

Registered No. SC210546

PRUDENTIAL HOLDINGS LIMITED

Annual Report and Accounts

For the year ended 31 December 2017



PRUDENTIAL HOLDINGS LIMITED

Incorporated and registered in Scotland. Registered no: SC210546.

Registered office: Craigforth, Stirling, FK9 4UE, Scotland.

Annual report and accounts for the year ended 31 December 2017

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PRUDENTIAL HOLDINGS LIMITED

Directors

K J Devlin
D C Martin
K L Jones

Secretary

Prudential Group Secretarial Services Limited

Auditor

KPMG LLP

PRUDENTIAL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Principal activity

The principal activities of the Company are to act as the immediate parent company of Prudential Corporation Holdings Limited ("PCHL"), the holding company of most of the Prudential Group's Asian business operations, and to provide management of, and supporting services to, those operations. These activities are expected to continue in 2018.

Strategic objectives

The strategic objectives of the Company are to manage the Prudential Group's Asian business operations.

Company performance and measurement

Key performance indicators	2017 £000	2016 £000
Profit on ordinary activities before tax	476,892	360,990
Net assets	3,666,972	3,657,612

The profit in 2017 mainly consisted of dividends of £686,549,000 (2016: £550,697,000) offset by £199,832,000 (2016: £189,479,000) of administrative expenses (net of recharges to Group companies).

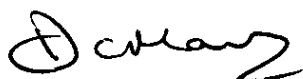
Principal risks and uncertainties

Apart from the financial risk management objectives, policies and exposure set out below, the Company has no risks or uncertainties because of its activities within the Prudential Group.

Financial risk management objectives, policies and exposure

The Company's financial risks primarily relate to Prudential Group's activities in Asia. These risks are managed and monitored at a Group level through the Prudential plc's Group risk framework as disclosed 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

24 May 2018

PRUDENTIAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Accounts and dividend

The state of affairs of the Company at 31 December 2017 is shown in the statement of financial position on page 8. The statement of comprehensive income appears on page 7. In June and November 2017, the Company paid dividends of £200,000,000 and £291,000,000, respectively (2016: £375,000,000).

Post balance sheet events

The Company received £132,356,698 loan from Prudential plc and £36,000,000 loan from Prudential Corporation Holdings Limited on 7 February 2018 and 21 March 2018 respectively. The Company lent US\$67,000,000 to Prudential Corporation Holdings Limited on 15 March 2018. There have been no other significant events affecting the Company since the balance sheet date.

Directors

The present directors of the Company are shown on page 1. A R Parkes was appointed a director of the Company on 6 March 2018 and resigned on 26 March 2018. S J Turner resigned as a director of the Company on 6 March 2018. 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. Prudential plc also provides protection for directors and senior managers of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third party indemnity provisions (as defined by the relevant Companies Act) for the benefit of directors of Prudential plc, including, where applicable, in their capacity as directors of the Company and other companies within the Group. These indemnities were in force during 2017 and remain in force.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that he ought to have taken as a director to make himself 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 as 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

24 May 2018

**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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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.

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

Opinion

We have audited the financial statements of Prudential Holdings Limited ("the company") for the year ended 31 December 2017 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 2017 and of its loss 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information;
- in our opinion the information given in the strategic report and the directors' report 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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. They are also 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; 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.

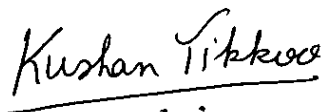
Auditor's responsibilities

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
24 May 2018

PRUDENTIAL HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £000	2016 £000
Turnover	2	138,911	68,767
Administrative expenses:			
Staff costs	3	(111,250)	(106,815)
Depreciation	8	(1,642)	(1,472)
Amortisation	7	(110,317)	(37,952)
Other operating charges		(115,534)	(112,007)
(Loss) / Profit on foreign currency exchange translation		(9,618)	6
Income from shares in subsidiary undertakings	6	686,549	550,697
Interest receivable and similar income		672	48
Interest payable and similar charges		(879)	(282)
Profit on ordinary activities before tax	4	476,892	360,990
Tax credit on profit on ordinary activities	5	23,468	22,952
Profit and comprehensive income for the financial year		500,360	383,942

All of the above items relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £000	Share premium £000	Profit and loss account £000	Total £000
Balance at 1 January 2016	3,462,789	172,955	12,926	3,648,670
Profit and comprehensive income for the financial year			383,942	383,942
Dividend			(375,000)	(375,000)
Balance at 31 December 2016	3,462,789	172,955	21,868	3,657,612
Balance at 1 January 2017	3,462,789	172,955	21,868	3,657,612
Profit and comprehensive income for the financial year			500,360	500,360
Dividend			(491,000)	(491,000)
Balance at 31 December 2017	3,462,789	172,955	31,228	3,666,972

The notes on pages 9 to 18 form part of these financial statements.

