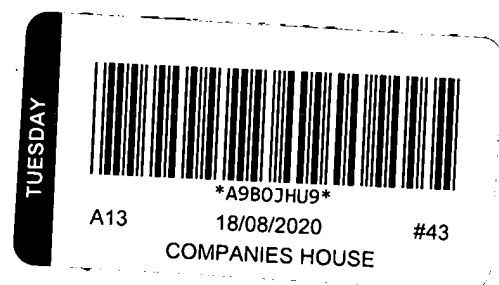


Registered No. 1404713

PRUDENTIAL CORPORATION HOLDINGS LIMITED

Annual Report and Accounts

For the year ended 31 December 2019



PRUDENTIAL CORPORATION HOLDINGS LIMITED

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

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

Report and Accounts for the year ended 31 December 2019

CONTENTS	Page
Directors	1
Strategic report	2
Directors' report	4
Statement of directors' responsibilities	5
Independent auditor's report	6
Statement of comprehensive income	8
Statement of changes in equity	8
Statement of financial position	9
Notes on the accounts	10

PRUDENTIAL CORPORATION HOLDINGS LIMITED

Directors

Benjamin James Bulmer (Chairman)	(appointed as director on 28 November 2019 and appointed as Chairman on 29 November 2019)
Stephen Paul Bickell	(appointed on 28 November 2019)
Paul Howard Simons	(appointed on 28 November 2019)
Esther Hoi Yan Cheung	(appointed on 28 November 2019)
Kieran Joseph Devlin	(resigned on 28 November 2019)
Katherine Louise Jones	(resigned on 28 November 2019)
David Charles Martin	(resigned on 28 November 2019)

Secretary

Prudential Group Secretarial Services Limited

Auditor

KPMG LLP

PRUDENTIAL CORPORATION HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activity and strategic objectives

The principal activity of the Company is to act as the holding company of the Prudential Group's insurance and asset management operations in Asia. From 1 January 2020 the administration of the Company has been undertaken from Hong Kong and the Company will take on providing management and support services to the Prudential Group's Asian business operations going forward.

Company performance and measurement

Key performance indicators	2019 \$000	2018 \$000
Profit on ordinary activities before tax	1,048,426	1,172,913
Net assets	3,477,089	3,447,418

The profit for 2019 primarily reflected income from shares in Group undertakings and participating interests.

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 Q1 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 future performance of its subsidiary undertakings in Asia. These risks are managed and monitored at a Group level, and the Group's risk management and internal frameworks are described in the consolidated financial statements of Prudential plc. Due to the current financial strength of the Prudential Group, the directors consider that there is a minimal level of risk associated with the Company.

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 Holdings Limited and when entering into intra-group loan financing arrangements.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Section 172 and Stakeholder engagement statement (continued)

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 2019 Annual Report and Accounts.

Signed on behalf of the Board of directors.

A handwritten signature in black ink, appearing to read 'B. Bulmer', written in a cursive style.

Benjamin James Bulmer
Director

12 AUG 2020

PRUDENTIAL CORPORATION HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Accounts and dividend

The state of affairs of the Company at 31 December 2019 is shown in the statement of financial position on page 9. The statement of comprehensive income appears on page 8. In 2019, the Company paid dividends totalling \$1,096,706,000 (2018: \$937,707,000).

Post balance sheet events

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 Q1 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.

Directors' and officers' protection

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

Disclosure of information to auditor

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

Corporate Governance Statement

The Company applies the Prudential Group governance framework, as set out in the Prudential plc 2019 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.

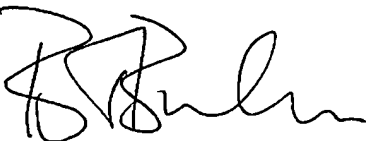
Political donations

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

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.



