

Registered No. SC210546

PRUDENTIAL HOLDINGS LIMITED

Annual Report and Accounts

For the year ended 31 December 2020



PRUDENTIAL HOLDINGS LIMITED

Incorporated and registered in Scotland. Registered no: SC210546.

Registered office: 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, Scotland, EH1 2EN, United Kingdom

Annual report and accounts for the year ended 31 December 2020

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PRUDENTIAL HOLDINGS LIMITED

DIRECTORS

Benjamin James Bulmer (Chairman)	(appointed as director on 13 January 2020 and appointed as Chairman on 14 January 2020)
Stephen Paul Bickell	(appointed on 13 January 2020 and resigned on 15 October 2020)
Paul Howard Simons	(appointed on 13 January 2020)
Esther Hoi Yan Cheung	(appointed on 13 January 2020)
Avnish Kalra	(appointed on 16 October 2020)

SECRETARY

Prudential Group Secretarial Services Limited

AUDITOR

KPMG LLP

PRUDENTIAL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Principal activity and strategic objectives

The principal activity of the Company is 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. In 2019 the Company provided management and support services to those operations.

From January 2020, the Company has ceased to provide management and support services to the Prudential Group's Asian business operations but will continue to manage third-party suppliers for PCHL. PCHL took on providing management and support services to the Prudential Group's Asian business operations from the Company. As a result of the restructure, tangible and intangible assets as well as seconded staff of the Company were transferred to PCHL. All recharges from Prudential Group companies (i.e. turnover) were novated from the Company to PCHL with effect from 1 January 2020.

From January 2020, the Company ceased being a UK tax resident and became a Hong Kong tax resident. The Company's profit will no longer be subject to UK corporation tax from this date.

Company performance and measurement

Key performance indicators	2020 \$000	2019 \$000
Profit before tax	403,571	777,445
Net assets	4,859,136	4,832,530

The profit in 2020 mainly consisted of dividends of \$443,365,000 (2019: \$1,082,825,000) offset by interest payable of \$43,147,000 (2019: \$3,530,000).

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.

The Covid-19 outbreak has disrupted activity in many countries in which the Company's subsidiaries operate and led to economic volatility across the globe. Lower levels of new business by some of the Company's subsidiaries were seen in 2020. While the Prudential business has remained operationally resilient to date, the nature of the Covid-19 outbreak means that it is not possible to estimate the effect that the outbreak may have on the Company's financial position in the future, but the Group and the Company believe it is well positioned over the long-term to weather the disruption caused by the pandemic.

Financial risk management objectives, policies and exposure

The Company's financial risks primarily relate to the 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.

PRUDENTIAL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Section 172 and Stakeholder engagement statement

Section 172 of the UK Companies Act requires each Director to act in a way that he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, Section 172 requires a Director to have regard (among other matters) to the needs of employees, suppliers, customers and other wider stakeholder interests. In particular, during the year the directors' had regards to stakeholders interests when determining the amount of dividends to be paid to the Company's intermediary holding company Prudential Corporation Asia Limited and when entering into intra-group loan financing arrangements.

The Board received a briefing reminding directors of their statutory duties under Section 172 and reiterating who the Company's key stakeholders are. Due to the nature of the Company's principal activity as a holding company within the Prudential Group, the stakeholders and strategic business activities of the Company are aligned with the Prudential Group and engagement occurs at the Group level. Details of how the Group engaged with stakeholders and the outcome of that engagement is detailed in the Prudential plc 2020 Annual Report and Accounts.

Signed on behalf of the Board of directors.



Benjamin James Bulmer
Director
14 July 2021

PRUDENTIAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Accounts and dividend

The state of affairs of the Company at 31 December 2020 is shown in the statement of financial position on page 13. The statement of comprehensive income appears on page 11. In October 2020, the Company paid dividends of \$376,965,000 (2019: \$836,616,000) to its immediate parent company.

On 19 March 2020, the Prudential Group signed a new bancassurance agreement with TMB Bank ('TMB') for a period of 15 years. This extended exclusive partnership agreement required the novation of TMB's current bancassurance distribution agreement with another insurance group. The total cost was \$788,036,000 where \$529,412,000 was paid regionally by the Company while the remaining cost is paid by its subsidiary, Prudential Life Assurance Public Company Ltd. (Thailand). In addition, the Company paid a \$220,000,000 annual conditional payment to Standard Chartered Bank which was recognised directly in its subsidiary Prudential Corporation Holdings Limited pursuant to the asset transfer agreement.

