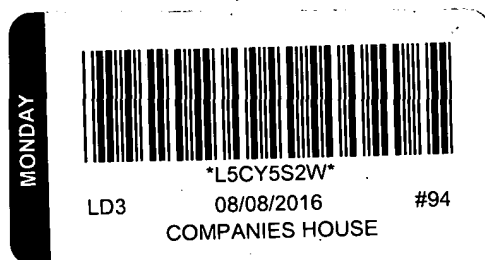


PRUDENTIAL CORPORATION HOLDINGS LIMITED

Annual Report and Accounts

For the year ended 31 December 2015



PRUDENTIAL CORPORATION HOLDINGS LIMITED

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

Registered office: Laurence Pountney Hill, London EC4R 0HH.

Report and Accounts for the year ended 31 December 2015

CONTENTS	Page
Directors	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities	4
Independent auditor's report	5
Statement of comprehensive income	6
Statement of changes in equity	6
Statement of financial position	7
Notes on the accounts	8

PRUDENTIAL CORPORATION HOLDINGS LIMITED

Directors

K J Devlin
D C Martin
S J Turner

Secretary

Prudential Group Secretarial Services Limited

Auditor

KPMG LLP

PRUDENTIAL CORPORATION HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Principal activity

The principal activity of the Company is to act as the holding company of the Prudential Group's insurance and asset management operations in Asia. This activity is expected to continue in 2016.

Strategic objective

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

Company performance and measurement

Key performance indicators	2015 £000	2014 £000
Profit on ordinary activities before tax	207,277	155,758
Net assets	2,566,928	262,623

The profit for 2015 primarily arose from income from shares in Group undertakings and participating interests of £501,699,000 offset by interest payable of £292,049,000. The increase from 2014 was due to a combination of higher income from shares in Group undertakings and lower interest payable, offset by investment and exchange losses.

The main event that happened in the year was on 30 October 2015 when the Company issued 2,240,000,000 shares for a consideration of £2,240,000,000, which is the principal reason for the increase in net assets.

Principal risks and uncertainties

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

Financial risk management objectives, policies and exposure

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

Signed on behalf of the Board of directors.



S J Turner
Director

3 August 2016

PRUDENTIAL CORPORATION HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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

Accounts and dividend

The state of affairs of the Company at 31 December 2015 is shown in the statement of financial position on page 7. The statement of comprehensive income appears on page 6. In August 2015, the Company paid a dividend of £180,000,000 (2014: £100,000,000).

Post balance sheet events

There have been no significant events affecting the Company since the balance sheet date.

Directors

The present directors of the Company are shown on page 1. P-O M Bouée and P J James resigned as directors on 31 May 2015 and 3 November 2015 respectively. S J Turner was appointed as a director on 3 November 2015.

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

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

Signed on behalf of the Board of directors.



Janki Patel
On behalf of
Prudential Group Secretarial Services Limited
Secretary

3 August 2016

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 judgments 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 statement
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

We have audited the financial statements of Prudential Corporation Holdings Limited for the year ended 31 December 2015 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and to express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 the directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

M Wilson 4/8/16

Mostyn Wilson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

PRUDENTIAL CORPORATION HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £000	2014 £000
Income from shares in Group undertakings	3	454,615	407,063
Income from participating interests	4	47,084	53,932
Income from other investments	5	462	420
Interest receivable from Group undertakings	6	15,837	16,303
Gain on sale of Group undertaking	3	2,517	-
Other operating income		309	610
Interest payable and similar charges	9	(292,049)	(336,214)
Exchange (losses) gains	6	(12,713)	631
Unrealised investment (losses) gains	5	(8,393)	13,240
Expenses		(392)	(227)
Profit on ordinary activities before tax		207,277	155,758
Tax credit on profit on ordinary activities	2	37,028	33,417
Profit and comprehensive income for the financial year		<u>244,305</u>	<u>189,175</u>