Benjamin James Bulmer
Director

12 AUG 2020

PRUDENTIAL CORPORATION HOLDINGS LIMITED

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

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

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

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

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

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

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

Opinion

We have audited the financial statements of Prudential Corporation Holdings Limited ("the company") for the year ended 31 December 2019 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

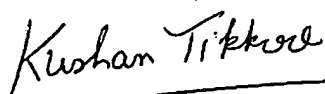
Auditor's responsibilities

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

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

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

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



Kushan Tikkoo (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
12 August 2020

PRUDENTIAL CORPORATION HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$000	2018* \$000
Income from shares in Group undertakings	3	720,837	1,048,391
Income from participating interests	4	96,742	88,065
Income from other investments		-	215
Interest receivable		18,536	11,760
Gain on sale of investments	5	241,204	-
Interest payable and similar charges		(14,307)	(13,312)
Exchange (losses)/gains		(14,312)	32,569
Unrealised investment gains		-	5,598
Expenses		(283)	(374)
Other operating income		9	1
Profit on ordinary activities before tax		1,048,426	1,172,913
Tax charge on profit on ordinary activities	2	(56,546)	(64,163)
Profit for the financial year		991,880	1,108,750
Other comprehensive income - Foreign exchange translation differences due to change in presentation currency		17,364	(30,759)
Other comprehensive income for the year		17,364	(30,759)
Total comprehensive income for the year		1,009,244	1,077,991

All of the above items relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital \$000	Retained Profit \$000	Total \$000
Balance at 1 January 2018	3,097,912	390,590	3,488,502
Profit for the financial year	-	1,108,750	1,108,750
Dividends paid	-	(937,707)	(937,707)
Foreign exchange translation differences due to change in presentation currency	(181,368)	(30,759)	(212,127)
Balance at 31 December 2018*	2,916,544	530,874	3,447,418
Balance at 1 January 2019	2,916,544	530,874	3,447,418
Profit for the financial year	-	991,880	991,880
Dividends paid	-	(1,096,706)	(1,096,706)
Foreign exchange translation differences due to change in presentation currency	117,133	17,364	134,497
Balance at 31 December 2019	3,033,677	443,412	3,477,089

* The 2018 comparative results have been re-presented from those previously published to reflect the change in the Company's presentational currency from pounds sterling to US dollars (as described in note 1(H)).

The notes on pages 10 to 21 form part of these financial statements.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

	Notes	2019 \$000	2018* \$000
NON-CURRENT ASSETS			
Investments			
Shares in Group undertakings	3	3,668,419	3,384,916
Participating interests	4	344,929	359,662
Amounts owed by Group undertakings		102,602	130,105
Other investments	5	-	52,467
Office equipment		5	6
		<u>4,115,955</u>	<u>3,927,156</u>
CURRENT ASSETS			
Amounts owed by Group undertakings		783,488	886,979
Tax recoverable		7,814	-
Other debtors		4,154	17,638
Cash at bank and in hand	6	14,462	22,064
		<u>809,918</u>	<u>926,681</u>
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>(1,448,784)</u>	<u>(1,401,597)</u>
NET CURRENT LIABILITIES		<u>(638,866)</u>	<u>(474,916)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,477,089	3,452,240
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	2	-	(4,822)
NET ASSETS		<u>3,477,089</u>	<u>3,447,418</u>
CAPITAL AND RESERVES			
Called up share capital	8	3,033,677	2,916,544
Retained profit		443,412	530,874
TOTAL SHAREHOLDERS' FUNDS		<u>3,477,089</u>	<u>3,447,418</u>

* The 2018 comparative results have been re-presented from those previously published to reflect the change in the Company's presentational currency from pounds sterling to US dollars (as described in note 1(H)).

