



Breakthrough Thinking

Drives Values

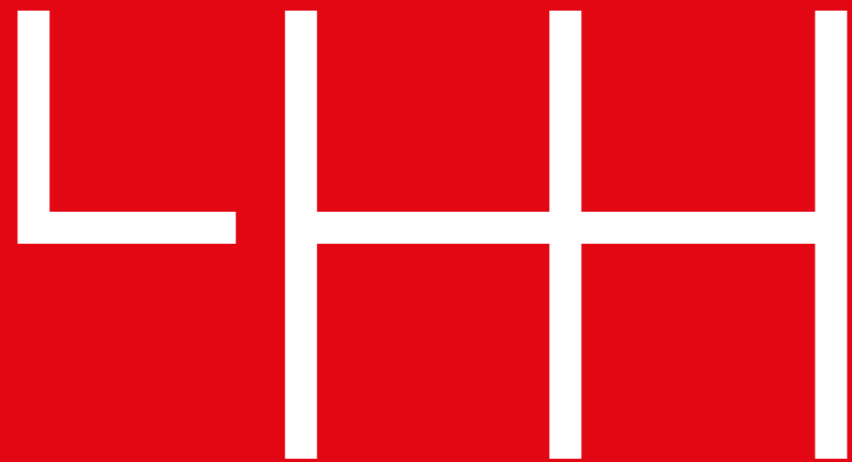
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CHAIRMAN'S MESSAGE



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To honorable shareholders, investors, partners, customers, the entire executives and staff and companies in SAVICO network!

The Vietnam's economy in 2017 was forecasted to accelerate on a more solid macroeconomic basis and the automobile market was expected to be a good year against the positive growth of the year 2016. However, contrary to the overall economic growth of 6.81%, exceeding the target set by the National Assembly which was the highest growth rate during the past 10 years, the automobile market in 2017 was completely contrary to the prediction. End of 2017, the

market's total sales decreased 10% compared to 2016, of which passenger cars decreased 12%, commercial vehicles decreased 5% and special vehicles decreased 15%.

Zero import tax on automobiles from ASEAN in early 2018 affected consumers' psychology with the hope of sharp decrease in price. From the second quarter of 2017, most of manufacturers continuously applied the discount programs to stimulate demand and the price was continuously reduced lead to a fierce competition among dealerships, great affecting to the sales effect.

In the gloomy context of the automobile market in Vietnam, the companies in the whole system have changed with determination of implementing the 2017 business targets with the highest efforts to **AFFIRM SAVICO'S FAITH** after 35 years of formation and development. Thanks to the close cooperation between the Board of Directors, Board of Supervisors, Board of Management and capital representatives together with outstanding efforts of staffs throughout the system, SAVICO implemented the 2017 plan with remarkable results:

Total cars sold volume the system was 27,067 units, reaching 95% of the plan, an increase of 3% compared to the same period, accounting for 9.9% of the national automobile market share (it was 8.6% in the same period of 2016).

The consolidated revenue was 13,795 billion VND, achieving 95% of the plan, an increase of 1% compared to the same period.

Consolidated profit before tax was 174 billion VND, achieving 69.6% of the plan, a decrease of 18% compared to the same period.

Consolidated profit after tax was 139 billion VND, achieving 69.5% of the plan, a decrease of 20% compared to the same period.

Income of equity holders of the Company was 81.6 billion dong, achieving 62.5% of the plan, a decrease of 33.6% compared to the same period.

Although the performance targets did not meet the expectations, in 2017, SAVICO invested in the development and operation of 6 dealerships, bringing the total dealerships to 41 nationwide. In addition, the objectives of management, dividends, corporate culture, environment and society had corresponding development steps to ensure the balanced development of the Company, ensure the harmony of benefits between company, shareholders, customers, employees and society.

In 2017, SAVICO was honored to receive the First-class Labor Medal for the second time which was awarded by President, was also a Company listed in the list of 500 largest companies in Vietnam for 10 consecutive years, was awarded by Ho Chi Minh City People's Committee as a sustainable development company for over 30 years. **SAVICO HAS REACHED NEW HEIGHTS** when closing a 2017 with many difficulties together with encouraging results.

On behalf of the Board of Directors, I would like to express my sincere gratitude to the trust and companion of shareholders, investors, partners, customers during the past time. I would like to thank the members the Board of Directors, Board of Supervisors, Board of Management, capital representatives and all staffs of SAVICO network for your effort to excellently fulfill the assigned missions in 2017.

Vietnam economy in 2018 is expected to continue to growth and macroeconomic stability expected to be sustained over the medium term but it also has many challenges. The automobile market is forecasted to continue to be more difficult with regulations on conditions and procedures for importing automobiles, components and spare parts ... The real estate market may continue to maintain the stable development, but it will also face difficulties about lacking of capital, many challenges in the supply and demand relation, access to land fund and administrative procedures.

With these challenges, the Board of Directors shall always stand side by side with the Board of Management and capital representatives at member companies to continue to make great efforts in business. The Board of Directors determines that this is the time for **"Breakthrough Thinking Drives Values"** - the time at each leader and manager of SAVICO needs to be more brave to have innovations in thought and thinking, have fierce and suitable actions to the market situation to create a strong motivation for staffs of the whole system to overcome difficulties and challenges, increase creativity and efficiency in work to bring SAVICO and the system to reach new heights. From that, we can meet requirements, increase the values and interests of shareholders, customers, employees and other involved parties, contributing to the economic growth of the City and the country.

For and on behalf of the Board of Directors,
Chairman

Nguyen Binh Minh

GENERAL INFORMATION



SAVICO system currently has 13 subsidiaries, 7 associates and 17 subordinated companies of subsidiaries and associates.

Company's name:

SAIGON GENERAL SERVICE CORPORATION
Transaction name: SAVICO
Securities code: SVC (HSX)

Head office:

68 Nam Ky Khoi Nghia, District 1, Ho Chi Minh City
Tel.: (84-28) 3821 3913
Fax: (84-28) 3821 3553 / 3821 5992
Email: savico@savico.com.vn

Website: www.savico.com.vn

VISION, MISSION, CORE VALUES



VISION

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



MISSION

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



CORE VALUES



TRANSPARENCY

In transactions, actions and business.



RESPECT

Shareholders, Investors, Customers, Partners...



RESPONSIBILITY

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



CREATION

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



SOLIDARITY

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

BUSINESS ACTIVITIES AND LOCALITIES



TRADING & SERVICE

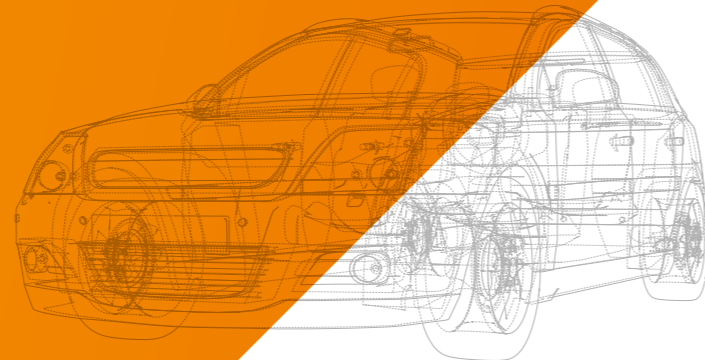
Organize a dealer system directly distributing automobiles, motorcycles from domestic and foreign manufacturers; Repair and maintain automobiles, motorcycles and enclosed services for brands like Toyota, Ford, Volvo, Chevrolet, Hyundai, Honda, Hino, Yamaha ...

REAL ESTATE SERVICE

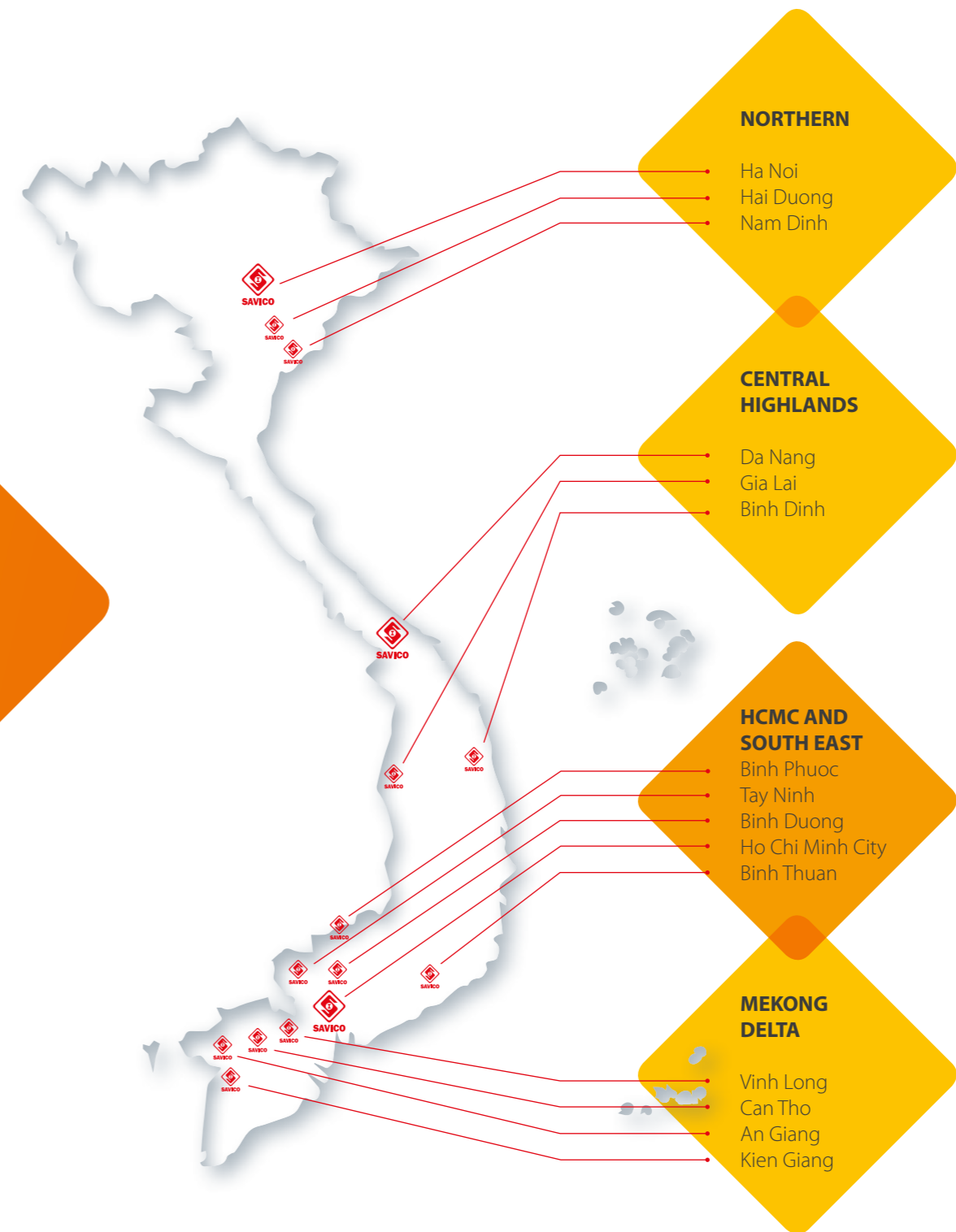
Investment and development of real estate business with orientation of office buildings, trade centers...; Investment in infrastructure supporting the activities of Trading & Service.

FINANCIAL SERVICE

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



The business area of the Company ranges from North to South



FORMATION AND DEVELOPMENT

BUILDING THE FOUNDATION 1982 - 2004

Stage that Company operated under the form of State owned Enterprise

1982

Saigon General Service Corporation (SAVICO), formerly known as the State-owned Enterprise was established on 01 September 1982 with the name of District 1 Service Company.



1986

The Company's name was changed from District 1 Service Company to Saigon General Service Company with the transaction name of SAVICO.

1990

The Company was the pioneer in Ho Chi Minh City specializing in trading automobile and motorcycle sector service, tourism, transport service - taxi ... creating a foundation for the development of future Trading and Service system.



1998 - 2004

Apart from the development of the real estate projects and investment in key sectors, complement and consolidate the operations, the Company gradually changed its operation to investment company model, establishing and developing the dealer system of automobiles, motorcycles of prestigious brands such as Toyota, Ford, Suzuki, Chevrolet, ...



INTEGRATION 2004 - 2014

Stage that Company operated under the form of Joint Stock Company (from 2004 until now)

2005

The Company carried out equitization and has operated under the form of Joint Stock Company since 04 January 2005. The business activities of Company specialize in three main sectors: Trading & Service, Real Estate Service and Financial Service; its operation scope is nationwide.



2006

On 21 December 2006, SAVICO officially listed its shares on the Hanoi Stock Exchange (HNX) with the securities code of SVC.

2009

On 01 June 2009, SAVICO's shares were listed on Ho Chi Minh City Stock Exchange (HSX) with the securities code of SVC.



DEVELOPMENT 2014 - NOW

2015

Opening 15 automobile dealerships in 2015, 2016; increasing total automobile dealerships of SAVICO's system to 34 dealerships at the end of 2016.



2016

In 2016, SAVICO has extended the business activities into the Commercial Vehicles brands of Hino and luxury brand of Volvo.

Signing the comprehensive strategic cooperation agreement for period 2016 – 2021 with Vietinbank.

2017 ...

Currently, the total automobile dealerships of SAVICO's system is 41 and will increase to SAVICO at least 47 automobile dealerships at the end of 2018.

Focus on system values: signed comprehensive strategic cooperation agreement with Vietcombank; focus on improving financial performance and corporate governance of the whole system.



GOVERNANCE MODEL, BUSINESS ORGANIZATION AND MANAGERIAL APPARATUS

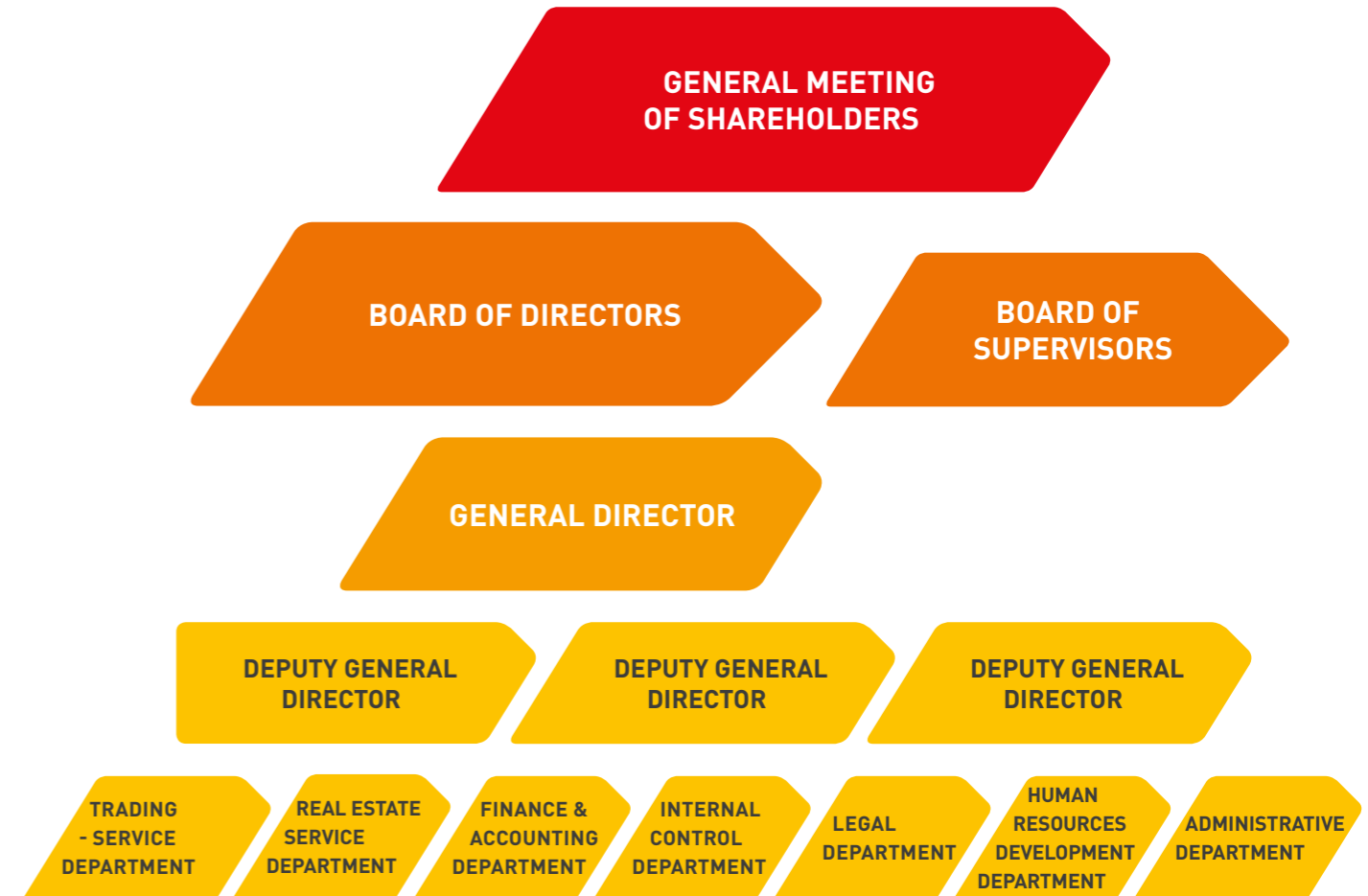


GOVERNANCE MODEL

SAVICO has developed under the model of investment company (holding company), invests in trading-service, real estate service and financial service; contributes capital and participates in the paralleled management with subsidiaries, associates for business development.

The vertical governance model “dedicated to create the advantages” and regional management “combined to create performance”. Assigns the targets and plans for member companies, controls the operation to ensure the investment efficiency, and supports the member companies in market expansion, trains and develops human resources, increases the collaboration, coordination of the operations between the member companies, improves the competitiveness of SAVICO’s system.

ORGANIZATION CHART



SUBSIDIARIES AND ASSOCIATES

NO.	COMPANY'S NAME	ADDRESS	PRINCIPAL ACTIVITY	CHARTERED CAPITAL (31/12/2017) MILLION VND	% OF OWNER'S EQUITY
SUBSIDIARIES					
1	SAVICO Hanoi Corporation	7-9 Nguyen Van Linh, hamlet 17, Gia Thuy ward, Long Bien district, Hanoi City	Operating trade center, providing hotel services; civil and industrial construction; agent and consignment; import and export activities; trading and maintaining automobile; providing engine rental, transportation and car parking services.	80,000	70.00%
	SAVICO Mega Mall	7 - 9 Nguyen Van Linh, Gia Thuy ward, Long Bien district, Hanoi City Tel: (84.24) 62 668 855, www.SAVICOMegamall.com			
	Toyota Long Bien Co., Ltd.	7 - 9 Nguyen Van Linh, Gia Thuy ward, Long Bien district, Hanoi City Tel: (84.24) 62 777 999 - Fax: (84.24) 62 777 998 Hotline: 0973.778.669, Email: toyotalongbien.hn@gmail.vn - www.toyotalongbien.org			
	• Toyota Hai Duong Co., Ltd.	No. 1, Ngo Quyen street, Cam Thuong ward, Hai Duong City Tel: (84.220) 3555 999 - Fax: (84.220) 3555 997 Hotline: 090.345.9775			
	Hai Duong Automobile Investment & Service Co., Ltd. (Ford Hai Duong)	Zone 14, Ngo Quyen street, Binh Han ward, Hai Duong City, Hai Duong province Hotline: 0906 931 555 - www.haiduongford.vn			
2	SAVICO Da Nang Corporation	66 Vo Van Tan, Thanh Khe district, Da Nang City	Trading real estate; leasing office and workshops; consulting, and real estate brokerage services; trading automobile and spare parts; providing maintenance and repairing services providing transportation services.	42,900	70.00%
	Dana Joint Stock Company Danaford	56 Dien Bien Phu, Thanh Khe district, Da Nang City Tel: (84 236) 364 6555 - Fax: (84 236) 364 6746 Hotline (rescue): 0905 444 888 Email: danaford@danaford.com.vn - www.danaford.com.vn Hotline (sales): 0905 105 888 Hotline (service): 0914 061 731 Customer care service: 0905 444 838			
	• Dana Ford Binh Dinh	73 Tay Son, Qui Nhon City, Binh Dinh province Tel: (84 256) 3546 555 - Fax: (84 256) 3546 488 Hotline: 0905 631 666 Email: dongpq@danaford.com.vn			
	• Dana Ford Gia Lai	284 Le Duan, Thanh Loi ward, Pleiku City, Gia Lai province Tel: (84 269) 3535555 - Fax: (84 269) 3551777			

NO.	COMPANY'S NAME	ADDRESS	PRINCIPAL ACTIVITY	CHARTERED CAPITAL (31/12/2017) MILLION VND	% OF OWNER'S EQUITY
	Auto Song Han Joint Stock Company (Hyundai Song Han)	86 Duy Tan, Hoa Thuan Tay ward, Hai Chau district, Da Nang City Tel: (84 236) 378 3555 - Fax: (84 236) 378 3883 Hotline: 0914 303 555 / 0511 3 783 888 www.hyundaisonghan.com.vn			
	• Hyundai Son Tra	286 Pham Hung, Hoa Phuoc commune, Hoa Vang district, Da Nang City			
	• Hyundai Gia Lai Co., Ltd	278 Le Duan, Pleiku City, Gia Lai province Tel: (84 269) 386 2255 - Fax: (84 269) 386 2266 Hotline: (84 069) 373 5888			
	Auto Binh Dinh Joint Stock Company (Hyundai Binh Dinh)	359 Tay Son, Quang Trung ward, Quy Nhon City, Binh Dinh province Tel: (84 256) 353 5255 - Fax: (84 256) 353 5166 Hotline: (84 256) 364 7888 - www.hyundaibinhdinh.com.vn			
	Auto Da Nang Co., Ltd - Mitsubishi SAVICO Da Nang	02 Nguyen Huu Tho, Hoa Thuan Tay ward, Hai Chau district, Da Nang City. Tel: (84 236) 377 8555 - Fax: (84 236) 389 3789 www.mitsubishiSAVICO.com.vn			
3	Da Nang Son Tra Corporation	Bai Trem, Son Tra district, Da Nang City	Development of Mercure Son Tra Resort	84,000	98.00%
4	Toyota Giai Phong Joint Venture Company	807 Giai Phong, Hoang Mai district, Hanoi City Tel: (84 24) 3664 0124 Fax: (84 24) 36640127 Hotline: 0903.259.295 www.toyotagiaiphong.com.vn www.toyotagiaiphong.vn	Trading TOYOTA cars and spare parts, providing maintenance services.	18,088	51.00%
	Toyota Giai Phong – Phap Van branch	Hoang Liet ward, Hoang Mai district, Hanoi City Tel: (84 24) 3642 5588 - Fax: (84 24) 3642 5599 Hotline: 098 999 7879 - www.toyota-phapvan.com			
	Toyota Giai Phong – Nam Dinh branch	Nam Dinh – Phu Ly street, Hoa Loc commune, Nam Dinh City, Nam Dinh province			
5	Saigon Automobile Service Joint Stock Company (Saigon Ford)	61A Cao Thang, ward 3, district 3, Ho Chi Minh City	Trading FORD cars and spare parts, providing maintenance services.	86,000	52.05%
	Saigon Ford Cao Thang	61A Cao Thang, ward 3, district 3, Ho Chi Minh City Tel: (84 28) 3818 1458 - Fax: (84 28) 3818 1466 Hotline (service): 090 746 8686 Hotline (sales): 093.878.3139 Email: saigonford@saigonford.com.vn - www.saigonford.com.vn			



