



SAVICO



*Breakthrough Thinking
Drives Values*

ANNUAL REPORT 2019

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CHAPTER 5 : FINANCIAL STATEMENTS



LIST OF ABBREVIATION

AGM	: ANNUAL GENERAL MEETING
BODS	: BOARD OF DIRECTORS
BOM	: BOARDS OF MANAGEMENT
BOS	: BOARD OF SUPERVISORS
CBU	: COMPLETELY BUILT-UP
CKD	: COMPLETELY KNOCKED DOWN
CPI	: CONSUMER PRICE INDEX
CV	: COMMERCIAL VEHICLE
FDI	: FOREIGN DIRECT INVESTMENT
FS	: FINANCIAL STATEMENT
GDP	: GROSS DOMESTIC PRODUCT
HOSE	: HO CHI MINH STOCK EXCHANGE
HTC	: HYUNDAI THANH CONG
IR	: INVESTOR RELATION
NPAT	: NET PROFIT AFTER TAX
PBT	: PROFIT BEFORE TAX
PC	: PASSENGER CAR
PMI	: PURCHASING MANAGERS INDEX
ROA	: RETURN ON ASSETS
ROE	: RETURN ON EQUITY
SAVICO	: SAI GON GENERAL SERVICE CORPORATION - SAVICO
VAMA	: VIETNAM AUTOMOBILE MANUFACTURERS ASSOCIATION
VND	: VIET NAM DONG



MAJOR FINANCIAL BENCHMARKS

BUSINESS PERFORMANCE

Business results in 2019

	2018	2019	2019/2018 (%)
Revenue from sales of goods and provision of services	14.871.655	18.266.306	123%
Cost of goods sold	13.851.911	17.213.839	124%
Gross profit	1.019.744	1.052.468	103%
Financial income	17.898	14.706	82%
Financial expenses	87.739	138.509	158%
<i>In which: Interest expenses</i>	84.957	129.632	153%
Share of profit in associates	57.904	87.626	151%
Selling expenses	458.727	557.277	121%
General and administrative expenses	289.674	324.687	112%
Net operating (loss)/ profit	259.407	134.326	52%
Other income	106.523	144.518	136%
Other expenses	3.619	4.059	112%
Results of other activities	102.905	140.459	136%
Accounting profit before tax	362.312	274.785	76%
Net profit after tax	300.267	233.332	78%
Equity holders of the Company	173.044	153.667	89%
Non-controlling interest	127.264	79.665	63%

Source: 2019 Audited Consolidated Financial Statements of the Company, Unit: VND million

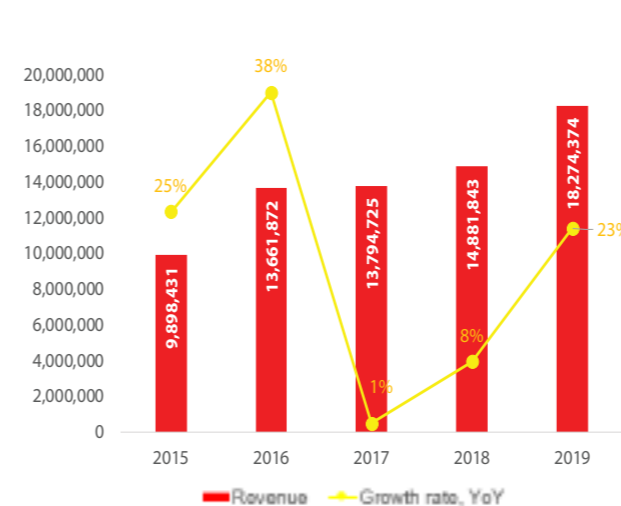


Financial benchmarks

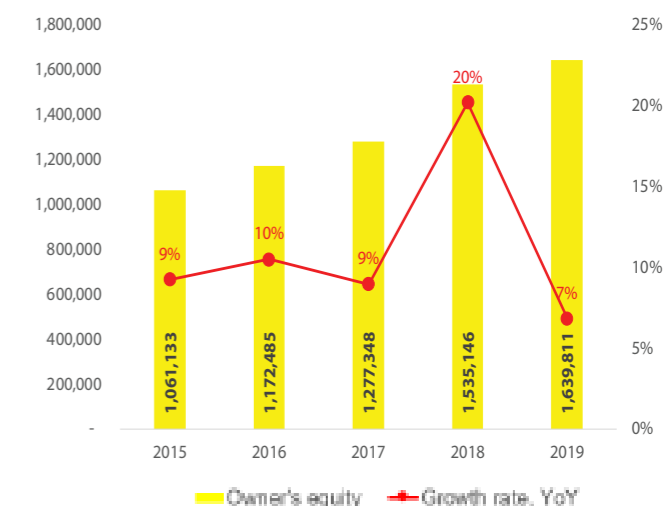
BENCHMARKS	2018	2019
Liquidity Ratios		
Current ratio	0.97	0.97
Quick ratio	0.47	0.44
Leverage Ratios		
Liabilities / Total assets	0.65	0.65
Liabilities / Owner's equity	1.84	1.88
Debt to assets ratio	0.37	0.41
Operation capability ratio		
Net revenue / Total assets	3.73	4.02
Profitability Ratio		
Profit after tax / Net revenue	2,0%	1,3%
Profit after tax / Owner's equity	21,4%	14,7%
Profit after tax / Total assets	7,5%	5,1%
Operating profit / Net revenue	1,7%	0,7%
Result of other activities / Net revenue	0,7%	0,8%

Source: 2019 Audited Consolidated Financial Statements of the Company, Unit: VND million

Revenue and growth rate 2015 - 2019
Unit: VND million



Owners' equity and growth rate 2015 - 2019
Unit: VND million



SAVICO

SAVICO system currently has 14 subsidiaries, 7 associates and 27 subordinated companies of subsidiaries and associates.

COMPANY'S NAME: SAIGON GENERAL SERVICE CORPORATION

Transaction name: SAVICO

Securities code: SVC (HSX)

HEAD OFFICE: 68 Nam Ky Khoi Nghia, District 1, Ho Chi Minh City

Tel: (84-28) 3821 3913

Fax: (84-28) 3821 3553 / 3821 5992

Email: savico@savico.com.vn

Website: www.savico.com.vn



VISION

To become the leading investment corporation specializing in services in Vietnam, integration into regional as well as international business networks.



MISSION

To bring prestigious products and services to our consumers, improving the quality of life.



CORE VALUES

TRANSPARENCY: In transactions, actions and business.

RESPECT: Shareholders, Investors, Customers, Partners...

RESPONSIBILITY: Complying with the Law, actively contributing to the community and society.

CREATION: Always looking for opportunities, self-innovating to increase reputation and business efficiency.

SOLIDARITY: Consensus to overcome challenges; self-renewal, actively seeking opportunities, creating success.

Vision, Mission and Core values of the Company are reviewed annually by the Board of Directors and the decision does not change in 2019



**" CONQUERING CHALLENGES
FIND OUR OWN WAYS "**

18.274 VND billion
Consolidated Revenue



Dear shareholders, investors, partners, customers and all employees of SAVICO!

First of all, on behalf of the Board of Directors of SAVICO, I would like to express our sincere thanks to the shareholders, investors, partners, customers and all employees of SAVICO has always accompanied, supported, believed and endeavored to achieve many achievements and positive achievements in 2019 and the term 2015-2019.

By the end of the term 2015 - 2019, SAVICO reached the aggregate revenue of automotive industry of \$ 1 billion, the network has grown to 52 automobile dealers, the market share reaches 10% - maintaining its position as the No. 1 automobile distribution unit in Vietnam market. This is a result of the continuous efforts of the Board of Directors, the Board of Management and all employees of SAVICO, the trust of shareholders, the support and cooperation of partners, the support and trust of our customers. Succeeding in meeting concerns, harmonizing interests and expectations of stakeholders, SAVICO continues to be confident to lead the network to conquer new heights in the next term 2020 - 2025, in the context of global transformation in all aspects of economics, science, technology, politics, culture and society.

In 2020, the outlook will continue to be challenging but with a solid foundation, experience, and new human resources, SAVICO and its subsidiaries have completed the work of planning new business strategies for the period 2020 – 2025, vision 2025 - 2030 to keep pace with the development trend of the industry, be flexible in management and operation to turn challenges into opportunities.

On that direction, the Board of Directors and the Board of Management and the system agreed to implement the strategic goals for the next 5 years with the spirit of **"Conquering challenges - Find our own ways"**:

- Investing in expanding the automotive services chain, increasing the network size and increasing revenue at least 1.5 times;
- Research, invest and develop value-added products and services under the automotive value chain;
- Focusing on investing and applying technology in business activities and management activities to maximize advantages and efficiency;
- Continue to establish and sustainably structure the real estate services as well as new investments to support the Automotive Services chain.

More than 5,000 SAVICO employees are ready to promote their intelligence and collective strength to bring valuable values to customers, partners, shareholders and their own associates and the common development of society and community. Along with the trust and support of shareholders, investors, partners, customers, we believe that we will continue to create new marks and new achievements in the business community in Vietnam by making breakthrough steps on the next sustainable development journey of the system with all the strong spirit of the SAVICO people.

Yours faithfully.

Chairman

Mai Viet Ha



FUTURE VISION

Grasping market, staying ahead...

ESTABLISHMENT AND DEVELOPMENT HISTORY



Operation period in the form of a State-owned company

Operation period in the form of a Joint Stock Company (2004 to present)



FOUNDATION BUILD
1982 - 2004



DEVELOPMENT INTEGRATION
2004 - 2014



EXPAND BUSINESS
2015 - 2018

SUSTAINABLE DEVELOPMENT
2019 - Nay

1982

SAIGON GENERAL SERVICE CORPORATION (SAVICO) was formerly a State-owned company established on 01 September 1982 named District 1 Service Company.

1986

Changed the Company's name from District 1 Service Company to SAIGON GENERAL SERVICE CORPORATION (SAVICO).

1990

Invested and developed business services of automobile, motorbike, tourism, transportation – taxi, etc. creating the foundation for the development of the Service - Trading system onwards.

1995

Expanded business to Real Estate Services and put it in the core business activities of the Company.

1998

Step by step shifted operations to the investment company model - starting with the capital contribution or buying shares of companies; built and developed distribution agents of cars and motorcycles of prestigious brands such as Toyota, Ford, Suzuki, Chevrolet, etc..

2005

Equitized and operated as a Joint Stock Company from 04 January 2005. The Company's activities focus on three areas: Commercial Services, Real Estate Services and Financial Services.

2006

On 21 December 2006, the Company's shares were officially listed in Hanoi Securities Trading Center (HNX) with the stock code SVC.

2009

On 01 June 2009, the Company changed its securities to Ho Chi Minh City Stock Exchange (HOSE) with stock code SVC.

2016

Expanded into trading vehicles with Hino brands and traded high-end vehicles with Volvo brand.

2017

Promoted the development of distribution and service activities in the automotive industry. The total number of new car dealers in this period is 22, bringing the total number of car dealers in SAVICO to 41 dealers

2018

The total number of new car dealers in this period is 29, bringing the total number of car dealers in SAVICO to 48 dealers.

2019

Focusing on innovation of governance and leadership; continuing to invest in developing distribution and service of automobile industry, bringing the total number of automobile dealers to 52 dealers; maintain and develop a stable source of revenue from the Real Estate Services as well as enhance the supporting function of this field for the activities of the Trading - Service.



52 Dealers
In 2019

BUSINESS LINES AND LOCATIONS

BUSINESS LINES



TRADING - SERVICE

Organize a dealer system directly distributing automobiles, motorcycles from domestic and foreign manufacturers; Repair and maintain automobiles, motorcycles and enclosed services for brands like Toyota, Ford, Volvo, Hyundai, Honda, Hino, Isuzu, Yamaha...



REAL ESTATE SERVICE

Investment and development of real estate business with orientation of office buildings, trade centers...; Investment in infrastructure supporting the activities of Trading & Service.

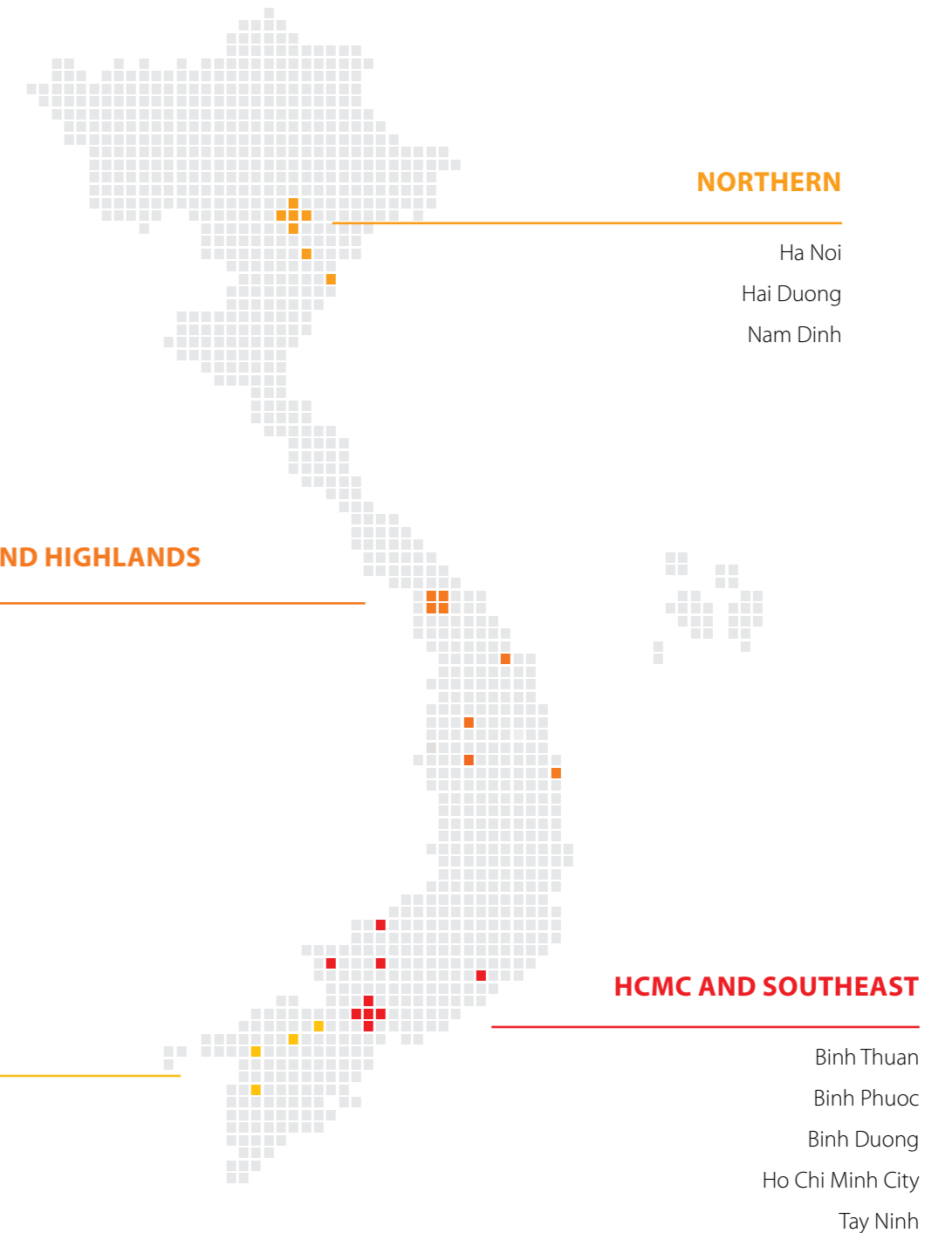


FINANCIAL SERVICE

Supporting the business activities of Trading & Service and Real Estate Service.

LOCATIONS

Business localities of SAVICO spreads from the North to the South:



SUBSIDIARIES AND ASSOCIATES

Currently, SAVICO network has 14 subsidiaries, 7 associates and 27 subordinated companies of subsidiaries and associates.

No.	COMPANY'S NAME	ADDRESS	ACTIVITY	CHARTERED CAPITAL (31/12/2019) VND million	% OF OWNER'S EQUITY
SUBSIDIARIES					
1	SAVICO Hanoi Corporation	7-9 Nguyen Van Linh, Hamlet 17, Gia Thuy ward, Long Bien district, Hanoi City	Operating trade center, providing hotel services; civil and industrial construction; agent and consignment; import and export activities; trading and maintaining automobile; providing engine rental, transportation and car parking services	120.000	70,00%
	SAVICO Mega Mall	7 - 9 Nguyen Van Linh, Gia Thuy ward, Long Bien district, Hanoi City Tel: (84 24) 62 668 855 www.savicomegamall.com			
	Toyota Long Bien Co., Ltd.	7 - 9 Nguyen Van Linh, Gia Thuy ward, Long Bien district, Hanoi City Tel: (84 24) 62 777 999 - Fax: (84 24) 62 777 998 Hotline: 0973.778.669 Email: toyotalongbien.hn@gmail.vn www.toyotalongbien.org			
	▶ Toyota Hai Duong Co., Ltd	No. 1, Ngo Quyen street, Cam Thuong ward, Hai Duong City Tel: (84 220) 3555 999 - Fax: (84 220) 3555 997 Hotline: 090.345.9775			
	Hai Duong Automobile Investment & Service Co., Ltd. (Ford Hai Duong)	Zone 14, Ngo Quyen street, Binh Han ward, Hai Duong City, Hai Duong province Hotline: 0906 931 555 www.haiduongford.vn			
2	Savico Da Nang Corporation	66 Vo Van Tan, Thanh Khe district, Da Nang City	Trading real estate; leasing office and workshops; consulting, and real estate brokerage services; trading automobile and spare parts; providing maintenance and repairing services; providing transportation services	72.930	70,00%
	Dana Joint Stock Company (Danaford)	56 Dien Bien Phu, Thanh Khe district, Da Nang City Tel: (84 236) 364 6555 - Fax: (84 236) 364 6746 Hotline (rescue): : 0905 444 888 Email: danaford@danaford.com.vn Web: www.danaford.com.vn Hotline (sales): : 0905 105 888 Hotline (service): 0914 061 731 Customer care service: 0905 444 838			
	▶ Dana Ford Binh Dinh	73 Tay Son, Quy Nhon City, Binh Dinh province Tel: (84 256) 3546 555 - Fax: (84 256) 3546 488 Hotline: 0905 631 666 Email: dongpq@danaford.com.vn			

No.	COMPANY'S NAME	ADDRESS	ACTIVITY	CHARTERED CAPITAL (31/12/2019) VND million	% OF OWNER'S EQUITY
	▶ Dana Ford Gia Lai	284 Le Duan, Thang Loi ward, Pleiku City, Gia Lai province Tel: (84 269) 3535555 - Fax: (84 269) 3551777			
	Auto Song Han Joint Stock Company (Hyundai Song Han)	86 Duy Tan, Hoa Thuan Tay ward, Hai Chau district, Da Nang City Tel: (84 236) 378 3555 - Fax: (84 236) 378 3883 Hotline: 0914 303 555/0511 3 783 888 www.hyundaisonghan.com.vn			
	▶ Auto Son Tra Co., Ltd.	286 Pham Hung, Hoa Phuoc commune, Hoa Vang district, Da Nang City Tel: 02363.773555 - Fax: 02363.773556 Hotline: 0941.555.404 Email: CSKH@hyundai-sontra.vn www.hyundai-sontra.vn			
	▶ Auto Gia Lai Co., Ltd.	278 Le Duan, Pleiku City, Gia Lai province Tel: (84 269) 386 2255 - Fax: (84 269) 386 2266 Hotline: (84 069) 373 5888			
	▶ Kontum Automobile Joint Stock Company	377A PhanDinh Phung, Duy Tan ward, Kontum City, Kontum province Tel: 0260 388 9888 www.hyundaikontum.vn			
	Auto Binh Dinh Joint Stock Company (Hyundai Binh Dinh)	359 Tay Son, Quang Trung ward, Quy Nhon City, Binh Dinh province Tel: (84 256) 353 5255 - Fax: (84 256) 353 5166 Hotline: (84 256) 364 7888 www.hyundaibinhdinh.com.vn			
	Auto Da Nang Co.,Ltd. (Mitsubishi Savico Da Nang)	02 Nguyen Huu Tho, Hoa Thuan Tay ward, Hai Chau district, Da Nang City Tel: (84 236) 377 8555 - Fax: (84 236) 389 3789 www.mitsubishisavico.com.vn			
	▶ Mitsubishi SAVICO Quang Nam	475 Hung Vuong, An Son ward, Tam Ky city, Quang Nam province Hotline: 0905.606.115 www.mitsubishimotorsquangnam.com			
	Hung Thinh Automobile Joint Stock Company	Block 02, National Highway 1A, Qua Giang village, Hoa Phuoc commune, Hoa Vang district, Danang City Tel: 0903 500 897 - 02363 616 555 Hotline: 0903 500 897 - 0905 627 387 www.hyundai-hungthinh.vn			
	Dai Thinh Automobile Joint Stock Company	Block 01, National Highway 1A, Qua Giang village, Hoa Phuoc commune, Hoa Vang district, Danang City Tel: 02363 767 027 Hotline: 0905 700 788 - 0906 574 578 Email: isuzu-itruksdaithinh@gmail.com www.isuzudaithinh.vn			

SUBSIDIARIES AND ASSOCIATES (continued)

No.	COMPANY'S NAME	ADDRESS	ACTIVITY	CHARTERED CAPITAL (31/12/2019) VND million	% OF OWNER'S EQUITY
3	Da Nang Son Tra Corporation	Bai Trem, Son Tra district, Da Nang City	Development of Mercure Son Tra Resort	84.000	98,00%
4	Toyota Giai Phong Joint Venture Company	807 Giai Phong, Hoang Mai district, Hanoi City Tel: (84 24) 3664 0124 Fax: (84 24) 36640127 Hotline: 0903.259.295 www.toyotagiaiphong.com.vn www.toyotagiaiphong.vn	Trading TOYOTA cars and spare parts, providing maintenance services	18.088	51,00%
	Toyota Giai Phong – Phap Van branch	Phap Van Highway, Hoang Liet ward, Hoang Mai district, Hanoi City Tel: (84 24) 3642 5588 - Fax: (84 24) 3642 5599 Hotline: 098 999 www.toyota-phapvan.com			
	Toyota Giai Phong – Nam Dinh branch	Nam Dinh – Phu Ly street, Loc Hoa commune, Nam Dinh City, Nam Dinh province Hotline: 0974 123 535 - 0943 962 525 www.toyota-namdinh.vn			
5	Saigon Automobile Service Joint Stock Company (Saigon Ford)	661A Cao Thang, ward 3, district 3, Ho Chi Minh City Tel: (84 28) 3818 1458 Fax: (84 28) 3818 1466 Hotline (service): 090 746 8686 Hotline (sales): 093.878.3139 Email: saigonford@saigonford.com.vn www.saigonford.com.vn	Trading FORD cars and spare parts, providing maintenance services	129.000	52,05%
	Saigon Ford Pho Quang	Center for trading second hand automobile and auto body painting services 104 Pho Quang, ward 2, Tan Binh district, HCMC Tel: (84 28) 3844.2947/ 3844.2948 - Fax: (84 28) 3844 2896 Hotline: 093 811 0139 Email: phoquang@saigonford.com.vn			
	Tran Dinh Xu Service Workshop	72 Tran Dinh Xu, District 1, HCMC Tel: (84 28) 3838 9508 - Fax: (84 28) 3838 9521 www.mazdabenthanh.com.vn			

No.	COMPANY'S NAME	ADDRESS	ACTIVITY	CHARTERED CAPITAL (31/12/2019) VND million	% OF OWNER'S EQUITY
	Saigon Ford Tran Hung Dao	6A Tran Hung Dao, Pham Ngu Lao Ward, District 1, HCMC Tel: 0903900911 - Fax: (84 28) 3915 3244			
	Saigon Can Tho Auto Joint Stock Company	Block 11C Vo Nguyen Giap, Phu Thu ward, Cai Rang district, Can Tho City Tel: (84 292) 3730 720 / 3730 719 - Fax: (84 292) 3.730.716 Hotline: 0902 357 558 Email: cantho@saigonford.com.vn www.canthoford.vn			
	▶ Vinh Long Branch	116 National Highway 1A, Tan Ngai, Vinh Long and Tan Xuan Vinh Long Tel: 0839 683 164			
	Ben Thanh Automobile Service Joint Stock Company	831 Truong Chinh, Tay Thanh ward, Tan Phu district, HCMC Tel: (8428) 3815.7979 - Fax: (84 28) 3815.8989 Hotline Service: 0908 061 061 Sales: 0938 191 191 Email: info@benthanhford.com.vn www.benthanhford.com.vn			
	▶ Ben Thanh Ford Assured	69-71 Che Lan Vien, Tay Thanh ward, Tan Phu district, HCMC Tel: 0908 008 998 - Fax: (84 28) 38155886 Hotline: 0931.248.248			
	▶ Ben Thanh Tay Ninh Joint Stock Company	226 National Highway 22B, Hiep Truong hamlet, Hiep Tan commune Tel: (84.276) 3622 711 - Fax: (84.276) 3622 911 Hotline: 0936 824 879 Email: info@tayninhford.com.vn www.tayninhford.com.vn			
	Binh Thuan Automobile Service Joint Stock Company	National Highway 1A - Block 4/3, road no. 4 Phan Thiet 1, Phong Nam commune, Phan Thiet City, Binh Thuan province Tel: (84.252) 3535 010 - Fax: (84.252) 3535 020 Hotline Sales: 0919 828 121 Hotline Service: 0903 618 250 www.binhthuanford.com.vn			
	Sai Gon Auto Gia Dinh Service Co.,Ltd	900 National Highway 1A, Thanh Xuan ward, district 12, HCMC Tel: 0828 7108 2090			
	South Saigon Automobile Investment, Trading and Service Joint Stock Company (Chevrolet Phu My Hung)	1489 Nguyen Van Linh street, Tan Phong ward, district 7, HCMC Tel: (84 28) 3771 8888 - Fax: (84 28) 3771 8895 Hotline Sales: 0902 743 783 Hotline Service: 0938 453 645 Email: info@chevroletphumyhung.com.vn Website: chevroletphumyhung.com.vn			

SUBSIDIARIES AND ASSOCIATES (continued)

No.	COMPANY'S NAME	ADDRESS	ACTIVITY	CHARTERED CAPITAL (31/12/2019) VND million	% OF OWNER'S EQUITY
	Sai Gon Phu Lam Investment Trading Service Joint Stock Company	D6/28 National Highway 1A, 4 quarter, Tan Tuc Center, Binh Chanh District, HCMC Tel: 0283 7600 999 Hotline: 0943 245 779 Email: infor@hyundaiphulam.com.vn Website: hyundai-phulam.vn			
6	Toyota Can Tho Co., Ltd	K2-0, Vo Nguyen Giap, Thanh Thuan area, Phu Thu ward, Cai Rang district, Can Tho City Hotline: 0949 919 919 Email: contact@toyotacantho.com.vn www.toyotacantho.com.vn	Trading TOYOTA cars and spare parts, providing maintenance services.	49.626	51,00%
	Toyota Can Tho - An Giang Branch	28/1 Tran Hung Dao, My Quy ward, Long Xuyen city, An Giang province			
7	Nam Song Hau Automobile Joint Stock Company (Honda Can Tho)	Block E1-1 Vo Nguyen Giap street, Thanh Loi area, Phu Thu ward, Cai Rang district, Can Tho City Tel: 02923.838.558 Fax: 02923.838.556 Hotline Sales: 0941 838 558 Hotline Service: 0907 838 559 Email: hct@hondacantho.com www.hondacantho.com	Trading HONDA cars and spare parts, providing maintenance services	50.000	51,00%
8	Vinh Thinh Automobile Joint Stock Company (Hino Vinh Thinh)	55/5 Binh Giao quarter, Thuan Giao ward, Thuan An town, Binh Duong province Hotline: 0905 88 96 98 Fax: 0274 363 0336. www.hinobinhduong.vn	Trading HINO truck and spare parts, providing maintenance, repairing and transportation services.	20.000	90,00%
9	Saigon North West Automobile Joint Stock Company	43/7A, National Highway 22, Xuan Thoi Dong commune, Hoc Mon district, Ho Chi Minh City Hotline: 0948 69 68 67 www.isuzusg.com	Trading Isuzu trucks and spare parts; providing maintenance and transportation services.	40.000	99,90%
10	Saigon Star Corporation	510 National Highway 13, Hiep Binh Phuoc ward, Thu Duc district, Ho Chi Minh City Tel: 08372630231 Fax: 02837273133 www.saigonngoisao.com.vn	Trading SUZUKI, HONDA automobile and motorcycle and spare parts, providing maintenance services.	20.000	56,80%
	Binh Duong Branch	780 National Highway 1K, Noi Hoa 2 quarter, Binh An ward, Di An town, Binh Duong province			
	Saigon Vien Dong Co., Ltd	673 Huynh Tan Phat, Tan Thuan Dong ward, district 7, HCMC Tel: (84 28) 37733893 - Fax: (84 28) 37733902			
	Hyundai Saigon Star Joint Stock Company	184C/1, 1A quarter, An Phu ward, Thuan An town, Binh Duong province			

No.	COMPANY'S NAME	ADDRESS	ACTIVITY	CHARTERED CAPITAL (31/12/2019) VND million	% OF OWNER'S EQUITY
11	Saigon Cuu Long Automobile Corporation (Chevrolet Can Tho)	274, 30/4 street, Hung Loi ward, Ninh Kieu district, Can Tho City Tel: 0292.3838 868 Fax: 0292.3 739 779 Email: contact@chevroletcantho.com.vn www.chevroletcantho.com.vn	Trading CHEVROLET cars and spare parts, providing maintenance and transportation service.	12.000	84,17%
12	Saigon Service Trading Co., Ltd. (Yamaha Saigon)	164-166C, 3/2 street, Hung Loi ward, Ninh Kieu district, Can Tho City Tel: (84 292) 3780 164 Fax: (84 292) 3780 166 Email: saigon@yamahausaigon.com www.yamahausaigon.com	Trading YAMAHA motorcycles and spare parts, providing maintenance services.	7.660	88,12%
	Outlet Yamaha Sai Gon 2	Kiosk 15-17-19-21 Western Cultural Park, No. 45 CMT8 street, An Thoi ward, Binh Thuy district, Can Tho City Tel: (84 292) 3783 979 - (84 292) 3783 839			
	Outlet Yamaha Sai Gon 3	291 An Nhon hamlet, Trung Thanh commune, Vung Liem district, Vinh Long province Tel: (84 270) 3976 888 - Fax: (84 270) 3976 777			
	Outlet Yamaha Sai Gon 4	822 National Highway 61, Cau Xang hamlet, Tan Binh commune, Phung Hiep district, Hau Giang province Tel: 02933. 982985			
	Service and Spare Parts Center	164/1B, 3/2 Street, Hung Loi ward, Ninh Kieu district, Can Tho City Tel: (84 292) 3782 982			
13	OtoS Joint Stock Company (OtoS)	66 - 68 Nam Ky Khoi Nghia, Nguyen Thai Binh ward, district 1, Ho Chi Minh City	Providing e-commerce services; advertising services; Trading cars and spare parts; providing maintenance and repairing service; providing software publication and other services related to information technology.	14.300	80,86%
14	Vinh Thinh Vehicle and Specialized Equipment Co., Ltd	National Highway 14, Hamlet 1, Dong Tien commune, Dong Phu district, Binh Phuoc province Tel: (02713) 826 222 Fax: (02713) 826 223 www.hyundai-vinhthinh.vn	Trading HYUNDAI truck, bus and spare parts, providing maintenance, repairing and transportation services.	20.000	55%

SUBSIDIARIES AND ASSOCIATES (continued)

No.	COMPANY'S NAME	ADDRESS	ACTIVITY	CHARTERED CAPITAL (31/12/2019) VND million	% OF OWNER'S EQUITY
CÔNG TY LIÊN KẾT					
1	SAVICO Investment Joint Stock Company	66 - 68 Nam Ky Khoi Nghia, Nguyen Thai Binh ward, district 1, Ho Chi Minh City	Trading real estate; providing property consultancy, brokerage, auction; providing services on market research, surveys of public opinion; providing related architectural and engineering consulting services; providing specialized design and construction of civil works; trading cars and spare parts; providing maintenance and repairing services; providing kindergarten education service.	160.000	40%
2	Toyota East Saigon Joint Stock Company	507 Hanoi Highway, An Phu ward, district 2, Ho Chi Minh City Tel: (84 28) 3898 9242 Fax: (84 28) 3898 9243 Hotline: 19006428 Email: tesc@toyotasaigon.com www.toyotadongsaigon.com.vn	Trading TOYOTA cars and spare parts, providing maintenance services.	162.750	30,3%
	Go Vap branch	18 Phan Van Tri, ward 7, Go Vap district, HCMC Tel: (84 28) 3989 6636 - Fax: (84 28) 3989 6637 Hotline: 19006438			
	Nguyen Van Luong branch	63A Nguyen Van Luong, ward 10, Go Vap district, HCMC Tel: (84 28) 3921 2808 - Fax: (08) 3921 2809 Hotline: 0918335050			
	District 9 branch	522 National Highway13, Hiep Binh Phuoc ward, Thu Duc district, HCMC			
	Thu Duc branch	850 Hanoi Highway, Hiep Phu Ward, District 9, HCMC Tel: (84 28) 37361689 - Fax: (84 28) 37361690 Hotline: 0901 830 833			
	Toyota Binh Thuan Co., Ltd	Ben Loi - Lai An Residential area, Thang Thuan hamlet, Ham Thang commune, Ham Thuan Bac district, Binh Thuan province Tel: (84 252) 3739 212 - Fax: (84 252) 3739 210 Hotline: 0931533027 www.binhthuan.toyota.com.vn/			
3	Toyota Ly Thuong Kiet Co., Ltd	188 Le Trong Tan, Tay Thanh ward, Tan Phu district, Ho Chi Minh City Tel: (84 28) 3816 3636 Fax: (84 28) 3816 3366 www.toyotalythuongkiet.com.vn	Trading TOYOTA cars and spare parts, providing maintenance services	60.000	35%
	Tan Phu Branch	151A Ly Thuong Kiet, Ward 6, Tan Binh district, HCMC Tel: (84 28) 3971 3838 - Fax: (84 28) 3971 3209			

No.	COMPANY'S NAME	ADDRESS	ACTIVITY	CHARTERED CAPITAL (31/12/2019) VND million	% OF OWNER'S EQUITY
	Tay Ninh Branch (Toyota Tay Ninh)	50 Hoang Le Kha, Ward 3, Tay Ninh City Hotline: 1800 6565			
4	Bac Au Automobile Joint Stock Company (Volvo Cars Saigon)	340 Nguyen Van Linh, Binh Thuan ward, district 7, Ho Chi Minh City Hotline Sales: 0901 69 8668 Hotline Services: 0935 28 7788 Email: info@volvocars.vn www.volvocars.vn	Trading VOLVO cars and spare parts, providing maintenance services.	60.000	32%
	Bac Au Ha Noi Automobile Co., Ltd (Volvo Cars Hanoi)	7 - 9 Nguyen Van Linh, Long Bien, Ha Noi Hotline Sales: 097 111 7799 Hotline Services: 0966 700 337 www.volvo.hanoi.vn			
5	South West Star Automobile Joint Stock Company (Hyundai Tay Do)	91 CMT8 street, An Thoi ward, Binh Thuy district, Can Tho City	Trading HYUNDAI cars and spare parts, providing maintenance services.	40.000	43,8%
	Kien Giang Automobile Investment and Trading Service Co., Ltd	68 Vo Van Kiet, Thanh Binh hamlet, Thanh Loc commune, Chau Thanh district, Kien Giang province			
6	Binh Duong New City Automobile Joint Stock Company (Binh Duong Ford)	Block C13 Hung Vuong street, complex area, Hoa Phu ward, Thu Dau Mot City, Binh Duong province Tel: (0274) 3801381 Fax: (0274) 3801380 www.binhduongford.com.vn	Block C13 Hung Vuong street, complex area, Hoa Phu ward, Thu Dau Mot City, Binh Duong province.	50.000	30,6%



TYPICAL AWARDS IN 2019



SAVICO

- ▶ Top 500 Vietnamese Largest Enterprises – VNR500 for 12 consecutive years.
- ▶ Top 100 Largest public companies - Forbes Vietnam announced.



