

2020

REPORT OF THE BOARD OF MANAGEMENT

APRIL 2020



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I. MACROECONOMIC SITUATION

In the context of the global macroeconomic situation in 2019 is not favorable, but thanks to the structural reforms of the Government, the **socio-economic situation** in 2019 is growing steadily, GDP is rising, retail sales are growing well, inflation is well controlled ... creating favorable conditions for business activities.

GDP in 2019 increased by 7.02%, only slightly lower than the rate of 7.08% in 2018. Manufacturing activities continued to improve strongly, **PMI index remained above 50 points**.

CPI remained stable in the first 10 months of the year, then increased sharply in the last 2 months. Average CPI in 2019 increased by 2.79% compared to that of 2018.

FDI in 2019: total registered capital of newly and additionally registered projects reached US \$ 38 billion, up 7.2% over the same period. Disbursed FDI reached US \$ 20.4 billion, up 6.7% compared to 2018.

Trade balance in 2019 had a surplus of US \$ 9.1 billion, up from US \$ 7.2 billion in 2018. In which, export turnover reached US \$ 263.45 billion, up 8.1% compared to same period; import turnover was US \$ 253.51 billion, up 6.8% over the same period. The balance of payment was still surplus and foreign reserves remained high at VND 79 billion.

Retail sales of consumer goods and services in 2019 reached VND 4,940 trillion, up 11.8% over the same period.

Credit growth in 2019 reached 12.1%, lower than the rate of 13.3% of the same period in 2018 and was the lowest growth rate in the past 5 years.

However, inflation tended to increase sharply at the end of the year, exchange rate risk increased sharply due to the impact of US-China trade war, public debt pressure was still high.

Information related to business lines of the company

Automotive market: experiencing a year of full of excitement with the revival of imported cars, abundant supply of CBU cars and CKD cars, leading to fierce competition and discount prices from April to the end of 2019. The leading position of many segments have been constantly changing, many manufacturers have made adjustments in business orientation ... According to VAMA report, the total market volume in 2019 reached 322,322 units, up 12% over the same period, in which, CKD decreased by 12%, CBU increased by 82%. If including Hyundai (by VAMA + HTC), the total market sales volume reached 401,890 units, up 14% over the same period.

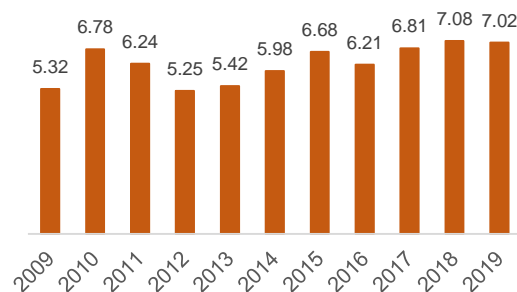
Motobike market: VAMM sales volume in 2019 reached more than 3.25 million units, down 3.87% over the same period.

Real estate market: office and retail market tend to be stable. Project development in HCMC is still slow due to the legal progress. Circular 22 of the State Bank stipulated reducing the ratio of short-term capital for medium and long-term loans and increasing the risk factor for real estate industry.

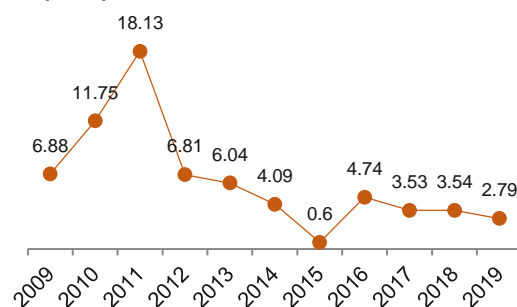
Reference sources:

- GSO, VAMA, HTC, Vehicle registration data
- Government Resolution, Vietnam PMI Report (Nikkei, Markit)
- Summary of financial news: BSC, HSC ...

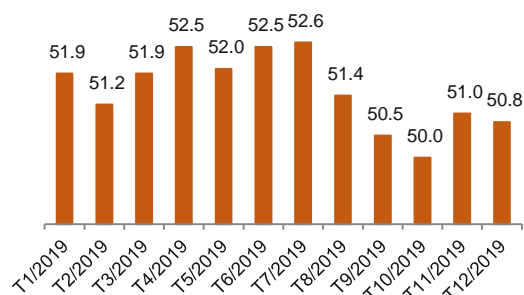
GDP growth rate



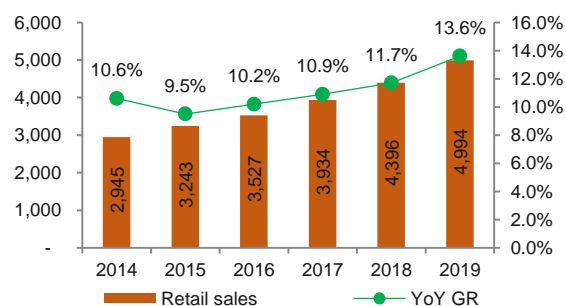
CPI (YoY)



PMI in 2019



Retail sales of goods & services



Lending interest rate

Term	2018	2019	Change
Short term VND	6.0 – 9.0	7.0 – 9.5	05 – 1.0
Medium, long term VND	9.0 – 11.0	9.5 – 11.0	0 – 05
Short term USD	2.8 – 4.7	2.8 – 4.7	0
Medium, long term USD	4.5 – 6.0	4.5 – 6.0	0

II. BUSINESS RESULTS

1. IMPLEMENTATION OF BUSINESS RESULTS:

- *The consolidated revenue reached VND 18.274 billion*, achieving 100% of 2019 year plan, increased 23% YoY.

Figures (mil. VND)	2019A	% 2019A/ 2019 Plan	% 2019A/ 2018
Revenue	18,274,374	100%	123%
Consolidated PBT	274,785	101%	76%
Consolidated NPAT	233,332	97%	78%
NPAT attributable to equity holders of the Company	153,667	108%	89%
Separate PBT	86,606	103%	189%

- *The consolidated revenue reached VND 275 billion*, achieving 101% of 2019 year plan, decreased 24% YoY. The cause is:

- Car sales volume increased by 28% over the same period, focused mainly in the first 8 months, the demand of the market slowed down in the last 4 months of 2019.
- Strong competition on prices, market share among manufacturers,... has led to selling pressure, reduced gross profit, high inventories, reduced efficiency of auto dealers; especially in Q4, ROS only reached 1.4%, lower than the rate of 2.1% of in Q4 of 2018.
- Commercial vehicles continued to face difficulties in 2019.

- *NPAT attributable to equity holders of the Company was VND 154 billion*, achieving 108% of 2019 year plan, declined 11% YoY.

- *Separate NPAT of the Company was VND 86.6 billion*, reached 103% of 2019 year plan, strong increased by 89% compared to VND 41.8 billion of 2018 due to the recognition of VND 87.7 billion of dividends divided from investment in member companies - that of the same period was VND 41.8 billion.