PRUDENTIAL HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

	Notes	2017 £000	2016 £000
FIXED ASSETS			
Investments:			
Shares in subsidiary undertakings	6	3,047,074	3,047,074
Intangible assets	7	1,153,763	1,099,025
Tangible assets	8	2,659	2,603
		<u>4,203,496</u>	<u>4,148,702</u>
CURRENT ASSETS			
Investment in employee benefit trust	1(l)	122,205	100,263
Debtors	9	65,849	83,950
Cash at bank and in hand	10	181,474	23,725
		<u>369,528</u>	<u>207,938</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(906,052)	(699,028)
NET CURRENT LIABILITIES		<u>(536,524)</u>	<u>(491,090)</u>
NET ASSETS		<u>3,666,972</u>	<u>3,657,612</u>
CAPITAL AND RESERVES			
Called up share capital	12	3,462,789	3,462,789
Share premium account		172,955	172,955
Profit and loss account		31,228	21,868
		<u>3,666,972</u>	<u>3,657,612</u>

The financial statements on pages 7 to 18 were approved by the Board of directors on 24 May 2018 and signed on its behalf by:



D C Martin
Director

The notes on pages 9 to 18 form part of these financial statements.

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS

1. Accounting policies

A. Basis of presentation

Prudential 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, Laurence Pountney Hill, London EC4R 0HH.

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 IFRS 2 "Share-based Payment" in respect of Group-settled share-based payments
- Certain disclosures required by IFRS 13 "Fair Value Measurement" and the disclosures required by IFRS 7 "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 2017 was £500 million, its shareholders' funds at that date were £3,667 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 are recognised in the period in which they are received or paid.**
- C. Interest receivable and payable are recognised on an accruals basis.**

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

1. Accounting policies (continued)

- D. 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 are shown at cost, less impairment.
- F. 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.
- G. Intangible assets relate to fees for partnership distribution rights of Prudential Group insurance products for a fixed period of time. The cost of the distribution rights are amortised over the term of the distribution contracts.
- H. Depreciation is provided at a rate calculated to write off the cost or value of the assets less their estimated residual value over their estimated useful life as follows:
- | | |
|------------------------|--------------------------|
| i. Computer equipment | 33.33% per annum |
| ii. Other fixed assets | 20% to 33.33% per annum. |
- I. Share-based payments

Share options and awards of Prudential plc's equity instruments, for which the Company has the obligation to settle, are valued using the share price at the balance sheet date and are accounted as cash settled, whereby the Company records a compensation expense in the profit and loss account with a liability recognised in the balance sheet for the fair value of the accrued amount at the balance sheet date. The Company has established trusts to facilitate the delivery of shares under certain employee incentive plans. Payments made by the Company to the trusts in relation to these cash-settled share-based payment transactions are recorded at cost within "Investment in employee benefit trust" and released against the related share-based payment liability when the shares purchased by the trust are received by employees.

2. Turnover

Turnover represents the value of services charged to Prudential Group companies.

3. Staff information

The staff costs shown below represent amounts incurred in respect of staff (employed by a related party) who work on behalf of the Company.

PRUDENTIAL HOLDINGS LIMITED**NOTES ON THE ACCOUNTS (continued)****3. Staff information (continued)**

	2017 £000	2016 £000
Wages and Salaries	107,601	102,874
Other pension costs	3,649	3,941
	<u>111,250</u>	<u>106,815</u>
	Number	Number
Average number of staff working on behalf of the Company during the year	<u>524</u>	<u>516</u>

4. Profit on ordinary activities before tax

The profit on ordinary activities before tax is stated after charging:

	2017 £000	2016 £000
Depreciation (note 9)	1,642	1,472
Amortisation of intangible assets (note 8)	110,317	37,952
Loss on sale of fixed assets	10	7
Operating lease rentals	9,257	8,457

5. Tax

(a) Analysis of tax credit for the year

	2017 £000	2016 £000
Current tax		
UK corporation tax credit on result for the year	28,514	23,504
Adjustments in respect of previous years	(5,124)	(474)
Total current tax credit	<u>23,390</u>	<u>23,030</u>
Deferred tax		
Origination and reversal of timing differences	(455)	(130)
Adjustments in respect of previous years	533	52
Total deferred tax credit/ (charge)	<u>78</u>	<u>(78)</u>
Tax credit on profit on ordinary activities	<u>23,468</u>	<u>22,952</u>

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

5. Tax (continued)

(b) Factors affecting the tax credit for the year

The tax credit 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 result of the Company will be taxed.