All of the above items relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Share capital £000	Profit and loss account £000	Total £000
Balance at 1 January 2014		50,000	123,448	173,448
Profit and comprehensive income for the financial year		-	189,175	189,175
Dividend		-	(100,000)	(100,000)
Balance at 31 December 2014		<u>50,000</u>	<u>212,623</u>	<u>262,623</u>
Balance at 1 January 2015		50,000	212,623	262,623
Profit and comprehensive income for the financial year		-	244,305	244,305
Issue of shares	10	2,240,000	-	2,240,000
Dividend		-	(180,000)	(180,000)
Balance at 31 December 2015		<u>2,290,000</u>	<u>276,928</u>	<u>2,566,928</u>

The notes on pages 8 to 17 form part of these financial statements.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Notes	2015 £000	2014 £000
FIXED ASSETS			
Investments			
Shares in Group undertakings	3	2,889,417	2,858,215
Participating interests	4	275,482	276,710
Other investments	5	24,802	33,172
		<u>3,189,701</u>	<u>3,168,097</u>
CURRENT ASSETS			
Debtors			
Amounts owed by Group undertakings	6	414,147	1,482,308
Tax recoverable		32,628	23,873
Other debtors		11,578	-
Cash at bank and in hand	7	<u>31,186</u>	<u>9,729</u>
		489,539	1,515,910
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(1,044,679)	(85,676)
NET CURRENT (LIABILITIES) ASSETS		<u>(555,140)</u>	<u>1,430,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,634,561	4,598,331
CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(65,485)	(4,330,000)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	2	(2,148)	(5,708)
NET ASSETS		<u>2,566,928</u>	<u>262,623</u>
CAPITAL AND RESERVES			
Called up share capital	10	2,290,000	50,000
Profit and loss account		276,928	212,623
TOTAL SHAREHOLDERS' FUNDS		<u>2,566,928</u>	<u>262,623</u>

The financial statements on pages 6 to 17 were approved by the Board of directors on 3 August 2016 and are signed on its behalf by:



S J Turner
Director

The notes on pages 8 to 17 form part of these financial statements.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS

1. Accounting policies

A. Basis of presentation

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

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

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

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

In these financial statements, the Company has adopted FRS 101 for the first time. In the transition to FRS 101, the Company has made no measurement or recognition adjustments.

The Company's ultimate parent undertaking, Prudential plc, includes the Company in its consolidated financial statements. Those consolidated financial statements are prepared in accordance with IFRS and are available to the public. Copies of the accounts can be obtained from the Company Secretary, Laurence Pountney Hill, London EC4R 0HH.

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

- A cash flow statement and related notes
- Disclosures in respect of transactions between wholly owned subsidiaries within the Prudential Group
- Disclosure in respect of capital management
- The effects of new but not yet effective IFRSs
- Disclosures in respect of the compensation of key management personnel
- Certain disclosures required by IFRS13 "Fair Value Management" and the disclosures required by IFRS7 "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 directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements. This conclusion has been based upon the facts that the Company's profit for the financial year ended 31 December 2015 was £244 million, its shareholders' funds at that date were £2,567 million and that the Company has received assurances from its ultimate parent company that it will not call for repayment of its loan if that would render the Company unable to pay its other liabilities.

B. Dividends

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

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

1. Accounting policies (continued)

C. Interest receivable and payable

Interest receivable and payable are recognised on an accruals basis.

D. Taxation

Tax is charged on all taxable profits arising in the accounting period. Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

E. Shares in Group undertakings and participating interests

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

F. Other investments

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

G. Foreign currency

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

2. Tax

(a) Analysis of tax credit for the year

	2015 £000	2014 £000
Current tax		
UK corporation tax credit on profit for the year	58,793	67,863
Prior year adjustments	1,456	(4,968)
Foreign tax	(26,781)	(26,835)
Total current tax credit	33,468	36,060
Deferred tax		
Origination and reversal of timing differences	837	(2,643)
Prior year adjustments	2,723	-
Total deferred tax credit (charge)	3,560	(2,643)
Tax credit on profit on ordinary activities	37,028	33,417

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

2. Tax (continued)

(b) Factors affecting tax credit for the year

The tax credit assessed in the year is different from the application of the standard rate of corporation tax in the UK and the differences are explained 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.