2. THE COMPANY'S ACHIEVEMENTS:

- Implement quick business solutions, stabilize business operations of the whole Savico network, exceed the target of the NPAT attributable to equity holders of the Company approved by the 2019 AGM in the condition of changes in the Company's executive management apparatus, the business environment has many unfavorable fluctuations.
- Continue to strengthen the linkages and mutual support, sharing experiences and information throughout the network through supporting recruitment and training activities for member companies; systematic seminars on corporate governance, risk management, human resource management, updating control knowledge; seminars on sales and services combined with site visits; online information sharing channels such as HR, finance & accounting, sales and service forums...
- Adjusting the functions and tasks of the functional departments towards specialization; have a mechanism for assigning, coordinating and sharing specific information.
- Applying technological advances and trends to the Company's governance and executive activities through researching and implementing personnel management software for Parent Company and the whole network; feasibility study and initial application of SQL, Power Bi in data processing, operating management reports; feasibility study on application of some ERP modules at the Parent

Company; A number of member companies in the network have completed the testing phase and official put into implement ERP.

3. ASSESSMENT ON BUSINESS PERFORMANCE:

The Company has focused on operating solutions to improve investment efficiency for each business sector, as follows :

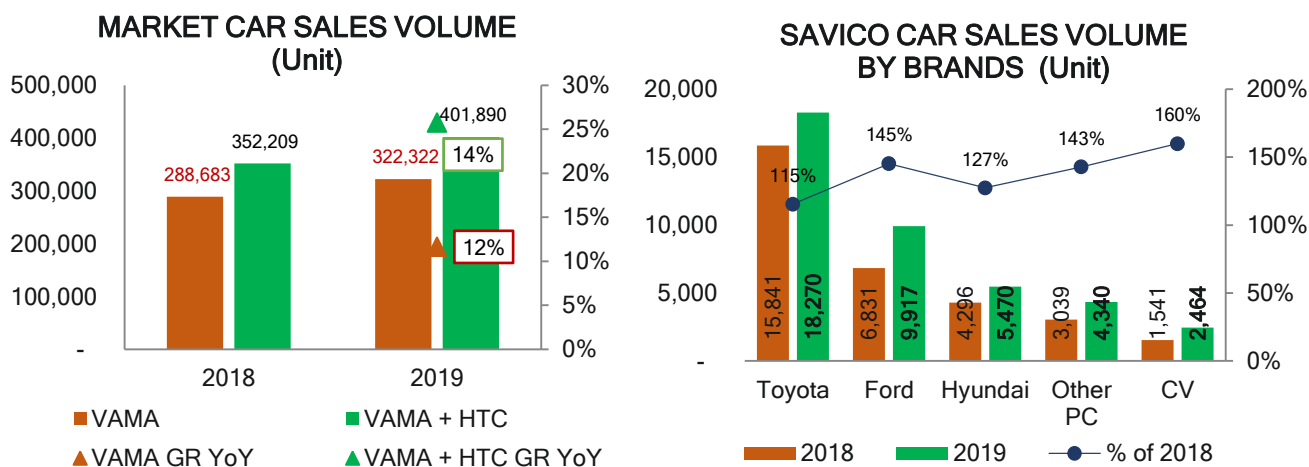
3.1. Trading - Service:

❖ Automotive:

Car sales volume, market share:

Total car sales volume of the network reached **40,461 xe**, achieving for 103% of 2019 year plan, increased 28% YoY. SAVICO market share in the total market continued to growth, market share to VAMA volume in 2019 reached **12.5%** - up 1.6 pts over the same period, market shate to VAMA and HTC volume reached **10.1%** - up 1,1 pts over the same period, in which: Toyota car sales volume up 15%, Ford up 45%, Hyundai (PC) up 27%, PC car sales volume of other brands up 43%, commercial vehicles sales volume up 60% compared to 2018.

SAVICO network opened and put into operation 5 of 2S – 3S dealers in 2019 and 2 more in March 2020. Development progress of some projects is still slow compared to the plan, some projects fail to meet the set targets, mainly due to legal matters and lack of location.



Revenue:

Consolidated revenue from sales of goods and provision of services of automotive network was VND 17,642 billion, reaching 100% of the 2019 plan, up 24% over the same period. In which, revenue from car sales are VND 16,385 billion, up by 25.5%; and service - spare parts - accessories revenue reached VND 1,291 billion, up 13.8% over the same period.

Regarding the revenue structure in 2019, there was a slight fluctuation over the same period. In particular, Toyota brand accounted for 43.5% (same period was 46.5%), Ford accounted for 31.5% (same period was 30.30%), Hyundai (PC) accounted for 13.3% (same period was 12.4%) %, passenger cars of other brands accounted for 5.4% (the same period was 6.1%), commercial vehicles accounted for 6.3% (the same period was 4.7%) of total revenue from sales of goods and provision of services.

Costs:

Total consolidated cost of the automotive network was VND 1,180 billion, up 27.3% over the same period, accounting for 6.6% of the total revenue - same period was 6.4%. Of which:

- Total selling and administrative expenses were VND 1,078 billion, up 25.7% over the same period, accounting for 91.4% of the total cost, the increase in expenses was mainly due to promotions, sales stimulus programs of car sales activities and the expansion of car dealers.
- Financial expenses were VND 89.9 billion, up 68.4% over the same period, accounting for 7.6% of the total cost, mainly due to high inventories and investment costs for developing new dealers.
- Other expenses were VND 12.1 billion, down 24% over the same period, accounting for 1.0% of the total cost.

Gross profit:

Gross profit from car sales in 2019 reached VND 591 billion, up 8.6% over the same period. In which:

- Toyota brand reached VND 234 billion, down 7.8% over the same period due to oversupply compared to demand, manufacturers do not have policies to regulate the market in a flexible way, leading to pressure to reduce prices to release inventories.
- Ford brand reached VND 162 billion, up 22.0% over the same period ;
- Hyundai brand reached VND 86.5 billion, up 45.0% over the same period ;
- Passenger cars of other brands reached VND 74.4 billion, down 1.8% over the same period mainly due to the decline of gross profit of Saigon Cuu Long;
- Commercial vehicles reached VND 33.1 billion, up 56.7% over the same period due to the transformation of the distribution brand to Isuzu of Tay Bac Sai Gon Company and the joining of new dealers such as Hyundai Vinh Thinh, Hyundai Hung Thinh.

Gross profit from service - spare parts - accessories in 2019 reached VND 592 billion, up 15.0% over the same period. Of which, service - spare parts gross profit reached VND 513 billion, up 13.6% over the same period; accessories gross profit reached 78 billion, up 25.8% over the same period.