	2017 £000	2016 £000
Profit on ordinary activities before tax	476,892	360,990
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	(91,802)	(72,198)
Effects of:		
UK dividends received	132,161	110,140
Permanent differences	(12,360)	(14,459)
Impact of changes in local statutory tax rates	60	(109)
Adjustments in respect of previous years	(4,591)	(422)
Tax credit on profit on ordinary activities	23,468	22,952

(c) Deferred tax asset

	2017 £000	2016 £000
Deferred tax asset at beginning of year	1,881	1,959
Deferred tax credited/ (charged) to profit and loss account	78	(78)
Deferred tax asset at end of year (note 10)	1,959	1,881

The deferred tax asset at the end of the year relates to capital allowances in respect of fixed assets and other timing differences.

(d) Factors that may affect future tax charges

The reduction in the UK corporation tax rate to 17% 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 2017.

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

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

6. Shares in subsidiary undertakings

	2017 £000	2016 £000
At 1 January	3,047,074	3,047,073
Additional investment in subsidiary undertakings	-	1
At 31 December	3,047,074	3,047,074

During 2017, the Company received a dividend of £685 million (2016: £550 million) from its subsidiary, Prudential Corporation Holdings Limited, and £1,549,000 (2016: £697,000) from Eastspring Investments (Luxembourg) S.A.

In accordance with Section 409 of the Companies Act 2006, a list of the Company's subsidiaries, joint ventures, associates and significant holdings (being holdings of 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 2017 is disclosed below.

Name of entity	Classes of shares held	Proportion held	Registered office address and country of incorporation
BOCI-Prudential Asset Management Limited	Ordinary shares	36%	27/F, Bank of China Tower, 1 Garden Road, Hong Kong
BOCI-Prudential Trustee Limited	Ordinary shares	36%	12th Floor and 25th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong
CITIC-Prudential Life Insurance Company Limited	Ownership interest	50%	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%	Room 101-2, No.128 North Zhangjiabang Road, Pudong District, Shanghai, China
CITIC-Prudential Fund Management Company Limited	Ownership interest	49%	Level 9, HSBC Building, Shanghai IFC, 8 Century Avenue, Pudong, Shanghai, China
Eastspring Al-Wara' Investments Berhad	Ordinary shares	100%	16th Floor Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia
Eastspring Asset Management Korea Co. Ltd.	Ordinary shares	100%	15th Floor, Shinhan Investment Tower, 70 Yoidae-ro, Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments (Hong Kong) Limited	Ordinary shares	100%	13th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Eastspring Investments (Luxembourg) S.A.	Ordinary shares	100%	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments (Singapore) Limited	Ordinary shares	100%	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Tower 2, Singapore 018983
Eastspring Investments Berhad	Ordinary shares	100%	16th Floor, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia
Eastspring Investments Fund Management Limited Liability Company	Ownership interest	100%	23/F, Saigon Trade Center, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
Eastspring Investments Incorporated	Ordinary shares	100%	874 Walker Road, Suite C, City of Dover, State of Delaware 19904, USA
Eastspring Investments Services Pte. Ltd.	Ordinary shares	100%	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Tower 2, Singapore 018983
Eastspring Securities Investment Trust Co., Ltd.	Ordinary shares	99.54%	4F, No.1 Songzhi Road, Taipei 110, Taiwan
ICICI Prudential Asset Management Company Limited	Ordinary shares	49%	12th Floor, Narain Manzil, 23 Barakhamba Road, New Delhi 110001, India
ICICI Prudential Life Insurance Company Limited	Ordinary shares	25.83%	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, India
ICICI Prudential Pension Funds Management Company Limited	Ordinary shares	25.83%	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, India
ICICI Prudential Trust Limited	Ordinary shares	49%	12th Floor, Narain Manzil, 23 Barakhamba Road, New Delhi 110001, India

