav.79 Jakarta Selatan 12910, Indonesia
Reksa Dana Eastspring Investments IDR High Grade	Ordinary shares	44%	Indonesia	Prudential Tower, Jl. Jendral Sudirman Kav. 79, 12910, Jakarta Selatan, Indonesia
Reksa Dana Eastspring Investments Value Discovery	Ordinary shares	90%	Indonesia	Prudential Tower, Jl. Jendral Sudirman Kav. 79, 12910, Jakarta Selatan, Indonesia
Reksa Dana Eastspring Investments Yield Discovery	Ordinary shares	79%	Indonesia	Prudential Tower, Jl. Jendral Sudirman Kav. 79, 12910, Jakarta Selatan, Indonesia
Reksa Dana Syariah Eastspring Syariah Equity Islamic Asia Pacific USD	Ordinary shares	100%	Indonesia	Prudential Tower, Jl. Jendral Sudirman Kav. 79, 12910, Jakarta Selatan, Indonesia
Reksa Dana Syariah Eastspring Syariah Fixed Income Amanah	Ordinary shares	97%	Indonesia	Prudential Tower, Jl. Jendral Sudirman Kav. 79, 12910, Jakarta Selatan, Indonesia
Rhodium Investment Fund	Ordinary shares	100%	Singapore	10, Marina Boulevard #32-01, Marina Bay Financial Centre, Singapore 018983
Scotts Spazio Pte. Ltd.	Ordinary shares	45%	Singapore	30 Cecil Street, #23-02 Prudential Tower, Singapore 049712, Singapore
Eastspring Investments India Consumer Equity Open Limited	Ordinary Shares	100%	Mauritius	Suite 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront Port Louis, Mauritius
Eastspring Investments India Equity Fund	Ordinary Shares	80%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments India Equity Open Limited	Ordinary Shares	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius
Eastspring Investments Limited	Ordinary Shares	100%	Japan	Marunouchi Park Building, 6-1 Marunouchi 2-chome, Chiyoda-Ku, Tokyo, Japan
Eastspring Investments - Pan European Fund	Ordinary Shares	79%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Singapore. 018983
Prudential Global Services Private Limited	Ordinary Shares	99.97%	India	Prudential House, Central Avenue, Hiranandani Business Park, Powai, Mumbai, India, 400076, India
Thanachart Life Assurance Public Company Limited (In liquidation)	Ordinary shares	100%	Thailand	9/9a Sathorn Building, 25th Floor, South Sathorn Road, Yannawa, Sahtorn, Bangkok 10120, Thailand
TMB Asset Management Co., Ltd.	Ordinary shares	65%	Thailand	32 Floor, Abdulrahim Building, 990 Rama IV Road, Silom, Bangrak, Bangkok 10500, Thailand
AVIC Jianyin Co. Ltd.	Ordinary shares	34.97%	China	Tianjin Free Trade Test Zone (Airport Economic Zone) 9-403-03, East District, Airport Business Park, No. 80, Huanbei Road, China
Eastspring Investment Management (Shanghai) Company Limited	Ordinary shares	100%	China	Unit 306-308, 3/F Azia Center, 1233 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone, China
Eastspring Overseas Investment Fund Management (Shanghai) Company Limited	Ordinary shares	100%	China	Unit 306-308, 3/F., 1233 Lujiazui Ring Road China (Shanghai) Pilot Free Trade Zone, China
Gongqing City Xinhang Co. Ltd.	Ordinary shares	49.95%	China	Jiangxi province, Jiujiang City Gongqing City Fund Town, China

4. Participating interests

Participating interests mainly relate to the Company's 26% holding in ICICI Prudential Life Insurance Company Limited ("ICICI Life") in India, and 50% holding in CITIC - Prudential Life Insurance Company Limited in China. Other participating interests include the Company's holdings in asset management operations in China, Hong Kong, India and Malaysia. During the year, the Company received income from shares in participating interests of £64,652,000 (2017: £85,072,000).

In 2018, the Company's interest in Prudential BSN Takaful Berhard was reduced upon the return of capital of £90,000,000.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

5. Other investments

Other investments relate to holdings of overseas equity stock. Movements in these investments are set out below:

	2018 £000	2017 £000
Market value of investments held at beginning of year	37,003	28,159
Foreign exchange translation losses at beginning of year	423	340
Less: unrealised gains at beginning of year	(34,198)	(25,271)
Cost of investments held at beginning and end of year	3,228	3,228
Foreign exchange translation losses at end of year	(504)	(423)
Add: unrealised gains at end of year	38,472	34,198
Market value of investments held at end of year	41,196	37,003

Unrealised investment gains in the year on other investments totalled £4,193,000 (2017: £8,844,000).

6. Cash at bank and in hand

The Company has banking arrangements with a number of banks. Under the terms of the Company's arrangements with the Prudential Group's main UK banker, the bank has a right of set-off between credit balances and all overdrawn balances of those Group undertakings with similar arrangements.

7. Creditors – amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to Group undertakings	1,099,084	1,185,318
Tax payable	1,410	544
Other creditors	6	54,038
Balance at end of year	1,100,500	1,239,900

8. Called up share capital

The share capital of the Company at both 31 December 2018 and 31 December 2017 was £2,290,000,000, comprising 2,290,000,000 issued and fully paid ordinary shares of £1 each.

9. Auditor's remuneration

Auditor's remuneration of £11,000 (2017: £11,000) was borne by the Company's ultimate parent company, Prudential plc. Amounts receivable by the Company's auditor in respect of services rendered to the Prudential Group, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a Group basis in the consolidated financial statements of Prudential plc.

10. Directors' emoluments

The aggregate emoluments, including pension contributions, of the directors of the Company for the year in respect of services rendered to the Company were £nil (2017: £nil).

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NOTES ON THE ACCOUNTS (continued)

11. Immediate and ultimate parent company

The Company's immediate parent company is Prudential Holdings Limited, and the largest group in which the results of the Company are consolidated is that headed by Prudential plc. No other group financial statements include the results of the Company. The consolidated financial statements of the Group are available from the Company Secretary at 1 Angel Court, London EC2R 7AG.

12. Post balance sheet events

On 1 March 2019 the company paid an interim dividend of £36 million to Prudential Holdings Limited.

On 5 April 2019 the Company sold a 3.71% shareholding in ICICI Prudential Life Insurance Company Limited for a consideration of US\$249.2 million, realising a gain of £167.5 million.

On 11 April 2019 the Company entered into a new loan agreement with Prudential plc for US\$249.2 million.