Profit before tax:

Consolidated profit before tax of the automotive sector reached VND 228 billion, reaching 94% of the plan in 2019, down 23% over the same period due to :

- Strong competition on prices, market share among manufacturers,... has led to selling pressure, reduced gross profit, high inventories, reduced efficiency of auto dealers ;
- The dealers are still confused, passive and do not have many appropriate response solutions;
- Commercial vehicles continue to face difficulties in 2019: the market has not shown signs of recovery, high inventories; not being proactive in the box building, the association in box building and ordering activities of the Hyundai CV dealers has not yet been effective; besides, there are difficulties in personnel, recruitment, training and capital resources...

Auto outlets put into operation in 2019:

NAME OF OUTLET	DATE OF OPENING
Gia Định Ford	Officially put into operation on 09 January 2019
Hyundai Hưng Thịnh (CV)	Officially put into operation on 17 January
Vĩnh Long Ford	Officially put into operation on 21 May 2019
Hyundai Ngôi Sao (CV)	Officially put into operation on 03 June 2019
Toyota An Giang	Officially put into operation on 12 September 2019
Gia Lai Services Station	Officially put into operation from December of 2019

Implementation progress of auto outlets under developing:

NAME OF OUTLET	EXPECTATION DATE OF OPENING
Hyundai Phú Lâm (CV)	Expected to opening in March 2020
Isuzu Đại Thịnh	Expected to opening in March 2020
Mitsubishi Quảng Nam	Expected to opening in June 2020
Mitsubishi Bình Thuận	Break ground on 19 January 2020, expected to opening in October 2020
Mitsubishi Tây Ninh	Received the LOI, expected to opening in October 2020
DanaFord (CN Cẩm Lệ)	Expected to opening in July 2020

❖ **Motobikes**

Sales volume: total sales volume reached 7.440 units, equivalent to 90% of 2019 plan and decreased 16% over the same period. In which, Yamaha sales volume was 3.872 units, equivalent to 84% of 2019 plan, fallen 25% over the same period, Honda sales volume was 3.568 units, equivalent to 97% of 2019 plan, declined 4% over the same period.

Revenue: reached 337.4 billion VND, only 99% of the 2019 plan, down 7% over the same period. In particular, revenue from service and spare parts reached 84.4 billion VND, up 15% (10.9 billion VND) compared to 2018.

Costs: total cost in 2019 was VND 39.1 billion, equivalent to the same period. The cost on revenue ratio has slight fluctuations over the same period: Yamaha 10.88% (the same period was 10.92%), Honda 12.24% (the same period was 10.58%)..

Gross profit: reached VND 41.3 billion, declined 12% over the same period. Of which, gross profit from bike sales was VND 16.6 billion, fallen 31% over the same period, accounted for 40% total gross profit (the same period was 51%); gross profit from service - spare parts - accessories were VND 24.7 billion, up 8% over the same period, accounted for 60% (the same period was 49%).

Profit before tax:

Profit before tax of motorbike sector was VND 2.2 billion, equivalent to 54% of 2019 plan, plunged 76% over the same period. In which, Yamaha was VND 1.6 billion, achieving 100% of year plan, slipped 46% over the same period; Honda was VND 611 million, only 24% of year plan, plunged 89% over the same period because Vietnam's motorbike market is in a saturated phase, strong competition between traditional motorbike dealers and electric scooter dealers, high inventories => Increasing financial expenses, gross profit of most motorbikes of both two brands are down.

Motobike network development:

Conducting research and assessing opportunities for developing heavyweight motorcycles and electric scooters, continuing to conduct feasibility studies in 2020.

❖ Other services:

Consolidated profit before tax of other services in 2019 reached VND 46.6 billion, reaching 106% of 2019 plan, a slight increase of 1% over the same period.

Savico MegaMall (SMM): occupancy rate of block A and block B was 97% and 100% respectively, equivalent to the rate of 2018. Revenue kept a steady growth, the cinema has continued to improving visitor arrival and thereby revenue from the mall.

Savico Da Nang: profit before tax in 2019 reached VND 5.2 billion, reached 130% of the plan in 2019, down 30% over the same period because Mitsubishi dealer was one of the main business activities of Savico Da Nang in the year of 2018 but it was separated into a separate company in 2019.

Melisa Wedding Conference Center: despite high competition against competitors around the location, profit before tax was still 11.7 billion VND, reaching 124% of 2019 plan, an increase of 1% over the same period.

ComfortDelgro Savico Taxi: completed dissolution procedures and collected capital investment.

3.2. Real Estate service:**Business performance in 2019:**

Figures	Unit	2018	2019	% 2019/ 2018
Revenue	VND million	74,044	69,414	94%
From real estate service	VND million	62,009	69,414	112%
From projects	VND million	12,035		
Profit before tax	VND million	42,259	46,122	109%
From real estate service	VND million	37,059	46,122	124%
From projects	VND million	5,200		

- The real estate service: Revenue in 2019 reached 69.4 billion VND, up 12% over the same period. Profit before tax reached VND 46.1 billion, up 24% over the same period due to increase in rental price and rate of occupancy.
- The occupancy rate in Ho Chi Minh City was 99.2% (the same period was 96.5%) and Can Tho was 39.3% (the same period was 77.6%).
- 66 – 68 Nam Ky Khoi Nghia office building was completed and put into operation from December of 2019.

- The warehouse project at 403 Tran Xuan Soan has completed construction in December 2019, awaiting acceptance by the local state administration agency to put into operation.

Projects implementation :

PROJECT NAME	IMPLEMENTATION SITUATION
104 Pho Quang	Working with the authorities on the transfer plan in accordance with the law.
Hiep Binh Phuoc – Tam Binh Residential Area	Completed infrastructure construction and handover to local state administration agency.
Nam Cam Le project	Continue to complete the legal procedures to transfer the area of 3,618 m ² to the member company (DanaFord); The rest area of 9.245 m ² : continue to seek partners for business.
Long Hoa - Can Gio Residential Area	Carry out procedures for adjusting the detailed master plan of 1/500 and procedures for granting land use right certificates; Prepare work steps for project infrastructure investment .

The implementation progress of real estate projects is slower than the planned schedule (104 Pho Quang, etc.) due to difficulties in legal procedures.

3.3. Financial work :

FINANCING AND CASH FLOW MANAGEMENT WORK

At the end of 2019, cash inflow from operating activities was VND 170.2 billion, of which:

- Trading - service: cash dividend inflow from investment in member companies was VND 87.7 billion, completed dissolution procedures and collected VND 31.5 billion of capital investment from ComfortDelgro Savico Taxi.
- Real estate service: inflow of VND 49.3 billion from operating and leasing office, retail space.
- Financial service: cash dividend inflow of VND 1.7 billion from short-term financial investment.

In 2019, the Company provided financial support (granting loans) to member companies with total value of VND 42.6 billion, balance of granting loans at the end of 2019 was VND 10.3 billion.