PRUDENTIAL HOLDINGS LIMITED

Name of entity	Classes of shares held	Proportion held	Registered office address and country of incorporation
North Sathorn Holdings Company Limited	Ordinary shares	100%	3 Rajanakarn Building, 20th Floor, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok, Thailand
Nova Sepadu Sdn. Bhd. (in liquidation)	Ordinary shares	51%	Suite 1005, 10th Floor Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
PCA IP Services Limited	Ordinary shares	100%	13/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
PCA Life Assurance Co. Ltd.	Ordinary shares	99.79%	8/F, No.1 Songzhi Road, Taipei 11047, Taiwan
PCA Life Insurance Co., Ltd. (sold on 18 May 2017)	Ordinary shares	100%	21/F, PCA Life Tower, 302, Teheran-Ro, Gangnam-gu, Seoul, Korea
PCA Reinsurance Co. Ltd	Ordinary shares	100%	Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 8700 Federal Territory of Labuan, Malaysia
Pru Life Insurance Corporation of U.K.	Ordinary shares	100%	9/F, Uptown Place Tower 1, 1 East 11th Drive, Uptown Bonifacio, 1634 Taguig City, Metro Manila, Philippines
Prudence Foundation (formerly known as Prudence Foundation Limited)	Limited by guarantee	100%	13/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Prudential (Cambodia) Life Assurance plc.	Ordinary shares	100%	Phnom Penh Tower 20F, #445, Monivong Blvd, Boeung Prolit, 7 Makara, Phnom Penh, Cambodia
Prudential Assurance Company Singapore (Pte) Limited	Ordinary shares	100%	30 Cecil Street, #30-01 Prudential Tower, Singapore 049712
Prudential Assurance Malaysia Berhad	Ordinary shares	51%	Level 3, Menara Prudential, No. 10 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Prudential BSN Takaful Berhad	Ordinary shares	49%	Level 8A, Menara Prudential, No. 10 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Prudential Life Assurance (Lao) Company Limited	Ordinary shares	100%	Unit A, 6th Floor, Vientiane Plaza Hotel Office Building, Sailom Road, Hatsady Neua Village, Chanthabouly District, Vientiane Capital, Lao, PDR
Prudential Life Assurance (Thailand) Public Company Limited	Ordinary shares	99.93%	9/9 Sathorn Building, 20th– 27th Fl., South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120, Thailand
Prudential Global Services Private Limited (formerly known as Prudential Process Management Services India Private Limited)	Ordinary shares	100%	Prudential House, Mumbai, India
Prudential Services Asia Sdn. Bhd.	Ordinary shares Class D Preference shares	100.00% 100.00%	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
Prudential Services Singapore Pte. Ltd.	Ordinary shares	100%	1 Wallich Street, #19-01 Guoco Tower, Singapore 078881
Prudential Singapore Holdings Pte. Limited	Ordinary shares	100%	30 Cecil Street, #30-01 Prudential Tower, Singapore 049712
Prudential Vietnam Assurance Private Limited	Ownership interest	100%	25/F, Saigon Trade Centre, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
PT. Eastspring Investments Indonesia	Class A ordinary shares	100%	23rd Floor, Prudential Tower, Jl. Jend. Sudirman Kav.79, Jakarta 12910, Indonesia
PT. Prudential Life Assurance	Class A ordinary shares	100%	Prudential Tower, Jl. Jend. Sudirman Kav 79, Jakarta 12910, Indonesia
Sri Han Suria Sdn. Bhd.	Ordinary shares Class A and B Preference shares	51.00% 100.00%	Suite 1005, 10/F Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
Staple Limited	Ordinary shares	100%	3 Rajanakarn Building, 20th Floor, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok, Thailand
Eastspring China Dragon Fund	Ordinary shares	29%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments Asia Pacific Equity Fund	Ordinary shares	100%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Bond Fund	Ordinary shares	47%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Dynamic Fund	Ordinary shares	96%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Equity Fund	Ordinary shares	97%	26, boulevard Royal, Luxembourg, L-2449