The financial statements on pages 8 to 21 were approved by the Board of directors on **12 AUG 2020** and signed on its behalf by:



Esther Hoi Yan Cheung
Director

The notes on pages 10 to 21 form part of these financial statements.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS

1. Accounting policies

A. Basis of presentation

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

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

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

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

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

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

- A cash flow statement and related notes
- Disclosures in respect of transactions between wholly owned subsidiaries within the Prudential Group
- Disclosure in respect of capital management
- The effects of new but not yet effective IFRSs
- Disclosures in respect of the compensation of key management personnel
- Certain disclosures required by IFRS13 "Fair Value Measurement" and the disclosures required by IFRS7 "Financial Instruments: Disclosures"
- Disclosure of a third balance sheet on the change in currency required by FRS 101.8(g)

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 \$3,668 million and net assets of \$3,477 million. Due to the way that the company is financed, it has net current liabilities of \$639 million as at 31 December 2019. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The going concern of the Company is dependent on Prudential plc not seeking repayment of the amounts currently due to the group, which at 31 December 2019 amounted to \$1,320 million, and providing additional financial support during the foreseeable future. Prudential plc has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, and for the foreseeable future.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS

1. Accounting policies (continued)

B. 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.

As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

C. Dividends

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

D. Interest receivable and payable

Interest receivable and payable are recognised on an accruals basis.

E. 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.

F. Shares in Group undertakings and participating interests

Shares in Group undertakings and participating interests are shown at cost, less impairment, and the shares are reviewed for indicators of impairment on an annual basis. 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. For insurance entities that have not yet reached scale, a modified EEV approach based on the present value of projected new business profits is considered to be an appropriate approximation of fair value. The shares are reviewed for indicators of reversals of prior year impairment charges and adjustments are made when the fair value of the operation has increased following changes in the economic conditions since the impairment charge was made.

G. Other investments

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

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

1. Accounting policies (continued)

H. Foreign currency:

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

From 31 December 2019, to align with other Prudential Group companies, the Company will manage its cash resources and future remittances primarily in US dollars. At 31 December 2019, terms of the majority of loans payable to and receivable from subsidiary undertakings previously denominated in pounds sterling were amended to reflect US dollars. From 31 December 2019, dividend income and dividends declared by the Company will be denominated in US dollars. Accordingly, as at 31 December 2019, the primary currency of the Company's financing and investment activities is US dollars and the functional currency of the Company changed from pounds sterling to US dollars prospectively from that date. The Company's assets, liabilities and equity were redenominated into US dollars using the spot exchange rate at 31 December 2019.

As a result of the change in functional currency, the Company has chosen to change its presentational currency to US dollars which is accounted for retrospectively. Prior periods have been restated into US dollars using closing rates at the relevant balance sheet date for assets, liabilities, share capital, share premium and other capital reserves. Items of total comprehensive income have been converted at the rate prevailing on the date of transaction, or at the average rate for the relevant year where this provides an equivalent measurement.

I. Amounts owed by / to Group undertakings

Amounts owed by / to Group undertakings are initially stated at fair value and subsequently measured at amortised cost using the effective interest rate method. In 2018, the Company adopted IFRS 9, 'Financial Instruments' which replaced IAS 39, 'Financial Instruments – Recognition and Measurement' and the Company changed its approach to assessing impairment on its loans and receivables from the IAS 39 incurred loss approach to the IFRS 9 expected credit loss approach. This has not resulted in any expected credit losses in 2019 or 2018.

J. Depreciation and amortisation

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

- Office equipment 10 years

K. Provisions

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

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

2. Tax

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

	2019 \$000	2018 \$000
Current tax		
UK corporation tax (charge) on profit for the year	3,153	(600)
Prior year adjustments	-	(558)
Foreign tax	(64,532)	(62,446)
Total current tax charge	<u>(61,379)</u>	<u>(63,604)</u>
Deferred tax		
Origination and reversal of timing differences	4,833	(559)
Total deferred tax charge	<u>4,833</u>	<u>(559)</u>
Tax charge on profit on ordinary activities	<u>(56,546)</u>	<u>(64,163)</u>