Segment	Cash inflow from	Unit	2018	2019	% 2019/ 2018
Trading - service	Cash dividend	VND mil.	41,764	87,710	210%
	Collections from investment	VND mil.		31,496	
Real estate service	From real estate service	VND mil.	46,930	49,339	105%
	From project	VND mil.	27,497		
Financial service	Dividend	VND mil.	1,647	1,677	102%
	Disposal of short-term investment	VND mil.	8,800		9%
Total		VND mil.	126,638	170,222	134%

STRATEGIC COOPERATION WITH BANKS

Strategic cooperation with Vietinbank, Vietcombank continued to promote efficiency and create favorable conditions for companies in the network to access the short-term/long-term capital with preferential policies and interest rates..

Total short-term/long-term credit limitation for the network was more than 4,400 billion, total outstanding credit disbursement maintained at over VD 2,600 billion (accounting for 85% of outstanding borrowings of the network) with preferential interest rates compared to the common interest rate in the market applicable to SME. At the same time, many preferential policies on fees (such as tallying fees, money transfer fees, internet banking fee...) contributed to reducing financial expenses, increasing the efficiency of the whole network.

- Vietinbank: Total credit limitation granted for 28 member companies of SAVICO network by 31/12/2019 was VND 2,674 billion, outstanding loans was VND 1,630 billion.
- Vietcombank: Total credit limitation granted for 20 member companies of SAVICO network by 31/12/2019 was VND 1,732 billion, outstanding loans was VND 1,005 billion.

CONSOLIDATED ASSETS/ RESOURCES SITUATION

Figures	31.12.2018	31.12.2019	% change
Current assets	2,196,052	2,515,666	14.6%
Cash and cash equivalents	268,045	328,714	22.6%
Short-term financial investments	39,488	38,892	-1.5%
Accounts receivable - short-term	695,257	700,915	0.8%
<i>In which allowance for doubtful debts</i>	-657	-283	-56.9%
Inventories	1,134,475	1,385,060	22.1%
<i>In which allowance for inventories</i>	-4,049	-1,348	-66.7%
Other current assets	58,788	62,085	5.6%
Long-term assets	2,159,597	2,212,371	2.4%
Accounts receivable - long-term	182,179	178,404	-2.1%
Fixed assets	457,817	502,796	9.8%
Investment property	726,185	702,171	-3.3%
Long-term work in progress	367,636	367,055	-0.2%
Long-term financial investments	384,210	420,273	9.4%
Other long-term assets	41,571	41,672	0.2%
TOTAL ASSETS	4,355,649	4,728,037	8.5%
Liabilities	2,820,503	3,088,226	9.5%
Current liabilities	2,266,261	2,592,154	14.4%
<i>In which accounts payable to suppliers</i>	184,846	186,701	1.0%
<i>In which advances from customers</i>	164,874	153,039	-7.2%
<i>In which short-term borrowings</i>	1,262,172	1,611,365	27.7%
Long-term liabilities	554,243	496,072	-10.5%
<i>In which long-term borrowings</i>	371,047	323,112	-12.9%
Equity	1,535,146	1,639,811	6.8%
<i>In which Non-controlling interest</i>	481,003	484,845	0.8%
TOTAL RESOURCES	4,355,649	4,728,037	8.5%

Accounts receivable - short-term turnover	22.98	26.17	14%
Inventory turnover	14.94	13.66	-9%
Assets turnover	5.76	6.18	7%
Payable to suppliers & advances from customers turnover	41.04	49.93	22%
Equity turnover	10.58	11.51	9%
Current ratio	0.97	0.97	0%
Quick ratio	0.47	0.44	-7%
Liabilities/ Total Assets	64.8%	65.3%	1%
Net Debt/ Total Assets	58.6%	58.4%	0%
Debt/ Capital (*)	51.5%	54.1%	5%
Net Debt/ Capital (*)	47.1%	49.5%	5%

(*): Debt = Short-term borrowings + Long-term borrowings;

Net Debt = Short-term borrowings + Long-term borrowings – Cash & cash equivalents;

Capital = Short-term borrowings + Long-term borrowings + Equity.

Assets

- Total consolidated assets as at 31/12/2019 increased 8.5% compared with that as at 31/12/2018, mainly due to the increase of current asset.
- Average assets turnover in 2019 increased to compare with 2018 thanked to a higher revenue growth rate than the asset growth rate of the network (22.8% vs 8.5%).
- The figures shows that SAVICO network still manages its receivables when the accounts receivable - short-term turnover in 2019 is faster than 2018 and the balance of allowance for doubtful debts is low compared to receivables.
- Consolidated inventory increased sharply by 22% compared to the end of, leading to a decrease in inventory turnover and quick ratio compared to 2018 showing the difficulties in inventory liquidity of network have been on an upward trend since the end of 2019. This is also the general trend of the automotive market, which is taking up a large proportion in business performance of the Company.

Liabilities

- Consolidated debts of the network increased 9.5% compared to the end of 2019, mainly because the current liabilities up 14.4% over the same period.
- Payable to suppliers & advances from customers turnover increased sharply over the same period, in which the balance of the advances from customers at the end of 2019 decreased compared to the end of 2018 while the revenue of 2019 increased well for the fact that the car models on the market are no longer as hot as 2018.
- Short-term borrowings jumped by 27.7% YoY to finance higher inventories and to complement the decline in financing from suppliers and customers.
- Long-term liabilities, long-term debts decreased by 10.5% and 12.9% over the same period, showing that SAVICO network still made payment of principals of long-term debts according to set schedule.

SEPARATE ASSETS/ RESOURCES SITUATION

Figures	31.12.2018	31.12.2019	% change
Current assets	203,972	229,203	12.4%
Cash and cash equivalents	38,335	68,534	78.8%
Short-term financial investments	24,575	21,740	-11.5%
Accounts receivable - short-term	50,356	29,994	-40.4%

Inventories	89,513	105,860	18.3%
Other current assets	1,192	3,074	157.9%
Long-term assets	1,076,870	1,076,800	0.0%
Accounts receivable - long-term	147,173	157,421	7.0%
Fixed assets	1,673	3,805	127.4%
Investment property	121,745	118,298	-2.8%
Long-term work in progress	266,525	275,305	3.3%
Long-term financial investments	534,598	516,604	-3.4%
Other long-term assets	5,155	5,368	4.1%
TOTAL ASSETS	1,280,842	1,306,003	2.0%
Liabilities	563,767	551,393	-2.2%
Current liabilities	523,283	510,286	-2.5%
<i>In which short-term borrowings</i>	30,553		-100%
Long-term liabilities	40,484	41,107	1.5%
<i>In which long-term borrowings</i>			
Equity	717,075	754,610	5.2%
TOTAL RESOURCES	1,280,842	1,306,003	2.0%

- The financial situation at the Parent Company is generally safe with cash and cash equivalents increased sharply, no longer borrowing from banks.
- During the year, the Parent Company focused on collecting dividends and shared profits from member companies and disposal the inefficient investments in ComfortDelgro Savico Taxi to increase long-term asset investment, disburse for capital investment, payment of all bank debts, and fulfill the obligations with shareholders.

4. IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT : POLICY AND THE CHANGES IN HUMAN RESOURCES POLICY

The company focuses on building a team of employees with a positive working attitude, with a sense of teamwork, always striving and dedicated to creating the highest value and dedication in the work. Building and developing human resources to meet business development requirements.

The current personnel policy covers the following:

❖ Recruitment policy:

- Recruitment is carried out according to the Company's development strategy, according to the annual recruitment plan and with flexibility in each period in accordance with actual business conditions.
- The Company always selects the best and most suitable candidates into suitable positions based on the candidates' competence, quality and experience; irrespective of gender, religion, or race through the fair and objective selection process.

❖ Training policy:

- Training and developing human resources is the top priority of the Company with the policy of creating conditions for each individual to develop their career as well as build a workforce with professional, qualified and ethical personnel.
- All employees in SAVICO network are given equal opportunity to approach and attend professional training courses according to specific needs, suitable to the nature of the job. In addition, the Company also encourages employees to self-study, learn from each other during the work, as well as participate in internal training courses.

❖ **Promotion and career development:**

- At SAVICO, career advancement opportunities are fair for all subjects, established by a clear and specific plan of human resource development.
- The Company evaluates employee performance (through KPI) monthly and evaluates against the career development goals of each individual, and this is also the basis for assigning personnel suitable to each stage of SAVICO's development.
- Those who have a lot of dedication, competence and achievements, will be trained and supplemented with professional knowledge to hold management positions and participate in the development of SAVICO.

ASSESSMENT ON INNOVATIONS IN ORGANIZATIONAL STRUCTURE AND LABORER RELATED ISSUES

- In 2019, the Company has studied and implemented the organizational structure in the direction of specialization; modernize when applying information technology to management activities such as: Saigon Ford, Volvo Cars, Binh Thuan Ford, Can Tho Ford, Gia Dinh Ford, Ben Thanh Ford, Hai Duong Ford. These companies have adopted ERP software including finance, accounting, services, and sales modules to enhance their management capabilities, which is suitable for holding-model companies in other geographical locations...
- SAVICO has applied Amis personnel management software technology to companies in the SAVICO network to centralize management and easily access and track personnel data, helping businesses in the network to implement Human resource management such as Human Resource Planning, Recruitment, Case Management, Labor Contract Management, Training Management, Performance Appraisal, Time Attendance, Time Management, Payroll, Tax, Insurance, Rewards, Discipline, Resignation,...
- Human resource development of SAVICO network towards streamlining, improving work efficiency, labor productivity, encouraging employees to be creative, apply technology in business activities.
- The succession training of personnel has made many breakthroughs thanks to the selection and direct training of personnel in member companies, preparing human resources for business development in SAVICO network...

ASSESSMENT ON INNOVATIONS IN POLICY AND MANAGEMENT

- 2019 is the year of high-level personnel changes at SAVICO and some member companies in the network. SAVICO's Board of Management continues to maintain and promote the existing humanitarian policies and emphasize the goals of creativity and innovation in business activities with the slogan "Breaking Thingking, Drives Values".
- Implement internal communication activities that are coherent and caring, consistent with the cultural and traditional characteristics of the SAVICO network; communication campaigns with clear topics, aiming to create cohesion, emphasis and innovation, creativity, recognition of the active participation of employees in the whole network.
- SAVICO has applied ERP software, human resource management software for member companies of SAVICO network in order to help digitize data, centralize management, improving working efficiency.
- Actively adjust business solutions when the market fluctuates; effectively use the scale advantages to optimize benefits in business activities for member companies.

CULTURE - ENVIRONMENT - SOCIAL RESPONSIBILITY

❖ Environmental target:

RAW MATERIALS MANAGEMENT

- Raw materials used for operation of SAVICO and member companies in the system – mainly automotive and motobike companies are managed and used in a reasonable manner based on strict process of raw materials management, regulations on consumption of raw materials.
- Because the raw materials are disposable and they cannot be recycled, we focus on the investment in modern machine and equipment system with closed process, the wastes and water treatment systems at the source. The company and the member companies have been saying no to single-use plastic bottles through the use of jugs, bottles, glass containers of water in daily activities, meetings, working with partners, customers.
- At the parent company, the raw materials are mainly used for the daily consumption demand including fuel, cleaning tools, and stationery. The raw materials management solution focuses on the consumption rate and use of alternative storage solutions.

CONSUMPTION OF POWER, WATER

Data on electricity, water and gasoline fuel consumption in the Parent Company :

	Unit	2015	2016	2017	2018	2019
Power	kw	164.477	166.970	75.606	37.547	32.674
Power	m3	1.250	1.238	698	221	
Gasoline + petrol	liter	6.359	8.940	10.987	10.149	7.801

COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

- Apart from focusing on enhancing efficiency of investment and business, SAVICO always pays a special attention to environmental protection toward sustainable & environmentally friendly company.
- In order to strengthen supervision and to better manage operations of environmental protection, most of automobile divisions under SAVICO's system are committing to apply ISO 14001 Environmental Management Systems Standard.
- The internal rules, regulations and procedures of the Parent Company and member companies have specific regulations related to environmental sanitation; norms of electricity, water, fuel and raw materials use; compliance with environmental laws; protect the working environment. The member companies also perform periodic identification of environmental aspects, the importance of sustainable development, in order to better control environmental issues.

❖ Policies relating to employees:

Number of employees, average salary for employees:

Labor force according to gender	2015	2016	2017	2018	2019
Female	581	732	889	1.207	1.226
Male	2.035	2.957	3.434	3.617	4.229
Total	2.616	3.689	4.323	4.824	5.455

Due to the characteristics of business activities that require a lot of technical labor, male labor force accounts for the majority in Savico network.

Labor force according to qualification	2015	2016	2017	2018	2019
University and post graduate	1.053	1.617	1.752	1.895	2.250
College graduate	453	607	664	861	1.232
Intermediate college graduate	336	456	810	882	510
Trained laborers	607	564	646	756	854
Common laborers	167	445	451	430	609
Total	2.616	3.689	4.323	4.824	5.455

The Company and member companies implement the salary, bonus and welfare regimes associated with the business results, professional competence, workload and quality of each employee; commensurate with the effort, responsibility and working efficiency; ensure employees' income is competitive with companies in the same industry and the region.

Average income in 2019 of employees in the network reached VND 12.3 million / person / month, an increase of 3.3% compared to the average in 2018.