TYPICAL AWARDS IN 2019 (continued)

MEMBER OF SAVICO

TOYOTA

- ▶ **Toyota Can Tho**
 - 1st – The paint repair – Toyota Vietnam
- ▶ **Toyota Dong Sai Gon**
 - 1st – 2019 Greeting campaign award – Toyota Vietnam
 - 1st – Kaizen sales industry 2019 – Toyota Vietnam
 - 1st – Service advisor – Toyota Việt Nam
 - 1st – Best dealer nationwide 2019 - Toyota Vietnam
- ▶ **Toyota Ly Thuong Kiet**
 - 2nd Kaizen service industry 2019 – Toyota Vietnam
- ▶ **Toyota Long Bien**
 - 1st – The Northern region – 2019 Greeting campaign award
 - 2nd – Sales consultant – Toyota Vietnam
- ▶ **Toyota Giai Phong**
 - 2nd – Body repair – Toyota Vietnam



FORD

- ▶ **Sai Gon Ford**
 - Dealer with the best sales in 2019 - Ford Vietnam
 - Mr. Phan Duong Cuu Long: Agency director of 2019
- ▶ **Binh Duong Ford**
 - The most active dealer Director in Ford brand building in 2019
 - The dealer achieved the highest BOC score on sales in 2019
 - The dealer achieved the highest customer satisfaction score in 2019 - Ford Vietnam by JD Power review
- ▶ **Ben Thanh Ford**
 - The only dealer in Vietnam to be honored with one of six dealers worldwide to receive the prestigious award: Salute to Dealer 2020 event by Ford Global
- ▶ **Can Tho Ford**
 - The Dealer achieved the 12-Month Wholesale and Retail Target in 2019
 - The Dealer has the best transit vehicle sales in nationwide in 2019
 - Dealer achieving highest customer satisfaction in 2019 - Ford Vietnam by JD Power review



TPICAL AWARDS IN 2019 (continued)

HYUNDAI

▶ Hyundai Gia Lai

- Gold medal - The 2019 Hyundai World Skill Olympics

HONDA

▶ Honda Can Tho

- 4th Excellent Honda dealer 95Ki of Honda Vietnam

MITSUBISHI

▶ Mitsubishi Savico Da Nang

- Mr. Diep Tran Bao: Typical Young Vietnamese Entrepreneurs 2019

SUZUKI

▶ Sai Gon Star

- The best selling – Half year – Suzuki Vietnam
- The best in sales growth accessories – Half year – Suzuki Vietnam
- Best dealer in sales growth parts - Half year – Suzuki Vietnam



COMMERCIAL VEHICLE

▶ HINO

- 1st – Administrative sales – Hino Motors Vietnam
- 3rd – Sales consultant – Hino Motors Vietnam

▶ Isuzu Northwest Saigon

- Best dealer in the South of 2019 - Isuzu Vietnam



OTHER ACHIEVEMENTS OF PARTY, TRADE UNION

- ▶ The title of strong and clean Party Committee 2019
- ▶ Successfully completing the Youth Union work and the 2019 Youth Movement
- ▶ The title of strong base trade union 2019
- ▶ SAVICO Hanoi: Achieved the title of achievements in union activities in 2019 by the Vietnam General Confederation of Labor
- ▶ Hyundai Song Han: Won the title of Enterprise with good care of workers' life 2019 rewarded by the Da Nang Labor Federation



SHARES AND SHAREHOLDERS INFORMATION

Shares information in 2019	Unit	Figures
Price as of 28/12/2018	VND / share	43.000
Price as of 31/12/2019	VND / share	43.000
Highest price in year	VND / share	49.250
Lowest price in year	VND / share	36.300
Total transaction volume share	share	2.382.520
Average transaction volume/day	share / day	9.530
Listed shares	share	24.995.573
Outstanding shares	share	24.975.507
Market capitalization (31/12/19)	VND billion	1.074
Total book value (31/12/19)	VND billion	1.155
EPS (2019)	VND / share	5.537
P/E (31/12/2019)	time	0,93
P/B (31/12/2019)	time	7,77
Foreign shareholders (31/12/19)	%	47,41%
State shareholders (31/12/19)	%	40,78%

Share

- ▶ Total issued shares: 24.995.573 shares.
- ▶ Type of share: common share.
- ▶ Total outstanding shares: 24.975.507 shares.
- ▶ Shares with restriction on free transfer as stipulated by Law, Charter of Company or owner's commitment: None.



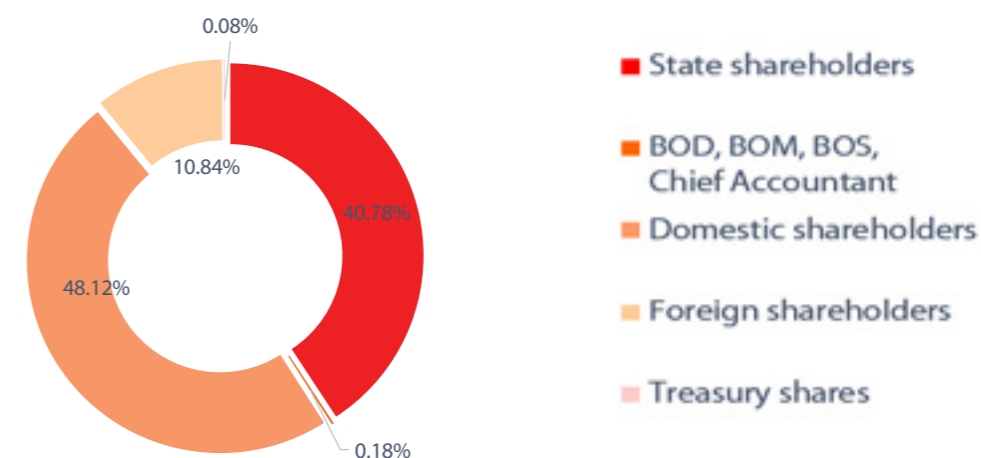
The close price and transaction volume of SAVICO stocks



Shareholders structure (According to the final list registered on August 15, 2019 and updated the information of the shareholders who are members of the BOD, BOM, BOS, Chief Accountant)

No.	Shareholders	Number of shares	(% of share capital)	Number of shareholders	Shareholders structure	
					Institutional	Individual
1	State shareholders	10.192.823	40,78%	1	1	0
2	BOD, BOM, BOS, Chief Accountant	45.354	0,18%	4	0	4
3	Domestic shareholders	2.792.601	11,17%	1.119	47	1.072
4	Foreign shareholders	11.944.729	47,79%	72	25	47
5	Treasury shares	20.066	0,08%	1	1	0
Total		24.995.573	100%	1.197	74	1.123

Shareholders structure (Updated according to data of Ho Chi Minh City Stock Exchange until April 3, 2020)



SHARES AND SHAREHOLDERS INFORMATION (continued)

List of major shareholders and strategic shareholders

(According to the List at the record date of August 15, 2019 and information disclosure until April 30, 2020)

No.	Shareholder name	Address	Number of shares (share)	Percentage (%)
1	Ben Thanh Group	27 Nguyen Trung Truc, district 1, Ho Chi Minh City	10.192.823	40,78%
Total			10.192.823	40,78%



Ownership statistics of internal shareholders:

No.	Full name	Title	Number of shares (share)	Percentage (%)
1	Mai Viet Ha	Chairman	7.800	0,03%
2	Nguyen Viet Hoa	BOD Member	0	0,00%
3	Nguyen Cong Binh	BOD Member & Deputy General Director	156	0,00%
4	Doan Van Quang	BOD Member & Deputy General Director	30.023	0,12%
5	Luong Quang Hien	BOD Member	0	0,00%
6	Nguyen Duc Trong	Independent BOD Member	0	0,00%
7	Lars Johan De Geer (*)	Independent BOD Member	0	0,00%
8	Nguyen Nhu Anh	Head of the Board of Supervisors	0	0,00%
9	Hoang Thi Thu Huong	BOS Member	0	0,00%
10	Dinh Truc Phuong	BOS Member	0	0,00%
11	Phan Duong Cuu Long	General Director	7.375	0,03%
12	Ngo Van Danh	Chief Accountant	0	0,00%
Total			45.354	0,18%

(*) Mr. Lars Johan De Geer does not directly own SVC shares but the related person is ENDURANCE CAPITAL VIETNAM I LIMITED who owns 1,140,500 Savico shares (information disclosure of the transaction results report until April 3, 2020).

- ▶ Changes in owner's capital: In 2019, the Company did not increase/ decrease its charter capital.
- ▶ Treasury stock transactions: In 2019, the Company did not conduct treasury stock transactions.
- ▶ Other stocks: None.
- ▶ Transactions of domestic shareholders:

In 2019, ENDURANCE CAPITAL VIETNAM I LIMITED, who is related person of Mr. Lars Johan De Geer - Independent Board Member of the Company has purchased 140,900 shares between April 16, 2019 and May 14, 2019, bought 8,390 shares between December 4, 2019 and January 2, 2020 and bought 108,520 shares during the period from March 4, 2020 to April 2, 2020 to increase the number of shares owned from 882,690 shares to 1,140,500 shares - equivalent to 4.56% ownership.

" Savico always shows the consistency, honesty, transparency and fair disclosure in communication with investors and shareholders "

In 2019, the Investor Relations Board frequently met, shared information and listened to the opinions of shareholders, investors and securities companies. Savico Company has conducted live meetings, exchanged by phone and email with investors and shareholders such as Tundra, PYN Elite, Alliance Bernstein...; organized working with investors, analysts of Securities Companies such as SSI, VDSC, VCSC...; listen and share information and find solutions to improve the effectiveness of IR activity.

Savico always shows the consistency, honesty, transparency and fair disclosure in communication with investors and shareholders.

Savico's IR activities focus on meeting the current disclosure requirements; act as an intermediary between the Company and its shareholders, investors, financial institutions and securities companies, etc; provide and answer questions for shareholders, investors, analysts; record and report information from shareholders, investors to the Board of Management, members of the Board of Directors in charge of IR activities. At the same time, Savico continues to proactively publish voluntary information related to issues of interest to shareholders and investors.

In 2019, the Tundra Fonder fund is based on the responses to the ESG survey received from Savico along with information gathered from publicly available sources and reviews that the Sai Gon General Service Corporation (SVC) has a solid ESG policy system. The evaluation process of Tundra Fonder aims to analyze the sustainability aspects of companies in the portfolio of Tundra Sustainable Frontier Fund, based on their scoring system, it helps the company better understand the ESG aspects that Tundra and other investors are interested in. The Tundra Fonder review also points to areas where Savico needs to improve, such as setting the orientation in line with international standards about sustainable development, which is a necessary reference for Savico.

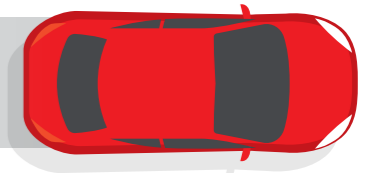
Also in 2019, Savico received many sharing and supports from investors and shareholders to operate IR more and more meet the requirements of shareholders, investors, regulatory agencies and relevant organizations.



SAVICO ALWAYS SHOWS CONSISTENCY, HONESTY, TRANSPARENCY AND DISCLOSES INFORMATION FAIRLY IN COMMUNICATION WITH INVESTORS AND SHAREHOLDERS. IR ACTIVITIES OF SAVICO FOCUS ON MEETING THE CURRENT REGULATIONS ON INFORMATION DISCLOSURE; ACT

AS AN INTERMEDIARY BETWEEN THE COMPANY AND ITS SHAREHOLDERS, INVESTORS, FINANCIAL INSTITUTIONS AND SECURITIES COMPANIES; PROVIDE AND ANSWER DATA FOR SHAREHOLDERS, INVESTORS, ANALYSTS; RECORD AND REPORT INFORMATION FROM SHAREHOLDERS, INVESTORS TO THE BOARD OF MANAGEMENT, MEMBERS OF THE BOARD OF DIRECTORS IN CHARGE OF IR ACTIVITIES. AT THE SAME TIME, THE COMPANY CONTINUES TO PROACTIVELY PUBLISH VOLUNTARY INFORMATION RELATED TO ISSUES THAT SHAREHOLDERS AND INVESTORS ARE INTERESTED IN. ALSO IN 2019, THE COMPANY RECEIVED A LOT OF SHARING AND SUPPORT FROM INVESTORS AND OPERATE IR MORE TO MEET THE REQUIREMENTS OF SHAREHOLDERS, INVESTORS AND REGULATORY AGENCIES AND RELATED





KEY OBJECTIVES IN 2020

Concentrate resources to assess, forecast and share timely information about market situation, as well as impacts of Covid-19 epidemic to devise solutions to cope with the crisis, ensure business safety, survive through the current difficult period.

Enhancing digitalization, operational management and management role of the Parent Company to its member units.

Strengthen cooperation and investment with strategic partners and banks.



MEDIUM AND LONG-TERM OBJECTIVES

Continue to assert the role of a pioneer investor, build a comprehensive and strong development company in organization and public company with a reputable brand.

Maintain its position as the No. 1 automotive distributor in Vietnam with a systematic market share of 9-10% of the total market of Vietnamese cars by 2025.

Trading Services is the core business, Real estate services contributes an important part to the Company's stable profit.

SUSTAINABLE DEVELOPMENT OBJECTIVES

Implementing the business development strategy throughout the direction of harmonizing the interests of customers, partners, shareholders, employees and sustainable values of the Company.

Commitment to compliance, fair use, protection, maintenance and strengthening of human resources, the natural environment; as well as sharing and contributing to the community and society.





GOVERNANCE MODEL

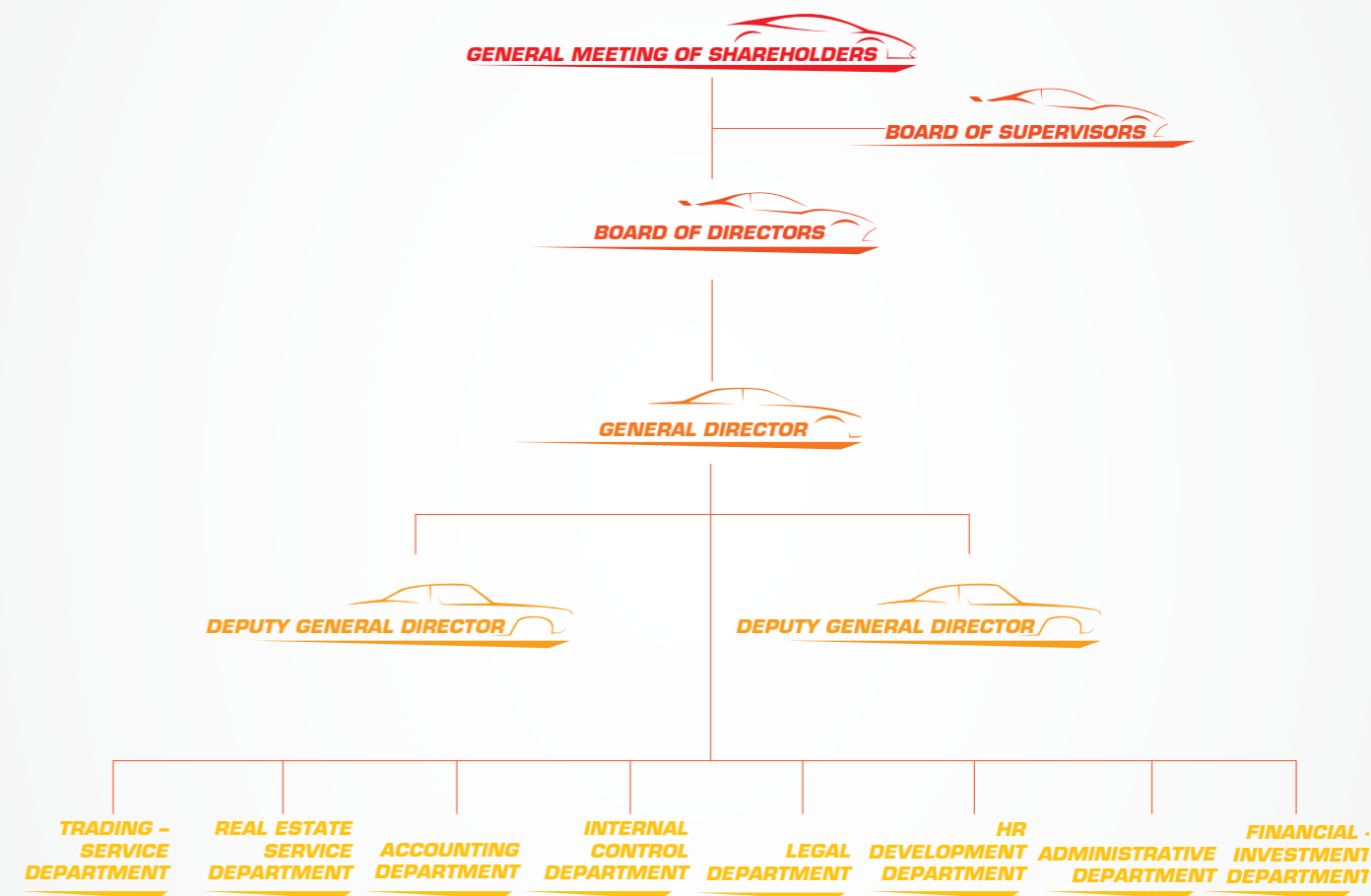
SAVICO has developed under the model of investment company (holding company)

Invests in trading-service, real estate service and financial service; contributes capital and participates in the paralleled management with subsidiaries, associates for business development.

The vertical governance model “dedicated to create the advantages” and regional management “combined to create performance”.

Assigns the targets and plans for member companies, controls the operation to ensure the investment efficiency, and supports the member companies in market expansion, trains and develops human resources, increases the collaboration, coordination of the operations between the member companies, improves the competitiveness of SAVICO’s system.

ORGANIZATION CHART





Mr. MAI VIET HA

Chairman

Year of birth: 1973
Qualification: MA of Business Administration
26 years of experience

Positions held at other economic organizations:

- ▶ Vice Chairman of Savico Da Nang Corporation
- ▶ BOD Member of Savico Hanoi Corporation
- ▶ Chairman of Toyota Giai Phong Joint Venture Company
- ▶ Chairman of BOM of Toyota Can Tho Co.,Ltd
- ▶ Chairman of Bac Au Automobile JSC



Ms. NGUYEN VIET HOA

BOD Member

Year of birth: 1975
Qualification: MA of Accounting and Auditing
23 years of experience

Positions held at other economic organizations:

- ▶ Deputy General Director of Ben Thanh Group
- ▶ BOD Member of BTJ

Mr. LUONG QUANG HIEN

BOD Member

Year of birth: 1967
Qualification: MA of Business Administration
30 years of experience

Positions held at other economic organizations:

- ▶ CEO of Hung Vuong Corporation
- ▶ Head of Board of Supervisors of KIDO Corporation



Mr. DOAN VAN QUANG

BOD Member and Deputy General Director

Year of birth: 1971
Qualification: Bachelor of Economics
26 years of experience

Positions held at other economic organizations:

- ▶ Chairman of Saigon Star Corporation
- ▶ Chairman of Vinh Thinh Automobile JSC
- ▶ Chairman of Saigon North West Automobile JSC
- ▶ BOD Member of Nam Song Hau Automobile JSC



Mr. NGUYEN DUC TRONG

BOD Member

Year of birth: 1972
Qualification: MA of Finance Management
26 years of experience

Positions held at other economic organizations:

- ▶ Finance Consulting Director of Ho Chi Minh City Securities Corporation



Mr. NGUYEN CONG BINH

BOD Member and Deputy General Director

Year of birth: 1978
Qualification: Bachelor of Economics
20 years of experience

Positions held at other economic organizations:

- ▶ Chairman of Da Nang Son Tra Corporation
- ▶ BOD Member of SAVICO Investment Corporation
- ▶ BOD Member of Toyota East Saigon JSC
- ▶ BOD Member of Nam Song Hau Automobile JSC

Mr. LARS JOHAN DE GEER

BOD Member

Year of birth: 1977
Qualification: MA of Business Administration
18 years of experience

Positions held at other economic organizations:

- ▶ BOD Member of Nafoods Group JSC
- ▶ Founder of Endurance Capital Group



(): Mr. Nguyen Binh Minh*

Resigned as Chairman of the Board of Directors from September 28, 2019

Mr. Mai Viet Ha

Elected as Chairman of the Board of Directors from September 30, 2019

The Board of Directors unanimously agreed to vacate 01 Member (remaining 07 Members) until the Annual General Meeting of Shareholders in 2020.

BOARD OF MANAGEMENT



Mr. PHAN DUONG CUU LONG

General Director

Year of birth: 1973

Qualification: MA of Business Administration

26 years of experience

Positions held at other economic organizations:

- ▶ Chairman of Saigon Automobile Service JSC
- ▶ Chairman of Ben Thanh Automobile Service JSC
- ▶ Chairman of Saigon Can Tho Auto JSC
- ▶ Chairman of Sai Gon Auto Gia Dinh Service Co., Ltd
- ▶ Chairman of Binh Thuan Automobile Service JSC



Mr. DOAN VAN QUANG

(For more information, please see 40)



Mr. NGUYEN CONG BINH

(For more information, please see 40)

Mr. NGO VAN DANH

Chief Accountant

Year of birth: 1975

Qualification: Bachelor of Finance - Accounting

21 years of experience

Positions held at other economic organizations:

- ▶ Head of the Board of Supervisors of East Saigon Toyota JSC
- ▶ BOD Member of Binh Duong New City Automobile Service Joint Stock Company



(*)

Mr. Mai Viet Ha

Resigned as General Director - The Legal Representative of the Company from September 30, 2019

Mr. Phan Duong Cuu Long

Appointed as General Director - The Legal Representative of the Company from September 30, 2019

Ms. Nguyen Thu Nga

Resigned as Deputy General Director from November 11, 2019

BOARD OF SUPERVISORS



Ms. NGUYEN NHU ANH

Head of the Board of Supervisors

Year of birth: 1976

Qualification: Master of Finance

23 years of experience

Positions held at other economic organizations:

- ▶ Head of Finance-Planning Department of Ben Thanh Group
- ▶ Head of the Board of Supervisors of Ben Thanh General Cultural JSC

Ms. HOANG THI THU HUONG

BOS member

Year of birth: 1972

Qualification: Bachelor of Accounting, Bachelor of Law, Bachelor of Art in English Studies

26 years of experience

Positions held at other economic organizations:

- ▶ Head of the Board of Supervisors Savico Hanoi Corporation
- ▶ Head of the Board of Supervisors Savico Da Nang Corporation
- ▶ Member of the Board of Supervisors Saigon Automobile Service JSC
- ▶ Member of the Board of Supervisors Ben Thanh Automobile Service JVC
- ▶ Member of the Board of Supervisors Toyota Can Tho Co.,Ltd



Ms. DINH TRUC PHUONG

BOS member

Year of birth: 1992

Qualification: Bachelor of Business Administration

5 years of experience

Positions held at other economic organizations: None



(*)

Mr. Nguyen Thai Hoa

Resigned as Supervisory Board member from July 1, 2019



SEPARATED VALUES

Creating new, high - class, separated values

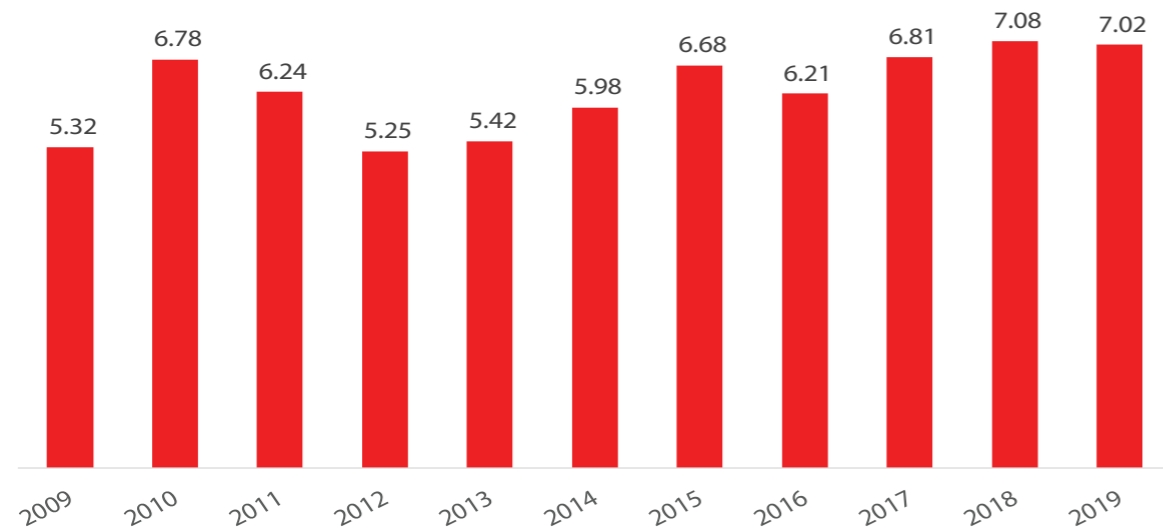
MARKET OVERVIEW IN 2019

MACROECONOMIC SITUATION

Economic growth: 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.

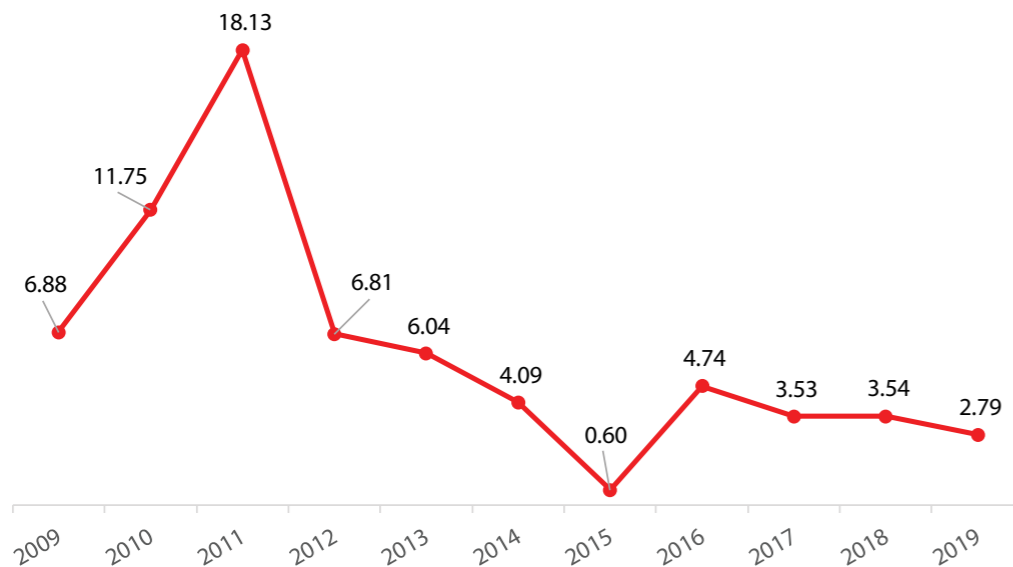
GDP in 2019 increased by 7.02%, only slightly lower than the rate of 7.08% in 2018. Manufacturing activities continued to improve strongly, chỉ số **PMI remained above 50 points**.

GDP 2009 - 2019



Chỉ số 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.