NO.	COMPANY'S NAME	ADDRESS	PRINCIPAL ACTIVITY	CHARTERED CAPITAL	
				(31/12/2017) MILLION VND	% OF OWNER'S EQUITY
	Saigon Ford Pho Quang	Center for trading second hand automobile and auto body painting services. 104 Pho Quang, ward 2, Tan Binh district Tel: (84 28) 3844.2947/ 3844.2948 - Fax: (84 28) 3844 2896 Hotline: 093 811 0139 Email: phoquang@saigonford.com.vn			
	Saigon Automax - Tran Dinh Xu	72 Tran Dinh Xu, district 1, Ho Chi Minh City Tel: (84 28) 3838 9508 - Fax: (84 28) 3838 9521 www.mazdabenthanh.com.vn			
	Saigon Automax - An Duong Vuong	56A An Duong Vuong, 16 ward, 8 District, Ho Chi Minh City Tel: (84) 0933129839 www.saigonautomax.bonbanh.com			
	Sai Gon Automax - Tran Hung Dao	Tel: (84 28) 3915 3244 - Fax: (84 28) 3915 3243 Hotline: 093 898 0139 Email: saigonford@saigonford.com.vn			
	Saigon Can Tho Auto Joint Stock Company	Block 11C Vo Nguyen Giap, Phu Thu ward, Cai Rang district, Can Tho City Tel: (84 292) 3730 720 / 3730 719 Fax: (84 292) 3.730.716 Hotline: 0902 357 558 Email: cantho@saigonford.com.vn - www.canthoford.vn			
	Ben Thanh Automobile Service Joint Stock Company	831 Truong Chinh, Tay Thanh ward, Tan Phu district, Ho Chi Minh City Tel: (84 28) 3815.7979 - Fax: (84 28) 3815.8989 Hotline (Service): 0908 061 061 – (Sales): 0938 191 191 Email: info@benthanhford.com.vn - www.benthanhford.com.vn			
	• Ben Thanh Ford Assured	69-71 Che Lan Vien, Tay Thanh ward, Tan Phu district, Ho Chi Minh City Tel: 0908 008 998 - Fax: (84 28) 38155886 Hotline: 0931.248.248			
	• Ben Thanh Tay Ninh Joint Stock Company	226 National Highway 22B, Hiep Truong hamlet, Hiep Tan commune, Hoa Thanh district, Tay Ninh province. Tel: (84 276) 3622 711 - Fax: (84 276) 3622 911 Hotline: 0936 824 879 Email: info@tayninhford.com.vn - www.tayninhford.com.vn			
	Binh Thuan Automobile Service Joint Stock Company	National Highway 1A - Block 4/3, road no. 4 Phan Thiet 1 Industrial Park, Phong Nam commune, Phan Thiet City, Binh Thuan province Tel: (84 252) 3535 010 - Fax: (84 252) 3535 020 Hotline (sales): 0919 828 121, Hotline (service): 0903 618 250 www.binhthuanford.com.vn			
	South Saigon Automobile Investment, Trading and Service Joint Stock Company (Chevrolet Phu My Hung)	1489 Nguyen Van Linh street, Tan Phong ward, district 7, Ho Chi Minh City Tel: (84 28) 3771 8888 - Fax: (84 28) 3771 8895 Hotline (Sales): 0902743783, Hotline (Service): 0938453645. Email: info@chevroletphumyhung.com.vn. www.chevroletphumyhung.com.vn			

NO.	COMPANY'S NAME	ADDRESS	PRINCIPAL ACTIVITY	CHARTERED CAPITAL	
				(31/12/2017) MILLION VND	% OF OWNER'S EQUITY
6	Toyota Can Tho Limited Company	K2-0, Vo Nguyen Giap, Thanh Thuan area, Phu Thu ward, Cai Rang district, Can Tho City	Trading TOYOTA cars and spare parts, providing maintenance services.	49,626	51.00%
7	Nam Song Hau Automobile Joint Stock Company (Honda Can Tho)	Block E1-1 Vo Nguyen Giap street, Thanh Loi area, Phu Thu ward, Cai Rang district, Can Tho City	Trading HONDA cars and spare parts, providing maintenance services.	50,000	51.00%
8	Vinh Thinh Automobile Joint Stock Company (Hino Vinh Thinh)	55/5 Binh Giao quarter, Thuan Giao ward, Thuan An town, Binh Duong province	Trading HINO truck and spare parts, providing maintenance, repairing and transportation services.	20,000	90.00%
	Binh Phuoc branch	National Highway 14, Dong Xoai town, Dong Phu district, Binh Phuoc			
9	Saigon North West Automobile Joint Stock Company	3/7A, National Highway 22, Xuan Thoi Dong commune, Hoc Mon district, Ho Chi Minh City	Trading Fuso trucks and spare parts; providing maintenance and transportation services.	20,000	80.00%
	Binh Duong branch	1/126 Hoa Lan 2 quarter, Thuan Giao ward, Thuan An town, Binh Duong province Hotline (Sales): 01267 000 333 Hotline (Service): 01268 000 333 Email: info@binhduongfuso.com - www.binhduongfuso.com			
10	Saigon Star Corporation	510 National Highway 13, Hiep Binh Phuoc ward, Thu Duc district, Ho Chi Minh City	Trading SUZUKI, HONDA and VEAM automobile and motorcycle and spare parts, providing maintenance services.	15,000	59.62%
	Dong Nai workshop	Road no. 4, Quoc Phong Long Binh Industrial Park, Long Binh ward, Bien Hoa City, Dong Nai province.			
	Binh Duong branch	184C/1 Street DT 743, An Phu ward, Thuan An town, Binh Duong province. Hotline: 0916 467 674 - Fax: (84 274)37273133			
	Saigon Phuong Nam Co., Ltd.	510 National Highway 13, Hiep Binh Phuoc ward, Thu Duc District Tel: (84 28) 3727 3438 - Fax: (84 28) 37273133			
	Saigon Vien Dong Co., Ltd.	673 Huynh Tan Phat, Tan Thuan Dong ward, district 7, Ho Chi Minh City Tel: (84 28) 37733893 - Fax: (84 28) 37733902			
11	Saigon Cuu Long Automobile Corporation (Chevrolet Can Tho)	274 of 30/4 street, Hung Loi ward, Ninh Kieu district, Can Tho City	Trading Chevrolet cars and spare parts, providing maintenance and transportation services	12.000	84,17%

NO.	COMPANY'S NAME	ADDRESS	PRINCIPAL ACTIVITY	CHARTERED CAPITAL (31/12/2017) MILLION VND	% OF OWNER'S EQUITY
12	Saigon Service Trading Co., Ltd. (Yamaha Saigon)	164-166C of 3/2 street, Hung Loi ward, Ninh Kieu district, Can Tho City Tel: (84 292) 3780 164 Fax: (84 292) 3780 166	Trading YAMAHA motorcycles and spare parts, providing maintenance services.	7,660	88.12%
	Outlet Yamaha Sai Gon 2	Kiosk 15-17-19-21 Western Cultural Park, No. 45 CMT8 street, An Thoi ward, Binh Thuy district, Can Tho City Tel: (84 292) 3783 979 - (84 292) 3783 839			
	Outlet Yamaha Sai Gon 3	291 An Nhon hamlet, Trung Thanh commune, Vung Liem district, Vinh Long province Tel: (84 270) 3976 888 - Fax: (84 270) 3976 777			
	Service and Spare Parts Center	164/1B, 3/2 Street, Hung Loi ward, Ninh Kieu district, Can Tho City Tel: (84 292) 3782 982			
13	OtoS Joint Stock Company (OtoS)	66 - 68 Nam Ky Khoi Nghia, Nguyen Thai Binh ward, district 1, Ho Chi Minh City	Providing e-commerce services; advertising services; Trading cars and spare parts; providing maintenance and repairing service; providing software publishment and other services related to information technology.	12,495.6	80.35%
ASSOCIATES					
1	SAVICO Investment Joint Stock Company	66 - 68 Nam Ky Khoi Nghia, Nguyen Thai Binh ward, district 1, Ho Chi Minh City	Trading real estate; providing property consultancy, brokerage, auction; providing services on market research, surveys of public opinion; providing related architectural and engineering consulting services; providing specialized design and construction of civil works; trading cars and spare parts; providing maintenance and repairing services; providing kindergarten education service.	160,000	40%
2	Toyota East Saigon Joint Stock Company	507 Hanoi Highway, An Phu ward, district 2, Ho Chi Minh City Tel: (84 28) 3898 9242 Fax: (84 28) 3898 9243 Hotline: 19006428 Email: tesc@toyotasaigon.com	Trading TOYOTA cars and spare parts, providing maintenance services.	108,500	30.3%
	Go Vap branch	18 Phan Van Tri, ward 7, Go Vap district, Ho Chi Minh City Tel: (84 28) 3989 6636 - Fax: (84 28) 3989 6637 Hotline: 19006438, Email: tesc@toyotasaigon.com			
	Nguyen Van Luong branch	63A Nguyen Van Luong, ward 10, Go Vap district, Ho Chi Minh City Tel: (84 28) 3921 2808 - Fax: (08) 3921 2809 Hotline: 0918335050, Email: tesc@toyotasaigon.com			

NO.	COMPANY'S NAME	ADDRESS	PRINCIPAL ACTIVITY	CHARTERED CAPITAL (31/12/2017) MILLION VND	% OF OWNER'S EQUITY
	Toyota Binh Thuan Co., Ltd.	Ben Loi - Lai An Residential area, Thang Thuan hamlet, Ham Thang commune, Ham Thuan Bac district, Binh Thuan province Tel: (84 252) 3739 212 - Fax: (84 252) 3739 210 Hotline: 0901662828, Email: tesc@toyotasaigon.com			
	District 9 branch	850 Hanoi National Highway, Hiep Phu Ward, District 9, Ho Chi Minh City Tel: (84 28) 37361689 - Fax: (84 28) 37361690 Hotline: 0901 830 833, Email: tesc@toyotasaigon.com			
3	Comfort Delgro SAVICO Taxi Co., Ltd.	384A/2 Kha Van Can, Hiep Binh Chanh ward, Thu Duc district, Ho Chi Minh City	Providing the transportation service by taxi and other related services in Vietnam	79,315	40.03%
4	Toyota Ly Thuong Kiet Co., Ltd.	188 Le Trong Tan, Tay Thanh ward, Tan Phu district, Ho Chi Minh City Tel: (84 28) 3816 3636 Fax: (84 28) 3816 3366	Trading TOYOTA cars and spare parts, providing maintenance services.	60,000	35%
	Branch 1	151A Ly Thuong Kiet, ward 6, Tan Binh district, Ho Chi Minh City Tel: (84 28) 3971 3838 - Fax: (84 28) 3971 3209			
	Tay Ninh Branch (Toyota Tay Ninh)	50 Hoang Le Kha, ward 3, Tay Ninh City Hotline: 1800 6565			
5	Bac Au Automobile Joint Stock Company (Volvo Cars)	340 Nguyen Van Linh, Binh Thuan ward, 7 district, Ho Chi Minh City	Trading VOLVO cars and spare parts, providing maintenance services.	60,000	32%
	Bac Au Hanoi Automobile Co., Ltd. (Volvo Cars Hanoi)	7-9 Nguyen Van Linh, Long Bien district, Ha Noi City Hotline: 097.111.7799			
6	South West Star Automobile Joint Stock Company (Hyundai Tay Do)	91 CMT8 street, An Thoi ward, Binh Thuy district, Can Tho City	Trading HYUNDAI cars and spare parts, providing maintenance services.	40,000	43.8%
7	Binh Duong New City Automobile Joint Stock Company (Binh Duong Ford)	Block C13 Hung Vuong street, complex area, Hoa Phu ward, Thu Dau Mot City, Binh Duong province	Trading FORD cars and spare parts, providing maintenance services.	50,000	27.5%

DEVELOPMENT ORIENTATIONS

Main Objectives in 2018

Open 7 of 25 - 35 automobile dealerships. Achieve a stable operating income from the real estate; continue to promote after-sales services to ensure sustainable income.

Continue to enhance the system management role of holding company; effective finance management, risk control, human resources development.

Medium and Long Term Objectives

Maintain the position of the leading automobile distributor in Vietnam with total market share of at least 10% of the total automobile market in Vietnam by 2020.

The real estate service becomes a main business line of the Company, contributing significantly to the stable performance of the Company.

Sustainable Development Objectives

Implement the completed business development strategy with the direction of combining the economic efficiency of the Company, the interests of shareholders and partners with a commitment to comply, suitably use, protect, maintain and improve the human resources, the natural environment as well as participate in sharing, contribution to the community and society.



RISKS



The Company's risk management policies are established to identify and analyze the risks that the system faced, to set appropriate risk limits and risk controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect the changes in the market conditions and the system's operations. The Company, through its training and management standards and procedures, Internal Control Department and controllers of the system periodically carry out the control activities to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

SAVICO has identified key risks, management and control of risk as follows:

Strategic planning risk: This risk occurs when the strategy implementation plan of the company is inadequate, lack of uniformity and consistency when implementing for departments and companies in the system leading to the fact that the long-term strategic objectives cannot be achieved. The risk control measure is the strategic plan being clearly communicated at the plan implementation meetings, quarterly meetings and yearly meetings of the system and separate meetings of the Company; which is periodically evaluated by the Internal Control Department and involved functional departments and reported to the Board of Directors and Board of Management at regular meetings.

Policy risk: This risk occurs when policies relating to the Company's key principal activities have a sudden change,

lack of stability and consistency leading to out-of-control situations in business activities of the Company. For example, policies related to real estate can cause the Company's ongoing projects to be suspended, unable to complete affecting the revenue, profit, cost increase, affecting the business capital source, affecting the role of supporting for trading & service projects; the policies related to the automobile sector can significantly increase the supply of goods in the market or may cut off the supply affecting the inventories, the gross margin of auto dealers under SAVICO system. The measures to minimize the influence of this risk is to focus on the assessment, forecasting and improving information sharing of internal management in the system, focus on after sales services.

Market risk:

For automobile – motorcycle distribution:

SAVICO's business characteristics is to act as a distribution dealer for many manufacturers so SAVICO suffers from major impact from market supply, mainly from suppliers such as: dealer development strategy, product strategy, sales policy, and product price policy.

For real estate related activities:

the main risks related to real estate service of SAVICO from rivals specializing in trade center, office for lease; and the difficulty in legal procedures related to construction investment scheme shall affect the implementation of business plan set by the Company.

The risk control measure is to increase the stable income sources, increase after sales services; improve the

system connectivity and information sharing of internal management.

Credit risk: Is the risk of financial loss of the Company if a customer or partner fails to fulfill their contractual obligations, and arises principally from the trade receivables from customers. The risk control measure is that the Company has issued financial management regulation applied at the holding company as well as developed the synchronous establishment of the financial management regulation in all companies in the system. The regulation has detailed contents related to cash management, management of customers' receivables and other receivables. The evaluation, supervision of the implementation and finalization of the regulation are carried out periodically through the Internal Control Department and the Controllers of the Company in the whole system.

Liquidity risk: is a risk that the Company or other

Companies in the system cannot fulfill their financial obligations as they fall due. The approach to managing liquidity of the Company is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Personnel and succession personnel risk: this risk occurs when personnel cannot adapt to the corporate culture of the Company; One/ some key positions are vacant or cannot find enough critical positions for the Company's business projects and companies in the system in an acceptable timeframe. The control measure is to complete the process of planning, training, rotation, personnel evaluation, improvement of employees' income policy; using the fund of talent development effectively, the trainee programs, and seek and attract experienced personnel from outside to collaborate for the development of SAVICO system.



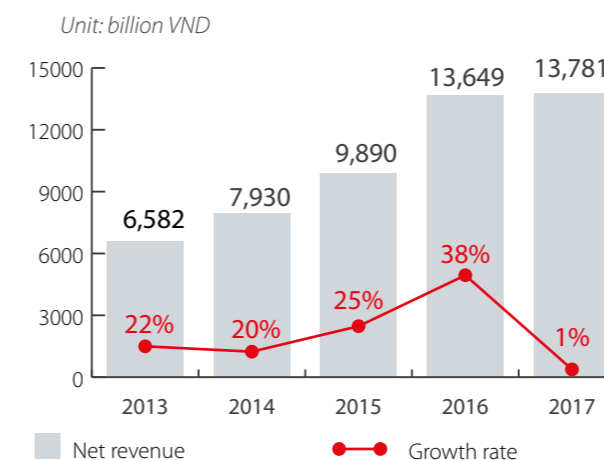
YEARLY OPERATIONS

Results of business operations in 2017 of the Company:

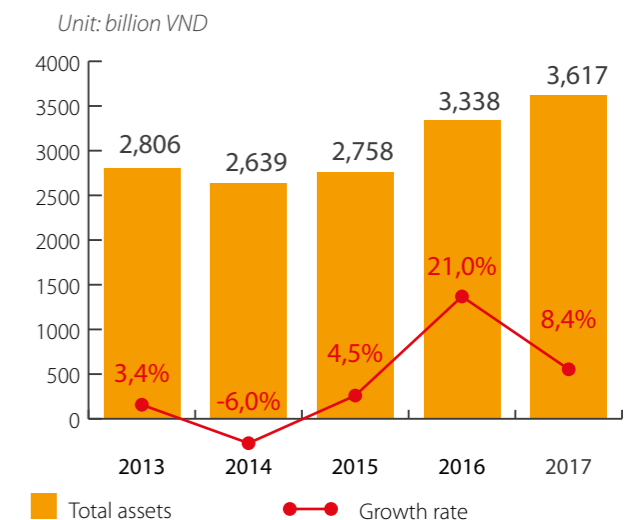
	2016	2017	2017 compared to 2016
Revenue from sales of goods and provision of services	13,649,122,600,417	13,781,306,755,734	1.0%
Cost of sales	12,936,368,205,494	13,060,916,977,057	1.0%
Gross profit	712,754,394,923	720,389,778,677	1.1%
Financial income	15,593,139,225	21,270,975,508	36.4%
Financial expenses	70,892,623,612	107,874,217,499	52.2%
<i>In which: Interest expenses</i>	<i>66,862,508,991</i>	<i>90,915,434,287</i>	<i>36.0%</i>
Share of profit in associates	19,693,440,554	14,315,723,152	-27.3%
Selling expenses	326,615,666,168	415,117,754,690	27.1%
General and administrative expenses	210,203,789,026	242,352,462,253	15.3%
Net operating (loss)/ profit	140,328,895,896	-9,367,957,105	-106.7%
Other income	75,031,951,241	186,202,902,608	148.2%
Other expenses	3,206,877,113	2,848,330,374	-11.2%
Results of other activities	71,825,074,128	183,354,572,234	155.3%
Accounting profit before tax	212,153,970,024	173,986,615,129	-18.0%
Net profit after tax	173,819,802,500	139,055,626,798	-20.0%
Equity holders of the Company	122,992,852,474	81,633,249,712	-33.6%
Non-controlling interest	50,826,950,026	57,422,377,086	13.0%

(Source: 2016, 2017 Audited Consolidated Financial Statements of the Company, Unit: VND)

Net revenue and growth rate



Total assets and growth rate



ORGANIZATION AND PERSONNEL

The changes in the Board of Management:

- None

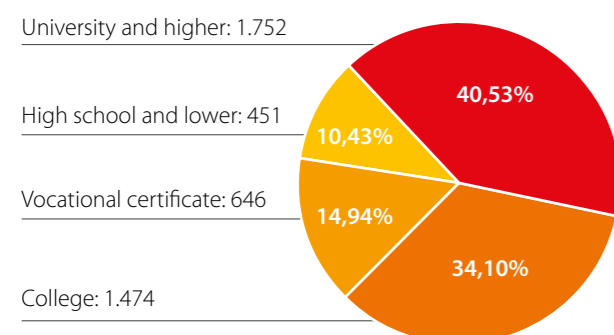
Human resources:

By the end of 2017, whole system of SAVICO had 4,323 employees (197 of which are seasonal taxi drivers), number of staffs increased 17.2% compared to the same period of 2016.

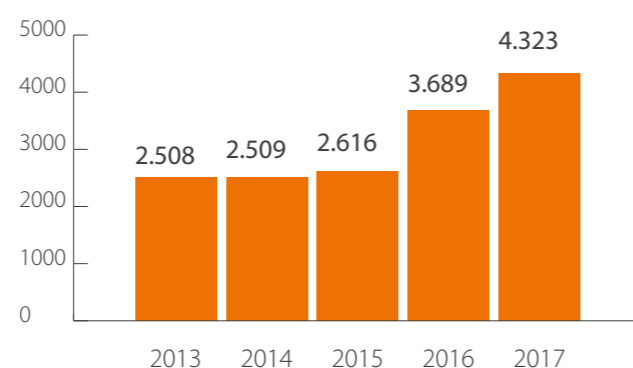
- Labor contract Indefinite term: 1,722 people
- Labor contract from 01 – 03 years: 2,130 people
- Seasonal and probation contract: 274 people
- Labor contract definite term to taxi drivers: 145 people
- Labor contract taxi drivers: 52 people

Year	2013	2014	2015	2016	2017
Total laborers	2,508	2,509	2,616	3,689	4,323
Age of officers and staff					
From 18 to 30 years old	1,231	1,251	1,308	2,299	2,320
From 31 to 45 years old	1,013	1,008	1,059	1,222	1,833
From 46 to 60 years old	264	250	249	168	170
Sex					
Female	503	515	581	732	889
Male	2,005	1,994	2,035	2,957	3,434
Total laborers	2,508	2,509	2,616	3,689	4,323
Qualification of officers and staff of the Company					
University and higher	786	820	1,053	1,617	1,752
College	610	636	789	1,063	1,474
Vocational certificate	1011	962	522	747	646
High school and lower	101	91	252	262	451
Total	2,508	2,509	2,616	3,689	4,323

Personal structure in 2017 by qualification



Total laborers for period 2013 – 2017



In 2017, the companies recruited 634 employees with professional skill, techniques and experience meeting the requirements because the Company expanded the business network like newly built and put into operation 06 3S and 2S Auto Dealerships: Toyota Tay Ninh, Volvo Hanoi, Fuso North West Saigon – Branches: Binh Duong, Binh Thuan Ford, Star Saigon - Branches: An Phu Binh Duong, Volvo Bac Au.

New employees arranged for working in the field of sales and technical services accounted for 75%. The objective of recruiting for sales and services was to increase revenue and develop and expand the services.

Human Resources Policy :

The Company focused on building staff with positive working attitude, discipline compliance, team working awareness, and dedication to create the highest value of dedication to work. Building and developing the human resources meet the business activity requirements according to the business lines and strategy of the Company, constantly upgrading employees according to the new trend and development requirement.

The Company created a friendly and cooperative working environment for each individual to best promote their capacity, promoted the collective intelligence, oriented for employees to have long term career development and engagement to the Company.

The companies in the system positively changed the management mechanism to promote and improve the business activity efficiency and establish the solidarity spirit in the staff, created favorable conditions for staff to contribute the value to the development of the Company.

The Company encouraged all staff to emulate the improvement initiative, each person innovated to continuously develop for the better trend, improved the qualification, management ability and leadership capacity to meet the current requirements and improve according to the development requirement of the Company.

Each employee must try to practice, constantly improve themselves, share and help their colleagues to develop and promote the individual role and respect and adhere to the development orientation of the collective, increase the value to the Company, customers, partners, community and society.