Labor policies ensuring the health, safety and welfare of employees:

- SAVICO and its units fully implement the regimes and policies under the Labor Law and Collective Labor Agreements such as Social Insurance, Health Insurance, Unemployment Insurance, uniform and labor protection, lunch support, study tours, periodic health examination, human accident insurance, sickness benefits, wedding gifts...
- In 2019, the Parent Company purchased PVI Care health insurance for employees. Artistic activities, physical training and sports activities, family festivals, professional club activities, etc. are always maintained and improved operational efficiency, creating conditions for all employees in the network to meet, knowledge exchange, learn and share experiences.
- In addition, the Company is also interested in taking good care of physical and spiritual life for employees such as organizing study tours for officials, employees and capital representatives; Support for sickness and hospital fees, Support scholarships to encourage children of employees with good academic achievements; organize activities to celebrate Mother's and Father's day; Caring for children of employees on International Children's Day 1/6; organizing SAVICO family festival; take care of Lunar New Year for employees.

Training to employees:

- In 2019, SAVICO strengthens the internal plan of human resource development and the succession staff, implements the program of potential staff development to appoint to middle management positions and senior leaders.
- SAVICO has sent 76 employees to attend training with an average of 1018 hours (managers with 208 hours, employees with 810 hours); take part in short-term professional training courses such as the course "Breakthrough Leadership" for senior, intermediate and planning leaders of Savico (2 times), seminar "Common errors and frauds in Financial Statements" (13 times), "Internal audit for members of the Board of Directors "(1 time), periodically update knowledge about Tax - Accounting (2 times), "Update knowledge for Auditors No. 06B-2019" (1 time), Power BI

application(6 times), Labor Law and social insurance policy(3 times), organizing and managing professional warehouses (4 times), Blue Ocean Strategy (13 times), Power BI Course (3 times), Professional Human Resource Director (1 time), Training course for Supervisors in the network (17 times), seminar of “Banking Credit - Perspective from the Bank” (10 times)...; The Companies in the network also apply the policy of improving professional skills of employees according to the manufacturers's program and sent 2172 turns of employees to attend courses as sales and technical skills, general repair, body and painting, service advisor) and management training.

- SAVICO and member companies continue to focus on investing in developing talent resources, training the senior and middle managers to meet the requirements of business development strategy of the network.
- SAVICO is committed to providing each employee with a dynamic, fair and professional working environment ... to maximize personal capacity and build a healthy corporate culture. That culture is the standards of conduct, identity, differences and competitive advantages of the Company.
- SAVICO has been constantly improving the corporate governance model, organizational model and following that training model to create valuable assets "Human" who are virtuous, talented, dedicated and professional; gradually strive to make SAVICO an increasingly prestigious brand in the business community in Vietnam, regional and international integration; thereby increasing the value of member companies, shareholders, partners, customers, employees as well as contributing more to the community and society...

Statements related to responsibility to local community:

- SAVICO and member companies are constantly implementing many community-oriented activities throughout the country, aiming to improve the quality of life of those in difficult circumstances, joining hands together with community in practical activities that contribute to improving and protecting the living environment. Not only is the brand promotion activity, the community activities have contributed to create a deep impression in the community, to be a bridge for employees to engage, contribute effort, express their responsibilities with the collective, with the business, the homeland, the country.
- Responsibility to the society and community, first of all is the responsibility and obligation to the workforce in the Company network.
- Simultaneously, SAVICO and the whole staff in the network constantly improve awareness and responsibility to the community and society. .
- The whole SAVICO network associates social responsibilities with business activities as a way of sharing with the community: each employee supports 2 days of salary for social activities, charity activities, funding for disaster, flood and storm control and prevention, funding for poor patients, participating in caring for difficult circumstances, Vietnamese Heroic Mother; joining hands with local community in activities to care for disadvantaged households...
- In 2019, the whole country has joined hands and accompanied with the program "Say no to plastic waste", SAVICO and member companies called for limiting the use of plastic bottles and replacing by glass bottles to store water in showroom network, implementing garbage collection activities, improving the landscape around the showroom network, joining in with the Ho Chi Minh Association for Nature and Environment Protection to implement many programs to protect nature environment in a meaningful and practical way.
- The total contributed value of the network for social activities is more than VND 2.1 billion in 2019.
- The typical community activities of the Savico network have occurred throughout 2019 such as:
 - Giving rice to people in difficult circumstances in the wards in District 1 on the Lunar New Year,

- Giving scholarships to disadvantaged students in Can Gio District ,
 - Winter Warming Program for children ,
 - At Toyota dealers: Program of the 9th Toyota Dream Car Art Contest, Toyota joins hand to make school green (Toyota Ly Thuong Kiet),
 - Ford group of SAVICO: Accompanying with poor patients - Charity cataract surgery program,
 - Hyundai with high mountain winter charity program,
 - Together with the Center of Social Protection of Kien Giang Province gave gifts to households in difficult circumstances (Hyundai Kien Giang),
 - Hyundai Tây Đô: giving house for poor people in Can Tho...
- With practical and meaningful activities towards the local community, SAVICO network has been receiving the participation and contribution of more than 5,000 workers nationwide in all volunteer activities of the system; receive the trust of customers; recognition and encouragement from local authorities and local agency. Accordingly, Ben Thanh Ford - a member of the network was the only Ford auto dealer in Vietnam and the one of the 6 of Salute To Dealers Award Winners Honoring Dealer Contributions to Their Communities by Ford Global.
 - SAVICO network continues with the orientation to build business strategies associated with sustainable development. Through that, it not only brings the sustainability of SAVICO and the network in particular, but also joins hands with local authorities to creating a common prosperity for the whole society.

III. FUTURE DEVELOPMENT PLAN

1. 2020 MARKET OUTLOOK:

GENERAL SITUATION

With the objective of transforming growth models, keeping macro stability, implementing administrative reform, improving business environment, technological innovation and deep integration into the world; Vietnam's economy will be affected intertwined in many aspects, all fluctuations of the world can affect the domestic economy. With a relatively small economic scale, coping with future economic fluctuations in Vietnam may be more difficult. At the same time, with regard to the impact of the Covid-19 epidemic, Vietnam's economic growth has been negatively impacted..

Business activities of the Company will face many challenges in 2020, especially in Trading – service will be directly affected by policies for the automotive industry, as follows:

❖ OPPORTUNITIES :

- CPTPP Agreement takes effect on January 1, 2019, EVFTA Agreement is expected to take effect from July 1, 2020, creating motivation for growth and expansion of investment.
- Decree 17/2020/ND-CP: eases grip on car import such as removing lot inspection, removing the requirement for vehicle type approval (VTA) certificate and easing the assessment of quality assurance conditions at the production facility (conformity of production assessment) => simplify customs clearance process.
- Circular No. 05/2020/TT-BGTVT dated February 26, 2020 of the Ministry of Transport on amendments to some Articles of the Circular No. 03/2018/TT-BGTVT on technical and environmental safety inspection of imported motor vehicles regulated by Decree No. 116/2017/ND-CP ⇒ increase the advantage for imported cars.