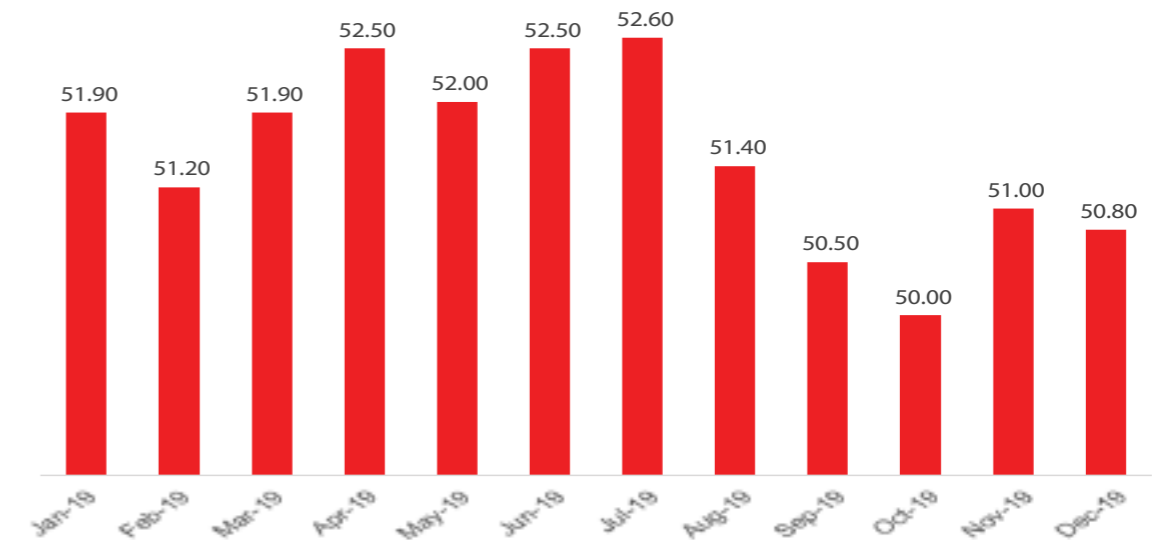
CPI (YOY)



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.

PMI IN 2019

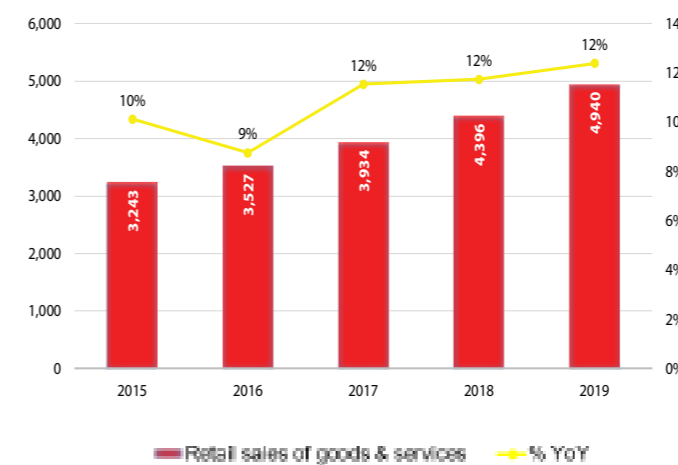


Total retail sales of goods & services in 2019 reached VND 4,940 trillion, up 11.8% over the same period.

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.

RETAIL SALES OF GOODS & SERVICES IN 2019



LENDING INTEREST RATE

Term	2018	2019	Change
Short term VND	6,0 – 9,0	7,0 – 9,5	0,5 – 1,0
Medium, long term VND	9,0 – 11,0	9,5 – 11,0	0 – 0,5
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

MARKET OVERVIEW IN 2019 (continued)

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.



MOTORBIKE MARKET

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

3,25 million of units
Sales volume of VAMM in 2019



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:
- General Statistics Office (GSO), VAMA, HTC, Registration data
- Government Resolution, Vietnam PMI Report (Nikkei, Markit)
- Financial news: BSC, HSC...

ASSESSMENT ON THE BUSINESS OPERATIONS OF THE COMPANY

With the advantages and positive growth results of 2018, Vietnam's economy in 2019 is the second consecutive year of meeting and exceeding the targets assigned by the National Assembly when GDP increased by 7.02%. However, Vietnam's economy also faced many difficulties and challenges when the global economy continued to grow slowly due to the instability of the global commerce, financial and political system. Including:

Automobile market in Vietnam has experienced difficult period, challenges and fierce competition among distributors and manufacturers due to abundant domestic and imported supply. In fact, price reduction occurred almost throughout the year in many segments and most brands. According to statistics, the total market output in 2019 reached 401,890 vehicles, increased by 14% in comparison with the same period (Report of VAMA and HTC).

The real estate market in Vietnam also faced many difficulties and fluctuations, but in general, it still grew steadily when the supply plummeted, leading to the real estate price tend to increase by 8-12% compared to 2018.

Particular for the Company, 2019, which is the last year of the strategic period 2015-2019, has been closed with encouraging results despite the market volatility. Each leader, manager, employee of the Company and member companies have accompanied the Board of Directors to overcome difficulties and challenges in order to make the Company and member companies in the network reach the business targets that the General Meeting of Shareholders assigned with the spirit of **"BREAKTHROUGH THINKING – DRIVES VALUE"** as a guideline for all activities.

ON NETWORK DEVELOPMENT

With the opening and operation of 05 2S-3S automobile dealers, dissolution of 02 automobile dealers in March, 2020 of Hyundai, Ford and Toyota, up to now, the Company has 523 dealers operating all over the country. Services have also been focused, promoted to increase the sustainability of the value chain of the network system.

The automobile distribution market in 2019 continued to grow when reaching 12,5%, increased by 1,6 % compared to the same period (Report of VAMA) and reached 10,1%, increased 1,1% compared to the same period (Report of VAMA and HTC).

BUSINESS PERFORMANCE

Unit: VND million

Figures	2019 Plan	2019A	% 2019A/ 2019 Plan	% 2019A/ 2018
Revenue	18.192.619	18,274,374	100%	123%
Profit before tax	272.774	274,785	101%	76%
Net profit after tax	241.144	233,332	97%	78%
NPAT attributable to equity holders	142.839	153,667	108%	89%

INVESTMENT ACTIVITIES

In 2019, the whole network invested in fixed asset and contributed capital to the establishment, increasing the capital contribution VND193,6 billion to the member companies in the network, of which Savico increased by VND34 billion.

Savico network also transferred funds and retained earning in order to increase the charter capital in member companies to correspond to the value of long-term assets invested. Accordingly, the total consolidated value of other capital of the Company at the end of 2019 was VND 91,89

billion, increased VND71,65 billion compared to that of the end of 2018.

CORPORATE GOVERNANCE

Continuing to improve the forms of operating management reports to strengthen the connection and support member companies in the network; Researching and applying technology in the whole network through building human resources management system and information sharing channels of online forums on commerce, finance, accounting, human resources, etc.



Increasing capital management, cash flow and investment efficiency. Focusing on collecting correctly and sufficiently dividends, profits from member companies in the network and definitively resolve some ineffective portfolios to recover capital to supplement and develop the main business activities.

Strategic cooperation with Vietinbank and Vietcombank continued to promote efficiency and create favorable conditions for member companies in the network to access capital with reasonable costs and policies in order to reduce financial costs effectively and increase efficiency.

Continuing to carry out risk assessment in business activities, financial management, cost control to improve business efficiency in each enterprise.

Continuing to implement the succession planning program for senior and mid-level positions. Organizing training activities, developing human resources.

DIVIDEND

Cash dividends in 2018 were paid to shareholders in August, 2019 at a rate of 15% / charter capital, equivalent to VND37,5 billion in accordance with the Resolution of the 2019 General Meeting of Shareholders.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

In 2019, the Company and its member companies took part in the campaign "Say no to plastic waste" through activities: reducing the use of plastic bottles and using glass bottles instead; cleaning, collecting rubbish, improving working environment; accompanies the Associations of nature and environment protection to follow many meaningful and practical natural and environmental protection programs. In addition, continuing to contribute daily salary to the care fund for those who live alone, have difficult circumstance and abandoned children; support people under preferential treatment policy; other volunteer programs for the community.

Safety, fire protection in the network continued to comply with regulations and policies on safety, environmental protection, fire protection through strict control in each step.

Also in 2019, the member companies of the network have won nearly 30 awards from manufacturers in Vietnam and internationally, the award of typical young entrepreneurs in Vietnam. The company continues to be on the list of the 500 largest enterprises in Vietnam and in the 100 largest public companies in Vietnam.

MONITORING AND ASSESSMENT ON OPERATIONS OF THE BOARD OF MANAGEMENT, CAPITAL REPRESENTATIVES



Based on the Company's Charter, the Board of Directors conducted the inspection and supervision of the operations of the CEO, members of the Board of Management and capital representatives in the implementation the objectives, plans and contents according to resolutions and notices of the General Meeting of Shareholders and the Board of Directors during the year through periodic and additional meetings of the Board of Directors; through exchanges, discussions at work programs and via email, phone to ensure accuracy, relevance, timeliness and efficiency.

Through actual inspection and supervision, the Board of Directors assessed:

- ▶ The CEO, Board of Management and capital representatives had made great efforts and performed quite well the tasks assigned in 2019 including complying current laws, charter and operating regulations of the Company, improving and strengthening the organization, controlling and managing. Completed the business objectives assigned by the General Meeting of Shareholders and the Board of Directors.
- ▶ However, the CEO, Board of Management and capital representatives need to find more suitable solutions for finding premises to develop projects; focus on completing legal procedures for some real estate projects; give solutions to human resource development, knowledge management and risk control for the network.

THE OPERATIONS OF THE BOARD OF DIRECTORS IN 2019

The Board of Directors has operated in accordance with the law, Charter and Corporate Governance Regulations, which have brought the greatest possible efficiency to the Company. The tasks under the authority of the Board of Directors are resolved by the board members with the spirit of concentration, cautiousness, responsibility and protecting the interests of the Company and shareholders. Therefore, the Board of Directors recognizes the contribution and promotion of the working efficiency of the Board of Directors in general and of each member of the Board of Directors in particular.

In 2019, the Board of Directors has directed, implemented and supervised the business activities of the Company and its member companies through 07 direct meetings held quarterly and 25 times collecting board members' written opinions, thereby issuing 40 Resolutions and 63 Notifications.

Members of the Board of Directors are provided with timely and specific information and documents; participate in the activities of the Company. The resolutions of the Board of Directors were passed on the basis of clear, complete information and approval of members. The directions and conclusions were issued early so that the Board of Management and capital representatives can promptly

implement them. Resolutions of the Board of Directors are made publicly available in accordance with the law and voluntarily.

The Board of Directors has also closely cooperated with the Board of Supervisors to inspect and supervise the compliance with laws, charter and other relevant regulations in the process of administration and management of the Company and other member companies in the network.

The Salary, Bonus and Human Resources Subcommittee, headed by a non-executive member of the Board of Directors, has assisted the Board of Directors and advised the Board of Directors in creating appropriate salary and bonus policies and plans; select suitable staff to elect and appoint them to key and important positions of the Company and at the member enterprises in the network.

The maintenance and use of operating costs of the Board of Directors and the Board of Supervisors have been more and more reasonable and effective. In 2019, the Company made deductions for operating expenses of the Board of Directors and the Board of Supervisors in accordance with the Resolution of the 2019 Annual General Meeting of Shareholders and used as follows:

Figures	2019 (VND)
Fund balance at 2018	1.580.059.858
Extracting fund according to Resolution of 2019 AGM	7.128.602.991
Spending in 2019	4.648.944.444
Fund balance at 31/12/2019	4.059.718.405

TRAINING IN CORPORATE GOVERNANCE

Members of the Board of Directors and managerial staff of the Company regularly participated in training courses, seminars and workshops organized by the Stock Exchange and the Securities Commission on corporate governance as well as training course on management skills, administration and control of other organizations, such as:

- ▶ Training on "Decree 05/2019/ND-CP on Internal Auditing – Auditing skills and building internal audit process".
- ▶ Workshop "Update new points in the revised Law on Enterprises and Organize the company according to advanced management model".
- ▶ Training course "Internal audit for members of the Board of Directors".
- ▶ Workshop "Common errors and frauds in financial statements".
- ▶ Regular updates on auditing, accounting and tax knowledge.
- ▶ Banking credit seminar – perspective from the bank.
- ▶ Training course "Auditors".
- ▶ Training course "Blue ocean strategy".

REPORT OF THE BOARD OF DIRECTORS (continued)

THE SUMMARY OF THE BOARD OF DIRECTORS IN THE THIRD TERM (2015 - 2019)

In the third term (2015-2019), the Board of Directors focused on implementing the tasks assigned by the General Meeting of Shareholders in an honest, prudent for the benefit of the Company. The Board of Directors has directed the CEO, Board of Management and capital representatives at member companies to focus on the market, seek solutions to deal with the market situation, take advantage of opportunities, use human resources in the best way for the stable and sustainable development of the Company and its network.

The Board of Directors organized the General Meeting of Shareholders, periodic and additional meetings of the Board of Directors and collect written opinions in accordance with the law and the Company's Charter to carry out the main activities as follows:

The summary of business results 2015 - 2019					
(Unit: VND Billion)					
Figures	2015	2016	2017	2018	2019
Net revenue	9,890	13,649	13,781	14,872	18,266
Profit before tax	205,4	212,2	174,0	362,3	274,8
Profit after tax	163,3	173,8	139,1	300,3	233,3
NPAT attributable to equity holders	103,9	123,0	81,6	173,0	153,7
Dividend paid in the year	12%	14%	12%	12%	15%
Equity	1.061	1.172	1.277	1.535	1.640

Network developme

Figures	2015	2016	2017	2018	2019
Car dealers	27	34	41	48	52
Motorbike dealers	07	05	05	06	06
Subsidiaries and affiliates	26	33	37	40	48

TRADING - SERVICE

Develop and deploy a strategy to develop the Service – Trade system for automobile industry in regions.

Research and invest in expanding promising brands, especially imported brands.

Strengthen the administration, improve the service effectively to ensure the stable and sustainable development of the network.

Consolidate and restructure a number of member companies, reorganize, adjust and discontinue some motorbike business lines to meet the local customers' needs.

REAL ESTATE SERVICE

Implementing the restructuring strategy and focusing on cutting the total investment assets in order to recover the cash flow and reduce the cost of capital.

Carry out step by step the legal procedures, investment and project implementation and capitalize projects according to the strategy.

Continue to maintain and increase stable revenues from commercial centers and offices, other commercial services,...

FINANCIAL MANAGEMENT

Create and strengthening strategic partnerships with financial institutions have helped the enterprises in the network to access capital with reasonable costs and policies in order to reduce financial costs effectively and increase efficiency.

Orient and carry out the recovery of capital from ineffective portfolios and plans to collect dividends, profits from member companies, manage and allocate cash flows in line with the development plans of projects of the Company.

Coordinate to support financial management in each member company.

ADVISORY MANAGEMENT

Strengthen connectivity, support enterprises through concrete and practical solutions: annual planning conferences, industry conferences, updating and sharing market situation, governance information, policies, experience and solution handling.

Implement and assess the risks in business operations, financial management, cost control to improve business efficiency.

Create and implement human resource development strategy by 2020. Plan and train senior and mid-level employees as well as recruit and organize employee training to meet the requirements of the development of the Company and its network.

Arranging the managerial staff, capital representatives according to the development goals of the Company and its network.

Consolidate and develop the staff support fund, the young talent fund in order to create conditions for employees to contribute to the Company.

Build and standardize the brand Savico; successfully organized programs and events to celebrate the 35th anniversary of the Company's founding and create a mark as well as a closer connection between enterprises in the network.

Fully comply with the regulations of listed company in doing the annual report.



REPORT OF THE BOARD OF DIRECTORS (continued)

HUMAN RESOURCE

In April, 2015, on the basis of unanimously electing 07 members of the Board of Directors at the 2015 AGM for Mr. Nguyen Binh Minh, Mr. Mai Viet Ha, Mrs. Nguyen Viet Hoa, Mr. Nguyen Cong Binh, Mr. Doan Van Quang, Mr. Luong Quang Hien and Mr. Nguyen Duc Trong. Mr Luong Quang Hien and Mr. Nguyen Duc Trong are non-executive members, accounting for 30% of the total number of members of the Board of Directors. The Board of Directors organized a meeting and elected Mr. Nguyen Binh Minh as the Chairman. In addition, the Board of Directors has reappointed Mr. Mai Viet Ha as the CEO, Mr. Doan Van Quang as Deputy General Director in charge of Commercial Services, Mr. Nguyen Cong Binh as Deputy General Director in charge of Real Estate, Mrs. Nguyen Thu Nga as Deputy General Director in charge of Administration, Mr. Ngo Van Danh as Chief Accountant.

However, when the Law on Enterprises No. 68/2014/QH13 and Decree no. 71/2017/NĐ-CP took effect, Mr Luong Quang Hien is not eligible to be a non-executive member of the Board of Directors. Therefore, in order to meet the rate of non-executive member in accordance with the law and meet the development needs of the Company and its network, based on the proposal of the Board of Directors, the 2018 AGM (in June, 2018) elected Mr. Lars Johan Gerard De Geer as the non-executive member of the Board of Directors. Therefore, the Board of Directors has 08 members.

In May, 2019, the Board of Directors appointed Mr. Phan Duong Cuu Long as the Deputy General Director of the Company in charge of managing Ford's business operations and brand development to enhance the management and administration of the Company.

Due to the assignment of the Ho Chi Minh City People's Committee to work in another enterprise and did not continue to be the capital representative of Benthanh Group at the Company. In September, 2019 Mr. Nguyen Binh Minh resigned from his position as the Chairman – Member of the Board of Directors.

In October, 2019 the Board of Directors approved the change of senior management staff for the remaining of the term 2015 – 2020 (until the 2020 AGM) of the Company as follows:

- ▶ Approved the resignation from his position as the Chairman – Member of the Board of Directors of Mr. Nguyen Binh Minh.
- ▶ The Board of Directors has 01 vacancy (The BOD has 07 members).
- ▶ Elected Mr. Mai Viet Ha as the Chairman and approve the resignation from his position as the CEO and the legal representative of the Company.
- ▶ Appointed Mr. Phan Duong Cuu Long as the CEO and the legal representative of the Company.
- ▶ Approved the resignation from the position as the Deputy General Director of Ms. Nguyen Thu Nga in order to work at member company in the network.

In addition, the Board of Directors has also planned, arranged and selected suitable staff to appoint to positions in the administration and management at enterprises in the network.

DISADVANTAGES

The forecasting work has been strengthened and improved, but has not yet reached the governance goals, which cause the underestimation of market changes and adjustment of the business plan (2018).

Regarding the development of the Trading - Service:

- ▶ The Company and its network do not have suitable premises for network development.
- ▶ The research, evaluation of some business plans are not close to the reality due to the estimation and forecasts on the general situation, changes of the market.

Regarding the development of real estate projects: Passive in term of legal, approval process, change of approval personnel,... especially for projects before the equitization, projects that the State allocates the land.

Accounting financial: The accounting software used in the whole system has not been agreed; the use of financial leverage (loans) is quite large, increasing the burden as well as the level of payment risk of some member companies, the ratio of debt to interest payment/capital (including interest payable debt and equity) at some points was quite high – equivalent to 80%; there are still member companies that have not yet fulfilled the criteria under the strategic cooperation contracts signed with banks, so they have not been considered for raising credit rating criteria as well as enjoying more preferential policies from banks.

Administration and control of inventories/ the debt at some newly established member units is not high; The Capital representatives has not fully promoted his role in the support and settlement of arising jobs.

Human resource: Human resource planning has not met the network development plan. Not yet effectively used senior management staff, human resource planning was slow compared to the development of new dealers of the network. In most projects developed by the Company, the risk of outsourcing cannot be avoided (not suitable for the company's culture,...). Recruitment of sales staff, service technicians is difficult (especially in specific market areas in the province such as western area and Binh Phuoc).



REPORT OF THE BOARD OF DIRECTORS (continued)

BUSINESS PLAN OF 2020

In 2020, the global economy is forecast to decline due to the slowdown in growth of some major economies, the trade war is ongoing and especially, the Covid-19 is spreading rapidly around the world,... most businesses will be affected depending on the level of response and prevention of each country.

Vietnam's economy is forecast to receive the negative consequences of the pandemic, the Government is preparing policies to support the economy, the banks consider lowering interest rates and exempting and reducing interest rate for borrowers, enterprises are extending the progress of projects, some enterprises in the manufacturing sector reorganized their production scale and human resources due to lack of materials and market acceptance, ...

Therefore, the Board of Directors sets out the following Business orientation in 2020:

- ▶ Prioritize to ensure the safety and stability of business operations of the holding company and the network.
- ▶ Focus on handling and resolving legal issues in the field of real estate service.
- ▶ Concentrate on selecting resources on selective development of car dealership, research and invest in expanding promising brands, especially imported brands according to the network development plan 2020 - 2025.
- ▶ Strengthen governance, improve and effectively exploit service activities to ensure the stable and sustainable development of the automotive industry.
- ▶ Continue to increase capital for the Company and its member companies to enhance the capacity and financial positions.
- ▶ Strengthen cooperation and investment relations with existing strategic partners. Research and seeking new strategic partners related to the Company's business activities.
- ▶ Further strengthen and improve the management role of the holding company to its member companies. Performing digitization in data processing and reporting to meet administration requirements. Promote corporate culture, strengthen internal cohesion, ensure the development of the network in the new period.
- ▶ Complete strategy for the period 2020 - 2025.

From these orientations, the Board of Directors agrees on the 2020 business plan proposed by the Board of Management as follows:

Unit: VND million

Figures	2019A	2020 Plan (*)	% Cùng kỳ
Revenue	18.274.374	14.762.681	81%
Profit before tax	274.785	125.256	46%
Net profit after tax	233.332	107.891	46%
NPAT attributable to equity holders	153.667	71.878	47%

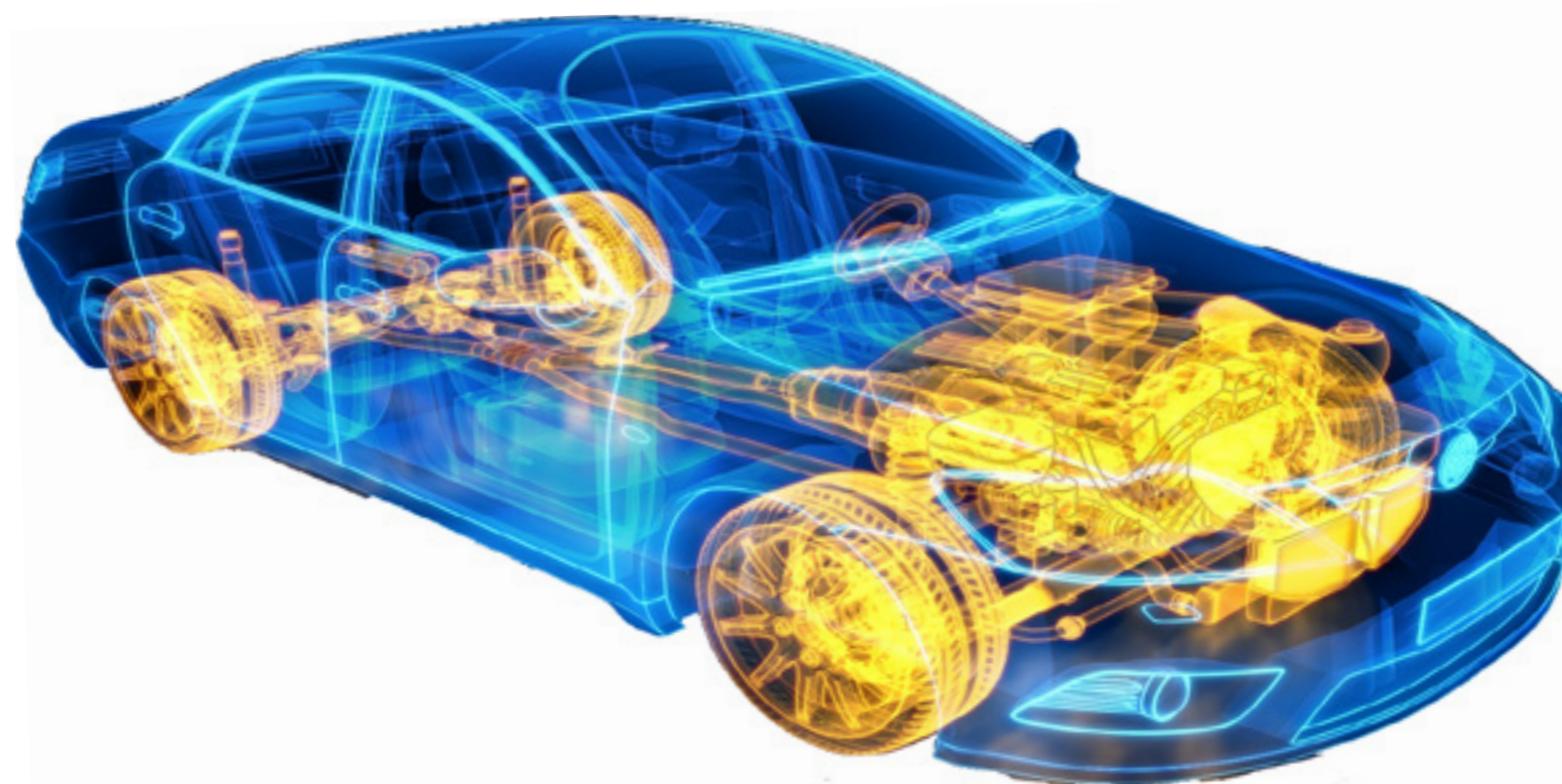
(*): The plan will be updated and adjusted when the market has big fluctuations. Excluding the recognition of the 104 Pho Quang project, expected profit is VND 56,9 billion

Due to unpredictability of pandemic and the economy, the Board of Directors proposes the General Meeting of Shareholders to authorize the Board of Directors to proactively adjust business targets when the market has large fluctuations.

The period 2015 - 2019 has passed a lot of difficulties for existence and development, but we ended with good results. In the next period 2020-2025 and especially the challenges of the market in 2020, the Board of Directors takes the spirit of **"CONQUERING CHALLENGES – FIND OUR OWN WAYS"** as a viewpoint to lead. The Board of Directors will always together with the Board of Directors, the capital representatives and all the staff of the network to promote internal strength, effectively utilize

the opportunities of the market, and pursue the goal of becoming a leading company specialized in services in Vietnam, integrating regionally and internationally.

The Board of Directors would like to express our sincere appreciation to the Board of Management, managerial staff, the capital representatives and all the employees for their efforts and dedication to the period 2015 - 2019 and to the trust, support of customers, the cooperation and companion of partners and shareholders. The Board of Directors wish all customers, shareholders, partners and all employees good health and happiness. At the same time, we hope that our cooperation will create a strong motivation for the Company and the network in particular and Vietnam in general for a prosperous development!





275 VND billion
Consolidated profit before tax

BUSINESS RESULTS

IMPLEMENTATION OF BUSINESS RESULTS

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

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.

NPAT attributable to equity holders 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.

Figures (VND mil.)	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%

ASSESSMENT ON BUSINESS PERFORMANCE

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

TRADING - SERVICE

AUTOMOTIVE

Car sales volume, market share

Total car sales volume of the network reached **40,461 units**, 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 share to VAMA and HTC volume reached **10.1%** - up 11 pts over the same period, in which:

- ▶ Toyota car sales volume up 15% compared to 2018.
- ▶ Ford up 45% compared to 2018.
- ▶ Hyundai (PC) up 27% compared to 2018.
- ▶ PC car sales volume of other brands up 43% compared to 2018.
- ▶ Commercial vehicles sales volume up 60% compared to 2018.

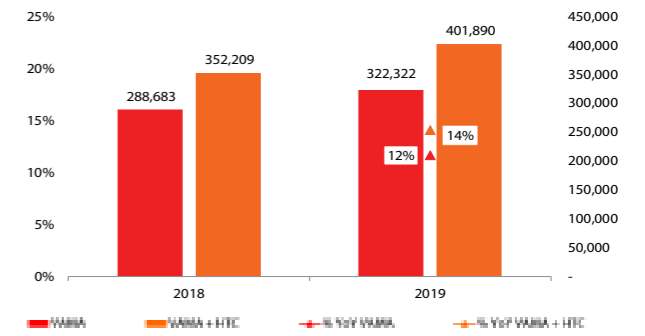
SAVICO network opened and put into operation 5 of 2S – 3S dealers in 2019 and 2 more in March 2020. Development progress of some projects is still slow compared to the plan, some projects fail to meet the set targets, mainly due to legal matters and lack of location.

Revenue

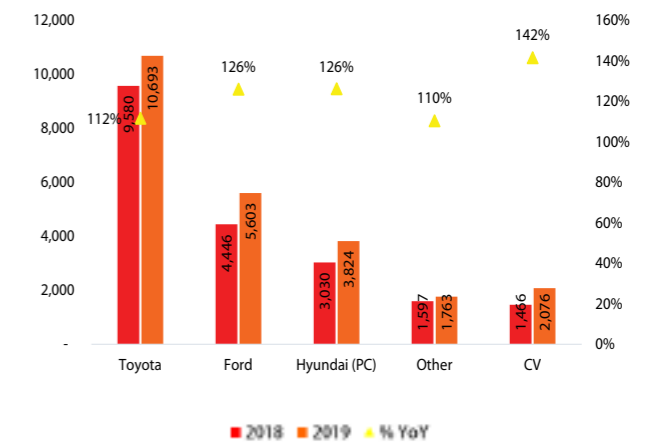
Consolidated revenue from sales of goods and provision of services of automotive network was VND 17,642 billion, reaching 100% of the 2019 plan, up 24% over the same period. In which, revenue from car sales are VND 16,385 billion, up by 25.5%; and service - spare parts - accessories revenue reached VND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

Total market car sales volume (Unit)



SAVICO car sales volume (Unit)



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.

REPORT OF BOARD OF MANAGEMENT (continued)

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 Dinh Ford	Officially put into operation on 09 January 2019
Hyundai Hung Thinh (CV)	Officially put into operation on 17 January 2019
Vinh 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	DATE OF OPENING
Hyundai Phu Lam (CV)	Expected to opening in March 2020
Isuzu Đại Thịnh	Expected to opening in April 2020
Mitsubishi Quang Nam	Expected to opening in June 2020
Mitsubishi Binh Thuan	Break ground on 19 January 2020, expected to opening in October 2020
Mitsubishi Tay Ninh	Received the LOI, expected to opening in October 2020
DanaFord (Cam Le branch)	Expected to opening in July 2020

MOTORCYCLES

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.



REPORT OF BOARD OF MANAGEMENT (continued)

REAL ESTATE SERVICE

Business performance in 2019

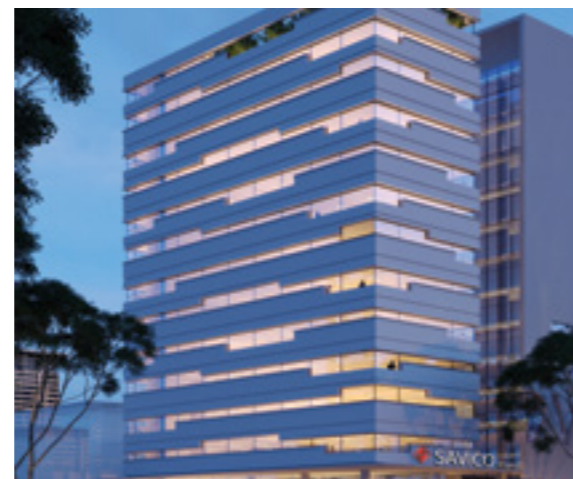
Figures	Unit	2018	2019	% 2019/ 2018
Revenue	VND mil.	74,044	69,414	94%
From operating and leasing office, retail	VND mil.	62,009	69,414	112%
From projects	VND mil.	12,035		
Profit before tax	VND mil.	42,259	46,122	109%
From operating and leasing office, retail	VND mil.	37,059	46,122	124%
From projects	VND mil.	5,200		

- ▶ The operating and leasing office, retail space: 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 m2 to the member company (DanaFord) The rest area of 9.245 m2: 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.