	2015 £000	2014 £000
Profit on ordinary activities before tax	207,277	155,758
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	(41,974)	(33,488)
Effects of:		
Permanent differences	779	(700)
Non-taxable income	101,688	99,204
Prior year adjustments	4,179	(4,968)
Impact of difference in current and deferred tax rates	(863)	204
Foreign tax	(26,781)	(26,835)
Tax credit on profit on ordinary activities	37,028	33,417

(c) Deferred taxation

	2015 £000	2014 £000
Deferred tax at beginning of year	(5,708)	(3,065)
Deferred tax credited (charged) to the profit and loss account	3,560	(2,643)
Deferred tax at end of year	(2,148)	(5,708)

The deferred tax provision at the end of 2015 related to capital gains and revaluations.

(d) Factors that may affect future tax charges

The effects of the reductions in the UK corporation tax rate to 20 per cent from 1 April 2015, 19 per cent from 1 April 2017 and 18 per cent from 1 April 2020 have been reflected in the financial statements.

On 16 March 2016, the UK Government announced a further reduction in the main rate of corporation tax to 17% from 1 April 2020. As this change was not substantively enacted as at 31 December 2015, its effect has not been reflected in the balances at that 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.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

3. Shares in Group undertakings

	<u>2015</u> <u>£000</u>
Cost:	
At beginning of year	3,648,530
Additions	79,202
Disposal	<u>(442,917)</u>
At end of year	<u>3,284,815</u>
Cumulative impairment charge:	
At beginning of year	(790,315)
Released on disposal	<u>394,917</u>
At end of year	<u>(395,398)</u>
Net book value:	
At 31 December 2015	<u>2,889,417</u>
At 31 December 2014	<u>2,858,215</u>

The directors are of the opinion that the value of the Company's shares in Group undertakings, all of which are unlisted, is not less than the amount included in the statement of financial position.

The main addition in 2015 was the purchase for £65,587,000 of Eastspring Investments Berhad, the Group's asset management operation in Malaysia, from a subsidiary undertaking, so that it is now a direct subsidiary of the Company.

The disposal relates entirely to the sale in February 2015 of the Company's Japanese life business. The Company received US\$68 million of the agreed consideration of US\$85 million on completion and a further payment of up to US\$17 million will be received depending upon the future performance of the business. A gain of £2,517,000 arose on the sale.

During the year, the Company received income from shares in Group undertakings of £454,615,000. The main items were dividends of £194,910,000 from PT. Prudential Life Assurance in Indonesia, £154,980,000 from Prudential Singapore Holdings Pte. Limited and £69,897,000 from Sri Han Suria Sdn. Bhd. in Malaysia.

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 2015 is disclosed below.

Name	Classes of Shares held	Proportion held	Country of Incorporation
BOCI – Prudential Asset Management Limited	Ordinary Shares	36.00%	Hong Kong
BOCI – Prudential Trustee Limited	Ordinary Shares	36.00%	Hong Kong
CITIC – CP Asset Management Co. Limited	Ordinary Shares	26.95%	China
CITIC – Prudential Fund Management Company Limited	Ordinary Shares	49.00%	China
CITIC - Prudential Life Insurance Company Limited	Ownership Interest	50.00%	China
Eastspring Al-Wara Investments Berhad	Ordinary Shares	100.00%	Malaysia
Eastspring Asset Management Korea Co. Ltd.	Ordinary Shares	100.00%	Korea
Eastspring Investments - Asia Pacific Equity Fund	Ordinary Shares	21.15%	Luxembourg
Eastspring Investments - Cash Reserve Fund	Ordinary Shares	95.08%	Indonesia
Eastspring Investments Global Bond Navigator Fund	Ordinary Shares	96.29%	Luxembourg
Eastspring Investments (Hong Kong) Limited	Ordinary Shares	100.00%	Hong Kong
Eastspring Investments (Singapore) Limited	Ordinary Shares	100.00%	Singapore
Eastspring Investments Asean Income Private Fund A1	Ordinary Shares	100.00%	Korea
Eastspring Investments Asian Bond Fund	Ordinary Shares	25.87%	Luxembourg
Eastspring Investments Asian Dynamic Fund	Ordinary Shares	52.04%	Luxembourg
Eastspring Investments Asian Equity Fund	Ordinary Shares	69.91%	Luxembourg
Eastspring Investments Asian Equity Income Fund	Ordinary Shares	42.35%	Luxembourg
Eastspring Investments Asian High Yield Bond Fund	Ordinary Shares	23.27%	Luxembourg
Eastspring Investments Asian Infrastructure Equity Fund	Ordinary Shares	62.58%	Luxembourg
Eastspring Investments Asian Property Securities Fund	Ordinary Shares	96.35%	Luxembourg
Eastspring Investments Berhad	Ordinary Shares	100.00%	Malaysia
Eastspring Investments Best Growth Securities Investments Trust 4	Ordinary Shares	83.40%	Korea
Eastspring Investments Dragon Peacock Fund	Ordinary Shares	80.94%	Luxembourg
Eastspring Investments Emerging EMEA Dynamic Fund	Ordinary Shares	29.26%	Luxembourg
Eastspring Investments European Investments Grade Bond Fund	Ordinary Shares	95.75%	Luxembourg
Eastspring Investments Fund Management Limited Liability Company	Ownership interest	100.00%	Vietnam