Post balance sheet events

The post balance sheet events are shown in the note 18 of the financial statements on page 28.

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 2020 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.

Corporate Governance Statement

The Company applies the Prudential Group governance framework, as set out in the Prudential plc 2020 Annual Report and Accounts. The governance framework includes the key mechanisms through which the Prudential Group sets strategy, plans its objectives, monitors performance, considers risk management, holds business units to account for delivering on business plans and arranges governance.

Political contribution

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

PRUDENTIAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Signed on behalf of the Board of directors.

A handwritten signature in black ink, appearing to be 'Esther Hoi Yan Cheung', written over a rectangular box.

Esther Hoi Yan Cheung
Director
14 July 2021

PRUDENTIAL 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.

PRUDENTIAL HOLDINGS LIMITED

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 2020 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 2020 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspecting policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes

PRUDENTIAL HOLDINGS LIMITED

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

Fraud and breaches of laws and regulations – ability to detect (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is limited to dividends received from intergroup investments. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These include journal entries relating to cash.
- Evaluating the business purpose of significant related party transactions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

PRUDENTIAL HOLDINGS LIMITED

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

Strategic report and directors' report (continued)

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 6, 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.

PRUDENTIAL HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUDENTIAL HOLDINGS LIMITED
(CONTINUED)**

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

Kushan Tikkoo (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
~~14 July 2021~~
22 July 2021

PRUDENTIAL HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 \$000	2019 \$000
Turnover	2	-	221,413
Administrative expenses:			
Staff costs	3	(1,169)	(136,003)
Depreciation	8,9	-	(14,824)
Amortisation	7	-	(175,357)
Other operating income/(charges)		5,274	(225,413)
(Loss)/gain on foreign currency exchange translation		(2,923)	21,842
Income from shares in subsidiary undertakings	6	443,365	1,082,825
Interest receivable and similar income		2,171	6,492
Interest payable and similar charges		(43,147)	(3,530)
Profit before taxation	4	403,571	777,445
Tax credit on profit	5	-	29,657
Profit for the year		403,571	807,102
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Foreign exchange translation differences due to change in presentation currency		-	3,832
Other comprehensive income for the year		-	3,832
Total comprehensive income for the year		403,571	810,934

All of the above items relate to continuing operations.

The notes on pages 14 to 28 form part of these financial statements.

PRUDENTIAL HOLDINGS LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital \$000	Share premium \$000	Retained Profit \$000	Total \$000
Balance at 1 January 2019	4,410,208	220,275	41,760	4,672,243
Profit for the year	-	-	807,102	807,102
Foreign exchange translation differences due to change in presentation currency	-	-	3,832	3,832
Total comprehensive income for the year	-	-	810,934	810,934
Transactions with owners, recorded directly in equity				
Dividend paid	-	-	(836,616)	(836,616)
Foreign exchange translation differences due to change in presentation currency	177,122	8,847	-	185,969
Total contributions by and distributions to owners	177,122	8,847	(836,616)	(650,647)
Balance at 31 December 2019	4,587,330	229,122	16,078	4,832,530
Balance at 1 January 2020	4,587,330	229,122	16,078	4,832,530
Profit for the year	-	-	403,571	403,571
Total comprehensive income for the year	-	-	403,571	403,571
Transactions with owners, recorded directly in equity				
Dividend paid	-	-	(376,965)	(376,965)
Total contributions by and distributions to owners	-	-	(376,965)	(376,965)
Balance at 31 December 2020	4,587,330	229,122	42,684	4,859,136

The notes on pages 14 to 28 form part of these financial statements.

PRUDENTIAL HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	Notes	2020 \$000	2019 \$000
NON-CURRENT ASSETS			
Investments:			
Shares in subsidiary undertakings	6	4,036,611	4,036,611
Intangible assets	7	-	2,456,554
Tangible assets	8	-	45,815
		<u>4,036,611</u>	<u>6,538,980</u>
CURRENT ASSETS			
Investment in employee benefit trust		-	137,724
Debtors	10	3,407,305	252,267
Cash and cash equivalent	11	652,400	528,390
		<u>4,059,705</u>	<u>918,381</u>
Creditors: amounts falling due within one year	12	<u>(3,237,180)</u>	<u>(2,596,126)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>822,525</u>	<u>(1,677,745)</u>
Total assets less current liabilities		4,859,136	4,861,235
Creditors: amounts falling due more than one year	13	<u>-</u>	<u>(28,705)</u>
NET ASSETS		<u>4,859,136</u>	<u>4,832,530</u>
CAPITAL AND RESERVES			
Share capital	14	4,587,330	4,587,330
Share premium		229,122	229,122
Retained profit		42,684	16,078
TOTAL SHAREHOLDERS' FUNDS		<u>4,859,136</u>	<u>4,832,530</u>