(b) Factors affecting tax charge for the year

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

	2019 \$000	2018 \$000
Profit on ordinary activities before tax	<u>1,048,426</u>	<u>1,172,913</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(199,201)	(222,853)
Effects of:		
Permanent differences	288	5,223
Non-taxable income and gains	206,076	215,967
Adjustments in respect of previous years	-	(558)
Impact of difference in current and deferred tax rates	723	503
Foreign tax	(63,657)	(62,445)
Unrecognised credit on tax losses	(775)	-
Tax charge on profit on ordinary activities	<u>(56,546)</u>	<u>(64,163)</u>

Deferred taxation

	2019 \$000	2018 \$000
Deferred tax provision at beginning of year	(4,822)	(4,554)
Deferred tax (charged) to the profit and loss account	4,822	(268)
Deferred tax provision at end of year	<u>-</u>	<u>(4,822)</u>

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

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

2. Tax (continued)

(c) Factors that may affect future tax charges

In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This does not materially affect the Company's financial statements ended 31 December 2019.

On 28 November 2019 the Company ceased being a UK tax resident and became a Hong Kong tax resident. The Company's profits will no longer be subject to UK corporation tax from this date.

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

(d) Unrecognised deferred tax assets

Deferred tax assets of \$0.775m (gross \$4.078m) have not been recognised in respect of tax losses, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

3. Shares in Group undertakings

	2019 \$000	2018 \$000
Cost:		
At beginning of year	3,920,636	4,316,399
Additions	148,694	90,325
Return of capital	-	(240,304)
Disposal in the year	(6,510)	-
Impact of change in presentation currency	162,834	(245,784)
At end of year	<u>4,225,654</u>	<u>3,920,636</u>
Cumulative impairment charge:		
At beginning of year	(535,720)	(569,034)
Impact of change in presentational currency	(21,515)	33,314
At end of year	<u>(557,235)</u>	<u>(535,720)</u>
Net book value:		
At end of the year	<u>3,668,419</u>	<u>3,384,916</u>
At beginning of the year	<u>3,384,916</u>	<u>3,747,365</u>

The Company acquired a 50.1% shareholding in Thanachart Fund Management Co., Ltd. in Thailand on 27 December 2019 for \$142 million, with the option to acquire the remaining equity in this business in the future.

Other additions relate to further investment in Prudential (Cambodia) Life Assurance Plc, Prudential Life Assurance (Lao) Company Limited, Eastspring Investments (Hong Kong) Limited.

The Company's annual impairment review has not identified any impairments of investment in subsidiaries for the year ended 31 December 2019.

The Company received \$721m in dividend income from its investments in Group undertakings in 2019 (\$1,048m in 2018).

Return of capital in 2018 related to the redemption of preference shares in June 2018 of MYR1,058 million in Sri Han Suria Sdn. Bhd. The Company has reviewed its shares in Group undertakings for impairment for the year ended 2019, with no impairments identified.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

3. Shares in Group undertakings (continued)

In accordance with Section 409 of the Companies Act 2006 a list of Company's subsidiaries, joint ventures, associates and significant holdings (being holdings more than 20 per cent) along with the country of incorporation, the classes of shares held and the effective percentage of equity owned at 31 December 2019 is disclosed below.

