



SAVICO

Conquering Adversity

SAIGON GENERAL SERVICE CORPORATION
ANNUAL REPORT 2010



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SAVICO

SAIGON GENERAL SERVICE CORPORATION

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Conquering Adversity



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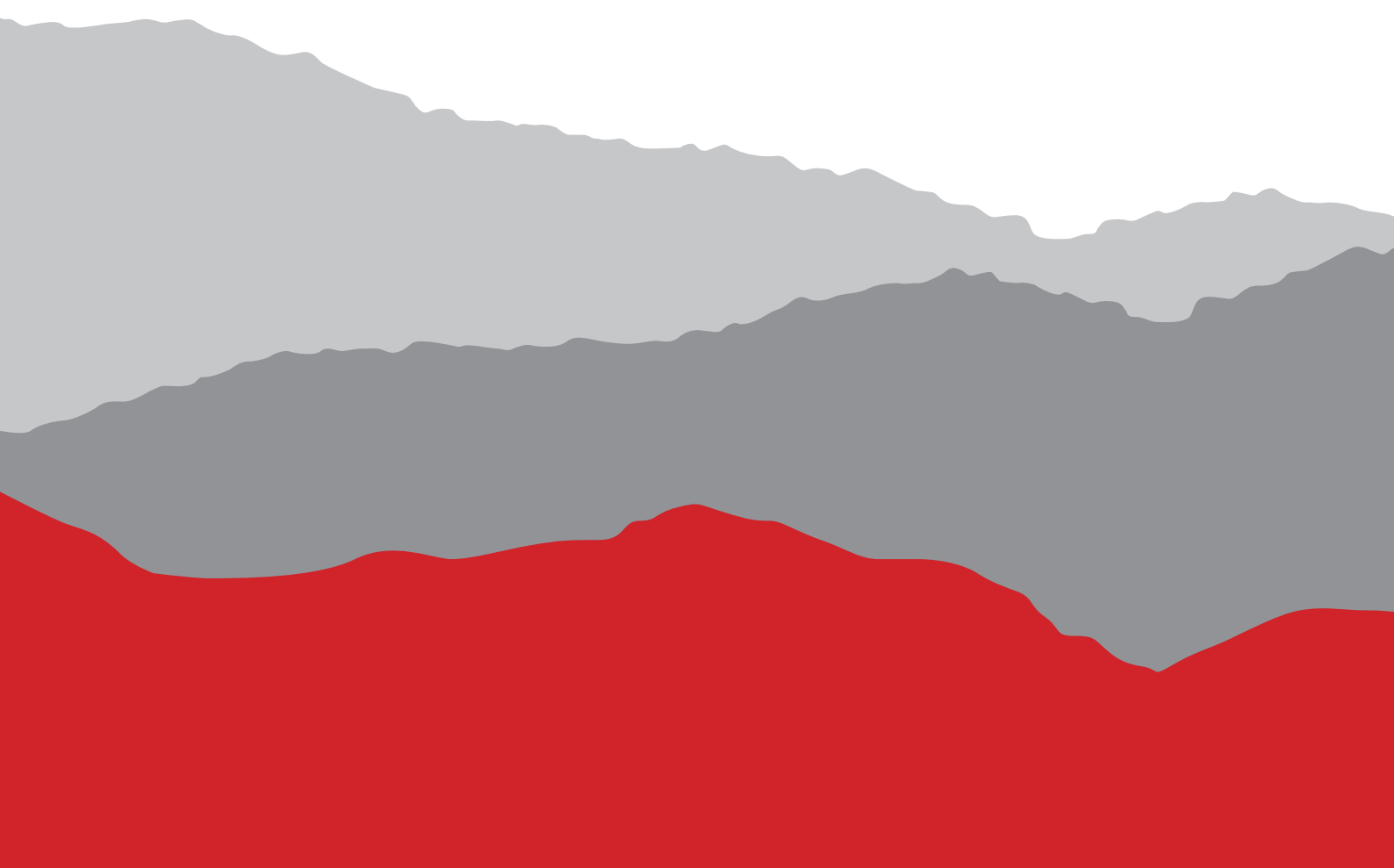
Mission

Attain position of the best service provider with all business activities aimed at satisfying customers' needs

"Satisfying customers is our happiness"

Vision

To become a leading service oriented investment corporation in Vietnam, joining the regional and international markets.





Core Values

SAVICO is the trusted partner to shareholders and investors, the combination of maximizing customers', shareholders' value and securing employees', social community's benefits based on its own cultures.

Respect, listen, and value customers', partners', shareholders' interests as our own".

"To unite and overcome difficulties; to renew and embrace opportunities for success"



Message from The Chairman

Dear Shareholders and Investors,

In 2010, the world economy was slowly recovering from the global financial crisis and economic recession, Vietnam has achieved a high growth rate of 6.78% increase in real GDP. However Vietnam's economy still faces difficulties and challenges; with the increasingly limited preferential tax policies for the auto industry, strictly controlled credit, as well as hikes in the interest rate and consumer price index that all created a negative impact on the Company's business.

With enthusiastic support from the Board of Directors (BOD), the Board of Management (BOM) and staff, the Company was determined to expand its scale to fulfill its 2010 – 2015 business objectives. Total turnover was VND 6,524 billions and the figure stated in the consolidated report was VND 4,188 billions or 104.7% planned targets. Unconsolidated Profit before tax was VND 159.9 billions and consolidated Profit before tax was VND 107.7 billions or 107.73% planned target. The above achievements were the results of:

- (1) The Company's accurate forecast and preparation that generated timely solutions to cope with market situations;
- (2) Strict control of the system's financial flow and restructuring of the investment portfolio;
- (3) Completion of legal procedures and capitalization of projects, seizing opportunities to expand the business network of auto and motor services to gain market share and competitiveness in major cities.

Despite the recovery trend in 2011, the world's economy is still unstable. Furthermore, political uncertainties in the Middle East and North Africa coupled with Japan's disasters (earthquake, tsunami and nuclear threat) may cause an increase in inflation. In addition, the Government's tightening fiscal policy to stabilize the economy, control inflation, and ensure social security has placed trading service, real estate, financial businesses under extra pressure.

Anticipating challenges ahead, particularly with certain areas of SAVICO's operations, the BOD urged unity in the Company; at the same time, to strive in establishing SAVICO as the leading local investment company by 2015 and aim to integrate into the region by 2020. All operations shall be

developed to ensure sustainable growth based on flexible financial management and reasonable financial targets. The BOD has embarked on plans to build SAVICO into Vietnam's top auto distributor, through targeting suitable markets for each product, accelerating auto and motor services particularly for used vehicles, developing more branches and subsidiaries, expanding business network into reputed brands, diversifying products to increase competitiveness as well as developing projects to maximize return on investments.

SAVICO will continue to train its middle and high-level management personnel to administrate important positions, thereby accomplishing the strategies of brand recognition, promotions and shareholder relations. It will also pay attention to staff welfare and fulfill its social responsibilities.

On behalf of the BOD, I would like to express our gratitude to our valued shareholders, investors and customers for their support and contributions in the past year. I would also like to extend our sincere thanks to members of the BOD, shareholders, Ben Thanh Group, partners, our consulting firms, supporting banks, central and local government offices, Vietnam's State Securities Commission, the Ho Chi Minh Stock Exchange, and the Vietnam Securities Depository. Notably, we would like to thank the BOM and all employees for their valuable support. We are grateful and seek for their continued dedication; in helping the BOD to complete the duties assigned at the 2011 General Meeting, exceed the Company's 2011 plan and produce a stable growth in return to shareholders, investors and customers' trust.

With Sincere Thanks and Appreciation,

NGUYEN VINH THO
Chairman





Board of Directors



1 **Mr. Nguyen Vinh Tho**
Chairman

Date of birth: 1/1/1961
Place of birth: Gia Lai Province
Permanent: 17 Tran Nhat Duat, District 1, HCMC
Major: Master of Business Administration
Position in other Organization:
Chairman of SAVICO Ha Noi Corporation
Chairman of Toyota East Saigon Corporation
Chairman of SAVICO-Vinaland JV Co., Ltd
Chairman of Dana Corporation (Dana Ford)



2 **Mr. Luong Quang Hien**
Member

Date of birth: 25/11/1967
Place of birth: Da Nang
Permanent: 93, 37 Street, Tan Quy Ward, District 7, HCMC
Major: Master of Business Administration
Position in other Organization:
Deputy General Director of Kind Do Corporation



3 **Mr. Te Tri Dung**
Member

Date of birth: 14/08/1981
Place of birth: HCMC
Permanent: 56 Dinh Cong Trang , Tan Dinh Ward, District 1, HCMC
Major: Master of Business Administration
Position in other Organization:
Deputy general manager of Ben Thanh Group
Chairman of Ben Thanh Jewelry Co., Ltd
Member of BOD of Norfolk Hotel JV Co., Ltd
Member of BOD of Saigon Mui Ne Tourism Joint Stock Company
Chief Supervisor of Ben Thanh Land Joint Stock Company
Chief Supervisor of Orient Securities Company

Board of Directors

4 Mr. Vo Hien

Member

Date of birth: 20/06/1956

Place of birth: Da Nang

Permanent: 159 Ly Tu Trong, Ben Thanh Ward, District 1, HCMC

Major: College Degree

Position in other Organization: None



5 Mr. Ta Phuoc Dat

Member

Date of birth: 15/06/1969

Place of birth: HCMC

Permanent: 115/110 A Le Van Sy, Ward 13, Phu Nhuan District, HCMC

Major: Bachelor of Accounting

Position in other Organization:

Chairman of Member Council of Ben Thanh - SAVICO General Trading and Service Co.,Ltd

Member of BOD of Viet Thai Corporation

Member of BOD of Ben Thanh Long Hai Tourism Corporation (Tropicana)

Member of BOS of Ben Thanh Trading & Service Joint Stock Company



6 Mr. Nguyen Binh Minh

Member

Date of birth: 13/02/1972

Place of birth: Ha Noi

Permanent: 150/1 Ung Van Khiem, Ward 25, Binh Thanh District, HCMC

Major: Bachelor of Business Administration

Position in other Organization:

Member of BOD of SAVICO - Vinaland JV

Member of BOD of Saigon Khanh Hoi General Services Co., Ltd.,

Member of BOD of SAVICO - Ha Noi Joint Stock Company

Council Member of Toyota Can Tho JV. Ltd.,

Council Member of Comfort Delgro SAVICO Taxi JV,



7 Mr. Le Hung

Member

Date of birth: 24/08/1974

Place of birth: Quang Ngai

Permanent: Nghia Dong Province, Quang Ngai City.

Major: Bachelor of Business Administration

Position in other Organization:

CEO of Binh Thanh Import-Export Production & Trade JV., Co.





Board of Management

1 Mr. Nguyen Vinh Tho
General Director



2 Mr. Vo Hien
Deputy General Director



3 Mr. Mai Viet Ha
Deputy General Director



Date of birth: 18/02/1973

Place of birth: Hung Yen

Permanent: A4-6 Khanh Hoi Apartment Building, 360C Ben Van Don, Ward 1, Distict 4, HCMC

Major: Master of Business Administration

Position in other Organization:

Chairman of City Automobile Corporation

Chairman of Song Han Automobile Corporation

Chairman of Saigon Star Corporation

Chairman of Member Council of Saigon Service & Trading Co., Ltd.,

Chairman of Member Council of Dong Do Thanh Co., Ltd.,

Vice President of Ben Thanh Auto Corporation

Council Member of Saigon Automobile Co., Ltd.,

Council Member of Ben Thanh Trading & Service Joint Stock Company

Board of Management

4 **Mr. Nguyen Binh Minh**
Deputy General Director



5 **Mr. Ta Phuoc Dat**
Deputy General Director



6 **Mr. Phan Tuan Dung**
Deputy General Director

Date of birth: 21/08/1969

Place of birth: Quang Nam

Permanent: 10 Nguyen Duc Canh, Thuan Phuoc Ward, Hai Chau District, Da Nang City

Major: Bachelor of Economics

Position in other Organization:

Member of BOD of Dana Corporation (Dana Ford)

Member of BOD Ben Thanh Non Nuoc Tourism Corporation





Board of Supervisors

1 **Mr. Le Xuan Duc**
Chief Supervisor

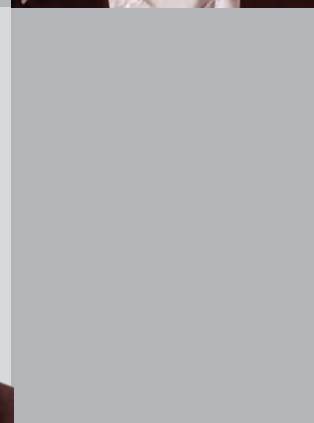
Date of birth: 10/8/1953
Place of birth: Thanh Hoa
Permanent: 471 Nguyen Van Tri, Ward 7, District 5, HCMC
Major: Bachelor of Finance - Accounting
Position in other Organization:
Chief Supervisor of Ben Thanh Group

2 **Ms. Nguyen Phuong Loan**
Member

Date of birth: 6/11/1962
Place of birth: HCMC
Permanent: 518/8/1 Le Van Sy, Ward 11, Phu Nhuan District, HCMC
Major: Bachelor of Accounting - Trade
Position in other Organization: None

3 **Mr. Nguyen Cong Binh**
Member

Date of birth: 31/03/1978
Place of birth: HCMC
Permanent: 327 Group C, Nguyen Thien Thuat Department, Ward 1, District 3, HCMC
Major: Bachelor of Accounting-Trading
Position in other Organization:
Chief Supervisor of Toyota East Saigon
Chief Supervisor of Ben Thanh Auto Corporation
Member of BOS of SAVICO - Ha Noi Corporation



Summary of The Corporation Operation & Development History

Establishment and Development

1982-2004: A state-owned company

Established on September 1st, 1982, Saigon General Service Corporation (“SAVICO”) was formerly a state-owned company named “District 1 Service Company”. It changed to its present name in 1986. In 1990, the Company became the pioneer in the provision of auto, motorcycle, travelling and taxi services, laying foundation for its later Service & Trading business.

From 1998 to 2004, the Company gradually transformed itself into an investment company, building distribution channels for reputed brands such as Toyota, Ford, Daewoo and Suzuki, ...along with real estate projects and investments in related economic sectors.

2005-2010: Operating under a cooperation model

SAVICO officially went into operation on January 4th, 2005. The Company was listed on the Ha Noi Stock Trading Center on December 21st, 2006 with the stock code “SVC” and then was changed to the Ho Chi Minh Stock Exchange (HOSE) on June 1st, 2009.

With 28 years of experience and 6 years operating as a corporation, SAVICO has set its goal to be an investment company in the three following areas:

Services - Trading: This is SAVICO’s key business segment and it is operated via the Company’s available distribution channels. The Company has organized a business network via member companies to distribute for large producers such as Toyota, Ford, GM Daewoo, Hyundai and Suzuki.

Real Estate Services: SAVICO has developed complexes and trading centers that support its trading businesses. The Company has also invested in office buildings, apartments, resorts and hotels.

Financial Services: SAVICO invests in projects that support its business strategies, such as commercial services and real estate projects,....

Company Information

Company name : SAIGON GENERAL SERVICE CORPORATION
 Short name : SAVICO
 Stock code : SVC

Head Office

Address : 68 Nam Ky Khoi Nghia, Dist. 1, Ho Chi Minh City
 Telephone : (84.8) 3821 3913
 Fax : (84.8) 3821 3553 / 3821 5992
 Website : www.savico.com.vn
 Email : savico@savico.com.vn

Member companies and branches:

03 branches: SAVICO - Da Nang, SAVICO - Can Tho and SAVICO - An Giang;
 10 subsidiaries;
 07 affiliates



SAVICO's Business Activities



SAVICO's Business Activities

Services - Trading

As specified for the period 2008 to 2010, SAVICO's strategic goal is to build on the Company's foundation of Services and Trading so as to increase its market share and return on investment.

Auto Service – Trading Network

Distribution Market Share

The distribution of SAVICO's auto services grows by an average of 17% annually.

SAVICO's network has affirmed the company as the Number 1 Auto Distributor in Vietnam. The market share held by Vietnam Auto Maker Association (VAMA) has increased from 6.4% in 2008 to 8.5% in 2010.

Meanwhile, during the past years, SAVICO's auto service network has continuously secured top market share for each producer segment.

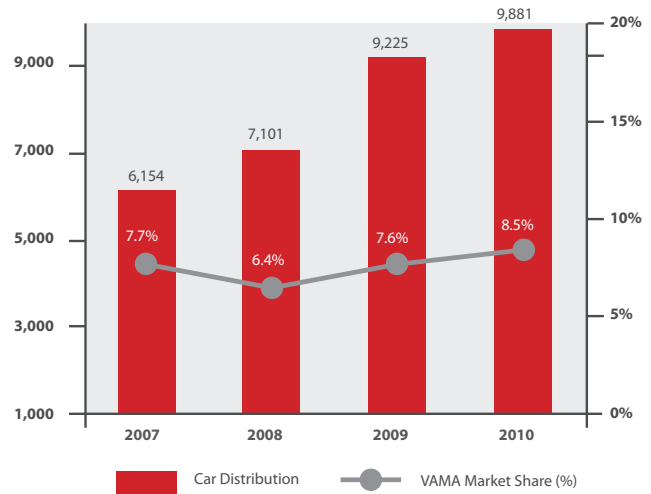
Turnover – Profit before tax

Turnover from the entire SAVICO network increased by an average of 28% per year, out of which service registered an annual growth of 41%.

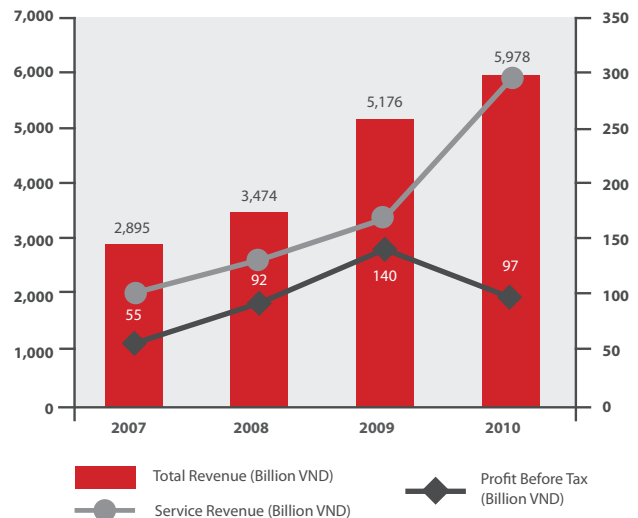
Profit before tax increased by an average of 30% per year, with a particularly great leap registered between year 2008 and 2009.

Strategic goals for the period 2010 - 2015

- ▲ To maintain its position as the Number 1 Auto Distributor in Vietnam and to attain a gain of 10% in market share for VAMA by year 2015.
- ▲ To develop its auto services and other value added services and to ensure an annual growth rate of 20 - 30%.
- ▲ To increase its return on investment and to achieve a 20 - 30% increase in annual profit.



- ▲ 7/25 agents of Toyota Vietnam
- ▲ 5/22 agents of Ford Vietnam
- ▲ 1/19 agents of GM-Daewoo VN
- ▲ 1/18 agents of Suzuki Vietnam



Ben Thanh Auto Corporation (Ben Thanh Ford)



Song Han Auto Corporation (Hyundai Song Han)

SAVICO's Business Activities

Motorcycle Service – Trading Network

During the period 2008 to 2010, all business indicators of SAVICO's motorcycle business network were showing impressive growth, including:

- ▲ Distribution which increased by an average of 23% annually,
- ▲ Turnover which increased by 31% annually,
- ▲ Profit before tax which increased by 23% annually.

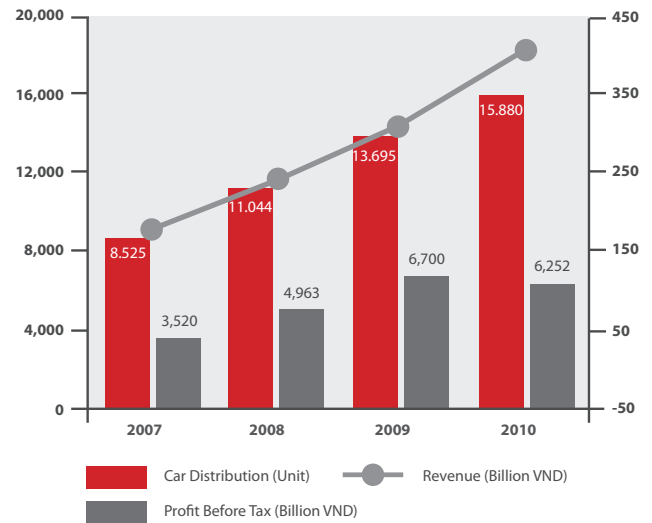
Strategic goals for the period 2010 - 2015

- ▲ To improve competitive edge and develop the network for big brands such as Honda, Yamaha, Suzuki, SYM, etc,...
- ▲ To develop motorcycle and other value added services as well as maintain the annual growth rate at 30 - 35%.
- ▲ To increase return on investment and maintain an annual profit growth of 30 - 50%.

Other Trading Services

In the recent years, the Company continuously reviewed the return on investment of its subsidiaries in the trading services:

- ▲ Consolidated the operations of ComfortDelgro SAVICO Taxi and replaced old vehicles with new ones so as to improve its service quality and enhance the Company's reputation.
- ▲ Withdrew investments from the unprofitable units



Saigon Services and Trading Co. Ltd.