The financial statements on pages 11 to 28 were approved by the Board of directors on 14 July 2021 and signed on its behalf by:



Benjamin James Bulmer
Director

The notes on pages 14 to 28 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 private company incorporated and registered 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 accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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, United Kingdom.

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

As the consolidated financial statements of Prudential plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 2 "Share-Based Payment" in respect of equity-settled share-based payments
- Certain disclosures required by IFRS 13 "Fair Value Measurement" and the disclosures required by IFRS 7 "Financial Instrument Disclosures"

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

The Company is an intermediate holding company with investments in subsidiaries of \$4,036,611,000, net assets of \$4,859,136,000 and net current assets of \$822,525,000 as at 31 December 2020. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

1. Accounting policies (continued)

A. Basis of presentation (continued)

In preparing these financial statements on a going concern basis the directors have considered the cash flow forecasts prepared by the group for a period of at least 12 months from the date of approval of these financial statements together with severe but plausible downside scenarios. These forecasts take into account the uncertainty created by Covid-19.

The evolving Covid-19 pandemic has caused significant disruption to the economy and financial markets globally, and the full extent of the potential impacts of Covid-19 are not yet known. Whilst there are many unknowns and the future impact of the pandemic is difficult to predict, the Company is taking proactive action in line with the wider Group and successfully implemented its Business Continuity Plan with all staff working from home with minimal disruption to its day-to-day operations.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

B. Dividends

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

C. Interest receivable and payable

Interest receivable and payable are recognised on an accrual 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

Shares in Group undertakings 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. 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.

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

1. Accounting policies (continued)

G. 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. There are no expected credit losses in 2020 (2019: \$nil).

2. Turnover

Turnover represents the value of services charged to Prudential Group companies. A fixed mark-up percentage is levied on certain provision of services.

	2020 \$000	2019 \$000
Primary geographical markets:		
Asia	-	206,098
Europe	-	15,071
North America	-	244
	<u>-</u>	<u>221,413</u>

3. Staff information

The staff costs shown below represent amounts incurred in respect of staff (employed by a related party, Prudential Services Limited) who work on behalf of the Company. Since the first quarter of 2020, all the seconded staff have been transferred from the Company to its subsidiary, PCHL.

	2020 \$000	2019 \$000
Wages and salaries	1,140	108,144
Share based payments	-	19,404
Contributions to defined contribution plans	29	8,455
	<u>1,169</u>	<u>136,003</u>
	<u>Number</u>	<u>Number</u>
Average number of staff working on behalf of the Company during the year	10	495

4. Profit before taxation

The profit before tax is stated after charging:

	2020 \$000	2019 \$000
Depreciation (note 8)	-	14,824
Amortisation of intangible assets (note 7)	-	175,357
Loss on sale of fixed assets	-	(54)

PRUDENTIAL HOLDINGS LIMITED**NOTES ON THE ACCOUNTS (continued)****5. Tax credit on profit****(a) Analysis of tax credit for the year**

	2020 \$000	2019 \$000
Current tax		
Hong Kong (2019: the UK) Corporation tax credit on profit for the year	-	35,151
Adjustments in respect of previous years	-	(3,288)
Total current tax credit	-	31,863
Deferred tax		
Origination and reversal of timing differences	-	(4,289)
Adjustments in respect of previous years	-	2,083
Total deferred tax charge	-	(2,206)
Tax credit on profit	-	29,657

(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 Hong Kong (2019: the UK) as shown below. The standard rate of tax has been determined by using Hong Kong (2019: the UK) rate of corporation tax enacted for the period for which the result of the Company will be taxed.