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Name of entity	Classes of shares held	Proportion held	Registered office address and country of incorporation
Eastspring Investments Asian Equity Income Fund	Ordinary shares	83%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian High Yield Bond Fund	Ordinary shares	49%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Infrastructure Equity Fund	Ordinary shares	65%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Property Securities Fund	Ordinary shares	97%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Best Growth Securities Inv Trust 4	Ordinary shares	97%	70, Yeoui-daero, Yeongdeungpo-gu, Seoul 15/F, Shinhan Investment Tower Seoul Special City 07325, Korea
Eastspring Investments China Securities Baby Investment Trust	Ordinary shares	95%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments Commodity Smart Choice Special Assets 1	Ordinary shares	100%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments Dragon Peacock Fund	Ordinary shares	83%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Emerging EMEA Dynamic Fund	Ordinary shares	100%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments European Inv Grade Bond Fund	Ordinary shares	98%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Emerging Markets Bond Fund	Ordinary shares	94%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Equity Navigator Fund	Ordinary shares	100%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Market Navigator Fund	Ordinary shares	96%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments India Equity Fund	Ordinary shares	80%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Japan Fundamental Value Fund	Ordinary shares	99%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Korea Index Securities Baby Investment Trust	Ordinary shares	100%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments Korea Value Securities Investment Trust Bond	Ordinary shares	100%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments Latin America Equity Fund	Ordinary shares	94%	26, boulevard Royal, Luxembourg, L-2450
Eastspring Investments North America Value Fund	Ordinary shares	100%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS - Alternative Investments Fund	Ordinary shares	100%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS - Asia Pacific Loan Fund	Ordinary shares	100%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS Universal USD Bond Fund	Ordinary shares	100%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Standard Plus Securities Investment Trust	Ordinary shares	98%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments US Bond Fund	Ordinary shares	65%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments US Corporate Bond Fund	Ordinary shares	83%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments US High Inv Grade Bond Fund	Ordinary shares	89%	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments UT Singapore ASEAN Equity Fund	Ordinary shares	100%	10 Marina Boulevard #32-01, Marina Bay Financial Centre Singapore 018983
Eastspring Investments UT Singapore Select Bond Fund	Ordinary shares	92%	10 Marina Boulevard #32-01, Marina Bay Financial Centre Singapore 018983
Eastspring Investments VUL Max Choice Securities Investment Trust 1	Ordinary shares	100%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments VUL Max Choice Securities Investment Trust 2	Ordinary shares	100%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments VUL NOW Securities Investment Trust 1	Ordinary shares	100%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
M&G European Strategic Value Fund	Ordinary shares	100%	Laurence Pountney Hill, London EC4R 0HH, UK
M&G Real Estate Asia Pte. Ltd	Ordinary shares	33%	10 Marina Boulevard, #31-03 Marina Bay Financial Centre Tower 2, Singapore 018983

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Name of entity	Classes of shares held	Proportion held	Registered office address and country of incorporation
Prudential Mauritius Holdings Limited	Ordinary shares	100%	Suite 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront Port Louis, Mauritius
Reksa Dana Eastspring IDR Fixed Income Fund (NDEIFF)	Ordinary shares	100%	Prudential Tower 23rd Floor Jl. Jendral Sudirman Kav.79 Jakarta Selatan 12910, Indonesia
Rhodium Investment Fund	Ordinary shares	100%	10, Marina Boulevard #32-01, Marina Bay Financial Centre, Singapore 018983
Scotts Spazio Pte. Ltd.	Ordinary shares	45%	30 Cecil Street, #23-02 Prudential Tower, Singapore 049712
Eastspring Investments Active Quant Securities	Ordinary Shares	100%	15th Floor Shinhan Investment Tower, 70 Yoidae-ro Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments - Cash Reserve Fund	Ordinary Shares	100%	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan, 12910, Indonesia
Eastspring Investments Global Bond Navigator Fund	Ordinary Shares	98%	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments India Consumer Equity Open Limited	Ordinary Shares	100%	Suite 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront Port Louis, Mauritius
Eastspring Investments India Equity Fund	Ordinary Shares	80%	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments India Equity Open Limited	Ordinary Shares	100%	Suite 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront Port Louis, Mauritius
Eastspring Investments Limited	Ordinary Shares	100%	Marunouchi Park Building, 6-1 Marunouchi 2- chome, Chiyoda-Ku, Tokyo, Japan
Eastspring Investments - Pan European Fund	Ordinary Shares	79%	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Singapore. 018983
Eastspring Investments Portfolio Management Limited	Ordinary Shares	100%	Suite 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront Port Louis, Mauritius
Eastspring Investments Limited (in liquidation)	Ordinary shares	100%	Level 6, Precinct Building 5, Unit 5, Dubai International Financial Centre, Dubai, United Arab Emirates
Thanachart Life Assurance Public Company Limited (In liquidation)	Ordinary shares	100%	9/9 Sathorn Building, 25th Floor, South Sathorn Road, Yannawa, Sahtorn, Bangkok 10120, Thailand
Prudential Corporation Holdings Limited	Ordinary shares	100%	Laurence Pountney Hill, London, EC4R 0HH, UK
Eastspring Investments India Infrastructure Equity Open Limited	Ordinary shares	100%	Suite 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront, Port Louis, Mauritius
India Opportunity Real Estate Fund (in liquidation)	Ordinary shares	100%	Suite 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront Port Louis, Mauritius
Eastspring Infrastructure Debt Fund L.P.	Partnership Interest	90%	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Eastspring Real Assets Partners	Ordinary shares	100%	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
M&G Real Estate Asia Holding Company Pte. Ltd.	Ordinary shares	33%	10 Marina Boulevard, #31-03, Marina Bay Financial Centre Tower 2, Singapore 018983
M&G Real Estate Japan Co., Ltd.	Ordinary shares	33%	Shiroyama Trust Tower, 4-3-1 Toranomon, Minato-ku, Tokyo 105-8009, Japan
M&G Real Estate Korea Co., Ltd.	Ordinary shares	33%	17th Floor, Kyobo Building 1, Jongno, Jongno-Gu, Seoul, Korea