BOARD OF DIRECTORS



Mr. Nguyen Binh Minh
Chairman



Mr. Mai Viet Ha
Member & General Director



Ms. Nguyen Viet Hoa
Member



Mr. Doan Van Quang
Member & Deputy General Director



Mr. Nguyen Cong Binh
Member & Deputy General Director



Mr. Luong Quang Hien
Member



Mr. Nguyen Duc Trong
Member

BOARD OF SUPERVISORS

Mrs. Nguyen Nhu Anh

Head of the Board



Mr. Nguyen Thai Hoa

Member



Mrs. Phan Phuong Nga

Member



BOARD OF MANAGEMENT

Mr. Mai Viet Ha

General Director



Mr. Nguyen Cong Binh

Deputy General Director



Mr. Doan Van Quang

Deputy General Director



Ms. Nguyen Thu Nga

Deputy General Director



Mr. Ngo Van Danh

Chief Accountant



THE INVESTMENT AND IMPLEMENTATION SITUATION OF PROJECTS

Equity investments in subsidiaries, associates: Equity investments in subsidiaries, associates in 2017:

Company's name	01/01/2017		31/12/2017		Change in Carrying Amount of the Investments
	% of equity owned	Carrying amount VND	% of equity owned	Carrying Amount VND	
Subsidiaries		353,332,771,814		341,327,031,814	(12,005,740,000)
Saigon Automobile Service Joint Stock Company (Saigon Ford)	52.05%	44,763,000,000	52.05%	44,763,000,000	-
Toyota Giai Phong Joint Venture Company (TGP)	51%	9,248,504,000	51%	9,248,504,000	-
Saigon Service Trading Co., Ltd. (Yamaha Can Tho)	88.12%	7,102,684,814	88.12%	7,102,684,814	-
Saigon Star Corporation	59.62%	9,012,515,000	59.62%	9,012,515,000	-
Savico Hanoi Corporation	70%	56,000,000,000	70%	56,000,000,000	-
Toyota Can Tho Co., Ltd.	51%	25,309,668,000	51%	25,309,668,000	-
Da Nang Son Tra Investment Corporation	98%	82,320,000,000	98%	82,320,000,000	-
OtoS Joint Stock Company	77.07%	7,976,400,000	80.35%	10,040,660,000	2,064,260,000
Savico Danang Corporation	70%	21,000,000,000	70%	27,930,000,000	6,930,000,000
Saigon Cuu Long Automobile Joint Stock Company	84.17%	10,100,000,000	84.17%	10,100,000,000	-
Sai Gon North West Automobile Joint Stock Company	80%	16,000,000,000	80%	16,000,000,000	-
Vinh Thinh Automobile Joint Stock Company	90%	18,000,000,000	90%	18,000,000,000	-
Nam Song Hau Automobile Joint Stock Company	93%	46,500,000,000	51%	25,500,000,000	(21,000,000,000)
Associates		218,348,709,000		192,251,178,945	(26,097,530,055)
ComfortDelgro Savico Taxi Company	40.03%	31,750,000,000	40.03%	31,750,000,000	-
Toyota East Saigon Joint Stock Company (TESC)	35.16%	16,798,709,000	30.30%	29,106,059,000	12,307,350,000
Binh Duong New City Automobile Service Joint Stock Company	27.50%	8,250,000,000	27.50%	13,750,000,000	5,500,000,000
South West Star Automobile Joint Stock Company	43.80%	10,950,000,000	43.80%	17,520,000,000	6,570,000,000
Toyota Ly Thuong Kiet Co., Ltd.	20%	12,000,000,000	35%	16,925,119,945	4,925,119,945
Bac Au Automobile Joint Stock Company	32%	19,200,000,000	32%	19,200,000,000	-
Savico Investment Joint Stock Company	99.50%	119,400,000,000	40.00%	64,000,000,000	(55,400,000,000)
Total		571,681,480,814		533,578,210,759	(38,103,270,055)

(Source: 2017 Audited Separate Financial Statements of the Company)

Investment activities, project implementation

Trading & service

Projects put into operation in 2017

Project' Name	Implementation Situation
Toyota Companies	
Toyota Tay Ninh – Branch of Toyota Ly Thuong Kiet	Officially opened and put into operation on 18 February 2017
Ford Companies	
Binh Thuan Ford – Associate of Saigon Ford	Officially opened and put into operation on 11 October 2017
Other Companies	
Volvo Hanoi - Associate of Bac Au Automobile	Officially opened and put into operation on 28 February 2017
Binh Duong Fuso – Branch of Saigon North West Automobile	Officially put into operation in September 2017
An Phu Auto Center, Binh Duong – Branch of Sai Gon Star	Officially opened and put into operation on 17 October 2017
Volvo - Bac Au Automobile	Officially put into operation on 07 December 2017

Projects put into operation in 2018

Project' Name	Implementation Situation
Toyota Companies	
Toyota East Saigon – Head Office	Officially put into operation on 21 February 2018
Toyota Nam Dinh – Branch of Toyota Giai Phong	Commenced in October 2017, scheduled to put into operation in June 2018
Ford Companies	
Ford Tay Ninh – Associate of Ben Thanh Ford	Officially opened and put into operation on 05 February 2018
Ford Hai Duong – Subsidiary of Savico Hanoi	Commenced in November 2017
Hyundai Companies	
	Scheduled to put into operation in July 2018
Hyundai Kien Giang – Branch of Hyundai Tay Do	Commenced in August 2017 Scheduled to put into operation in July 2018
Hyundai Son Tra – Branch of Hyundai Song Han	Officially opened and put into operation on 09 May 2018

Real Estate Service:



Project 104 Pho Quang
Fulfilled the financial obligations to the Government.
Carrying out procedures to transfer a part of project to Novaland.



Residential area project Hiệp Bình Phước - Tam Bình
Building the embankment and landscape as scheduled and it shall be handed over for local state agency.



Project 66-68 Nam Ky Khoi Nghia - Savico Invest
Received construction permit, commenced on 21 February 2018. On stage of basement construction.



OPERATION SITUATION OF SUBSIDIARIES, ASSOCIATES

Summary of financial position and performance of subsidiaries and associates in 2016, 2017:

Unit: Million VND

No.	Company Name	Year of Establishment / Capital Contribution	Total Assets (31/12/2017)	Total Liabilities (31/12/2017)	Owner's Equity (31/12/2017)	Profit After Tax 2017
SUBSIDIARIES			5,294,199	3,066,811	2,155,846	175,285
1	Toyota Giai Phong Joint Venture Company	1998	155,295	59,914	95,381	4,807
2	Saigon Automobile Service Joint Stock Company	2000	650,109	493,590	137,599	21,210
3	Saigon Service Trading Co., Ltd.	2006	35,315	22,801	12,514	2,645
4	Toyota Can Tho Automobile Co., Ltd.	2007	192,876	88,112	104,764	20,403
5	Savico Hanoi Corporation	2007	739,603	559,339	154,230	35,172
6	Saigon Star Corporation	2007	139,685	111,862	27,823	7,553
7	Savico Danang Corporation	2014	242,792	139,796	76,408	28,377
8	OtoS Joint Stock Company	2014	810	1,217	-406	-4,221
9	Danang Son Tra Investment Joint Stock Company	2014	84,745	4,215	80,529	-996
10	Saigon Cuu Long Automobile Joint Stock Company	2014	69,770	55,323	14,448	1,442
11	Nam Song Hau Automobile Joint Stock Company	2015	78,260	32,744	45,516	-2,856
12	Vinh Thinh Automobile Joint Stock Company	2015	207,640	184,191	23,449	3,207
13	Sai Gon North West Automobile Joint Stock Company	2015	83,235	72,216	11,019	-1,965
ASSOCIATES			1,307,031	620,745	686,286	30,253
1	Toyota East Saigon Joint Stock Company	2003	482,681	247,932	234,750	16,313
2	ComfortDelgro Savico Taxi Joint Venture Company	2005	92,606	5,521	87,086	235
3	Binh Duong New City Automobile Service Joint Stock Company	2014	90,548	56,084	34,464	4,416
4	Toyota Ly Thuong Kiet Co., Ltd.	2015	213,655	153,633	60,022	22
5	South West Star Automobile Joint Stock Company	2015	67,217	17,624	49,592	3,468
6	Bac Au Automobile Joint Stock Company	2015	194,110	133,558	60,552	5,963
7	Savico Investment Joint Stock Company	2016	166,214	6,393	159,821	-164

Unit: Million VND

No.	Company Name	Year of Establishment / Capital Contribution	Total Assets (31/12/2016)	Total Liabilities (31/12/2016)	Owner's Equity (31/12/2016)	Profit After Tax 2016
SUBSIDIARIES			2,631,795	1,854,445	777,349	105,123
1	Toyota Giai Phong Joint Venture Company	1998	256,545	165,971	90,574	6,773
2	Saigon Automobile Service Joint Stock Company	2000	662,095	511,000	151,095	28,984
3	Saigon Service Trading Co., Ltd.	2006	25,525	14,124	11,401	2,489
4	Toyota Can Tho Automobile Co., Ltd.	2007	190,994	81,468	109,525	25,164
5	Savico Hanoi Corporation	2007	712,432	567,598	144,834	27,513
6	Saigon Star Corporation	2007	103,526	79,688	23,838	7,380
7	Savico Danang Corporation	2014	288,084	221,565	66,519	16,296
8	OtoS Joint Stock Company	2014	1,810	339	1,471	-3,785
9	Danang Son Tra Investment Joint Stock Company	2014	84,633	3,108	81,525	-1,099
10	Saigon Cuu Long Automobile Joint Stock Company	2014	44,915	29,948	14,967	2,820
11	Nam Song Hau Automobile Joint Stock Company	2015	107,191	58,819	48,372	-1,628
12	Vinh Thinh Automobile Joint Stock Company	2015	109,793	89,552	20,242	1,021
13	Sai Gon North West Automobile Joint Stock Company	2015	44,251	31,267	12,984	-6,806
Associates			1,165,533	583,939	581,593	49,917
1	Toyota East Saigon Joint Stock Company	2003	386,672	212,660	174,012	34,911
2	ComfortDelgro Savico Taxi Joint Venture Company	2005	94,308	7,457	86,850	3,289
3	Binh Duong New City Automobile Service Joint Stock Company	2014	108,126	76,429	31,697	3,638
4	Toyota Ly Thuong Kiet Co., Ltd.	2015	212,891	129,557	83,335	8,364
5	South West Star Automobile Joint Stock Company	2015	126,000	94,876	31,124	5,141
6	Bac Au Automobile Joint Stock Company	2015	117,550	62,961	54,590	-5,410
7	Savico Investment Joint Stock Company	2016	119,985	0	119,985	-15

(Source: Information extracted from the 2017 Audited Financial Statements of the Company)

FINANCIAL SITUATION

Unit: Million VND

Financial situation:

FINANCIAL FIGURE	2016	2017	% CHANGE
Total assets	3,337,818	3,617,037	8.4%
Net revenue	13,649,123	13,781,307	1.0%
Net operating (loss)/ profit	140,329	-9,368	-106.7%
Results of other activities	71,825	183,355	155.3%
Accounting profit before tax	212,154	173,987	-18.0%
Net profit after tax	173,820	139,056	-20.0%
Income attributable to equity holders of the Company	122,993	81,633	-33.6%
Dividend	12%	Expected 12%	

Major financial benchmarks:

Unit: Million VND

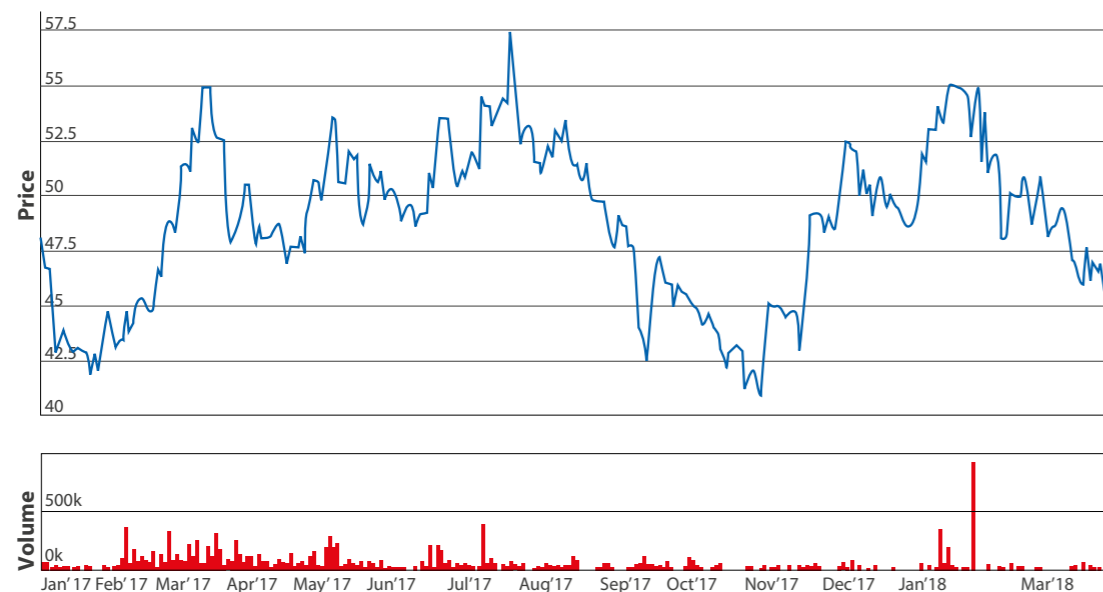
BENCHMARKS	2016	2017
1. Liquidity Ratios		
+ Current ratio	1.08	0.91
+ Quick ratio	0.56	0.51
2. Leverage Ratios		
+ Liabilities / Total assets	0.65	0.65
+ Liabilities / Owner's equity	1.85	1.83
+ Debt to assets ratio	0.39	0.34
3. Operation capability ratio		
+ Net revenue / Total assets	4.09	3.81
4. Profitability Ratio		
+ Profit after tax / Net revenue	1.27%	1.01%
+ Profit after tax / Owner's equity	15.56%	11.35%
+ Profit after tax / Total assets	5.70%	4.00%
+ Operating profit / Net revenue	1.03%	-0.07%
+ Result of other activities / Net revenue	0.53%	1.33%

(Source: 2017 Audited Consolidated Financial Statements of the Company)

Statistics on Stocks in 2017	Unit	Figures
Price as of 30/12/2016	VND / share	48,000
Price as of 29/12/2017	VND / share	49,800
Highest price in year	VND / share	59,500
Lowest price in year	VND / share	39,000
Total transaction volume	share	12,899,450
Average transaction volume / day	share / day	57,485
Listed shares	share	24,995,573
Outstanding shares	share	24,975,507
Market capitalization (31/12/17)	billion VND	1,243.8
Total book value (31/12/17)	billion VND	926.5
EPS (2017)	VND / share	3,183
P/E (31/12/2017)	time	15.6
P/B (31/12/2017)	time	1.3
Foreign shareholders (31/12/17)	%	41.29%
State shareholders (31/12/17)	%	40.78%

- **Share**
 - + Total issued shares: 24,995,573 stocks
 - + Type of share: common share
 - + Total outstanding shares: 24,975,507 stocks.
 - + Shares with restriction on free transfer as stipulated by Law, Charter of Company or owner's commitment: none.

The close price and transaction volume of SAVICO stocks:



- **Shareholders structure (according to the list at the record date of 15 September 2017)**

No.	Shareholders	Number of shares	(% of share capital	Number of shareholders	Shareholders structure	
					Institutional	Individual
1	State shareholders	10,192,823	40.78%	1	1	0
2	Board of Directors, Board of Management, Board of Supervisors, Chief Accountant	108,484	0.43%	5	0	5
3	Domestic shareholders	4,478,855	17.92%	1,281	53	1,228
4	Foreign shareholders	10,195,345	40.79%	90	25	65
5	Treasury stocks	20,066	0.08%	1	1	0
	Total	24,995,573	100%	1,378	80	1,298

- **List of major shareholders and strategic shareholders**

(According to the List at the record date of 15 September 2017 and information announcement of major shareholders on the annual report date)

No.	Shareholder name	Address	Number of shares	Percentage (%)
1	Ben Thanh Group	27 Nguyen Trung Truc, district 1, Ho Chi Minh City	10,192,823	40.78%
2	Finansia Syrus Securities Public Company Limited	999/9 The Offices@Central World, 18 th Floor, Rama I Road, Pathumwan Sub-District, Pathumwan District, Bangkok Metropolis	2,702,590	10.81%
3	Jom Silkkitie Investment Fund	Puna Vuorenkatu 2A A 00120 Helsinki, Finland.	1,274,890	5.10%
4	Probus Opportunities	106, route d'Arlon, L-8210 Mamer, Luxembourg	2,192,250	8.77%
5	Pyn Elite Fund (Non-Ucits)	PL 139, 00101 Helsinki, Finland	1,940,710	7.76%
6	Tundra Fonder AB	Birger Jarlsgatan 33, 111 45 Stockholm, Sweden	1,253,020	5.01%
	Total		19,556,283	78.23%

Shareholder structure (According to the List at the record date of 15 September 2017 and information announcement of major shareholders on the annual report date)

9,71%
Domestic
shareholders

0,43%
Board of Directors, Board
of Management, Board of
Supervisors, Chief Accountant

0,08%
Treasury stocks

49,00%
Foreign shareholders

40,78%
State shareholders

• **Ownership statistics of internal shareholders:**

No.	Full name	Title	Number of shares	Percentage (%)
1	Nguyen Binh Minh	Chairman	67,900	0.27%
2	Mai Viet Ha	Member of BOD and General Director	7,800	0.03%
3	Nguyen Viet Hoa	Member of BOD	-	0.00%
4	Nguyen Cong Binh	Member of BOD and Deputy General Director	156	0.00%
5	Doan Van Quang	Member of BOD and Deputy General Director	30,023	0.12%
6	Luong Quang Hien	Member of BOD	-	0.00%
7	Nguyen Duc Trong	Member of BOD	-	0.00%
8	Nguyen Thai Hoa	Member of BOD	-	0.00%
9	Phan Phuong Nga	Member of BOS	-	0.00%
10	Nguyen Thu Nga	Deputy General Director	2,605	0.01%
11	Ngo Van Danh	Chief Accountant	-	0.00%

- Change in owner's equity: in 2017, the Company did not increase / decrease the chartered capital.
- Treasury stocks transaction: in 2017, the Company did not transact the treasury stocks.
- Other securities: none.
- Stocks transaction of internal shareholders: none.

IR activity in 2017

Recognizing the importance of IR activities in connecting and conveying information of the Company to shareholders, investors, partners, and customers ... The Company always ensured the information be announced timely, accurately and complied with the regulations of law.

During the year, the Investor Relation Committee also sent members to attend training courses on corporate governance and held Annual General Meeting of Shareholders.

In 2017, the Investor Relation Committee regularly met, shared information, listened to comments from shareholders, investors, and securities companies ... In which, many professional investment institutions and well-known investment funds such as JOM, Probus Opportunities, Optis Global Opportunities, funds of Tundra, Hanwha, Endurance ... The direct meeting and sharing showed the transparency and openness in the Company's information announcement.

In addition to announced information as stipulated by the management agencies, the Company actively announced information in such a voluntary way related to issues interested by the shareholders and investors.



REPORT ON IMPACT RELATED TO ENVIRONMENT AND SOCIETY



Management of raw materials:

Raw materials used for the operation of SAVICO and other companies in the system - mainly automobile and motorcycle companies are managed and used in such a reasonable manner based on the strict processes of raw materials management, regulations on the consumption of raw materials.

Because the raw materials are disposable and they cannot be recycled, we focus on the investment in modern machine and equipment system with closed process, the wastes and water treatment systems at the source. Almost all automobile companies commit to synchronously apply the environment quality management according to ISO 14001.

At the parent company, the raw materials are mainly used for the daily consumption demand including fuel, cleaning tools, and stationery. The raw materials management solution focuses on the consumption rate and use of alternative storage solutions.

Consumption of power, water

Being a service company, we promote the suitable and economical use of power and water through our separate standards and norms.

At the parent company, the control of power, water use is carried out via the related expenses management.

Compliance with law on environmental protection

SAVICO and the companies in the system always focus on the compliance with law on environmental protection.

The environmental protection policy, especially the automobile and motorcycle companies in SAVICO system, always aim to reduce the burden of environmental pollution through the strict control of environmental pollution from the companies' activities:

Staffs are always popularized to comply with the environment regulations applied in the Company as well as their awareness of the importance of sustainable development right at the first days of working at the Company, reduce the wastes through the suitable use of raw materials. Classify, thoroughly collect the wastes at source, store the wastes as stipulated by the local regulations, Vietnam Environment Law and only transfer to functional companies as stipulated for collection, transport and treatment. The operating companies apply the policies to upgrade and improve the environmental management system in accordance with the regulations of law and policy with global standards of suppliers.

The newly established companies must both carry out



the deployment of the project and apply the environment quality management system, focus on the investment in the modern machine and equipment with closed process, wastes and water treatment systems at source.

Policies relating to employees

a) The average salary of employees

The Company applies the salary, bonus and benefits policy associated with the business performance, professional capacity, volume and quality of work of each employee, commensurating with the effort, responsibility and working performance; it ensures that income of the staff is competitive with other companies with the same business lines and region. The average income reached 10.9 million VND / person / month.

SAVICO and other companies in the system fully implement the policies and regulations according to Labor Law and Collective Labor Agreement such as social insurance, health insurance, unemployment insurance, equip uniform and personal protective equipment, meal, travel, periodical health check, personal accident insurance, sickness allowance, wedding gifts ... implement the reward policy on the Lunar New Year holiday, Liberation day 30/4, National day 2/9, the anniversary of company's establishment depending on the business results.

b) The labor policy ensuring the health, safety and welfare of employees.

In 2017, SAVICO organized the team building training program to create condition for exchanging between staff of the companies. Apart from compulsory health insurance, the Company also took out PVI healthcare insurance to staff.

The cultural activities, sports activities, family festival, professional knowledge club, ... were always maintained and improved, creating condition for all employees in SAVICO system to meet and exchange, learn and share experiences.

The company always had the policy of encouraging, rewarding, and honoring timely to collectives and



individuals with good achievements such as rewarding and honoring 04 staffs who won the skill contest held in 2017; Ben Thanh Corporation and Ho Chi Minh City People's Committee were requested to reward 04 collectives with title of outstanding collectives in 2017.

c) Training to employees

In 2017, SAVICO enhanced the development planning of internal human resources and team of successors, implemented the potential staff development program and appointed to the positions of middle managers and senior leaders.

The company organized team building activities periodically to enhance internal cohesion which helped to find new and positive leadership factors.

SAVICO sent staff to attend the short term refresher courses such as the controller course for SAVICO staff, attend the Board of Supervisors at member companies in SAVICO system, training and consulting on KPI implementation for staff of Company Office, accountant practice course. The companies in the system also applied the upgrade training policy under the suppliers' program accounted for 87% of total staff sent for training, including courses about selling skills and technology (general repair, body, painting, service consulting).

SAVICO and companies in the system continued to focus on investing in the development of skillful human resources, training of senior and middle administrators to meet the

business strategy development requirements of SAVICO and other companies in the system.

Statements related to responsibility to local community

Responsibility to society and the community here is first of all the responsibility and obligation to the workforce in the Company's system.

At the same time, SAVICO's community-oriented activities are not just about branding, but it is one of the social responsibilities of the Company.

Together with the community, joining the social tasks in the business activities receive a positive response from each staff. Every year, staff of the whole system contributes a sum of money equivalent to the salary of 02 working days to the social fund of Ben Thanh Corporation to take care employees with difficult condition, remove dilapidated houses, support employees suffering from incurable illness, help employees' children to go to school and people in remote areas with lots of difficulties.

In 2017, SAVICO system made a deep impression in the community through social activities through TransViet Caravan Tour to celebrate the 35th Anniversary of the company establishment with many practical activities such as: Giving saving books to families contributed to the revolution, awarding the House of Solidarity in Hanoi City; building charity kitchens to the poor patients in Phu My

district, Binh Dinh province; building concrete bridges for people in Cai Rang district, Can Tho City,...

The companies in the system also actively participated in social activities such as visiting and donating gifts at social protection centers, orphans; supporting the construction of charity houses, supporting eye operation for the blind, supporting the construction of bridges, supporting the construction fund for the poor.

The total sum of money that SAVICO system contributed to the volunteer activities in 2017 was more than 1.15 billion VND.

These activities are considered to be very practical and meaningful, it is not only the contribution to the society to build a prosperous society and a rich, beautiful, and strong Vietnam, but also the motivation for SAVICO to constantly try and improve for the stable and sustainable development.



Opening Charity Kitchen in Phu My district, Binh Dinh province



Opening Ngon Rach Chiec Concrete Bridge in Ba Lang ward, Cai Rang district, Can Tho City



Donating charity house in 2017



Young people participated in big games at SAVICO's the 15th Family Culture Festival Day

THE AWARDS RECEIVED IN 2017 OF SAVICO SYSTEM

In 2017, SAVICO and its member companies received awards from the Government and other prestigious organizations:



Received the First Class Labor Medal for the second time which was awarded by Ms. Dang Thi Ngoc Thinh - Vice President.