	2020 \$000	2019 \$000
Profit before tax	403,571	777,445
Profit multiplied by standard rate of corporation tax in Hong Kong of 16.5% (2019 standard rate of corporate tax in the UK: 19%)	(66,589)	(147,714)
Effects of:		
Dividends received	73,155	205,737
Permanent differences	-	(14,135)
Impact of changes in local statutory tax rates	-	(10)
Adjustments in respect of previous years	-	(1,205)
Unrecognised credit on tax losses	(6,566)	(8,638)
Derecognition of deferred tax assets	-	(4,378)
Tax credit on profit	-	29,657

PRUDENTIAL HOLDINGS LIMITED**NOTES ON THE ACCOUNTS (continued)****5. Tax credit on profit (continued)**

(c) Deferred tax asset

	2020 \$000	2019 \$000
Deferred tax asset at beginning of year	-	2,201
Deferred tax charged to profit and loss account	-	(2,206)
Foreign exchange translation differences due to change in presentation currency	-	5
Deferred tax asset at end of year	-	-

Deferred tax assets of \$6,566,000 (gross \$39,794,000) have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	Gross 2020 \$000	Tax 2020 \$000	Gross 2019 \$000	Tax 2019 \$000
Deductible temporary difference	-	-	26,732	5,079
Tax losses	39,794	6,566	47,180	8,965
	39,794	6,566	73,912	14,044

6. Shares in subsidiary undertakings

	2020 \$000	2019 \$000
At 1 January	4,036,611	3,880,753
Impact of change in presentation currency	-	155,858
At 31 December	4,036,611	4,036,611

Investments in subsidiaries held at 31 December 2020 have been assessed for impairment and no impairment was identified.

During 2020, the Company received dividends of \$438,965,000 (2019: \$1,074,936,000) from its subsidiary, Prudential Corporation Holdings Limited and \$4,400,000 (2019: \$5,902,000) 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 2020 is disclosed below.

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

6. Shares in subsidiary undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Registered office address
Prudential (Cambodia) Life Assurance Plc	Ordinary shares	100%	Cambodia	Phnom Penh Tower, 20F, #445, Monivong Blvd, Boeung Prohit, 7 Makara, Phnom Penh, Cambodia
Eastspring Real Assets Partners	Ordinary shares	100%	Cayman Islands	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Eastspring Infrastructure Debt Fund L.P.	Partnership interest	90.68%	Cayman Islands	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
CITIC-CP Asset Management Co., Ltd.	Membership interest	26.95%	China	Room 101-2, No.128 North Zhangjiabang Road, Pudong District, Shanghai 200120, China
CITIC-Prudential Fund Management Company Limited	Membership interest	49%	China	Level 9, HSBC Building, Shanghai IFC, 8 Century Avenue, Pudong, Shanghai, China
CITIC-Prudential Life Insurance Company Limited	Membership interest	50%	China	0507-0510, 1601-1616 East Tower, World Financial Centre, No.1 East Third Ring Middle Road, Chaoyang District, Beijing, China 100020
Eastspring Investment Management (Shanghai) Company Limited	Membership interest	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	Membership interest	100%	China	Unit 306-308, 3/F., 1233 Lujiazui Ring Road China (Shanghai) Pilot Free Trade Zone, China
Shenzhen Prudential Technology Limited	Membership interest	100%	China	Unit 5, 8/F, China Resources Tower, No.2666 Keyuan South Road, Yuehai Street, Nanshan District, Shenzhen 518054, China
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
Eastspring Investments (Hong Kong) Limited	Ordinary shares	100%	Hong Kong	13th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
PCA IP Services Limited	Ordinary shares	100%	Hong Kong	13/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Prudence Foundation	Limited by guarantee	100%	Hong Kong	13/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
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	22.11%	India	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, India
ICICI Prudential Pension Funds Management Company Limited	Ordinary shares	22.11%	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
Prudential Technology and Services India Private Limited	Ordinary shares	100%	India	EPIP Industrial Area, Whitefield Road K.R Puram, Near SAP Labs, Hubli Bangalore, Karnataka India, 560066
PT. Eastspring Investments Indonesia	Ordinary shares	100%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
PT. Prudential Life Assurance	Ordinary shares	94.62%	Indonesia	Prudential Tower, Jl. Jend. Sudirman Kav. 79 Jakarta 12910, Indonesia