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 operating and leasing office, retail	VND mil.	46,930	49,339	105%
	From project		27,497		
Financial service	Dividend	VND mil.	1,647	1,677	102%
	Disposal of short-term investment		8,800		9%
Total			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 VND 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.



REPORT OF BOARD OF MANAGEMENT (continued)

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%
In which allowance for doubtful debts	-657	-283	-56.9%
Inventories	1,134,475	1,385,060	22.1%
In which allowance for inventories	-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%
In which accounts payable to suppliers	184,846	186,701	1.0%
In which advances from customers	164,874	153,039	-7.2%
In which short-term borrowings	1,262,172	1,611,365	27.7%
Long-term liabilities	554,243	496,072	-10.5%
In which long-term borrowings	371,047	323,112	-12.9%
Equity	1,535,146	1,639,811	6.8%
In which Non-controlling interest	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.

REPORT OF BOARD OF MANAGEMENT (continued)

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%
In which short-term borrowings	30,553		-100%
Long-term liabilities	40,484	41,107	1.5%
In which long-term borrowings			
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.

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.



FUTURE DEVELOPMENT PLAN

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.
- ▶ The Ministry of Transport issued **Circular 05/2020/TT-GTVT amending and supplementing Circular 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.
- ▶ The Ministry of Industry and Trade proposed a 50% reduction of registration fee for CKD cars, a 50% reduction of corporate income tax for small businesses and a 50% reduction of value-added tax (VAT) to stimulate consumer demand and support businesses 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/QĐ-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 epidemic, 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 pandemic 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 17/2020/CT-TTg** directing the suspension of service activities in big cities.
- ▶ 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 units - equivalent to 1.43 months of sales in 2019 ⇒ Difficulties in balancing cash flow, clearing inventories until April 2020.

REPORT OF BOARD OF MANAGEMENT (continued)

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.



OBJECTIVES - BUSINESS TARGETS IN 2020

Objectives in 2020

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

(*): 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 2020

- 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.

REPORT OF BOARD OF MANAGEMENT (continued)

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.

► Business 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).

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 pandemic 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

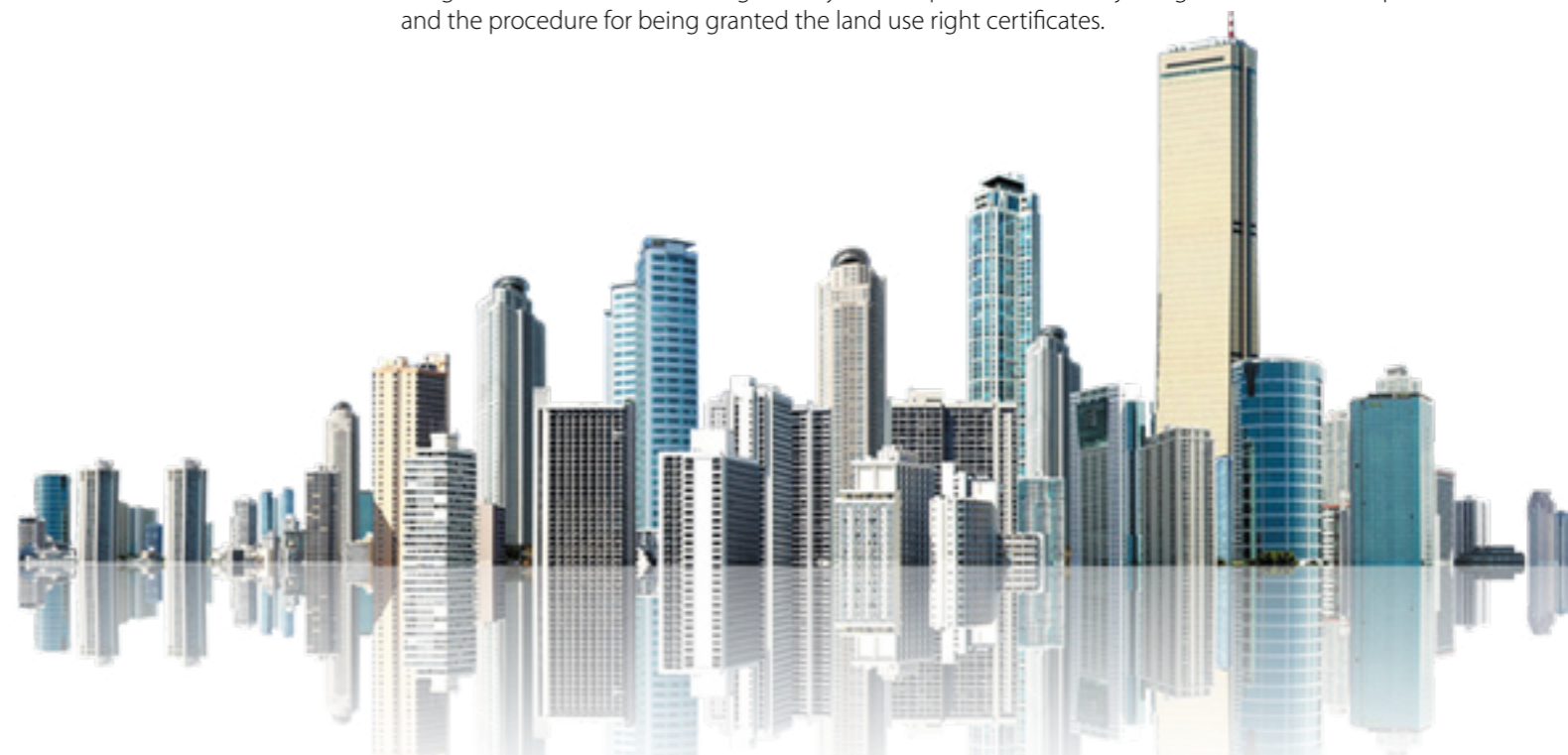
1

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.



REPORT OF BOARD OF MANAGEMENT (continued)

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

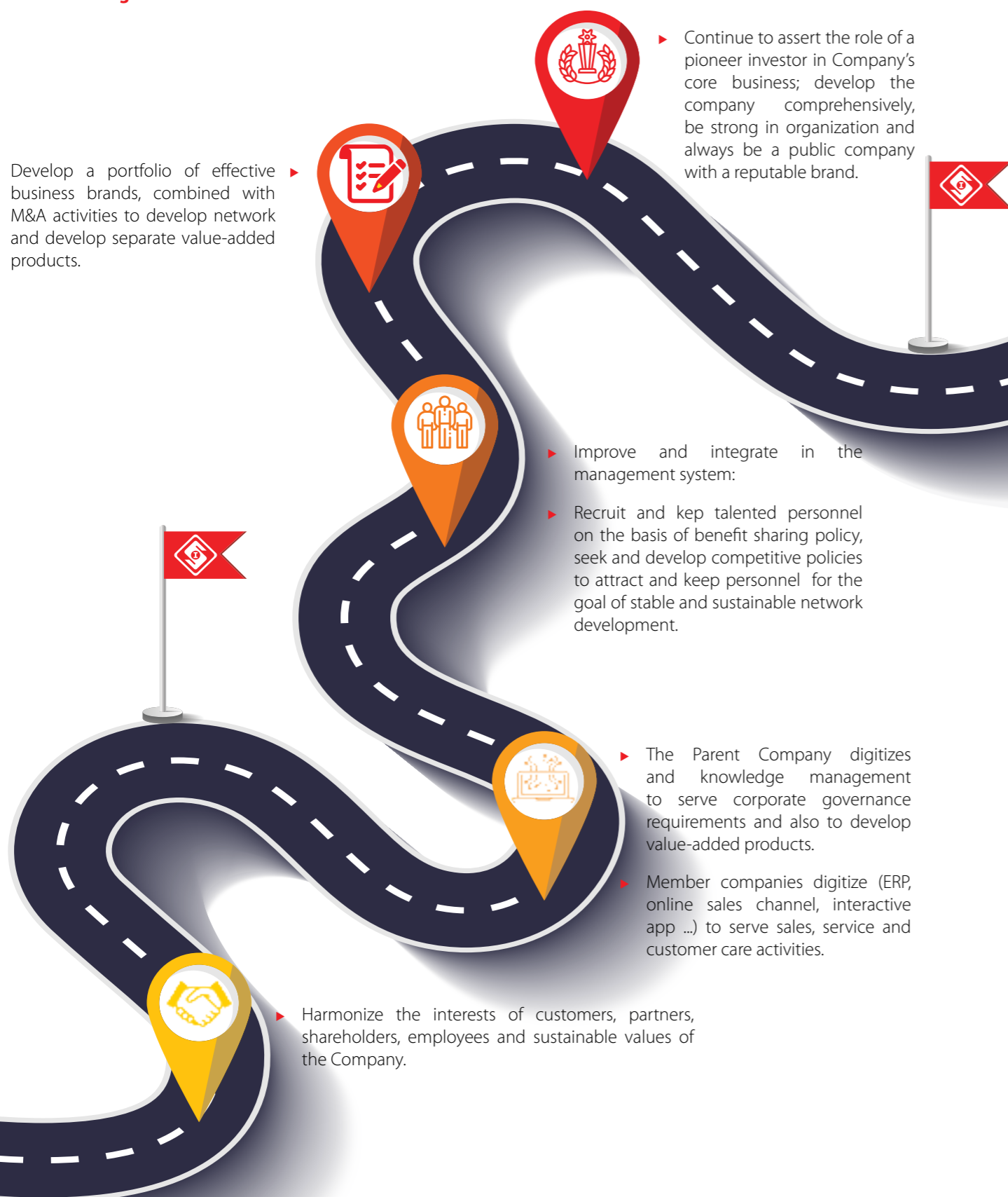
- 1** The departments of Trading Service, Finance - Investment, Accounting and Internal Control strengthened the monitoring and supporting of new member companies and members facing difficulties in business activities as well as advising and supporting to improve efficiency at the network.
- 2** The 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.



REPORT OF BOARD OF MANAGEMENT (continued)

ORIENTATIONS FOR MEDIUM AND LONG TERM OPERATIONS

Strategic orientation 2020 - 2025



Strategic objectives of 2020 – 2025

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%/ year
Average ROA	4.7%	From 5%
Average ROE	15.4%	From 15%
Dividend ratio by par value/ year	13.0%	From 12%

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).



THE OPERATIONS OF THE BOARD OF SUPERVISORS IN 2019**ORGANIZATION OF THE BOARD OF SUPERVISORS**

Personnel of the Board of Supervisors for the 3rd term (2015 - 2020) will continue to fluctuate in 2019:

- ▶ Since the General Meeting of Shareholders in 2019, the Board of Supervisors operates with 04 personnel including Ms. Nguyen Nhu Anh (Head of BOS), Mr. Nguyen Thai Hoa (Member), Ms. Dinh Truc Phuong (Member) and Ms. Hoang Thi Thu Huong (Member).
- ▶ On July 01, 2019, Mr. Nguyen Thai Hoa – Member of BOS from April 24, 2015 (AGM 2015) – resigned.
- ▶ On July, 2019, BOS is entitled to add 1 more staff, Ms. Doan Nhat Minh Thu, through a contract to hire experts to support the BOS's work. Ms. Minh Thu is responsible for performing the tasks assigned by the Board of Supervisors to Mr. Nguyen Thai Hoa. Ms. Minh Thu is an expert internal control department from 2015, having experience in finance and accounting and internal control, along with the experience and knowledge of the Savico's parent company and the entire system of enterprises with capital of Savico has assisted the BOS to fulfill the supervision tasks assigned by the General Meeting of Shareholders in 2019.

The duties of each member of the Board of Supervisors are specified in the Minutes of the Board of Supervisors Meeting at July 26, 2018. In addition, at the annual meetings of the Board of Supervisors, each member is assigned specific tasks depending on the number and content of Resolutions, decisions, notices of the Board of Directors as well as special features points of issues arising at Savico in each period.

THE OPERATIONS OF THE BOARD OF SUPERVISORS

Board of Supervisors has participated fully in the BODs meetings, participating in voting sessions to solicit opinions of the Board of Directors members and the preliminary sessions, summary of business activities, to approach, capture and timely record the business situation of the Company.

From AGM 2019 to the reporting time, the Board of Supervisors held 6 meetings to make a plan, implemented the control and content of Savico's operational control results in the first 06 months of 2019, 09 months of 2019 and 2019.

The Board of Directors, the Board of Management and the functional departments at the Company's Office have collaborated, created favorable conditions to help the Board of Supervisors to well perform the inspection and supervision.

The contents of the main supervision performed by the Board of Supervisors including:

- ▶ Inspecting and supervising the implementation and results of implementing the Resolution of the Annual General Meeting of Shareholders 2019 for the BODs and the BOM.
- ▶ Examining the legality, order and procedures for issuing Resolutions and Decisions of the BODs and the BOM in 2019 according to the provisions of Law and the Company's Charter.
- ▶ Reviewing the completeness and legality of the interim financial statements and the annual financial statements reviewed and audited by KPM.
- ▶ Reviewing, checking and evaluating the effectiveness and efficiency of the internal control system.
- ▶ Controlling the Company's compliance with information disclosure of the Company in accordance with the Law; on compliance with accounting regime; on compliance with the provisions in the Company's Charter and in the Financial Regulation and Capital Management Regulation and the Capital Representative issued.
- ▶ Commenting, making recommendations to the BODs, BOM of the Company on issues related to the Company's operations in the year.

MONITORING RESULTS OF THE OPERATIONS OF THE BOARD OF DIRECTORS & BOARD OF MANAGEMENT**ORGANIZATION OF THE BOARD OF DIRECTORS**

- ▶ Since the General Meeting of Shareholders in 2019, the Board of Directors has 08 members, including 02/08 independent Board members and the Chairman of the Board is Mr. Nguyen Binh Minh.
- ▶ On September 28, 2019, Mr. Nguyen Binh Minh resigned from the position of Chairman - Member of the Board of Directors of the Company due to the assignment and mobilization of the Ho Chi Minh City People's Committee to work at another enterprise, so he did not continue to be the capital representative of Ben Thanh Corporation - One Member Limited Liability Company at the Company.
- ▶ On September 30, 2020, 07/08 members of the Board of Directors unanimously elected Mr. Mai Viet Ha as Chairman of Savico's Board of Directors.
- ▶ From October 2019, the Board of Directors has operated with 07 members, including 02/07 independent Board members. 02/07 members are nearly equivalent to the rate of 1/3 of the Board members being independent members as prescribed.

MONITORING RESULTS OF THE OPERATIONS OF THE BOARD OF DIRECTORS

- ▶ In 2019, the Board of Directors (BOD) held 07 direct meetings, 25 times to solicit opinions of members in writing and issued 103 documents, including: 40 Resolutions, 63 Notices related to changes of senior personnel and personnel Capital representative, appointment of Person in charge of corporate governance, amending the Regulation on Financial Management, the Regulation on controllers, contents related to the activities of the Company.
- ▶ Board of Supervisors, members of BODs are provided with sufficient documents and information to be able to make decisions. Hold meetings and promulgate documents of the Board of Directors in accordance with the law and the Company's Charter. Decisions and Notices of BODs approved by written opinions are supervised and counted by representatives of the Board of Supervisors.
- ▶ The sub-committee of Remuneration & Human Resources subcommittee in charge of independent members of the Board of Directors have fully implemented the tasks assigned by the Board regarding salary and bonus policies at the Company.
- ▶ The Board of Directors supervises the operations of the Board of Management in implementing the Resolution of the General Meeting of Shareholders and the business operations of the Company. The Board of Directors cooperated well with the Board of Management to direct and comprehensively manage all operations of the Company to implement the 2019 business plan according to the Resolution of the General Meeting of Shareholders.
- ▶ The Board performs other tasks according to the functions and competence of the Board of Directors.

MONITORING RESULTS OF THE OPERATIONS OF THE BOARD OF MANAGEMENT

- ▶ The Board of Management has fully and timely reported on the implementation of Decisions and direction of the Board of Directors at meetings.
- ▶ The Board of Management has made efforts to manage and organize the business operations of the Company in order to achieve and exceed the targets of the 2019 plan approved by the General Meeting of Shareholders as well as the development and expansion of the network.



REPORT OF THE BOARD OF SUPERVISORS (continued)

RESULTS OF IMPLEMENTATION OF THE RESOLUTION OF THE 2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS

ANNUAL GENERAL MEETING OF SHAREHOLDERS 2019 APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

Results of implementing business targets according to audited Consolidated Financial Statement

Figures	2019 Plan (VND mil)	2019 A (VND mil)	2019A/ 2019 Plan (%)	2019A/ 2018 Plan (%)
Revenue	18,192,619	18,274,374	100.4%	122.8%
Profit before tax	272,774	274,785	100.7%	75.8%
Net profit after tax	241,144	233,332	96.8%	77.7%
NPAT attributable to equity holders of the Company	142,839	153,667	107.6%	88.8%

Consolidated revenue of SAVICO network in 2019 exceeded 0.4% of the plan and increased 22.8% to compare with 2018; Profit before tax in 2019 exceeded 0.7% of the plan, decreased 24.2% YoY; NPAT attributable to equity holders of the Company exceed 7.6% of the plan and decreased by 11.2% YoY.

In 2019, real estate service grew well, Savico system continue to expand the opening and operation of 5 dealers 2S-3S in 2019 and 2 dealers in March 2020, the volume of automobile increased sharply 28.3% YoY, Savico's automobile market share in the whole market continued to grow – reached 12.5%, increased 1.6% points YoY (VAMA Report), reached 10.1%, increased 1.1% points YoY (VAMA+HTC Report). However, manufactures continues to increase the supply, increase the selling pressure, creating fierce competition in prices, reduced gross profit, and high inventories... making the efficiency of most automobile business in system is reduced, especially Toyota-branded. In addition, the interest rate in 2019 increased by 0.5% - 1%, resulting in an increase in interest expenses which is also the reason for the decline in profit compared to 2018 of the whole system.

FINANCIAL SITUATION

Total assets and resources in consolidated financial statement at 31 December 2019 was VND 4,728,037 million, increased VND 372,387 million. In which, assets increased mainly in inventory value; owner's equity increased by VND 104,665 million and liabilities increased by VND 267,723 million mainly due to the increase in short-term loans to supplement working capital. The liabilities on total assets ratio as at 31 December 2019 is 65.32%, increased 0.9% points equivalent to the end of 2018.

Total assets and resources in separate financial statement at 31 December 2019 was VND 1,306,003 million, increased VND 25,161 million. In which, assets increased mainly in cash and cash equivalents; owner's equity increased by VND 37,534 million from profit after tax; liabilities decreased by VND 12,374 million due to no longer short-term debt as in 2018. The liabilities on total assets ratio as at 31 December 2019 is 42.22%, lower than the level of 44% at the end of 2018.



Financial ratio

Figures	Unit	Parent Company		By consolidated	
		31/12/2018	31/12/2019	31/12/2018	31/12/2019
Current ratio	time	0.39	0.45	0.97	0.97
Liabilities/Owner's equity	%	4.26%	0.00%	106.39%	117.97%
Liabilities/Total assets	%	44.02%	42.22%	64.76%	65.32%
Interest coverage	time	12.51	31.35	5.26	3.12
ROE	%	6.41%	11.77%	21.35%	14.7%
ROA	%	3.59%	6.7%	5.53%	5.14%
EPS	VND/share			6,425	5,537

In 2019, the liabilities on owner's equity ratio of the network increased from 106.39% to 117.97%, the interest coverage ratio decreased from 5.26 times to 3.12 times due to manufactures continues to increase the supply, increase the selling pressure, creating fierce competition, reduced gross profit, and high inventories, interest expenses increased sharply compared to 2018 (interest expense in 2019 was VND 129,632 million, an increase of VND 44,675 million compared to 2018). Along with the decrease in business performance, the ROE, ROA and EPS are all down compared to 2018.

In the parent company, the ratio of interest payment, ROA, ROE increased compared to 2018 due to the increase of the parent company's profit (profit before tax of the parent company in 2019 reached VND 86,606 million, increased 89.1% YoY) - The main reason is due to the increase in dividend income compared to 2018. Along with the increased business efficiency (operating profit increased by 3.9% compared to 2018), The settlement of short-term loan contracts helped the loan interest rate index increased sharply compared to 2018.

THESE RESULTS SHOW THAT SAVICO CAN FULLY PAY DIVIDEND OF 2018 AT THE RATE OF 15% APPROVED BY THE 2019 GENERAL MEETING OF SHAREHOLDERS

PROFIT DISTRIBUTION IN 2018

FUNDS EXTRACTING

The Company has made deductions for setting up Bonus and Welfare fund; Operating fund of the Board of Directors & Board of Supervisors from PAT of 2018 in accordance with Resolution No. 01/2019/NQ-ĐHĐCĐ dated March 29, 2019 of the Annual General Meeting of Shareholders 2019, as follows:

No.	Figures	Unit	AGM's Resolution 2018	Actual	Actual/AGM's resolution
1	Bonus and Welfare fund (5%)	VND	2,285,391,655	2,285,391,655	100%
2	Operating fund of the Board of Directors & Board of Supervisors (4%)	VND	1,828,313,324	1,828,313,324	100%
3	Supplement operating fund of the BODs & BOS due to exceeding the plan (10% NPAT attributable to equity holders of the Company)	VND	5,300,289,667	5,300,289,667	100%

CASH DIVIDEND OF 2018

Cash dividend of 2018 was paid to Shareholders in August 2019 at the rate of 15% of charter capital equivalent to VND 37.463.260.500, in accordance with the Resolution of the General Meeting of Shareholders 2019.

REPORT OF THE BOARD OF SUPERVISORS (continued)

VERIFICATION OF SEPARATE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The Board of Supervisors has conducted a review of the separate financial statements and consolidated financial statements of 2019. In the opinion of Board of Supervisors, audited separate financial statements and audited consolidated financial statements of the Company give a true and fair view, in all material respects of the operations in 2019 and financial position on December 31, 2019.

RESULTS OF INFORMATION DISCLOSURE OF THE COMPANY

The information disclosure of the company is fully implemented, in accordance with regulations of management agencies for large-scale listed company.

RECOMMENDATIONS OF THE BOARD OF SUPERVISORS:

In 2019, the Board of Directors made efforts in implementing a series of solutions to **improve the efficiency of system administration**. Some contents implemented as:

- ▶ Perform KPI assignment for each representative group of capital based on the business situation of each enterprise.
- ▶ Complete the survey, build an ERP system framework with 5 modules. Now, the Ford and Volvo brand vehicle business enterprises have completed the application of ERP, the remaining businesses in the system are applying ERP according to the registration roadmap.
- ▶ Complete the establishment of the Finance - Investment division responsible for managing, analyzing financial outward investments and Savico's investment projects.
- ▶ Organizing the control of enterprises to ensure the basic control contents, as well as closely follow the characteristics of each enterprise in the system in a consistent manner. As a result, the system control efficiency is improved – (*) the General Director approves the basic contents which must be controlled at enterprises in the system based on risk orientation; (*) identified material risk based on reports of the Board of Supervisors at the enterprises and information for capital representatives; (*) meeting to discuss the appropriate action plan to minimize risks. (*) training to improve capacity and control skills is focused.

In addition, the Board of Directors has also prepared to establish the Internal Audit Department in accordance with Decree 05/2019/ND-CP on internal audit.

We appreciate the efforts of Savico's Board of Directors to improve the quality and capacity to control the system. This is especially important as the scale and complexity of the system increases.



In the near future, system development will depend heavily on (1) the effectiveness of research; (2) Quality of land fund find results for project development; (3) Senior human resources and sales personnel, qualified technicians to operate the operation after completing the project investment; (4) Competence of members of the Board of Supervisors; (5) The appropriateness of the contents specified in the Regulation on capital management and the Capital Representative for continuous changes of the market, business activities in general and automobile business activities in particular. Therefore, the Board of Supervisors made the following recommendations:

- ▶ Accelerate the application of ERP in all member businesses to achieve the sufficiency and consistency of the information collected, and at the same time use the scale advantage of the system to improve governance efficiency. In addition, consider establishing an R&D department to improve the efficiency of research and forecasting to increase the system's strength.
- ▶ Consider allocating resources (financial, human resources) suitable for finding investment land.
- ▶ Develop a Human Resource Plan to meet the network system development plan; especially considering the development of management plan and control capacity for the staffs at the Parent Company to meet the human resource needs for project development.
- ▶ Consider the establishment of the Content Review Regulation on Capital Management and the Capital Representative with the participation of many specialized departments to periodically propose necessary changes to meet new requirements arising from business activities (if any).



INVESTMENT SITUATION

The investment situation of the parent Company in Subsidiaries and Associates

Unit: VND

General statistics of investment situations of the parent company, subsidiaries and associates in 2019

Company's name	01/01/2019		31/12/2019		Change in Book Value of the Investments
	% owner equity	Book value	% owner equity	Book value	
Subsidiaries		369.850.011.814		389.822.011.814	19.972.000.000
Saigon Automobile Service Joint Stock Company	52,05%	44.763.000.000	52,05%	44.763.000.000	-
Toyota Gai Phong Joint Venture Company	51,00%	9.248.504.000	51,00%	9.248.504.000	-
Saigon Service Trading Co., Ltd	88,12%	7.102.684.814	88,12%	7.102.684.814	-
Saigon Star Corporation	56,80%	9.012.515.000	56,80%	9.012.515.000	-
Savico Hanoi Corporation	70,00%	56.000.000.000	70,00%	56.000.000.000	-
Toyota Can Tho Co., Ltd	51,00%	25.309.668.000	51,00%	25.309.668.000	-
Da Nang Son Tra Investment Corporation	98,00%	82.320.000.000	98,00%	82.320.000.000	-
OtoS Joint Stock Company	80,86%	11.563.640.000	80,86%	11.563.640.000	-
Savico Danang Corporation	70,00%	27.930.000.000	70,00%	39.942.000.000	12.012.000.000
Saigon Cuu Long Automobile Joint Stock Company	84,17%	10.100.000.000	84,17%	10.100.000.000	-
Sai Gon North West Automobile Joint Stock Company	80,00%	32.000.000.000	99,90%	39.960.000.000	7.960.000.000
Vinh Thinh Automobile Joint Stock Company	90,00%	18.000.000.000	90,00%	18.000.000.000	-
Nam Song Hau Automobile Joint Stock Company	51,00%	25.500.000.000	51,00%	25.500.000.000	-
Vinh Thinh Vehicle and Specialized Equipment Co., Ltd	55,00%	11.000.000.000	55,00%	11.000.000.000	-
Associates		193.894.178.945		162.144.178.945	-31.750.000.000
ComfortDelgro Savico Taxi Company	40,03%	31.750.000.000			-31.750.000.000
ComfortDelgro Savico Taxi Company	30,30%	29.106.059.000	30,30%	29.106.059.000	-
Binh Duong New City Automobile Service Joint Stock Company	30,60%	15.393.000.000	30,60%	15.393.000.000	-
South West Star Automobile Joint Stock Company	43,80%	17.520.000.000	43,80%	17.520.000.000	-
Toyota Ly Thuong Kiet Co., Ltd	35,00%	16.925.119.945	35,00%	16.925.119.945	-
Bac Au Automobile Joint Stock Company	32,00%	19.200.000.000	32,00%	19.200.000.000	-
Savico Investment Joint Stock Company	40,00%	64.000.000.000	40,00%	64.000.000.000	-
Total		563.744.190.759		551.966.190.759	-11.778.000.000

(Source: 2019 Audited Separate Financial Statements of the Company)

ORGANIZATION AND HUMAN RESOURCE

TOTAL STAFFS (AS AT 31 DECEMBER 2019)

By the end of 2019, SAVICO has 5.455 employees, up 13% as of 2018.

In 2019 the members units recruited workers with professional qualifications, techniques and experience to meet job requirements, expand dealers networks such as the opening of 06 automobile dealers including Gia Dinh Ford, Hyundai Hung Thinh, Hyundai Star, Toyota An Giang, Hyundai Phu Lam, Isuzu Dai Thinh.

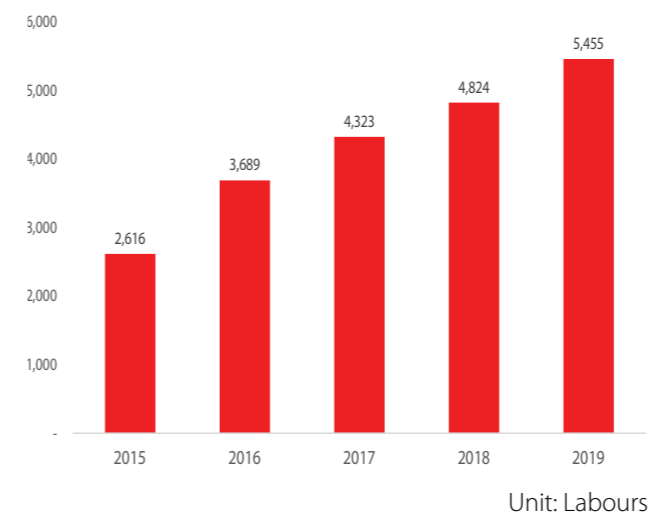
Employee structure according to gender

Year 2019	Unit: Labours
Female	1.226
Man	4.229
Total	5.455

Employee structure according to age

Năm 2019	Unit: Labours
From 18 to 30 years of age	3.072
From 31 to 45 years of age	2.017
From 46 to 60 years of age	366
Total	5.455

Total employees (YoY)



SAVICO Total Labour

(Unit: Labours)

Year	2015	2016	2017	2018	2019
Total Labours	2.616	3.689	4.323	4.824	5.455

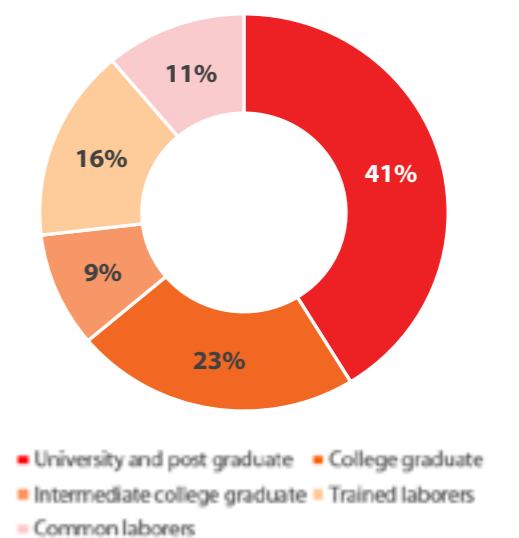
Employee structure according to types of labor contract

Year 2019	Unit: Labours
Indefinite-term labor contract	2.272
Definite-term labor contract from 01 – 03 years	2.844
Seasonal and probation contract	339
Total	5.455

Employee structure according to qualification

Year 2019	Unit: Labours
University and post graduate	2.250
College graduate	1.232
Intermediate college graduate	510
Trained laborers	854
Common laborers	609
Total	5.455

Employee structure according to qualification



ORGANIZATION AND HUMAN RESOURCE (continued)

POLICY AND THE CHANGES IN HUMAN RESOURCES POLICY

The company focuses on building a team of employees with a positive working attitude, discipline, a sense of teamwork, always striving and dedicated to creating the highest value, dedication in the work. Building and developing human resources to meet business operation requirements, according to the industry-specific characteristics and the company's strategy, continuously enhance quality of human resource in line with trend and new development requirements.



RECRUITMENT POLICY

Recruitment is carried out according to the Company's development strategy, according to the annual recruitment plan and is flexible 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 are the top priority of the Company with the policy of creating conditions for each individual to develop their career and build a professional, competent and ethical team of moral qualities.

All employees in Savico system 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 working process, participate in internal training courses.



PROMOTION AND CAREER DEVELOPMENT

At Savico, career advancement opportunities are fair to all people, established by a clear and specific plan of using human resources.

The company evaluates the work of its employees (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 development. Savico's development.

For those who have a lot of dedication, competence and achievements in the work, these employees will be trained and supplemented with professional knowledge to hold management and development positions with Savico.



INNOVATIONS ON ORGANIZATIONAL STRUCTURE AND MANAGEMENT POLICIES

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 Thinking, 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.

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...