Sustainable development company for over 30 years - awarded by Business Association of Ho Chi Minh City.



Listed in the list of 500 largest companies in Vietnam - VNR500 for 10 consecutive years.

Other prizes awarded by associations and Industry Linkages:



Mr. Phan Duong Cuu Long - General Director of Saigon Automobile Service Joint Stock Company: Red Star Award - 100 typical Entrepreneurs of 2017.



Toyota Ly Thuong Kiet Co., Ltd. received the Third Prize in the Repair & Painting Contest held by Toyota Vietnam.



South Song Hau Automobile Joint Stock Company received Second Prize - Excellent Safe Driving Guide Contest - held by Honda Vietnam.



Toyota Giai Phong Joint Venture Company received Copper Cup - Body Repairing Skill Contest held by Toyota Vietnam.



JOURNEY TO OBJECTIVES

Expressing the role of direction, connection and concentration on the core values of the system for sustainable development

THE BOARD OF DIRECTORS' REPORT



1. Assessments on the Company's Operation:

About Development Strategy:

On the basis of following the 2015-2020 strategy, the Company withdrew capital from some inefficient investments to recover capital and supplement to principal business activities. At the same time, the Company arranged and restructured the activities of some companies to increase the efficiency, encourage the employees for their contribution and long term engagement to the Company. The company also expanded its automobile distribution network (Toyota Tay Ninh, Binh Thuan Ford, Volvo Hanoi, Volvo Bac Au, Fuso Saigon North West, An Phu Automobile Center - Binh Duong operating in 2017 and Toyota East Saigon (in District 2) and Tay Ninh Ford operating in February 2018) and focused on promoting service activities to increase the sustainability of the value network.

Although the business targets did not meet the expectation, the success in investment and development of 06 auto dealerships in 2017, SAVICO expanded and extended its distribution network to many provinces and regions nationwide with 41 dealerships and increased the market share of automobile distribution by the end of 2017 to 9.9% compared to 8.6% in 2016.

About Business performance:

Total vehicles sold of the whole system was 27,067, accounting for 95% of the plan, an increase of 3% compared to the same period.

Consolidated revenue in 2017 was 13,795 billion VND, accounting for 95% of the plan, an increase of 1% compared to the same period.

Consolidated profit before tax in 2017 was 174 billion VND, accounting for 69.6% of the plan, a decrease of 18% compared to the same period.

Consolidated profit after tax in 2017 was 139 billion VND, accounting for 69.5% of the plan, a decrease of 20% compared to the same period.

Income attributable to equity holders of the Company in 2017 was 81.6 billion VND, accounting for 62.5% of the plan, a decrease of 33.6% compared to the same period.

Automobile market share in 2017 was 9.9% of the market (8.6% of the same period).

About Investment:

During the year, the Company increased its capital contribution to some member companies in the system such as Savico Danang, OtoS, Binh Duong Ford, Hyundai Tay Do, Toyota East Saigon.

About Governance:

- Continued to strengthen the connectivity, support companies through reports on information sharing, market situation update organized periodically; organized seminars to share experiences and solve difficulties; evaluated and consolidated the operations at some inefficient companies; supported companies to develop the dealers according to orientation and development plan in the areas; - Focused on orienting and assisting the Board of Management and the capital's representatives at the companies to completely settle the liquidation of inefficient investment portfolios, recover capital and dividend collection from companies to complement and develop their principal business activities.
- Expanded the strategic cooperation relation with Vietinbank, received the strategic cooperation relation with Vietcombank to create more financial links and support companies to access capital sources from banking institutions with increasingly support capital, quick procedures, preferential interest rates to meet the business demand of member companies.
- Continued the orientation of companies in the system to establish, deploy and implement the risk assessment in business operation, financial management and cost control to improve the business efficiency in each company.

About Dividend:

- The cash dividend in 2016 was paid to shareholders in September 2017 with the rate of 12% / Chartered Capital, equivalent to 30,000,000,000 VND in accordance with the Resolution of the General Meeting of Shareholders in 2017.
- The dividend of 2017 is expected with the rate of 12% of the par value, shall be paid by cash after the General Meeting of Shareholders in 2018.

About Responsibilities to Environment and Society:

- The companies in the system continuously implemented and complied with the regulations and policies on safety and environmental protection through the strict control of environmental pollution from the consciousness to

the actual use of the resources, classification, storage and transfer of wastes; All newly built buildings were designed and approved by relevant authorities, the fire prevention and fighting system was finally accepted; the fire prevention and fighting work was propagated and regularly inspected to each trading place of all companies in the system.

- Responsibilities to the community and society continued to be oriented, expanded and deployed to every company in the system through the program of salary day contribution to the poor and street children; programs of caring and supporting the policy beneficiaries; other volunteer programs for local communities during the year and during the TransViet Caravan Tour - 35 years of establishment of SAVICO.

2. Assessment on the Board of Management's performance

- In 2017, Board of Directors regularly directed and supervised the operation of the General Director and Board of Management as follows:
 - Planning and implementing the business targets approved by the General Meeting of Shareholders.
 - Implementing the decisions and notices of the Board of Directors.
 - Making financial statement.
 - Controlling and managing risk.
 - Completing and implementing the human resources development strategy to 2020. Recruiting and training personnel to meet the development requirements of the Company and the system.
 - Completing brand standardization; improving corporate culture; organizing event programs to celebrate the 35th anniversary of the Company's establishment date.
- The Board of Directors directed, supported and supervised the operation of the General Director and the Board of Management through working programs at regular and extraordinary meetings of the Board of Directors, written opinions of the Board of Directors, direct meetings at member companies, telephone conversations, mail and meetings. General Director, Board of Management and capital representatives of the companies reported, updated and notified on the implementation schedule as well as difficulties and obstacles arising during the operation. Since then, the Board of Directors worked with the General Director, Board of Management and capital representatives to discuss for timely and appropriate directions and solutions.



Supervision results:

- 2017 saw many fluctuations due to the policy related to the automobile market in Vietnam, the revenue and profit results did not meet the plan assigned by the General Meeting of Shareholders, but the General Director, Board of Management, managers and capital representatives of the companies in the system worked hard; jointly deployed in such a flexible and synchronous way the operation and business situation evaluation work to each company; forecasted the market, timely shared information monthly, quarterly; controlled the costs and established solutions to improve the business efficiency and bring the best possible effect to each company and the Company.
- The Company expanded and strengthened its distribution network, contributing to an increase in automobile market share from 8.6% in 2016 to 9.9% by the end of 2017.
- The distribution product structure continued to diversify and the services growth was accelerated.
- The inspection work and inspection of the compliance of the internal control system at SAVICO and other companies in the system under the direction and assignment of the Board of Management were carried out more frequently and unexpectedly and they met some requirements on management.
- Completed the brand standardization; successfully organized programs and events to celebrate the 35th

anniversary of the Company's establishment day and created the impression as well as the connection between companies in the system.

- However, the General Director and the Board of Management must improve and implement the human resources development strategy to 2020 and have more policies and programs to attract the human resources to timely meet the development requirements of the Company as well as the whole system.

3. Orientation and plan of 2018:

- Focus on expanding the network, diversifying the product structure, promoting service activities to increase the market share, strengthening the position, ensuring the stable and sustainable development of the Company and of the system.
- Focus on implementing according to schedule and expanding the search source and actively seeking for land fund for project development.
- Make a plan of capital financing for the Company and companies in the system to strengthen its financial strength and position.
- Strengthen the cooperation and investment relation with strategic partners, investors who are interested in the business activities of the Company.

- Strengthen the management role of the holding company to the member companies. Promote the corporate culture, enhance internal cohesion, ensure the development of the system for the new stage.
- Complete the human resources development strategy to 2020 and have more policies and programs to attract human resources to timely meet the development requirements of the Company as well as the whole system.
- Orient, focus on the practical and specific implementation so that every member of the leadership has innovation in

thinking and thought, takes drastic and suitable actions to the market situation to create strong motivation for staff of the whole system to overcome the difficulties and challenges, increase the creation ability and performance in the work.

- Prepare targets, visions and strategies for the period 2020 – 2025.

From these orientations, the Board of Management agrees on the targets proposed in 2018 by the General Director and Board of Management as follows:

Business Norm (According to Consolidated Financial Statements)	Plan 2018 Compared to Performance 2017 (%)		
	Performance 2017	Plan of 2018 (*)	
Revenue	13,794.7	14,200.0	103%
Profit before tax	173.9	175.0	101%
Profit after tax	139.1	140.0	101%
Income attributable to equity holders of the Company	81.6	82.0	100%

(*): The plan above shall be updated and adjusted when there is any market fluctuation. This plan is not included the income recognition of 104 Pho Quang project – expected of 56.9 billion VND.

AFFIRMING THE LEADING POSITION



“ Breakthrough in strategy, decisive in policy, enthusiastic in work, keeping the pioneering advantages in the market. ”

BOARD OF MANAGEMENT'S REPORT



Automobile market share:
9.9%
of the whole market

Total current automobile dealerships
41 dealerships

Total member companies in SAVICO's system
37 companies

I. Macroeconomic situation

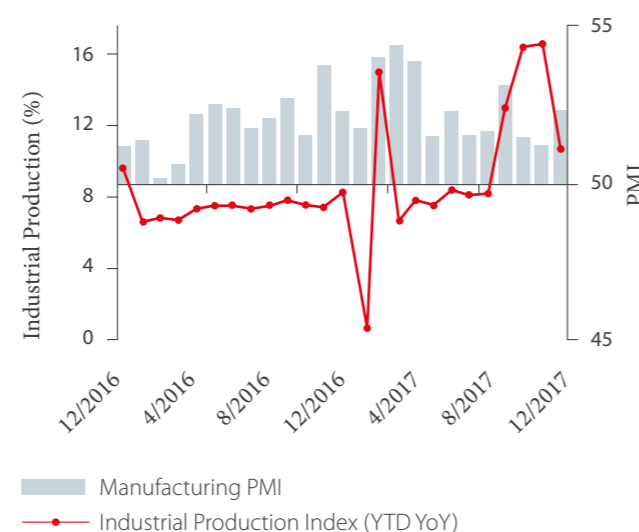
Economic growth: The socio-economic situation in 2017 continued to grow. The basic macroeconomic data was stable, domestic demand strongly increased, inflation was controlled, interest rate decreased; Surplus trade and overseas remittances were abundant and the foreign direct investment capital was stable.

GDP in 2017 increased 6.81%, higher than the rate of 6.21% in 2016. Manufacturing continued to have a strong improvement, PMI remained above 50 points.

CPI in December 2017 increased 2.6% compared to December 2016, the average monthly increase was 0.2%. The average CPI in 2017 increased 3.53 % compared to that of 2016.

FDI in 2017, the total registered capital of new projects and supplementary capital reached US\$ 35.88 billion, an increase of 44.4% compared to that of 2016.

Graph 1: Industrial Production Index & PMI



The trade balance in 2017 recorded a surplus of US\$ 2.7 billion, in which the trade deficit of domestic sector was US\$ 26.1 billion; the trade surplus of FDI sector was US\$ 28.8 billion.

Total retail sales of consumer goods and services in 2017 was 3,934 thousand billion VND, an increase of 10.9% compared to 2015. Credit to the economy continued to remain the positive growth momentum.

Information related to business lines of the Company

Automobile – motorcycle market:

Due to the psychology of waiting for tax reduction from 2018 and the impact of Decree 116, total sales of the automobile market in 2017 was 272,743 vehicles, a decrease of 10% compared to the same period in which assembled vehicles decreased 19%, imported vehicles increased 9%. Sales in VAMA reached 250,624 vehicles, a decrease of 8% compared to the same period. For the motorcycle market, total volume sales of the market in 2017 was over 3.27 million vehicles, an increase of 4.8% compared to the same period.

Real estate market:

Maintain the stable and sustainable growth. The inventory fell sharply, total inventory value of the country was 25,700 billion VND, a decrease of 17% compared to the same period (equivalent to 5,300 billion VND). FDI in real estate increased 54.8% compared to the same period.

The implementation of the Prime Minister's conclusion on the amendment and supplement of Decision 09 impacted on some real estate projects of the Company.

Financial market:

The credit growth in 2017 reached 18.17%. The change of the credit structure was to decrease the medium and long term ratio (53.8%), increase short term ratio (46.2%). Short term interest rate decreased from 0.3% to 0.5% / year.

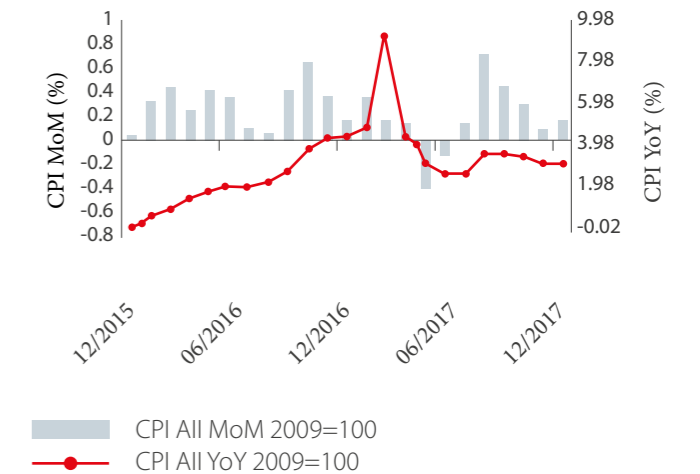
Lending interest rate

TERM	2016	2017
Short term VND	6.8 – 9.0	6.0 – 9.0
Medium, long term VND	9.3 – 11.0	9.0 – 11.0
Short term USD	2.8 – 4.7	2.8 – 4.7
Medium, long term USD	4.7 – 5.6	4.7 – 6.0

Reference sources:

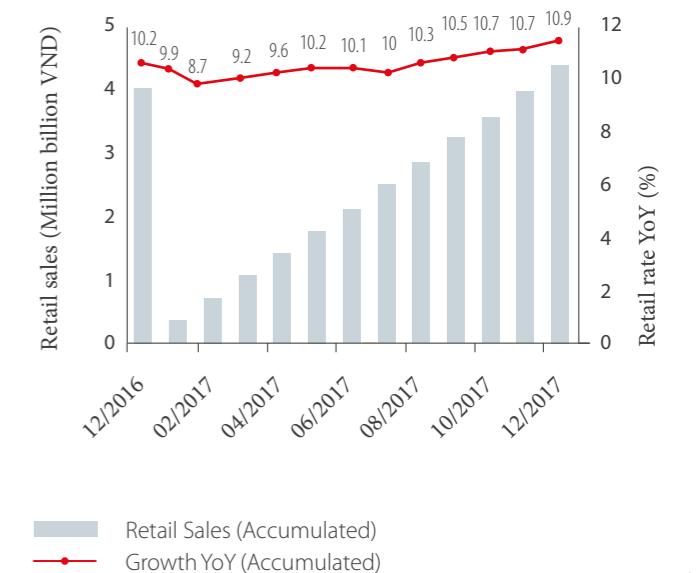
- General Statistics Office (GSO)
- Government Resolution, Vietnam PMI Report (Nikkei, Markit)
- Financial news: BSC, HSC...

Graph 2: CPI of years



Source: GSO, BSC research

Graph 3: Retail Sales



II. BUSINESS RESULTS

1. IMPLEMENTATION OF BUSINESS RESULTS:

- **Revenue:** the consolidated revenue reached 13,795 billion VND, achieving 95% of plan, an increase of 1% compared to the same period.
- **Profit before tax:** the consolidated profit was 174 billion VND, achieving 69.6% of plan, a decrease of 18% compared to 2016 – due to the sharp decrease in performance of some auto dealers and other trading - service companies. In addition, the Company could not recognize revenue from a real estate project.
- Income attributable to equity holders of the Company was 81.6 billion VND, a decrease of 33.6% compared to

the same period.

- Profit before tax by separate financial statements was 57.4 billion VND, reaching 67.5% of plan, a decrease of 23.6% compared to the same period. Including dividends from companies of 33.6 billion VND; profit from apartment and offices for lease was 33.4 billion VND; dividends and income from the financial investment portfolio were 1.6 billion VND; income from partial transfer of project 104 Pho Quang was 13.3 billion VND, Tam Binh - Hiep Binh Phuoc project was 6.6 billion VND, the loss of 8.4 billion VND from capital transfer at Savico Invest, reversal of allowance for inventories from Nam Cam Le project was 21.9 billion VND,...; the general and administrative expenses, financial expenses and provisions at the parent company were 46.6 billion VND.

No.		Plan of 2017 (million VND)	Performance of 2017 (million VND)	Performance of 2016 (million VND)	Comparison between 2017 & 2016	
					Plan 2017 (%)	Performance 2016 (%)
1	Revenue	14,500,000	13,794,725	13,661,872	95.1%	101.0%
2	Profit before tax	250,000	173,987	212,154	69.6%	82.0%
3	Profit after tax	200,000	139,056	173,820	69.5%	80.0%
4	Income attributable to equity holders of the Company	130,000	81,633	122,993	62.8%	66.4%
5	Profit before tax by separate statements	85,000	57,406	75,101	67.5%	76.4%

2. ASSESSMENT ON BUSINESS PERFORMANCE:

The Company and other companies in the system focused on the management solutions to improve the investment efficiency in each business lines as follows:

2.1 Trading – Service:

Total profit before tax was 207.92 billion VND, a decrease of 4% compared to that of 2016. The results are as follows:

	Automobile			Motorcycle			Others		
	2016	2017	%17/16	2016	2017	%17/16	2016	2017	%17/16
Quantity of vehicles	26,337	27,067	103%	9,160	8,681	95%			
Total revenue (million VND)	20,266,927	21,743,087	107%	293,914	330,356	112%	283,873	272,018	96%
Total profit before tax (million VND)	168,509	163,711	97%	7,662	8,312	108%	41,09	35,742	87%

• Automobile:

Sales volume, market share:

The number of cars sold of the whole system was 27,067 vehicles, reaching 95% of the plan, an increase of 3% compared to the same period.

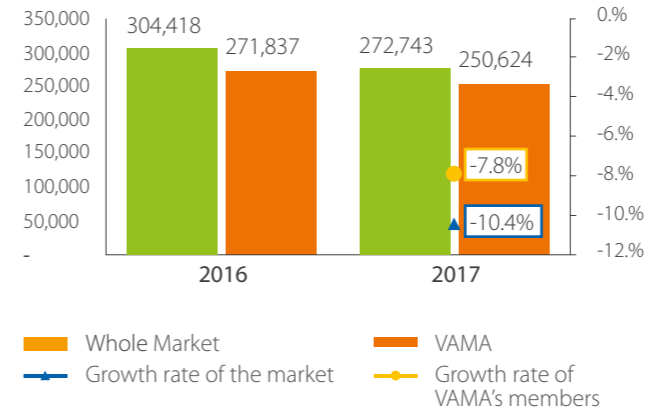
SAVICO's automobile market share increased to 9.9%

compared to 8.6% at the end of 2016.

SAVICO put into operation 6 2S – 3S automobile dealerships in 2017 and 2 dealerships in February 2018, bringing the total number of automobile dealerships in SAVICO's system to 41 - exceeding the target of 35 to 40 dealerships in the Board of Management's report submitted to the

General Meeting of Shareholders in 2015. However, the Company was still late in launching and putting into operation 2 dealerships compared to plan in the Board of Management's report submitted to the General Meeting of Shareholders in 2017. The implementation schedule of some projects was slower than the plan, some projects did not meet the set target, the main cause was due to the difficulties in space, legality, and the proactive extension of schedule due to the difficulty in automobile market.

Sales volume of VAMA and of the whole market in 2017



About revenue:

SAVICO's total revenue of automobile was 21,743 billion VND, an increase of 7.3% compared to the same period. In which, revenue from vehicle sales was 19,235 billion VND, an increase of 6.7%; and revenue from service - spare parts was 1,586 billion VND, an increase of 27.5% compared to the same period.

The revenue structure in 2017 was relatively stable compared to the same period. In which, Toyota accounted for 53%, Ford accounted for 27%, Hyundai accounted for 7%, and others accounted for 12% of total revenue.

The total expenses of automobile of the whole system were 27,067 billion VND, accounting for 9.9% of the automobile market share of the whole market, in which:

- The sold quantity of Toyota brand in the system increased 3% compared to 2016, accounting for 23.2% of the market share of Toyota Vietnam.
- The sold quantity of Ford brand in the system slightly decreased 1% compared to 2016, accounting for 24.1% of the market share of Ford Vietnam.
- The sold quantity of Hyundai brand in the system increased 10% compared to 2016, accounting for 9.1% of the market share of Hyundai nationwide.
- The sold quantity of other brands in the system increased 22% compared to 2016, accounting for 2.3% of the market share of other brands.

About expenses:

The total expenses of automobile sector was 1,459 billion VND, an increase of 29.5% compared to the same period, accounting for 6.7% of total revenue, it was 5.7 of the same period. In which:

Selling expenses was 1,004 billion VND, accounting for 68.8% of total expenses and increasing 27.9% compared to the same period, it was mainly from the promotion programs, sales stimulation programs of car sales activities.

The general & administrative expenses was 311 billion VND, accounting for 21.3% of total expenses, an increase of 17.6% compared to the same period, it was mainly thanks to the business scope expansion of companies. The financial expenses increased 52.5% compared to the same period, which was due to the consequence of high inventories of companies in 2017.

About gross profit:

Gross profit of automobile in 2017 was 710 billion VND, an increase of 14.3% compared to the same period. In which, Hyundai increased 33.2%; Toyota increased 6.2%, Ford decreased 13.8% compared to the same period; Other brands increased 91.6% thanks to the participation of new companies (Volvo Bac Au, Mitsubishi Danang) and the significant growth of commercial vehicles companies.

Gross profit of services and spare parts in 2017 reached 637.1 billion VND, an increase of 29% compared to the same period. Profit from services and spare parts reached 226.3 billion VND, an increase of 27% compared to the same period.

Gross profit of accessories sales was 71.7 billion VND, an increase of 28% compared to the same period. Profit from accessories sales was 48.0 billion VND, an increase of 27% compared to the same period.

About profit before tax:

Total profit before tax of automobile sector was 163.7 billion VND, achieving 78% of plan, a decrease of 2.8% compared to the same period due to the psychology of waiting of customers; in addition, the fierce competition among brands also significantly impacted the efficiency of the automobile companies in the system.