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

6. Shares in subsidiary undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Registered office address
Reksa Dana Eastspring IDR Fixed Income Fund (NDEIFF)	Units	99.64%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
Reksa Dana Eastspring Investments Alpha Navigator Fund	Units	85.85%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
Reksa Dana Eastspring Investments Cash Reserve	Units	99.16%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
Reksa Dana Eastspring Investments IDR High Grade	Units	21.46%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
Reksa Dana Eastspring Investments Value Discovery	Units	88.20%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
Reksa Dana Syariah Eastspring Syariah Equity Islamic Asia Pacific USD	Units	86.66%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
Reksa Dana Syariah Eastspring Syariah Fixed Income Amanah	Units	59.79%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
Reksa Dana Syariah Eastspring Syariah Money Market Khazanah	Units	98.30%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
Reksa Dana Syariah Penyertaan Terbatas Bahana Syariah BUMN Fund	Units	99.01%	Indonesia	Graha CIMB Niaga 21st Floor, Jl Jend Sudirman Kav 58, Jakarta - 12190, Indonesia.
Eastspring Investments Asia Oceania High Dividend Equity Fund	Units	100.00%	Japan	Eastspring Investments Limited, Marunouchi Park Bldg., 2-6-1, Marunochi, Chiyoda-ku, Tokyo, Japan 100-6905
Eastspring Investments Asia Oceania U&I Bond Fund	Units	99.92%	Japan	Eastspring Investments Limited, Marunouchi Park Bldg., 2-6-1, Marunochi, Chiyoda-ku, Tokyo, Japan 100-6905
Eastspring Investments Emerging Markets Star Players	Units	41.15%	Japan	Eastspring Investments Limited, Marunouchi Park Bldg., 2-6-1, Marunochi, Chiyoda-ku, Tokyo, Japan 100-6905
Eastspring Investments Limited	Ordinary Shares	100%	Japan	Marunouchi Park Building, 6-1 Marunouchi 2-chome, Chiyoda-Ku, Tokyo, Japan
Eastspring Asset Management Korea Co. Ltd.	Ordinary shares	100%	Korea	15th Floor, Shinhan Investment Tower, 70 Yoidae-ro, Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investment K-Short Term Bond Alpha Securities Investment Trust (Bond Balanced)	Units	20.41%	Korea	15th Floor, Shinhan Investment Tower, 70 Yoidae-ro, Youngdungpo-gu, Seoul 07325, Korea
PCA Reinsurance Co. Ltd	Ordinary shares	100%	Labuan, Malaysia	Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 8700 Federal Territory of Labuan, Malaysia
Prudential Life Assurance (Lao) Company Limited	Ordinary shares	100%	Laos	5th Floor, Lao international Business and Tourist Center Project (Vientiane Center), Khouvieng Road, Nongchan Village, Sisattanak District, Vientiane Capital, Lao PDR
Eastspring Investments Asian Bond Fund	Units	39.08%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Dynamic Fund	Units	90.00%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

6. Shares in subsidiary undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Registered office address
Eastspring Investments Asian Equity Fund	Units	99.17%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Equity Income Fund	Units	80.97%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian High Yield Bond Fund	Units	29.28%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Infrastructure Equity Fund	Units	71.48%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Investment Grade Bond Fund	Units	92.65%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Asian Low Volatility Equity Fund	Units	99.11%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Asian Multi Factor Equity Fund	Units	100.00%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Asia Pacific Equity Fund	Units	99.97%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Property Securities Fund	Units	97.70%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investment Asia Real Estate Multi Asset Income Fund	Units	80.65%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investment Asia Sustainable Bond Fund	Units	99.99%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments China A Shares Growth Fund	Units	91.25%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Dragon Peacock Fund	Units	90.95%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments European Inv Grade Bond Fund	Units	99.73%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Emerging Markets Bond Fund	Units	99.96%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Equity Navigator Fund	Units	98.43%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments - Global Growth Equity Fund	Units	73.87%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Global Low Volatility Equity Fund	Units	99.48%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Global Market Navigator Fund	Units	99.63%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Multi Asset Income Plus Growth Fund	Units	99.99%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Global Technology Fund	Units	81.38%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Greater China Equity Fund	Units	94.66%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments India Equity Fund	Units	77.64%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments (Luxembourg) S.A.	Ordinary shares	100%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments - Pan European Fund	Units	64.88%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS - Alternative Investments Fund	Units	100%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