SAVICO's Business Activities



SAVICO Plaza 115-117 Ho Trung Mau, Dist. 1, HCMC

SAVICO's Business Activities

Real Estate Services

| Project group | Project | Scale | SAVICO Investment | Progress of Legal Procedures | Progress of Implementation |
|-----------------------------|--|--|--|---|---|
| SAVICO Plaza Complex | 1. SAVICO Plaza 115 – 117 HTM, Dist. 1 | Land area: 3,023 m ² , 22 upper storeys and 3 basements, with the functions of a plaza and office building and total investment capital of USD 48 million. | SAVICO 50.5% & VinaLand Investment Limited 49.5% | <p>Having obtained approval from the Department of Planning and Architecture of planning parameters (under official letter No. 2457/SQHKT-QHKTTT).</p> <p>Having obtained in-principle approval from the People's Committee of Ho Chi Minh City of the investment (under official letter No. 6757/UBND-DT).</p> <p>SAVICO – Vinaland Joint Venture Company has been incorporated for developing the project (the Investment Certificate has been obtained).</p> | <p>Having completed the works of compensation, assistance for resettlement, land recovery and land clearance to make it ready for construction.</p> <p>Currently conducting geological boring and load testing boring.</p> <p>Next steps: preliminary design, fencing construction, basement foundation construction.</p> |
| | 2. SAVICO Plaza 104 Pho Quang Street, Tan Binh Dist. | Land area: 9,028 m ² , 2 basements and 13 upper storeys, the complex consisting of such functions as: Service Apartments, Trade Center, Offices for lease and Hotels. | SAVICO 100% | <p>Having submitted application dossier for issuance of the Land Use Right Certificate.</p> <p>Currently conducting legal procedures for developing the project.</p> | |



SAVICO's Business Activities



SAVICO Mega Mall Hanoi (Long Bien - Ha Noi)

| Project group | Project | Scale | SAVICO Investment | Progress of Legal Procedures | Progress of Implementation |
|---------------|--------------------------------|---|-------------------|--|---|
| 3. | SAVICO Mega Mall | Land area: 46,400 m ² . The Project is divided into 2 areas: Area A with the functions of Hypermarket, Trade Center, Entertainment Facilities, Area B with the functions of Automobile Showroom and Offices for lease; with total investment capital of USD25 million. | SAVICO 100% | Having obtained the Land Use Right Certificate, for a land lease term of 50 years The 1/500 Plan has been approved. | Area B has been put into use and operation by late December 2010. Area A is in the phase of construction of the unfinished portion. Construction contractor: Hoa Binh Construction Joint Stock Company. To be planned for completion and put into operation in September 2011. |
| 4. | 66-68 Nam Ky Khoi Nghia Street | Land area: 582.2 m ² , 2 basements, 14 upper storeys, the complex consisting of: service apartments and offices for lease; with total investment capital estimated at USD10 million. | SAVICO 100% | In-principle approval by the People's Committee of the City on the investment project. Architectural planning parameters have been available. | Preparation for inviting bidders for the design consultant. |
| 5. | South Cam Le Project | Land area: 21,822 m ² , with commercial, service and residential functions. | SAVICO 100% | Currently conducting legal procedures to apply for issuance of the LURC | Currently conducting general layout plan design and applying for approval of the 1/500 Plan. |

SAVICO's Business Activities

| Project group | Project | Scale | SAVICO Investment | Progress of Legal Procedures | Progress of Implementation |
|-------------------------------|--|--|---|--|--|
| SAVICO Trading Center | 1. SAVICO Trading Center – Da Nang | 1 ground floor, 1 mezzanine, 3 upper storeys with total usable area of 4,739 m ² , already put into stable operation | SAVICO 100% | | |
| | 2. SAVICO Trading Center – Can Tho | 1 ground floor and 1 mezzanine, with total usable area of 2,333 m ² , already put into stable operation. | SAVICO 100% | | |
| SAVICO Office Building | 1. HTMC Office Building – SAVICO 91 Pasteur, Dist. 1 | Land area: 1,604 m ² with 2 basements and 7 upper storeys, construction floor area of 8,030 m ² ; construction already completed | SAVICO 51% & HCMC Housing Management and Trading Company: 49% | A cooperation project between SAVICO Company and HCMC Housing Management and Trading Company, where SAVICO Company accounts for 51% of ownership. | The building has been put into stable operation. |
| | 2. Office Building at 95 – 97 – 99 Tran Hung Dao Street, Dist. 1 | 1 ground floor, 1 mezzanine, 4 upper storeys, already put into operation. | SAVICO 100% | | The building has been put into use since January 2006 |
| | 3. Office Building at 555 Tran Hung Dao Street, Dist. 1 | 1 ground floor, 1 mezzanine, 5 upper storeys, already put into operation. | SAVICO 100% | | The building has been put into use since June 2006. |
| | 4. Office Building at 35 Dong Khoi Street. | 1 basement, 1 ground floor and 6 upper storeys, already put into operation. | SAVICO 100% | | The building has been completed and officially put into use in the 3rd quarter of 2009. |
| | 5. Office Building at 56 Ben Van Don Street, Dist. 4 | Land area: 3,010 m ² , with 2 basements, 1 ground floor, 1 mezzanine and 24 upper storeys, total construction floor area of 35,049 m ² . | SAVICO 49% & Khanh Hoi Import-Export Joint Stock Company (Khahomex) 51% | On January 7 th , 2010, Saigon Khanh Hoi General Services Company Limited (SAVICO – Khahomex) was issued with a business registration license. On July 20 th , 2010, the construction permit was amended to add the service apartment function. | Fencing, cast-in-situ bored piles and cement-earth piles have been completed; currently conducting massive pipe pressing. Currently conducting construction of the basement foundation and the basements. |
| | 6. Office Building at 277 – 279 Ly Tu Trong Street, District 1 | Land area 476 m ² , with 2 basements, 1 ground floor, 1 mezzanine and 9 upper storeys, total construction floor area of 4,098 m ² . | | The construction permit has been obtained. | Pile static loading completed. Fencing construction. Completion of preliminary design. |



SAVICO's Business Activities

| Project group | Project | Scale | SAVICO Investment | Progress of Legal Procedures | Progress of Implementation |
|----------------------------------|--|---|------------------------------------|---|---|
| SAVICO Residence | 1. High-rise Apartment Building Project on National Highway 13, Thu Duc Dist. | Land area: 18,247 m ² , functions: high-rise apartment buildings (17 storeys) combined with a trade center. | SAVICO 100% | Currently submitting application dossier for agreement on the 1/500 General Layout Plan. | |
| | 2. High-rise Apartment Building Project in Hiep Binh Phuoc – Tam Binh, Thu Duc Dist. | Land area: 55,340 m ² , planned for high-rise apartment buildings (18 storeys) including over 1,666 apartments and row houses combined with a trade center, with total construction floor area of 170,000 m ² . | SAVICO 100% | Having obtained the 1/500 Plan. Currently preparing the construction design drawings and total construction cost estimate. | Land value was evaluated at the Department of Finance. |
| | 3. Project at 1014B Thoai Ngoc Hau Street, Tan Phu Dist. | Land area: 10,814 m ² , planned for a residential area and a trade center, including 1 basement, 1 mezzanine and 20 upper storeys, with total construction floor area of 84,569 m ² , total investment capital estimated at VND760 billion. | SAVICO 30%; KHA 30% and TITCO 40%. | In-principle approval by the People's Committee of the City on the investment project. | Currently preparing the construction design drawings. |
| | 4. Long Hoa Villa Project in Can Gio Dist. | Land area: nearly 30 hectares, with the functions of ecological garden villas and shophouses. | SAVICO 50% | Approval of the preliminary design. | Currently conducting the ground leveling work |
| SAVICO Hotel & Resort | 1. Mercure Son Tra Resort | Land area: 57,650 m ² , functions including: 22 luxury seaside villas, luxury hotel with 120 rooms of 4-star standard under the brand name Mercure together with other entertainment facilities like spa, seaside sport facilities, etc. | SAVICO 100% | Having obtained the Land Use Right Certificate. The 1/500 Plan has been approved. | Accor (France) is the operator and manager of the project under the brand name Mercure. Savills is the marketer and seller of 22 resort villas. Having started to construct the infrastructure works of the project in August 2010. Currently conducting ground leveling works, construction of infrastructure works and model villas. |
| | 2. Ho Tram Villa Area in Xuyen Moc District | Land area nearly 10 hectares. A area with over 58 seaside villas is planned to be built in accordance with the above luxury standard. | SAVICO 100% | Currently conducting the land clearance and compensation works. | |

SAVICO's Business Activities



Perspective of House Hiep Binh Phuoc - Tam Binh



Hiep Binh Phuoc - Tam Binh , Thu Duc



Mercure Son Tra Resort (Da Nang)



SAVICO's Business Activities

Financial Services

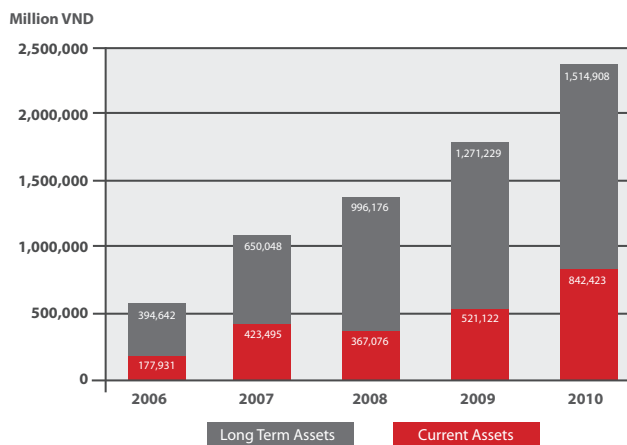
In early 2010, investment in financial services amounted to VND 292 billions and as of December 31st, 2010, this figure increased to VND 257 billions, accounting for 10.9% of the company's assets.

After an exciting year in 2009, Vietnam's stock market calmed down in 2010. During this time, SAVICO categorized and reviewed all investments to restructure its portfolio. The Company also liquidated all its shares in Viet A Bank. The VND 60.9 billions recovered from the stock liquidation was used as capital to restructure the Company's assets and partially offset its financial obligations acquired when the banking system was faced with financial tensions in the late 2010.

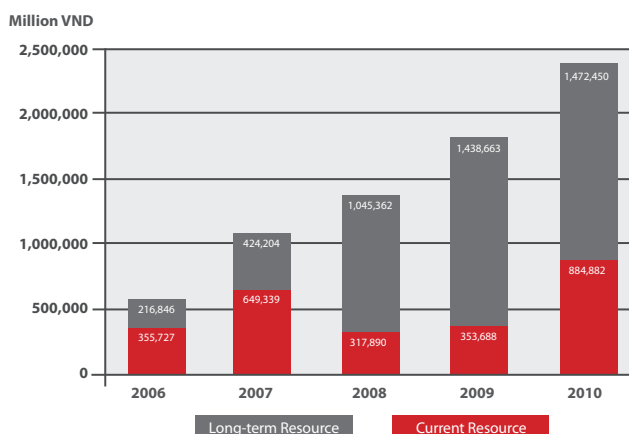
One year into its implementation of the financial investment regulations, the Company has reviewed and made appropriate adjustments to improve its investments for the upcoming years.

As for financial management, the Company has analyzed and evaluated the return on investment in the three areas mentioned above, so as to improve on its capital and assets restructuring.

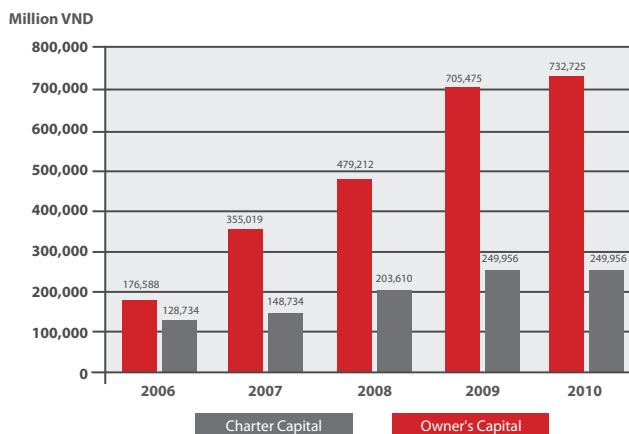
Assets Structure 2006 - 2010



Resource Structure 2006 - 2010



Shareholder's Capital Structure 2006-2010





**Report from
The Chief Executive Officer**



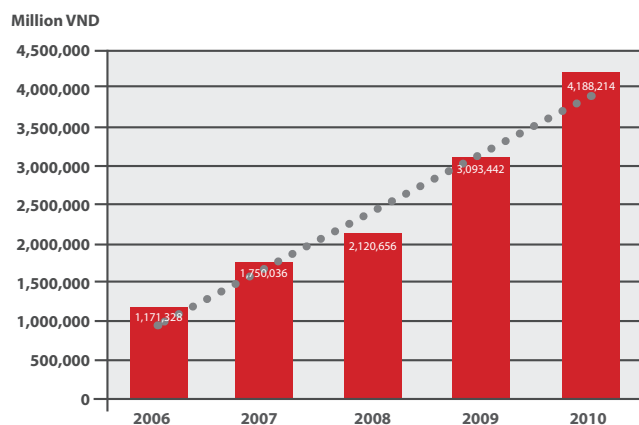
Report from The Chief Executive Officer

Operations Overview

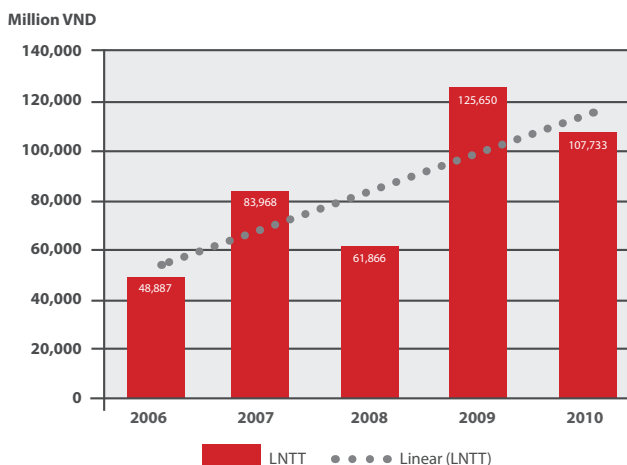
In 2010, the Company focused on management solutions to achieve its business objectives. Total revenue of the whole corporation is VND 6,524 billions; EBIT is VND 159.9 billions. Satisfactory operating results were obtained: sales of goods and services reached VND 4,188 billions, or 104.7% of planned; profit before tax reached VND 107.7 billions, or 107.73% of planned.

| Parameter | Unit | Planned 2010 | Actual 2010 | Compared to plan (%) |
|-------------------|------------|--------------|-------------|----------------------|
| Total Revenue | VND mil | 4,000,000 | 4,188,214 | 104.70 |
| Profit before tax | VND mil | 100,000 | 107,733 | 107.73 |
| Profit after tax | VND mil | 80,000 | 88,653 | 110.82 |
| SAVICO's share | VND mil | 65,000 | 71,730 | 110.35 |
| Dividend | % | 15 | - | - |
| EPS | VND/Shares | | 2,871 | |

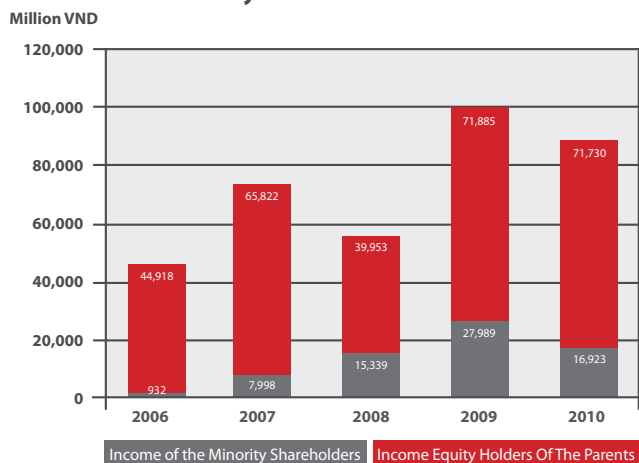
Income Growth 2006-2010



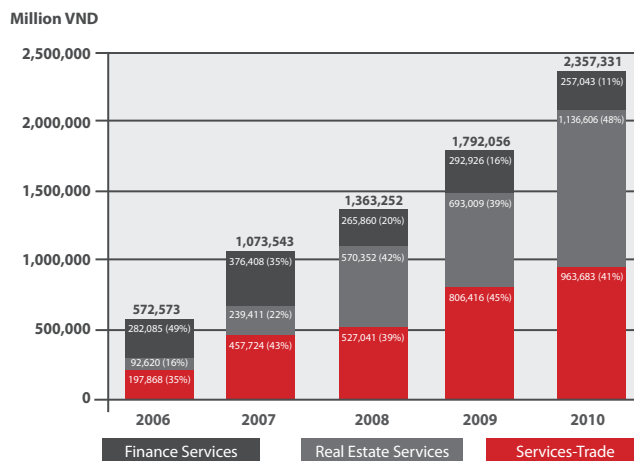
Profit Growth Before Tax 2006-2010



Income Equity Holders Of The Parents And Income Of The Minority Shareholders 2006-2010



Investment Structure 2006-2010



Report from The Chief Executive Officer

Services and Trade

Upon evaluation of the socio-economic situation, the Company believed that services and trade area still presents great potential and is a stable and effective investment. Therefore, the management implemented a set of solutions to help achieve the Company's objectives stipulated in the business plan. Investment capital for the Services-Trade field increased by 19.47% in 2010, from VND 806 billions to VND 963 billions, accounting for 41 % of Company's total assets.

Automobiles

In 2010, the automobile market experienced much difficulty. Tax incentives were not as attractive compared to 2009 coupled with rising interest rates and prices. In addition, customers were hesitant and anticipated new tariffs. Nevertheless, under the management's leadership and staff's determination and effort, the Company achieved favourable results.

Sales of automobiles

SAVICO's total sales of automobiles reached 9,881 units – 104% planned target and a 7% increase from 2009. SAVICO captured 8.5% market share of VAMA – a 0.9% increase compared to 2009, year-on-year. This achievement is significant given the industry-wide 6% decline. This result is made possible due to excellent performances from the business' divisions and the Company's expansion of business network that captured 22% market share of Toyota Motor Vietnam (TMV), 26% of Ford Vietnam Limited (FVL), 19% of Suzuki Vietnam (Visuco), 5% of GM Daewoo Vietnam (Vidamco), and 3% of SYM (Sanyang) .

The service operations of its member companies saw good development and high growth; revenue from services, accessories and spare parts reached 97% of the plan and an increase of 25% from 2009.

Profit before tax

This business segment earned 104% of the Company's target for 2010. However it was a 31% decrease from 2009, year-on-year due to higher financial and operating expenses resulting from increased competition.

The year 2010 was a year of expansions for the company - 7 new sales agencies were added, namely Toyota Phap Van and Toyota Long Bien in Hanoi; Trading Center for Used Toyota vehicles in Go Vap District, Ho Chi Minh City; Ben Thanh Ford, Hyundai Tran Hung Dao, Hyundai Song Han and the SYM truck agency under the Ben Thanh SAVICO General Trading & Service Co., Ltd.

Notably, the Company affirmed its top position in distribution networks, provision of automobile services and nationwide sales.

Motorbikes

Since early 2010, SAVICO's motorbike market has been growing steadily. However, supplies were unstable. It is especially so following the decline of the Suzuki brand whose internal share assignment has affected the business operations of its member companies. Nevertheless, with timely evaluation and shift of product lines to the fast-growing Yamaha brand, total sales of the motorbike segment experienced growth, as evinced below:

Motorbike sales

SAVICO sold a total of 15,880 motorbikes, reaching 101% of target for 2010 and a 16% increase from 2009.

Total revenue reached approximately 109% of target for 2010 and a 48% increase from 2009.

Profit before tax

SAVICO earned 104% of the target for 2010, a 20% decrease from 2009. Saigon Ngoi Sao Corporation, Saigon Service & Trading Ltd (Yamaha Can Tho) and Ben Thanh SAVICO General Trading & Service Co., Ltd (SYM) were top performing units in SAVICO's motorbike business segment.

The expansion of motorbike business network was fulfilled as planned with 4 new agencies opened in the year, namely the 3S SYM agency at Ho Chi Minh City, the SAVICO An Giang Branch, a 3S Yamaha agency Saigon Phuong Nam Co., Ltd in Ho Chi Minh City and another 3S Yamaha agency in Can Tho City.

Other sectors

With continued support to strengthen business operations of ComfortDelgro SAVICO Taxi Company, 70 new cars were added to the fleet and efforts were made to improve its business performance, resulting in an improvement in the unit's image and service quality. SAVICO also strengthened its inefficient business units, such as the Super vehicle joint stocks company.



Report from The Chief Executive Officer

Development of focal projects

- ▲ **SAVICO Mega Mall Project, with a total floor area of more than 63,400 m² is Hanoi's biggest trade center.** Part of the project (Block B) has been in operations since late December 2010. Block A is currently under construction and is slated to begin operations in late 2011. Its entire basement has been put out to lease as a hypermarket and the levels above marketed as a high-class electronic center.
- ▲ **SAVICO Plaza Project at Ho Tung Mau Street,** with 3 basements and 22 upper levels, comprises a trade center, a 5-star hotel and apartments for lease. The project's land clearance and compensation have been completed; geological survey, addition and conversion of functions and design modifications are in progress. Construction is planned to commence in 2011.
- ▲ **91 Pasteur Building Project,** consisting of 2 basements and 7 upper levels, has completed construction and is operating with 100% occupancy since mid-August 2010.
- ▲ **Mercure Son Tra Resort Project in Da Nang,** with 22 high-end ocean view villas and a 4-star hotel with 120 rooms, is operated by the Accor hotel management group (France). Construction has commenced in August 2010 and is still in progress. The first batch of villas will be up for sale by third quarter of 2011.
- ▲ **Hiep Binh Phuoc – Tam Binh Residential Project** has a total area of 5.5 ha and over 1,600 high-rise apartments and terraced shophouses. Ground leveling is completed. Its 1/500 Detailed Plan has been approved and other necessary legal procedures completed. Construction of infrastructure works and foundation of terraced houses is underway. The project is expected to go into full swing in the second quarter of 2011.
- ▲ **277-279 Ly Tu Trong Street High-rise Building Project.** Having obtained its construction permit; construction of the foundation and basement is planned to start in the second quarter of 2011.
- ▲ **Khahomex – SAVICO Building Project at 56 Ben Van Don Street has over 13,000 m² of offices for lease and 150 service apartments.** Conversion of functions is completed. Its foundation and basement are currently work-in-progress. Marketing activities for the lease of apartments have started since late 2010.
- ▲ **High-rise Building Project at 66-68 Nam Ky Khoi Nghia Street,** its legal dossier has been completed; functional conversion is underway; its architectural planning parameters have been made available.
- ▲ Notably, the Company has obtained approval to invest in the **South Cam Le Project in Da Nang,** which has an area of 2.1 ha.