CARS SALES VOLUME

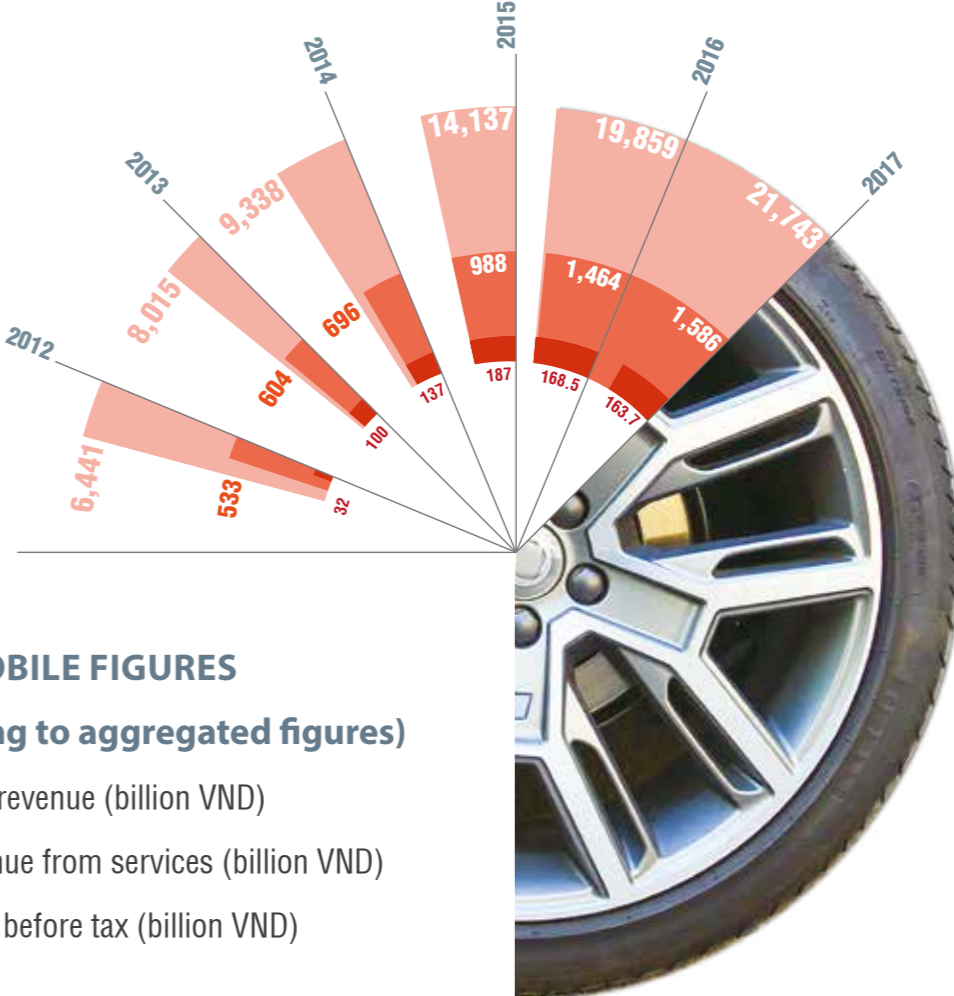
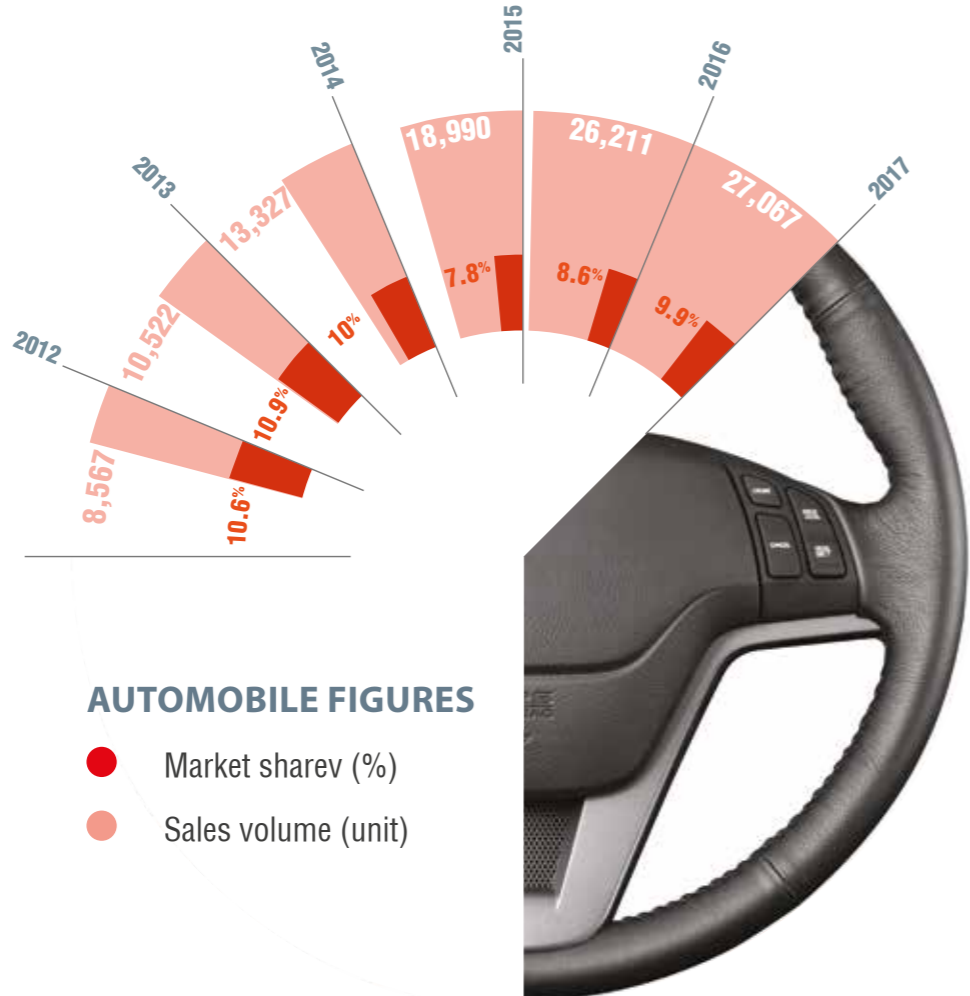
27,067

UNITS

TOTAL AGGREGATED REVENUE

21,743

BILLION VND



Projects put into operation in 2017

Companies	Implementation Situation
Toyota Tay Ninh	Officially opened and put into operation on 18 February 2017
Volvo Hanoi	Officially opened and put into operation on 28 February 2017
Saigon West North – Binh Duong branch	Officially put into operation in September 2017
Binh Thuan Ford	Officially opened and put into operation on 11 October 2017
Saigon Star – An Phu branch, Binh Duong	Officially opened and put into operation on 17 October 2017
Volvo Bac Au	Officially put into operation on 07 December 2017

Implementation schedule of automobile projects:

Companies	Implementation Schedule
1. Ford Tay Ninh	Officially opened and put into operation on 05 February 2018
2. Toyota East Saigon – Head Office	Officially put into operation on 21 February 2018
3. Hyundai Son Tra	Officially put into operation in May 2018
4. Toyota Nam Dinh	Commenced in October 2017. It is scheduled to be put into operation in June 2018
5. Hyundai Kien Giang	Commenced in August 2017. It is scheduled to be put into operation in July 2018
6. Ford Hai Duong	Commenced in November 2017. It is scheduled to be put into operation in July 2018
7. Toyota An Giang	Received construction permit. Preparing for construction.

• Motorcycle

The sold volume of the whole system of SAVICO was 8,681 vehicles, achieving 102% of plan and decreasing 5% compared to the same period, (this was mainly due to the decrease in wholesale while the retail sales volume increased 5.9%). In which, the Yamaha brand reached 5,126 vehicles, a decrease of 13%, the Honda brand motorcycle reached 3,555 vehicles, an increase of 8% compared to the same period.

The total revenue from sales of goods and provision of services in 2017 was 330.4 billion VND, achieving 103% of plan, an increase of 12% compared to the same period.

About expenses, total expenses in 2017 were 34.8 billion VND, an increase of 18.2% compared to the same period. In which, cost of goods sold increased 25.1%, financial expenses increased 37.5% and general & administrative expenses increased 3.5%. Specifically, the total cost of Yamaha brand increased 19.4%, Honda motorcycle increased 16.8%. The expenses on revenue ratio of brands had a slight change compared to the same period: Yamaha 10.7% (same period 8.0%), Honda motorcycle 10.4% (same period 9.7%).

Performance

Total profit before tax of the whole motorcycle system was 8.3 billion VND, achieving 100% of plan, an increase of 8% compared to the same period thanks to the concentration on the two brands of Honda and Yamaha.

Profit from motorcycle sales: accounted for 60.5%, but decreased 14% compared to the decrease of motorcycle sales of 6%.

Profit from spare parts and services: was 6.01 billion VND, slightly increased of 1.6% compared to 2016. Specifically, Yamaha decreased 13% (due to Ninh Kieu outlet was temporary stop for repair) and Honda Motorcycle increased 32.4% was thanks to the fact that Head Honda Nha Be has been stabilized after over two years of operation.

The efficiency of the motorcycle sector remained stable growth thanks to:

- Maintaining the deployment of marketing programs to promote the sales and service activities, ensuring the stable gross profit per unit sales.
- Revenue from services and spare parts of the whole sector increased 16.35% compared to the same period,

contributing to increase the efficiency in the companies.

• Other services:

Total profit before tax of other trading - service in 2017 was 35.7 billion VND, a decrease of 13% compared to the same period.

Savico MegaMall (SMM) Trade Center, the revenue was stable, especially the center is building a cinema which is put into operation on 30 April 2018. Profit before tax was 30.2 billion VND, an increase of 20% compared to the same period.

Savico Danang, profit before tax was 3.2 billion VND, a decrease of 19% compared to the same period due to big tenants returned leased apartments, the infrastructure was old so the arising costs was high.

Melisa Wedding Conference Center, 2017 saw a fierce competition from local competitors, profit before tax was 6.2 billion VND, a decrease of 47% compared to the same period.

OtoS, restructuring the business operation, loss before tax was 4.2 billion VND (it was 3.8 billion VND in the same period).

ComfortDelgro Savico Taxi, completed tax finalization, liquidated all taxis, stopped taxi business and is working with partners to change to appropriate operation model.

Implementation situation of projects:

Project's Name	Deployment schedule
104 Pho Quang	Fulfilled the financial obligations to the Government. Carrying out procedures to transfer a part of the project to Novaland.
Hiep Binh Phuoc – Tam Binh	Finding partners for kindergarten cooperation. Preparing bid invitation to embankment construction package which is expected to commence in quarter 02/2018.
66-68 Nam Ky Khoi Nghia	Completed the construction permit procedure, the project was commenced in early of February 2018.

The implementation schedule of some real estate projects was late as scheduled (104 Pho Quang, 66-68 Nam Ky Khoi Nghia ...) due to the legal procedures.

2.3. Financial work:

FINANCE AND CASH FLOW MANAGEMENT WORK

As of 31 December 2017, the cash flow from the sectors was 129.4 billion VND, in which:

- Trading & Service: Receipts of dividends reached 33.6 billion VND.
- Real estate: was 94.2 billion VND including: proceeds from capital transfer of investment in Savico Invest was 43.6 billion VND, from office and retail for lease was 49.6 billion VND, others was 1 billion VND.

2.2. Real Estate Service:

Performance in 2017

	2016	2017	% same period
Revenue	176,583	143,727	81%
Revenue of stable operations	56,535	56,610	100%
Revenue from projects	120,048	87,117	73%
Gross profit	91,839	66,828	73%
Office, retail for lease	14,750	13,026	88%
Cooperative business / Others	17,298	20,325	118%
Projects	59,791	33,477	56%

Comments:

- Revenue from office and retail for lease was stable in 2017 reaching 56.6 billion VND, equivalent to the same period.
- The occupancy rate was at high level, the rate in Ho Chi Minh City and Can Tho was 100%; warehouse lease reached 91% and being renovated to increase gross leasable area.

Sector	Cash flow	2016	2017	% same period
Trading & Service	Cash dividends	26.0	33.6	122%
Real estate service	Capital transfer, office & retail for lease	97.3	94.2	99%
Financial service	Dividends and disposals	4.6	1.6	35%
Others	Financial supports	78.9		
Total (billion VND)		206.8	129.4	63%

STRATEGIC COOPERATION WITH BANKS

- Vietinbank: granted limit to 30 companies with the total amount of 2,040 billion VND, contributing to stabilize the short-term common interest rate in companies, saving and reducing the financial expenses of the whole system of about 4.7 billion VND.
- Vietcombank: Signed strategic cooperation agreement on 28 December 2017.

Financial position

Financial position according to the consolidated financial statements of the Company:

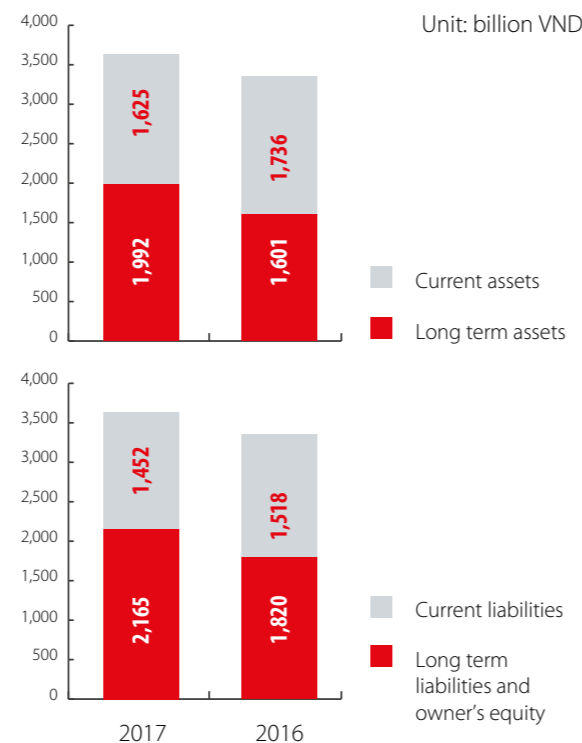
	2017	2016	% change
Total assets	3,617,037	3,337,818	8.4%
Inventories and current receivables	1,318,800	1,390,901	-5.2%
Owner's equity	1,277,348	1,172,485	8.9%
Liabilities	2,339,690	2,165,333	8.1%
In which: total debts	1,228,772	1,317,569	-6.7%
Owner's equity / Total assets	35.3%	35.1%	0.5%
Debt / Total assets	34.0%	39.5%	-13.9%
Debt / Liabilities	52.5%	60.8%	-13.7%

In 2017, SAVICO system actively controlled the inventories and receivables in order to cope with fluctuations related to sectors market that affected the Company's business.

As of 31 December 2017, although the total assets in the consolidated financial statements increased, the Company stabilized and maintained the owner's equity at a suitable rate, reducing the debt to total assets and debt in the liabilities structure.

Assets / Resources Structure

In SAVICO's Separate and Consolidated Financial Statements, the Company recorded a liability to partners under the Cooperation Agreement dated 10 July 2014 for project 104 Pho Quang in current payables item as of 31 December 2017 and 31 December 2016 of 338,409,629,546 VND and 86,080,042,873 VND, respectively. However, the nature of this liability was the agreement with the partner to finance the long-term assets in progress and it shall be finalized upon completion of the project. Therefore, after adjusting the payables to non-current liabilities to suit the nature and structure of the Company's assets and capital by the end of 2016 and 2017, it is as follows:



The data shows that SAVICO system is ensuring the safety and balance between the nature of the assets and the funding, long term liabilities and owner's equity ensuring to finance all long term assets and supply reciprocal capital to finance current assets.

2.4 Innovations in the organization and management

Performance evaluation according to KPIs and application of 5S in business activities:

- Applied from 2016, KPIs has a positive impact on the operation of the parent Company. Each member of the Company is always aware of the responsibility for the assigned work, develops a reasonable work plan and has a practical action plan to ensure the best performance of the assigned work, contributing to fulfill the objectives assigned by the General Meeting of Shareholders and the Board of Directors.
- With the basic steps of "SEIRI, SEITON, SEISO, SEIKETSU and SHITSUKE", the application of 5S in the parent Company has contributed to raise the voluntary awareness in the implementation of corporate culture; improve the spirit of positive working, responsibility of each staff of the Company; build a professional and dynamic working environment.

Research and application of information technology in operation:

- Establish the internal online information sharing channels

via online forums. Establish the forums about human resources, financial accounting, sales and services... to exchange information in such a quick and timely manner.

- Research and evaluate the application of the enterprise resource planning (ERP) system in the management activities.

III. BUSINESS ORIENTATION

1. THE SITUATION IN 2018

The overall situation

Growth and macroeconomic stability are expected to be sustained over the medium term with the support of the following factors: Positive prospect of the world economy as well as positive signals from key economies, the increase in price of some currencies and the prospect of economic recovery provide the opportunity to promote export; the improvements in the investment and trading environment, prospects for international economic integration and the business activities continue flourishing. However, Vietnam's economy still faces many difficulties: weak competitiveness, low labor productivity, increased public debts, unstable infrastructure, scarce capital for investment and development, the quality of human resources and adaptability, grasp of opportunities from the 4.0 industrial revolution is still a big question.

For the business activities of the Company, it is forecasted that the Company shall face many challenges in 2018, especially the Trading & Service, which is directly affected by automobile policies. Namely:

OPPORTUNITY

- Macroeconomics continues to be stable
- Credit to the economy continues to grow, the interest rate is stable at low rate.
- Policy to promote the domestic automotive industry:
 - Import tax shall reduce to 0% from the beginning of 2018, reduce 5% of special consumption for cars under 1.5l;
 - Decree no. 125/2017/ND-CP stipulating the preferential import duty rate of 0% for automobile manufacturers and assemblers;
 - Propose the adjustment to corporate income tax and apply the incentive policies on investment credit for domestic automobile manufacturing and assembly.
- Demand on buying automobile increases in 2018.

CHALLENGE

- Decree no. 116/2017/ND-CP (effective from 17 October 2017) stipulating:
 - Auto importers must obtain a Vehicle Type Approval (VTA) certification issued by competent agencies or organizations in the exporting country.
 - Imported automobiles must be inspected and tested by the quality management agency for each batch; of imported automobiles must be examined for quality, technical safety and environment protection.
 - » Technical barriers to limit the import of cars.
- Circular no. 03/2018/TT-BGTVT on dossiers of registration for technical and environmental safety inspection including 12 documents, included certified copies of the type of tires, rearview mirrors, front lights and glasses.
 - » Imported cars shall be limited in 2018.



Real Estate Service: The **Real Estate Market** is forecasted to continue stable development:

- Lower-end (affordable) segment will be the highlight of the market and continue to increase the supply in 2018 because the real demand is still high;
- Land lots is an attractive investment channel in 2018, especially in suburban areas;
- Merger and Acquisition (M&A) activities shall strongly develop.

Finance: Credit growth is forecasted to be at high level in

2. 2018 BUSINESS PLAN

	PERFORMANCE 2017	PLAN 2018 (*)	% PLAN 2018 / PERFORMANCE 2017
Revenue	13,794.7	14,200.0	103%
Profit before tax	173.9	175.0	101%
Profit after tax	139.1	140.0	101%
Income attributable to equity holders of the Company	81.6	82.0	100%
Dividend	12%	Expected 12%	100%

(*): The plan above shall be updated and adjusted when there is any market fluctuation.
This plan is not included the income recognition of 104 Pho Quang project – expected of 56.9 billion VND.

Orientations and missions in 2018:

1. Closely monitor the market situation, continuously update the policies of the Government and Manufacturers policies to have timely solutions to the sales. Work with member companies on agreeing the planning norms and solutions to best implement the 2018's plans and objectives.
2. Concentrate resources to continue to promote the development of automobile dealership system, research and invest for expansion of the good vehicle lines and brands according to the network development plan to 2020, then affirm the role of the Trading & Service as the core values for the business activities, focus on increasing the operation efficiency of the Company.
3. Monitor the deployment schedule of projects; as well as look for new projects.
4. Complete the human resources management system; Establish and develop the vertical human resources system to ensure the human resources.

2018 (about 17%), interest rate shall remain stable and the exchange rate shall be flexible and stable in 2018. However, it should be noted:

- The banking system is in the structural stage and there are still lots of disturbances. The credit tightening may be applied in the real estate and finance market to limit the risks;
- Fed increased interest rate in December 2017 and continues to increase interest rate in 2018 – Which shall influence on the monetary policy as well as foreign capital flows;
- The trend of economic protection negatively affects the overall development.

5. Improve the cooperation and investment relations with strategic partners, investors who are interested in business activities and prospects of the Company. Promote the corporate culture to improve the internal cohesion, ensure the sustainable development of the system for the new stage.
6. Improve the management role of the parent Company to the member companies. Focus on promoting services, accessories, insurance; ensure the stable and sustainable development of the automobile sector.

Operation solutions

Trading & Service:

Market forecast: Continuously update policies of the Government and Manufacturers to have timely solutions to the sales;

Inventory management: Improve the forecast work, optimally control the order and inventories; Improve the information sharing, exchange of inventories in the system through seminars and forums for information sharing ...;

Focus on controlling price, gross profit ratio.

Service: Improve the efficiency of the activities of customer care service especially at newly established companies;

Network development: focus on controlling, implementing to ensure the schedule of projects; solve difficulties and obstacles in legal procedures; control the construction schedule; ensure the best performance as planned. The network development plan in 2018 is to complete the installation and commissioning of one dealership directly invested by SAVICO; complete, open and officially put into operation 7 dealerships invested by other companies in the system.

Real Estate Service:

1. Maintain the maximum occupancy rate, complete the legal procedures for recognizing of result from real estate projects.
2. Continue to implement projects:
 - **104 Pho Quang:** Complete the project transfer.
 - **Hiep Binh Phuoc - Tam Binh:** Complete the construction of embankment and landscape, green trees, roads to hand over to the local government. Develop the town-houses in the rest land lots to increase revenue. Find partners for cooperation / rental and construction of kindergarten.
 - **Mercure Son Tra:** Monitor the conclusion of the Government Inspectors to have appropriate solutions.
 - **Nam Cam Le:** Look for partners to lease the remaining land area.
 - **Warehouse 403 Tran Xuan Soan:** Complete the construction of new warehouse.

Financial Service:

1. Monitor and evaluate the effectiveness of the strategic cooperation program with Vietinbank, Vietcombank of member companies. Coordinate the departments of evaluation, analysis of investment efficiency and establish long term budgeting plan in parallel with the investment plan of fields.

2. Focus on capital resources management, cash flow management and investment efficiency: Focus on collecting dividends from the invested companies, ensure the accurate and sufficient collection as planned. Proactively allocate financial resources in line with the development of the Company's projects.

Back office Management:

1. Trading & Service Department, Finance & Accounting Department and Internal Control Department improve the monitoring and support work of new companies and companies facing difficulty in business activities, advise and support to improve the efficiency in the companies.
2. Promote staff recruitment channels in parallel with the internal training and development in the system.

3. ORIENTATION ON MEDIUM AND LONG TERM

- Continue to affirm the role as a pioneer investor, supplying and distributing the best quality products to customers, a reliable address for investors.
- Promote the distribution network of automobiles, improve the existing vehicle distribution system, focus on maintaining the market share of auto distribution market. Ensure the medium and long term revenue growth target. Maximize profit for the Company. Ensure benefits for shareholders.
- Improve the working environment and conditions and ensure the income to employees, fulfill the obligations to the State's budget.
- Constantly innovate and apply the technology in the business activities, promote the innovative ideas and innovations with practical significance.
- Improve the professional management system about financial management, business and service quality based on the training and development of human resources with high professional qualifications and professional ethics.

CORPORATE GOVERNANCE



1. Introduction on the members of the Board of Directors, Board of Supervisors Board of Management:

Board of Directors:

1. Mr. NGUYEN BINH MINH

Position: Chairman
Date of birth: 13 February 1972, Place of birth: Hanoi
Permanent residence: 150/1 Ung Van Khiem, ward 25, Binh Thanh district, HCMC
Qualification: Bachelor of Business Management
Positions held at other economic organizations:
- General Director of Ben Thanh Group
- Chairman of Savico Danang Corporation
- Chairman of Saigon Automobile Service JSC
- Member of BOD of Savico Hanoi Corporation
- Member of BOD of Toyota East Saigon JSC

2. Mr. MAI VIET HA

Position: Member of BOD and General Director
Date of birth: 18 February 1973, Place of birth: Hung Yen
Permanent residence: Block A 4-6, Khanh Hoi apartment building, 360C Ben Van Don, ward 1, district 4, HCMC
Qualification: MA of Business Management
Positions held at other economic organizations:
- Chairman of Nam Song Hau Automobile JSC
- Chairman of South West Star Automobile JSC
- Chairman of Bac Au Automobile JSC
- Chairman of Toyota Giai Phong Joint Venture Company

3. Mr. DOAN VAN QUANG

Position: Member of BOD and Deputy General Director
Date of birth: 20 October 1971, Place of birth: Binh Dinh
Permanent residence: 326/16 Phan Dinh Phung, Phu Nhuan district, HCMC
Qualification: Bachelor of Economics
Positions held at other economic organizations:
- Chairman of Saigon Star Corporation.
- Chairman of Saigon Service & Trading Co., Ltd.
- Chairman of Vinh Thinh Automobile JSC.
- Chairman of Saigon Northwest Automobile JSC.