6. Shares in subsidiary undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Registered office address
Eastspring Investments SICAV-FIS - Asia Pacific Loan Fund	Units	90.92%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments US Corporate Bond Fund	Units	60.63%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments US High Inv Grade Bond Fund	Units	90.09%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments - US High Yield Bond Fund	Units	41.33%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments US Investment Grade Bond Fund	Units	40.83%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments World Value Equity Fund	Units	95.42%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
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 Investments Asian High Yield Bond MY Fund	Units	67.90%	Malaysia	Eastspring Investments Berhad, Level 22, Menara Prudential, Persiaran TRX Barat, 55188 Tun Razak Exchange, Kuala Lumpur, Malaysia
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 Equity Income Fund	Units	29.20%	Malaysia	Eastspring Investments Berhad, Level 22, Menara Prudential, Persiaran TRX Barat, 55188 Tun Razak Exchange, Kuala Lumpur, Malaysia
Eastspring Investments Japan Dynamic MY Fund	Units	37.02%	Malaysia	Eastspring Investments Berhad, Level 22, Menara Prudential, Persiaran TRX Barat, 55188 Tun Razak Exchange, Kuala Lumpur, Malaysia
Eastspring Investments MY Focus Fund	Units	26.11%	Malaysia	Eastspring Investments Berhad, Level 22, Menara Prudential, Persiaran TRX Barat, 55188 Tun Razak Exchange, Kuala Lumpur, Malaysia
Prudential Assurance Malaysia Berhad	Ordinary shares	51%	Malaysia	Level 20, Menara Prudential, Persiaran TRX Barat, 55188 Tun Razak Exchange, Kuala Lumpur, Malaysia
Prudential BSN Takaful Berhad	Ordinary shares	49%	Malaysia	Level 8A, Menara Prudential, 10 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
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
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
Eastspring Investments India Equity Open Limited	Ordinary shares	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius
Eastspring Investments India Infrastructure Equity Open Limited	Ordinary shares	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius
Eastspring Investments India Consumer Equity Open Limited	Ordinary shares	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius
Prudential Mauritius Holdings Limited	Ordinary shares	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

6. Shares in subsidiary undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Registered office address
<i>Pru Life Insurance Corporation of U.K.</i>	<i>Ordinary shares</i>	100%	Philippines	9/F, Uptown Place Tower 1, 1 East 11th Drive, Uptown Bonifacio, 1634 Taguig City, Metro Manila, Philippines
Pru Life UK Asset Management and Trust Corporation	Ordinary shares	100%	Philippines	2/F Uptown Parade 2 36th Street, Uptown Bonifacio 1634 Taguig City, Metro Manila, Philippines
Eastspring Investments Group Pte. Ltd.	Ordinary shares	100%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre Tower 2, Singapore 018983
Eastspring Investments (Singapore) Limited	Ordinary shares	100%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre Tower 2, Singapore 018983
Eastspring Investments Services Pte. Ltd.	Ordinary shares	100%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre Tower 2, Singapore 018983
Eastspring Investments Unit Trust - Dragon Peacock Fund	Units	97.74%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Tower 2, Singapore, 018983
Eastspring Investments UT Singapore ASEAN Equity Fund	Units	98.74%	Singapore	10 Marina Boulevard #32-01, Marina Bay Financial Centre, Singapore 018983
Eastspring Investments UT Singapore Select Bond Fund	Units	75.14%	Singapore	10 Marina Boulevard #32-01, Marina Bay Financial Centre, Singapore 018983
M&G Real Estate Asia Holding Company Pte. Ltd.	Ordinary shares	33%	Singapore	10 Marina Boulevard, #31-03, Marina Bay Financial Centre Tower 2, Singapore 018983
Neuralbay Pte. Ltd.	Ordinary shares	100%	Singapore	10 Central Exchange Green, Pixel, Singapore 138649
Prudential Assurance Company Singapore (Pte) Limited	Ordinary shares	100%	Singapore	30 Cecil Street, #30-01 Prudential Tower, Singapore 049712
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
Pulse EcoSystems Pte. Ltd.	Ordinary shares	100%	Singapore	1 Wallich Street, #19-01 Guoco Tower Singapore 078881
Rhodium Investment Fund	Units	99.82%	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
Eastspring Securities Investment Trust Co., Ltd.	Ordinary shares	99.54%	Taiwan	4F, No.1 Songzhi Road, Taipei 110, Taiwan
PCA Life Assurance Co. Ltd.	Ordinary shares	99.79%	Taiwan	8/F, No.1 Songzhi Road, Taipei 11047, Taiwan
North Sathorn Holdings Company Limited	Ordinary shares	100%	Thailand	3 Rajanakarn Building, 20/F South Sathorn Road, Yannawa Subdistrict, Sathorn District Bangkok, Thailand
Prudential Life Assurance (Thailand) Public Company Limited	Ordinary shares	99.93%	Thailand	9/9 @ Sathorn Building, 20th- 27th Fl., South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120, Thailand
Staple Limited	Ordinary shares	100%	Thailand	3 Rajanakarn Building, 20th Floor, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok, Thailand
Thanachart Fund Management Co., Ltd.	Ordinary shares	50.10%	Thailand	Units 902-908, 9th Floor, Mitrtown Office Tower 944Rama 4 Road, Wangmai, Patumwan, Bangkok 10330 Thailand
TMB Asset Management Co., Ltd.	Ordinary shares	65%	Thailand	32nd Floor, Abdulrahim Building, 990 Rama IV Road, Silom, Bangrak, Bangkok 10500, Thailand
Eastspring Investments Incorporated	Ordinary shares	100%	USA	874 Walker Road, Suite C, Dover, DE 19904 USA