Report from The Chief Executive Officer

Financial services

In 2010, the changes caused by the financial and securities market made detrimental impact to the sector's business performance. In addition, the interest rate policy and the exchange rate mechanism also affected SAVICO's operating expenses for its financial segment.

As such, the Company's investment portfolios underwent a restructuring. Ineffective portfolios were liquidated, generating cash flows and reducing capital costs. For example, the company liquidated 2 investments in its portfolios and decreased about VND 70 billions the total investment in the financial services. Furthermore, the Financial services' major goals included generating earnings, which contributed about 13.81% into the Company's total earning, reconstructing the investment portfolios, minimizing risks and ensuring compliance with the Company's Financial Investment policy.

Financial management

The Company paid close attention to the improvement of financial management, particularly in the development of the financial-monetary market and the Government's economic management policies. It drew up appropriate business solutions to cut its costs and improve effectiveness.

In addition, the Company continued to boost its internal controls for the effective control of capital use, investment portfolios, as well as to create capital and improve the Company's overall performance. For example, the Company focused on capital resources (i.e. assets restructuring, analysis of business operations, review and re-assessment of capital use effectiveness), thus developing and implementing flexible financial policies.

Furthermore, the financing activities have performed well. Total liabilities generating from banks and other financial institutes were VND 455 billions, in which VND 185 billions from Orient Commercial Bank. The Company has issued VND 100 billions corporate bonds to finance real estate projects and restructure capital.



Report from The Chief Executive Officer

Risk management

Risk management is a critical to SAVICO's management system. Through risk management, SAVICO considered and evaluated opportunities on the benefits and risks so that SAVICO can attain sustainable development and become a strong investment company by 2015.

The Company place heavy emphasis on its operating process risks management and financial risks management. In 2010, the Company's Internal Control Division conducted periodic and extraordinary audit of the whole system to uncover risks, which resulted in the implementation of appropriate solutions aimed to minimize risks in the prevailing economic environment.

In addition, the Internal Control Division also coordinated with other divisions to develop the "Regulations on Management of Investment in Fields", which was frequently reviewed to ensure improvement in SAVICO's business performance.

Risk management was further improved through preparation of financial statements as well as audit and review of financial statements in both parent company and subsidiaries. This measure ensured the reliability of financial statements as well as its compliance with the laws and internal regulations.

Dividends

As discussed at the 2010 Annual General Meeting, dividends for that year were set at 15% of charter capital. The management will be proposing this dividend distribution rate to the Board of Directors and Shareholders for approval. The Company has made the first dividend issuance of 5% charter capital in cash in January 2011.

Objectives and tasks in the 2011 plan

Economic Overview

The Government has delivered many monetary and fiscal policies in 2011 to curb inflation, stabilize economy and assure social security. The policies are made to ensure that the credit growth rate is kept under 20% and total payment facilities at around 15-16%. The Government has also restricted credit for non-production sectors. The change in exchange rate policy coupled with the hike in electricity and petroleum prices affected the business environment and the Company's operating expenses.

Objectives – Specific tasks

SAVICO continues to implement its 2010-2015 business strategy and its visions up to 2020:

- (1) To concentrate on improving business performance and service quality; on controlling operating expenses and capital cost, as well as to develop a risk management system. For example, the Company will concentrate on controlling business operations with the use of indexes such as Gross profit, Profit before tax and operating expense by product unit.
- (2) To concentrate on strengthening and improving business administration and financial management. Human resources management is of utmost importance that must ensure that the identified successors develop in tandem with the development of the company. Developmental focus will shift from quantity-focused to quality-focused, thus improving business performance in all aspects.
- (3) To concentrate on assessing effectiveness of capital use and investments. To restructure ineffective investment portfolios and business units.
- (4) To implement the strategic business plan, especially in the finance areas. The Company will balance investments in its 3 service areas, decrease VND 300 – 500 billions in Financial and Real estate services.

Targets of the 2011 plan (to be submitted by the Board of Directors to the Shareholders for approval)

| Index | Unit | 2010 | 2011 target | 2010 Target versus actual (%) |
|-------------------|----------|-----------|-------------|-------------------------------|
| Gross sales | VND mil. | 4,188,214 | 5,000,000 | 125 |
| Profit before tax | VND mil. | 107,733 | 100,000 | 100 |
| Profit after tax | VND mil. | 88,653 | 80,000 | 100 |
| Net income | VND mil. | 71,730 | 65,000 | 100 |
| Dividends | % | 15 | 15 | 100 |

(*) This is the tentative 2011 business plan. It will be considered and modified by the Company after June 2011 according to market situations.

Report from The Chief Executive Officer

Implementation solutions

Service and Trade

- ▲ To closely monitor the automobile and motorbike markets as well as Government policies so that timely management solutions can be drawn up according to prevailing situations. **To maintain the position as Vietnam's Number 1 Automobile Distributor.**
- ▲ To concentrate on boosting the development of the automobile and motorbike service sectors, especially used-vehicle services and post-sale services, in order to restrict the impact from evolving macroeconomic policies as well as other unforeseen challenges, and aim for sustainable business performance.
- ▲ To implement solutions to reduce operating expenses through reviews and close monitor of the business position every month.
- ▲ To continue to develop new sales agencies for high potential and growing brands; expand the business network; and intensify the management and diversification of the products, so as to improve SAVICO's market position and competitiveness.
- ▲ To continue to research on investments in new business lines in accordance with the development strategies.

Real estate services

- ▲ To maintain and maximize the capacity of existing premises and trade centers, as well as seeking out partners for cooperation in business operations with the aim to attract capital resources.
- ▲ To concentrate on the development of focal projects, implemented on schedule to recover investment capital and minimize expenses.
- ▲ To carefully select the type of investments, review investment criteria in the development of new projects, and consider the changes in the macro-economy for implementation of time-to-market solutions.

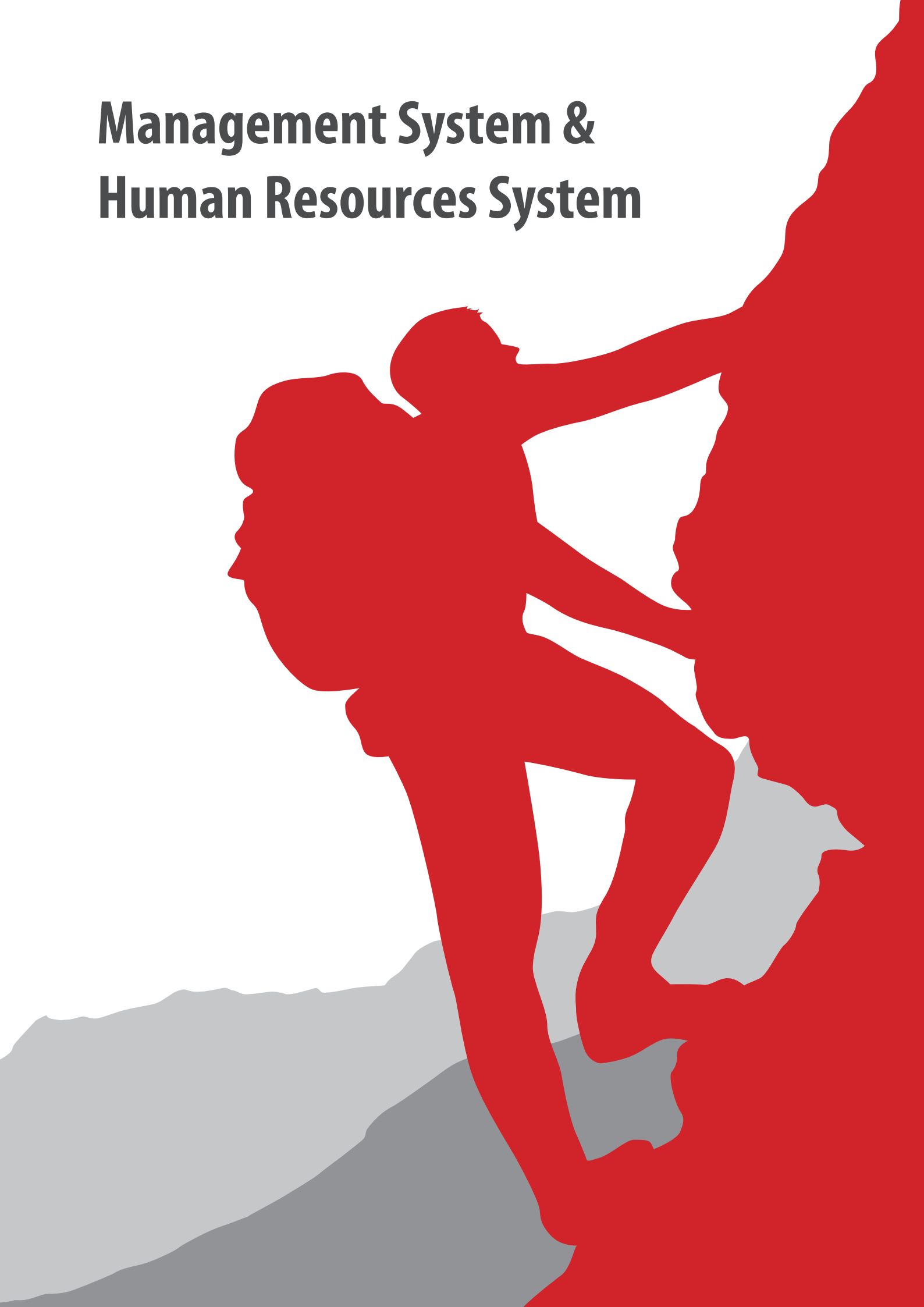
Financial services

- ▲ To review and evaluate effectiveness, such as the investment effectiveness of the use of capital for each business unit in each business field.
- ▲ To continue restructuring investment portfolios, in particular liquidating ineffective investment portfolios, in order to minimize risks and improve the performance of the Company.

Management

- ▲ To further control business operations, expense budgets, periodic cash flow targets;
- ▲ To develop and frequently review the progress of implementation for the plans of 2011 for all units and divisions;
- ▲ To develop, evaluate, and implement action plans that will enhance the SAVICO's image and brand name;
- ▲ To boost investor relations, ensure transparency and opportuneness in the accounting and finance processes of the Company;
- ▲ To take care of employees' welfare, and to develop appropriate salary and bonus policies. Attention continues to be given to employment and training activities.

Management System & Human Resources System





Management System & Human Resources System

Organizational structure of the Company

Human resources management

Number of employees and qualifications in the organisation

As of 31 December 2010, the staff strength of the SAVICO Group is **1,915**, an increase of **15.22%** from 2009.

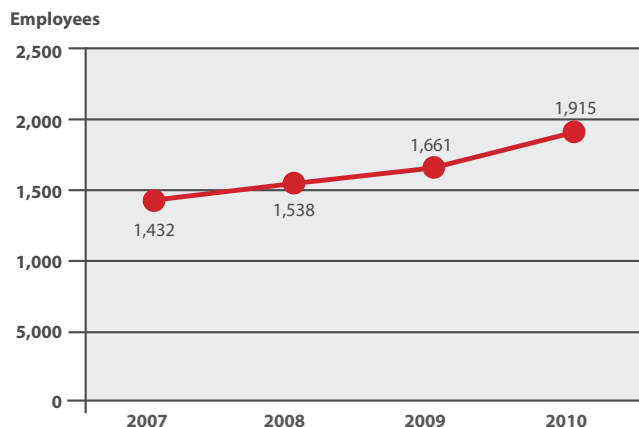
In order to meet the needs for expansion of the business network and to enhance the workforce quality, new-hire objectives are focused mainly on specialists and university/college graduates.

Employees' qualifications in the organization

Human resources management

- ▲ With the motto **“human resources are the decisive factor for the sustainable development of the company;”** the formulation of policies that will attract desirable candidates has always been the company’s leading objective. SAVICO continues to maintain and expand its “Trainee” program for students with the desired knowledge, skills-sets and qualities, with the aim to attain long-term human resources.
- ▲ To provide the employees at SAVICO with a conducive environment for career development, the Company has developed a friendly and professional work setting with conditions that are favourable for their personal development.

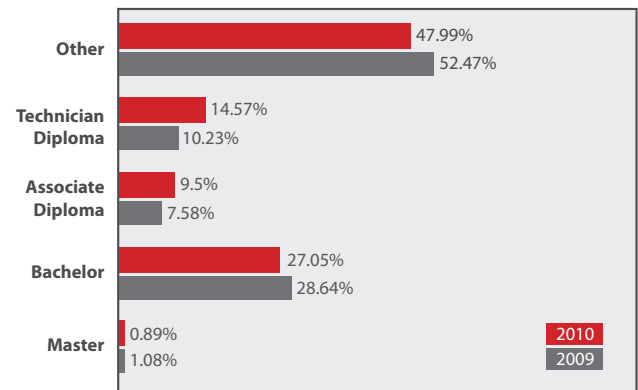
Total Number Of Employees in SAVICO 2007 - 2010



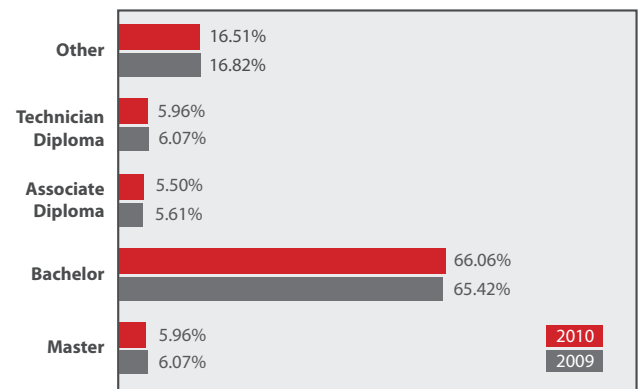
Management System & Human Resources System

- ▲ The objectives for the human resource training and developmental programmes are in accordance with the business development plans and strategies of the Company. They aim to equip employees with state-of-the-art knowledge and skills, creative thinking and independence, develop professionalism and sense of responsibility, improve customer service, and develop the potentials in each employee. Training and development activities for all levels in the organization are considered as necessary investments and are important to SAVICO. For its management staff, SAVICO focuses on training programmes that develop strategic-thinking in line with the developmental direction of the Company.
- ▲ SAVICO maintains a balance, between the provision of benefits in salaries, bonuses and other allowances to employees and the yields of the Company. It frequently reviews, performs salary surveys in the market and fine-tunes its policies accordingly, to ensure the maintenance and development of its human capital.
- ▲ In 2011, SAVICO will continue to invest in its human resources development. It plans to set up the Young Talent Fund in the whole organization for all the employees, in order to build a new generation management team that will meet SAVICO's developmental and expansion needs in the organisation.

Education Level of SAVICO Employees 2009 - 2010



Education Level of SAVICO Managers 2009 - 2010



Organization Chart



General Meeting of Shareholders

Board of Directors

General Director

Deputy General Director Central Region

Deputy General Director Admin – Human Resource

R&D Division

PR Division

IT Division

Finance & Accounting Division

Internal Control Division

Human Resources Division

Admin Division

Subsidiaries

Branches

Dong Do Thanh Co., Ltd

Toyota Giai Phong Corporation

Saigon Automobile Co., Ltd

Saigon Service & Trading Ltd

SAVICO Service & Auto Retail Co., Ltd

Saigon Ngoi Sao Corporation

SAVICO Hanoi Corporation

Toyota Can Tho Automobile Ltd

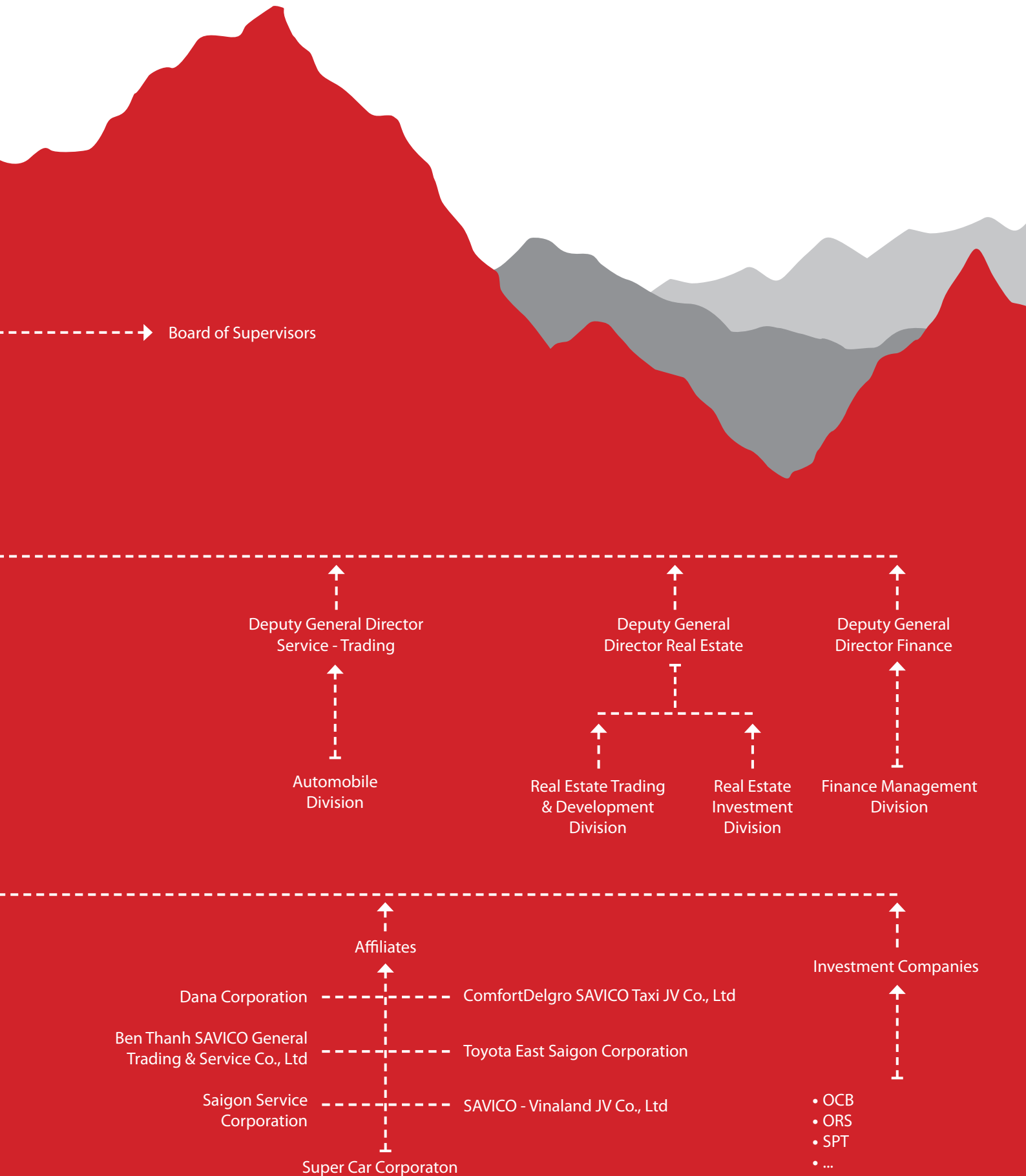
Ben Thanh Auto Corporation

Song Han Auto JV Co. Ltd.

SAVICO Da Nang Branch

SAVICO Can Tho Branch

SAVICO An Giang Branch





Corporation Management & Shareholder Information

Corporation Management & Shareholder Information

Implementation of Shareholder Meeting Resolution 2010

The BOD has diligently fulfilled the tasks assigned during the General Shareholder Meeting and closely monitored the implementation of the Shareholder's Meeting Resolutions and decisions. This has helped the BOD to provide timely directions to the Board of Management and optimize the Company's resources.

All member companies of SAVICO have also put in their best efforts to overcome challenges and strategically leverage on the Government's supportive policies to increase return on investment. In particular, the auto and motorcycle business have exceeded the Company's expectations. SAVICO continued to affirm its strategic goal of being the Number 1 auto provider in Vietnam. Profit-before-tax of member companies exceeded the target for the year 2010. Customer confidence indices soared and SAVICO is pleased to receive many prestigious awards from its providers.

Meanwhile, the BOD has directed the restructure of business activities for low-potential units. State service subsidiaries continued to leverage on the existing land sites, capitalizing and deploying key projects. Notably, legal procedures for the projects have been completed, paving the way for their deployment and development, and thus contributing towards the fulfillment of what was set out in the Shareholder Meeting Resolutions and the BOD's assignment.

Activities of the Board of Directors

The BOD called for 7 meetings and 50 polls, based on the voting forms completed by the BOD members, passing over 90 resolutions relating to the Company's business operations including:

- 4 resolutions on establishment of subsidiaries and branches,
- 18 resolutions relating to estate services,
- 16 resolutions relating to financial services,
- 32 resolutions on personnel issues, and
- 23 resolutions on other issues relating to the Company's operations.

- ▲ The BOD coordinated with the BOS, on the implementation and supervision of targets set during the Shareholder Meeting and by the BOD.
- ▲ On a quarterly basis, the BOD reviewed the implementation of management regulations it had issued, as well as the regulations that has been set by the Government and authorities.
- ▲ The BOD has convened on many occasions with the BOM and its managers to produce positive solutions that were especially directed at the subsidiaries, in order to enable them to use the opportunities arising from the development and implementation of the "SAVICO Mega Mall in Hanoi (1st phase)": coordinating with the authorities to facilitate the site clearance of 115 – 117 Ho Tung Mau at the start of the Mercure Son Tra project; restructuring the portfolio; liquidating ineffective items to create cash flows and reduce capital cost; improving the internal management quality, the building risk management system, and the control of the portfolio as per financial investment regulations.
- ▲ Hold and supervise corporate bond issuance, worth VND 100 billions, for the purpose of development of the Hiep Binh Phuoc – Tam Binh Project and the Company's financial restructure.
- ▲ Committees comprising Planning–Strategy, Service–Trading, Estate, Finance, Human Resources and Event–Branding were set up for review purposes, in terms of analysis, assessments, supervision and appraisal. The committees have provided many recommendations, advice and also supported the BOD's activities by helping the Board to make appropriate and timely decisions.
- ▲ Continue to attract quality and qualified workforce to support the BOM; assign mandates in enterprises that the Company has capital investments in; and assign Company representatives from the management team of other entities.