Name	Classes of Shares held	Proportion held	Country of Incorporation
Eastspring Investments Global Emerging Markets Bond Fund	Ordinary Shares	49.05%	Luxembourg
Eastspring Investments Global Equity Navigator Fund	Ordinary Shares	99.99%	Luxembourg
Eastspring Investments Global Market Navigator Fund	Ordinary Shares	47.80%	Luxembourg
Eastspring Investments Global Technology Fund	Ordinary Shares	90.18%	Luxembourg
Eastspring Investments India Consumer Equity Open Limited	Ordinary Shares	100.00%	Mauritius
Eastspring Investments India Equity Fund	Ordinary Shares	75.25%	Luxembourg
Eastspring Investments India Equity Open Limited	Ordinary Shares	100.00%	Mauritius
Eastspring Investments India Infrastructure Equity Open Limited	Ordinary Shares	100.00%	Mauritius
Eastspring Investments Japan Fundamental Value Fund	Ordinary Shares	31.66%	Luxembourg
Eastspring Investments Limited	Ordinary Shares	100.00%	United Arab Emirates
Eastspring Investments Limited	Ordinary Shares	100.00%	Japan
Eastspring Investments North America Value Fund	Ordinary Shares	36.89%	Luxembourg
Eastspring Investments Pan European Fund	Ordinary Shares	76.45%	Luxembourg
Eastspring Investments Portfolio Management Limited (in liquidation)	Ordinary Shares	100.00%	Mauritius
Eastspring Investments Services Pte. Ltd	Ordinary Shares	100.00%	Singapore
Eastspring Investments SICAV-FIS - Alternative Investments Fund	Ordinary Shares	48.34%	Luxembourg
Eastspring Investments SICAV-FIS - Asia Pacific Loan Fund	Ordinary Shares	40.77%	Luxembourg
Eastspring Investments SICAV-FIS Universal USD Bond Fund	Ordinary Shares	99.61%	Luxembourg
Eastspring Investments US Bond Fund	Ordinary Shares	31.54%	Luxembourg
Eastspring Investments US Corporate Bond Fund	Ordinary Shares	28.35%	Luxembourg
Eastspring Investments US High Investments Grade Bond Fund	Ordinary Shares	75.77%	Luxembourg
Eastspring Investments UT Dragon Peacock Fund	Ordinary Shares	96.63%	Singapore
Eastspring Investments UT Singapore ASEAN Equity Fund	Ordinary Shares	99.84%	Singapore
Eastspring Investments UT Singapore Select Bond Fund	Ordinary Shares	94.67%	Singapore
Eastspring Securities Investment Trust Company Limited	Ordinary Shares	99.54%	Taiwan
ICICI Prudential Asset Management Company Limited	Ordinary Shares	49.00%	India
ICICI Prudential Life Insurance Company Limited	Ordinary Shares	25.89%	India
ICICI Prudential Pension Funds Management Company Ltd	Ordinary Shares	25.89%	India
ICICI Prudential Trust Limited	Ordinary Shares	49.00%	India