A close-up photograph of an engine's belt drive system, featuring a large alternator with a cooling fan, a serpentine belt, and various pulleys. The image is overlaid with a semi-transparent red shape on the left side containing the text 'CLOSE COOPERATION'.

***CLOSE
COOPERATION***

Operating synchronously, strengthening cooperation,
conquering the goals...

ORGANIZATIONAL STRUCTURE & OPERATION OF BODS

OPERATION OF BODS

Participation in Meetings of BODs member in the third term (2015 - 2020)

No.	BODs member	Position	Date of becoming BODs member	Number of meetings attended	Ratio	Reasons for absence
1	Mr. Nguyen Binh Minh	Chairman	24/4/2015	5/5	100%	Resigned on 28/9/19
2	Mr. Mai Viet Ha	Member	24/4/2015	7/7	100%	
3	Ms. Nguyen Viet Hoa	Member	24/4/2015	7/7	100%	
4	Mr. Nguyen Cong Binh	Member	24/4/2015	7/7	100%	
5	Mr. Doan Van Quang	Member	24/4/2015	7/7	100%	
6	Mr. Luong Quang Hien	Member	24/4/2015	7/7	100%	
7	Mr. Nguyen Duc Trong	Member	24/4/2015	7/7	100%	
8	Mr. Lars Johan Gerard De Geer	Member	15/6/2018	7/7	100%	

Besides, the Board of Directors also organized 25 times to solicit written opinions of members to approve issues related to the Company's operations and the company systems.

On September 28, 2019, Mr. Nguyen Binh Minh resigned as Chairman - Member of the Board of Directors of the Company due to the assignment and mobilization of HCMC People's Committee to work in other businesses, therefore, they do not continue as the capital representative of Ben Thanh Corporation - One Member Limited Liability Company at the Company.

The Board of Directors has also agreed on the change of senior management staffs for the remaining period of the term 2015-2020 (until the AGM 2020 meeting) of the Company as follows:

- ▶ Approved the resignation from his position as the Chairman – Member of the Board of Directors of Mr. Nguyen Binh Minh.
- ▶ The Board of Directors has 01 vacancy (The BOD has 07 members).
- ▶ Elected Mr. Mai Viet Ha as the Chairman and approve the resignation from his position as the General Director and the legal representative of the Company.
- ▶ Appointed Mr. Phan Duong Cuu Long as the CEO and the legal representative of the Company.
- ▶ Approved the resignation from the position as the Deputy General Director of Ms. Nguyen Thu Nga in order to work at member company in the network trong hệ thống Savico.

BOD'S INSPECTION ACTIVITIES TO GENERAL DIRECTOR

The Board of Directors closely monitors the developments of the market, supervises and timely supports the executive activities of the General Director, support group of the General Director and representatives of the capital in companies with the Company's capital contribution to implement the guidelines.

The General Director together with the capital representative at the companies built business plans in 2019 on the basis of following the market situation closely and approved by the General Meeting of Shareholders; market forecasting and information sharing have been carried out monthly for all companies in the system; the network expansion and increasing market share for the core business were also focused and promoted; the inspection and control of financial and accounting activities, compliance at the Company and the units in the system are focused on strictly and regularly.

BOD's Resolution

Resolution No.	Date	Content
01/NQ-HĐQT-SVC	14/02/2019	Resolution on approving the plan to organize the AGM of Shareholders 2019
02/NQ-HĐQT-SVC	04/04/2019	Resolution on changing the capital representative at Savico Hanoi Corporation
03/NQ-HĐQT-SVC	11/04/2019	Resolution on changing the capital representative at Saigon Star Corporation
04/NQ-HĐQT-SVC	11/04/2019	Resolution on changing the capital representative at Savico Danang Corporation
05/NQ-HĐQT-SVC	18/04/2019	Resolution on changing the capital representative at Vinh Thinh Automobile JSC
06/NQ-HĐQT-SVC	18/04/2019	Resolution on changing the capital representative at Nam Song Hau Automobile JSC
07/NQ-HĐQT-SVC	24/04/2019	Resolution on establishing Financial - Investment Department
08/NQ-HĐQT-SVC	24/04/2019	Resolution on changing the name of Finance - Accounting Department to Accounting Department
09/NQ-HĐQT-SVC	24/04/2019	Resolution on regulating the functions of the Trading - Services Department
10/NQ-HĐQT-SVC	26/04/2019	Resolution on approving the plan for repairing and renovating Warehouse No. 05 at 403 Tran Xuan Soan
11/NQ-HĐQT-SVC	26/04/2019	Resolution on investing in AMIS human resource management software
12/NQ-HĐQT-SVC	06/05/2019	Resolution on the appointment of Deputy General Director of the Company
13/NQ-HĐQT-SVC	06/05/2019	Resolution on assigning business plan for 2019
14/NQ-HĐQT-SVC	06/05/2019	Resolution on assigning the reward policy at companies in the system based on cost reduction compared to the budget set for the fiscal year 2019
15/NQ-HĐQT-SVC	08/05/2019	Resolution on changing the capital representative at South West Star Automobile JSC
16/NQ-HĐQT-SVC	29/05/2019	Resolution on changing the capital representative at Saigon Cuu Long Automobile JSC
17/NQ-HĐQT-SVC	01/06/2019	Resolution on changing personnel to join the Supervisory Board at Saigon Service Trading Co., Ltd
18/NQ-HĐQT-SVC	05/06/2019	Resolution on changing the capital representative at Sai Gon North West Automobile JSC
19/NQ-HĐQT-SVC	25/06/2019	Resolution on the dissolution of ComfortDelgro Savico Taxi Company
20/NQ-HĐQT-SVC	22/07/2019	Resolution on changing the capital representative at Vinh Thinh Automobile Joint Stock Company
21/NQ-HĐQT-SVC	22/07/2019	Resolution on changing the capital representative at Toyota Can Tho Co., Ltd
22/NQ-HĐQT-SVC	29/07/2019	Resolution on the company that performs the audit and the cost of the audit for 2019
23/NQ-HĐQT-SVC	01/08/2019	Resolution on 2018 dividend payment plan
24/NQ-HĐQT-SVC	01/08/2019	Resolution on the appointment of personnel in charge of corporate governance
25/NQ-HĐQT-SVC	01/08/2019	Resolution on amending and supplementing a number of articles of the Regulation on Financial Management
26/NQ-HĐQT-SVC	08/08/2019	Resolution on adjusting the direct and authorized capital ownership of Savico at Sai Gon North West Automobile Joint Stock Company
27/NQ-HĐQT-SVC	23/08/2019	Resolution on approving the results of bidding for items (1) for construction and installation of store shelves; (2) construction and installation of warehouse No. 5 at 403 Tran Xuan Soan, District 7
28/NQ-HĐQT-SVC	17/09/2019	Resolution on amending and supplementing the Regulation on Supervisors of the Company
29/NQ-HĐQT-SVC	17/09/2019	Resolution on office leasing at Savico Invest Office building
30/NQ-HĐQT-SVC	20/09/2019	Resolution on changing the capital representative at Lam Dong Auto Co.,Ltd

BOD's Resolution (Continued)

Resolution No.	Date	Content
31/NQ-HDQT-SVC	24/09/2019	Board of Directors' resolution on mortgage of assets at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch
32/NQ-HDQT-SVC	24/09/2019	Resolution on borrowing capital at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch (short-term limit)
33/NQ-HDQT-SVC	24/09/2019	Resolution on borrowing capital at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch (medium and long term limit)
34/NQ-HDQT-SVC	24/10/2019	Resolution on approving the adjustment of some contents of the plan for repairing and renovation Warehouse No. 05 at 403 Tran Xuan Soan
35/NQ-HDQT-SVC	30/09/2019	Resolution on dismissal of General Director and Legal representative of the Company
36/NQ-HDQT-SVC	30/09/2019	Resolution on appointing General Director and changing Legal representative of the Company
37/NQ-HDQT-SVC	22/10/2019	Resolution on salary, bonus and allowance for General Director of the Company
38/NQ-HDQT-SVC	31/10/2019	Resolution on dismissal of Deputy General Director of the Company
39/NQ-HDQT-SVC	21/11/2019	Resolution on approving the design, budget for relocating and investing in construction of office at Savico Invest Office building
40/NQ-HDQT-SVC	31/12/2019	The resolution on refund of 10% of the land use levy has been reduced for Land D5 and additional payment of land use fee due to the extension of the time of using the land parcel No. 83, Lot D5 in the Nam Cam Le Residential Area

SUBCOMMITTEES UNDER BODS

SALARY, REMUNERATION & HUMAN RESOURCES SUBCOMMITTEE

FUNCTION AND TASKS

Salary, Remuneration & Human Resources Subcommittee managed by independent BODs has supported Board of Directors and given advice to BODs in building policies, plans as well as reviewing salary, remuneration policies; selecting appropriate personnel to be appointed as important positions of SAVICO and its member companies.

STRUCTURE & OPERATIONS OF BOARD OF SUPERVISORS

OPERATIONS OF BOARD OF SUPERVISORS

Information about members of the Board of Supervisors term III (2015 - 2020):

No.	BOS member	Position	Date of being appointed as BOS member	Number of meeting attended	Ratio	Reasons for absence
1	Ms. Nguyen Nhu Anh	Head	01/4/2016	4/4	100%	
2	Mr. Nguyen Thai Hoa	Member	24/4/2015	3/3	100%	Resigned on 01/7/2019
3	Ms. Hoang Thi Thu Huong	Member	15/6/2018	4/4	100%	
4	Ms. Dinh Truc Phuong	Member	15/6/2018	4/4	100%	

On June 21, 2019, Mr. Nguyen Thai Hoa submitted a written resignation to the Board of Supervisors of the Company from July 1, 2019. Board of Supervisors has approved the resignation of Mr. Nguyen Thai Hoa and agreed that the Board of Supervisors has 01 vacancy (Board of Supervisors 03 members).

OPERATION OF BOARD OF SUPERVISORS ON BODS AND BOM

Board of Supervisors has implemented its tasks in accordance with its functions, regulations and practices of the company including:

- ▶ Board of Supervisors has participated in meetings of the Board of Directors, participating in the counting votes to solicit opinions of the Board members and the preliminary sessions, summarizing business activities, meetings with investors to approach, capture and promptly record the business performance of the Company.
- ▶ Board of Supervisors has checked and supervised the Company's financial and business performance in 2019. Board of Supervisors has also made recommendations to the Board of Directors, the General Director to ensure compliance with the provisions of relevant laws in the course of business operations of the Company.

Coordination between Board of Supervisors on BODs, BOM and other managers

In 2019, Board of Supervisors has been coordinated, facilitated by BODs, General Director and support group of the General Director to get updates of the company's operation situation, information and document collection to serve inspection and supervision purposes.



STRUCTURE & OPERATIONS OF BOARD OF SUPERVISORS (continued)

APPROVED CONTENT OF BOS'S MEETINGS IN 2019

No.	Date	Content
1	01/05/2019	Meeting to develop a supervisory planning for the Q1/2019
2	29/05/2019	Meeting to agree on supervision results for the Q1/2019
3	01/07/2019	Organizing meeting : - Application for resignation of Nguyen Thai Hoa as member of Board of Supervisors - Signing an expert contract with Ms. Doan Nhat Minh Thu - Expert of Internal Control Department of Savico - To ensure personnel performing the work of the Board of Supervisors - Meeting to develop a supervisory planning for the Q2/2019
4	29/07/2019	Meeting to agree on supervision results for the Q2/2019
5	01/10/2019	Meeting to develop a supervisory planning for the Q3/2019
6	15/10/2019	Meeting to agree on supervision results for the Q3/2019
7	15/03/2020	Meeting to develop a supervisory planning for 2019
8	10/04/2020	Meeting to agree on supervision results for 2019

TRANSACTIONS, REMUNERATION AND OTHER BENEFITS OF BOD, BOM AND BOS

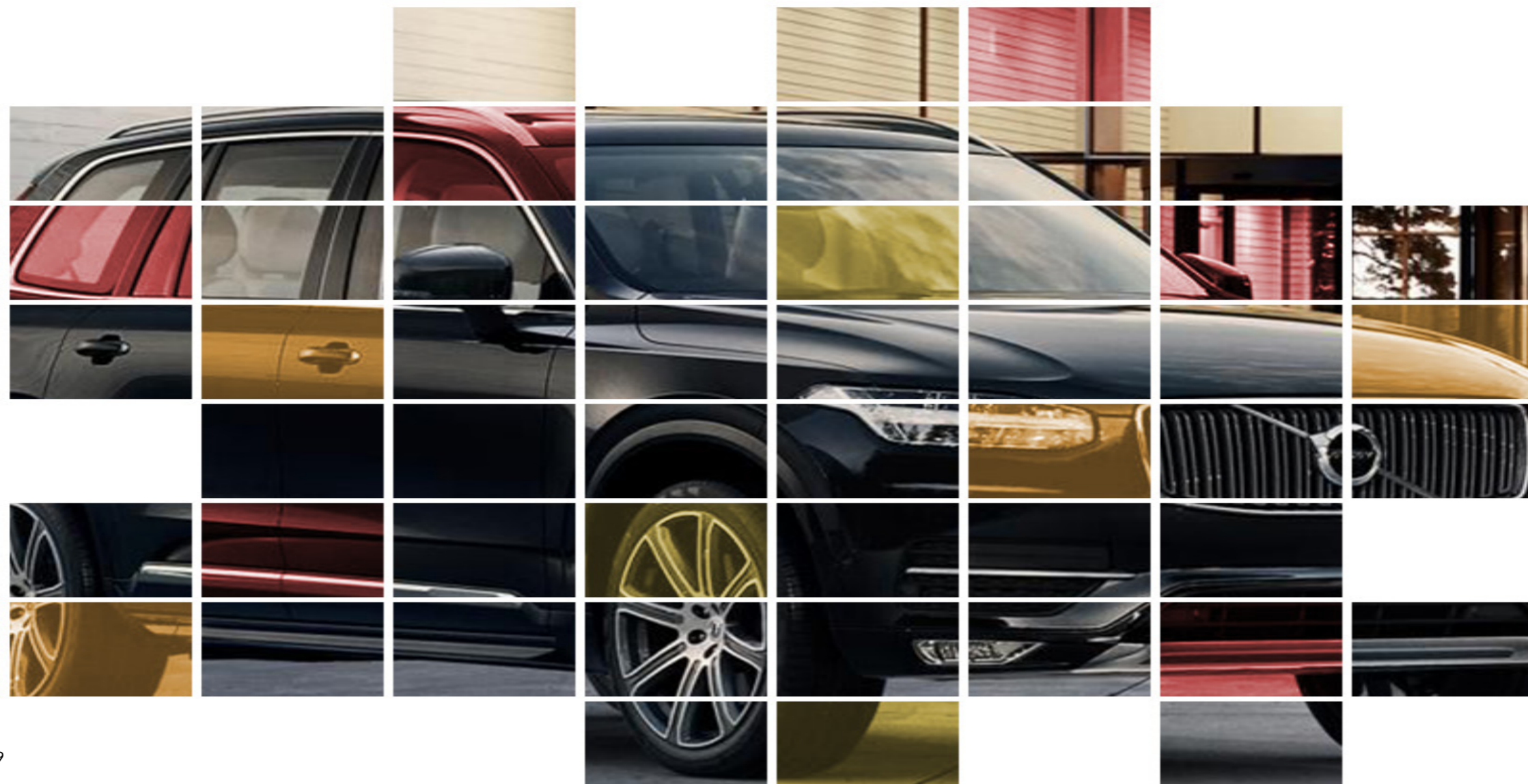
In 2019, total payment for salary, remuneration and travel expense of SAVICO for key managers included:

Unit: VND

	2019	2018
BODs member and BOM	3.794.225.000	3.381.000.000
BOS member	823.000.000	820.600.000
Total	4.617.225.000	4.201.600.000

Significant transactions with related parties

Presented on pages 42, 43, 44 of the Separate Financial Statements for the year ended 31 December 2019 and on pages 57, 58, 59 of the Consolidated Financial Statements for the year ended 31 December 2019 is attached to this report.





**Savico's business results are impacted by some elements incurred
By macro-economic environment, automobile retail and real estate
Market whereby main risks as follows:**

STRATEGIC RISK

This risk occurs when the action plan to implement the Company's strategy is not fully developed, lack of uniformity and consistency when deploying to departments, Companies in the system; basis of the priority objectives are not reviewed, evaluated periodically leading to long-term strategic goals that cannot be achieved.

Control measures: Strategies and action plans are clearly communicated during the system implementation, preliminary and final reviews of the system and meetings at the parent company; to be periodically evaluated by the Strategy Department, the functional departments and to be reviewed by the Internal Control Department on a regular basis to make appropriate adjustments.

**PERSONNEL AND SUCCESSION
PERSONNEL RISK**

This risk occurs when personnel do not adapt to the corporate culture environment of the Company; one/ a number of key positions are empty or do not find enough important positions for the Company's business projects and the member companies in the system within a certain period of time. Well-qualified and professional employees quit their jobs after a period of time working at the Company, wasting training resources, affecting the implementation of the Company's plan.

Control measures: Completing the process of planning, training, rotating, evaluating personnel, completing income policies for employees, completing income policies for employees, make good use of the young

talent development fund, internship programs, and seeking and attracting experienced personnel from outside to collaborate to develop the SAVICO system. In the strategic direction for the next phase, Savico has paid attention to building the succession team to ensure the essentials of a succession team building plan including: (1) Reach consensus; (2) Analyze current work and manpower; (3) Assess the level of expression; (4) Analyze future personnel and job needs; (5) Potential assessment; (6) Personnel training; (7) Assessment of results to help identify key positions, starting with the position of project management, department management and extending to the highest positions in the organization.

MACRO-ECONOMIC ENVIRONMENT

Epidemic conditions are difficult to control in the flat world era (eg Covid-19), the effects of climate change (eg Drought and saltwater intrusion in the Mekong Delta) ... and socio-economic situation, the efficiency of the business as well as the people's income lead to fluctuations in decrease/ expansion/ repression/ accumulation in demand and consumption trends for products and services that the Company and businesses in the system are trading.

Therefore, the Company always closely monitors and timely updates all changes of the economy that may affect the Company's business operations and systems, to assess the need for adjustments related to overall strategy, business and network development plans, priority objectives and action plans under different market conditions.

AUTOMOBILE BUSINESS OPERATION

The automobile industry and the automotive market have a significant correlation with the macroeconomic volatility periods of time and extent. Vietnam automobile market is considered to have strong growth potential but significant fluctuations occur in the automotive industry related to the cyclical element of the macro economy, internal problems of the economy or the consequences of epidemics and climate change sales of key businesses of the Company and companies in the system will certainly be affected.

REAL ESTATE OPERATION

The deepening integration of Vietnam's economy with the region and the world has brought about an increase in demand, including a number of product and service segments that the Company's system is engaged in such as trading and leasing offices, retail space, warehouses.

On the other hand, the negative effects will also spread and directly affect the efficiency of the real estate service sector.

AUTOMOBILE INDUSTRY POLICIES

AUTOMOBILE BUSINESS OPERATION

Business activities of the Company must comply with the policies and regulations published by the Government to manage the automotive industry and the automotive market.

Changes in industry policies can lead to changes in market demand for products, prices of products / services and competitiveness, which in turn will lead to fluctuations in revenues and profits. Therefore, the Company will closely monitor all changes in the Government's policy on the automotive industry, at the same time, regularly checking and evaluating to improve the service standards of the system continuously to solve all arising risks.



A number of policies to support the domestic automobile manufacturing industry and development of supporting industries, although they are in the draft stage, there have been direct impacts on adjusting the product strategy, product prices of local manufacturers and buyers' decisions.

The complexity of the industry is increasing with new regulations, new business models in the future.

In addition, the showroom and workshop premises of the automobile dealers in the system all need a large area, most of which is leased, so the Government's adjusted policies related to land rent or indirect adjustment such as tightening real estate credit will increase investment cost and rental cost.

REAL ESTATE OPERATION

Real estate business of Savico and a number of companies in the system focus on office space, retail, mining and warehouse leasing, so the direct risks for these activities are input cost fluctuations related to land rental adjustment policies, tightening real estate credit, etc.

In addition, the Company still has a number of real estate projects but the implementation progress is slow due to a number of limitations such as the system of legal documents related to the real estate market which is still inconsistent and unified, leading to unknown managerial responsibility, administrative procedures difficulties and great pressure from the policy of strictly controlling the licensing of new projects.

MARKET RISK

The company has implemented effective control of market risks through constant monitoring of risks and changes, timely warning of risks and the application of appropriate protective tools.

For each business activity, there are specific market risks as follows:

AUTOMOBILE - MOTORCYCLES OPERATION

With Savico's business activities as a distribution agent for many suppliers, it is greatly affected by the market supply as: agency development strategy, product strategy, sales policy and product pricing. In addition, the forecast of market demand always has certain difficulties due to consumers' waiting psychology about related policies, exchange rate changes, restrictions on transport infrastructure also have a certain impact on market demand.

In order to minimize risks from this issue, the Company always works with members of the system to focus on

RISK MANAGEMENT (continued)

analysis and forecasting; since then, make good use of business opportunities and have solutions to difficulties right from the formulation, planning and implementation process. The company also strengthens the information connection with the Supplier and its member companies in order to capture information promptly, have appropriate business solutions, develop systems.

REAL ESTATE OPERATION

With the comments on opportunities, difficulties and challenges of the real estate market in 2020, the main risks related to Savico's real estate activities come from competitors trading centers, offices for lease; and the difficulty in completing legal procedures related to construction investment activities will affect the implementation of the business plan set by the Company.

In order to minimize risks, Savico determined the main task is to focus on finding customer, rental pricing and appropriate customer support services to increase the rate of exploitation.

POLICY OF AUTOMOBILE MANUFACTURERS

As one of the leading companies in the field of automotive distribution, the company always focuses on maintaining equal and healthy cooperation with domestic and foreign automobile manufacturers.

The strong changes of Vietnam's macroeconomic policies in the automotive industry as well as global economic trends, each car manufacturer will make specific policy changes in its sales strategy, inquiries and business support for dealers. Each factory policy has a strong impact on the

business performance of the system, in terms of sales volume, revenue from sales of goods and provision of services. Therefore, the Company focuses on strengthening communication with manufacturers to understand the market and the tastes of customers in order to increasingly develop brands, diversify product segments, develop value-added products to bring convenience and satisfaction to customers; Thereby minimizing risks.

However, the speed of developing automobile dealer system of brands is tending to slow down because the majority of automobile companies are already present in the provinces/ cities and strategic market areas.

POWERFUL COMPETITION AND TRENDS FOR CHANGE IN THE CONSUMER BEHAVIOUR

The fierce competition from the brands of automobile - motorcycles, direct competitors, garages and professional service chains leads to the trend of reducing the gross profit of cars and services.

Along with the development of automobile dealer network is subject to competition because more and more investors are involved in developing the network of car brands, in which, there is a trend that motorbike trading enterprises after accumulating period will have enough resources to participate in automobile business.

The competition takes place in all segments due to the supply from imports, as well as the domestic production is becoming abundant with diverse products, with competitive prices, buyers are getting more and more choices, from models to quality and brands.

We believe that the competition pressure between brands will be stronger to protect market share, especially for mid-range cars. Middle class rate is increasing, consumer behavior and shopping habits change, leading to an increase in demand from both individual buyers and service providers but the gross profit will tend to decrease due to competitive pressure. In addition, the segment of repair, maintenance and other services besides the car sales segment also faces competition from private facilities.

At the same time, changing the habits and behaviors of buyers who demand services; inevitable development trend of e-commerce, the strong development of technology and integration trend compel companies operating in the industry to make appropriate adjustments to the size of showrooms and workshops; innovating customer approach; innovation of administrative tools; reorganize the apparatus appropriately and carry out cost management so that it can continue to operate effectively.

SUPPLY CHAIN

We do not own or run any manufacturing facility, our business activities completely depend on supply sources from car manufacturers and branded automobile spare-part and component suppliers. Any interruption from manufacturers and suppliers can impact on our business activities.

The company has promoted longterm and stable cooperation relations with famous car manufacturers and spare-part suppliers. These relations are highly appreciated by suppliers. The company have been making efforts to minimize impacts of any interruption and ensure to seek other suppliers with similar product quality and reasonable price at any time.

However, there are force majeure events that if a sustainable business model, a healthy financial structure, advanced governance tools cannot be built, then businesses operating in the industry such as those of Savico will hardly survive, overcome and develop again. The closure of a series of auto parts factories in Wuhan China due to the Covid-19 epidemic has brought a series of factories in other countries - though not affected by the outbreak, which had to suspend production and export; or mass production discontinuation of automobile factories in the world - including Vietnam, The business suspension of services that are not necessary and social distancing is a clear testament to these risks.

INFORMATION SYSTEM

With a large dealer scale in many different car brands, the information system needs to meet the requirements of timely and effective supply of information related to procurement, sales and distribution from the units. membership as well as inventory management, prospect information management, financial management. The data source from the information system is extremely necessary to meet the management requirements of the Board of Management, any disruption or loss of data that occurs in the system will lead to tangible losses and invisible. Therefore, the Company has always prioritized investment development and optimization of the information system network, especially the system of resource management tools, accessibility tools, customer care and management tools; thereby ensuring technology security throughout the system, ensuring accessibility, completeness and continuity in operation.

ENVIRONMENTAL PROTECTION

Our focus is in automobile and motorcycle business activities, so it pays a special attention to types of cars and motorcycles that meet emission standards and causes less harm to environment for environmental protection and meet the current consumer trend towards green environment. The vehicle brands that the company system is distributing are of reputable car companies. The sales of used cars being carried out in some member companies must also ensure to meet the requirements of the brand as well as the relevant regulatory agencies.

For car repair and service, all service providers apply waste treatment at source to meet the requirements of the State on environmental management as well as the standards of the car manufacturer.

Application of environment related standards and regulations help us improve environmental pollution in general and pollution issues in big cities in particular.





**STRONG
BREAKTHROUGH**

Breakthrough, assertiveness, strong development...



CONTENT OF SUSTAINABILITY REPORT

SAVICO's sustainability report was implemented to review and re-evaluate principles of sustainable development at parent company and member companies. The content of report presented SAVICO's approach to sustainability related issues, key and strategic issues, medium and longterm development strategies of the company. Data and information presented in the report including: sustainability related activities implemented in 2018, development strategies in the coming years and SAVICO's commitments to stakeholders.

SCOPE AND BOUNDARY OF REPORT

Data and information presented in the report were updated for the fiscal year 2018 of SAVICO, starting from Jan 1st 2018 to Dec 31st 2018. Reports on economic, environment and social activities were generated from core activities of parent company and member companies. The report was made in Vietnam in fields of automobile distribution, real estate of SAVICO and member companies.

MEASURE TO IDENTIFY CONTENT OF REPORT

SAVICO's approach to sustainability related issues derived from long-term growth target associated with social and environmental protection targets, making contributions to the common development of the society. The issues related to sustainable development goals continue to be reviewed and evaluated in association with current activities, identifying key issues to review, improve and present in the content of sustainability report in 2019.

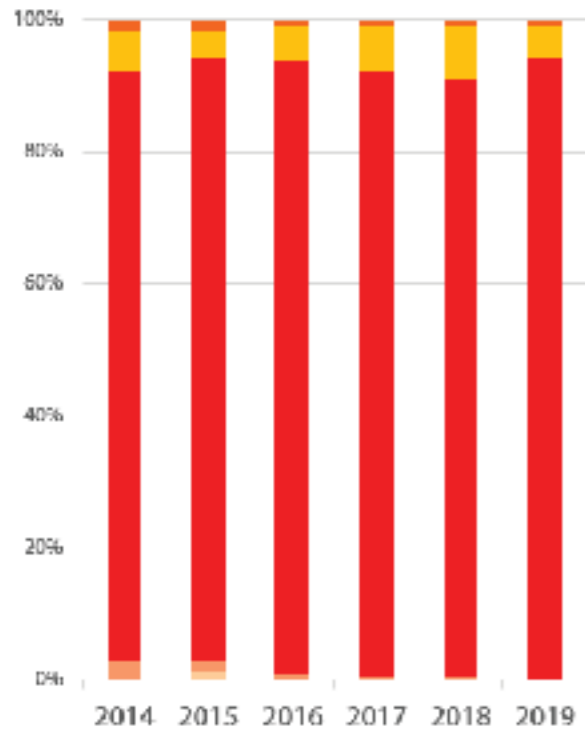
CONTACT INFORMATION

Sustainable development is a vital strategy of the company that impacts on stakeholders. Every comment related to sustainable development, please send to:
 Saigon General Service Corporation (SAVICO)
 Tel: 028 3821 3913
 Address: 68 Nam Ky Khoi Nghia, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City.



REVENUE STRUCTURE

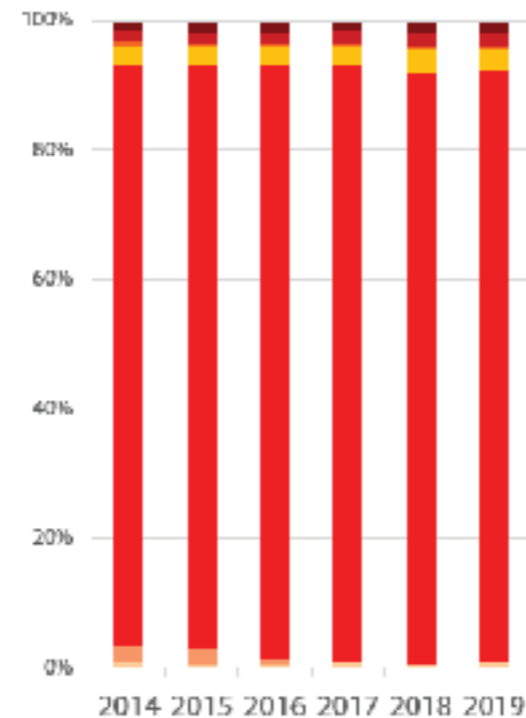
SAVICO' revenue earned from sales and services (after-sale services of commercial and property leasing services), revenue from interim services and financial services is decreasing. With an orientation of trading-service as core business, SAVICO has effectively implemented service sector to ensure a stable and sustainable development with an annual average revenue growth in 2015 - 2019 period 28%/year.



- Revenue from real estate leasing
- Revenue from service supplying
- Revenue from sales
- Revenue of transfer of real estate
- Revenue from financial services

COST STRUCTURE

With core business activities focusing on trading-service, cost of merchandise goods accounts a majority of the company's most consolidated cost structure. This is followed by labour and staff costs, outside services cost (space, workshop, service leasing, etc). In the period of 2015-2019, the consolidated costs related to labour and staff costs of the Savico system increased continuously from VND 294.5 billion in 2015 to VND 558.6 billion in 2019, total cost reached VND 2.173 billion. Savico system always strives to improve employee income.