4. Mr. NGUYEN CONG BINH

Position: Member of BOD and Deputy General Director
Date of birth: 31 March 1978, Place of birth: HCMC
Permanent residence: 327 Block C, Nguyen Thien Thuat Tenement Building, ward 1, district 3, HCMC
Qualification: Bachelor of Economics
Positions held at other economic organizations:
- Chairman of Da Nang Son Tra Corporation.
- Chairman of Saigon Cuu Long Automobile Corporation
- Member of BOD of Savico Investment Corporation
- Member of BOD of Toyota East Saigon JSC

5. Ms. NGUYEN VIET HOA

Position: Member of BOD
Date of birth: 12 May 1975, Place of birth: Thanh Hoa
Permanent residence: 32/107 Bui Dinh Tuy, ward 12, Binh Thanh district, HCMC
Qualification: MA of Accounting and Auditing
Positions held at other economic organizations:
- Deputy General Director of Ben Thanh Group

6. Mr. LUONG QUANG HIEN

Position: Member of BOD
Date of birth: 25 November 1967, Place of birth: Da Nang
Permanent residence: 93 road no. 37, Tan Quy ward, district 7, HCMC
Qualification: MA of Business Management
Positions held at other economic organizations:
- CEO of Hung Vuong Corporation
- Head of Board of Supervisors of KIDO Corporation

7. Mr. NGUYEN DUC TRONG

Position: Member of BOD
Date of birth: 16 December 1972, Place of birth: Da Lat, Lam Dong
Permanent residence: 28 road no. 5, Him Lam Residential Area, Tan Hung, District 7, HCMC
Qualification: MA of Finance Management
Positions held at other economic organizations:
- Finance Consulting Director of Ho Chi Minh City Securities Corporation

Board of Directors - Chief Accountant:

1. Mr. MAI VIET HA

2. Mr. DOAN VAN QUANG

3. Mr. NGUYEN CONG BINH

4. Ms. NGUYEN THU NGA

Position: Deputy General Director
Date of birth: 02 October 1974, Place of birth: Nam Dinh
Permanent residence: 51 My Van, quarter 6, district 7, HCMC
Qualification: Bachelor of Economics
Positions held at other economic organizations:
- Member of BOD of Saigon North West Automobile JSC

5. Mr. NGO VAN DANH

Position: Chief Accountant
Date of birth: 27 December 1975, Place of birth: Saigon
Permanent residence: 159/74/52 Tran Van Dang, District 3, HCMC
Qualification: Bachelor of Finance - Accounting
Positions held at other economic organizations:
- Head of the Board of Supervisors of East Saigon Toyota JSC
- Member of BOD of Vinh Thinh Automobile JSC

Board of Supervisors:

1. Ms. NGUYEN NHU ANH

Position: Head of the Board
Date of birth: 19 April 1976, Place of birth: Hanoi
Permanent residence: No. 6, road 18, Residential Area in Tan Phong ward, district 7, HCMC

2. Operation of Board of Directors

Information of Board of Directors and their meeting attendance in 2017:

No.	Names	Title	Date of being member of BOD	Number of meetings attended	% attendance	Reason for absence
1.	Mr. Nguyen Binh Minh	Chairman	24 April 2015	5/5	100%	
2.	Mr. Mai Viet Ha	Member	24 April 2015	5/5	100%	
3.	Ms. Nguyen Viet Hoa	Member	24 April 2015	4/5	80%	Busy, authorized another member to attend and vote
4.	Mr. Nguyen Cong Binh	Member	24 April 2015	5/5	100%	
5.	Mr. Doan Van Quang	Member	24 April 2015	5/5	100%	
6.	Mr. Luong Quang Hien	Member	24 April 2015	4/5	80%	Busy, authorized another member to attend and vote
7.	Mr. Nguyen Duc Trong	Member	24 April 2015	2/5	40%	Busy, authorized another member to attend and vote

Qualification: Master of Finance
Positions held at other economic organizations:
- Head of Finance-Planning Department of Ben Thanh Group
- Head of the Board of Supervisors of Ben Thanh General Cultural JSC

2. Mr. NGUYEN THAI HOA

Position: Member of the Board
Date of birth: 08 June 1980, Place of birth: HCMC
Permanent residence: 10/5 Quarter 7, Huynh Tan Phat, Nha Be town, Nha Be district, HCMC
Qualification: Bachelor of Economics, Bachelor of Law - Economic Major.
Positions held at other economic organizations:
- Member of the Board of Supervisors of Saigon Automobile Service JSC
- Head of the Board of Supervisors of Savico Danang Corporation
- Head of the Board of Supervisors of Savico Hanoi Corporation

3. Ms. PHAN PHUONG NGA

Position: Member of the Board
Date of birth: 05 January 1978, Place of birth: Nam Dinh
Permanent residence: 107/4 Duy Tan, ward 15, Phu Nhuan district, HCMC
Qualification: Bachelor of Economics - Planning and Investment Major
Positions held at other economic organizations:
- Head of the Board of Supervisors of Saigon Star JSC
- Member of the Board of Supervisors of Savico Investment Corporation.

The attendance by way of collection of written opinions as follows:

No.	Names	Title	Date of being member of BOD	Number of meetings attended	% attendance	Reason for absence
1.	Mr. Nguyen Binh Minh	Chairman	24 April 2015	52/52	100%	
2.	Mr. Mai Viet Ha	Member	24 April 2015	51/52	98%	Busy, authorized another member to attend and vote
3.	Ms. Nguyen Viet Hoa	Member	24 April 2015	52/52	100%	
4.	Mr. Nguyen Cong Binh	Member	24 April 2015	52/52	100%	
5.	Mr. Doan Van Quang	Member	24 April 2015	52/52	100%	
6.	Mr. Luong Quang Hien	Member	24 April 2015	52/52	100%	
7.	Mr. Nguyen Duc Trong	Member	24 April 2015	51/52	98%	Busy, authorized another member to attend and vote

- In 2017, the Board of Directors operated in accordance with the law, the charter and brought the best possible effectiveness to the Company. The work under the authority of the Board of Directors was settled in a spirit of concentration, prudence, responsibility and protection of the Company's interests in accordance with the law and charter.
- The members of the Board of Directors always spent time and ensured the time to carry out the work under their responsibilities in the Company in a positive, professional and responsible way.
- The Board of Directors directed, implemented and supervised the business activities of the Company and the companies in the system through five direct meetings held quarterly and when necessary and 52 times of collection of written opinions with 29 decisions and 68 notices issued. Decisions adopted in the form of collection of written opinions were valid as adopted in the form of face-to-face meetings.
- The members of the Board of Directors were provided adequate and timely information and documents prior to the meetings or at collection of written opinions to have enough time for review, discussion, comment and decision. The directions and conclusions were issued soon so that the Board of Management and the capital representatives could timely implement.
- The decisions of the Board of Directors were publicly

announced in accordance with the law and including voluntary announcements, contributing to raise the Board of Directors' responsibilities to the shareholders and creating conditions for shareholders to supervise the operation of the Board of Directors.

- The Board of Directors also worked closely with the Board of Supervisors to inspect and supervise the compliance with law, charter and other relevant regulations during the time of management and operation of the Company and the companies in the system.
- The Remuneration Subcommittee which was managed by the non-executive Board of Directors assisted the Board of Management and advised the Board of Directors, Board of Supervisors, Board of Management, managers and capital representatives at the companies in the system; established annual compensation plan; established, reviewed, adjusted the remuneration regulations to be more and more suitable; determined the standard and selected appropriate personnel for election, appointment to key and important positions of the Company and at companies in the system.
- Activities of the Remuneration Subcommittee in 2017 were:
 - March 2017: Reviewed and evaluated the 2017 compensation plan; Reviewed and rearranged SAVICO's capital representatives at companies in the system.
 - May 2017: Reviewed and evaluated the organizational structure arrangement of the office.

Decisions of the Board of Directors

Resolution No.	Date	Description
01/QĐ-HĐQT-SVC	06/02/2017	Decision on approving the record date for holding the Annual General Meeting of Shareholders in 2017.
02/QĐ-HĐQT-SVC	24/02/2017	Decision on the transfer of SAVICO's shares at Savico Investment Joint Stock Company.
03/QĐ-HĐQT-SVC	24/02/2017	Decision on changing the capital representatives of SAVICO capital at Savico Investment Joint Stock Company.
04/QĐ-HĐQT-SVC	16/03/2017	Decision on increasing chartered capital of Savico Investment Joint Stock Company.
05/QĐ-HĐQT-SVC	16/03/2017	Decision on approving compensation plan in 2017
06/QĐ-HĐQT-SVC	16/03/2017	Decision on approving the plan for issuing of shares under employee stock ownership plan at member companies.
07/QĐ-HĐQT-SVC	12/04/2017	Decision on approving the construction cost estimation, bidding plan for construction of SAVICO's office building at 277-279 Ly Tu Trong, district 1.
07A/QĐ-HĐQT-SVC	24/04/2017	Decision on changing the capital representatives of SAVICO at Saigon Star Joint Stock Company.
08/QĐ-HĐQT-SVC	15/05/2017	Decision on changing the capital representative of Savico at Toyota Giai Phong Joint Venture Company.
09/QĐ-HĐQT-SVC	15/05/2017	Decision on the organizational structure arrangement of SAVICO's office.
10/QĐ-HĐQT-SVC	15/05/2017	Decision on increasing chartered capital of OtoS Joint Stock Company.
11/QĐ-HĐQT-SVC	26/05/2017	Decision on changing the capital representatives of SAVICO at OtoS Joint Stock Company.
12/QĐ-HĐQT-SVC	31/05/2017	Decision on changing the capital representatives of SAVICO at Toyota East Saigon Joint Stock Company.
13/QĐ-HĐQT-SVC	14/06/2017	Decision on long term lease of land use right at Nam Cam Le project, Cam Le district, Da Nang City.
14/QĐ-HĐQT-SVC	01/07/2017	Decision on the issuance of Savico's financial management regulation amended for the first time.
15/QĐ-HĐQT-SVC	10/07/2017	Decision on the approval of program and cost plan to celebrate the 35th anniversary of Savico.
16/QĐ-HĐQT-SVC	13/07/2017	Decision on changing the capital representatives at Saigon Automobile Service Joint Stock Company.
17/QĐ-HĐQT-SVC	20/07/2017	Decision on selecting auditor for financial statements in 2017
18/QĐ-HĐQT-SVC	28/07/2017	Decision on borrowing capital at Vietinbank – Branch 10
19/QĐ-HĐQT-SVC	28/07/2017	Decision on termination of management tasks at ComfortDelgro Savico Taxi Co.,Ltd.
20/QĐ-HĐQT-SVC	17/08/2017	Decision on changing the capital representatives of SAVICO at Savico Investment Joint Stock Company.
21/QĐ-HĐQT-SVC	24/08/2017	Decision on the cash dividend payment of 2016.
22/QĐ-HĐQT-SVC	01/09/2017	Decision on the approval of transactions, contracts.
23/QĐ-HĐQT-SVC	20/10/2017	Decision on the approval of the construction drawing design, construction cost estimation and bidding plan for packages belonging to embankment of project of Hiep Binh Phuoc - Tam Binh.
24/QĐ-HĐQT-SVC	23/10/2017	Decision on approving the share issuance to increase the chartered capital of Savico Danang Joint Stock Company.
25/QĐ-HĐQT-SVC	27/10/2017	Decision on restructuring SAVICO's capital representatives at Nam Song Hau Automobile Joint Stock Company.

26/QĐ-HĐQT-SVC	27/10/2017	Decision on restructuring capital investment at Toyota Ly Thuong Kiet Co., Ltd.
27/QĐ-HĐQT-SVC	22/12/2017	Decision on the purchase of offered shares and additionally issued shares of shareholders at Binh Duong New City Automobile Service Joint Stock Company.
28/QĐ-HĐQT-SVC	28/12/2017	Decision on changing the capital representatives of SAVICO at Sao Tay Nam Automobile Joint Stock Company.
29/QĐ-HĐQT-SVC	28/12/2017	Decision on the approval of investment & construction plan of temporary warehouse at Warehouse 403 Tran Xuan Soan, Tan Kieng ward, district 7, Ho Chi Minh City.

• Training on corporate governance:

The Company always creates favorable conditions and policies for members of the Board of Directors, Board of Supervisors, Board of Management and other managers to attend the professional training programs, management skills. Members of the Board of Directors, Board of Supervisors and Board of Management have specialized background on corporate management. In 2017, members of the Board of Supervisors attended the leadership training programs under situation, COSO "Enterprise Risk Management-Integrated Framework". The company's Secretary and some specialists in the Investor Relation Department attended the workshops on "ASEAN Corporate Governance Scorecard" and "Training for Listed Companies on Organizing Annual General Meeting for 2018 and Updates on Corporate Governance Regulations".

3. Activities of the Board of Supervisors

Information about members of the Board of Supervisors and their meeting attendance in 2017:

No.	Names	Title	Date of being member of BOS	Number of meetings attended	% attendance	Note
1.	Ms. Nguyen Nhu Anh	Head	01/4/2016	6/6	100%	
2.	Mr. Nguyen Thai Hoa	Member	24/4/2015	6/6	100%	
3.	Ms. Phan Phuong Nga	Member	31/3/2017	5/5	100%	Attend the meetings from the additional election

• From 01 January 2017 to 31 March 2017, the Board of Supervisors operated with 02 members named Nguyen Nhu Anh (Head) and Mr. Nguyen Thai Hoa (Member). However, the Board of Supervisors additionally elected one member named Ms. Phan Phuong Nga, through the expert hiring contract for supporting the Board of Supervisors.

• At the Annual General Meeting of Shareholders held on 31 March 2017, the General Meeting of Shareholders additionally elected Ms. Phan Phuong Nga to the Board of Supervisors. Thus, since the Annual General Meeting of Shareholders in 2017, Savico's Board of Supervisors has been operating with 03 members.

• The duties of each member are stipulated in the meeting minutes of the Board of Supervisors on 31 March 2017. In addition, at the meetings of the Board of Supervisors, each member was assigned specific tasks depending on the number and content of the resolutions, decisions and announcements of the Board of Directors as well as the characteristics of issues arising in Savico in each period.

Activities of the Board of Supervisors:

Activities of the Board of Supervisors in 2017:

- Attend periodical meetings of the Board of Directors, quarterly review meetings.
- The Board of Supervisors held 6 meetings to plan, carry out the control work and approve the content of SAVICO's operational control results of 2016, the first 6 months of 2017 and the first 9 months of 2017.

The main contents of control work carried out by the Board of Supervisors:

- Inspect and supervise the implementation and implementation results of the Resolution of the Annual General Meeting of Shareholders in 2017 for the Board of Directors and Board of Management.
- Consider the legality, order and procedure for issuing resolutions, decisions of the Board of Management



and Board of Directors in 2017 in accordance with the regulations of law and of the Company.

- Consider the completeness and legality of the quarterly, and annual financial statements audited by KPMG Vietnam.
- Review, inspect and evaluate the validity and effectiveness of the internal control system.
- Control the Company's compliance with information disclosure in accordance with the law; compliance with the accounting standards; compliance with the regulations of the Company's Charter and the issued Financial Management Regulation.
- Contribute the opinions, make recommendations to the Board of Directors and Board of Management on matters related to the Company's performance during the year.

The Board of Directors, Board of Management and other functional departments at the parent Company cooperated and created favorable conditions to help the Board of Supervisors to well carry out the inspection and supervision work. Any request on document provision for the Board of Supervisors to carry out the control work was strictly provided by the relevant departments.

Supervision results of the Board of Directors & Board of Management:

Supervision results of the Board of Directors

- In 2017, Board of Management held 05 of direct meetings, 52 of collection of written opinions and issued 29 decisions, 61 notices, 04 reports (Shareholders, State Security Commission of Vietnam) and 07 proposals to the General Meeting of Shareholders related to trading & service, real estate, finance, human resources and other activities.
- According to the Board of Supervisors, the meeting holding and issuance of documents of the Board of Directors in accordance with regulations of the law and of the Charter of the Company. Decisions / notices of the Board of Directors approved by collection of written opinions were supervised and counted by the representatives of the Board of Supervisors.
- The Board of Directors supervised the activities of the Board of Management in the implementation of the resolutions of the General Meeting of Shareholders and business activities of the Company. The Board of Directors was well coordinated with the Board of Management to direct and manage all activities of the Company to implement the business plan in 2017 according to the Resolution of the General Meeting of Shareholders;
- The Board of Directors performed other tasks according to the functions and competence of the Board of Directors.

Supervision results of the Board of Management

- The Board of Management strictly implemented and reported fully and timely the implementation of decisions and directions of the Board of Directors at the meetings.
- The Board of Management tried their best to manage and organize the business activities of the Company in order to meet the targets in 2017 approved by the General Meeting of Shareholders: (1) seeking solutions to deal with difficulties of automobile sector in 2017 - focusing on the development of trading spare parts; developing repair and maintenance services; searching, analyzing and deploying the dealership system development projects to strengthen the system; (2) restructuring the financial investment activity; at the same time (3) reducing costs;

- The Board of Management also organized and operated the operations of the Company in accordance with contents stipulated in the regulations, in which the financial management regulation were implemented to ensure the financial safety during the time of operation; organized the financial accounting work in accordance with the requirements and regulations of the accounting standards and relevant regulations. Especially, the Board of Supervisors' remarks on further improving the control by the forms and documents in the warehouse trading as well as the compliance with the periodical report policy of the capital representatives directed by the General Director to the relevant departments for strict implementation.

The results of the Board of Directors, Board of Management are as follows:

Implementation result of contents in resolution of the Annual General Meeting of Shareholders in 2017:

Implementation result of target and plan in 2017 approved by General Meeting of Shareholders:

No.	Norm	Plan 2017 (million VND)	Performance 2017 (million VND)	Performance 2016 (million VND)	Comparison between 2017 and 2016	
					Plan 2017 (%)	Performance 2016 (%)
1	Revenue	14,500,000	13,794,725	13,661,872	95.1%	101.0%
2	Profit before tax	250,000	173,987	212,154	69.6%	82.0%
3	EBIT		264,902	279,016		94.9%
4	EBITDA		336,459	334,985		100.4%
5	Profit after tax	200,000	139,056	173,820	69.5%	80.0%
6	Income attributable to equity holders of the Company	130,000	81,633	122,993	62.8%	66.4%
7	Profit before tax by separate statements	85,000	57,406	75,101	67.5%	76.4%

Figures about revenue, profit and income of equity holders of the Company were lower than the set plan.

- The consolidated revenue of SAVICO's system in 2017 reached 13,794 billion VND, a slight increase of 1% compared to 2016 but only fulfilled 95% of the set plan.
- Consolidated profit before tax and profit after tax decreased 18% and 20% respectively compared to 2016 and only reached 69.6% and 69.5% of the set plan, though the figures of profit before tax, borrowing interest and depreciation (EBITDA) slightly increased compared to 2016.
- Income of equity holders of the Company in 2017 was 81.6 billion VND, equivalent to 66.4% compared to 2016 and equivalent to 62.8% of the set plan.

Business results of SAVICO's system in 2017 were affected by the

following main factors:

- Profit before tax in 2017 in separate financial statements decreased 19.3% compared to the same period and fulfilled only 62.3% of the set plan. Although the dividend collection from the companies in the system in 2017 was secured (total cash dividends from the system was 33.56 billion VND, an increase of 28.7% compared to 2016), but the completion of legal procedures for the entire project of 104 Pho Quang to transfer to partners faced many difficulties which was the main reason why the revenue and profit of the parent Company did not meet the set plan.
- The profit of the majority of automobile dealerships in SAVICO's system did not meet the plan and sharply decreased compared to 2016. Regarding the reason, the Board of Supervisors agreed with the evaluation content of the difficulties from the automobile market in 2017 (the subjective, objective reasons) which were presented

in Board of Management's Report in 2017 submitted to the General Meeting of Shareholders. In addition, the operation of 06 new dealerships led to a sharp increase in fixed assets depreciation and the high request on borrowing made the interest increase.

- The income equity holders of the Company in 2017 decreased sharply with the decrease rate higher than the decrease rate profit after tax. In 2017, despite of general difficulties of the market, some companies of SAVICO increased profit such as Savico Hanoi (increased 5.7%), Savico Da Nang (increased 15.3%) and some newly established companies in the system started to operate effectively, offsetting loss after a period of operation such as Vinh Thinh Automobile, Binh Duong New City Automobile, Bac Au Automobile (although some companies such as Saigon North West Automobile, Nam Song Hau Automobile, OtoS continued to face difficulties). However, the increase in profit of the companies mentioned above was not enough to offset the huge decrease of companies such as Sai Gon Ford, Toyota Giai Phong, Toyota Can Tho (decreased 39.4%, 29%, 18.9% respectively) because these companies had high profit in SAVICO's consolidated profit structure in 2017.

Some successes and shortcomings in SAVICO's performance in 2017

Some basic financial figures:

Figures	Unit	By separate statements		By consolidated statements	
		31/12/2016	31/12/2017	31/12/2016	31/12/2017
Current payment ratio	time	0,83	0,42	1,08	0,91
Debt / equity ratio	%	5,4%	4,1%	112,4%	96,2%
Liabilities / total assets	%	49,0%	78,4%	64,9%	64,7%
Interest coverage ratio	time	27,15	21,91	4,17	2,91
ROE	%	9,7%	7,6%	15,6%	11,4%
ROA	%	6,1%	4,6%	5,7%	4,0%
EPS	VND / share			4,138	3,183

As of 31/12/2017, ROE, ROA, and interest coverage ratio decreased compared to the end of 2016 due to the business activities did not meet the target and it decreased compared to 2016, while the interest expense increased due to increased request on borrowing for opening and putting into operation of new dealerships. However, the Company still ensured the ability to pay interest (2.91 times) and the ROE was quite good (11.4%).

The above business results show that SAVICO can fully implement the dividend plan of 2017 of 12% as expected in the Resolution of the Annual General Meeting of Shareholders in 2017.

Trading & service: the cars sold volume of SAVICO' system was estimated to be 27,067 units, an increase of 2.77% (increased equivalent to 730 units) compared to 2016. This growth rate was very good compared to the decrease of 8% of VAMA and the decrease of 10% of total auto market. About market share, the SAVICO's system accounted for 9.9% of the total market in 2017, an increase of 1.3 percentage points compared to 2016 thanks to the focus on expanding the network and promoting the sales. This was the highlight in the automobile trading of SAVICO in 2017.

- The dealerships development: 06/08 dealerships were opened and officially put into operation; 02/08 dealerships had slow schedule.
- Real estate service: The commencement and construction plan of project 66-68 Nam Ky Khoi Nghia of Savico Invest at the beginning of Quarter 3/2017 was not implemented as schedule due to the delayed issuance of construction permit. However, the project was issued the construction permit in early February 2018 and it is under investment and construction.
- Financial activity: Signed a strategic cooperation agreement with Vietcombank in December 2017. This activity made it easy for companies in the system to access the loans with lower costs.

Profit distribution of 2016

Funds extraction

The Company extracted bonus and welfare fund, operation fund of the Board of Directors, Board of Supervisors; Rewarded Board of Directors, Board of Supervisors, Board of Management, capital representatives and divided payment to shareholders from the profit after tax in 2016 in accordance with Resolution no. 01/2017/NQ-DHDCD dated 31 March 2017 of the Annual General Meeting of Shareholders in 2017. Specifically as follows:

No.	Norm	Unit	Resolution of the General Meeting of Shareholders	Performance	Performance compared to Resolution
1	Bonus and welfare fund (5%)	VND	3,279,913,934	3,279,913,934	100%
2	Budget & operating expenses of Board of Directors and Board of Supervisors (5%)	VND	3,279,913,934	3,279,913,934	100%
3	Reward to Board of Directors - Board of Supervisors - Board of Management - Capital representatives (15% of exceeding the plan of income of equity holders of the Company)	VND	3,448,927,871	3,448,927,871	100%
4	Dividend payment (12% par value)	VND	29,970,608,400	29,970,608,400	100%

Dividend payment of 2016

Board of Directors issued Decision no. 21/2017/QD-HDQT dated 24 August 2017 on dividend payment of 2016. The dividend payment rate was 12% par value; time for payment was on 27 September 2017.