- Decree 125/2017: The Ministry of Finance and the Ministry of Industry and Trade propose amendments to reduce the special consumption tax on domestically manufactured auto parts and imported components to 0% without applying conditions on quantity. Enterprises with chartered capital of over VND 3,000 billion will be entitled to reduction in component tax rates, land rent incentives, technology transfer support fees, etc. => 2020: bringing advantages for CKD, sources supply will be abundant.
- Ministry of Industry and Trade proposes to reduce 50% of value added tax (VAT) and 50% of registration fee to stimulate demand and support enterprises in difficult times.
- Decree 10/2020/ND-CP takes effect 1/4/2020 regulates new legal mechanism for transportation business by auto => Opportunities for Grab, FastGo, GoViet, Be and MyGo to expand their business activities.
- Directive 11/CT-TTg on urgent objectives and solutions for assisting businesses facing difficulties such as debt restructuring, reduction or exemption of loan interest, retention of loan category, deferral of tax and land rent...
- Infrastructure will continue to be invested and developed in 2020 (traffic to Hanoi - Bac Giang - Lang Son expressway, Trung Luong - My Thuan expressway will be completed by the end of 2020),...

❖ CHALLENGES:

- Global economy is forecast to enter a recession period, global economic growth is likely to fall below 2.5% (according to the United Nations Conference on Trade and Development).
- The Ministry of Planning and Investment forecasts two Vietnam Economic scenarios corresponding to the ability to control Covid-19 epidemic:
 - Positive scenario: GDP of 2020 reaches 6.25% (lower than the target of 6.8%), CPI increases by 3.96%
 - Negative scenario: GDP of 5.96%, CPI of 4.96%
- Circular 41/2018 of the Ministry of Transport regulates safety inspection of imported car components. Ministry of Industry and Trade proposes to increase excise tax on imported cars => Difficulties for imported cars.
- Decision 213 / QD-TTG of the Prime Minister, restricting the purchase of public cars, ensuring the goal of reducing by 30% - 50% by 2020.
- Influence of the Covid-19 pandemic, a series of automakers across the globe temporarily closed, stopped assembling and supplied car components, spare parts... => Influence production and sales plans.
- Vietnam Automobile Manufacturers Association (VAMA) forecasts that the market volume in 2020 will decrease by more than 15% compared to the previous forecast. Repair services can be reduced by 60-70% if the disease situation becomes more serious.
- Manufacturers plan to reduce production in 2020 compared to the previous forecast: Toyota decreased from 81,000 units to 70,000 units, Ford reduced from 35,000 units to 25,000 units.
- Prime Minister issues Directive 16/2020 / CT-TTg directing the suspension of service activities in big cities in pandemic time.

- Vinfast participates in car segments that the market lacks, along with the marketing strategy focusing on low-cost cars to grow strongly => Affecting the psychology and behavior of customers.
- The over supply and inventory at the end of 2019 is estimated at 50,000 unit - equivalent to 1.43 months of sales in 2019 => Difficulties in balancing cash flow, clearing inventories until April 2020.

Real estate service:

- The Government issued Decree 96/2019/ND-CP stipulating the new land price frame in the period of 2020 - 2025, whereby the land price increases by 15-30% compared to the period of 2015-2020.
- Circular 22/2019/TT-NHNN tightened lending to real estate, resulting in a decline in the supply of new products in the real estate market in 2020 => Reduce the pace of development of real estate. At the same time, this is also an opportunity for purification, towards sustainable development, stability and in-depth development.
- Growth prospects of the real estate market are forecast to weaken, but will not fall into crisis in 2020 due to:
 - The real estate market in recent years has witnessed many prestigious companies and projects; along with that is the difficult economic situation => Psychological reservations of customers;
 - The imbalance between supply and demand, low-cost housing sources and social housing continues to be scarce ;
 - Land plots and affordable housing continue to be the key products to maintain a stable growth rate in 2020, especially in suburban areas;
 - Project transfer and acquisition (M&A) will continue to be active.
- Covid-19 epidemic affected many segments of the real estate market in Vietnam:
 - Retail, office, rental real estate and resort have been declining significantly;
 - E-commerce will be a driving force for logistics development ;
 - Opportunities for office spaces tend to be sustainable and health-friendly, with air quality control, with ventilation...

Financing:

- Credit growth target for 2020 is 14%.
- Interest rates and exchange rates will still be operated flexibly and less volatile in 2020. Interest rates may decrease by 1 - 1.5% (Directive 11/2020 / CT-TTg).
- The State Bank of Vietnam plans to increase capital for commercial banks in which the State holds more than 50% of charter capital, which will help these banks increase their outstanding loans.

However, there are some issues:

- Fed reduced interest rates to 0%, launched an unlimited bond purchase program to cut interest costs and establish credit flow guarantee programs in March 2020;
- The global economy is facing recession downturn, economic weakness of some countries and trade instability will affect monetary policy as well as movement of foreign capital flows.
- Vietnam's credit growth is forecast to be difficult in the first 6 months.

2. OBJECTIVES - BUSINESS TARGETS IN 2020:

Objectives in 2020:

Figures (by consolidated FS)	Unit	2019 A	2020 Plan (*)	% 2019 A
Revenue	VND million	18,274,374	14,762,681	81%
Profit before tax	VND million	274,785	125,256	46%
Net profit after tax	VND million	233,332	107,891	46%
NPAT attributable to equity holders of the Company	VND million	153,667	71,878	47%
Dividend	%	Expected 10%	Expected 7%	

(*): The plan will be updated and adjusted when the market has big fluctuations.

Excluding the recognition of the 104 Pho Quang project, expected profit is VND 56.9 billion.

ORIENTATION OF TARGETS IN 2019:

- (1) Focus on monitoring, updating, analyzing, forecasting and sharing timely information on market situation, Government and Manufacturer policies to find solutions suitable to the current difficult situation.
- (2) Working closely with member companies and functional departments on unifying plan targets and solutions to best implement 2020 plan.
- (3) Focus resources to assess the impact of the Covid-19 epidemic on SAVICO's business in order to have timely guidance to increase cash accumulation, ensure business safety, and survive through the current difficult period.
- (4) Continue to strengthen the connection, sharing experiences, information of the whole network through groups, online sharing forums (clubs, zalo, facebook, viber ...). Research and invest in technological solutions to increase interaction, customer service and increase sales.
- (5) Network development: Update, monitor and support to ensure the on-going projects are built and put into operation at appropriate time, minimizing losses for new member companies.
- (6) Strategic partners :
 - Promote working with banks to support the adjustment of loan interest rates reduction and debt payment maturity extension, retention of loan category...
 - Maintain cooperation with existing strategic bank partners, seek additional partners to increase credit limit with preferential interest rates, ensure operating cash flow.
 - Research on strategic cooperation with Insurance Companies.
- (7) Enhance the management role of the Parent Company to the member companies, improve the governance system: digitalization (ERP, SQL application, Power Bi in data processing, monthly reporting)... to serve management requirements.