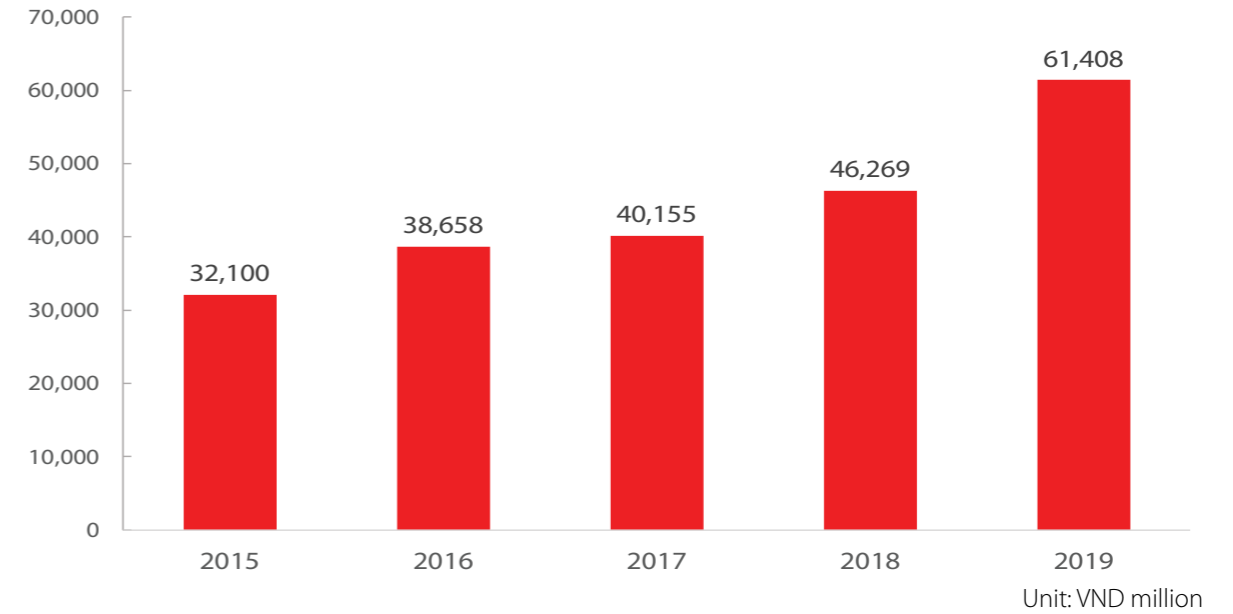


- Other costs
- Outside services
- Depreciation and amortisation
- Labour and staff costs
- Cost of merchandise goods
- Cost of real estate sold
- Financial cost

CONTRIBUTION TO STATE BUDGET

With the continuous increase in consolidated revenue and efficient business operations, besides the value added tax, the Savico system also keeps a positive trend in the contribution of corporate income tax to the State Budget. Accordingly, the paid corporate income tax increased from VND 32 billion in 2015 to VND 61.4 billion in 2019.

Contribution to the State Budget



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

	Unit	2015	2016	2017	2018	2019
Power	Kw	164.477	166.970	75.606	37.547	32.674
Water	m ³	1.250	1.238	698	221	
Gasoline + petrol for generators	Liter	6.359	8.940	10.987	10.149	7.801

From the end of 2017 and 2018, when renting an office, based on the building consumption index allocated to the operating floors, the consumption index dropped sharply.



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.

In addition, to ensure a standard working environment to protect the health of workers, SAVICO does a green working office program at the Company's office; the member companies have increased the application of technical measures to ventilate the factory, reduce noise and equip exhaust fans and industrial fans for warranty and repair facilities as well as periodic measurement of working environment parameters meeting the requirements of the law.



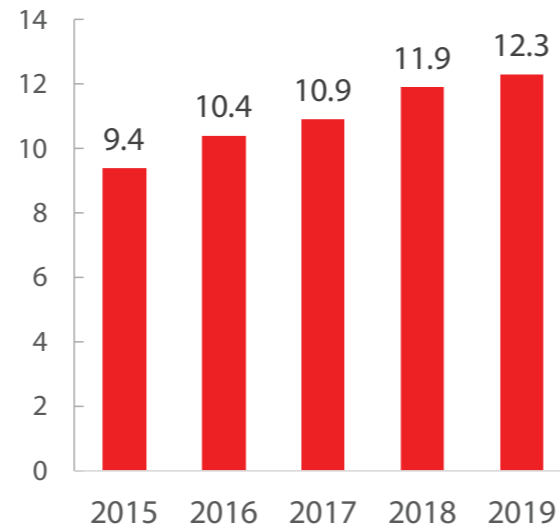
POLICIES RELATING TO EMPLOYEES

AVERAGE SALARY OF EMPLOYEES

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 same period in 2018.

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... implement the reward regime on the occasion of Tet holidays Lunar New Year, April 30, September 2, the anniversary of the founding of the company depending on business results.

Average salary



Unit: VND million



LABOR POLICIES ENSURING THE HEALTH, SAFETY AND WELFARE OF EMPLOYEES

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:

Training course :

- ▶ "Breakthrough Leadership" for senior, intermediate and planning leaders of Savico (2 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)

Workshop:

- ▶ Common errors and frauds in Financial Statements (13 times)
- ▶ Internal audit for members of the Board of Directors (1 time)
- ▶ Banking Credit - Perspective from the Bank (10 times)

Updates of knowledge:

- ▶ Tax - Accounting (2 times)

- ▶ Auditors No. 06B-2019 (1 time)
- ▶ Power BI application (6 times)
- ▶ Labor Law and social insurance policy (3 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.

STRENGTHENING CORPORATE CULTURE, BUILDING STRONG BRAND

To build and promote corporate culture is one of the key elements of SAVICO in process of brand building in many years. This consists of standards of behavior, identity, difference for each member of the company to grasp, comply, set an example and to be proud of their workplace.



SOCIAL TARGET (continued)

At SAVICO, corporate culture has been firmly built since initial days of the company's establishment. Exemplary style of leadership with high determination of generations of leaders, solidarity, dynamism, creativity of employees, spirit of mutual support, care, sharing, harmonious benefits, responsibility of each individual, group and community are SAVICO's unique characteristics.

Promote the values on the basis of acquired, in 2019, SAVICO continues to build different cultural characteristics, contributing to further strengthening and developing SAVICO's brand image with the following remarkable points:

- ▶ Follow culture of executive management towards community culture, ensure fairness throughout the system, the criteria of transparency of all business activities, executive management, creating a friendly and co-working environment for all employees.
- ▶ SAVICO provides each of its employees an open, fair and professional working environment to maximize their working capacity and build a healthy corporate culture. Accordingly, each employee is an ambassador that makes SAVICO an increasingly prestigious brand in the market and business community in Vietnam.
- ▶ Towards the goal of building a sustainable brand image, SAVICO is committed to:
 - ✓ **For Shareholders:** Commitment to sustainable growth
 - ✓ **For Partners:** Cooperation for sustainable development
 - ✓ **For Customers:** Dedicated service
 - ✓ **For Workers:** Cultivate sustainable human resources
 - ✓ **For the Community:** Joining hands for a prosperous society - better



SOCIAL TARGET (continued)

STATEMENTS RELATED TO RESPONSIBILITY TO LOCAL COMMUNITY



In 2019, SAVICO system has positively participated in social activities, charitable activities; raising spirit of “the good leaves protect the worn-out leaves”, taking good care of family contributing to the revolution and people with difficult circumstances, humanitarian activities such as:

- ▶ Take care 01 Vietnamese Heroic Mother;
- ▶ Next step to school
- ▶ Winter Warming Program for children
- ▶ Giving rice to people in difficult circumstances in the wards on the Lunar New Year
- ▶ Hyundai with high mountain winter charity program
- ▶ Ford group of SAVICO: Accompanying with poor patients - Charity cataract surgery program
- ▶ Hyundai Tây Đô: giving house for poor people in Can Tho
- ▶ At Toyota dealers: Program of the 9th Toyota Dream Car Art Contest, Toyota joins hand to make school green (Toyota Ly Thuong Kiet)

Responsibility to the society and community, first of all is the responsibility and obligation to the workforce in the Company network.

SAVICO and the whole staff in the network constantly improve awareness and responsibility to the community and society.

Every year, employees of the whole system contribute 02 days salary to participate in the social fund of Ben Thanh Corporation to take care of workers in difficult circumstances, carry out dilapidated houses, support sick laborers. terminally, taking care of the children of laborers who go to school and people living in remote areas still face many difficulties.

In 2019, SAVICO system has positively participated in social activities, charitable activities; raising spirit of “the good leaves protect the worn-out leaves”, taking good care of family contributing to the revolution and people with difficult circumstances, humanitarian activities; the total amount for social activities is more than VND 2.1 billion.

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. SAVICO focuses on taking care of health, spiritual and material life, offering training and remuneration policies, maintaining equality in assessment of business performance and efforts of each employee, improving policies of taking care of employees with difficult circumstances. At first glance, these policies seem to focus on internal activities but the company is always aware that each employee in the system

is an important element to build and develop the country. With approximately 5,000 laborers in the system, SAVICO will ensure happiness and comfort of approximately 5,000 families.

These activities are considered to be really practical and meaningful, not only contributing to the society towards the common goal of building a prosperous society, a rich and beautiful Vietnam; but also a motivation for Savico's team to continuously strive and improve, towards stable and sustainable development.



A wide-angle photograph of a modern automotive assembly plant. The scene is dominated by a complex network of metal beams, pipes, and machinery. In the foreground, a white car is suspended on a conveyor system, its interior and exterior panels visible. The background shows a long, brightly lit aisle with more cars in various stages of production. A prominent red graphic overlay is positioned in the upper left, containing the text 'COMMITMENT TO SERVICE QUALITY'. Another red graphic overlay is at the bottom right, containing the text 'Toward modernization of maintenance and repair process'.

***COMMITMENT TO
SERVICE QUALITY***

Toward modernization of maintenance and repair process

**Saigon General Service Corporation
Corporate information**

Decision No.	3448/QD-UB 3449/QD-UB	9 July 2004 9 July 2004
	These decisions were issued by the Ho Chi Minh City People's Committee.	
Business Registration Certificate	4103002955	15 December 2004
	The Company's business registration certificate has been amended several times, the most recent of which is by Business Registration Certificate No. 0301154821 dated 3 October 2019. The business registration certificate and its updates were issued by Ho Chi Minh City Planning and Investment Department.	
Board of Management	Mr. Mai Viet Ha	Chairman (from 30 September 2019) Member (until 30 September 2019)
	Mr. Nguyen Binh Minh	Chairman (until 28 September 2019)
	Ms. Nguyen Viet Hoa	Member
	Mr. Doan Van Quang	Member
	Mr. Nguyen Cong Binh	Member
	Mr. Nguyen Duc Trong	Member
	Mr. Luong Quang Hien	Member
	Mr. Lars Johan Gerard De Geer	Member
Supervisory Board	Ms. Nguyen Nhu Anh Mr. Nguyen Thai Hoa	Head of the Board Member (until 30 June 2019)
	Ms. Hoang Thi Thu Huong Ms. Dinh Truc Phuong	Member Member
Board of Directors	Mr. Phan Duong Cuu Long	General Director (from 30 September 2019) Deputy General Director (from 6 May 2019 to 30 September 2019)
	Mr. Mai Viet Ha	General Director (until 29 September 2019)
	Mr. Doan Van Quang Ms. Nguyen Thu Nga	Deputy General Director Deputy General Director (until 1 November 2019)
	Mr. Nguyen Cong Binh	Deputy General Director
Registered Office	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam	
Auditor	KPMG Limited Vietnam	

**Saigon General Service Corporation
Statement of the Board of Directors**

The Board of Directors of Saigon General Service Corporation ("the Company") presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2019.

The Board of Directors is responsible for the preparation and fair presentation of the separate financial statements in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Directors:

- (a) the separate financial statements set out on pages 5 to 45 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2019, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised the accompanying separate financial statements for issue.

On behalf of the Board of Directors



Phan Duong Cuu Long
General Director

Ho Chi Minh City, 30 March 2020

INDEPENDENT AUDITOR'S REPORT

**To the Shareholders
Saigon General Service Corporation**

We have audited the accompanying separate financial statements of Saigon General Service Corporation ("the Company"), which comprise the separate balance sheet as at 31 December 2019, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 30 March 2020, as set out on pages 5 to 45.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Saigon General Service Corporation as at 31 December 2019 and of its unconsolidated results of operations and its unconsolidated 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.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Audit Report No. 19-01-00354-20-2
CHI NHANH
CÔNG TY TNHH
KPMG
THÀNH PHỐ HỒ CHÍ MINH
Auvarin Phoi
Practicing Auditor Registration
Certificate No. 2252-2018-007-1
Deputy General Director



Ha Vu Dinh
Practicing Auditor Registration
Certificate No. 0414-2018-007-1

Ho Chi Minh City, 30 March 2020

SEPARATE BALANCE SHEET

Saigon General Service Corporation Separate balance sheet as at 31 December 2019

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		229,202,787,475	203,971,935,923
Cash and cash equivalents	110	5	68,534,196,705	38,335,440,900
Cash	111		4,534,196,705	3,335,440,900
Cash equivalents	112		64,000,000,000	35,000,000,000
Short-term financial investments	120	6(a)	21,740,022,740	24,575,022,740
Trading securities	121		42,800,022,740	42,800,022,740
Allowance for diminution in the value of trading securities	122		(21,060,000,000)	(18,225,000,000)
Accounts receivable – short-term	130		29,994,391,483	50,356,394,713
Accounts receivable from customers	131	7	10,533,854,334	9,914,567,599
Prepayments to suppliers	132		4,208,446,475	404,364,778
Loans receivable	135	6(c)	2,500,000,000	17,000,000,000
Other short-term receivables	136	8(a)	12,752,090,674	23,037,462,336
Inventories	140	9	105,859,872,582	89,513,035,886
Inventories	141		105,859,872,582	89,513,035,886
Other current assets	150		3,074,303,965	1,192,041,684
Short-term prepaid expenses	151		2,184,297	-
Deductible value added tax	152		2,772,119,667	1,192,041,684
Taxes receivable from State Treasury	153	14(b)	300,000,001	-

SEPARATE BALANCE SHEET

Saigon General Service Corporation Separate balance sheet as at 31 December 2019 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		1,076,800,100,280	1,076,870,244,584
Accounts receivable – long-term	210		157,420,629,471	147,173,013,550
Other long-term receivables	216	8(b)	157,511,412,823	147,173,013,550
Allowance for doubtful long-term debts	219		(90,783,352)	-
Fixed assets	220		3,805,326,176	1,673,377,115
Tangible fixed assets	221	10	3,803,796,964	1,654,847,899
Cost	222		12,521,493,426	10,091,586,488
Accumulated depreciation	223		(8,717,696,462)	(8,436,738,589)
Intangible fixed assets	227		1,529,212	18,529,216
Cost	228		836,870,000	836,870,000
Accumulated amortisation	229		(835,340,788)	(818,340,784)
Investment property	230	11	118,298,095,446	121,744,850,694
Cost	231		164,521,792,920	164,521,792,920
Accumulated depreciation	232		(46,223,697,474)	(42,776,942,226)
Long-term work in progress	240		275,304,594,909	266,525,363,208
Construction in progress	242	12	275,304,594,909	266,525,363,208
Long-term financial investments	250	6(b)	516,603,881,877	534,598,373,046
Investments in subsidiaries	251		389,822,011,814	369,850,011,814
Investments in associates	252		162,144,178,945	193,894,178,945
Equity investments in other entities	253		2,250,000,000	2,250,000,000
Allowance for diminution in the value of long-term financial investments	254		(37,612,308,882)	(31,395,817,713)
Other long-term assets	260		5,367,572,401	5,155,266,971
Long-term prepaid expenses	261		1,978,077,291	1,765,771,861
Deferred tax assets	262		3,389,495,110	3,389,495,110
TOTAL ASSETS (270 = 100 + 200)	270		1,306,002,887,755	1,280,842,180,507

SEPARATE BALANCE SHEET

Saigon General Service Corporation Separate balance sheet as at 31 December 2019 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		551,393,053,907	563,766,845,090
Current liabilities	310		510,286,241,289	523,283,328,072
Accounts payable to suppliers	311		336,755,420	693,347,699
Advances from customers	312	13	44,715,149,802	44,774,673,790
Taxes and others payable to State Treasury	313	14(a)	1,165,907,311	2,188,782,349
Payables to employees	314		9,292,808,427	6,796,650,436
Accrued expenses	315	15	11,956,470,677	11,026,588,583
Other payables – short-term	319	16(a)	432,266,978,528	418,037,709,902
Short-term borrowings	320		-	30,553,419,996
Bonus and welfare fund	322	17	10,552,171,124	9,212,155,317
Long-term liabilities	330		41,106,812,618	40,483,517,018
Other payables – long-term	337	16(b)	41,106,812,618	40,483,517,018
EQUITY (400 = 410)	400		754,609,833,848	717,075,335,417
Owners' equity	410	18	754,609,833,848	717,075,335,417
Share capital	411	19	249,955,730,000	249,955,730,000
Share premium	412		317,064,858,303	317,064,858,303
Treasury shares	415	19	(690,474,358)	(690,474,358)
Investment and development fund	418	21	24,938,303,806	24,938,303,806
Retained profits	421		163,341,416,097	125,806,917,666
- Retained profits brought forward	421a		84,529,662,520	85,699,084,565
- Retained profit for the current year	421b		78,811,753,577	40,107,833,101
TOTAL RESOURCES (440 = 300 + 400)	440		1,306,002,887,755	1,280,842,180,507

30 March 2020

Prepared by:


Ngo Van Danh
Chief Accountant

Approved by:


Phan Duong Cuu Long
General Director

SEPARATE STATEMENT OF INCOME

Saigon General Service Corporation Separate statement of income for the year ended 31 December 2019

Form B 02 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2019 VND	2018 VND
Revenue from sales of goods and provision of services	01	23	77,009,166,014	82,886,544,985
Cost of goods sold and services provided	11	24	(30,354,552,671)	(35,834,872,615)
Gross profit (20 = 01 + 11)	20		46,654,613,343	47,051,672,370
Financial income	21	25	93,301,760,831	47,599,702,102
Financial expenses	22	26	(12,249,466,619)	(11,536,398,337)
<i>In which: Interest expense</i>	23		(2,853,495,145)	(3,978,136,124)
Selling expenses	25		(2,304,705,917)	(2,598,657,358)
General and administration expenses	26	27	(39,525,810,655)	(35,028,484,098)
Net operating profit (30 = 20 + 21 + 22 + 25 + 26)	30		85,876,390,983	45,487,834,679
Other income	31		922,877,629	396,041,133
Other expenses	32		(192,945,999)	(79,370,955)
Results of other activities (40 = 31 + 32)	40		729,931,630	316,670,178
Accounting profit before tax (50 = 30 + 40)	50		86,606,322,613	45,804,504,857
Income tax expense – current	51	29	-	(1,050,958,227)
Income tax benefit – deferred	52	29	-	954,286,471
Net profit after tax (60 = 50 + 51 + 52)	60		86,606,322,613	45,707,833,101

30 March 2020

Prepared by:


Ngo Van Danh
Chief Accountant

Approved by:


Phan Duong Cuu Long
General Director

SEPARATE STATEMENT OF CASH FLOW

Saigon General Service Corporation Separate statement of cash flows for the year ended 31 December 2019 (Indirect method)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2019 VND	2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		86,606,322,613	45,804,504,857
Adjustments for				
Depreciation and amortisation	02		4,623,339,369	4,351,106,820
Allowances and provisions	03		9,394,188,215	7,540,691,036
Losses on liquidation of investment in an associate	05		1,783,259	-
Gains on disposal of fixed assets	05		(418,181,818)	-
Dividend income and interest income	05		(93,301,760,831)	(46,856,952,174)
Interest expense	06		2,853,495,145	3,978,136,124
Operating profit before changes in working capital	08		9,759,185,952	14,817,486,663
Change in receivables	09		(16,922,984,083)	(7,885,547,089)
Change in inventories	10		(16,346,836,696)	3,195,671,885
Change in payables and other liabilities	11		25,568,005,494	12,525,330,644
Change in prepaid expenses	12		(214,489,727)	(1,756,748,602)
Change in trading securities	13		-	8,042,838,572
			1,842,880,940	28,939,032,073
Interest paid	14		(2,886,865,008)	(3,977,023,795)
Income tax paid	15		(1,050,958,227)	(2,704,053,465)
Other payments for operating activities	17		(7,924,636,423)	(3,562,823,222)
Net cash flows from operating activities	20		(10,019,578,718)	18,695,131,591
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(22,087,764,883)	(13,107,413,954)
Proceeds from disposals of fixed assets	22		418,181,818	-
Payments for granting loans	23		(40,000,000,000)	(35,000,000,000)
Receipts from collecting loans	24		54,500,000,000	22,500,000,000
Payments for investments in other entities	25		(12,012,000,000)	(21,917,695,333)
Collections from investment in an associate	26		31,496,303,047	-
Receipts of dividends and interests	27		95,908,270,887	45,861,584,174
Net cash flows from investing activities	30		108,222,990,869	(1,663,525,113)

SEPARATE STATEMENT OF CASH FLOW

Saigon General Service Corporation Separate statement of cash flows for the year ended 31 December 2019 (Indirect method – continued)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2019 VND	2018 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		4,210,798,491	30,553,419,996
Payments to settle loan principals	34		(34,764,218,487)	(29,000,000,000)
Payments of dividends	36		(37,451,236,350)	(29,965,543,380)
Net cash flows from financing activities	40		(68,004,656,346)	(28,412,123,384)
Net cash flows during the year (50 = 20 + 30 + 40)	50		30,198,755,805	(11,380,516,906)
Cash and cash equivalents at the beginning of the year	60		38,335,440,900	49,715,957,806
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	68,534,196,705	38,335,440,900

30 March 2020

Prepared by:


Ngo Van Danh
Chief Accountant

Approved by:


Phan Quang Cau Long
General Director

Saigon General Service Corporation Corporate Information

Decision No.	3448/QD-UB	9 July 2004
	3449/QD-UB	9 July 2004
	These decisions were issued by the Ho Chi Minh City People's Committee.	
Business Registration Certificate	4103002955	15 December 2004
	The Company's business registration certificate has been amended several times, the most recent of which is by Business Registration Certificate No. 0301154821 dated 3 October 2019. The business registration certificate and its updates were issued by Ho Chi Minh City Planning and Investment Department.	
Board of Management	Mr. Mai Viet Ha	Chairman (from 30 September 2019) Member (until 30 September 2019)
	Mr. Nguyen Binh Minh	Chairman (until 28 September 2019)
	Ms. Nguyen Viet Hoa	Member
	Mr. Doan Van Quang	Member
	Mr. Nguyen Cong Binh	Member
	Mr. Nguyen Duc Trong	Member
	Mr. Luong Quang Hien	Member
	Mr. Lars Johan Gerard De Geer	Member
Supervisory Board	Ms. Nguyen Nhu Anh	Head of the Board
	Mr. Nguyen Thai Hoa	Member
	Ms. Hoang Thi Thu Huong	Member
	Ms. Dinh Truc Phuong	Member
Board of Directors	Mr. Phan Duong Cuu Long	General Director (from 30 September 2019) Deputy General Director (from 6 May 2019 to 30 September 2019)
	Mr. Mai Viet Ha	General Director (until 29 September 2019)
	Mr. Doan Van Quang	Deputy General Director
	Ms. Nguyen Thu Nga	Deputy General Director (until 1 November 2019)
	Mr. Nguyen Cong Binh	Deputy General Director
Registered Office	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam	
Auditor	KPMG Limited Vietnam	

Saigon General Service Corporation Statement of the Board of Directors

The Board of Directors of Saigon General Service Corporation ("the Company") and its subsidiaries (together referred to as "the Group") presents this statement and the accompanying consolidated financial statements of the Group for the year ended 31 December 2019.

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Directors:

- (a) the consolidated financial statements set out on pages 5 to 60 give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of the consolidated results of operations and the consolidated cash flows of the Group 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; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised the accompanying consolidated financial statements for issue.



 Head of the Board of Directors

 Phan Duong Cuu Long

 Head of Director

 Ho Chi Minh City, 30 March 2020

INDEPENDENT AUDITOR'S REPORT

**To the Shareholders
Saigon General Service Corporation**

We have audited the accompanying consolidated financial statements of Saigon General Service Corporation (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated balance sheet as at 31 December 2019, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Directors on 30 March 2020, as set out on pages 5 to 60.

Management’s Responsibility

The Company’s Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company’s Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor’s Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Saigon General Service Corporation and its subsidiaries as at 31 December 2019 and of their consolidated results of operations and their consolidated 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.

KPMG Limited’s Branch in Ho Chi Minh City

Vietnam
Audit Report No. 19-01-00354-20-2



Auvan Phor
Practicing Auditor Registration
Certificate No. 2252-2018-007-1
Deputy General Director

Ha Vu Dinh
Practicing Auditor Registration
Certificate No. 0414-2018-007-1

Ho Chi Minh City, 30 March 2020

CONSOLIDATED BALANCE SHEET

Saigon General Service Corporation and its subsidiaries Consolidated balance sheet as at 31 December 2019

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		2,515,665,750,910	2,196,052,230,291
Cash and cash equivalents	110	6	328,713,933,259	268,045,104,754
Cash	111		196,657,160,753	210,007,572,879
Cash equivalents	112		132,056,772,506	58,037,531,875
Short-term financial investments	120		38,892,075,283	39,488,075,283
Trading securities	121	7(a)	42,802,075,283	42,802,075,283
Allowance for diminution in the value of trading securities	122	7(a)	(21,060,000,000)	(18,225,000,000)
Held-to-maturity investments	123	7(b)	17,150,000,000	14,911,000,000
Accounts receivable – short-term	130		700,914,688,346	695,256,990,400
Accounts receivable from customers	131	8	502,600,110,826	517,312,887,580
Prepayments to suppliers	132		113,211,195,064	85,880,071,038
Loans receivable	135	7(c)	9,900,000,000	12,000,000,000
Other short-term receivables	136	9(a)	75,486,701,084	80,720,767,210
Allowance for doubtful short-term debts	137		(283,318,628)	(656,735,428)
Inventories	140	10	1,385,059,862,043	1,134,474,506,423
Inventories	141		1,386,407,867,822	1,138,523,608,918
Allowance for inventories	149		(1,348,005,779)	(4,049,102,495)
Other current assets	150		62,085,191,979	58,787,553,431
Short-term prepaid expenses	151	15(a)	17,980,691,811	11,734,520,242
Deductible value added tax	152		41,718,501,919	46,780,713,489
Taxes and others receivable from State Treasury	153	17(b)	2,385,998,249	272,319,700

CONSOLIDATED BALANCE SHEET

Saigon General Service Corporation and its subsidiaries Consolidated balance sheet as at 31 December 2019 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		2,212,370,843,023	2,159,597,103,287
Accounts receivable – long-term	210		178,403,847,072	182,178,610,222
Other long-term receivables	216	9(b)	178,403,847,072	183,178,610,222
Allowance for doubtful long-term debts	219		-	(1,000,000,000)
Fixed assets	220		502,796,348,304	457,816,965,914
Tangible fixed assets	221	11	430,719,746,374	386,374,719,139
Cost	222		692,907,549,178	597,281,457,583
Accumulated depreciation	223		(262,187,802,804)	(210,906,738,444)
Intangible fixed assets	227	12	72,076,601,930	71,442,246,775
Cost	228		83,216,692,256	81,186,312,256
Accumulated amortisation	229		(11,140,090,326)	(9,744,065,481)
Investment property	230	13	702,170,656,011	726,184,526,348
Cost	231		921,937,799,775	921,828,708,866
Accumulated depreciation	232		(219,767,143,764)	(195,644,182,518)
Long-term work in progress	240		367,055,084,313	367,635,726,677
Construction in progress	242	14	367,055,084,313	367,635,726,677
Long-term financial investments	250		420,272,552,735	384,210,488,328
Investments in associates	252	7(d)	412,912,288,735	378,850,224,328
Equity investments in other entities	253		5,360,264,000	5,360,264,000
Held-to-maturity investments	255	7(b)	2,000,000,000	-
Other long-term assets	260		41,672,354,588	41,570,785,798
Long-term prepaid expenses	261	15(b)	35,508,351,949	38,061,909,597
Deferred tax assets	262	36(a)	6,164,002,639	3,508,876,201
TOTAL ASSETS (270 = 100 + 200)	270		4,728,036,593,933	4,355,649,333,578

CONSOLIDATED BALANCE SHEET

Saigon General Service Corporation and its subsidiaries Consolidated balance sheet as at 31 December 2019 (continued)

Form B 01 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		3,088,226,001,928	2,820,503,318,544
Current liabilities	310		2,592,153,508,725	2,266,260,565,058
Accounts payable to suppliers	311	16	186,701,346,944	184,846,499,376
Advances from customers	312		153,039,320,060	164,874,327,197
Taxes and others payable to State Treasury	313	17(a)	38,227,638,532	39,422,262,288
Payables to employees	314		81,580,668,366	100,659,106,107
Accrued expenses	315	18	46,562,125,725	53,055,205,113
Unearned revenue – short-term	318	19(a)	7,084,253,013	6,773,857,186
Other payables – short-term	319	20(a)	448,665,281,523	438,146,116,890
Short-term borrowings	320	21(a)	1,611,364,573,958	1,262,171,559,942
Provisions – short-term	321		1,000,000,000	-
Bonus and welfare fund	322	22	17,928,300,604	16,311,630,959
Long-term liabilities	330		496,072,493,203	554,242,753,486
Unearned revenue – long-term	336	19(b)	85,418,863,717	95,941,611,058
Other payables – long-term	337	20(b)	87,541,133,292	87,253,926,927
Long-term borrowings	338	21(b)	323,112,496,194	371,047,215,501
EQUITY (400 = 410)	400		1,639,810,592,005	1,535,146,015,034
Owners' equity	410	23	1,639,810,592,005	1,535,146,015,034
Share capital	411	24	249,955,730,000	249,955,730,000
Share premium	412		317,064,858,303	317,064,858,303
Other capital	414		91,895,000,000	20,242,000,000
Treasury shares	415	24	(690,474,358)	(690,474,358)
Investment and development fund	418	26	36,249,605,701	43,033,201,299
Retained profits	421		460,490,751,230	424,537,839,749
- Retained profits brought forward	421a		306,823,736,258	251,534,943,076
- Retained profit for the current year	421b		153,667,014,972	173,002,896,673
Non-controlling interest	429		484,845,121,129	481,002,860,041
TOTAL RESOURCES (440 = 300 + 400)	440		4,728,036,593,933	4,355,649,333,578

30 March 2020

Prepared by:

Ngo Van Danh
Chief Accountant

Approved by:

Phan Hong Cua Long
General Director



CONSOLIDATED BALANCE SHEET

Saigon General Service Corporation and its subsidiaries Consolidated statement of income for the year ended 31 December 2019

Form B 02 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2019 VND	2018 VND
Revenue from sales of goods and provision of services	01	28	18,274,373,552,043	14,881,843,305,842
Revenue deductions	02	28	(8,067,080,241)	(10,188,383,538)
Net revenue (10 = 01 + 02)	10	28	18,266,306,471,802	14,871,654,922,304
Cost of goods sold and services provided	11	29	(17,213,838,525,133)	(13,851,910,777,563)
Gross profit (20 = 10 + 11)	20		1,052,467,946,669	1,019,744,144,741
Financial income	21	30	14,706,567,926	17,898,325,134
Financial expenses	22	31	(138,509,018,746)	(87,738,744,569)
<i>In which: Interest expense</i>	23		(129,632,263,755)	(84,957,422,562)
Share of profit in associates	24	7(d)	87,625,524,407	57,903,674,161
Selling expenses	25	32	(557,277,105,102)	(458,726,538,431)
General and administration expenses	26	33	(324,687,420,728)	(289,673,785,247)
Net operating profit (30 = 20 + 21 + 22 + 24 + 25 + 26)	30		134,326,494,426	259,407,075,789
Other income	31	34	144,517,819,076	106,523,258,417
Other expenses	32		(4,059,116,022)	(3,618,577,716)
Results of other activities (40 = 31 + 32)	40		140,458,703,054	102,904,680,701
Accounting profit before tax (50 = 30 + 40)	50		274,785,197,480	362,311,756,490
Income tax expense – current	51	36(b)	(44,108,217,192)	(62,969,194,590)
Income tax benefit – deferred	52	36(b)	2,655,126,438	924,286,472
Net profit after tax (60 = 50 + 51 + 52) (carried forward to the next page)	60		233,332,106,726	300,266,848,372

CONSOLIDATED BALANCE SHEET

Saigon General Service Corporation and its subsidiaries Consolidated statement of income for the year ended 31 December 2019 (continued)

Form B 02a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2019 VND	2018 VND
Net profit after tax (60 = 50 + 51 + 52) (brought forward from the previous page)	60		233,332,106,726	300,266,848,372
Attributable to:				
Equity holders of the Company	61		153,667,014,972	173,002,896,673
Non-controlling interest	62		79,665,091,754	127,263,951,699
Basic earnings per share	70	37	5,537	6,425

30 March 2020

Prepared by: 
Ngo Van Danh
Chief Accountant

Approved by: 
Phan Quang Cui Long
General Director



CONSOLIDATED BALANCE SHEET

Saigon General Service Corporation and its subsidiaries Consolidated statement of cash flows for the year ended 31 December 2019 (Indirect method)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	2019 VND	2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	274,785,197,480	362,311,756,490
Adjustments for			
Depreciation and amortisation	02	89,876,778,586	73,393,593,028
Allowances and provisions	03	(239,513,516)	(2,384,670,269)
Losses on liquidation of investment in an associate	05	253,696,953	-
Gains on disposals of fixed assets	05	(2,280,315,934)	(2,282,130,956)
Dividend income and interest income	05	(10,227,421,035)	(9,201,722,200)
Share of profit in associates	05	(87,625,524,407)	(57,903,674,161)
Interest expense	06	129,632,263,755	84,957,422,562
Operating profit before changes in working capital	08	394,175,161,882	448,890,574,494
Change in receivables and other current assets	09	34,665,318,906	(99,624,128,023)
Change in inventories	10	(247,884,258,904)	(416,605,596,879)
Change in payables and other liabilities	11	(13,963,265,415)	70,037,650,435
Change in prepaid expenses	12	(3,692,613,921)	(18,270,986,003)
Change in trading securities	13	-	8,042,838,572
		163,300,342,548	(7,529,647,404)
Interest paid	14	(129,021,224,866)	(84,392,802,785)
Corporate income tax paid	15	(61,408,340,425)	(46,268,936,833)
Other payments for operating activities	17	(14,704,532,406)	(14,305,735,593)
Net cash flows from operating activities	20	(41,833,755,149)	(152,497,122,615)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(171,221,387,307)	(173,193,772,239)
Proceeds from disposals of fixed assets	22	26,183,121,122	29,574,377,428
Payments for granting loans	23	(59,420,000,000)	(13,000,000,000)
Payments for term deposits at banks	23	(4,264,000,000)	(7,886,000,000)
Collection from term deposits at banks	24	25,000,000	1,525,000,000
Receipts from collecting loans	24	61,520,000,000	1,000,000,000
Payments for investments in other entities	25	(12,500,000,000)	(26,293,000,000)
Payments for acquisition of a subsidiary, netted of cash acquired (Note 5)	25	(9,900,000,000)	-
Collections from investment in an associate	26	31,496,303,047	-
Receipts of dividends and interests	27	44,540,881,035	19,863,684,700
Net payment for other non-current assets		(4,905,236,850)	(12,472,551,876)
Net cash flows from investing activities	30	(98,445,318,953)	(180,882,261,987)

CONSOLIDATED BALANCE SHEET

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2019
(Indirect method – continued)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	2019 VND	2018 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issued by subsidiaries to non-controlling interest	31	8,348,000,000	35,531,430,000
Proceeds from borrowings	33	11,668,865,440,941	8,871,125,408,105
Payments to settle loan principals	34	(11,367,607,146,232)	(8,466,678,822,737)
Payments of dividends to equity holders of the Company	36	(37,451,236,350)	(29,965,543,380)
Payments of dividends by subsidiaries to non-controlling interest	36	(71,207,155,752)	(31,334,921,140)
Net cash flows from financing activities	40	200,947,902,607	378,677,550,848
Net cash flows during the year (50 = 20 + 30 + 40)	50	60,668,828,505	45,298,166,246
Cash and cash equivalents at the beginning of the year	60	268,045,104,754	222,746,938,508
Cash and cash equivalents at the end of the year (70 = 50 + 60) (Note 6)	70	328,713,933,259	268,045,104,754

30 March 2020

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Phan Quang Cui Long
General Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

These notes form an integral part of, and should be read in conjunction with, the accompanying consolidated financial statements.