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

6. Shares in subsidiary undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Registered office address
Prudential IP Services Limited	Ordinary shares	100%	United Kingdom	1 Angel Court, London, EC2R 7AG, United Kingdom
Prudential Corporation Holdings Limited	Ordinary shares	100%	United Kingdom	1 Angel Court, London, EC2R 7AG, England, United Kingdom
Eastspring Investments Fund Management Limited Liability Company	Membership interest	100%	Vietnam	23rd Floor, Saigon Trade Center, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
Eastspring Investments Vietnam Navigator Fund	Units	76.45%	Vietnam	23rd Floor, Saigon Trade Center, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
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

7. Intangible assets

	2020	2019
	\$000	\$000
At 1 January	2,456,554	1,531,248
Additions	-	1,044,498
Transfers to a subsidiary *	(2,456,554)	-
Amortisation in year	-	(175,357)
Foreign exchange translation differences due to change in presentation currency	-	56,165
At 31 December	-	2,456,554

* Balance represented the intangible assets held by the Company on 1 January 2020 and being transferred to its subsidiary, Prudential Corporation Holdings Limited in 2020. The balance excluded the newly acquired intangible assets by the Company in 2020 that were recognised directly under Prudential Corporation Holdings Limited pursuant to the asset transfer agreement.

PRUDENTIAL HOLDINGS LIMITED**NOTES ON THE ACCOUNTS (continued)****8. Tangible assets**

	Land and buildings \$000	Fixtures & Fittings \$000	Computer equipment \$000	Other \$000	Total \$000
Cost:					
Balance at 1 January 2019	43,385	7,692	21,645	8,692	81,414
Additions	-	-	3,524	2,145	5,669
Disposals	-	-	(1,057)	(4,886)	(5,943)
Foreign exchange translation differences due to change in presentation currency	1,741	308	886	127	3,062
At 31 December 2019	45,126	8,000	24,998	6,078	84,202
Balance at 1 January 2020	45,126	8,000	24,998	6,078	84,202
Transfer to a subsidiary *	(45,126)	(8,000)	(24,998)	(6,078)	(84,202)
At 31 December 2020	-	-	-	-	-
Depreciation:					
Balance at 1 January 2019	-	-	(20,324)	(7,768)	(28,092)
Charge for the year (note 9)	(10,035)	(2,255)	(1,801)	(733)	(14,824)
Eliminated on disposals			1,097	4,907	6,004
Foreign exchange translation differences due to change in presentation currency	(379)	(86)	(840)	(170)	(1,475)
At 31 December 2019	(10,414)	(2,341)	(21,868)	(3,764)	(38,387)
Balance at 1 January 2020	(10,414)	(2,341)	(21,868)	(3,764)	(38,387)
Eliminated on transfer to a subsidiary *	10,414	2,341	21,868	3,764	38,387
At 31 December 2020	-	-	-	-	-
Net book value:					
At 31 December 2020	-	-	-	-	-
At 31 December 2019	34,712	5,659	3,130	2,314	45,815

* Balance represented the tangible assets held by the Company on 1 January 2020 and being transferred to its subsidiary, Prudential Corporation Holdings Limited in 2020. The balance excluded the newly acquired tangible assets by the Company in 2020 that were recognised directly under Prudential Corporation Holdings Limited pursuant to the asset transfer agreement.