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

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

3. Shares in Group undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of Incorporation	Registered office address
PCA IP Services Limited	Ordinary shares	100%	Hong Kong	13/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
PCA Life Assurance Co. Ltd.	Ordinary shares	99.79%	Taiwan	8/F, No.1 Songzhi Road, Taipei 11047, Taiwan
Pru Life Insurance Corporation of U.K.	Ordinary shares	100%	Philippines	9/F, Uptown Place Tower 1, 1 East 11th Drive, Uptown Bonifacio, 1634 Taguig City, Metro Manila, Philippines
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
Prudence Foundation	Limited by guarantee	100%	Hong Kong	13/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Prudential (Cambodia) Life Assurance Plc	Ordinary shares	100%	Cambodia	Phnom Penh Tower, 20F, #445, Monivong Blvd, Boeung Prolit, 7 Makara, Phnom Penh, Cambodia
Prudential Assurance Company Singapore (Pte) Limited	Ordinary shares	100%	Singapore	30 Cecil Street, #30-01 Prudential Tower, Singapore 049712
Prudential Assurance Malaysia Berhad	Ordinary shares	51%	Malaysia	Level 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, No. 10 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Prudential Life Assurance (Lao) Company Limited	Ordinary shares	100%	Lao	5th Floor, Lao International Business and Tourist Center Project (Vientiane Center), Khouvieng Road, Nongchan Village, Sisattanak District, Vientiane Capital, Lao PDR
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
Prudential Services Asia Sdn. Bhd.	Ordinary shares Class D Preference shares	100.00% 100.00%	Malaysia	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
Prudential Services Singapore Pte. Ltd.	Ordinary shares	100%	Singapore	1 Wallich Street, #19-01 Guoco Tower, Singapore 078881, Singapore
Prudential Singapore Holdings Pte. Limited	Ordinary shares	100%	Singapore	30 Cecil Street, #30-01 Prudential Tower, Singapore 049712, Singapore
Prudential Vietnam Assurance Private Limited	Ownership interest	100%	Vietnam	25/F, Saigon Trade Centre, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
PT. Eastspring Investments Indonesia	Ordinary shares	99.95%	Indonesia	23rd Floor, Prudential Tower, Jl. Jend. Sudirman Kav.79, Jakarta 12910, Indonesia
PT. Prudential Life Assurance	Ordinary shares	94.62%	Indonesia	Prudential Tower, 16/F, Jl. Jend. Sudirman Kav 79, Jakarta 12910, Indonesia
Sri Han Suria Sdn. Bhd.	Ordinary shares	51.00%	Malaysia	Suite 1005, 10/F Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
Staple Limited	Ordinary shares	48.99%	Thailand	3 Rajanakam Building, 20th Floor, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok, Thailand
Eastspring Investments Asia Pacific Equity Fund	Units	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Bond Fund	Units	53.6%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

3. Shares in Group undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Registered office address
Eastspring Investments Asian Dynamic Fund	Units	92.59%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Equity Fund	Units	85.19%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Equity Income Fund	Units	78.33%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian High Yield Bond Fund	Units	39.86%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Infrastructure Equity Fund	Units	50.78%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Asian Property Securities Fund	Units	97%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Dragon Peacock Fund	Units	53.18%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Emerging Markets Star Players	Units	38.99%	Japan	Eastspring Investments Limited, Marunouchi Park Bldg., 2-6-1, Marunochi, Chiyoda-ku, Tokyo, Japan 100-6905
Eastspring Investments European Inv Grade Bond Fund	Units	99.28%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Emerging Markets Bond Fund	Units	97.03%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Equity Navigator Fund	Units	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Global Market Navigator Fund	Units	99.68%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments India Equity Fund	Units	68.69%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments Japan Fundamental Value Fund	Units	99.85%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments North America Value Fund	Units	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS - Alternative Investments Fund	Units	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS - Asia Pacific Loan Fund	Units	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS Universal USD Bond Fund	Units	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments SICAV-FIS Universal USD Bond II Fund	Units	100%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments US Bond Fund	Units	27.84%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments US Investment Grade Bond Fund	Units	45.41%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments US Corporate Bond Fund	Units	70.82%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments US High Inv Grade Bond Fund	Units	91.67%	Luxembourg	26, boulevard Royal, Luxembourg, L-2449
Eastspring Investments UT Singapore ASEAN Equity Fund	Units	100%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Tower 2, Singapore, 018983
Eastspring Investments UT Singapore Select Bond Fund	Units	77.8%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Singapore 018983