Corporation Management & Shareholder Information

Supervision and management

The BOD regularly reviews the activities of the CEO, his team and representatives from entities which have invested capital in SAVICO. The Board coordinated with the BOS to supervise the Company's operations, which includes:

- ▲ Fulfillment of the planned targets set during the Shareholder's Meeting and by the BOD.
- ▲ Implementation of the Shareholder's Meeting Resolution and reporting on the outcome of BOD's decisions.
- ▲ Quarterly reviews and assessments on the implementation of business plan and other economic targets by the BOD, to ensure timely guidance from the BOM in the preparation of resources for the Company's operations.
- ▲ Issuance of regulations on financial investment management, as well as propose to the CEO a reasonable portfolio that limits the risk in financial investments.
- ▲ Supervision on compliance to the stipulations from the Government and relevant authorities, as well as to the Company's regulations.

Activities of the Board of Supervisors

During the year, the BOS supervised the operations, appraised the consolidated financial report and term reports (first quarter, half-year, third quarter and annual):

- ▲ The compliance to existing accounting and financial standards including capital resources, turnover, expenses, term business results, etc.
- ▲ The inspection of the financial status including: asset structure (short term and long term assets), capital resources (liabilities and equity) of the Company in specific periods.
- ▲ The inspection of unit operations in the North, Central, and Can Tho City in coordination with the BOM.

The BOS has proposed solutions to overcome the company's shortcomings in terms of financial and asset management.

Stake of Members of the Board of Directors, Board of Supervisors, Board of Management and Chief Accountant

| Name | Position | Number of Shares | Percentage |
|------------------------|---|------------------|------------|
| 1. Nguyen Vinh Tho | Chairman & CEO | 250,012 | 1.000 |
| 2. Nguyen Binh Minh | General Director | 67,900 | 0.272 |
| 3. Ta Phuoc Dat | Member of the BOD & Deputy General Director | 27,726 | 0.111 |
| 4. Te Tri Dung | Member of the BOD | 28,500 | 0.114 |
| 5. Vo Hien | Member of the BOD & Deputy General Director | 77,673 | 0.311 |
| 6. Le Hung | Member of the BOD | - | 0.000 |
| 7. Luong Quang Hien | Member of the BOD | - | 0.000 |
| 8. Mai Viet Ha | Deputy General Director | 7,800 | 0.031 |
| 9. Phan Tuan Dung | Deputy General Director | 88,300 | 0.353 |
| 10. Hoang Thị Thao | Chief Accountant | 28,473 | 0.114 |
| 11. Le Xuan Duc | Chief Supervisor | 4,693 | 0.019 |
| 12. Nguyen Cong Binh | Member of BOS | 156 | 0.001 |
| 13. Nguyen Phuong Loan | Member of BOS | 7 | 0.000 |

Corporation Management & Shareholder Information

Insiders Trading

| Holder | Shareholder Type | Relating Party | Shares at the Beginning of the Year | Purchases | Sales | Transaction Date | Shares at the End of the Year |
|--------------------------------------|-------------------------------------|--|-------------------------------------|---|--------------------|--|-------------------------------|
| Ben Thanh Corporation | | Nguyen Vinh Tho Chairman Chief Executive Officer | 6,776,393 | 1,000,000 1,200,000 | 145,670 | 26/01/2010 24/06/2010 | 8,830,723 |
| Nguyen Vinh Tho | Chairman Chief Executive Officer | | 162,712 - | 20,000 67,300 | | 09/07/2010 30/09/2010 | 250,012 |
| Nguyen Phuong Loan | Member of the BOS | | 2,347 | | 2,340 | 08/09/2010 | 7 |
| Hoang Thi Thao | Chief Accountant | | 48,473 | | 20,000 | 09/07/2010 | 28,473 |
| SSI Vision Fund | Major Institutional Shareholder | | 1,926,099 | 30,000 285,120 29,000 232,160 115,580 153,240 119,640 | 389,000 140,129 | 07/01/2010 14/05/2010 26/05/2010 31/07/2010 06/10/2010 14/12/2010 21/12/2010 | 2,207,700 |
| SSI Fund Management Co., Ltd. | Relating Party | SSI Vision Fund | 802,000 | 223,900 634,170 10,500 227,630 | 318,120 524,790 | 14/01/2010 14/01/2010 17/05/2010 31/07/2010 | 1,055,290 |

Trading Information in 2010

| Statistical SVC Shares 2010 | Unit | Amount |
|-----------------------------------|--------------|------------|
| Closing price on 12/31/2009 | VND/ share | 36,000 |
| Closing price on 12/31/2010 | VND/ share | 25,000 |
| 52-Week High | VND/ share | 40,100 |
| 52-Week Low | VND/ share | 19,400 |
| Total Trading Volume | Shares | 28,546,450 |
| Average Trading Volume/ day | Shares/day | 114,186 |
| Shares Outstanding | Shares | 24,995,573 |
| Float | Shares | 24,975,507 |
| Market Cap (12/31/2010) | VND billions | 575 |
| Book Value Per Share (12/31/2010) | VND/ share | 29,338 |
| EPS (2010) | VND/ share | 2,871 |
| P/E (12/31/2010) | times | 8.71 |
| P/B (12/31/2010) | times | 0.85 |
| State Holding | % | 35.33 |
| Foreign Holding | % | 8.55 |



Corporation Management & Shareholder Information

SAVICO Stock experienced great fluctuation in 2010

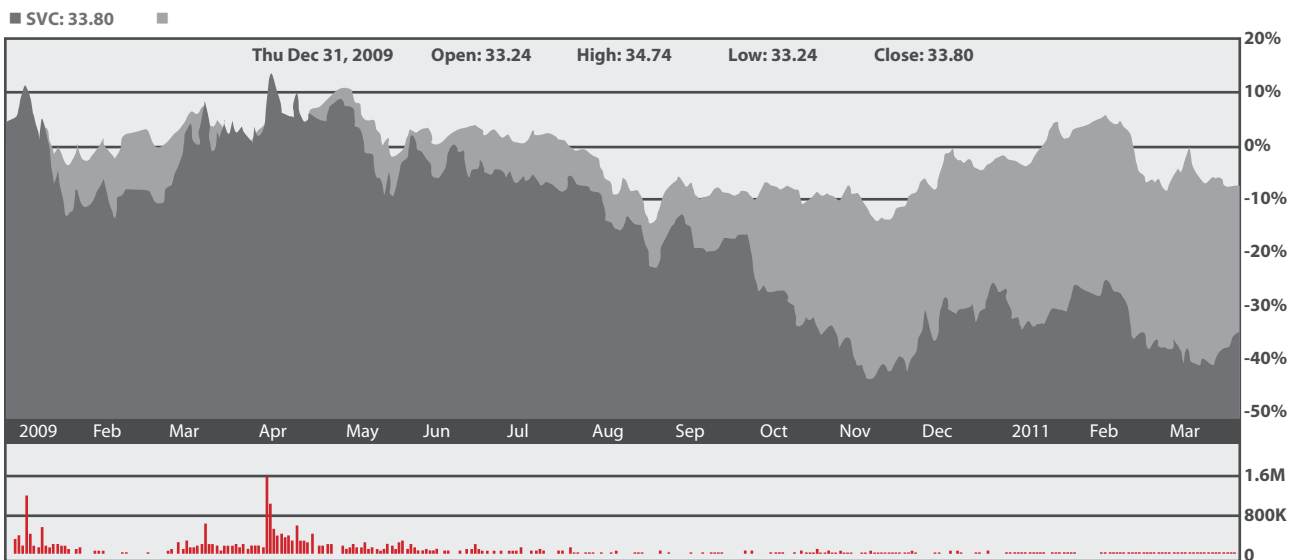
SAVICO's stock price has dropped dramatically in the second half of 2010 for several reasons:

- ▲ Law and regulations such as Automobile import tax increase, money supply reduction, interest rate acceleration have adversely affected the Company's planned targets.
- ▲ Investors were more interested in gold and foreign exchange markets.

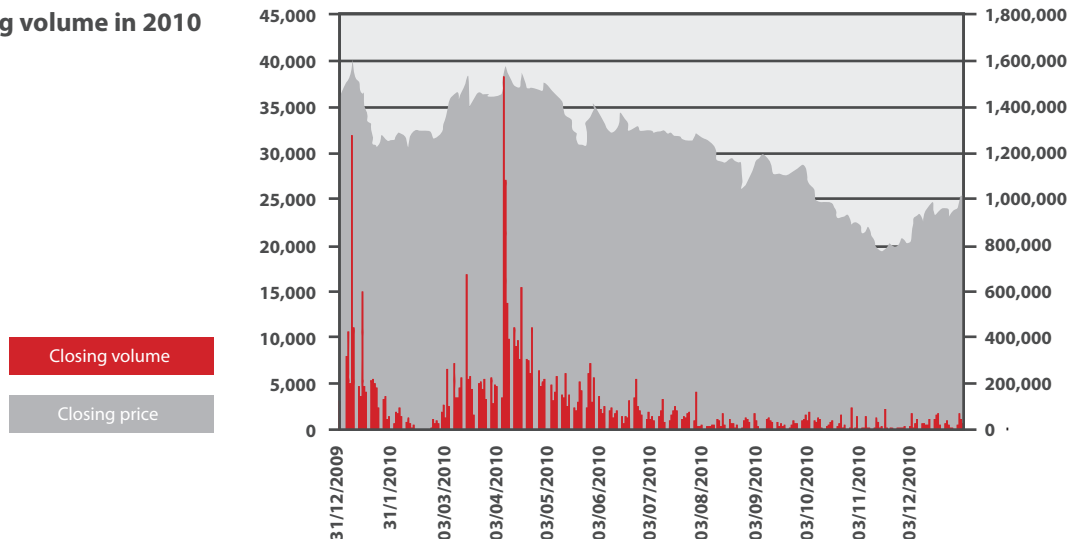
- ▲ VAMA and other automobile manufacturers reduced their manufacturing quotas assigning to SAVICO's distribution network.
- ▲ Most of SAVICO's Real estate projects were in investing phase and not ready to be exploited.

In 2011, SAVICO has focused on Shareholders Relations, exchanged feedback from major shareholders about the Company's objectives, withdrew from unprofitable investments, cut down general and administrative expenses.

SVC compared to VN-Index in 2010



SVC price and trading volume in 2010

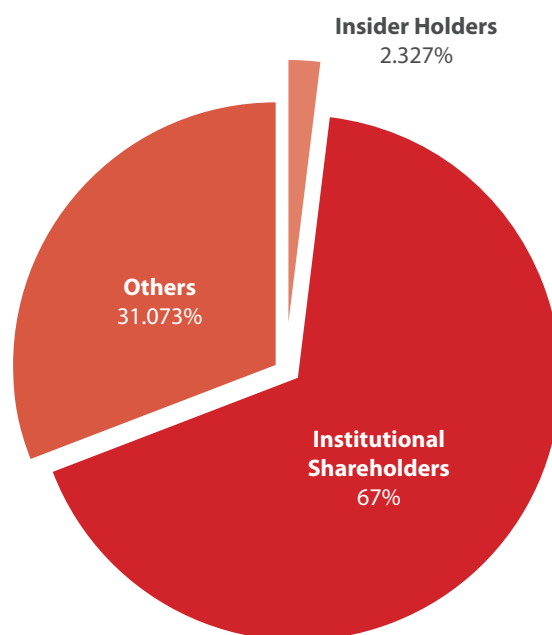


Corporation Management & Shareholder Information

Ownership

As of 03/18/2011, there are 1,947 shareholders. The BOD, BOM, BOS, Chief Accountant and relating parties owned 581,240 shares or 2.327% of shares outstanding. Institutional holders and foreign holders owned 67%.

Other major shareholders include BenThanh Corporation with 8,830,723 shares (35.36%); SSI Vision Fund, and SSI Fund Management Co., Ltd. With 3,452,220 shares (13.82%). There are 46 foreign shareholders that owned 2,136,932 shares or 8.6%, in which the VOF Investment Limited and Bridger Horizon VietNam Partners L.P have 2,001,170 shares.



10 Major Shareholders

| Holders | Ownership Registration | Address | As of 03/18/2011 Shares | % |
|--|------------------------|---|-------------------------|--------------|
| Ben Thanh Group | 0301151147 | 27 Nguyen Trung Truc, Dist.1, HCMC | 8,830,723 | 35.36 |
| SSI Vision Fund | 126/TB-UBCK | 5th floor, 1C Ngo Quyen, Ha Noi | 2,215,500 | 8.87 |
| SSI Fund Management Co., Ltd. | 19/UBCK-GP | 1C Ngo Quyen, Hoan Kiem , Ha Noi | 1,236,720 | 4.95 |
| VOF Investment Limited | C00126 | P.O Box 2208, Road Town, Tortola, B.V.I | 1,001,170 | 4.01 |
| Bridger Horizon Vietnam Partners,L.P. | CS2829 | Walkers Spv ltd., Walker house, PO box 908 gt, Geogle Town, Grand Cayman, Cayman Island | 1,000,000 | 4.00 |
| Kinh Do Investment Co., Ltd. | 0301442121 | 141 Nguyen Du, Dist. 1, HCMC | 712,346 | 2.85 |
| Hoang Minh Son | 024204854 | 382/75 Quang Trung St., Dist. Go Vap, HCMC | 671,670 | 2.69 |
| Nguyen Trung Kien | 023751603 | 353/17 Nguyen Trai, Dist. 1, HCMC | 629,360 | 2.52 |
| Long Quan Investment Joint-Stock Company | 0309137377 | 08 Nguyen Hue, Dist. 1, HCMC | 622,590 | 2.49 |
| Nguyen Ngọc Dao | 023720869 | 70 Bis Tran Dinh Xu, Dist.1, HCMC | 330,500 | 1.32 |
| Total | | | 17,250,579 | 69.07 |



Corporation Management & Shareholder Information



SAVICO and Investor Relations

The building of Investor Relations (IR) is important in the Company's long-term operation strategy. It helps to strengthen confidence of investors, customers and partners, communicating accurately the Company's performance, goals and strategies.

In addition to complying with State Securities Commission of Vietnam and the HOSE's Regulation for Disclosure, the Company also updates its activities via its corporate website and public media.

In 2010, the Company set up a "Shareholder Relation Committee" with the objective to provide prompt and essential updates to shareholders and investors. The Committee is also tasked to gather feedback from the shareholders, thus involving them in the sharing and creation of business results.



SAVICO and Brand Promotion

SAVICO leaders have drawn up guidelines that are aimed at better fulfilling the Company's mission and core values, which is to build sustainable trust from customers, investors and shareholders.

Having been ranked as one of the Top 500 Biggest Enterprises in Vietnam, SAVICO is now a recognized and established brand. Building on its reputed brand equity, SAVICO ensures that its operations are in line with the company's culture, achieving a creative and professional work environment. To effectively promote SAVICO's brand and identity, all promotion collaterals such as panels and company flags are standardized across all member companies. Its E-commerce system and websites of all member companies are also standardized to effectively communicate to its customers and the public.

Corporation Management & Shareholder Information

Awards Attained in the Year

SAVICO received numerous awards in 2010, some of which are:

1. "State President and Honored Flag for Excellent Business 2010" Independence Medal (Category 3) (HCM City People's Committee).
2. Top 100 Vietnam Gold Star Award 2010 for 4 successive years. SAVICO's member Toyota East Saigon won the 2010 Vietnam Gold Star Award (Vietnam Young Business Association)
3. Prestigious Stock Award (Vietnam Stock Trading Association and State Securities Commission)
4. Best Annual Report Award (HCM Stock Exchange and Vietnam Investment Review Newspaper)
5. Ranked in Top 500 Vietnam Biggest Enterprises and FAST500 (i.e. for top 500 fastest growing Vietnam Enterprises)
6. SAVICO's member companies Toyota Giai Phong JV Co. and Toyota East Saigon were ranked in Top 500 Vietnam Biggest Enterprises
7. Trusted Brand Award (Vietnam Enterprise Network)
8. Top Trade Services Awards (Ministry of Industry and Commerce)
9. Strong Brand Award (Vietnam Economic Times)



SAVICO and Community

SAVICO demonstrates its social responsibilities through a series of community activities: favor repaying policy, welfare programs for mothers of Vietnamese heroes, preferential treatment policy for needy families, scholarships for needy students under the "SAVICO Behind Dream" program, contributions to the Poor Assisting Fund, Unfortunate Children Fund, Poor Patients Assisting Fund to provide eye surgeries for the blind, support programs for central Vietnam flood victims and construction of "Houses of Gratitude". In 2005-2010, SAVICO contributed a total of almost VND7 billion to the community.



Financial Reports in 2010







Corporate Information

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 Licence | 4103002955 | 15 December 2004 |
|-------------------------|------------|------------------|

The Company's business licence has been amended several times, the most recent of which is by business licence No 0301154821 dated 15 October 2009. The business licence was issued by Ho Chi Minh City Planning and Investment Department.

| | | |
|----------------------------|----------------------|------------------------------|
| Board of Management | Mr. Nguyen Vinh Tho | Chairman |
| | Mr. Nguyen Binh Minh | Member |
| | Mr. Ta Phuoc Dat | Member (from 16 April 2010) |
| | Mr. Vo Hien | Member |
| | Mr. Te Tri Dung | Member |
| | Mr. Luong Quang Hien | Member |
| | Mr. Le Hung | Member (from 16 April 2010) |
| | Ms. Hoang Thi Thao | Member (until 16 April 2010) |
| | Mr. Le Dien | Member (until 16 April 2010) |

| | | |
|---------------------------|----------------------|-------------------------|
| Board of Directors | Mr. Nguyen Vinh Tho | General Director |
| | Mr. Nguyen Binh Minh | Deputy General Director |
| | Mr. Ta Phuoc Dat | Deputy General Director |
| | Mr. Vo Hien | Deputy General Director |
| | Mr. Phan Tuan Dung | Deputy General Director |
| | Mr. Mai Viet Ha | Deputy General Director |

| | | |
|--------------------------|------------------------|------------------------------|
| Supervisory board | Mr. Le Xuan Duc | Chairman |
| | Ms. Nguyen Phuong Loan | Member |
| | Mr. Nguyen Cong Binh | Member (from 16 April 2010) |
| | Mr. Nguyen Phuc Hung | Member (until 16 April 2010) |

| | |
|--------------------------|--|
| Registered Office | 68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam |
|--------------------------|--|

| | |
|-----------------|-------------------------|
| Auditors | KPMG Limited Vietnam |
|-----------------|-------------------------|

Independent Auditors' Report

To the Shareholders
Saigon General Service Corporation

Scope

We have audited the accompanying separate balance sheet of Saigon General Service Corporation ("the Company") as of 31 December 2010 and the related separate statements of income, changes in equity and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 18 March 2011. These separate financial statements are the responsibility of the Company's management. 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 plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the separate financial statements give a true and fair view of the unconsolidated financial position of Saigon General Service Corporation as of 31 December 2010 and the unconsolidated results of its operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

KPMG Limited
 Vietnam
 Investment Certificate No: 011043000345
 Audit Report No: 10-01-236



Chong Kwang Puay
 CPA No. N0864/KTV
 Deputy General Director

Ho Chi Minh City, 18 March 2011

Nguyen Thanh Nghi
 CPA No. 0304/KTV



Separate Balance Sheet

| | Code | Note | 31/12/2010 VND | 31/12/2009 VND |
|---|------------|-----------|--------------------------|--------------------------|
| ASSETS | | | | |
| Current assets | 100 | | 245,185,119,780 | 198,127,030,774 |
| Cash and cash equivalents | 110 | 3 | 13,741,019,930 | 44,870,931,665 |
| Short-term investments | 120 | 4 | 36,127,095,400 | 35,631,232,088 |
| Short-term investments | 121 | | 49,090,316,928 | 52,920,232,088 |
| Allowance for diminution in the value of short-term investments | 129 | | (12,963,221,528) | (17,289,000,000) |
| Accounts receivable – short-term | 130 | | 186,906,965,760 | 107,316,124,748 |
| Accounts receivable – trade | 131 | 5 | 19,002,865,773 | 12,315,909,336 |
| Prepayments to suppliers | 132 | 6 | 145,796,801,016 | 50,858,139,326 |
| Other receivables | 135 | 7 | 22,107,298,971 | 53,035,117,618 |
| Allowance for doubtful debts | 139 | 8 | - | (8,893,041,532) |
| Inventories | 140 | 9 | 5,060,331,163 | 7,762,208,117 |
| Other current assets | 150 | | 3,349,707,527 | 2,546,534,156 |
| Short-term prepayments | 151 | | 138,532,726 | 276,030,000 |
| Deductible value added tax | 152 | | 308,071,359 | 982,404,156 |
| Taxes receivable from State Treasury | 154 | | 59,524,442 | - |
| Other current assets | 158 | | 2,843,579,000 | 1,288,100,000 |
| Long-term assets | 200 | | 1,273,422,566,530 | 1,195,720,783,652 |
| Accounts receivables – long-term | 210 | | 4,345,621,247 | 5,906,653,139 |
| Other receivables | 218 | | 4,345,621,247 | 5,906,653,139 |
| Fixed assets | 220 | | 394,325,714,869 | 325,493,635,341 |
| Tangible fixed assets | 221 | 10 | 4,029,379,210 | 4,602,055,814 |
| Cost | 222 | | 10,660,793,925 | 10,319,663,198 |
| Accumulated depreciation | 223 | | (6,631,414,715) | (5,717,607,384) |
| Intangible fixed assets | 221 | 11 | 45,534,272,700 | 45,739,710,372 |
| Cost | 222 | | 47,084,099,490 | 46,648,229,490 |
| Accumulated amortisation | 223 | | (1,549,826,790) | (908,519,118) |
| Construction in progress | 230 | 12 | 344,762,062,959 | 275,151,869,155 |
| Investment property | 240 | 13 | 96,391,944,455 | 97,802,040,681 |
| Cost | 241 | | 115,808,292,204 | 113,259,450,328 |
| Accumulated depreciation | 242 | | (19,416,347,749) | (15,457,409,647) |
| Long-term investments | 250 | 14 | 763,364,701,768 | 754,986,602,823 |
| Investments in subsidiaries | 251 | | 125,236,222,000 | 106,960,467,883 |
| Investments in associates | 252 | | 223,800,194,279 | 220,860,194,279 |
| Other long-term investments | 258 | | 459,159,303,316 | 517,266,465,887 |
| Allowance for diminution in the value of long-term investments | 259 | | (44,831,017,827) | (90,100,525,226) |