1. Reporting entity

(a) Ownership structure

Saigon General Service Corporation (“the Company”) was incorporated as a joint-stock company under Decision No. 3448/QĐ-UB issued by the Ho Chi Minh City People’s Committee on 9 July 2004 and amended by Decision No. 3449/QĐ-UB on the same day.

The consolidated financial statements of the Company for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

(b) Principal activities

The principal activities of the Company are:

- Services and trading: trading, distribution, repair and maintenance of cars, motorbikes and spare parts; trading jewelries, construction materials; providing hotel and restaurant services;
- Real estate: trading real estate, land use rights; leasing warehouses, office, commercial centres; investing, developing real estate projects such as office buildings, apartments, villas and high-class resorts; and
- Financial services: investing in subsidiaries, associates and in shares of other entities operating in trading and services, real estate and infrastructures.

The Company’s shares have been listed on the Ho Chi Minh Stock Exchange since 2009.

(c) Normal operating cycle

The normal operating cycle of the Group is generally within 12 months.

(d) Group structure

As at 31 December 2019, the Group had 3,161 employees (1 January 2019: 2,744 employees).

At the reporting date, the Group had subsidiaries and associates as follows:

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at 31/12/2019	1/1/2019
Direct subsidiaries					
1	Saigon Automobile Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	61A Cao Thang Street, Ward 3, District 3, Ho Chi Minh City, Vietnam	52.05%	52.05%
2	Toyota Giai Phong Joint Venture Company	Trading TOYOTA cars and spare parts, providing maintenance services.	807 Giai Phong Street, Giap Bat Ward, Hoang Mai District, Hanoi City, Vietnam	51.00%	51.00%
3	Saigon Service Trading Limited Company	Trading YAMAHA motorbikes and spare parts, providing maintenance services.	164 – 166C, 3/2 Street, Hung Loi Ward, Ninh Kieu District, Can Tho City, Vietnam	88.12%	88.12%
4	Saigon Star Corporation	Trading SUZUKI and HONDA automobile and motorbikes and spare parts, providing maintenance services.	510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam	56.80%	56.80%
5	Savico Hanoi Corporation	Operating business centre; trading real estate and trading and maintaining automobile.	7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam	70.00%	70.00%
6	Toyota Can Tho Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	K2-0, Vo Nguyen Giap Street, Thanh Thuan Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51.00%	51.00%
7	Savico Da Nang Corporation	Trading real estate; providing workshops and office rental services; providing consulting and real estate brokerage services; trading automobile and spare parts and providing maintenance and repairing service.	66 Vo Van Tan Street, Chinh Gian Ward, Thanh Khe District, Da Nang City, Vietnam	70.00%	70.00%

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at 31/12/2019	1/1/2019
8	OtoS Joint Stock Company (otos.vn)	Providing e-commerce services; advertising services; trading cars and spare parts; providing software publication and other services related to information technology.	68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	80.86%	80.86%
9	Da Nang Son Tra Corporation	Trading real estate; providing hotel and travel services; operating restaurants.	Bai Trem, Hoang Sa Street, Tho Quang Ward, Son Tra District, Da Nang City, Vietnam	98.00%	98.00%
10	Saigon Cuu Long Automobile Corporation	Trading GM, VINFAST cars and spare parts; providing maintenance services.	274 30/4 Street, Hung Loi Ward, Ninh Kieu District, Can Tho City, Vietnam	84.17%	84.17%
11	Saigon North West Automobile Joint Stock Company (iii)	Trading ISUZU trucks and spare parts; providing maintenance services.	43/7A Xuan Thoi Dong 2 Area, Xuan Thoi Dong Ward, Hoc Mon District, Ho Chi Minh City, Vietnam	99.90%	80.00%
12	Vinh Thinh Automobile Joint Stock Company	Trading HINO truck and spare parts; providing maintenance services.	5/5 Binh Giao Area, Thuan Giao Ward, Thuan An Town, Binh Duong Province, Vietnam	90.00%	90.00%
13	Nam Song Hau Automobile Joint Stock Company	Trading HONDA cars and spare parts; providing maintenance services.	Block E1-1, Vo Nguyen Giap Street, Thanh Loi Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51.00%	51.00%
14	Vinh Thinh Vehicle And Specialized Equipment Company Limited	Trading HYUNDAI truck, bus and spare parts; providing maintenance services.	Hamlet 1, Dong Tien Commune, Dong Phu District, Binh Phuoc Province, Vietnam	55.00%	55.00%

**Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at 31/12/2019	1/1/2019
Indirect subsidiaries					
15	Ben Thanh Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	831 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	52.00%	52.00%
16	Can Tho Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	11 Vo Nguyen Giap Street, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	90.25%	90.25%
17	Saigon Far East Service Trading Company Limited	Trading HONDA motorbikes and spare parts, providing maintenance services.	673 Huynh Tan Phat Street, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam	100%	100%
18	Toyota Long Bien Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam	51.00%	51.00%
19	Toyota Hai Duong Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	1 Ngo Quyen Street, Cam Thuong Ward, Hai Duong City, Vietnam	51.00%	51.00%
20	Hai Duong Auto Investment and Service Company Limited	Trading FORD cars and spare parts, providing maintenance services.	118 An Dinh Street, Binh Han Ward, Hai Duong City, Viet Nam	51.00%	51.00%

**Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at 31/12/2019	1/1/2019
21	Han River Automobile Corporation	Trading HYUNDAI cars and spare parts, providing maintenance services.	76 Duy Tan Street, Hoa Thuan Tay Ward, Hai Chau District, Da Nang City, Vietnam	51.00%	51.00%
22	Binh Dinh Automobile Corporation	Trading HYUNDAI cars and spare parts, providing maintenance services.	359 Tay Son Street, Quang Trung Ward, Quy Nhon City, Binh Dinh Province, Vietnam	51.00%	51.00%
23	Hung Thinh Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts, providing maintenance services.	Lot 02, 1A National Highway, Qua Giang, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam	55.00%	55.00%
24	Gia Lai Automobile One Member Limited Company	Trading HUYUNDAI cars and spare parts, providing maintenance services.	278 Le Duan, Thang Loi Ward, Pleiku, Gia Lai Province, Vietnam	100%	100%
25	Saigon Southern Company Limited (v)	Trading VEAM trucks and spare parts, providing maintenance services.	510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam	100%	100%
26	Kon Tum Automobile Joint Stock Company (ii)	Trading HYUNDAI cars and spare parts, providing maintenance services.	377A Phan Dinh Phung Street, Duy Tan Ward, Kon Tum Province, Vietnam	99.10%	-
27	Son Tra Automobile Limited Company (i)	Trading HYUNDAI cars and spare parts.	286 Pham Hung Street, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam	100%	-
28	Dai Thinh Automobile Joint Stock Company (i)	Trading ISUZU cars and spare parts, providing maintenance services.	Highway 1A, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam	80%	-

**Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at 31/12/2019	1/1/2019
Direct associates					
1	ComfortDelgro Savico Taxi Company Limited (tv)	Providing the transportation and maintenance services.	6 th floor, 555 Tran Hung Dao Street, Cau Kho Ward, District 1, Ho Chi Minh City, Vietnam	-	40.03%
2	Toyota East Saigon Joint Stock Company	Trading TOYOTA cars and spare parts, providing maintenance services.	507 Ha Noi Highway, District 2, Ho Chi Minh City, Vietnam	30.30%	30.30%
3	Binh Duong New City Automobile Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot C13, Hung Vuong Street, Lien Hop Area, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	38.51%	38.51%
4	South West Star Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts; providing maintenance services.	91 Cach Mang Thang Tam Street, An Thoi Ward, Binh Thuy District, Can Tho City, Vietnam	43.80%	43.80%
5	Toyota Ly Thuong Kiet Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services, non-life insurance agency.	188 Le Trong Tan, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	35.00%	35.00%
6	Bac Au Automobile Joint Stock Company	Trading VOLVO cars and spare parts, providing maintenance services.	340A Nguyen Van Linh, Binh Thuan Ward, District 7, Ho Chi Minh City, Vietnam	39.81%	39.81%

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**Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at 31/12/2019	1/1/2019
7	Savico Investment Joint Stock Company	Trading real estate; providing property consultancy, brokerage, auction; providing services on market study, surveys of public opinion; providing architecture and related technology consultancy; providing specialised design and construction services; trading automobile and spare parts; providing maintenance and repairing services.	66-68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	40.00%	40.00%
Indirect associates					
8	Dana Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	56 Dien Bien Phu Street, Thanh Khe Ward, Da Nang City, Vietnam	40.27%	40.27%
9	South Saigon Automobile Service Commercial Investment Joint Stock	Trading GM, VINFAST cars and spare parts, providing maintenance services.	1489 Nguyen Van Linh, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam	30.00%	30.00%
10	Bac Au Hanoi Automobile Limited Company	Trading VOLVO cars and spare parts, providing maintenance services.	9 Nguyen Van Linh, Gia Thuy Ward, Long Bien District, Hanoi City, Vietnam	25.00%	25.00%
11	Binh Thuan Automotive Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot 4/3, Street No.4, Phan Thiet 1 Industrial Zone, Phong Nam Commune, Phan Thiet City, Binh Thuan Province	50.00%	50.00%
12	Ben Thanh Tay Ninh Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	Highway 22B, Hiep Truong Hamlet, Hiep Tan Commune, Hoa Thanh District, Tay Ninh Province	50.00%	50.00%

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**Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

Form B 09 – DN/HN
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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				31/12/2019	1/1/2019
13	Da Nang Automobile Company Limited	Trading MITSUBISHI cars and spare parts, providing maintenance services.	No.2 Nguyen Huu Tho Street, Hoa Thuan Tay Ward, Hai Chau District, Da Nang City	50.00%	50.00%
14	Savico Quang Nam Company Limited	Trading MITSUBISHI cars and spare parts, providing maintenance services.	1A Highway, Van Long Hamlet, Tam Dan Commune, Phu Ninh District, Quang Nam Province	50.00%	50.00%
15	Sai Gon Auto Gia Dinh Service Company Limited	Trading FORD cars and spare parts, providing maintenance services.	1A Highway, Thanh Xuan Ward, District 12, Ho Chi Minh City	35.00%	35.00%
16	Star Hyundai Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts, providing maintenance services.	184C/1, 1A Town, An Phu Ward, Thuan An District, Binh Duong Province	49.00%	49.00%
17	Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company (i)	Trading HYUNDAI cars and spare parts, providing maintenance services.	D6/28 National Highway 1A, Town 4, Tan Tuc Ward, Binh Chanh District, Ho Chi Minh City	50.00%	-

- (i) These companies were established during the year ended 31 December 2019.
- (ii) The Group acquired this subsidiary with total cash consideration of VND9,900 million in March 2019 (Note 5).
- (iii) On 8 August 2019, the Group acquired 796,000 shares of this subsidiary with total cash consideration of VND7,960 million and the equity ownership increased from 80% to 99.90%.
- (iv) On 28 February 2019, the Members' Council of ComfortDelgro Savico Taxi Company Limited decided to liquidate the company and return the remaining assets to the investor upon completion of the liquidation. The liquidation was completed during the year.
- (v) This subsidiary is in the liquidation process.

**Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019
(continued)**

Form B 09 – DN/HN
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2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Group is from 1 January to 31 December.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purpose.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019
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(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of income. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investments in the separate financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

(iv) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

(v) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

(vi) Transactions eliminated on consolidation

Intra-group transactions, balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates are eliminated against the investments to the extent of the Group's interest in the associate.

(b) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of account transfer buying rate and account transfer selling rate at the end of the annual accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions.

All foreign exchange differences are recorded in the consolidated statement of income.

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019
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(c) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(d) Investments

(i) Trading securities

Trading securities are those held by the Group for trading purpose i.e. purchased for resale with the aim of making profits. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(ii) Held-to-maturity investments

Held-to-maturity investments are those that the Group's management has intention and ability to hold until maturity. Held-to-maturity investments comprise term deposits at banks and loans receivable held-to-maturity. These investments are stated at cost less allowance for doubtful debts.

(iii) Investments in equity instruments of other entities

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(e) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019
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(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis for real estate projects, cars, motorbikes and weighted average basis for other inventories and includes all costs incurred in bringing the inventories to their present location and condition. Cost of real estate projects include land use rights, land development costs and construction costs. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	6 – 42 years
▪ machinery and equipment	4 – 8 years
▪ office equipment	2 – 10 years
▪ motor vehicles	5 – 6 years
▪ others	3 – 5 years

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

- those granted by the State for which land use payments are collected;
- those acquired in a legitimate transfer; and
- rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use right certificate issued by competent authority.

Land use rights with indefinite period of use are stated at cost and not amortised. Land use rights with definite period of use are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over 20 to 50 years.

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(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 4 years.

(i) Investment property held to earn rental

(i) Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by management. Expenditure incurred after investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of income in the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

(ii) Depreciation

Land use rights with indefinite period of use are stated at cost and not amortised. Land use rights with definite period of use are stated at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. The estimated useful lives are as follows:

▪ land use rights	18 – 50 years
▪ buildings and structures	5 – 45 years

(j) Construction in progress

Real estate projects that are being constructed or developed for future mixed use as fixed assets, investment property and property for sale (inventories) are classified as construction in progress and stated at cost, until construction or development is completed or costs can be measured reliably, at which time they are reclassified and subsequently accounted for as fixed assets, investment property or inventories, as described in respective notes.

All costs directly associated with the purchase and development of a project, costs incurred in conjunction with securing the leasehold land use rights, and all subsequent expenditure for the development qualifying as acquisition costs are capitalised.

Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditure and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the assets are substantially ready for their intended use. Capitalisation is suspended when construction or production activities of qualifying assets are suspended. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds, to the average rate.

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(k) Business cooperation contracts

The Group recognises the capital contributions from other counterparties in the business cooperation contracts as other payables and the capital contributions of the Group in business cooperation contracts with other counterparties as other receivables. For product sharing and profit sharing contracts in which the Group does not control the projects, income derived from these contracts is recognised in the consolidated statement of income in accordance with the contractual agreements between parties.

(l) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease of 20 years.

(ii) Tools and instruments

Tools and instruments held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and supplies are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(iii) Other prepaid expenses

Other prepaid expenses mainly include renovation expenses which are stated at cost and are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(m) Trade and other payables

Trade and other payables are stated at their cost.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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(o) Share capital

(i) Ordinary shares

Ordinary shares are stated at par value. Excess of cash receipt from share issues over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(ii) Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

(p) Equity funds

Allocations to equity funds from retained profits are made annually based on percentage decided by the shareholders in Annual General Shareholders' meeting.

(q) Taxation

Income tax on the consolidated profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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(r) Revenue

(i) Sales of properties

Revenue from transfer of land use rights and sale of standard-designed houses which do not require significant customisation for each customer is recognised in the consolidated statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of properties. Transfer of significant risks and rewards is determined to be at the time of sale or completion of the property, whichever is later.

(ii) Sales of merchandise goods

Revenue from the sales of merchandise goods is recognised in the consolidated statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(iii) Services rendered

Services mainly consist of repair and maintenance for cars and motorbikes. Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction at the end of the annual accounting period. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iv) Rental income

Rental income from leased property under operating lease arrangements is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(s) Financial income

(i) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(ii) Income from trading of securities

Income from securities trading activities is recognised in the consolidated statement of income upon receipt of order matching report of securities trading transactions from Vietnam Securities Depository (for listed securities) or the completion of the agreement on transfer of assets (for non-listed securities).

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(iii) Dividend income

Dividends income is recognised when the right to receive dividends is established. Share dividends are not recognised as income. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(t) Operating lease payments

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense.

(u) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the year of construction are capitalised as part of the cost of the assets concerned.

(v) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund and Board of Management and Supervisory Board fee fund for the annual accounting period) of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, if any.

(w) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments. The Group operates in a single geographical segment, which is Vietnam.

(x) Related parties

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Group and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

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4. Segment reporting

For the years ended 31 December 2019 and 2018

	Services and trading		Real estate		Financial services		Total
	2019	2018	2019	2018	2019	2018	
	VND	VND	VND	VND	VND	VND	VND
Segment revenue	18,044,575,575,404	14,674,708,467,915	221,730,896,398	196,946,454,389	-	18,266,306,471,802	14,871,654,922,304
Segment other income	209,569,473,474	154,585,003,358	12,100,449,290	6,273,827,248	1,399,129,975	2,390,251,428	163,249,082,034
Direct and attributable cost	(17,121,406,996,637)	(13,774,533,290,859)	(92,431,528,496)	(77,377,486,704)	-	(17,213,838,525,133)	(13,851,910,777,563)
Direct and attributable other expenses to segments	(939,727,868,131)	(757,057,372,525)	(80,892,187,061)	(78,442,010,940)	(828,956,552)	(1,021,449,011,744)	(836,315,691,441)
Segment profit	193,010,184,110	297,702,807,889	60,507,630,131	47,400,783,993	570,173,423	1,573,943,452	346,677,535,334
Un-allocated income							23,780,858,670
Un-allocated expenses							(3,083,648,854)
Income tax							(41,453,090,754)
							233,332,106,726
							300,266,848,372

	Services and trading		Real estate		Financial services		Total
	2019	2018	2019	2018	2019	2018	
	VND	VND	VND	VND	VND	VND	VND
Depreciation and amortisation	65,753,817,340	49,610,985,547	24,122,961,246	23,782,607,481	-	89,876,778,586	73,393,593,028
Allowances and provisions	(3,074,513,516)	(1,439,670,269)	-	-	(2,835,000,000)	(945,000,000)	(2,384,670,269)
Capital expenditure	94,637,709,356	122,568,147,677	76,563,677,951	70,461,484,517	-	171,221,387,307	193,029,632,194

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	Services and trading		Real estate		Financial services		Total
	31/12/2019	1/1/2019	31/12/2019	1/1/2019	31/12/2019	1/1/2019	
	VND	VND	VND	VND	VND	VND	VND
Assets							
Segment current assets	2,265,622,047,026	1,989,572,301,235	226,874,124,391	180,711,121,765	23,169,579,493	25,768,807,291	2,515,665,750,910
Segment non-current assets	774,632,487,187	740,142,423,044	1,431,476,184,542	1,414,980,820,760	98,168,655	964,983,282	2,206,206,840,384
Segment un-allocated assets	-	-	-	-	-	-	6,164,002,639
							3,508,876,201
	3,040,254,534,213	2,729,714,724,279	1,658,350,308,933	1,595,691,942,525	23,267,748,148	26,733,790,573	4,728,036,593,933
							4,355,649,333,578
Liabilities							
Segment current liabilities	2,041,795,002,922	1,714,913,366,102	549,546,081,275	549,973,929,541	812,424,528	1,373,269,415	2,592,153,508,725
Segment non-current liabilities	100,771,938,373	106,885,854,951	395,002,556,182	447,016,953,436	297,998,648	339,945,099	496,072,493,203
	2,142,566,941,295	1,821,799,221,053	944,548,637,457	996,990,882,977	1,110,423,176	1,713,214,514	3,088,226,001,928
							2,820,503,318,544
#	#	#	#	#	#	#	#

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5. Business combination

In March 2019, the Group completed the acquisition of 99.10% share capital of Kon Tum Automobile Joint Stock Company with total cash consideration of VND9,900 million. The acquisition had the following effects on the Group's assets and liabilities on acquisition date:

	Pre-acquisition carrying amounts /Recognised value on acquisition VND
Deductible value added tax	647,095,865
Tangible fixed assets	6,377,328,669
Other current assets	442,780,310
Net identifiable assets and liabilities	<u>7,467,204,844</u>
Share of net assets acquired (99.10%)	7,400,000,000
Goodwill on acquisition (Note 31)	<u>2,500,000,000</u>
Total considerations paid	<u>9,900,000,000</u>
Net cash outflow	<u>9,900,000,000</u>

During the period from the acquisition date to 31 December 2019, the acquired business contributed revenue of VND3,963 million to the Group's results.

6. Cash and cash equivalents

	31/12/2019 VND	1/1/2019 VND
Cash on hand	15,031,086,601	36,785,258,007
Cash in banks	181,626,074,152	173,222,314,872
Cash equivalents	132,056,772,506	58,037,531,875
	<u>328,713,933,259</u>	<u>268,045,104,754</u>

Cash equivalents at 31 December 2019 included VND1,950 million (1 January 2019: VND11,340 million) was pledged with banks as security for loans granted to the Group (Note 21).

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7. Investments

(a) Trading securities

	Quantity	Cost VND	31/12/2019 Allowance for diminution in value VND	Fair value VND	Quantity	Cost VND	1/1/2019 Allowance for diminution in value VND	Fair value VND
Listed securities								
• Ho Chi Minh City Electric Power Trading Investment Corporation	1,350,000	13,500,000,000	(7,020,000,000)	6,480,000,000	1,350,000	13,500,000,000	(4,185,000,000)	9,315,000,000
• Tien Len Steel Corporation Joint Stock Company	3	22,740	-	22,740	3	22,740	-	22,740
Unlisted securities								
• Pacific Construction Investment and Commercial Joint Stock Company	500,000	14,000,000,000	(9,000,000,000)	(*)	500,000	14,000,000,000	(9,000,000,000)	(*)
• Ben Thanh Non Nuoc Joint Stock Company	900,000	9,000,000,000	-	(*)	900,000	9,000,000,000	-	(*)
• Toan Cau Insurance Company	180,000	6,300,000,000	(5,040,000,000)	(*)	180,000	6,300,000,000	(5,040,000,000)	(*)
• Hai Phong Securities Joint Stock Company	812	2,052,543	-	(*)	812	2,052,543	-	(*)
		<u>42,802,075,283</u>	<u>(21,060,000,000)</u>	<u>21,742,075,283</u>		<u>42,802,075,283</u>	<u>(18,225,000,000)</u>	<u>23,517,075,283</u>

(*) At the reporting dates, fair values of these securities were not available.

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Movements in the allowance for diminution in value of trading securities during the year were as follows:

	2019 VND	2018 VND
Opening balance	18,225,000,000	19,170,000,000
Allowance made during the year	2,835,000,000	-
Allowance reserved during the year	-	(945,000,000)
Closing balance	21,060,000,000	18,225,000,000

(b) Held-to-maturity investments

	31/12/2019 VND	1/1/2019 VND
▪ Term deposits at banks with term to maturity of more than 3 months to 1 year	17,150,000,000	14,911,000,000
▪ Term deposits at banks with term to maturity of more than 1 year	2,000,000,000	-

Term deposits at banks at 31 December 2019 included VND18,650 million (1 January 2019: VND11,650 million) was pledged with banks as security for loans granted to the Group (Note 21).

(c) Loans receivable

	Annual interest rate	31/12/2019 VND	1/1/2019 VND
Loans receivable from associates:			
▪ Binh Duong New City Automobile Service Joint Stock Company	6 - 12 months	6.5%	9,000,000,000
▪ Southwest Star Automobile Joint Stock Company	6 - 12 months	7.5%	3,000,000,000
▪ Star Hyundai Automobile Joint Stock Company	3 - 6 months	8%	-
		9,900,000,000	12,000,000,000

These loans are unsecured.

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(d) Investments in associates

	31/12/2019 Cumulative share of profit/(loss) VND	1/1/2019 Cumulative share of profit/(loss) VND	Carrying value VND	Cost VND
• ComfortDelgro Savico Taxi Company Limited	-	-	-	-
• Toyota East Saigon Joint Stock Company	49,886,924,145	(249,788,039)	78,992,983,145	29,106,059,000
• Binh Duong New City Automobile Service Joint Stock Company	19,901,116,710	47,835,685,016	35,294,116,710	15,393,000,000
• South West Star Automobile Joint Stock Company	7,376,483,583	14,854,244,680	24,896,483,583	17,520,000,000
• Toyota Ly Thuong Kiet Company Limited	2,679,456,095	5,517,113,380	19,604,576,040	16,925,119,945
• Bac Au Automobile Joint Stock Company	60,997,007,597	7,961,240,201	80,197,007,597	19,200,000,000
• Savico Investment Joint Stock Company	(461,142,830)	25,121,822,751	63,538,857,170	64,000,000,000
• Dana Joint Stock Company	22,927,754,788	(1,147,906)	28,968,254,788	6,040,500,000
• South Saigon Automobile Service Commercial Investment Joint Stock Company	(407,465,157)	19,327,418,284	3,192,534,843	3,600,000,000
• Bac Au Hanoi Automobile Limited Company	6,070,848,796	861,801,529	11,070,848,796	5,000,000,000
• Binh Thuan Automotive Service Joint Stock Company	2,452,101,733	3,410,522,331	12,452,101,733	10,000,000,000
• Ben Thanh Tay Ninh Automobile Corporation	671,573,112	739,054,358	10,671,573,112	10,000,000,000
• Da Nang Automobile Company Limited	11,729,317,227	572,940,135	16,729,317,227	5,000,000,000
• Savico Quang Nam Company Limited	(41,431,925)	3,154,804,483	1,058,568,075	1,100,000,000
• Sai Gon Auto Gia Dinh Service Company Limited	2,081,399,269	(3,492,767)	10,831,399,269	8,750,000,000
• Star Hyundai Automobile Joint Stock Company	(4,458,614,327)	348,729,517	5,341,385,673	9,800,000,000
• Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company	72,280,974	(1,285,402,570)	10,072,280,974	10,000,000,000
	231,434,678,945	128,165,545,383	412,912,288,735	250,684,678,945
	181,477,609,790	378,850,224,328	250,684,678,945	231,434,678,945

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At the reporting date, fair values of these long-term investments in associates were not available.

Movements of investments in associates during the year were as follows:

	2019 VND	2018 VND
Opening balance	378,850,224,328	305,315,512,667
New investments	12,500,000,000	26,293,000,000
Share of net profit in associates	87,625,524,407	57,903,674,161
Dividends received from associates	(34,313,460,000)	(10,661,962,500)
Carrying value of investment in an associate after liquidation	(31,496,303,047)	-
Losses on liquidation of an associate	(253,696,953)	-
Closing balance	412,912,288,735	378,850,224,328

8. Accounts receivable from customers – short-term

	31/12/2019 VND	1/1/2019 VND
Associates:	4,114,519,640	8,299,223,152
▪ Ben Thanh Tay Ninh Automobile Corporation	-	628,330,000
▪ Binh Thuan Automotive Service Joint Stock Company	1,308,106,364	2,924,445,000
▪ Sai Gon Auto Gia Dinh Service Company Limited	1,076,218,276	3,641,182,396
▪ Dana Joint Stock Company	-	343,156,877
▪ Da Nang Automobile Company Limited	-	540,773,879
▪ Binh Duong New City Automobile Service Joint Stock Company	-	221,335,000
▪ Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company	1,730,195,000	-
Third parties:	498,485,591,186	509,013,664,428
▪ Customers in relation to sales of merchandise goods	458,961,108,524	491,405,363,968
▪ Customers in relation to property rental	6,232,461,823	1,414,782,755
▪ Customers in relation to sales of properties	6,381,815,282	8,289,485,711
▪ Other customers	26,910,205,557	7,904,031,994
	502,600,110,826	517,312,887,580

At 31 December 2019, accounts receivable from customers with a carrying value of VND1,356 million (1 January 2019: Nil) was pledged with banks as security for loans granted to the Group (Note 21).

The amounts due from the associates were unsecured, interest free and are receivable within 60 - 90 days from invoice date.

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9. Other receivables

(a) Other short-term receivables

	31/12/2019 VND	1/1/2019 VND
Deposits for trading used cars on behalf of customers	28,310,000,000	36,330,600,000
Advances to employees	15,745,259,983	12,410,570,532
Short-term deposits	1,892,944,370	1,112,700,000
Others	29,538,496,731	30,866,896,678
	75,486,701,084	80,720,767,210

(b) Other long-term receivables

	31/12/2019 VND	1/1/2019 VND
Receivables from business cooperation contracts with other counterparties (i)	128,548,020,723	117,306,336,203
Long-term deposits	49,588,621,408	60,563,953,009
Others	267,204,941	5,308,321,010
	178,403,847,072	183,178,610,222

(i) These receivables represent to advances to other partners for real estate business cooperation contracts for Binh An Project, Long Hoa Project, Melisa Project and Le Minh Xuan Project.