Name	Classes of Shares held	Proportion held	Country of Incorporation
M&G Real Estate Asia Holding Company Pte. Ltd	Ordinary Shares	33.00%	Singapore
North Sathorn Holdings Company Limited	Ordinary Shares	100.00%	Thailand
Nova Sepadu Sdn. Bhd.	Ordinary Shares	51.00%	Malaysia
PCA IP Services Limited	Ordinary Shares	100.00%	Hong Kong
PCA Life Assurance Co. Ltd.	Ordinary Shares	99.79%	Taiwan
PCA Life Insurance Co. Ltd.	Ordinary Shares	100.00%	Korea
Pru Life Insurance Corporation of U.K.	Ordinary Shares	100.00%	Philippines
Prudence Foundation Limited	Limited by Guarantee	100.00%	Hong Kong
Prudential (Cambodia) Life Assurance Plc.	Ordinary Shares	100.00%	Cambodia
Prudential Assurance Company Singapore (Pte) Limited	Ordinary Shares	100.00%	Singapore
Prudential Assurance Malaysia Berhad	Ordinary Shares	51.00%	Malaysia
Prudential BSN Takaful Berhad	Ordinary Shares	49.00%	Malaysia
Prudential Life Assurance (Lao) Company Limited	Ordinary Shares	100.00%	Laos
Prudential Life Assurance (Thailand) Public Company Limited	Ordinary Shares	99.93%	Thailand
Prudential Mauritius Holdings Limited	Ordinary Shares	100.00%	Mauritius
Prudential Process Management Services India Private Limited	Ordinary Shares	99.97%	India
Prudential Services Asia Sdn. Bhd.	Ordinary Shares Class D Preference Shares	100.00% 100.00%	Malaysia
Prudential Services Singapore Pte. Ltd.	Ordinary Shares	100.00%	Singapore
Prudential Singapore Holdings Pte. Limited	Ordinary Shares	100.00%	Singapore
Prudential Vietnam Assurance Private Limited	Ownership Interest	100.00%	Vietnam
PT. Eastspring Investments Indonesia	Ordinary Shares	99.95%	Indonesia
PT. Prudential Life Assurance	Ordinary Shares	94.62%	Indonesia
Reksa Dana Eastspring IDR Fixed Income Fund (NDEIFF)	Ordinary Shares	97.49%	Indonesia
Rhodium Investment Fund	Ordinary Shares	100.00%	Singapore
Scotts Spazio Pte. Ltd.	Ordinary shares	45.00%	Singapore
Sri Han Suria Sdn. Bhd.	Ordinary Shares Class A and B Preference Shares	51.00% 100.00%	Malaysia
Staple Limited	Ordinary Shares	100.00%	Thailand
Thanachart Life Assurance Public Company Limited (in liquidation)	Ordinary Shares	99.93%	Thailand

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

4. Participating interests

Participating interests mainly relate to the Company's 26% holding in ICICI Prudential Life Insurance Company Limited ("ICICI Life") in India and 50% holding in CITIC - Prudential Life Insurance Company Limited in China. Other participating interests include the Company's holdings in asset management operations in China, Hong Kong and India. During the year, the Company received income from shares in participating interests of £47,084,000, of which £27,992,000 related to ICICI Life.

5. Other investments

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

	2015 £000	2014 £000
Market value of investments held at beginning of year	33,172	19,836
Foreign exchange translation losses at beginning of year	768	864
Less: unrealised gains at beginning of year	(30,712)	(17,472)
Cost of investments held at beginning and end of year	3,228	3,228
Foreign exchange translation losses at end of year	(745)	(768)
	2,483	2,460
Add: unrealised gains at end of year	22,319	30,712
Market value of investments held at end of year	24,802	33,172

Income from other investments received in the year totalled £462,000.