Separate Balance Sheet

| | Code | Note | 31/12/2010 VND | 31/12/2009 VND |
|---|------------|------|--------------------------|--------------------------|
| Other long-term assets | 260 | | 14,994,584,191 | 11,531,851,668 |
| Long-term prepayments | 261 | | 1,885,383,091 | 120,913,381 |
| Deferred tax assets | 262 | 15 | 11,771,701,100 | 10,902,658,287 |
| Other long-term assets | 268 | | 1,337,500,000 | 508,280,000 |
| TOTAL ASSETS | 270 | | 1,518,607,686,310 | 1,393,847,814,426 |
| RESOURCES | | | | |
| LIABILITIES | 300 | | 872,956,127,008 | 754,177,126,878 |
| Current liabilities | 310 | | 389,968,441,209 | 161,118,584,506 |
| Short-term borrowings | 311 | 16 | 245,801,391,579 | 72,483,112,000 |
| Accounts payable – trade | 312 | | 2,351,587,714 | 2,594,170,421 |
| Advances from customers | 313 | | 637,254,784 | 711,306,821 |
| Taxes payable to State Treasury | 314 | 17 | 10,635,913,181 | 9,718,321,664 |
| Payables to employees | 315 | | 29,494,880,550 | 31,307,460,190 |
| Accrued expenses | 316 | 18 | 10,329,524,697 | 5,232,545,239 |
| Other payables | 319 | 19 | 86,082,769,159 | 39,071,668,171 |
| Bonus and welfare fund | 323 | 20 | 4,635,119,545 | - |
| Long-term borrowings and liabilities | 330 | | 482,987,685,799 | 593,058,542,372 |
| Other long-term liabilities | 333 | 21 | 110,688,392,021 | 138,244,946,276 |
| Long-term borrowings | 334 | 22 | 217,741,830,000 | 297,008,010,954 |
| Unearned revenue | 336 | 23 | 154,557,463,778 | 157,805,585,142 |
| EQUITY | 400 | | 645,651,559,302 | 639,670,687,548 |
| Owner's equity | 410 | | 645,651,559,302 | 634,801,842,318 |
| Share capital | 411 | 24 | 249,955,730,000 | 249,955,730,000 |
| Share premium | 412 | | 317,064,858,303 | 317,064,858,303 |
| Treasury shares | 414 | 24 | (690,474,358) | (16,000) |
| Investment and development fund | 417 | | 14,731,614,307 | 14,731,614,307 |
| Financial reserves | 418 | | 5,218,459,791 | 5,218,459,791 |
| Retained profits | 420 | | 59,371,371,259 | 47,831,195,917 |
| Non-business expenditure fund | 430 | | - | 4,868,845,230 |
| Bonus and welfare fund | 431 | | - | 4,868,845,230 |
| TOTAL RESOURCES | 440 | | 1,518,607,686,310 | 1,393,847,814,426 |

Prepared by:



Hoang Thi Thao
Chief Accountant

Approved by:



Nguyen Vinh Tho
General Director

18 March 2011



Separate Statement of Income

| | Code | Note | 2010 VND | 2009 VND |
|--|-----------|-----------|--------------------------|-------------------------|
| Total revenue | 01 | 25 | 190,697,616,483 | 157,752,251,591 |
| Less sales deductions | 02 | | (74,584,806) | (126,983,050) |
| Net sales | 10 | 25 | 190,623,031,677 | 157,625,268,541 |
| Cost of sales | 11 | 26 | (134,686,834,325) | (81,997,193,465) |
| Gross profit | 20 | | 55,936,197,352 | 75,628,075,076 |
| Financial income | 21 | 27 | 63,526,069,234 | 34,947,191,343 |
| Financial expenses | 22 | 28 | (37,844,849,727) | (36,053,660,901) |
| Selling expenses | 24 | | (2,653,250,279) | (1,914,316,281) |
| General and administration expenses | 25 | | (26,824,926,163) | (36,966,014,638) |
| Net operating profit | 30 | | 52,139,240,417 | 35,641,274,599 |
| Results of other activities | 40 | | | |
| Other income | 31 | 29 | 8,622,797,715 | 3,413,331,469 |
| Other expenses | 32 | | (847,489,865) | (957,496,474) |
| Profit before tax | 50 | | 59,914,548,267 | 38,097,109,594 |
| Income tax expense – current | 51 | 30 | (5,358,816,548) | (9,515,792,465) |
| Income tax benefit/(expense) – deferred | 52 | 30 | 869,042,813 | (2,021,867,197) |
| Net profit | 60 | | 55,424,774,532 | 26,559,449,932 |
| Basic earnings per share | 70 | 31 | 2,218 | 1,266 |

Prepared by:

Hoang Thi Thao
Chief Accountant

Approved by:



Nguyen Vinh Tho
General Director

18 March 2011

Separate Statement of Changes in Equity

| | Share capital VND | Share premium VND | Treasury shares VND | Investment and development fund VND | Financial reserves VND | Retained profits VND | Bonus and welfare fund VND | Total VND |
|---|----------------------|----------------------|------------------------|--|------------------------------|-------------------------|----------------------------------|------------------|
| Balance at 1 January 2009 | 203,610,400,000 | 180,876,300,000 | (3,544,746,277) | 14,731,614,307 | 5,218,459,791 | 52,204,769,222 | 5,584,990,650 | 458,681,787,693 |
| Shares issued | 46,345,330,000 | 131,090,336,580 | - | - | - | - | - | 177,435,666,580 |
| Treasury shares reissued | - | 5,098,221,723 | 3,544,730,277 | - | - | - | - | 8,642,952,000 |
| Net profit for the year | - | - | - | - | - | 26,559,449,932 | - | 26,559,449,932 |
| Allocation to funds | - | - | - | - | - | (1,787,118,490) | 1,787,118,490 | - |
| Dividends | - | - | - | - | - | (28,609,769,200) | - | (28,609,769,200) |
| Board of Management fee | - | - | - | - | - | (536,135,547) | - | (536,135,547) |
| Fund utilised during the year | - | - | - | - | - | - | (2,503,263,910) | (2,503,263,910) |
| Balance at 1 January 2010 | 249,955,730,000 | 317,064,858,303 | (16,000) | 14,731,614,307 | 5,218,459,791 | 47,831,195,917 | 4,868,845,230 | 639,670,687,548 |
| Treasury shares bought back | - | - | (690,458,358) | - | - | - | - | (690,458,358) |
| Net profit for the year | - | - | - | - | - | 55,424,774,532 | - | 55,424,774,532 |
| Reclassification to current liabilities | - | - | - | - | - | - | (4,868,845,230) | (4,868,845,230) |
| Appropriation to bonus and welfare fund | - | - | - | - | - | (5,604,490,192) | - | (5,604,490,192) |
| Dividends (Note 32) | - | - | - | - | - | (37,483,325,500) | - | (37,483,325,500) |
| Board of Management fee | - | - | - | - | - | (796,783,498) | - | (796,783,498) |
| Balance at 31 December 2010 | 249,955,730,000 | 317,064,858,303 | (690,474,358) | 14,731,614,307 | 5,218,459,791 | 59,371,371,259 | - | 645,651,559,302 |

Prepared by:



Huang Thi Thao
Chief Accountant

Approved by:



Nguyen Vinh Tho
General Director

18 March 2011



Separate Statement of Cash Flows

| | Code | Note | 2010 VND | 2009 VND |
|---|-----------|------|-------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before tax | 01 | | 59,914,548,267 | 38,097,109,594 |
| Adjustments for | | | | |
| Depreciation and amortisation | 02 | | 5,514,053,105 | 4,826,326,585 |
| Allowances and provisions | 03 | | (39,695,285,871) | (21,071,364,309) |
| (Gains)/losses on disposal of fixed assets | 05 | | (3,032,215,099) | 1,450,977,100 |
| Fixed assets written off | 05 | | - | 135,321,454 |
| Dividend and interest income | 05 | | (23,848,916,913) | (24,807,945,480) |
| Losses from other investing activities | 05 | | 22,592,172,160 | 23,376,846,420 |
| Interest expense | 06 | | 43,338,721,673 | 31,893,430,766 |
| Operating profit before changes in working capital | 08 | | 64,783,077,322 | 53,900,702,130 |
| Change in receivables and other current assets | 09 | | (82,397,540,142) | (14,058,592,973) |
| Change in inventories | 10 | | 2,701,876,954 | (4,139,990,250) |
| Change in payables and other liabilities | 11 | | 20,767,704,217 | 32,973,692,772 |
| | | | (5,855,118,351) | 68,675,811,679 |
| Interest paid | 13 | | (40,193,822,842) | (35,347,939,142) |
| Corporate income tax paid | 14 | | (9,237,419,136) | (7,416,679,175) |
| Other payments for operating activities | 16 | | (6,634,999,375) | (3,039,399,457) |
| Net cash (used in)/generated from operating activities | 20 | | (50,211,123,002) | 22,871,793,905 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | | (74,859,256,008) | (33,036,931,880) |
| Proceeds from disposals of fixed assets | 22 | | 3,797,040,000 | 545,454,540 |
| Change in other non-current assets | | | (1,032,657,818) | 1,333,914,756 |
| Net proceeds from trading activities | | | 90,611,108,000 | 5,478,152,130 |
| Payments for investments in other entities | 25 | | (81,223,561,846) | (105,011,621,614) |
| Receipts of dividends and interest income | 27 | | 25,852,442,672 | 18,178,090,042 |
| Net cash used in investing activities | 30 | | (36,854,885,000) | (112,512,942,026) |

Separate Statement of Cash Flows

| | Code | Note | 2010 VND | 2009 VND |
|---|-----------|----------|-------------------------|------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from equity issued | 31 | | - | 177,435,666,580 |
| (Purchase)/issuance of treasury shares | 32 | | (690,458,358) | 8,642,952,000 |
| Proceeds from short-term and long-term borrowings | 33 | | 337,245,527,299 | 82,800,857,370 |
| Payments to settle debts | 34 | | (343,193,428,674) | (128,788,919,528) |
| Proceeds from issuance of bonds | 33 | | 100,000,000,000 | - |
| Payments of dividends | 36 | | (37,425,544,000) | (16,655,539,000) |
| Net cash generated from financing activities | 40 | | 55,936,096,267 | 123,435,017,422 |
| Net cash flows during the year | 50 | | (55,371,336,577) | 112,738,629,585 |
| Cash and cash equivalents at the beginning of the year | 60 | | 44,870,931,665 | 11,077,062,364 |
| Cash and cash equivalents at the end of the year | 70 | 3 | 13,741,019,930 | 44,870,931,665 |

Prepared by:



Hoang Thi Thao
Chief Accountant

Approved by:



Nguyen Vinh Tho
General Director

18 March 2011



Corporate Information

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 Licence | 4103002955 | 15 December 2004 |
|-------------------------|------------|------------------|

The Company's business licence has been amended several times, the most recent of which is by business licence No 0301154821 dated 15 October 2009. The business licence was issued by Ho Chi Minh City Planning and Investment Department.

| | | |
|----------------------------|----------------------|------------------------------|
| Board of Management | Mr. Nguyen Vinh Tho | Chairman |
| | Mr. Nguyen Binh Minh | Member |
| | Mr. Ta Phuoc Dat | Member (from 16 April 2010) |
| | Mr. Vo Hien | Member |
| | Mr. Te Tri Dung | Member |
| | Mr. Luong Quang Hien | Member |
| | Mr. Le Hung | Member (from 16 April 2010) |
| | Ms. Hoang Thi Thao | Member (until 16 April 2010) |
| | Mr. Le Dien | Member (until 16 April 2010) |

| | | |
|---------------------------|----------------------|-------------------------|
| Board of Directors | Mr. Nguyen Vinh Tho | General Director |
| | Mr. Nguyen Binh Minh | Deputy General Director |
| | Mr. Ta Phuoc Dat | Deputy General Director |
| | Mr. Vo Hien | Deputy General Director |
| | Mr. Phan Tuan Dung | Deputy General Director |
| | Mr. Mai Viet Ha | Deputy General Director |

| | | |
|--------------------------|------------------------|------------------------------|
| Supervisory board | Mr. Le Xuan Duc | Chairman |
| | Ms. Nguyen Phuong Loan | Member |
| | Mr. Nguyen Cong Binh | Member (from 16 April 2010) |
| | Mr. Nguyen Phuc Hung | Member (until 16 April 2010) |

| | |
|--------------------------|--|
| Registered Office | 68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam |
|--------------------------|--|

| | |
|-----------------|-------------------------|
| Auditors | KPMG Limited Vietnam |
|-----------------|-------------------------|

Independent Auditors' Report

To the Shareholders
Saigon General Service Corporation

Scope

We have audited the accompanying consolidated balance sheet of Saigon General Service Corporation and its subsidiaries ("the Group") as of 31 December 2010 and the related consolidated statements of income, changes in equity and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 18 March 2011. These consolidated financial statements are the responsibility of the Company's management. 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 plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Saigon General Service Corporation and its subsidiaries as of 31 December 2010 and of their consolidated results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

KPMG Limited
 Vietnam
 Investment Certificate No: 011043000345
 Audit Report No: 10-01-236



Chong Kwang Puay
 CPA No. N0864/KTV
 Deputy General Director

Ho Chi Minh City, 18 March 2011

Nguyen Thanh Nghi
 CPA No. 0304/KTV



Consolidated Balance Sheet

As at 31 December 2010

| | Code | Note | 31/12/2010 VND | 31/12/2009 VND |
|---|------------|-----------|--------------------------|--------------------------|
| ASSETS | | | | |
| Current assets | 100 | | 842,423,184,682 | 521,121,849,396 |
| Cash and cash equivalents | 110 | 4 | 106,497,794,903 | 161,869,131,480 |
| Short-term investments | 120 | 5 | 36,129,147,943 | 35,633,284,631 |
| Short-term investments | 121 | | 49,092,369,471 | 52,922,284,631 |
| Allowance for diminution in the value of short-term investments | 129 | | (12,963,221,528) | (17,289,000,000) |
| Accounts receivable – short-term | 130 | | 379,880,146,892 | 211,516,014,380 |
| Accounts receivable – trade | 131 | | 139,074,302,004 | 75,924,078,311 |
| Prepayments to suppliers | 132 | 6 | 217,116,916,044 | 91,349,631,557 |
| Other receivables | 138 | | 25,180,835,030 | 45,284,562,103 |
| Allowance for doubtful debts | 139 | 7 | (1,491,906,186) | (1,042,257,591) |
| Inventories | 140 | 8 | 275,187,718,365 | 94,686,470,498 |
| Inventories | 141 | | 280,012,761,428 | 99,346,719,662 |
| Allowance for inventories | 149 | | (4,825,043,063) | (4,660,249,164) |
| Other current assets | 150 | | 44,728,376,579 | 17,416,948,407 |
| Short-term prepayments | 151 | | 2,374,397,828 | 5,741,079,982 |
| Deductible value added tax | 152 | | 27,882,758,189 | 4,693,133,139 |
| Taxes receivable from State Treasury | 154 | | 59,971,924 | - |
| Other current assets | 158 | | 14,411,248,638 | 6,982,735,286 |
| Long-term assets | 200 | | 1,514,908,308,812 | 1,271,229,163,268 |
| Accounts receivable – long-term | 210 | | 4,345,621,247 | 5,906,653,139 |
| Fixed assets | 220 | | 645,846,282,524 | 405,096,824,068 |
| Tangible fixed assets | 221 | 9 | 128,930,789,242 | 39,564,151,684 |
| Cost | 222 | | 158,682,468,657 | 62,599,137,759 |
| Accumulated depreciation | 223 | | (29,751,679,415) | (23,034,986,075) |
| Finance lease tangible fixed assets | 224 | 10 | 6,891,006,551 | 2,663,406,747 |
| Cost | 225 | | 8,099,678,641 | 2,663,406,747 |
| Accumulated depreciation | 226 | | (1,208,672,090) | - |
| Intangible fixed assets | 227 | 11 | 48,143,363,719 | 48,163,896,768 |
| Cost | 228 | | 52,842,326,840 | 51,815,314,940 |
| Accumulated amortisation | 229 | | (4,698,963,121) | (3,651,418,172) |
| Construction in progress | 230 | 12 | 461,881,123,012 | 314,705,368,869 |
| Investment property | 240 | 13 | 96,391,944,455 | 97,802,040,681 |
| Cost | 241 | | 115,808,292,204 | 113,259,450,328 |
| Accumulated depreciation | 242 | | (19,416,347,749) | (15,457,409,647) |
| Long-term investments | 250 | 14 | 687,287,495,371 | 698,266,809,107 |
| Investments in associates | 252 | | 245,139,975,519 | 237,921,906,002 |
| Other long-term investments | 258 | | 466,032,998,908 | 523,140,161,479 |
| Allowance for diminution in the value of long-term investments | 259 | | (23,885,479,056) | (62,795,258,374) |

Consolidated Balance Sheet

As at 31 December 2010

| | Code | Note | 31/12/2010 VND | 31/12/2009 VND |
|---|------------|-----------|--------------------------|--------------------------|
| Other long-term assets | 260 | | 81,036,965,215 | 64,156,836,273 |
| Long-term prepayments | 261 | 15 | 35,562,523,169 | 26,946,046,843 |
| Deferred tax assets | 262 | 31 | 12,223,926,796 | 11,283,541,959 |
| Long-term deposits | 268 | | 33,250,515,250 | 25,927,247,471 |
| TOTAL ASSETS | 270 | | 2,357,331,493,494 | 1,792,351,012,664 |
| RESOURCES | | | | |
| LIABILITIES | 300 | | 1,477,197,357,737 | 972,229,675,204 |
| Current liabilities | 310 | | 884,881,654,531 | 343,029,586,391 |
| Short-term borrowings | 311 | 16 | 473,247,112,341 | 134,764,632,245 |
| Accounts payable – trade | 312 | | 114,418,935,802 | 24,797,707,780 |
| Advances from customers | 313 | | 111,393,088,034 | 35,641,166,672 |
| Taxes payable to State Treasury | 314 | 17 | 21,967,183,272 | 30,333,507,769 |
| Payables to employees | 315 | | 43,204,415,801 | 41,092,582,637 |
| Accrued expenses | 316 | 18 | 21,624,749,389 | 11,857,632,695 |
| Other payables | 319 | | 92,172,575,618 | 64,542,356,593 |
| Bonus and welfare fund | 323 | 19 | 6,853,594,274 | - |
| Long-term borrowings and liabilities | 330 | | 592,315,703,206 | 629,200,088,813 |
| Other long-term liabilities | 333 | 20 | 125,519,831,624 | 139,653,361,951 |
| Long-term borrowings and liabilities | 334 | 21 | 354,845,761,678 | 379,936,670,733 |
| Provision for severance allowance | 336 | | 2,257,175,844 | 2,432,086,665 |
| Unearned revenue | 338 | 22 | 109,692,934,060 | 107,177,969,464 |
| EQUITY | 400 | | 732,725,216,830 | 713,819,499,018 |
| Owners' equity | 410 | | 732,725,216,830 | 705,475,235,184 |
| Share capital | 411 | 23 | 249,955,730,000 | 249,955,730,000 |
| Share premium | 412 | | 317,064,858,303 | 317,064,858,303 |
| Treasury shares | 413 | 23 | (690,474,358) | (16,000) |
| Foreign exchange differences | 416 | | 5,093,483,305 | 2,590,491,459 |
| Investment and development fund | 417 | | 19,159,016,653 | 18,409,006,477 |
| Financial reserves | 418 | | 9,067,519,041 | 8,193,091,918 |
| Retained profits | 419 | | 133,075,083,886 | 109,262,073,027 |
| Non-business expenditure fund | 430 | | - | 8,344,263,834 |
| Bonus and welfare fund | 431 | | - | 8,344,263,834 |
| MINORITY INTEREST | 439 | 24 | 147,408,918,927 | 106,301,838,442 |
| TOTAL RESOURCES | 440 | | 2,357,331,493,494 | 1,792,351,012,664 |

Prepared by:



Hoang Thi Thao
Chief Accountant

Approved by:



Nguyen Vinh Tho
General Director

18 March 2011

The accompanying notes are an integral part of these consolidated financial statements



Consolidated Statement of Income

For the year ended 31 December 2010

| | Code | Note | 2010 VND | 2009 VND |
|--|-----------|-----------|----------------------------|----------------------------|
| Total revenue | 01 | 25 | 4,188,214,039,064 | 3,093,441,601,012 |
| Less sales deductions | 03 | | (14,664,942,778) | (14,412,563,909) |
| Net sales | 10 | 25 | 4,173,549,096,286 | 3,079,029,037,103 |
| Cost of sales | 11 | 26 | (3,906,776,474,941) | (2,822,262,975,732) |
| Gross profit | 20 | | 266,772,621,345 | 256,766,061,371 |
| Financial income | 21 | 27 | 58,878,449,709 | 27,798,512,404 |
| Financial expenses | 22 | 28 | (59,282,011,340) | (25,936,699,342) |
| Selling expenses | 24 | | (100,125,954,398) | (72,186,837,003) |
| General and administration expenses | 25 | | (90,779,612,815) | (78,616,179,737) |
| Net operating profit | 30 | | 75,463,492,501 | 107,824,857,693 |
| Share of profit in associates | | 14 | 8,699,578,380 | 14,190,492,809 |
| Results of other activities | 40 | | | |
| Other income | 31 | 29 | 26,235,529,594 | 15,006,832,758 |
| Other expenses | 32 | 30 | (2,665,995,490) | (11,372,621,708) |
| Profit before tax | 50 | | 107,732,604,985 | 125,649,561,552 |
| Income tax expense – current | 51 | 31 | (20,020,353,135) | (23,840,083,598) |
| Income tax benefit/(expense) – deferred | 52 | 31 | 940,384,837 | (1,935,296,935) |
| Net profit | | | 88,652,636,687 | 99,874,181,019 |
| Net profit | | | 88,652,636,687 | 99,874,181,019 |
| Attributable to : | | | | |
| Minority interest | 61 | 24 | 16,923,063,523 | 27,988,729,031 |
| Equity holders of the Company | 62 | | 71,729,573,164 | 71,885,451,988 |
| Net profit | 60 | | 88,652,636,687 | 99,874,181,019 |
| Basic earnings per share | 70 | 32 | 2,871 | 3,425 |