SOLUTIONS

Trading Service:

Forecasting work: Continuously updating, forecasting, closely monitoring the production plan and policies of the manufacturers to have optimal order and inventory policies, ensure business cash flow and timely payment of due debts.

Order and inventory management:

- Member companies take advantage of every opportunity to promote sales, quickly solve long-term inventories; establish a common warehouse, increase the exchange of products between members in the same brand to support the maximum handling of inventory (if any).

Business management:

- Develop action plans, detailed marketing plans for direct sales / service department, especially promoting online marketing activities.
- Enhancing the application of information technology in management and execution in order to capture information and make timely decisions. Online meeting through applications Zoom, Viber, effective management of employee work, online via Trello application...
- Updating, optimizing web tools, enhancing e-commerce activities to build, promote images, increase interaction with customers (online consulting, information sharing...).

Cost and cash flow management:

- Strengthen negotiations and work closely with banks to support the adjustment of loan interest rates reduction and debt payment maturity extension, retention of loan category under the Government's support program (Directive 11/CT-TTg).
- Proactively send requests for partners to reduce the cost of renting spaces.
- Proactively review and cut operating costs of the whole network in the spirit of cutting down and maximizing savings to ensure member companies survive and overcome difficulties and impacts caused by Covid-19 epidemic.
- Develop weekly/ monthly cash flow plan, proactively coordinate among functional departments to assess the ability of capital turnover to proactively collect - spend, avoid payment pressure.
- Urge and take appropriate measures to recover debts, so as not to let outstanding debts last long. Also negotiate with suppliers to extend the debt payment term.
- Make the most of the support policies and incentives from the Government to reduce and postpone payment of expenses such as social insurance, health insurance, unemployment insurance, union fees, VAT (if any).
- Stopping or postponing investment or expansion if not absolutely necessary; reducing unrealized expenses such as: expenses for reception, conferences, fuel, training, tourism and vacation,...
- Coordinate to support financial management in each member company.

Network development: Review and suspend investment in new projects, consider adjusting specific plans and roadmaps of investment projects to decide whether to continue or suspend reasonably.

Human resources:

- Coordinate with each member company to evaluate, review and rearrange personnel for each department, evaluate the performance of each individual in order to streamline the apparatus and increase labor productivity.
- Balance and reduce the productivity salary budget based on the actual situation and business

efficiency.

- Enhance the role of trade unions, youth unions, increase propaganda to create a consensus to join hands with the Company in researching and considering cutting 10% - 30% of the total monthly income of all employees at a reasonable percentage, either cut working days or work alternately or take temporary leave.
- Continue to enhance propaganda activities, timely update the situation of disease developments, guide proactively how to prevent and create peace of mind for all employees and customers. Frequently remind, closely manage employees, actively prevent and report when there are symptoms. Preparing solutions to cope with the worst case scenario which may happen is temporary quarantine or being requested to stop all Company activities due to Covid-19 epidemic.

Real estate service:

1. Maintain maximum capacity of retail, office for lease, complete legal procedures to record real estate projects.
2. Continue to implement the projects:
 - *104 Pho Quang:* Completed the collections with Novaland; The project has also been completed by partner, but the legal procedures have not been completed for transfer, accounting for revenue and profits; Continue to closely coordinate with Novaland to carry out transfer procedures in accordance with current regulations.
 - *Mercure Son Tra project:* Complete legal and planning documents to continue developing the project .
 - *Nam Cẩm Lệ project:* Complete legal transfer of a portion of the land area to DanaFord; Continue to improve business solutions for the remaining land area.
 - *Long Hoa – Can Gio:* Continuing to carry out the procedures for adjusting the 1/500 master plan and the procedure for being granted the land use right certificates.

Financial work:

1. Cooperation program with strategic banks: Monitor and evaluate the effectiveness of the strategic cooperation program with Vietinbank, Vietcombank for member companies. Working with additional strategic bank partners (preferably foreign banks) to ensure operating cash flow, diversify capital flows and increase benefits for the whole network.
2. Update information related to the financial activities of the member companies to pay attention and timely suggestions to the Executive Board of SAVICO and network about possible financial risks.
3. Coordinate with functional departments to evaluate and analyze investment efficiency and develop long-term financial plans in parallel with investment plans.
4. Increasing the management of capital sources, cash flow and investment efficiency: Focusing on collecting properly and fully dividends in member companies in the system as well as short-term securities portfolio. Orientation of dividend collection plan in the following years. Proactively allocating cash flow in line with the Company's development plans.

Advising works:

1. The departments of Trading Service, Finance - Investment, Accounting and Internal Control

strengthened the monitoring and supporting of new member companies and members facing difficulties in business activities as well as advising and supporting to improve efficiency at the network.

2. The Board of Management coordinates with the Directors/ Deputy Directors of the departments to develop action plans for the Company's development strategy for the period of 2020 - 2025. From there, propose suitable business solutions to optimize investment efficiency.
3. Promote human resource recruitment channels in parallel with adjusting personnel policies, personnel planning and training to keep and attract talents.

3. ORIENTATIONS FOR MEDIUM AND LONG TERM OPERATIONS :

Strategic orientation 2020 - 2025:

- Continue to assert the role of a pioneer investor in Company's core business; develop the company comprehensively, be strong in organization and always be a public company with a reputable brand.
- Develop a portfolio of effective business brands, combined with M&A activities to develop network and develop separate value-added products.
- Improve and integrate in the management system:
 - The Parent Company digitizes and knowledge management to serve corporate governance requirements and also to develop value-added products.
 - Member companies digitize (ERP, online sales channel, interactive app ...) to serve sales, service and customer care activities.
- Recruit and keep talented personnel on the basis of benefit sharing policy, seek and develop competitive policies to attract and keep personnel for the goal of stable and sustainable network development .
- Harmonize the interests of customers, partners, shareholders, employees and sustainable values of the Company.

Strategic objectives of 2020 – 2025:

Figures	Performance in 2015-2020	Objectives of 2020 - 2025
Number of car outlets	From 25 to 52	From 52 to 72
Market share (VAMA + HTC)	7,8 – 10,1%	From 9,0 – 10,0%
Annual revenue growth rate	18,2%	From 9 - 12%
Average ROA	4,7%	From 5%
Average ROE	15,4%	From 15%
Dividend ratio by par value/ year	13,0%	From 12%

IV. EXPLANATION FOR AUDITOR'S OPINIONS (if any) :

The opinions need to be explained: No.

In opinion of KPMG – the auditor has audited the separate and consolidated financial statements of the Company - the separate and consolidated financial statements give a true and fair view, in all material respects, of the financial position of Saigon General Service Corporation as at 31 December 2019 and of their results of operations and their cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

Above is the report and assessment of the Board of Management in 2019; targets, directions in 2020 and strategic orientation 2020 - 2025 of Saigon General Service Corporation (SAVICO).

Yours sincerely,

CEO

Signed

Phan Dương Cửu Long