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10. Inventories

	31/12/2019		1/1/2019	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	2,428,123,809	-	304,335,682	-
Materials and spare parts	31,336,197,616	-	11,928,292,687	-
Work in progress	115,186,018,166	-	104,078,195,400	-
▪ Tam Binh Residential Project	20,688,280,926	-	13,627,374,969	-
▪ Nam Cam Le Project	85,102,667,227	-	75,824,655,957	-
▪ Others	9,395,070,013	-	14,626,164,474	-
Finished goods	2,615,456,426	-	1,332,902,688	-
Merchandise inventories (cars and motorbikes)	1,234,703,043,180	(1,348,005,779)	1,019,333,833,616	(4,049,102,495)
Goods on consignment	139,028,625	-	1,546,048,845	-
	1,386,407,867,822	(1,348,005,779)	1,138,523,608,918	(4,049,102,495)

Movements in the allowance for inventories during the year were as follows:

	2019 VND	2018 VND
Opening balance	4,049,102,495	2,340,308,192
Allowance made during the year	1,304,728,436	1,708,794,303
Allowance reserved during the year	(4,005,825,152)	-
Closing balance	1,348,005,779	4,049,102,495

At 31 December 2019, inventories with carrying value of VND641,558 million (1 January 2019: VND407,441 million) were pledged with banks as security for loans granted to the Group (Note 21).

Included in inventories at 31 December 2019 was VND87,064 million (1 January 2019: VND90,372 million) of cars and motorbikes carried at net realised value.

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11. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Opening balance	389,861,086,332	103,885,903,836	16,604,718,547	76,072,641,279	10,857,107,589	597,281,457,583
Additions	11,396,469,011	18,084,250,913	4,727,163,710	57,930,965,613	488,480,109	92,627,329,356
Transfer from construction in progress	30,279,902,768	4,199,600,157	450,636,364	2,211,372,273	336,784,000	37,478,295,562
Disposals	(190,087,134)	-	(1,841,152,727)	(31,804,118,142)	-	(33,835,358,003)
Written off	-	(644,175,320)	-	-	-	(644,175,320)
Closing balance	431,347,370,977	125,525,579,586	19,941,365,894	104,410,861,023	11,682,371,698	692,907,549,178
Accumulated depreciation						
Opening balance	118,565,468,592	52,945,648,178	8,134,965,879	23,747,051,747	7,513,604,048	210,906,738,444
Charge for the year	29,966,974,844	14,255,567,179	4,164,416,901	12,724,437,049	746,396,522	61,857,792,495
Disposals	(9,051,768)	-	(994,681,837)	(8,928,819,210)	-	(9,932,552,815)
Written off	-	(644,175,320)	-	-	-	(644,175,320)
Closing balance	148,523,391,668	66,557,040,037	11,304,700,943	27,542,669,586	8,260,000,570	262,187,802,804
Net book value						
Opening balance	271,295,617,740	50,940,255,658	8,469,752,668	52,325,589,532	3,343,503,541	386,374,719,139
Closing balance	282,823,979,309	58,968,539,549	8,636,664,951	76,868,191,437	3,422,371,128	430,719,746,374

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Included in tangible fixed assets were assets costing VND74,093 million which were fully depreciated as of 31 December 2019 (1 January 2019: VND59,104 million), but which are still in active use.

At 31 December 2019, tangible fixed assets with a carrying value of VND119,480 million (1 January 2019: VND87,071 million) were pledged with banks as security for loans granted to the Group (Note 21).

12. Intangible fixed assets

	Indefinite term land use rights VND	Definite term land use rights VND	Software VND	Total VND
Cost				
Opening balance	20,697,299,091	55,683,988,140	4,805,025,025	81,186,312,256
Additions	-	-	2,030,380,000	2,030,380,000
Closing balance	20,697,299,091	55,683,988,140	6,835,405,025	83,216,692,256
Accumulated amortisation				
Opening balance	-	5,498,331,378	4,245,734,103	9,744,065,481
Charge for the year	-	1,024,230,480	371,794,365	1,396,024,845
Closing balance	-	6,522,561,858	4,617,528,468	11,140,090,326
Net book value				
Opening balance	20,697,299,091	50,185,656,762	559,290,922	71,442,246,775
Closing balance	20,697,299,091	49,161,426,282	2,217,876,557	72,076,601,930

Included in intangible fixed assets were assets costing VND8,339 million which were fully depreciated as of 31 December 2019 (1 January 2019: VND3,244 million), but which are still in active use.

At 31 December 2019, intangible fixed assets with a carrying value of VND20,697 million (1 January 2019: VND20,697 million) were pledged with banks as security for loans granted to the Group (Note 21).

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13. Investment property

Investment property held to earn rental

	Land use rights VND	Buildings and structures VND	Total VND
Cost			
Opening balance	68,707,047,550	853,121,661,316	921,828,708,866
Additions	-	109,090,909	109,090,909
Closing balance	68,707,047,550	853,230,752,225	921,937,799,775
Accumulated depreciation			
Opening balance	10,570,473,702	185,073,708,816	195,644,182,518
Charge for the year	1,006,820,340	23,116,140,906	24,122,961,246
Closing balance	11,577,294,042	208,189,849,722	219,767,143,764
Net book value			
Opening balance	58,136,573,848	668,047,952,500	726,184,526,348
Closing balance	57,129,753,508	645,040,902,503	702,170,656,011

Included in investment property held to earn rental were assets costing VND9,671 million which were fully depreciated as of 31 December 2019 (1 January 2019: VND9,671 million), but which are still in active use.

At 31 December 2019, investment property held to earn rental with a carrying value of VND543,485 million (1 January 2019: VND546,214 million) were pledged with banks as security for loans granted to the Group (Note 21).

The fair value of investment properties has not been determined as there were no recent market transactions for similar properties in the same location as the Group's investment properties.

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14. Construction in progress

	2019 VND	2018 VND
Opening balance	367,635,726,677	383,146,360,661
Additions during the year	36,897,653,198	108,566,472,680
Transfer to tangible fixed assets	(37,478,295,562)	(85,397,530,896)
Transfer to intangible fixed assets	-	(261,000,000)
Transfer to investment property	-	(38,418,575,768)
Closing balance	367,055,084,313	367,635,726,677

Major constructions in progress were as follows:

	31/12/2019 VND	1/1/2019 VND
104 Pho Quang Project	266,134,935,670	266,134,935,670
Mecure Son Tra, Da Nang Project	87,586,049,258	84,351,999,406
403 Tran Xuan Soan warehouse	8,755,875,732	-
Toyota Can Tho's showroom	559,036,364	2,968,127,273
Savico Da Nang Mall Project	2,028,815,191	2,028,815,191
Tay Bac Saigon's showroom	-	1,399,200,000
Hyundai Vinh Thinh's showroom	-	6,041,818,182
Hyundai Hung Thinh's showroom	-	1,954,725,498
Savico Ha Noi's showroom	-	2,087,726,050
Other projects	1,990,372,098	668,379,407
	367,055,084,313	367,635,726,677

15. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2019 VND	1/1/2019 VND
Office and house rentals	2,130,460,123	1,572,250,669
Tools and instruments	4,267,998,973	2,163,071,012
Prepaid land costs	477,210,849	-
Others	11,105,021,866	7,999,198,561
	17,980,691,811	11,734,520,242

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(b) Long-term prepaid expenses

	31/12/2019 VND	1/1/2019 VND
Tools and instruments	14,499,488,933	8,442,784,938
Prepaid land costs	11,449,333,945	13,001,075,924
Renovation costs	4,834,591,433	9,694,608,585
Others	4,724,937,638	6,923,440,150
	35,508,351,949	38,061,909,597

16. Accounts payable to suppliers – short-term

Accounts payable to suppliers detailed by significant supplier

	Cost/Amount within payment capacity	
	31/12/2019 VND	1/1/2019 VND
Hino Motor Vietnam Limited	25,132,368,355	28,355,092,547
Ford Vietnam Company Limited	21,662,434,185	21,771,280,302
Isuzu Vietnam Company Limited	17,758,087,620	21,544,993,996
Hyundai Thanh Cong Auto Viet Nam Joint Stock Company	37,010,915,250	42,479,885,050
Toyota Motor Vietnam Company Limited	12,055,133,847	4,577,186,792
Other suppliers	73,082,407,687	66,118,060,689
	186,701,346,944	184,846,499,376

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17. Taxes

(a) Taxes and others payable to State Treasury

	1/1/2019 VND	Incurred VND	Paid VND	Net-off VND	Reclassification VND	31/12/2019 VND
Taxes						
Value added tax	3,917,127,983	2,040,811,132,134	(474,999,437,395)	(1,553,821,024,585)	-	15,907,798,137
Corporate income tax	27,597,915,099	44,108,217,192	(61,408,340,425)	-	2,144,133,187	12,441,925,053
Personal income tax	4,430,638,118	31,423,233,715	(30,820,368,745)	(30,454,638)	-	5,003,048,450
Other obligations						
Land rental	3,217,657,130	26,551,005,716	(25,147,005,716)	-	-	4,621,657,130
Other obligations	258,923,958	481,882,987	(487,597,183)	-	-	253,209,762
	39,422,262,288	2,143,375,471,744	(592,862,749,464)	(1,553,851,479,223)	2,144,133,187	38,227,638,532

(b) Taxes and others receivable from State Treasury

	1/1/2019 VND	Net-off VND	Reclassification VND	31/12/2019 VND
Corporate income tax	172,770,199	-	2,144,133,187	2,316,903,386
Personal income tax	99,549,501	(30,454,638)	-	69,094,863
	272,319,700	(30,454,638)	2,144,133,187	2,385,998,249

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18. Accrued expenses

	31/12/2019 VND	1/1/2019 VND
Interest expense on borrowings	2,236,066,877	1,625,027,988
Rental expense	128,827,273	354,250,910
Salary and related expenses	11,876,116,096	18,616,907,553
Professional service fees	9,440,940,678	9,401,125,791
Operating expenses	9,206,731,847	8,474,171,601
Other expenses	13,673,442,954	14,583,721,270
	46,562,125,725	53,055,205,113

19. Unearned revenue

(a) Unearned revenue – short-term

	31/12/2019 VND	1/1/2019 VND
Properties rental revenue received in advance	269,704,549	212,939,141
Portion of long-term unearned revenue to be realised within 12 months	6,775,086,068	6,552,650,000
Others	39,462,396	8,268,045
	7,084,253,013	6,773,857,186

(b) Unearned revenue – long-term

	31/12/2019 VND	1/1/2019 VND
Properties rental revenue received in advance	92,193,949,785	102,494,261,058
Amount to be realised within 12 months	(6,775,086,068)	(6,552,650,000)
	85,418,863,717	95,941,611,058
Amount to be realised after 12 months		

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20. Other payables

(a) Other payables – short-term

	31/12/2019 VND	1/1/2019 VND
Advances received from to a counterparty in relation to 104 Pho Quang Project	341,319,476,227	341,319,476,227
Payable to a counterparty in relation to 91 Pasteur Project	23,755,483,552	33,755,483,552
Instalments received from customers in relation to Tam Binh Residential Project	48,425,579,600	27,567,765,400
Dividends payable	1,379,329,095	1,367,304,945
Insurance premiums collected on behalf of insurance companies	5,496,217,172	4,995,336,593
Others	28,289,195,877	29,140,750,173
	<u>448,665,281,523</u>	<u>438,146,116,890</u>

(b) Other payables – long-term

	31/12/2019 VND	1/1/2019 VND
Long-term deposits received for rental contracts	63,301,619,458	63,014,413,093
Capital contribution received from counterparties of business cooperation contracts in relation to Binh An Project	24,239,513,834	24,239,513,834
	<u>87,541,133,292</u>	<u>87,253,926,927</u>

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21. Borrowings

(a) Short-term borrowings

	1/1/2019 Carrying amount VND	Movements during the year		31/12/2019 Carrying amount VND
		Increase VND	(Decrease) VND	
Short-term borrowings	1,234,670,787,281	11,649,335,953,791	(11,304,450,017,938)	1,579,556,723,134
Current portion of long-term borrowings	27,500,772,661	32,075,842,158	(27,768,763,995)	31,807,850,824
	<u>1,262,171,559,942</u>	<u>11,681,411,795,949</u>	<u>(11,332,218,781,933)</u>	<u>1,611,364,573,958</u>
Amount within payment capacity	<u>1,262,171,559,942</u>			<u>1,611,364,573,958</u>

Terms and conditions of outstanding short-term borrowings were as follows:

Lenders	Currency	Annual interest rate	31/12/2019 VND	1/1/2019 VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	5% - 7.2%	658,375,406,732	739,391,831,241
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	5.2% - 7%	680,267,787,227	279,580,555,697
▪ HSBC Bank (Vietnam) Ltd.	VND	4.7% - 6.9%	68,752,051,000	97,522,244,600
▪ ANZ Bank Vietnam Limited	VND	4.7% - 6.9%	-	78,469,822,200
▪ Military Commercial Joint Stock Bank	VND	6.3 - 8.6%	40,806,497,100	21,240,590,000
▪ CIMB Bank Vietnam Limited	VND	5.2%	25,700,000,000	6,000,000,000
▪ Bank for Investment and Development of Vietnam	VND	5.5% - 6.7%	72,089,375,900	5,664,334,625
▪ Vietnam Prosperity Joint Stock Commercial Bank	VND	6.5%	1,225,895,000	4,301,408,918
▪ Standard Chartered Bank (Vietnam) Limited	VND	5.8 - 6.5%	29,232,498,750	-
▪ Vietnam Technological and Commercial Joint Stock Bank	VND	6.7%	3,107,211,425	-
▪ An individual	VND	5.8%	-	2,500,000,000
			<u>1,579,556,723,134</u>	<u>1,234,670,787,281</u>

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Included in short-term borrowings were VND758,573 million (1 January 2019: VND357,561 million) unsecured and VND820,983 million (1 January 2019: VND877,110 million) secured by the following assets:

	Note	31/12/2019 VND	1/1/2019 VND
Cash equivalents	6	1,950,000,000	11,340,080,431
Accounts receivable from customers	8	1,355,913,683	-
Inventories	10	641,557,617,602	370,944,563,474
Tangible fixed assets	11	9,698,316,051	8,639,949,095
Held-to-maturity investments – short-term	7(b)	16,650,000,000	11,650,000,000
Held-to-maturity investments – long-term	7(b)	2,000,000,000	-
		<u>673,211,847,336</u>	<u>402,574,593,000</u>

(b) Long-term borrowings

	31/12/2019 VND	1/1/2019 VND
Long-term borrowings	354,920,347,018	398,547,988,162
Repayable within twelve months	(31,807,850,824)	(27,500,772,661)
	<u>323,112,496,194</u>	<u>371,047,215,501</u>

Terms and conditions of outstanding long-term borrowings were as follows:

Lenders	Currency	Annual interest rate	Year of maturity	31/12/2019 VND	1/1/2019 VND
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	8% - 11.5%	2028	272,794,055,785	351,818,024,832
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	9.5% - 10%	2025	31,947,000,000	21,869,003,334
▪ Orient Commercial Joint Stock Bank	VND	10.6% - 11.8%	2028	11,348,233,667	13,849,177,331
▪ Vietnam Public Joint Stock Commercial Bank	VND	11% - 12%	2024	-	9,807,366,993
▪ Tien Phong Commercial Joint Stock Bank	VND	10% - 11%	2026	15,902,997,209	-
▪ Military Commercial Joint Stock Bank	VND	9.2% - 10.7%	2021	232,360,357	659,915,672

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Lenders	Currency	Annual interest rate	Year of maturity	31/12/2019 VND	1/1/2019 VND
▪ Vietnam Prosperity Joint Stock Commercial Bank	VND	7.8%	2023	425,700,000	544,500,000
▪ Vietnam International Commercial Joint Stock Bank	VND	8.0%	2029	22,270,000,000	-
				<u>354,920,347,018</u>	<u>398,547,988,162</u>

The long-term borrowings were secured by the following assets:

	Note	31/12/2019 VND	1/1/2019 VND
Inventories	10	-	36,495,951,129
Tangible fixed assets	11	109,782,183,556	78,431,263,619
Intangible fixed assets	12	20,697,299,091	20,697,299,091
Investment property	13	543,485,149,807	546,213,846,398
		<u>673,964,632,454</u>	<u>681,838,360,237</u>

22. Bonus and welfare fund

This fund is established by appropriating from retained profits as approved by shareholders at Annual General Meeting. This fund is used to pay bonus and welfare to the Group's employees in accordance with the Group's bonus and welfare policies. Movements in bonus and welfare fund during the year were as follows:

	2019 VND	2018 VND
Opening balance	16,311,630,959	13,923,106,755
Appropriation from retained profits (Note 23)	8,287,427,939	9,688,951,880
Utilisation during the year	(6,670,758,294)	(7,300,427,676)
	<u>17,928,300,604</u>	<u>16,311,630,959</u>

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23. Changes in owners' equity

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2018	249,955,730,000	317,064,858,303	14,850,000,000	(690,474,358)	47,539,169,112	297,796,407,469	350,831,835,473	1,277,347,525,999
Capital contribution by non-controlling interest	-	-	-	-	-	-	35,531,430,000	35,531,430,000
Net profit for the year	-	-	-	-	-	173,002,896,673	127,263,951,699	300,266,848,372
Dividends (Note 25)	-	-	-	-	-	(29,970,608,400)	(31,334,921,140)	(61,305,529,540)
Appropriation to bonus and welfare fund	-	-	-	-	-	(7,113,224,696)	(2,575,727,184)	(9,688,951,880)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(5,411,599,110)	(1,593,708,807)	(7,005,307,917)
Share dividends received from a subsidiary	-	-	5,392,000,000	-	(3,988,710,430)	(4,283,289,570)	2,880,000,000	-
Others	-	-	-	-	(517,257,383)	517,257,383	-	-
Balance at 1 January 2019	249,955,730,000	317,064,858,303	20,242,000,000	(690,474,358)	43,033,201,299	424,537,839,749	481,002,860,041	1,535,146,015,034
Capital contribution by non-controlling interest	-	-	-	-	-	-	8,348,000,000	8,348,000,000
Net profit for the year	-	-	-	-	-	153,667,014,972	79,665,091,754	233,332,106,726
Dividends (Note 25)	-	-	-	-	-	(37,463,260,500)	(71,207,155,752)	(108,670,416,252)
Appropriation to bonus and welfare fund	-	-	-	-	-	(7,003,819,753)	(1,283,608,186)	(8,287,427,939)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(8,377,618,836)	(2,000,066,728)	(10,377,685,564)
Share dividends received from subsidiaries	-	-	71,653,000,000	-	(6,783,595,598)	(64,869,404,402)	-	-
Change through additional acquisition of equity interest in subsidiaries	-	-	-	-	-	-	(9,680,000,000)	(9,680,000,000)
Balance at 31 December 2019	249,955,730,000	317,064,858,303	91,895,000,000	(690,474,358)	36,249,605,701	460,490,751,230	484,845,121,129	1,639,810,592,005

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24. Share capital

The Company's authorised and issued share capital are:

	31/12/2019		1/1/2019	
	Number of shares	VND	Number of shares	VND
Authorised share capital	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Issued ordinary shares	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Treasury ordinary shares	(20,066)	(690,474,358)	(20,066)	(690,474,358)
Ordinary shares in circulation	24,975,507	249,265,255,642	24,975,507	249,265,255,642

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

There were no movements in share capital during the years ended 31 December 2019 and 2018.

25. Dividends

The Annual General Meeting of Shareholders of the Company on 29 March 2019 resolved to distribute dividends amounting to VND37,463 million, which is equal to 15% of par value of shares in circulation at that time (2018: VND29,971 million, which is equal to 12% of par value of shares in circulation at that time).

26. Investment and development fund

Investment and development fund was appropriated from retained profits in accordance with the resolution of Annual General Meeting of Shareholders. This fund is established for the purpose of future business expansion.

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27. Off balance sheet items

(a) Lessor commitments

The future minimum lease payments under non-cancellable operating leases were:

	31/12/2019 VND	1/1/2019 VND
Within one year	106,595,608,500	89,424,866,461
From two to five years	352,533,619,340	279,874,996,131
Over five years	796,936,961,785	580,204,669,368
	<u>1,256,066,189,625</u>	<u>949,504,531,960</u>

(b) Goods held for third parties

	31/12/2019 VND	1/1/2019 VND
Goods held for third parties	<u>280,117,108,654</u>	<u>300,607,628,183</u>

28. Revenue from sales of goods and provision of services

Total revenue represents the gross value of goods sold and services rendered exclusive of value added tax.

	2019 VND	2018 VND
Total revenue		
▪ Sales of properties	-	12,035,142,799
▪ Sales of merchandise goods	16,707,201,091,271	13,536,291,359,353
▪ Services rendered	1,371,479,057,141	1,163,177,136,820
▪ Rental income	195,693,403,631	170,339,666,870
	<u>18,274,373,552,043</u>	<u>14,881,843,305,842</u>
Less revenue deductions	<u>(8,067,080,241)</u>	<u>(10,188,383,538)</u>
Net revenue	<u>18,266,306,471,802</u>	<u>14,871,654,922,304</u>

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29. Cost of goods sold and services provided

	2019 VND	2018 VND
Total cost of goods sold and services provided		
▪ Cost of properties sold	-	6,598,472,399
▪ Merchandise goods sold	16,139,260,702,321	12,926,947,136,251
▪ Services rendered	1,010,501,076,998	859,588,516,685
▪ Operating costs of investment property held to earn rental	66,777,842,530	57,067,857,925
▪ (Reversal of allowance)/Allowance for inventories	(2,701,096,716)	1,708,794,303
	<u>17,213,838,525,133</u>	<u>13,851,910,777,563</u>

30. Financial income

	2019 VND	2018 VND
Interest income	6,479,321,035	4,763,620,700
Income from securities trading	-	742,749,928
Dividend income	3,748,100,000	4,438,101,500
Foreign exchange gains	-	84,648,344
Other financial income	4,479,146,891	7,869,204,662
	<u>14,706,567,926</u>	<u>17,898,325,134</u>

31. Financial expenses

	2019 VND	2018 VND
Interest expense	129,632,263,755	84,957,422,562
Allowance/(reversal of allowance) for diminution in value of financial investments	2,835,000,000	(945,000,000)
Goodwill on acquisition of a subsidiary	2,500,000,000	-
Loss on liquidation of investment in an associate	253,696,953	-
Other financial expenses	3,288,058,038	3,726,322,007
	<u>138,509,018,746</u>	<u>87,738,744,569</u>

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32. Selling expenses

	2019 VND	2018 VND
Labour costs and staff costs	257,976,484,908	272,018,372,916
Outside service expenses	81,809,339,250	60,616,808,801
Commission and insurance	36,413,585,031	26,264,816,203
Depreciation and amortisation	31,426,966,792	25,401,956,131
Tools and supplies	10,425,263,557	11,248,934,526
Others	139,225,465,564	63,175,649,854
	<hr/>	<hr/>
	557,277,105,102	458,726,538,431

33. General and administration expenses

	2019 VND	2018 VND
Staff costs	159,357,465,739	140,780,044,644
Outside service expenses	76,212,340,618	75,515,375,303
Depreciation and amortisation	18,234,103,505	19,542,544,577
Others	70,883,510,866	53,835,820,723
	<hr/>	<hr/>
	324,687,420,728	289,673,785,247

34. Other income

	2019 VND	2018 VND
Gains on disposals of tangible fixed assets	2,280,315,934	2,282,130,956
Incentive received from suppliers	107,929,352,197	65,001,999,045
Insurance commission received from insurance agencies	10,630,526,392	20,132,449,994
Compensation received for cancellation of contracts	1,803,100,000	792,284,000
Others	21,874,524,553	18,314,394,422
	<hr/>	<hr/>
	144,517,819,076	106,523,258,417

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35. Trading and business costs by elements

	2019 VND	2018 VND
Cost of properties sold	-	6,598,472,399
Cost of merchandise goods sold	16,756,198,414,035	13,400,521,128,812
Labour costs and staff costs	558,613,510,484	537,149,723,089
Depreciation and amortisation	89,876,778,586	73,393,593,028
Outside services	316,303,798,855	296,989,941,660
Other expenses	374,810,549,003	285,658,242,253
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36. Income tax

(a) Recognised in the consolidated balance sheet

	31/12/2019 VND	1/1/2019 VND
Deferred tax assets		
Accrued expenses	2,539,789,730	2,554,589,730
Tax losses carry-forwards	3,624,212,909	954,286,471
	<hr/>	<hr/>
	6,164,002,639	3,508,876,201

(b) Recognised in the consolidated statement of income

	2019 VND	2018 VND
Current tax expense		
Current year	43,611,099,442	62,294,176,765
Under provision in prior years	497,117,750	675,017,825
	<hr/>	<hr/>
	44,108,217,192	62,969,194,590
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	14,800,000	29,999,999
Benefit of tax losses recognised	(2,669,926,438)	(954,286,471)
	<hr/>	<hr/>
	(2,655,126,438)	(924,286,472)
	<hr/>	<hr/>
Income tax expense	41,453,090,754	62,044,908,118

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(c) Reconciliation of effective tax rate

	2019 VND	2018 VND
Accounting profit before tax	274,785,197,480	362,311,756,490
Tax at the Company's tax rate	54,957,039,496	72,462,351,298
Non-deductible expenses	1,814,057,470	1,027,211,031
Non-taxable income	(749,620,000)	(1,760,621,784)
Effect of share of profit in associates	(17,525,104,881)	(11,580,734,832)
Deferred tax assets not recognised	2,998,679,610	3,718,395,665
Deferred tax liabilities not recognised	-	(1,951,441,016)
Tax losses utilised	(539,078,691)	(545,270,069)
Under provision in prior years	497,117,750	675,017,825
	41,453,090,754	62,044,908,118

Deferred tax assets have not been recognised by certain subsidiaries in respect of their tax losses because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits therefrom.

(d) Applicable tax rates

Under the terms of current Income Tax Law, the Company and its subsidiaries have an obligation to pay corporate income tax at the rate of 20% of taxable profits.

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37. Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to Bonus and welfare fund and Board of Management and Supervisory Board fee fund and a weighted average number of ordinary shares outstanding, calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2019 VND	2018 VND
Net profit attributable to ordinary shareholders	153,667,014,972	173,002,896,673
Appropriation to bonus and welfare fund	(7,003,819,753)	(7,113,224,696)
Appropriation to Board of Management and Supervisory Board fee fund	(8,377,618,836)	(5,411,599,110)
	138,285,576,383	160,478,072,867

(ii) Weighted average number of ordinary shares

	2019 Shares	2018 Shares
Weighted average number of ordinary shares	24,975,507	24,975,507

(iii) Basic earnings per share

	2019 VND	2018 VND
Basic earnings per share	5,537	6,425

As at 31 December 2019 and 31 December 2018, the Company did not have potentially dilutive ordinary shares.

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38. Significant transactions with related parties

Identity of related parties

The Group has related party relationship with its major shareholders, its associates and its key management personnel.

Transactions with key management personnel

Total remuneration and business allowances to key management personnel of the Company were as follows:

	2019 VND	2018 VND
Members of Board of Management and Board of Directors	3,794,225,000	3,381,000,000
Members of Supervisory Board	823,000,000	820,600,000
	4,617,225,000	4,201,600,000

Other related party transactions

During the year, there were the following significant transactions with other related parties:

Related party	Relationship	Nature of transaction	2019 VND	2018 VND
Ben Thanh Group – One Member Limited	Major shareholder	Dividend paid	20,262,184,500	15,215,157,600
		Sales of goods and services	30,611,574,744	183,659,859,959
		Purchases of goods and services	31,139,761,858	4,649,411,169
ComfortDelgro Savico Taxi Company Limited	Associate	Received cash from liquidation	31,496,303,047	-
		Dividend income	-	2,400,000,000
		Rental income	-	122,727,276
Toyota East Saigon Joint Stock Company	Associate	Sales of goods	6,373,330,000	-
		Loans granted to associate	5,000,000,000	-
		Dividend income	1,643,910,000	4,316,362,500
		Other income	35,743,000	27,721,000
		Interest income	8,260,274	-
South West Start Automobile Joint Stock Company	Associate	Loans granted to associate	7,000,000,000	3,000,000,000
		Sales of goods	5,713,636,362	-
		Purchases of goods	7,230,490,913	-
		Interest income	139,083,946	12,096,000
		Other income	18,050,000	-
		Dividend income	-	2,628,000,000

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Related party	Relationship	Nature of transaction	2019 VND	2018 VND
Toyota Ly Thuong Kiet Company Limited	Associate	Sales of goods	12,144,323,201	11,690,875,592
		Purchases of goods	10,424,895,283	10,441,223,858
		Dividend income	9,030,000,000	-
		Other income	124,677,182	-
Binh Duong New City Automobile Service Joint Stock Company	Associate	Sales of goods	33,566,430,065	20,340,009,115
		Purchases of goods	20,745,531,097	19,359,503,810
		Loans granted to associate	-	9,000,000,000
		Capital contribution	-	1,643,000,000
		Dividend income	-	1,101,600,000
		Interest income	559,626,507	4,704,000
		Other income	10,235,000	-
Ben Thanh Tay Ninh Automobile Corporation	Associate	Capital contribution	2,500,000,000	-
		Purchases of goods	56,541,664,150	82,023,171,336
		Sales of goods	28,686,415,427	21,484,487,333
		Sales of land use rights	-	7,700,000,000
Dana Joint Stock Company	Associate	Dividend income	6,644,550,000	-
		Sales of goods	3,404,067,433	3,066,373,590
		Purchases of fixed assets	454,545,455	-
		Purchases of goods	-	1,463,636,364
		Other income	-	3,272,727
South Saigon Automobile Service Commercial Investment Joint Stock Company	Associate	Sales of goods	-	218,127,269
		Dividend income	-	216,000,000
Binh Thuan Automotive Service Joint Stock Company	Associate	Purchases of goods	36,124,672,137	120,661,590,365
		Sales of goods	45,876,370,274	24,423,959,881
		Dividend income	500,000,000	-
Da Nang Automobile Company Limited	Associate	Sales of goods	-	21,787,135,157
		Sales of fixed assets	6,581,270,462	4,092,642,092
		Capital contribution	-	5,000,000,000
		Purchase of goods	-	3,028,547,908
		Rental income	3,398,212,746	2,746,904,343
		Loans granted to associate	2,900,000,000	1,000,000,000
		Interest expense	2,000,000	89,873,972
		Interest income	5,021,370	60,716,485
		Other income	-	12,783,680
		Other expenses	2,000,000	24,750,000
Dividend income	2,625,000,000	-		

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Related party	Relationship	Nature of transaction	2019 VND	2018 VND
Bac Au Ha Noi Automobile Limited Company	Associate	Dividend income	4,000,000,000	-
		Loans granted to associate	19,000,000,000	-
		Sales of services	3,636,185,788	2,623,760,274
		Interest income	210,602,054	-
		Other income	2,200,000	-
Star Hyundai Automobile Joint Stock Company	Associate	Loans granted to associate	25,520,000,000	-
		Sales of goods	11,622,897,462	-
		Purchase of goods	6,225,295,817	-
		Capital contribution	-	9,800,000,000
		Interest income	402,232,274	-
		Other income	7,301,503	-
Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company	Associate	Capital contribution	10,000,000,000	-
		Purchases of goods	23,941,818,180	-
		Sales of goods	18,341,177,273	-
Savico Investment Joint Stock Company	Associate	Sales of services	-	120,000,000
Sai Gon Auto Gia Dinh Service Company Limited	Associate	Purchases of goods	71,596,528,616	-
		Sales of goods	93,700,852,677	5,150,463,996
		Rental income	-	184,240,000
		Capital contribution	-	8,750,000,000
		Other expenses	62,592,994	-
Bac Au Automobile Joint Stock Company	Associate	Dividend income	9,870,000,000	-
		Purchases of goods	5,302,695,455	-
		Other income	4,625,000	-
Savico Quang Nam Company Limited	Associate	Capital contribution	-	1,100,000,000

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39. Corresponding figures

The corresponding figures as at 1 January 2019 were derived from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

30 March 2020

Prepared by: 
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Approved by: 
Phung Duong Cui Long
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