Prepared by:

Hoang Thi Thao
Chief Accountant

Approved by:



Nguyen Vinh Tho
General Director

18 March 2011

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity

For the year ended 31 December 2010

| | Share capital VND | Share premium VND | Treasury shares VND | Foreign exchange differences VND | Investment and development fund VND | Financial reserves VND | Retained profits VND | Bonus and welfare fund VND | Total VND |
|--|----------------------|----------------------|------------------------|---|--|------------------------------|-------------------------|----------------------------------|------------------|
| Balance at 1 January 2009 | 203,610,400,000 | 180,876,300,000 | (3,544,746,277) | 650,345,638 | 16,193,469,287 | 6,602,007,981 | 74,824,442,380 | 7,390,376,821 | 486,602,595,830 |
| Shares issued | 46,345,330,000 | 131,090,336,580 | - | - | - | - | - | - | 177,435,666,580 |
| Treasury shares reissued | - | 5,098,221,723 | 3,544,730,277 | - | - | - | - | - | 8,642,952,000 |
| Net profit for the year | - | - | - | - | - | - | 71,885,451,988 | - | 71,885,451,988 |
| Foreign exchange differences | - | - | - | (1,411,458,593) | - | - | - | - | (1,411,458,593) |
| Foreign exchange differences on capital contribution in associate | - | - | - | 3,351,604,414 | - | - | - | - | 3,351,604,414 |
| Appropriation to equity funds | - | - | - | - | 2,215,537,190 | 1,591,083,937 | (3,806,621,127) | - | - |
| Appropriation to bonus and welfare fund | - | - | - | - | - | - | (4,495,295,467) | 4,495,295,467 | - |
| Dividends | - | - | - | - | - | - | (28,609,769,200) | - | (28,609,769,200) |
| Board of Management fee | - | - | - | - | - | - | (536,135,547) | - | (536,135,547) |
| Fund utilised during the year | - | - | - | - | - | - | - | (3,541,408,454) | (3,541,408,454) |
| Balance at 1 January 2010 | 249,955,730,000 | 317,064,858,303 | (16,000) | 2,590,491,459 | 18,409,006,477 | 8,193,091,918 | 109,262,073,027 | 8,344,263,834 | 713,819,499,018 |



Consolidated Statement of Income

For the year ended 31 December 2010

| | Share capital VND | Share premium VND | Treasury shares VND | Foreign exchange differences VND | Investment and development fund VND | Financial reserves VND | Retained profits VND | Bonus and welfare fund VND | Total VND |
|---|----------------------|----------------------|------------------------|-------------------------------------|--|---------------------------|-------------------------|-------------------------------|------------------|
| b | 249,955,730,000 | 317,064,858,303 | (16,000) | 2,590,491,459 | 18,409,006,477 | 8,193,091,918 | 109,262,073,027 | 8,344,263,834 | 713,819,499,018 |
| Treasury shares bought back on capital contribution in associate | - | - | (690,458,358) | - | - | - | - | - | (690,458,358) |
| Net profit for the year | - | - | - | - | - | - | 71,729,573,164 | - | 71,729,573,164 |
| Foreign exchange differences | - | - | - | 761,112,955 | - | - | - | - | 761,112,955 |
| Foreign exchange differences on capital contribution in associate | - | - | - | 1,741,878,891 | - | - | - | - | 1,741,878,891 |
| Reclassification to current liabilities | - | - | - | - | - | - | - | (8,344,263,834) | (8,344,263,834) |
| Appropriation to equity funds | - | - | - | - | 894,000,671 | 874,427,123 | (1,768,427,794) | - | - |
| Appropriation to bonus and welfare fund | - | - | - | - | - | - | (6,705,908,489) | - | (6,705,908,489) |
| Dividends (Note 33) | - | - | - | - | - | - | (37,483,325,500) | - | (37,483,325,500) |
| Board of Management fee | - | - | - | - | - | - | (831,975,841) | - | (831,975,841) |
| Utilisation of funds | - | - | - | - | (143,990,495) | - | - | - | (143,990,495) |
| Other deductions | - | - | - | - | - | - | (1,126,924,681) | - | (1,126,924,681) |
| Balance at 31 December 2010 | 249,955,730,000 | 317,064,858,303 | (690,474,358) | 5,093,483,305 | 19,159,016,653 | 9,067,519,041 | 133,075,083,886 | - | 732,725,216,830 |

Prepared by:

Hoang Thi Thao
Chief Accountant

Approved by:



Nguyen Vinh Tho
General Director

18 March 2011

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statement of Cash Flows

For the year ended 31 December 2010

| | Code | Note | 2010 VND | 2009 VND |
|--|-----------|------|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before tax | 01 | | 107,732,604,985 | 125,649,561,552 |
| Adjustments for | | | | |
| Depreciation and amortisation | 02 | | 18,682,998,508 | 9,365,982,781 |
| Allowances and provisions | 03 | | (42,601,022,864) | (43,853,346,424) |
| (Gains)/losses on disposals of assets | | | (3,428,295,074) | 7,763,036,121 |
| Losses on trading securities | | | 22,592,172,160 | 26,653,476,621 |
| Fixed assets written off | 05 | | 45,835,000 | 328,402,038 |
| Interest expense | 06 | | 65,548,226,608 | 33,031,246,098 |
| Dividends and interest income | | | (15,476,132,477) | (17,146,814,273) |
| Income from associates | | | (8,699,578,380) | (14,190,492,809) |
| Operating profit before changes in working capital | 08 | | 144,396,808,466 | 127,601,051,705 |
| Change in receivables and other current assets | 09 | | (191,513,481,921) | (76,567,070,494) |
| Change in inventories | 10 | | (180,686,134,198) | (23,833,619,353) |
| Change in payables and other liabilities | 11 | | 187,683,638,380 | 108,610,360,710 |
| Change in prepayments | 12 | | (8,616,476,326) | (7,328,248,416) |
| | | | (48,735,645,599) | 128,482,474,152 |
| Interest paid | 13 | | (62,277,557,193) | (36,125,781,667) |
| Corporate income tax paid | 14 | | (31,262,208,999) | (13,206,386,195) |
| Other payments for operating activities | 16 | | (8,196,578,049) | (4,929,429,589) |
| Net cash (used in)/generated from operating activities | 20 | | (150,471,989,840) | 74,220,876,701 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | | (250,964,741,104) | (105,581,494,870) |
| Proceeds from disposals of fixed assets and other long-term assets | 22 | | 4,909,494,545 | 3,948,954,697 |
| Net proceeds from trading securities | | | 90,611,108,000 | 5,478,152,130 |
| Payments for investment in other entities | 25 | | (54,047,807,729) | (97,815,737,166) |
| Receipts of dividends and interest income | 27 | | 15,476,132,477 | 17,146,814,273 |
| Payments for other non-current assets | | | (5,762,235,887) | - |
| Net cash used in investing activities | 30 | | (199,778,049,698) | (176,823,310,936) |



Consolidated Statement of Cash Flows

For the year ended 31 December 2010

| | Code | Note | 2010 VND | 2009 VND |
|--|-----------|----------|-------------------------|------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from equity issued | 31 | | - | 177,435,666,580 |
| (Purchase)/issuance of treasury shares | 32 | | (690,458,358) | 8,642,952,000 |
| Proceeds from borrowings | 33 | | 1,823,336,852,905 | 775,914,334,080 |
| Payments to settle debts | 34 | | (1,613,860,469,645) | (730,396,077,988) |
| Proceeds from equity issued by subsidiaries to minority interest | | | 30,733,500,000 | 5,845,950,000 |
| Proceeds from issuance of bonds | 33 | | 100,000,000,000 | - |
| Payments for financial lease liabilities | 35 | | (1,521,084,113) | - |
| Payments of dividends to equity holders of the Company | 36 | | (37,425,544,000) | (16,655,539,000) |
| Payments of dividends by subsidiaries to minority interest | | | (5,694,093,828) | (5,446,221,852) |
| Net cash generated from financing activities | 40 | | 294,878,702,961 | 215,341,063,820 |
| Net cash flows during the year | 50 | | (55,371,336,577) | 112,738,629,585 |
| Cash and cash equivalents at the beginning of the year | 60 | | 161,869,131,480 | 49,130,501,895 |
| Cash and cash equivalents at the end of the year | 70 | 4 | 106,497,794,903 | 161,869,131,480 |

| | 2010 VND | 2009 VND |
|---|---------------|---------------|
| NON-CASH INVESTING ACTIVITIES | | |
| Cost of fixed assets acquired by the Group under finance leases | 5,436,271,894 | 2,663,406,747 |

Prepared by:

Hoang Thi Thao
Chief Accountant

Approved by:



Nguyen Vinh Tho
General Director

18 March 2011

The accompanying notes are an integral part of these consolidated financial statements

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010

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

1. Reporting Entity

Saigon General Service Corporation ("the Company") was incorporated as a joint-stock company under Decision No. 3448/QD-UB issued by the Ho Chi Minh City People's Committee on 9 July 2004 and amended by Decision No 3449/QD-UB on the same day. The principal activities of the Company are:

- Service and trading: trading, distribution, repair and maintenance of cars, motorbikes and spare parts of Toyota, Ford, GM-Daewoo, Suzuki, Hyundai, SYM, Yamaha; providing diversified services with international standards; providing taxi services;
- Investment property services: investment, development of real estate projects such as office buildings, trading centres, apartments, villas and high-class resorts;
- Financial services: investing in subsidiaries, associates and in shares of other entities operating in trading and services, real estates, infrastructures, finance, banking and telecommunications.

The Company's shares are listed on the Ho Chi Minh Stock Exchange.

The consolidated financial statements of the Group for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interest in associates.

As at 31 December 2010 the Group had 1,055 employees (31 December 2009: 838 employees).

2. 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 financial statement preparation

(i) General basis of accounting

The financial statements, expressed in Vietnam Dong ("VND"), have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

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

(ii) Basis of consolidation

Subsidiaries

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



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

2. Summary of significant accounting policies (cont'd)

(a) Basis of financial statement preparation (cont'd)

(ii) *Basis of consolidation (cont'd)*

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 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.

Transactions eliminated on consolidation

Intra-group 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 investment to the extent of the Group's interest in the associate.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiaries and associates at the date of acquisition. Goodwill, if insignificant, is written off as incurred.

If the fair value of the Group's share of the net assets of the acquired subsidiaries and associates exceeds the cost of its acquisition, the excess is recognised in the statement of income immediately.

(b) Fiscal year

The fiscal year of the Group is from 1 January to 31 December.

(c) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates approximating those ruling at the transaction dates.

All foreign exchange differences are recorded in the statement of income in accordance with Vietnamese Accounting Standard No. 10 ("VAS 10") – *The Effects of Changes in Foreign Exchange Rates*.

(d) 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.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

2. Summary of significant accounting policies (cont'd)

(e) Trading securities, short-term and long-term investments

(i) Classification

The Group classifies its investments in shares listed or non-listed, as short-term investment or long-term investment depending on the Group's intention and investment strategy in respect of relevant investees.

(ii) Recognition

The Group recognises trading securities, short-term and long-term investments on the date it becomes a party to the contractual provisions of the investments (trade date accounting).

(iii) Measurement

Trading securities, short-term and long-term investments are stated at cost less allowance for diminution in value.

Cost of trading securities, short-term and long-term investments are determined on a weighted average basis.

(iv) Impairment

The allowance for diminution of listed securities is made in accordance with the current regulation as issued by the Ministry of Finance. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. 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.

(v) Derecognition

Trading securities, short-term and long-term investments are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

(f) Accounts receivable

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

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis for merchandise inventory and weighted average basis for other items and includes all costs incurred in bringing the inventories to their present location and condition. 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 inventory.



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

2. Summary of significant accounting policies (cont'd)

(h) 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 and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the statement of income in the year in which the costs are 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 | 6 – 42 years |
| ▪ machinery and equipment | 4 – 8 years |
| ▪ office equipment | 2 – 10 years |
| ▪ motor vehicles | 5 – 6 years |
| ▪ others | 3 – 5 years |

(i) Financial lease tangible fixed assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets. The estimated useful lives of leased assets are consistent with the useful lives of tangible fixed assets as described in accounting policy 2(h).

(j) Intangible fixed assets

(i) Land use rights

Land use rights with indefinite period are stated at cost. Land use rights with definite period are stated at cost less accumulated amortisation. The initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use right. Amortisation is computed on a straight-line basis over 20 to 50 years.

(ii) Software

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

(k) Construction in progress

Construction in progress represents the cost of construction which has not been fully completed. No depreciation is provided for construction in progress during the period of construction.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

2. Summary of significant accounting policies (cont'd)

(l) Investment property

(i) Cost

Investment property is stated at cost less accumulated depreciation. The initial cost of an investment property comprises its purchase price, cost of land use rights and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after investment property has been put into operation, such as repairs and maintenance, is normally charged to the 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 future economic benefits in excess of the originally assessed standard of performance of the existing investment property, the expenditure is capitalised as an additional cost of investment property.

(ii) Depreciation

Land use rights with indefinite period are not amortised. Depreciation of other properties is computed on a straight-line basis over the estimated useful lives of investment property which are ranging from 6 to 36 years.

(m) Long-term prepayments

(i) Pre-operating expenses

Pre-operating expenses are recorded in the statement of income, except for establishment costs and expenditure on training, advertising and promotional activities incurred from the incorporation date to the commercial operation date. These expenses are recognised as long-term prepayments, initially stated at cost, and are amortised on a straight line basis over three years starting from the date of commercial operation.

(ii) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease of 8 years.

(iii) Tools and supplies

Tools and supplies used for more than one year are recorded as long-term prepayments and amortised over a period from 2 to 3 years.

(n) Trade and other payables

Trade and other payables are stated at their cost.

(o) 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.



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

2. Summary of significant accounting policies (cont'd)

(p) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the 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 or at the balance sheet date, 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 amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

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.

(q) Equity funds

Allocations are made to equity funds from retained profits each year based on percentage decided by the shareholders in their annual ordinary general meeting.

(r) Revenue

(i) Goods sold

Revenue from the sale of goods is recognised in the statement of income when the 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 the possible return of goods.

(ii) Services rendered

Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Rental income

Rental income from leased property is recognised in the 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.

(iv) Dividend income

Dividends are recognised as income when the right to receive the dividend is established.

(v) Revenue from securities trading

Revenue from securities trading activities is recognised in the statement of income when significant risks and rewards of ownership have been transferred to the buyer. Significant risks and rewards of ownership have been transferred upon the completion of trading transaction (for listed securities) or the completion of the agreement on transfer of assets (for non-listed securities).

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

2. Summary of significant accounting policies (cont'd)

(s) Operating lease payments

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

(t) 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 and investment property, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(u) Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. The Group does not have any potentially dilutive ordinary shares.

(v) 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 segment. The Group operates in Vietnam, a single geographical segment.

(w) Off balance sheet items

Amounts which are defined as off balance sheet items under the Vietnamese Accounting System are disclosed in the relevant notes to these financial statements.



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

3. Segment reporting

| | Services and trading | | Investment property services | | Financial services | | Total | |
|---|----------------------|---------------------|------------------------------|------------------|--------------------|-----------------|---------------------|---------------------|
| | 2010 VND | 2009 VND | 2010 VND | 2009 VND | 2010 VND | 2009 VND | 2010 VND | 2009 VND |
| Revenue from external customers | 4,029,880,897,364 | 2,969,203,787,953 | 191,377,580,109 | 127,304,310,603 | 19,868,646,902 | 24,509,943,760 | 4,241,127,124,375 | 3,121,018,042,316 |
| Directly and attributable to segment expenses | (3,999,930,772,004) | (2,904,425,904,000) | (152,037,968,831) | (89,509,699,282) | (4,995,312,659) | (5,067,088,532) | (4,156,964,053,494) | (2,999,002,691,814) |
| Segment profit during the year | 29,950,125,360 | 64,777,883,953 | 39,339,611,278 | 37,794,611,321 | 14,873,334,243 | 19,442,855,228 | 84,163,070,881 | 122,015,350,502 |
| Un-allocated revenue | | | | | 26,235,529,594 | | (2,665,995,490) | 15,006,832,758 |
| Un-allocated expense | | | | | | | 107,732,604,985 | 125,649,561,552 |
| Assets | | | | | | | | |
| Current assets | 653,300,224,217 | 399,157,077,095 | 140,769,885,726 | 73,369,186,230 | 36,129,147,943 | 37,312,044,112 | 830,199,257,886 | 509,838,307,437 |
| Non-current assets | 309,930,102,821 | 406,301,583,172 | 995,835,730,957 | 619,639,805,908 | 209,142,475,034 | 244,711,779,800 | 1,514,908,308,812 | 1,270,653,168,880 |
| Un-allocated assets | - | - | - | - | - | - | 12,223,926,796 | 11,283,541,959 |
| | 963,230,327,038 | 805,458,660,267 | 1,136,605,616,683 | 693,008,992,138 | 245,271,622,977 | 282,023,823,912 | 2,357,331,493,494 | 1,791,775,018,276 |
| Liabilities | | | | | | | | |
| Current liabilities | 452,433,002,274 | 258,969,874,570 | 270,527,624,222 | 81,845,009,085 | 161,921,028,035 | 12,872,937,200 | 884,881,654,531 | 353,687,820,855 |
| Non-current liabilities | 87,677,004,658 | 206,034,310,020 | 504,638,698,548 | 360,230,932,613 | - | 52,276,611,716 | 592,315,703,206 | 618,541,854,349 |
| | 540,110,006,932 | 465,004,184,590 | 775,166,322,770 | 442,075,941,698 | 161,921,028,035 | 65,149,548,916 | 1,477,197,357,737 | 972,229,675,204 |
| Depreciation and amortisation | 14,724,060,406 | 5,049,199,489 | 3,958,938,102 | 4,139,694,808 | - | 177,088,484 | 18,682,998,508 | 9,365,982,781 |
| Allowances and provisions | (634,534,926) | (40,258,676,259) | - | (2,442,681,389) | 43,235,557,790 | - | 42,601,022,864 | (43,853,346,424) |
| Capital expenditure | 220,504,534,269 | 79,933,137,250 | - | 32,976,606,036 | 35,896,478,729 | - | 256,401,012,998 | 112,909,743,286 |

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

4. Cash and cash equivalents

| | 31/12/2010 VND | 31/12/2009 VND |
|------------------|------------------------|------------------------|
| Cash in transit | 84,431,349 | - |
| Cash on hand | 5,141,765,517 | 3,222,446,566 |
| Cash in banks | 76,435,606,257 | 91,146,684,914 |
| Cash equivalents | 24,835,991,780 | 67,500,000,000 |
| | <u>106,497,794,903</u> | <u>161,869,131,480</u> |

5. Short-term investments

| | 31/12/2010 VND | 31/12/2009 VND |
|---|-----------------------|-----------------------|
| Short-term investments in: | | |
| • Listed shares | 20,886,466,928 | 24,716,382,088 |
| • OTC shares | 28,205,902,543 | 28,205,902,543 |
| | <u>49,092,369,471</u> | <u>52,922,284,631</u> |
| Allowance for diminution in value of short-term investments | (12,963,221,528) | (17,289,000,000) |
| | <u>36,129,147,943</u> | <u>35,633,284,631</u> |

Movements in the allowance for diminution in value of short-term investments during the year were as follows:

| | 31/12/2010 VND | 31/12/2009 VND |
|-----------------|-----------------------|-----------------------|
| Opening balance | 17,289,000,000 | 24,100,465,852 |
| Written back | (4,435,778,472) | (6,811,465,852) |
| Closing balance | <u>12,963,221,528</u> | <u>17,289,000,000</u> |

At 31 December 2010 short-term investments with cost of VND13,294 million (31 December 2009: VND7,800 million) were pledged with banks as security for loans granted to the Group.

6. Prepayments to suppliers

Prepayments to suppliers as of 31 December 2010 included amounts prepaid for acquisition of buildings and construction services of VND153,532 million (31 December 2009: VND48,030 million).