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

3. Shares in Group undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of Incorporation	Registered office address
Eastspring Asset Management Korea Co. Ltd.	Units	100%	Korea	15th Floor, Shinhan Investment Tower, 70 Yoidae-ro, Youngdungpo-gu, Seoul 07325, Korea
Eastspring Investments - Global Technology Fund	Units	82.24%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - Pan European Fund	Units	61.01%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Singapore 018983
Eastspring Investments - US High Yield Bond Fund	Units	49.96%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Asian Low Volatility Equity Fund	Units	97.27%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Fund Management Limited Liability Company	Ownership interest	100%	Vietnam	23rd Floor, Saigon Trade Center, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
Eastspring Investments Global Multi Asset Income Plus Growth Fund	Units	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Greater China Equity Fund	Units	95.19%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments Hong Kong Equity Fund	Units	93.1%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments India Consumer Equity Open Limited	Units	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius
Eastspring Investments India Equity Fund	Units	68.69%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments India Equity Open Limited	Units	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius
Eastspring Investments India Infrastructure Equity Open Limited	Units	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius
Eastspring Investments World Value Equity Fund	Units	92.88%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Real Assets Partners	Units	100%	Cayman Islands	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Prudential Mauritius Holdings Limited	Ordinary shares	100%	Mauritius	3/F, 355 NEX, Rue du Savoir, Cybercity Ebene 77201, Mauritius
Reksa Dana Eastspring IDR Fixed Income Fund (NDEIFF)	Units	100%	Indonesia	Prudential Tower 23rd Floor, Jl. Jendral Sudirman Kav.79, Jakarta Selatan 12910, Indonesia
Reksa Dana Eastspring Investments IDR High Grade	Units	91.04%	Indonesia	Prudential Tower, Jl. Jendral Sudirman Kav. 79, 12910, Jakarta Selatan, Indonesia
Reksa Dana Eastspring Investments Value Discovery	Units	91.94%	Indonesia	Prudential Tower, Jl. Jendral Sudirman Kav. 79, 12910, Jakarta Selatan, Indonesia
Reksa Dana Syariah Eastspring Syariah Equity Islamic Asia Pacific USD	Units	94.37%	Indonesia	Prudential Tower, Jl. Jendral Sudirman Kav. 79, 12910, Jakarta Selatan, Indonesia
Reksa Dana Syariah Eastspring Syariah Fixed Income Amanah	Units	65.65%	Indonesia	Prudential Tower, Jl. Jendral Sudirman Kav. 79, 12910, Jakarta Selatan, Indonesia
Rhodium Investment Fund	Units	100%	Singapore	10, Marina Boulevard, #32-01, Marina Bay Financial Centre, Singapore 018983
Scotts Spazio Pte. Ltd.	Ordinary shares	45%	Singapore	30 Cecil Street, #23-02 Prudential Tower, Singapore 049712