Appraisal of separate financial statements and consolidated financial statements

Board of Supervisors appraised the separate financial statements and consolidated financial statements of 2017. According to opinions of Board of Supervisors, the audited separate financial statements and consolidated financial statements of 2017 give a true and fair view, in all material respects of the financial position as of 31 December 2017.

Implementation results of information disclosure of the Company

The information disclosure of the Company was fully implemented in accordance with regulations of the state agency to large scale listed companies.

4. Transactions, remunerations and interests of the Board of Directors, Board of Management and Board of Supervisors

In 2017, the Company established the operating fund of the Board of Directors and Board of Supervisors in accordance with the Resolution of the Annual General Meeting of Shareholders in 2017. The maintenance and use of the operating fund of the Board of Directors, Board of Supervisors was implemented on a more reasonable and effective basis. Total salary, bonus, remuneration and business allowances to key management personnel were as follows:

	2017 VND	2016 VND
Board of Directors	2,184,000,000	2,061,138,000
Board of Management	438,680,000	542,862,000
Board of Supervisors	613,200,000	502,500,000
	3,235,880,000	3,106,500,000

- Stock transaction of the internal shareholders: None.
- Contracts or transactions with internal shareholders: None.

RECOMMENDATIONS OF BOARD OF SUPERVISORS

- Continue to monitor and evaluate the situation of the automobile market to have appropriate solutions for this important sector.
- Soon complete the legal procedures for project 104 Pho Quang and complete the transfer of the whole project to the partner. It is necessary to maintain the stable revenue for real estate service; at the same time, promote the implementation progress of projects.
- In the development and expansion of the operation network of the whole system, the Company should continue to pay attention to human resources issue as well as the training program to prepare best quality human resources to the operations of the newly established companies.

- Other related party transactions

Related parties	Relationship	Nature of Transaction	2017 VND	2016 VND
Saigon Star Corporation	Subsidiary	Dividends	1,341,480,000	1,788,640,000
		Loan granted to subsidiary	4,000,000,000	3,000,000,000
		Other financial income	21,777,778	16,333,333
		Other income	106,883,455	-
Saigon Automobile Service Joint Stock Company (SAIGON FORD)	Subsidiary	Rental charged to subsidiary	4,279,317,750	4,936,958,254
		Other income	1,123,966,120	813,904,721
		Dividends	5,371,560,000	4,996,800,000
		Capital contribution	-	11,451,000,000
Toyota Can Tho Company Limited	Subsidiary	Rental charged to subsidiary	-	52,053,333,304
		Dividends	12,833,849,738	-
		Other income	73,229,353	-
Savico Hanoi Corporation	Subsidiary	Other financial income	-	4,553,125,000
		Other income	66,683,899	-
Toyota Giai Phong Joint Venture Company (TGP)	Subsidiary	Dividends	-	12,549,478,721
		Other income	61,229,500	-
Savico Danang Corporation	Subsidiary	Capital contribution	6,930,000,000	-
		Dividends	-	2,609,755,143
		Loan granted to subsidiary	-	5,000,000,000
		Other financial income	114,166,667	63,333,333
		Other income	133,789,336	-
Da Nang Son Tra Corporation	Subsidiary	Loan granted to subsidiary	1,077,878,732	1,225,064,000
		Other financial income	-	12,916,944
Saigon Service Trading Limited Company (YAMAHA Can Tho)	Subsidiary	Dividends	1,350,000,000	1,012,500,000
		Loan granted to subsidiary	3,000,000,000	1,200,000,000
		Other financial income	14,496,000	51,733,334
		Other income	41,636,364	-
OtoS Joint Stock Company	Subsidiary	Capital contribution	2,064,260,000	2,658,800,000
		Other income	82,521,267	-
Saigon North West Automobile Joint Stock Company	Subsidiary	Capital contribution	-	700,000,000
		Loan granted to subsidiary	17,500,000,000	10,000,000,000
		Other financial income	-	201,250,000
		Other income	28,236,364	-
Vinh Thinh Automobile Joint Stock Company	Subsidiary	Other income	138,242,091	-
Nam Song Hau Automobile Joint Stock Company	Subsidiary	Capital contribution	-	10,500,000,000
		Other income	66,655,636	-

Related parties	Relationship	Nature of Transaction	2017 VND	2016 VND
Savico Investment Joint Stock Company	Associate	Capital contribution	16,600,000,000	119,400,000,000
		Loan granted to associate	10,000,000,000	-
		Purchase of service	1,188,927,266	-
		Other financial income	92,083,333	-
East Saigon Toyota Joint Stock Company (TESC)	Associate	Capital contribution	12,307,350,000	-
		Dividends	4,114,170,000	3,085,627,500
Sao Tay Nam Automobile Joint Stock Company	Associate	Capital contribution	6,570,000,000	-
		Loan granted to associate	-	3,000,000,000
		Other financial income	40,833,333	-
Toyota Ly Thuong Kiet Co., Ltd.	Associate	Capital contribution	4,925,119,945	-
		Dividends	11,900,691,000	-
		Loan granted to associate	15,000,000,000	-
		Other financial income	84,583,000	-
Binh Duong New City Automobile Joint Stock Company	Associate	Capital contribution	5,500,000,000	-
		Dividends	453,750,000	-
Bac Au Automobile Joint Stock Company	Associate	Capital contribution	-	30,200,000,000
Ben Thanh Group	Shareholder	Capital contribution	-	30,200,000,000
		Disposals of investment	-	12,000,000,000

In 2017, the Company disclosed information in accordance with regulations on transaction, share transfer contract of SAVICO at Nam Song Hau Automobile Joint Stock Company with the Company's internal persons named Mr. Luong Quang Hien (member of the Board of Directors) and Ms. Le Thi Thanh Van (Company Secretariat).

The implementation of regulations on corporate governance

SAVICO strictly and fully complies with regulations of law on corporate governance for large-scale listed companies. In 2017, the Company fully and promptly disclosed the periodical and extraordinary information as stipulated.

Board of Directors and Board of Management of the Company always emphasizes the transparency in corporate governance through the study, reference, research and application of good international practices in corporate governance and in information disclosure.

At the regular quarterly meetings of Board of Directors, its members regularly reviewed and received the coordination of the Board of Supervisors in reviewing the Company's key control points and regulatory systems, risk control procedures.

All members of the Board of Directors - including General Director and representatives of Board of Supervisors, representatives of KPMG Vietnam (this company carried out the auditing to financial statements for SAVICO) attended in the Annual General Meeting of Shareholders in 2017 of the Company.

Prior to the Annual General Meeting of Shareholders, the Company always discloses information, sends invitation letters to shareholders and publishes information about the meeting documents on Company's website in accordance with the regulation on information announcement for shareholders and investors to read in advance.

Invitation letters and notice of invitation to attend the General Meeting of Shareholders are also attached the name, address, email and telephone number of the members of the Investor Relation Committee for shareholders to directly contact for support, instruction or suggestions, comments on the content and program of the Meeting.

There is always discussion part in the content of the Annual General Meeting of Shareholders so shareholders can ask questions and express their opinions.

All questions before and during the General Meeting of Shareholders within the authority scope of shareholders are recorded by the Investor Relation Committee and Company Secretariat, then they shall be answered directly by the Chairman or relevant members at the meeting. For questions that there is not enough time for answering shall be answered in writing to shareholders.

- At the Annual General Meeting of Shareholders, each shareholder had the right to vote based on the number of shares owned by them and each ordinary share held by such shareholder had one same vote; Shareholder participated in the discussion and voting by way of direct voting or through authorized representative; Shareholder had the right to nominate, stand as a candidate or aggregate the number of votes together to qualify for the nomination to the Board of Supervisors when there was vacancy in the Board of Supervisors.

- Shareholders accessed and fully grasped all information disclosed by the Company, publicly and transparently disclosed in accordance with the law and voluntarily to information that may affect the Company in the Company's website in such a fast, complete, timely, easy, and convenient for the implementation of their rights.

- Shareholders were fully and timely paid dividend by cash with the rate of 12% / par value with the total value of 29.79 billion VND in October 2017 in accordance with the regulations in the resolution of the Annual General Meeting of Shareholders.

- The Company held some exchanges, worked with major shareholders to actively notify the business situation of the Company and receive comments and suggestions to solve the difficulties, improve efficiency of the performance, business and investment activities of the Company. Materials from the meeting with major shareholders (if any) shall be updated on the Company's website for all shareholders and investors' access.

- In periodical or extraordinary meetings of the Board of Directors, or in collection of written opinions of the Board of Directors, the Board of Supervisors and Board of Management were invited to attend, discuss as well as contribute opinions to relevant issues and had useful and timely remarks and solutions for management and execution of the Company.

- Documents, meeting minutes, resolutions, notice and meetings of the General Meeting of Shareholders or the Board of Directors were implemented in accordance with the regulations of law, charter, regulations and other regulations of the Company and under the supervision of the Board of Supervisors.

- Transactions between the Company and its related parties were conducted on a legal, fair basis, avoiding conflicts of interest and were fully disclosed in the Company's financial statements in accordance with Vietnamese Accounting Standards and disclosed in accordance with the law.

- In 2017, when the Decree no. 71/2017/ND-CP came into effect from 1 August 2017, the Company had a member of the Board of Directors who was no longer an independent member so the member structure of the Board of Directors did not meet the regulation that one third of members of the Board of Directors must be independent members. The Board of Directors shall notify the General Meeting of Shareholders at the annual meeting of 2018 and submit a plan to the Annual General Meeting of Shareholders in 2018 for decision on the implementation plan to ensure the correct number of independent members of 1/3 of the members of the Board of Directors.

Contact information of the Company, of the authorized person on information disclosure and Investor Relation Committee is also public on the Company's website so shareholders can contact easily.

CONCENTRATED AND POWERFUL



“ Concentrate on trading & service, promote key projects, promote and develop automobile dealership system. ”

Saigon General Service Corporation

Separate financial statements
for the year ended 31 December 2017

Saigon General Service Corporation Corporate information

Decision No.	3448/QD-UB 3449/QD-UB	9 July 2004 9 July 2004
	These decisions were issued by the Ho Chi Minh City People's Committee.	
Business 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 26 January 2015. The business licence was issued by Ho Chi Minh City Planning and Investment Department.	
Board of Management	Mr. Nguyen Binh Minh Mr. Mai Viet Ha Ms. Nguyen Viet Hoa Mr. Doan Van Quang Mr. Nguyen Cong Binh Mr. Nguyen Duc Trong Mr. Luong Quang Hien	Chairman Member Member Member Member Member Member
Board of Directors	Mr. Mai Viet Ha Mr. Doan Van Quang Ms. Nguyen Thu Nga Mr. Nguyen Cong Binh	General Director Deputy General Director Deputy General Director Deputy General Director
Supervisory Board	Ms. Nguyen Nhu Anh Mr. Nguyen Thai Hoa Ms. Phan Phuong Nga Mr. Tran Huy Dung	Head of the Board Member Member (from 31 March 2017) Member (until 31 March 2017)
Registered Office	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam	
Auditors	KPMG Limited Vietnam	

Saigon General Service Corporation Statement of the Board of Directors

The Board of Directors of Saigon General Service Corporation (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2017.

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

- (a) the separate financial statements set out on pages 5 to 57 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2017, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors



Mai Viet Ha
General Director

Ho Chi Minh City, 20 March 2018

To the Shareholders Saigon General Service Corporation

We have audited the accompanying separate financial statements of Saigon General Service Corporation (“the Company”), which comprise the separate balance sheet as at 31 December 2017, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Directors on 20 March 2018, as set out on pages 5 to 57.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

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

Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Saigon General Service Corporation as at 31 December 2017 and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Audit Report No. 17-01-330



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

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 20 March 2018

Saigon General Service Corporation Separate balance sheet as at 31 December 2017

Form B 01 – DN

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

	Code	Note	31/12/2017 VND	1/1/2017 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		218,668,950,758	232,106,401,111
Cash and cash equivalents	110	5	49,715,957,806	82,842,795,400
Cash	111		13,698,624,473	12,842,795,400
Cash equivalents	112		36,017,333,333	70,000,000,000
Short-term financial investments	120	6(a)	31,672,861,312	36,692,393,312
Trading securities	121		50,842,861,312	51,867,861,312
Allowance for diminution in the value of trading securities	122		(19,170,000,000)	(15,175,468,000)
Accounts receivable – short-term	130		42,401,060,175	37,626,782,380
Accounts receivable from customers	131	7	13,815,420,637	14,479,113,508
Prepayments to suppliers	132		499,583,500	442,795,900
Loans receivable	135	8	14,000,000,000	8,000,000,000
Other receivables	136	9(a)	14,086,056,038	14,704,872,972
Inventories	140	10	92,708,707,771	71,473,523,211
Inventories	141		92,708,707,771	93,449,097,872
Allowance for inventories	149		-	(21,975,574,661)
Other current assets	150		2,170,363,694	3,470,906,808
Short-term prepaid expenses	151		9,023,259	-
Deductible value added tax	152		2,161,340,435	3,470,906,808

Saigon General Service Corporation
Separate balance sheet as at 31 December 2017 (continued)

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

	Code	Note	31/12/2017 VND	1/1/2017 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		1,047,566,995,519	791,791,695,082
Accounts receivable – long-term	210		143,276,418,915	118,872,852,815
Other long-term receivables	216	9(b)	143,276,418,915	118,872,852,815
Fixed assets	220		2,430,618,030	3,319,887,455
Tangible fixed assets	221	11	2,296,774,497	3,104,906,478
Cost	222		9,982,586,488	10,473,747,521
Accumulated depreciation	223		(7,685,811,991)	(7,368,841,043)
Intangible fixed assets	227	12	133,843,533	214,980,977
Cost	228		836,870,000	785,870,000
Accumulated amortisation	229		(703,026,467)	(570,889,023)
Investment property	230	13	125,229,716,599	55,162,471,725
Cost	231		164,521,792,920	90,766,309,368
Accumulated depreciation	232		(39,292,076,321)	(35,603,837,643)
Long-term work in progress	240		263,526,949,254	37,548,224,793
Construction in progress	242	14	263,526,949,254	37,548,224,793
Long-term financial investments	250	6(b)	510,668,084,082	574,036,182,542
Investments in subsidiaries	251		341,327,031,814	472,732,771,814
Investments in associates	252		192,251,178,945	117,548,709,000
Allowance for diminution in the value of long-term financial investments	254		(22,910,126,677)	(16,245,298,272)
Other long-term assets	260		2,435,208,639	2,852,075,752
Deferred tax assets	262	33(a)	2,435,208,639	2,852,075,752
TOTAL ASSETS (270 = 100 + 200)	270		1,266,235,946,277	1,023,898,096,193

Saigon General Service Corporation
Separate balance sheet as at 31 December 2017 (continued)

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

	Code	Note	31/12/2017 VND	1/1/2017 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		556,649,920,835	336,672,669,346
Current liabilities	310		516,038,455,417	280,055,430,012
Accounts payable to suppliers	311	15	324,093,650	2,286,479,017
Advances from customers	312	16	17,147,958,448	16,150,978,603
Taxes and other payables to State				
Treasury	313	17	5,992,222,416	23,060,548,459
Payables to employees	314		6,290,279,314	11,897,044,002
Accrued expenses	315	18	16,996,190,905	10,320,632,946
Other payables – short-term	319	19(a)	432,160,646,871	163,593,123,722
Short-term borrowings	320	20	29,000,000,000	36,907,195,770
Bonus and welfare fund	322	21	8,127,063,813	15,839,427,493
Long-term liabilities	330		40,611,465,418	56,617,239,334
Other payables – long-term	337	19(b)	40,611,465,418	56,617,239,334
EQUITY (400 = 410)	400		709,586,025,442	687,225,426,847
Owners' equity	410	22	709,586,025,442	687,225,426,847
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	415	23	(690,474,358)	(690,474,358)
Investment and development fund	418	25	24,938,303,806	24,938,303,806
Retained profits	421		118,317,607,691	95,957,009,096
TOTAL RESOURCES (440 = 300 + 400)	440		1,266,235,946,277	1,023,898,096,193

20 March 2018

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

Saigon General Service Corporation
Separate statement of income for the year ended 31 December 2017

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

	Code	Note	2017 VND	2016 VND
Revenue from sales of goods and provision of services	01	27	154,196,983,367	238,314,692,275
Cost of goods sold and services provided	11	28	(74,127,499,128)	(148,585,665,489)
Gross profit (20 = 01 + 11)	20		80,069,484,239	89,729,026,786
Financial income	21	29	37,867,103,714	36,835,924,388
Financial expenses	22	30	(22,690,271,718)	(13,711,838,587)
<i>In which: Interest expense</i>	23		<i>(3,628,791,313)</i>	<i>(2,872,351,126)</i>
Selling expenses	25		(2,459,828,995)	(2,498,505,011)
General and administrative expenses	26	31	(36,134,028,544)	(34,170,433,551)
Net operating profit (30 = 20 + 21 + 22 + 25 + 26)	30		56,652,458,696	76,184,174,025
Other income	31		759,773,591	364,329,817
Other expenses	32		(5,846,008)	(1,447,752,940)
Results of other activities (40 = 31 + 32)	40		753,927,583	(1,083,423,123)
Accounting profit before tax (50 = 30 + 40)	50		57,406,386,279	75,100,750,902
Income tax expense – current	51	33(b)	(4,031,224,651)	(10,450,557,983)
Income tax (expense)/benefit – deferred	52	33(b)	(416,867,113)	948,085,753
Net profit after tax (60 = 50 + 51 + 52)	60		52,958,294,515	65,598,278,672

20 March 2018

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

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

Saigon General Service Corporation
Separate statement of cash flows for the year ended 31 December 2017
(Indirect method)

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

	Code	Note	2017 VND	2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		57,406,386,279	75,100,750,902
Adjustments for				
Depreciation and amortisation	02		4,668,108,103	7,000,463,333
Allowances and provisions	03		(11,316,214,256)	8,750,715,564
Losses on disposals of investments in subsidiaries and associates	05		8,400,000,000	132,626,104
Gains on disposals of fixed assets	05		(100,000,000)	-
Losses on construction in progress written off	05		-	813,904,721
Losses on disposals of investment properties	05		-	1,012,959,933
Dividends and interest income	05		(37,832,103,714)	(35,583,623,744)
Interest expense	06		3,628,791,313	2,872,351,126
Operating profit/(loss) before changes in working capital	08		24,854,967,725	60,100,147,939
Change in receivables	09		(24,222,631,847)	(76,847,556,568)
Change in inventories	10		58,283,728,524	62,970,156,650
Change in payables and other liabilities	11		224,701,945,918	17,561,404,381
Change in prepaid expenses	12		(9,023,259)	-
Change in trading securities	13		1,025,000,000	3,138,625,600
			284,633,987,061	66,922,778,002
Interest paid	14		(3,633,440,975)	(3,681,108,756)
Income tax paid	15		(9,089,549,940)	(11,859,877,327)
Other payments for operating activities	17		(5,941,205,485)	(5,854,376,445)
Net cash flows from operating activities	20		265,969,790,661	45,527,415,474

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

Saigon General Service Corporation
Separate statement of cash flows for the year ended 31 December 2017
(Indirect method – continued)

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

	Code	Note	2017 VND	2016 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(313,612,662,884)	(30,226,830,536)
Proceeds from disposals of fixed assets	22		100,000,000	-
Payments for granting loans	23		(50,577,878,732)	(23,425,064,000)
Receipts from collecting loans	24		34,577,878,732	87,700,000,000
Payments for investments in other entities	25		(44,296,729,945)	(56,792,296,677)
Collections of investments in subsidiary	26		74,600,000,000	12,000,000,000
Receipts of dividends and interest income	27		37,988,212,324	38,330,562,356
Net cash flows from investing activities	30		(261,221,180,505)	27,586,371,143
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		30,689,432,822	39,644,966,900
Payments to settle loan principals	34		(38,596,628,592)	(54,161,569,441)
Payments of dividends	36		(29,968,251,980)	(35,388,381,090)
Net cash flows from financing activities	40		(37,875,447,750)	(49,904,983,631)
Net cash flows during the year (50 = 20 + 30 + 40)	50		(33,126,837,594)	23,208,802,986
Cash and cash equivalents at the beginning of the year	60		82,842,795,400	59,633,992,414
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	49,715,957,806	82,842,795,400

20 March 2018

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

**Saigon General Service Corporation
and its subsidiaries**

Consolidated financial statements
for the year ended 31 December 2017

Saigon General Service Corporation
Corporate information

Decision No.	3448/QD-UB 3449/QD-UB	9 July 2004 9 July 2004
	These decisions were issued by the Ho Chi Minh City People's Committee.	
Business 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 26 January 2015. The business licence was issued by Ho Chi Minh City Planning and Investment Department.	
Board of Management	Mr. Nguyen Binh Minh Mr. Mai Viet Ha Ms. Nguyen Viet Hoa Mr. Doan Van Quang Mr. Nguyen Cong Binh Mr. Nguyen Duc Trong Mr. Luong Quang Hien	Chairman Member Member Member Member Member Member
Board of Directors	Mr. Mai Viet Ha Mr. Doan Van Quang Ms. Nguyen Thu Nga Mr. Nguyen Cong Binh	General Director Deputy General Director Deputy General Director Deputy General Director
Supervisory Board	Ms. Nguyen Nhu Anh Mr. Nguyen Thai Hoa Mr. Phan Phuong Nga Mr. Tran Huy Dung	Head of the Board Member Member (from 31 March 2017) Member (until 31 March 2017)
Registered Office	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam	
Auditors	KPMG Limited Vietnam	

Saigon General Service Corporation
Statement of the Board of Directors

The Board of Directors of Saigon General Service Corporation ("the Company") and its subsidiaries (together referred to as "the Group") presents this statement and the accompanying consolidated financial statements of the Group for the year ended 31 December 2017.