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

9. Leases

(a) Right-of-use assets

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (see note 8):

	Land and buildings \$000	Fixtures & fittings \$000	Total \$000
Balance at 1 January 2019	43,385	7,692	51,077
Depreciation charge for the year	(10,035)	(2,255)	(12,290)
Foreign exchange translation differences due to Change in presentation currency	1,362	222	1,584
Balance at 31 December 2019	34,712	5,659	40,371
Balance at 1 January 2020	34,712	5,659	40,371
Transfer to a subsidiary *	(34,712)	(5,659)	(40,371)
Balance at 31 December 2020	-	-	-

* Balance represented the right-of-use assets held by the Company on 1 January 2020 and being transferred to its subsidiary, Prudential Corporation Holdings Limited in 2020.

(b) Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	2020 \$000	2019 \$000
Interest expense on lease liabilities	-	1,241

10. Debtors

	2020 \$000	2019 \$000
Amounts owed by Group undertakings:		
Amount due from immediate parent company	-	38,086
Amount due from subsidiaries *	3,358,914	95,139
Amount due from fellow subsidiaries	38,986	48,802
Prepayments and accrued income	3,652	62,285
Other debtors	5,753	7,955
	<u>3,407,305</u>	<u>252,267</u>

* This balance includes the amount due from its subsidiary, Prudential Corporation Holdings Limited, of \$3,313,696,000 (2019: \$12,126,000) mainly arising from the transfer of tangible and intangible assets as a result of the restructure.

11. Cash and cash equivalent

Cash and cash equivalent consist of cash at bank and in hand, and short-term highly liquid investments with less than 90 days maturity from the date of acquisition.

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

12. Creditors: amounts falling due within one year

	2020	2019
	\$000	\$000
Amounts owed to ultimate parent company	2,323,427	1,148,472
Amounts owed to other Group undertakings:		
Amount due to immediate parent company	-	50,000
Amount due to subsidiaries	102,669	385,359
Share-based payment liability	-	116,232
Tax payable	-	3,715
Accruals and deferred income *	811,084	881,816
Lease liabilities	-	10,532
	<u>3,237,180</u>	<u>2,596,126</u>

* Included in accruals and deferred income is a provision for annual incentive payment to Standard Chartered Bank of \$182,820,000 and fixed consideration payment to FWD Life Insurance Public Limited Company of \$275,547,000, TMB Bank Public Company Limited of \$154,995,000 and United Overseas Bank of \$132,405,000 in respect of bancassurance partnership.

13. Creditors: amounts falling due more than one year

	2020	2019
	\$000	\$000
Lease liabilities	-	28,705

14. Share capital

	2020	2019
	\$000	\$000
Issued and fully paid: 3,462,789,335 ordinary shares of £1 each	4,587,330	4,587,330

15. Auditor's remuneration

Auditor's remuneration of \$30,000 (2019: \$18,000) related to the audit of these financial statements 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.

16. 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 (2019: \$nil).

PRUDENTIAL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

17. Immediate and ultimate parent company

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

18. Post balance sheet events

Subsequent to the balance sheet date:

- The Company received loans of \$128,699,000 from its ultimate parent company, Prudential plc. Subsequently, the Company used this funding to pay United Overseas Bank in respect of the bancassurance partnership fee.
- The Company paid TMB Bank Public Company Limited and FWD Life Insurance Public Limited Company fees of \$430,327,000 in January 2021 and Standard Chartered Bank a fee of \$176,000,000 in February 2021.
- The Company transferred the entire issued and fully paid-up share capital of its subsidiary, Eastspring Investments (Luxembourg) S.A. (5,000 shares transferred at a book value of \$4,127,000) to Eastspring Investments Group Pte. Ltd. ("EIGP") in consideration for a promissory note issued by EIGP. The promissory note was subsequently transferred to the Company's subsidiary, PCHL, with PCHL issuing 2,980,204 ordinary shares with an aggregate nominal value of \$4,127,000 to the Company in consideration.
- The Company transferred the entire issued and fully paid-up share capital of its subsidiary, Eastspring Investments Incorporated (2 shares transferred at a book value of \$4,258,000), to PCHL with PCHL issuing 3,045,998 ordinary shares with an aggregate nominal value of \$4,258,000 to the Company in consideration.
- The Company declared and paid a dividend of \$275,000,000 to its immediate parent company, Prudential Corporation Asia Limited in June 2021.