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

3. Shares in Group undertakings (continued)

Name of entity	Classes of shares held	Proportion held	Country of incorporation	Registered office address
Eastspring Investments India Equity Fund	Units	68.69%	Luxembourg	26, Boulevard Royal, Luxembourg, L-2449
Eastspring Investments Limited	Ordinary Shares	100%	Japan	Marunouchi Park Building, 6-1 Marunouchi 2-chome, Chiyoda-Ku, Tokyo, Japan
Eastspring Investments - Pan European Fund	Units	61.01%	Singapore	10 Marina Boulevard, #32-01, Marina Bay Financial Centre, Singapore. 018983
Thanachart Fund Management Co., Ltd.	Ordinary shares	50.099%	Thailand	231 MBK LIFE Building, 5th-7th Floor, Lumpini, Patumwan, Bangkok 10330
AVIC Jiayin Co. Ltd.	Ownership interest	34.965%	China	Tianjin Free Trade Test Zone (Airport Economic Zone) 9-403-03, East District, Airport Business Park, No. 80, Huanbel Road, China
Eastspring Investment Management (Shanghai) Company Limited	Ownership 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	Ownership interest	100%	China	Unit 306-308, 3/F., 1233 Lujiazui Ring Road China (Shanghai) Pilot Free Trade Zone, China
Gongqing City Xinhang Co. Ltd.	Ownership interest	99.9%	China	Jiangxi province, Jiujiang City Gongqing City Fund Town, China
M&G Real Estate Asia Pte. Ltd	Ordinary shares	33%	Singapore	10 Marina Boulevard, #31-03, Marina Bay Financial Centre Tower 2, 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
M&G Real Estate Japan Co., Ltd.	Ordinary shares	33%	Japan	Shiroyama Trust Tower, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6009, Japan
M&G Real Estate Korea Co., Ltd.	Ordinary shares	33%	Korea	17 th Floor, Kyobo Building 1, Jongno, Jongno-Gu, Seoul, Korea
Eastspring Infrastructure Debt Fund L.P.	Partnership interest	90%	Cayman Islands	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Eastspring Investments - Global Low Volatility Equity Fund	Ordinary shares	98.72%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg
Eastspring Investments - US Total Return Bond Fund	Ordinary shares	100%	Luxembourg	26, Boulevard Royal, L-2449, Luxembourg

4. Participating interests

Participating interests of \$344,929,000 (2018 (\$359,662,000)) mainly relate to the Company's 22% holding in ICICI Prudential Life Insurance Company Limited ("ICICI Life") in India, and 50% holding in CITIC - Prudential Life Insurance Company Limited in China. The Company sold a 3.71% stake in ICICI Life in 2019, realising a gain of \$215 million, which is included within gains on sale of investments in note 5.

Other participating interests include the Company's holdings in asset management operations in China, Hong Kong, India and Malaysia. During the year, the Company received income from shares in participating interests of \$96,742,000 (2018: \$88,065,000).

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

5. Gains on sale of investments

In 2019 the Company sold a 3.71% stake in ICICI Life in 2019, realising a gain of \$215 million, it sold its whole investment in overseas stock, realising a gain of \$9m and it realised gains of \$17m related to the disposals of its investment in Prudential Global Services Private Limited.

6. Cash at bank and in hand

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

7. Creditors – amounts falling due within one year

	2019 \$000	2018 \$000
Amounts owed to Group undertakings	1,377,558	1,399,793
Tax payable	-	1,796
Other creditors	71,226	8
Balance at end of year	<u>1,448,784</u>	<u>1,401,597</u>

8. Called up share capital

	2019 \$000	2018 \$000
Issued and fully paid: 2,290,000,000 ordinary shares of £1 each	<u>3,033,677</u>	<u>2,916,544</u>

The share capital has been retranslated to US dollars at 31 December 2019 and 31 December 2018 as described in the accounting policies.

The holders of ordinary shares are entitled to receive dividends as declared from time to time. The Company has one shareholder, Prudential Holdings Limited.

9. Auditor's remuneration

Auditor's remuneration of \$14,042 (2018: \$14,687) in relation to the audit of the financial statements was borne by the Company's ultimate parent company, Prudential plc. Amounts receivable by the Company's auditor in respect of services rendered to the Prudential Group, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a Group basis in the consolidated financial statements of Prudential plc.

10. Directors' emoluments

The aggregate emoluments, including pension contributions, of the directors of the Company for the year in respect of services rendered to the Company were \$nil (2018: \$nil).

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

11. Immediate and ultimate parent company

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

12. Post balance sheet events

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 the some of the Company's subsidiaries were seen in Q1 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 position over the long-term to weather the disruption caused by the pandemic.

From 1 January 2020 the administration of the Company has been undertaken from Hong Kong and the Company will take on providing management and support services to the Prudential Group's Asian business operations going forward.