6. Amounts owed by Group undertakings

Amounts owed by Group undertakings at 31 December 2015 of £414,147,000 (2014: £1,482,308,000) comprised the following balances:

- (a) £225,104,000 (2014: £1,250,930,000) due from Prudential plc ("PLC")
- (b) THB10,024,371,000, equivalent to £189,003,000 (2014: £195,641,000) due from Prudential Capital (Singapore) Pte Ltd ("PCS")
- (c) £40,000 due from Staple Limited ("Staple")

The interest rate on the loan to PLC was 12 month GBP LIBOR, on the loan to PCS was 12 month BIBOR and on the loan to Staple was 12 month GBP LIBOR plus a margin of 1.35%. Of the amount of £1,250,930,000 due from PLC at 31 December 2014, £150,930,000 was repaid during 2015 and the balance of £1,100,000,000 was offset against amounts owed to PLC (note 9). The 2014 total included other balances of £35,737,000.

The figure of £15,837,000 shown in the profit and loss account for 2015 for interest receivable from Group undertakings included £11,209,000 from PLC and £4,521,000 from PCS.

The figure of £12,713,000 for exchange losses shown in the profit and loss account for 2015 comprised £6,061,000 on the above THB loan and interest, £3,758,000 on USD loans and interest (note 9) and other net losses of £2,894,000, mainly on foreign exchange contracts (note 8).

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

7. Cash at bank and in hand

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.

8. Creditors – amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to Group undertakings	1,035,443	46,060
Accrued interest	9,236	39,616
Balance at end of year	<u>1,044,679</u>	<u>85,676</u>

On 10 April 2015, the Company received a loan of £27,800,000 from North Sathorn Holdings Company Limited on which interest is payable at the rate of 12 month GBP LIBOR. Accrued interest at 31 December 2015 amounted to £197,000.

Amounts owed to Group undertakings at 31 December 2015 also included £990,000,000 due to Prudential plc reclassified from amounts falling due after more than one year (note 9) and £17,643,000 due to Prudential Capital plc as a result of translating at year end exchange rates foreign exchange contracts entered into by the Company to hedge future cashflows.

9. Creditors – amounts falling due after more than one year

The balance of £65,485,000 at 31 December 2015 comprised loans received from Prudential Capital (Singapore) Pte Ltd ("PCS") of USD35,614,000 (equivalent to £24,163,000) and USD60,217,000 (equivalent to £40,856,000). Interest is payable at rates of 1.31% and 1.24% respectively. Both loans, together with accrued interest of £466,000, are repayable in June 2018.

Of the balance of £4,330,000,000 owed to Prudential plc ("PLC") at 31 December 2014, £2,240,000,000 was offset as part of the arrangements regarding the issuance by the Company of new shares (note 10) and £1,100,000,000 was offset against amounts owed by PLC to the Company (note 6). The remainder of £990,000,000 falls due for repayment in May 2016 and so is now shown in note 8.

The figure of £292,049,000 in the profit and loss account for 2015 for interest payable and similar charges comprises £290,897,000 on the above loan from PLC at the rate of 7.75%, of which £9,039,000 was outstanding at the end of 2015 (note 8), and £1,152,000 on other loans.

10. Called up share capital

The share capital of the Company at 31 December 2015 was £2,290,000,000, comprising 2,290,000,000 issued and fully paid ordinary shares of £1 each (2014: £50,000,000, comprising 50,000,000 issued and fully paid ordinary shares of £1 each).

On 30 October 2015, the Company issued 2,240,000,000 shares of £1 each at par to its immediate parent company, Prudential Holdings Limited ("PHL") for a consideration of £2,240,000,000. The consideration was settled by the assignment to the Company by PHL of indebtedness owed by Prudential plc, note 9.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

11. Auditor's remuneration

Auditor's remuneration of £11,000 (2014: £11,000) was borne by the Company's ultimate parent company, Prudential plc. Amounts receivable by the Company's auditor in respect of services rendered to the Prudential Group, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a Group basis in the consolidated financial statements of Prudential plc.

12. 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 (2014: £nil).

13. Immediate and ultimate parent company

The Company's immediate parent company is Prudential Holdings Limited and the ultimate parent company is Prudential plc.