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

7. Allowance for doubtful debts

Movements in the allowance for doubtful debts during the year was as follows:

| | 31/12/2010 VND | 31/12/2009 VND |
|---------------------------------------|----------------------|----------------------|
| Opening balance | 1,042,257,591 | 1,169,274,361 |
| Increase in allowance during the year | 449,648,595 | 126,883,638 |
| Allowance utilised during the year | - | (253,900,408) |
| Closing balance | <u>1,491,906,186</u> | <u>1,042,257,591</u> |

8. Inventories

| | 31/12/2010 VND | 31/12/2009 VND |
|---------------------------|------------------------|-----------------------|
| Goods in transit | 7,494,652,908 | 1,920,476,190 |
| Materials and spare parts | 4,251,254,476 | 4,229,837,343 |
| Work in progress | 1,211,899,666 | - |
| Merchandise inventory | 266,350,163,336 | 93,196,406,129 |
| Goods on consignment | 704,791,042 | - |
| | <u>280,012,761,428</u> | <u>99,346,719,662</u> |
| Allowance for inventories | (4,825,043,063) | (4,660,249,164) |
| | <u>275,187,718,365</u> | <u>94,686,470,498</u> |

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

| | 31/12/2010 VND | 31/12/2009 VND |
|---------------------------------------|----------------------|----------------------|
| Opening balance | 4,660,249,164 | 4,154,364,429 |
| Increase in allowance during the year | 184,886,331 | 632,051,833 |
| Allowance utilised during the year | (20,092,432) | (126,167,098) |
| Closing balance | <u>4,825,043,063</u> | <u>4,660,249,164</u> |

At 31 December 2010 inventories with a carrying value of VND23,530 million (31 December 2009: VND6,440 million) were pledged with banks as security for loans granted to the Group.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

9. Tangible fixed assets

| | Buildings VND | Machinery and equipment VND | Office equipment VND | Motor vehicles VND | Others VND | Total VND |
|---|------------------|-----------------------------------|----------------------------|-----------------------|---------------|-----------------|
| Cost | | | | | | |
| Opening balance | 37,196,740,463 | 10,050,997,521 | 4,551,900,448 | 10,425,898,897 | 373,600,430 | 62,599,137,759 |
| Additions | 40,445,015,095 | 8,398,304,525 | 3,257,899,622 | 5,877,648,099 | 3,442,384,665 | 61,421,252,006 |
| Transfers from construction in progress | 34,956,728,979 | 857,210,500 | - | - | 977,682,399 | 36,791,621,878 |
| Disposals | - | (473,524,940) | (319,731,942) | (1,336,286,104) | - | (2,129,542,986) |
| Reclassification | (329,040,909) | 83,152,858 | 245,888,051 | - | - | - |
| Closing balance | 112,269,443,628 | 18,916,140,464 | 7,735,956,179 | 14,967,260,892 | 4,793,667,494 | 158,682,468,657 |
| Accumulated depreciation | | | | | | |
| Opening balance | 11,651,624,412 | 5,150,103,621 | 2,530,371,058 | 3,329,286,554 | 373,600,430 | 23,034,986,075 |
| Charge for the year | 3,451,874,652 | 1,968,442,553 | 832,355,369 | 1,715,673,217 | 161,715,965 | 8,130,061,756 |
| Disposals | - | (434,451,601) | (297,583,272) | (681,333,543) | - | (1,413,368,416) |
| Reclassification | (26,169,447) | (60,076,831) | 86,246,278 | - | - | - |
| Closing balance | 15,077,329,617 | 6,624,017,742 | 3,151,389,433 | 4,363,626,228 | 535,316,395 | 29,751,679,415 |
| Net book value | | | | | | |
| Opening balance | 25,545,116,051 | 4,900,893,900 | 2,021,529,390 | 7,096,612,343 | - | 39,564,151,684 |
| Closing balance | 97,192,114,011 | 12,292,122,722 | 4,584,566,746 | 10,603,634,664 | 4,258,351,099 | 128,930,789,242 |

Included in the cost of tangible fixed assets were assets costing VND5,859 million which were fully depreciated as of 31 December 2010 (31 December 2009: VND14,398 million), but which are still in active use.

At 31 December 2010 tangible fixed assets with a carrying value of VND8,030 million (31 December 2009: VND2,287 million) were pledged with banks as security for loans granted to the Group.



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

10. Finance lease tangible fixed assets

| | Office equipment VND |
|---|-------------------------|
| Cost | |
| Opening balance | 2,663,406,747 |
| Additions | 5,436,271,894 |
| Closing balance | 8,099,678,641 |
| Accumulated depreciation | |
| Charge for the year and closing balance | 1,208,672,090 |
| Net book value | |
| Opening balance | 2,663,406,747 |
| Closing balance | 6,891,006,551 |

At the end of each of the leases the Group has the option to purchase the equipment at a beneficial price. The leased equipment secures the lease obligations.

11. Intangible fixed assets

| | Indefinite land use rights VND | Definite land use rights VND | Software VND | Total VND |
|---|--------------------------------------|------------------------------------|-----------------|----------------|
| Cost | | | | |
| Opening balance | 14,634,054,300 | 36,486,639,190 | 694,621,450 | 51,815,314,940 |
| Additions | - | - | 622,146,600 | 622,146,600 |
| Transfers from construction in progress | - | - | 435,870,000 | 435,870,000 |
| Disposals | - | - | (31,004,700) | (31,004,700) |
| Closing balance | 14,634,054,300 | 36,486,639,190 | 1,721,633,350 | 52,842,326,840 |
| Accumulated amortisation | | | | |
| Opening balance | - | 3,438,959,980 | 212,458,192 | 3,651,418,172 |
| Charge for the year | - | 876,700,512 | 201,849,137 | 1,078,549,649 |
| Disposals | - | - | (31,004,700) | (31,004,700) |
| Closing balance | - | 4,315,660,492 | 383,302,629 | 4,698,963,121 |
| Net book value | | | | |
| Opening balance | 14,634,054,300 | 33,047,679,210 | 482,163,258 | 48,163,896,768 |
| Closing balance | 14,634,054,300 | 32,170,978,698 | 1,338,330,721 | 48,143,363,719 |

At 31 December 2010 intangible fixed assets with a carrying value of VND45,098 million (31 December 2009: VND45,739 million) were pledged with banks as security for loans granted to the Group.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

12. Construction in progress

| | 2010 VND | 2009 VND |
|--------------------------------------|------------------|-----------------|
| Opening balance | 314,705,368,869 | 267,433,722,200 |
| Additions during the year | 188,921,342,498 | 56,292,835,400 |
| Transfers to investment property | (2,548,841,876) | (5,882,599,276) |
| Transfers to tangible fixed assets | (36,791,621,878) | (1,542,311,188) |
| Transfers to intangible fixed assets | (435,870,000) | (818,300,400) |
| Transfers to long-term investments | (1,158,394,700) | - |
| Written off | (45,835,000) | (82,492,660) |
| Disposals | (765,024,901) | (695,485,207) |
| Closing balance | 461,881,123,012 | 314,705,368,869 |

At 31 December 2010 construction in progress with a carrying value of VND417,734 million (31 December 2009: VND161,013 million) was pledged with a bank as security for loans granted to the Group.

13. Investment property

| | Land use rights VND | Buildings VND | Total VND |
|---|------------------------|------------------|------------------|
| Cost | | | |
| Opening balance | 57,306,554,900 | 55,952,895,428 | 113,259,450,328 |
| Additions during the year | 31,896,275,364 | - | 31,896,275,364 |
| Transfers from construction in progress | - | 2,548,841,876 | 2,548,841,876 |
| Transfers from prepayments to suppliers | - | 651,913,765 | 651,913,765 |
| Disposals | (31,896,275,364) | (651,913,765) | (32,548,189,129) |
| Closing balance | 57,306,554,900 | 58,501,737,304 | 115,808,292,204 |
| Accumulated depreciation | | | |
| Opening balance | - | 15,457,409,647 | 15,457,409,647 |
| Charge for the year | - | 3,958,938,102 | 3,958,938,102 |
| Closing balance | - | 19,416,347,749 | 19,416,347,749 |
| Net book value | | | |
| Opening balance | 57,306,554,900 | 40,495,485,781 | 97,802,040,681 |
| Closing balance | 57,306,554,900 | 39,085,389,555 | 96,391,944,455 |

The Group's investment property represented buildings held for earning rental income.

The fair value of investment property has not been determined as there was no recent market transaction for similar property in the same location as the Group's investment property and there is no active market for such property.

Included in the cost of investment property were assets costing VND4,893 million which were fully depreciated as of 31 December 2010 (31 December 2009: VND4,893 million), but which are still in active use.

At 31 December 2010 investment property with a carrying value of VND78,115 (31 December 2009: VND83,487 million) was pledged with banks as security for loans granted to the Group.



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

14. Long-term investments

| | 31/12/2010 VND | 31/12/2009 VND |
|--|------------------------|------------------------|
| Long-term equity investments in associates | 245,139,975,519 | 237,921,906,002 |
| Other long-term investments | 466,032,998,908 | 523,140,161,479 |
| | 711,172,974,427 | 761,062,067,481 |
| Allowance for diminution in value of long-term investments | (23,885,479,056) | (62,795,258,374) |
| | <u>687,287,495,371</u> | <u>698,266,809,107</u> |

Movement of investments in associates was as follows:

| | 2010 VND | 2009 VND |
|---|------------------------|------------------------|
| Balance at the beginning of the year | 237,921,906,002 | 223,894,353,641 |
| New investments | 2,940,000,000 | - |
| Share of net profit in associates (net of income tax) | 8,699,578,380 | 14,190,492,809 |
| Dividends from associates | (4,611,727,358) | (3,638,887,232) |
| Deduction of bonus and welfare and other funds | (1,391,158,846) | - |
| Foreign exchange differences | 1,741,878,891 | 3,351,604,414 |
| Elimination | 257,821,844 | 124,342,320 |
| Others | (418,323,394) | - |
| | <u>245,139,975,519</u> | <u>237,921,906,002</u> |

Included in other long-term investments were investments in certain shares with carrying amount of VND223,798,610,590 (31 December 2009: VND294,721,932,590) which are not listed or publicly traded; market price for these shares could not be reliably determined and reliable information for impairment consideration is not available; consequently investments in these shares are carried at cost.

At 31 December 2010 investments in associates with cost of VND20,571 million and other long-term investments with cost of VND138,724 million (31 December 2009: VND13,713 million and VND60,730 million, respectively) were pledged with banks as security for loans granted to the Group.

Movements in the allowance for diminution in value of long-term investments during the year were as follows:

| | 2010 VND | 2009 VND |
|-----------------|-----------------------|-----------------------|
| Opening balance | 62,795,258,374 | 100,596,074,417 |
| Written back | (38,909,779,318) | (37,800,816,043) |
| Closing balance | <u>23,885,479,056</u> | <u>62,795,258,374</u> |

During the year, the Group liquidated a subsidiary – SAVICO Automatic Service and Trading Co., Ltd (SAVICO – R) as at 30 September 2010. The Group recognised a net loss of VND61,988,951 of the subsidiary from January 2010 to the liquidation date. No further loss was incurred as a result of this liquidation.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

14. Long-term investments (cont'd)

Details of the investments in associates were as follows:

| Name | Principal activity | Investment Licence | % of ownership | 31/12/2010 VND | 31/12/2009 VND |
|---|---|--|----------------|-----------------|-----------------|
| Super Car Co., Ltd | Trading cars' spare parts and interior decorative materials. | Business Licence No. 4103008825 issued by the Planning and Investment Department on 21 December 2007 and amended on 6 March 2008 | 37.5% | 1,213,115,573 | 1,293,252,613 |
| SAVICO Ben Thanh Co., Ltd (SYM) | Trading SYM motorbikes, providing maintenance services. | Business Licence No. 4102036521 issued by Ho Chi Minh City Planning and Investment Department on 25 January 2006. | 37.33% | 2,074,885,332 | 1,851,170,058 |
| Dana Joint Stock Company (DANA FORD) | Trading FORD cars and spare parts, providing maintenance services. | Business Licence No. 044937 issued by the Planning and Investment Department of Danang on 16 June 1998 and amended on 25 June 2007. | 40.27% | 5,832,530,022 | 5,668,065,506 |
| Comfort Delgro SAVICO Taxi Company | Providing taxi transportation and related services in Vietnam. | Business Licence No. 824/GP-HCM issued by the People's Committee of Ho Chi Minh City on 28 March 2005. | 40.19% | 27,010,164,401 | 23,708,149,910 |
| Saigon Services Co., Ltd (SSC) | Construction of civil, industrial projects and providing office for lease and entertainment services. | Business Licence No. 4102003457 issued by Ho Chi Minh City Planning and Investment Department on 9 January 2001. | 49% | 1,407,232,099 | 1,831,887,896 |
| Toyota East Saigon Joint Stock Company (TESC) | Trading TOYOTA cars and spare parts, providing maintenance services. | Business Licence No. 4103001903 issued by Ho Chi Minh City Planning and Investment Department on 3 November 2003, amended on 14 July 2005, 14 November 2007. | 35.16% | 45,756,025,752 | 41,673,458,611 |
| SAVICO -Vinaland Co., Ltd | Constructing and managing the business centre, providing office for lease and related services. | Investment License No. 411022000214 issued by the People's Committee of Ho Chi Minh City on 3 October 2008. | 49.50% | 158,711,092,883 | 161,895,921,408 |
| Khanh Hoi Saigon General Service Co., Ltd | Trading, consultancy and tender real estate, advertising. | Business Licence No. 0309535441 issued by Ho Chi Minh Planning and Investment Department on 4 January 2010. | 49% | 3,134,929,457 | - |
| | | | | 245,139,975,519 | 237,921,906,002 |



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

15. Long-term prepayments

| | 31/12/2010 VND | 31/12/2009 VND |
|------------------------|-----------------------|-----------------------|
| Pre-operating expenses | 9,411,395,359 | 4,199,160,437 |
| Prepaid land costs | 17,132,704,879 | 16,125,432,980 |
| Tools and supplies | 3,596,832,023 | 5,824,655,699 |
| Others | 5,421,590,908 | 746,797,727 |
| | <u>35,562,523,169</u> | <u>26,946,046,843</u> |

16. Short-term borrowings

| | 31/12/2010 VND | 31/12/2009 VND |
|---|------------------------|------------------------|
| Denominated in VND | 362,614,848,741 | 97,538,862,045 |
| Current portion of long-term borrowings and liabilities (Note 21) | 110,632,263,600 | 37,225,770,200 |
| | <u>473,247,112,341</u> | <u>134,764,632,245</u> |

Included in short-term borrowings were VND30,356 million (31 December 2009: VND39,540 million) unsecured and VND332,258 million (31 December 2009: VND57,999 million) secured by assets with carrying value of VND104,296 million (31 December 2009: VND75,586 million).

These loans bore interest at rates ranging from 3.6% to 19% (2009: from 3.6% to 12.75%) per annum.

17. Taxes payable to State Treasury

| | 31/12/2010 VND | 31/12/2009 VND |
|----------------------|-----------------------|-----------------------|
| Value added tax | 6,159,149,333 | 3,850,749,035 |
| Corporate income tax | 13,348,973,624 | 24,457,520,023 |
| Other taxes | 2,459,060,315 | 2,025,238,711 |
| | <u>21,967,183,272</u> | <u>30,333,507,769</u> |

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

18. Accrued expenses

| | 31/12/2010 VND | 31/12/2009 VND |
|-----------------------------|-----------------------|-----------------------|
| Interest on borrowings | 4,348,934,191 | 1,078,264,776 |
| Rental fee | 3,762,749,089 | 2,662,852,652 |
| Audit fee | 674,750,000 | 1,045,376,182 |
| Salary and related expenses | 3,398,957,612 | 1,099,162,755 |
| Accruals for construction | 68,000,000 | - |
| Others | 9,371,358,497 | 5,971,976,330 |
| | <u>21,624,749,389</u> | <u>11,857,632,695</u> |

19. Bonus and welfare fund

Movements in bonus and welfare fund during the year were as follows:

| | 2010 VND |
|---|------------------------|
| Reclassification from non-business expenditure fund | 8,344,263,834 |
| Appropriation from retained profits | 6,705,908,489 |
| Utilised during the year | <u>(8,196,578,049)</u> |
| Closing balance | <u>6,853,594,274</u> |

20. Other long-term liabilities

| | 31/12/2010 VND | 31/12/2009 VND |
|----------------------------|------------------------|------------------------|
| Long-term deposit received | 11,882,492,630 | 10,011,121,947 |
| Other long-term payables | 113,637,338,994 | 129,642,240,004 |
| | <u>125,519,831,624</u> | <u>139,653,361,951</u> |

Other long term payables represented amounts due to some property projects.



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

21. Long-term borrowings and liabilities

| | 31/12/2010 VND | 31/12/2009 VND |
|--|-------------------|-------------------|
| Long-term borrowings denominated in VND | 359,308,261,313 | 414,907,864,749 |
| Long-term bonds | 100,000,000,000 | - |
| | 459,308,261,313 | 414,907,864,749 |
| Finance lease liabilities (*) | 6,169,763,965 | 2,254,576,184 |
| | 465,478,025,278 | 417,162,440,933 |
| Repayable within twelve months (Note 16) | (110,632,263,600) | (37,225,770,200) |
| Repayable after twelve months | 354,845,761,678 | 379,936,670,733 |

Including in long-term borrowings were VND34,435,000,000 (31 December 2009: VND49,537,878,075) unsecured and VND431,043,025,278 (31 December 2009: VND365,369,986,674) secured by assets with carrying value of VND461,061 million (31 December 2009: VND305,623 million). These loans bore interest at rates ranging from 5.2% to 20.5% (2009: from 10.5% to 14.1%) per annum.

The long-term bonds were issued in July 2010 at its nominal value. The bonds will mature in July 2015 and are redeemable at its nominal value. The bonds are secured by assets with carrying value of VND179,739 million, and bore interest at 15.5% per annum.

Repayment schedules of long-term borrowings were as follows:

| | 31/12/2010 VND | 31/12/2009 VND |
|------------------------|-------------------|-------------------|
| Within one year | 108,953,098,000 | 37,225,770,200 |
| From two to five years | 147,284,095,662 | 282,445,319,255 |
| Over five years | 103,071,067,651 | 95,236,775,294 |
| | 359,308,261,313 | 414,907,864,749 |

(*) The future minimum lease payments under non-cancellable finance leases were:

| | 31/12/2010 VND | | | 31/12/2009 VND | | |
|------------------------|-------------------|---------------|---------------|-------------------|---------------|---------------|
| | Payments | Interest | Principal | Payments | Interest | Principal |
| Within one year | 2,677,797,134 | 998,631,534 | 1,679,165,600 | 690,581,300 | 360,004,100 | 330,577,200 |
| From two to five years | 5,782,216,895 | 1,291,618,530 | 4,490,598,365 | 2,595,161,384 | 671,162,400 | 1,923,998,984 |
| | 8,460,014,028 | 2,290,250,063 | 6,169,763,965 | 3,285,742,684 | 1,031,166,500 | 2,254,576,184 |

Notes to the Consolidated Financial Statements

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22. Unearned revenue

| | 31/12/2010 VND | 31/12/2009 VND |
|--|------------------------|------------------------|
| Income from investment property services | 96,404,130,454 | 107,177,969,464 |
| Warranty and customer care services | 13,288,803,606 | - |
| | <u>109,692,934,060</u> | <u>107,177,969,464</u> |

23. Share capital

| | 31/12/2010 | | 31/12/2009 | |
|--|---------------------|-----------------|---------------------|-----------------|
| | 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) | (1) | (16,000) |
| Ordinary shares currently in circulation | 24,975,507 | 249,265,255,642 | 24,995,572 | 249,955,714,000 |

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 dividend 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.

Movements in share capital during the year were as follows:

| | 2010 | | 2009 | |
|--------------------------------------|---------------------|------------------------|---------------------|------------------------|
| | Number of shares | VND | Number of shares | VND |
| Balance at the beginning of the year | 24,995,572 | 249,955,714,000 | 20,139,979 | 200,065,653,723 |
| Shares issued | - | - | 4,634,533 | 46,345,330,000 |
| Treasury shares purchased | (20,065) | (690,458,358) | - | - |
| Treasury shares reissued | - | - | 221,060 | 3,544,730,277 |
| Balance at the end of the year | <u>24,975,507</u> | <u>249,265,255,642</u> | <u>24,995,572</u> | <u>249,955,714,000</u> |

In August 2009, the Company reissued treasury shares for proceeds of VND8,642,952,000, exceeding par value by VND5,098,221,723. This amount was recorded as share premium.

In October 2009, the Company issued 4,634,533 shares for existing and new shareholders. The proceeds from shares issuance in excess of the par value totalling VND131,090,336,580 was recorded as share premium in equity section.



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

24. Minority interest

| | 2010 VND | 2009 VND |
|--|------------------------|------------------------|
| Balance at the beginning of the year | 106,301,838,442 | 79,466,426,625 |
| Earnings attributable to minority interest during the year | 16,923,063,523 | 27,988,729,031 |
| Capital contribution during the year | 30,733,500,000 | 5,845,950,000 |
| Dividends | (5,694,093,828) | (5,446,221,852) |
| Utilisation of welfare and bonus fund borne by minority interest | (1,999,419,704) | (851,885,588) |
| Foreign exchange difference | - | (701,159,774) |
| Liquidation of SAVICO-R | 760,507,027 | - |
| Others | 383,523,467 | - |
| Balance at the end of the year | <u>147,408,918,927</u> | <u>106,301,838,442</u> |

25. Total revenue

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

Net sales comprised of:

| | 2010 VND | 2009 VND |
|----------------------------------|--------------------------|--------------------------|
| Total revenue | | |
| • Sales | 3,938,934,250,841 | 2,876,534,520,785 |
| • Services | 195,316,332,904 | 140,785,619,923 |
| • Investment properties services | 53,963,455,319 | 76,121,460,304 |
| | <u>4,188,214,039,064</u> | <u>3,093,441,601,012</u> |
| Less sales deductions | (14,664,942,778) | (14,412,563,909) |
| Net sales | <u>4,173,549,096,286</u> | <u>3,079,029,037,103</u> |

26. Cost of sales

| | 2010 VND | 2009 VND |
|--|--------------------------|--------------------------|
| Merchandise goods sold | 3,776,653,093,518 | 2,703,288,808,377 |
| Services provided | 93,614,319,788 | 113,738,507,559 |
| Depreciation charge of investment property | 3,958,938,102 | 3,152,630,863 |
| Real estate sold | 32,528,189,129 | 1,450,977,100 |
| Allowance for inventories | 21,934,404 | 632,051,833 |
| | <u>3,906,776,474,941</u> | <u>2,822,262,975,732</u> |

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

27. Financial income

| | 2010 VND | 2009 VND |
|--------------------------------|-----------------------|-----------------------|
| Interest income | 4,199,322,932 | 2,189,982,234 |
| Income from securities trading | 9,705,311,000 | 10,135,681,200 |
| Income from other investments | 29,859,559,115 | - |
| Dividends | 11,276,809,545 | 15,135,860,459 |
| Foreign exchange gains | 2,386,483,391 | 318,664,516 |
| Other financial income | 1,450,963,726 | 18,323,995 |
| | <u>58,878,449,709</u> | <u>27,798,512,404</u> |

28. Financial expense

| | 2010 VND | 2009 VND |
|--|-----------------------|-----------------------|
| Interest expense | 65,548,226,608 | 33,031,246,098 |
| Loss from securities trading | 32,297,483,160 | 36,789,157,821 |
| Securities trading fees | 1,669,681,988 | 484,394,542 |
| Foreign exchange losses | 2,258,980,518 | 244,182,776 |
| Reversal of allowance for short-term and long-term investments | (43,235,557,790) | (44,612,281,895) |
| Other financial income | 743,196,856 | - |
| | <u>59,282,011,340</u> | <u>25,936,699,342</u> |

29. Other income

| | 2010 VND | 2009 VND |
|--|-----------------------|-----------------------|
| Proceeds from disposals of tangible fixed assets | 4,909,494,545 | 3,948,954,697 |
| Commission received from other parties | 1,344,860,605 | 276,021,026 |
| Deduction in payables granted by suppliers | 14,594,877,398 | 5,898,819,886 |
| Other income | 5,386,297,046 | 4,883,037,149 |
| | <u>26,235,529,594</u> | <u>15,006,832,758</u> |



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

30. Other expenses

| | 2010 VND | 2009 VND |
|--|----------------------|-----------------------|
| Carrying value of tangible fixed assets disposed | 1,481,199,471 | 10,261,013,718 |
| Carrying value of fixed assets written off | 45,835,000 | 382,402,038 |
| Other expenses | 1,138,961,019 | 729,205,952 |
| | <u>2,665,995,490</u> | <u>11,372,621,708</u> |

31. Income tax

(a) Recognised in the balance sheet

| | 31/12/2010 VND | 31/12/2009 VND |
|---|-----------------------|-----------------------|
| Deferred tax assets | | |
| Allowances and provisions | - | 4,745,384 |
| Unearned revenue | 7,535,296,722 | - |
| Accruals | 942,670,920 | 935,254,115 |
| Tax value of loss carry-forwards recognised | 3,745,959,154 | 10,343,542,460 |
| | <u>12,223,926,796</u> | <u>11,283,541,959</u> |

(b) Recognised in the statement of income

| | 2010 VND | 2009 VND |
|--|-----------------------|-----------------------|
| Current tax expense | | |
| Current year | 20,032,108,116 | 22,897,602,866 |
| (Over)/under provision in prior years | (11,754,981) | 942,480,732 |
| | <u>20,020,353,135</u> | <u>23,840,083,598</u> |
| Deferred tax (benefit)/expense | | |
| Origination of temporary differences | (8,101,829,354) | (766,557,349) |
| Write off of deferred tax assets | - | 6,310,518,697 |
| Reversal of temporary differences | 487,773,802 | 6,734,878,047 |
| Tax value of loss carry-forwards utilised/(recognised) | 6,673,670,715 | (10,343,542,460) |
| | <u>(940,384,837)</u> | <u>1,935,296,935</u> |
| Income tax expense | <u>19,079,968,298</u> | <u>25,775,380,533</u> |

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

31. Income tax (cont'd)

(c) Reconciliation of effective tax rate

| | 2010 VND | 2009 VND |
|--|-----------------|-----------------|
| Profit before tax | 107,732,604,985 | 125,649,561,552 |
| Tax at income rate applicable to the Company | 26,933,151,246 | 31,223,634,646 |
| Tax effect of non deductible expenses | 2,230,675,839 | 2,194,173,005 |
| Tax effect of non-taxable income | (7,015,731,747) | (4,290,189,552) |
| Effect of tax incentives | (4,250,794,434) | (8,403,790,776) |
| Deferred tax assets not recognized in subsidiaries | 1,416,660,842 | 2,790,364,084 |
| Deferred tax assets written off | - | 6,310,518,697 |
| Tax losses utilised in subsidiaries | (222,238,467) | (128,638,903) |
| Effect of unrealised loss from subsidiary | - | (4,863,171,440) |
| Under provision in prior years | (11,754,981) | 942,480,732 |
| Income tax expense | 19,079,968,298 | 25,775,380,533 |

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 there from.