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

7. Intangible assets

	2017 £000	2016 £000
At 1 January	1,099,025	970,875
Additions	165,055	166,102
Amortisation in year	(110,317)	(37,952)
At 31 December	1,153,763	1,099,025

Intangible assets relate to fees paid for partnership distribution rights in Asia of Prudential Group insurance products.

In 2014, the Company entered into an agreement to expand the term and geographic scope of its strategic pan-Asian bancassurance partnership with Standard Chartered Bank. As part of this transaction, the Company agreed to pay Standard Chartered Bank an initial fee of US\$1.25 billion for distribution rights and also incentive bonuses for meeting sales targets.

8. Tangible assets

	Computer equipment £000	Other £000	Total £000
Cost:			
At 1 January 2017	15,299	6,959	22,258
Additions	1,461	325	1,786
Disposals	-	(166)	(166)
At 31 December 2017	16,760	7,118	23,878
Depreciation:			
At 1 January 2017	(13,867)	(5,788)	(19,655)
Charged in year	(1,070)	(572)	(1,642)
Eliminated on disposals	-	78	78
At 31 December 2017	(14,937)	(6,282)	(21,219)
Net book value:			
At 31 December 2017	1,823	836	2,659
At 31 December 2016	1,432	1,171	2,603

9. Debtors

	2017 £000	2016 £000
Amounts owed by Group undertakings	28,677	21,881
Prepayments and accrued income	7,265	12,982
Tax recoverable	16,914	11,179
Deferred tax asset (note 6(c))	1,959	1,881
Other debtors	11,034	36,027
	65,849	83,950

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

10. 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.

11. Creditors

	2017 £000	2016 £000
Amounts owed to ultimate parent company	485,060	402,850
Amounts owed to other Group undertakings	102,080	895
Share-based payment liability	87,412	60,301
Tax payable	5,573	474
Accruals and deferred income	225,927	234,508
	<u>906,052</u>	<u>699,028</u>

12. Called up share capital

	2017 £000	2016 £000
Issued and fully paid: 3,462,789,335 ordinary shares of £1 each	<u>3,462,789</u>	<u>3,462,789</u>

13. Auditor's remuneration

Auditor's remuneration of £14,000 (2016: £8,000) was borne by the 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.

14. 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 (2016: £nil).

15. Immediate and ultimate parent company

The Company's immediate parent company is Prudential Corporation Asia Limited and its ultimate parent company is Prudential Plc.

16. Post balance sheet events

The Company received £132,356,698 loan from Prudential plc and £36,000,000 loan from Prudential Corporation Holdings Limited on 7 February 2018 and 21 March 2018 respectively. The Company lent US\$67,000,000 to Prudential Corporation Holdings Limited on 15 March 2018. There have been no other significant events affecting the Company since the balance sheet date.