(d) Applicable tax rates

The Company and its subsidiaries have an obligation to pay the Government income tax at the rate that is generally applied for companies in Vietnam, which is currently at 25%. The Company is exempted from income tax for 2005 and 2006 and receives a 50% reduction in income tax for the five succeeding years (2007 to 2011).

Under the term of Circular 03/2009/TT-BTC, the Company is entitled to a 30 percent reduction of income tax liabilities for the fourth quarter of 2008 and the whole year for 2009.



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

32. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2010 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, calculated as follows:

Net profit attributable to ordinary shareholders

| | 2010 VND | 2009 VND |
|---|----------------|----------------|
| Net profit to ordinary shareholders of Saigon General Service Corporation | 71,729,573,164 | 71,885,451,988 |

Weighted average number of ordinary shares

| | 2010 Number of shares | 2009 Number of shares |
|---|--------------------------|--------------------------|
| Issued ordinary shares at the beginning of the year | 24,995,572 | 20,139,979 |
| Effect of shares sold out in August 2009 | - | 73,687 |
| Effect of shares issued in October 2009 | - | 772,422 |
| Effect of shares bought back in June 2010 | (7,263) | - |
| Effect of shares bought back in July 2010 | (882) | - |
| Effect of shares bought back in August 2010 | (1,903) | - |
| Weighted average number of ordinary shares at the end of the year | 24,985,524 | 20,986,088 |

As of 31 December 2010, the Company does not have potentially dilutive ordinary shares.

33. Dividends

The General Meeting of Shareholders of the Company on 16 April 2010 resolved to distribute dividends amounting to VND24,996 million (10% of par value of shares in circulation as at 21 May 2010, which is the ex-dividend date) (2009: VND16,112 million or 8% of par value of shares in circulation as at 20 May 2009).

The Board of Management of the Company on 24 December 2010 resolved to distribute dividends amounting to VND12,487 million (5% of par value of shares in circulation at 27 December 2010, which is the ex-dividend date).

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

34. Significant transactions with related parties

Identity of related parties

The Group has controlled related party relationships with its subsidiaries and has related relationship with its associates, and with its key management personnel. The Group has the following subsidiaries:

| Subsidiaries Name | Principal activity | Investment licence | % of ownership |
|--|--|--|----------------|
| Saigon Ford Co., Ltd (SAIGON FORD) | Trading FORD cars and spare parts, providing maintenance services. | Business Licence No. 4102001544 issued by Ho Chi Minh City Planning and Investment Department on 5 March 2003, amended on 22 October 2003 and 26 April 2005. | 52.05% |
| Toyota Giai Phong Joint Venture (TGP) Company | Trading TOYOTA cars and spare parts, providing maintenance services. | Business Licence No. 14/GP-HN issued by the People's Committee of Hanoi on 22 January 1998. | 51% |
| East City Co., Ltd (GM DAEWOO) | Trading GM-DAEWOO cars and spare parts, providing maintenance services. | Business Licence No. 4102014294 issued by Ho Chi Minh City Planning and Investment Department on 5 March 2003 and amended on 22 October 2003. | 55% |
| City Automobile Corporation (HYUNDAI) | Trading HYUNDAI cars and spare parts, providing maintenance services. | Business Licence No. 0309553786 issued by Ho Chi Minh City Planning and Investment Department on 3 November 2009 | 51% |
| Saigon Auto Service Trading Limited Company (YAMAHA Can Tho) | Trading YAMAHA motorbikes and spare parts, providing maintenance services. | Business Licence No. 5702001169 issued by Can Tho Planning and Investment Department on 11 August 2006. | 63.64% |
| Saigon Star Corporation | Trading SUZUKI motorbikes and spare parts, providing maintenance services. | Business Licence No. 4103007242 issued by the Planning and Investment Department of Ho Chi Minh City on 9 July 2007 and amended on 28 May 2008. | 55% |
| Saigon Vien Dong Co., Ltd. | Trading Honda motorbikes and spare parts, providing maintenance services. | Investment License No. 4102055390 issued by Ho Chi Minh Planning and Investment Department on 29 October 2007. | 55% |



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

34. Significant transactions with related parties (cont'd)

Identity of related parties (cont'd)

| Subsidiaries Name | Principal activity | Investment licence | % of ownership |
|----------------------------------|--|---|----------------|
| SAVICO Hanoi Corporation | Operating business centre, providing hotel services; civil constructions, industrial projects; agents and consignments; import and export activities; trading and maintenance automobile, providing engines rental; transportation and car parking services. | Business Licence No. 0103018056 issued by Hanoi Planning and Investment Department on 19 June 2007 and 12 September 2007. | 70% |
| Toyota Can Tho Co., Ltd | Trading TOYOTA cars and spare parts, providing maintenance services. | Investment License No. 571022000005 issued by the People's Committee of Can Tho on 18 April 2007. | 51% |
| Han River Automobile Corporation | Trading and maintenance automobiles, motorbikes, spare part. Trading of electrical engines, building materials; agents and consignment, providing automobiles rental, transportation services | Business License No. 0401337755 issued by the Planning and Investment Department on 8 February 2010 | 51% |
| Saigon Phuong Nam Co., Ltd | Trading YAMAHA motorbikes and spare parts; providing maintenance services | Business License No. 0309207754 issued by the Planning and Investment Department of Ho Chi Minh City on 18 June 2009 and amended on 12 March 2011 | 55% |

Transactions with key management personnel

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

| | 2010 VND | 2009 VND |
|---------------------|----------------------|----------------------|
| Board of Management | 2,900,355,000 | 2,101,842,000 |
| Board of Directors | 689,063,000 | 953,000,000 |
| Supervisory Board | 122,800,000 | 92,000,000 |
| | <u>3,712,218,000</u> | <u>3,146,842,000</u> |

Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

34. Significant transactions with related parties (cont'd)

Other related party transactions

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

| Related Party | Relationship | Nature of transaction | 2010 VND | 2009 VND |
|--|--------------|--|----------------|---------------|
| Toyota East | Associate | Dividends received from associate | 3,428,100,000 | 1,371,240,000 |
| Saigon Joint Stock Company | | Purchase of merchandise from associate | - | 922,307,388 |
| | | Sale of merchandise to associate | - | 132,484,000 |
| | | Short-term loan granted from associate | 20,000,000,000 | - |
| Comfort Delgro SAVICO Taxi Company | Associate | Rental charged to associate | 2,438,455,970 | 2,184,202,774 |
| Ben Thanh SAVICO General Trading & Services Co., Ltd | Associate | Dividends received from associate | 400,565,332 | 448,000,000 |
| | | Commission received from associate | 1,330,595,500 | 1,652,773,650 |
| Dana Joint Stock Company | Associate | Dividends received from associate | 783,062,026 | 1,819,647,182 |
| SAVICO-Vinaland Co., Ltd | Associate | Consultant fee charged to associate | 1,713,986,163 | 3,156,603,624 |
| | | Rental charged to associate | 1,342,925,760 | - |
| | | Payments on behalf of associate | 15,023,473,560 | - |

35. Lease commitments

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

| | 31/12/2010 VND | 31/12/2009 VND |
|------------------------|------------------------|------------------------|
| Within one year | 20,113,029,195 | 20,570,129,788 |
| From two to five years | 53,838,046,119 | 36,543,158,353 |
| Over five years | 59,235,244,970 | 67,253,419,236 |
| | <u>133,186,320,284</u> | <u>124,366,707,377</u> |



Notes to the Consolidated Financial Statements

for the year ended 31 December 2010

36. Production and business costs by element

| | 2010 VND | 2009 VND |
|----------------------------------|-------------------|-------------------|
| Cost of purchase of merchandises | 3,884,702,101,384 | 1,697,200,811,330 |
| Labour costs and staff costs | 94,666,360,840 | 79,003,405,186 |
| Depreciation and amortisation | 18,682,998,508 | 9,365,982,781 |
| Outside services | 109,991,232,724 | 89,407,639,642 |
| Other expenses | 41,703,431,486 | 20,289,730,576 |

37. Corresponding figures

Certain corresponding figures have been reclassified to conform with the current year's presentation, as follows:

(a) Consolidated balance sheet

| | 31/12/2009 (Reclassified) VND | 31/12/2009 (As previously reported) VND |
|--------------------------|-------------------------------------|--|
| Other payables | 64,542,356,593 | 75,200,591,057 |
| Unearned revenue | 107,177,969,464 | - |
| Other long-term payables | 139,653,361,951 | 236,173,096,951 |

Prepared by:

Hoang Thi Thao
Chief Accountant

Approved by:



Nguyen Vinh Tho
General Director

18 March 2011

**SAVICO's
Branches,
Subsidiaries, &
Affiliates**





SAVICO's Branches, Subsidiaries, & Affiliates

BRANCHES

SAVICO Da Nang branch

Address : 66 Vo Van Tan st., Thanh Khe Dist., Da Nang City
 Tel : (84.511) 364 7858
 Fax : (84.511) 364 6517

SAVICO Can Tho branch

Address : 71 Hung Vuong st., Ninh Kieu Dist., Can Tho City
 Tel : (84.710) 382 7308
 Fax : (84.710) 382 0205
 Shop : 1263/6 Area 4, Chau Van Liem, O Mon Dist., Can Tho City

SAVICO An Giang branch

Address : 349/30B Tran Hung Dao St., Long Xuyen City, An Giang Province
 Tel : (84.76) 393 5198
 Fax : (84.76) 393 5098

SUBSIDIARIES

| | |
|---|--|
| 1 | <p>Charter Capital : Dong Do Thanh Co., Ltd. : 8,000,000,000 VND % of Shares : 55.00% Address : 655 Ha Noi Highway, Thao Dien Ward, Dist. 2, HCMC Phone : (84.8) 3898 9878 Fax : (84.8) 3898 9876 Website : dongdothanh.savico.com.vn dongdothanh.com Email : sales@dongdothanh.com</p> |
| 2 | <p>Charter Capital : Saigon Automobile Co. Ltd. (Saigon Ford) : 16,000,000,000 VND % of Shares : 52.05% Address : 61 A Cao Thang St., Ward 3, Dist. 3, HCMC Phone : (84.8) 3818 1458 – 3818 1459 Fax : (84.8) 3818 1466 Website : saigonford.savico.com.vn saigonford.com.vn Email : saigonford@saigonford.com.vn Branches : <ul style="list-style-type: none"> • Dong Son Used Vehicles and Maintenance Service Center - 104 Pho Quang St., Ward 2, Tan Binh Dist., HCMC • Saigon Automax - 72 Tran Dinh Xu, Dist. 1, HCMC • Saigon Auto Mall - 105 Nguyen Van Cu St., Dist. 5, HCMC • Branch in Can Tho - 41A/3 3/2 St., Xuan Khanh Ward, Can Tho City </p> |
| 3 | <p>Charter Capital : Ben Thanh Auto Corporation (Ben Thanh Ford) : 18,900,000,000 VND % of Shares : 52% Address : 831 Truong Chinh St., Tay Thanh Ward, Tan Phu Dist., HCMC Phone : (84.8) 3815 7979 Fax : (84.8) 3815 8989 Website : benthanhford.savico.com.vn benthanhford.com.vn Email : benthanhford@benthanhford.com.vn</p> |



CHEVROLET
ĐÔNG ĐÔ THÀNH



SAIGON FORD



BEN THANH FORD

SAVICO's Branches, Subsidiaries, & Affiliates

| | |
|---|---|
| 4 | <p>Charter Capital : Toyota Giai Phong JV Co., Ltd. : 18,088,332,675 VND</p> <p>% of Shares : 51.00%</p> <p>Address : 807 Giai Phong St., Bat Giap Ward, Hoang Mai Dist., Ha Noi</p> <p>Phone : (84.4) 3664 0124</p> <p>Fax : (84.4) 3664 0127</p> <p>Website : tgp@fpt.vn</p> <p>Branch : • Toyota Phap Van - Hang Liet Ward, Hoang Mai Dist., Ha Noi</p> |
| 5 | <p>Charter Capital : Saigon Service & Trading Co., Ltd. (Yamaha Can Tho) : 5,500,000,000 VND</p> <p>% of Shares : 63.64%</p> <p>Address : 164-166C 03/02 St., Ninh Kieu Dist., Can Tho City</p> <p>Phone : (84.710) 378 0164</p> <p>Fax : (84.710) 378 0166</p> <p>Website : yamahasaignon.savico.com.vn yamahasaignon.com</p> <p>Shops : • 2S - 164/1B Tran Ngoc Que St., Hung Loi Ward, Ninh Kieu Dist., Can Tho City • 3S - 45 CMT8 St., An Thoi Ward, Binh Thuy Dist., Can Tho City</p> |
| 6 | <p>Charter Capital : Saigon Star Corporation : 15,000,000,000 VND</p> <p>% of Shares : 55.00%</p> <p>Address : 14-16 Tran Hung Dao St., Pham Ngu Lao Ward, Dist.1, HCMC</p> <p>Phone : (84.8) 3726 3020</p> <p>Fax : (84.8) 3838 6146</p> <p>Website : saigonngoisao.savico.com.vn saigonngoisao.com.vn</p> <p>Showrooms : • 11 Tran Hung Dao St., Nguyen Thai Binh Ward, Dist. 1, HCMC • 510 Highway 13, Hiep Binh Phuoc Ward, Thu Duc Dist., HCMC</p> <p>Shops : • 182 Tran Quoc Thao St., Dist. 3, HCMC (Suzuki) • 3/9 Kha Van Can St., Thu Duc Dist., HCMC (Suzuki) • 325 Ly Tu Trong St., Dist. 1, HCMC (Suzuki) • 379 Quang Trung St., Go Vap Dist., HCMC (Suzuki)</p> |
| 7 | <p>Charter Capital : SAVICO Hanoi Corporation : 80,000,000,000 VND</p> <p>% of Shares : 70.00%</p> <p>Address : 7 – 9 Nguyen Van Linh St., Gia Thuy Ward, Long Bien Dist., Ha Noi.</p> <p>Phone : (84.4) 3736 7636</p> <p>Fax : (84.4) 3736 7636</p> <p>Email : info@savicohanoi.com</p> <p>Subsidiary company : • Toyota Long Bien Co., Ltd., 7 – 9 Nguyen Van Linh St., Gia Thuy Ward, Long Bien Dist., Ha Noi. Phone: (84.4) 6277 7999 Fax: (84.4) 6277 7998</p> |





SAVICO's Branches, Subsidiaries, & Affiliates

| | |
|----|---|
| 8 | <p>Charter Capital : Toyota Can Tho JV Co., Ltd. : 49,625,548,000 VND</p> <p>% of Shares : 51.00%</p> <p>Address : 20 Phu An Residential Area, Quang Trung St., Cai Rang Dist., Can Tho City.</p> <p>Phone : (84.710) 391 9919</p> <p>Fax : (84.710) 391 8899</p> <p>Website : toyotacantho.savico.com.vn toyotacantho.com.vn</p> |
| 9 | <p>Charter Capital : City Automobile Corporation : 9,450,000,000 VND</p> <p>% of Shares : 51.00%</p> <p>Address : 06 Tran Hung Dao St., Dist.1, HCMC</p> <p>Phone : (84.8) 3915 3247</p> <p>Fax : (84.8) 3915 3248</p> |
| 10 | <p>Charter Capital : Song Han Automobile Corporation : 10,000,000,000 VND</p> <p>% of Shares : 51.00%</p> <p>Address : 86 Duy Tan St., Hoa Thuan Tay Ward, Hai Chau Dist., Da Nang City.</p> <p>Phone : (84.511) 383 3555</p> <p>Fax : (84.511) 383 3868</p> |

AFFILIATES

| | |
|---|---|
| 1 | <p>Charter Capital : Comfort DelGro SAVICO Taxi Co., Ltd. : 79,315,000,000 VND</p> <p>% of Shares : 40.00%</p> <p>Address : 325 Ho Van Hue St., Ward 2, Tan Binh Dist., HCMC</p> <p>Phone : (84.8) 3842 4400</p> <p>Fax : (84.8) 3842 4400</p> <p>Website : comfortsavico.com.vn</p> <p>Email : comfortsavico@vnn.vn</p> |
| 2 | <p>Charter Capital : Toyota East Saigon Corporation (TESC) : 58,500,000,000 VND</p> <p>% of Shares : 35.16%</p> <p>Address : 507 Ha Noi Highway, Ward An Phu, Dist. 2, HCMC</p> <p>Phone : (84.8) 3898 9242</p> <p>Fax : (84.8) 3898 9243</p> <p>Website : toyotasaigon.com</p> <p>Email : tesc@toyotasaigon.com</p> <p>Branch : • 18 Phan Van Tri, Ward 7, Go Vap Dist., HCMC</p> <p>Auto Trading Center (Used Vehicles) : • 18 Phan Van Tri, Ward 10, Go Vap Dist., HCMC</p> |



SAVICO's Branches, Subsidiaries, & Affiliates

| | |
|---|--|
| 3 | <p>Ben Thanh SAVICO General Trading Co., Ltd.</p> <p>Charter Capital : 3,000,000,000 VND % of Shares : 37.33% Address : 17-19 Tran Hung Dao, Dist. 1, HCMC Phone : (84.8) 3914 3826 - 3914 2432 Fax : (84.8) 3914 2899 Shops : <ul style="list-style-type: none"> • 1 Nguyen Trai St., Dist. 1, HCMC • 365 Huynh Tan Phat St., Tan Thuan Dong Ward, Dist. 7 • 144 Le Van Viet St., Hiep Phu Ward, Dist. 9, HCMC • 58-59 Nguyen Thi Dinh St., An Phu Ward, Dist. 2, HCMC • 331C Tran Hung Dao St., Co Giang Ward, Dist. 1, HCMC </p> |
| 4 | <p>DANA Corporation (DaNaFord)</p> <p>Charter Capital : 8,000,000,000 VND % of Shares : 40.27% Address : 56 Dien Bien Phu St., Da Nang City Phone : (84.511) 364 6555 Fax : (84.511) 364 6746 Website : danaford.savico.com.vn danaford.com.vn Email : danaford@danaford.com.vn Branches : <ul style="list-style-type: none"> • Dong son service center - 37A Dien Bien Phu st., Da Nang City • Auto trading center (second-hand auto) - 66 Vo Van Tan St., Da Nang City • Gia Lai Branch - 304 Pham Van Dong St., Thong Nhat Ward, Pleiku city • Binh Dinh Branch - 73 Tay Son St., Quang Trung Ward, Quy Nhon City </p> |
| 5 | <p>SAVICO Vinaland Joint Venture Company</p> <p>Charter Capital : 338,170,918,008 VND % of Shares : 49.50% Address : 115-117 Ho Tung Mau, Ben Nghe Ward, Dist.1, HCMC Phone : (84.8) 3914 6840 Fax : (84.8) 3821 7548</p> |
| 6 | <p>Saigon Khanh Hoi General Services Co., Ltd.</p> <p>Charter Capital : 6,000,000,000 VND % of Shares : 49.00% Address : 56 Ben Van Don St., Dist.4, HCMC Phone : (84.8) 3943 3430 Fax : (84.8) 3943 3429</p> |







SAVICO