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

- (a) the consolidated financial statements set out on pages 5 to 65 give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of the consolidated results of operations and the consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors



Mai Viet Ha
General Director

Ho Chi Minh City, 20 March 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders Saigon General Service Corporation

We have audited the accompanying consolidated financial statements of Saigon General Service Corporation ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2017, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 20 March 2018, as set out on pages 5 to 65.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Saigon General Service Corporation and its subsidiaries as at 31 December 2017 and of its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Audit Report No.: 17-01-330/HN



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

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 20 March 2018

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2017

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

	Code	Note	31/12/2017 VND	1/1/2017 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		1,624,916,635,283	1,736,418,709,247
Cash and cash equivalents	110	5	222,746,938,508	231,191,439,679
Cash	111		177,619,605,175	154,176,575,255
Cash equivalents	112		45,127,333,333	77,014,864,424
Short-term financial investments	120		40,224,913,855	48,444,445,855
Trading securities	121	6(a)	50,844,913,855	51,869,913,855
Allowance for diminution in the value of trading securities	122	6(a)	(19,170,000,000)	(15,175,468,000)
Held-to-maturity investments	123	6(b)	8,550,000,000	11,750,000,000
Accounts receivable – short-term	130		599,221,889,186	545,397,552,956
Accounts receivable from customers	131	7	442,964,578,992	398,763,820,419
Prepayments to suppliers	132		69,392,710,498	73,008,332,043
Loan receivables	135		-	3,000,000,000
Other receivables	136	8(a)	87,519,799,696	71,418,964,131
Allowance for doubtful debts	137		(655,200,000)	(793,563,637)
Inventories	140	9	719,577,703,847	845,503,520,873
Inventories	141		721,918,012,039	870,589,928,463
Allowance for inventories	149		(2,340,308,192)	(25,086,407,590)
Other current assets	150		43,145,189,887	65,881,749,884
Short-term prepaid expenses	151	14(a)	11,679,648,079	18,470,655,349
Deductible value added tax	152		30,667,250,737	46,497,201,276
Taxes receivable from State Treasury	153	16(b)	798,291,071	913,893,259

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2017 (continued)

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

	Code	Note	31/12/2017 VND	1/1/2017 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		1,992,120,506,699	1,601,399,267,878
Accounts receivable – long-term	210		166,556,058,346	137,654,838,220
Other long-term receivables	216	8(b)	170,706,058,346	141,804,838,220
Allowance for doubtful long-term debts	219		(4,150,000,000)	(4,150,000,000)
Fixed assets	220		394,434,367,478	248,463,382,989
Tangible fixed assets	221	10	315,443,140,263	220,610,926,831
Cost	222		483,714,814,057	350,850,311,584
Accumulated depreciation	223		(168,271,673,794)	(130,239,384,753)
Intangible fixed assets	227	11	78,991,227,215	27,852,456,158
Cost	228		87,329,292,256	34,342,442,441
Accumulated amortisation	229		(8,338,065,041)	(6,489,986,283)
Investment property	230	12	711,548,558,061	656,960,899,324
Cost	231		883,410,133,098	805,606,585,211
Accumulated depreciation	232		(171,861,575,037)	(148,645,685,887)
Long-term work in progress	240		383,146,360,661	334,830,529,720
Construction in progress	242	13	383,146,360,661	334,830,529,720
Long-term financial investments	250		314,004,776,667	204,259,591,217
Investments in associates	252	6(c)	305,315,512,667	191,844,327,217
Equity investments in other entities	253	6(c)	8,689,264,000	12,415,264,000
Other long-term assets	260		22,430,385,486	19,230,026,408
Long-term prepaid expenses	261	14(b)	19,845,795,757	16,054,171,416
Deferred tax assets	262	36(a)	2,584,589,729	3,175,854,992
TOTAL ASSETS (270 = 100 + 200)	270		3,617,037,141,982	3,337,817,977,125

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2017 (continued)

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

Code	Note	31/12/2017 VND	1/1/2017 VND
RESOURCES			
LIABILITIES (300 = 310 + 330)	300	2,339,689,615,983	2,165,332,684,786
Current liabilities	310	1,790,696,348,139	1,604,378,313,823
Accounts payable to suppliers	311 15	207,578,160,576	183,206,146,897
Advances from customers	312	117,747,178,292	124,334,860,408
Taxes and other payables to State Treasury	313 16(a)	31,021,208,093	40,930,607,637
Payables to employees	314	58,474,046,547	65,124,231,200
Accrued expenses	315 17	46,957,684,139	44,026,701,271
Unearned revenue – short-term	318 18(a)	9,807,732,225	6,807,126,251
Other payables – short-term	319 19(a)	449,369,812,625	159,644,926,422
Short-term borrowings	320 20(a)	855,817,418,887	957,951,034,891
Provisions – short-term	321	-	184,554,545
Bonus and welfare fund	322 21	13,923,106,755	22,168,124,301
Long-term liabilities	330	548,993,267,844	560,954,370,963
Unearned revenue – long-term	336 18(b)	83,845,600,000	90,316,000,000
Other payables – long-term	337 19(b)	92,192,896,656	111,020,646,268
Long-term borrowings	338 20(b)	372,954,771,188	359,617,724,695
EQUITY (400 = 410)	400	1,277,347,525,999	1,172,485,292,339
Owners' equity	410	1,277,347,525,999	1,172,485,292,339
Share capital	411 23	249,955,730,000	249,955,730,000
Share premium	412	317,064,858,303	317,064,858,303
Other capital	414	14,850,000,000	2,550,000,000
Treasury shares	415 23	(690,474,358)	(690,474,358)
Investment and development fund	418 25	47,539,169,112	46,657,038,976
Retained profits	421	297,796,407,469	261,454,985,027
Non-controlling interest	429	350,831,835,473	295,493,154,391
TOTAL RESOURCES (440 = 300 + 400)	440	3,617,037,141,982	3,337,817,977,125

20 March 2018

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the year ended 31 December 2017

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

Code	Note	2017 VND	2016 VND
Revenue from sales of goods and provision of services			
01	27	13,794,724,864,291	13,661,872,246,945
Revenue deductions			
02	27	(13,418,108,557)	(12,749,646,528)
Net revenue (10 = 01 + 02)			
10	27	13,781,306,755,734	13,649,122,600,417
Cost of goods sold and services provided			
11	28	(13,060,916,977,057)	(12,936,368,205,494)
Gross profit (20 = 10 + 11)			
20		720,389,778,677	712,754,394,923
Financial income			
21	29	21,270,975,508	15,593,139,225
Financial expenses			
22	30	(107,874,217,499)	(70,892,623,612)
<i>In which: Interest expense</i>			
23		(90,915,434,287)	(66,862,508,991)
Share of profit in associates			
24	6(c)	14,315,723,152	19,693,440,554
Selling expenses			
25	31	(415,117,754,690)	(326,615,666,168)
General and administrative expenses			
26	32	(242,352,462,253)	(210,203,789,026)
Net operating (loss)/profit (30 = 20 + 21 + 22 + 24 + 25 + 26)			
30		(9,367,957,105)	140,328,895,896
Other income			
31	33	186,202,902,608	75,031,951,241
Other expenses			
32	34	(2,848,330,374)	(3,206,877,113)
Results of other activities (40 = 31 + 32)			
40		183,354,572,234	71,825,074,128
Accounting profit before tax (50 = 30 + 40)			
50		173,986,615,129	212,153,970,024
Income tax expense – current			
51	36(b)	(34,353,137,775)	(38,918,998,047)
Income tax (expense)/benefit – deferred			
52	36(b)	(577,850,556)	584,830,523
Net profit after tax (60 = 50 + 51 + 52)			
60		139,055,626,798	173,819,802,500

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the year ended 31 December 2017 (continued)

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

	Code	Note	2017 VND	2016 VND
Net profit after tax (60 = 50 + 51 + 52)	60		139,055,626,798	173,819,802,500
Attributable to:				
Equity holders of the Company	61		81,633,249,712	122,992,852,474
Non-controlling interest	62		57,422,377,086	50,826,950,026
Basic earnings per share	70	37	3,183	4,138

20 March 2018

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2017
(Indirect method)

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

	Code	Note	2017 VND	2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		173,986,615,129	212,153,970,024
Adjustments for				
Depreciation and amortisation	02		71,556,453,025	55,968,378,088
Allowances and provisions	03		(18,751,567,398)	(1,462,781,515)
Gains on disposals of tangible fixed assets	05		(1,694,002,773)	(2,048,087,583)
Loss on partial disposals of investments in subsidiary	05		8,385,122,777	-
Loss from liquidation of investment in associate	05		-	70,072,710
Tangible fixed assets written off	05		-	314,463,860
Construction in progress written off	05		-	813,904,721
Dividends and interest income	05		(7,789,660,449)	(6,222,080,795)
Income from associates	05		(14,315,723,152)	(19,693,440,554)
Interest expense	06		90,915,434,287	66,862,508,991
Operating profit before changes in working capital	08		302,292,671,446	306,756,907,947
Change in receivables and other current assets	09		(31,513,617,449)	(245,127,697,823)
Change in inventories	10		206,215,254,847	(197,030,058,546)
Change in payables and other liabilities	11		251,830,132,885	15,738,288,877
Change in prepaid expenses	12		2,999,382,929	(13,207,990,573)
Change in trading securities	13		1,025,000,000	3,138,625,600
			732,848,824,658	(129,731,924,518)
Interest paid	14		(90,702,877,746)	(66,624,597,933)
Corporate income tax paid	15		(40,155,148,919)	(38,657,546,841)
Other payments for operating activities	17		(12,734,264,532)	(13,313,434,733)
Net cash flows from operating activities	20		589,256,533,461	(248,327,504,025)

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2017
(Indirect method – continued)

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

	Code	Note	2017 VND	2016 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(484,978,979,817)	(190,408,073,937)
Proceeds from disposals of tangible fixed assets	22		32,717,320,527	15,660,656,820
Proceeds from disposals of investments in subsidiary, net of cash disposed	22		53,382,313,983	-
Payments for granting loans	23		(25,000,000,000)	(3,000,000,000)
Receipts from collecting loans	23		18,000,000,000	-
Placement of held-to-maturity investments	23		(8,550,000,000)	(11,750,000,000)
Receipts from collection of held-to-maturity investments	23		11,750,000,000	-
Payments for investments in other entities	25		(67,381,469,945)	(30,850,000,000)
Receipts of dividends and interest income	27		19,159,434,749	10,576,213,295
Net payments in other non-current assets			(28,901,220,126)	(6,732,693,160)
Net cash flows from investing activities	30		(479,802,600,629)	(216,503,896,982)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		8,479,051,742,167	7,315,788,290,677
Payments to settle loan principals	34		(8,567,848,311,678)	(6,788,307,549,350)
Proceeds from equity issued by subsidiaries to non-controlling interest			30,128,740,000	22,392,800,000
Payments of dividends to equity holders of the Company	36		(29,968,251,980)	(35,388,381,090)
Payments of dividends by subsidiaries to non-controlling interest	36		(29,262,352,512)	(30,251,713,651)
Net cash flows from financing activities	40		(117,898,434,003)	484,233,446,586

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2017
(Indirect method – continued)

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	Code	Note	2017 VND	2016 VND
Net cash flows during the year (50 = 20 + 30 + 40)	50		(8,444,501,171)	19,402,045,579
Cash and cash equivalents at the beginning of the year	60		231,191,439,679	211,789,394,100
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	222,746,938,508	231,191,439,679

20 March 2018

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2017

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

1. Reporting entity

(a) Ownership structure

Saigon General Service Corporation (“the Company”) was incorporated as a joint-stock company under Decision No. 3448/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 consolidated financial statements of the Company for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

(b) Principals activities

The principal activities of the Group are:

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

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

(c) Normal operating cycle

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

(d) Group structure

As at 31 December 2017, the Group had 2,629 employees (1 January 2017: 2,309 employees).

As at 31 December 2017, the Group had 13 subsidiaries and 12 associates (1 January 2017: 14 subsidiaries and 8 associates) as follows:

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Notes to the consolidated financial statements for the year ended 31 December 2017 (continued)

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Subsidiaries	Number	Name	Principal activity	Address	Percentage of economic interest at	
					31/12/2017	1/1/2017
	1	Saigon Automobile Service Joint Stock Company (SAIGON FORD)	Trading FORD cars and spare parts, providing maintenance services.	61A Cao Thang Street, Ward 3, District 3, Ho Chi Minh City, Vietnam	52.05%	52.05%
	2	Toyota Giai Phong Joint Venture Company (TGP)	Trading TOYOTA cars and spare parts, providing maintenance services.	807 Giai Phong Street, Giap Bat Ward, Hoang Mai District, Hanoi City, Vietnam	51%	51%
	3	Saigon Service Trading Limited Company (YAMAHA Can Tho)	Trading YAMAHA motorbikes and spare parts, providing maintenance services.	164 – 166C, 3/2 Street, Hung Loi Ward, Ninh Kieu District, Can Tho City, Vietnam	88.12%	88.12%
	4	Saigon Star Corporation	Trading SUZUKI, HONDA and VEAM automobile and motorbikes and spare parts, providing maintenance services.	510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam	59.62%	59.62%
	5	Savico Hanoi Corporation	Operating business centre, providing hotel services; civil construction, industrial projects; agents and consignment; import and export activities; trading and maintaining automobile; providing engine rental, transportation and car parking services.	7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam	70%	70%
	6	Toyota Can Tho Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	K2-0, Vo Nguyen Giap Street, Thanh Thuan Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51%	51%

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2017 (continued)

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Number	Name	Principal activity	Address	Percentage of economic interest at 31/12/2017	1/1/2017
7	Savico Da Nang Corporation	Trading real estate; providing workshops and office rental services; providing consulting and real estate brokerage services; trading automobile and spare parts; providing maintenance and repairing services; providing transportation services.	66 Vo Van Tan Street, Chinh Gian Ward, Thanh Khe District, Da Nang City, Vietnam	70%	70%
8	OtoS Joint Stock Company (otos.vn) (a)	Providing e-commerce services; advertising services; trading cars and spare parts; providing maintenance and repairing services; providing software publication and other services related to information technology.	68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	80.33%	77.07%
9	Da Nang Son Tra Corporation	Trading real estate; providing hotel and travel services; operating restaurant, providing foods and beverages; providing transportation and civil construction services.	Bai Trem, Hoang Sa Street, Tho Quang Ward, Son Tra District, Da Nang City, Vietnam	98%	98%
10	Saigon Cuu Long Automobile Corporation	Trading GM cars and spare parts; providing maintenance and transportation services.	274 30/4 Street, Hung Loi Ward, Ninh Kiều District, Can Tho City, Vietnam	84.17%	84.17%
11	Saigon North West Automobile Joint Stock Company	Trading FUSO truck and spare parts; providing maintenance, repairing and transportation services.	43/7A Xuan Thoi Dong 2 Area, Xuan Thoi Dong Ward, Hoc Mon District, Ho Chi Minh City, Vietnam	80%	80%
12	Vinh Thinh Automobile Joint Stock Company	Trading HINO truck and spare parts; providing maintenance, repairing and transportation services.	5/5 Binh Giao Area, Thuan Giao Ward, Thuan An Town, Binh Duong Province, Vietnam	90%	90%

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Number	Name	Principal activity	Address	Percentage of economic interest at 31/12/2017	1/1/2017
13	Nam Song Hau Automobile Joint Stock Company	Trading HONDA cars and spare parts; providing maintenance, repairing and transportation services.	Block E1-1, Vo Nguyen Giap Street, Thanh Loi Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51%	93%
14	Savico Investment Joint Stock Company (b)	Trading real estate; providing property consultancy, brokerage, auction; providing services on market study, surveys of public opinion; providing architecture and related technology consultancy; providing specialised design and construction services; trading automobile and spare parts; providing maintenance and repairing services; providing kindergarten education.	66-68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	-	99.50%

Saigon General Service Corporation and its subsidiaries Notes to the consolidated financial statements for the year ended 31 December 2017 (continued)

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Associates

Number	Name	Principal activity	Address	Percentage of economic interest at 31/12/2017	Percentage of economic interest at 1/1/2017
1	ComfortDelgro Savico Taxi Company	Providing the transportation and maintenance services.	384A Kha Van Can, Hiep Binh Chanh Ward, Thu Duc District, Ho Chi Minh City, Vietnam	40.03%	40.03%
2	Toyota East Saigon Joint Stock Company (TESC)	Trading TOYOTA cars and spare parts, providing maintenance services.	507 Ha Noi Highway, District 2, Ho Chi Minh City, Vietnam	30.03%	35.16%
3	Binh Duong New City Automobile Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot C13, Hung Vuong Street, Lien Hop Area, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	35.41%	35.41%
4	Dana Joint Stock Company (DANA FORD)	Trading FORD cars and spare parts, providing maintenance services.	56 Dien Bien Phu Street, Thanh Khe Ward, Da Nang City, Vietnam	28.19%	28.19%
5	South West Star Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts; providing maintenance, repairing and transportation services.	91 Cach Mang Thang Tam Street, An Thoi Ward, Binh Thuy District, Can Tho City, Vietnam	43.80%	43.80%
6	Toyota Ly Thuong Kiet Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services, non-life insurance agency.	188 Le Trong Tan, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	35%	20%

Saigon General Service Corporation and its subsidiaries Notes to the consolidated financial statements for the year ended 31 December 2017 (continued)

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Number	Name	Principal activity	Address	Percentage of economic interest at 31/12/2017	Percentage of economic interest at 1/1/2017
7	Bac Au Automobile Joint Stock Company	Trading VOLVO cars and spare parts, providing maintenance services.	340A Nguyen Van Linh, Binh Thuan Ward, District 7, Ho Chi Minh City, Vietnam	32%	32%
8	South Saigon Automobile Service Commercial Investment Joint Stock	Trading GM cars and spare parts, providing maintenance services.	1489 Nguyen Van Linh, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam	15.62%	15.62%
9	Savico Investment Joint Stock Company (b)	Trading real estate; providing property consultancy, brokerage, auction; providing services on market study, surveys of public opinion; providing architecture and related technology consultancy; providing specialised design and construction services; trading automobile and spare parts; providing maintenance and repairing services; providing kindergarten education.	66-68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	40.00%	-
10	Bac Au Hanoi Automobile Limited Company	Trading VOLVO cars and spare parts, providing maintenance services.	9 Nguyen Van Linh, Gia Thuy Ward, Long Bien District, Hanoi City, Vietnam	17.50%	-
11	Binh Thuan Automotive Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot 4/3, Street No.4, Phan Thiet 1 Industrial Zone, Phong Nam Commune, Phan Thiet City, Binh Thuan Province	26.03%	-

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Number	Name	Principal activity	Address	Percentage of economic interest at 31/12/2017	1/1/2017
12	Ben Thanh Tay Ninh Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	Highway 22B, Hiep Truong Hamlet, Hiep Tan Commune, Hoa Thanh District, Tay Ninh Province	26.03%	-

(a) During the year, the Company acquired additionally 3.26% of shares of a subsidiary – OtoS Joint Stock Company amounting to VND2,064 million and increased the percentage of economic interest from 77.07% to 80.33%.

(b) During the year, the Company disposed 60% of shares of Savico Investment Joint Stock Company to Nguyen Nguyen Group Investment Corporation, a third party and lost the control over this investment but still retained significant influence. The investment has been reclassified to investment in associates since the partial disposal.

Saigon General Service Corporation and its subsidiaries
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2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

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

Saigon General Service Corporation and its subsidiaries
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(iii) Loss of control

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

(iv) Associates

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

(v) Transactions eliminated on consolidation

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

(b) Foreign currency transactions

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

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

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

(c) Cash and cash equivalents

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

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2017
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(d) Investments

(i) Trading securities

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

(ii) Held-to-maturity investments

Held-to-maturity investments are those that the Group's management has intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank, bonds, redeemable preference shares which the issuers are required to repurchase at a certain date and granting loans held to maturity. These investments are stated at costs less allowance for impairment.

(iii) Investments in equity instruments of other entities

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

(e) Accounts receivable

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

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis for real estate, cars, motorbikes 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 inventories.

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(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

(ii) Software

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

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(i) Investment property

Investment property held to earn rental

Cost

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

Depreciation

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

▪ land use rights	18 – 50 years
▪ buildings	5 – 36 years

(j) Construction in progress

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

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

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

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(k) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease of 8 years.

(ii) Tools and supplies

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

(iii) Others

Other prepaid expenses mainly comprise renovation expense are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) 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.

(n) Share capital

(i) Ordinary shares

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

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

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

(o) 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.

Under Circular 200, financial reserve is no longer used. Outstanding balance of this reserve is transferred to the investment and development fund. Utilisation of the above reserve funds requires approval of the shareholders.

(p) Taxation

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the 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 amounts 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) Revenue

(i) Sales of real estate

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

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(ii) Sales of merchandise goods

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

(iii) Services rendered

Services mainly consist of repair and maintenance for cars and motorbikes.

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

(iv) Rental income

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

(r) Financial income

(i) Interest income

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

(ii) Revenue from security trading

Revenue from security trading activities is recognised in the consolidated 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).

(iii) Dividend income

Dividends income is recognised when the right to receive dividends is established.

(s) Operating lease payments

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

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(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, 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 and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare funds for the accounting period) of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

(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) Related parties

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

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4. Segment reporting

For the year:

	Services and trading		Investment property services		Financial services		Total
	2017	2016	2017	2016	2017	2016	
	VND	VND	VND	VND	VND	VND	VND
Segment revenue	13,598,271,887,416	13,363,152,493,173	183,034,868,318	285,970,107,244	-	13,781,306,755,734	13,649,122,600,417
Segment other income	195,023,642,390	90,780,093,410	884,664,367	1,532,206,370	3,660,929,300	199,569,236,057	96,592,941,295
Direct and attributable cost of sales to segments	(12,995,607,600,797)	(12,788,583,492,430)	(65,309,376,260)	(147,784,713,064)	-	(13,060,916,977,057)	(12,936,368,205,494)
Direct and attributable other expenses to segments	(689,106,343,658)	(542,243,293,893)	(73,650,399,404)	(65,615,933,120)	(1,430,073,930)	(764,186,816,991)	(611,308,968,115)
Segment profit	108,581,585,351	123,105,800,260	44,959,757,021	74,101,667,430	2,230,855,370	155,772,197,743	198,038,368,103
Un-allocated income						22,220,365,211	17,322,479,034
Un-allocated expenses						(4,005,947,825)	(3,206,877,113)
Income tax						(34,930,988,331)	(38,334,167,524)
						139,055,626,798	173,819,802,500

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	Services and trading		Investment property services		Financial services		Total
	31/12/2017	1/1/2017	31/12/2017	1/1/2017	31/12/2017	1/1/2017	
	VND	VND	VND	VND	VND	VND	VND
Assets							
Current assets	1,408,178,287,282	1,506,838,189,096	184,573,839,659	192,676,252,067	31,729,941,877	36,904,268,084	1,624,482,068,818
Non-current assets	582,596,738,921	582,309,965,300	1,405,734,308,024	1,014,176,819,355	1,184,870,025	1,989,535,916,970	1,598,223,412,886
Un-allocated assets	-	-	-	-	-	2,584,589,729	3,175,854,992
	1,990,775,026,203	2,089,148,154,396	1,590,328,147,683	1,206,853,071,422	32,914,811,902	38,640,896,315	3,337,817,977,125
Liabilities							
Current liabilities	1,252,639,776,793	1,328,672,318,245	536,341,023,774	263,671,040,201	1,280,981,107	12,034,955,377	1,604,378,313,823
Non-current liabilities	101,169,212,863	93,525,903,675	447,393,472,653	466,203,282,246	430,582,328	1,225,185,042	560,954,370,963
	1,353,808,989,656	1,422,198,221,920	983,734,496,427	729,874,322,447	1,711,563,435	13,260,140,419	2,165,332,684,786

For the year:

	Services and trading		Investment property services		Financial services		Total
	2017	2016	2017	2016	2017	2016	
	VND	VND	VND	VND	VND	VND	VND
Depreciation and amortisation	48,340,563,875	23,432,913,917	23,215,889,150	23,432,913,917	-	71,556,453,025	55,968,378,088
Allowances and provisions	(770,524,737)	(2,680,507,240)	(21,975,574,661)	(2,680,507,240)	3,994,532,000	(78,778,319)	(1,462,781,515)
Capital expenditure	106,396,937,313	125,632,131,916	422,337,526,056	125,632,131,916	-	528,734,463,369	190,408,073,937

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5. Cash and cash equivalents

	31/12/2017 VND	1/1/2017 VND
Cash on hand	28,498,281,539	15,424,708,233
Cash in banks	149,121,323,636	138,751,867,022
Cash equivalents	45,127,333,333	77,014,864,424
	222,746,938,508	231,191,439,679

Cash equivalents at 31 December 2017 included VND9,415 million (1 January 2017: VND4,258 million) pledged with banks as security for loans granted to the Group.

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6. Investments

(a) Trading securities

	31/12/2017			1/1/2017			
	Quantity	Carrying amount VND	Fair value VND	Quantity	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Short-term financial investments in:							
Listed shares							
• Ben Thanh Trading and Service Joint Stock Company	9	162,572	162,572	9	162,572	162,572	-
• Viet Thai Joint Stock Company	650,760	8,042,676,000	8,042,676,000	650,760	8,042,676,000	7,028,208,000	(1,014,468,000)
• Tien Len Steel Corporation Joint Stock Company	3	22,740	22,740	3	22,740	22,740	-
• TASCOCO Joint Stock Company	-	-	-	80,000	1,025,000,000	904,000,000	(121,000,000)
Non-listed shares							
• Pacific Construction Investment and Commercial Joint Stock Company	500,000	14,000,000,000	(*)	500,000	14,000,000,000	(*)	(9,000,000,000)
• Ben Thanh Non Nuoc Joint Stock Company	900,000	9,000,000,000	(*)	900,000	9,000,000,000	(*)	-
• Toan Cau Insurance Company	180,000	6,300,000,000	(*)	180,000	6,300,000,000	(*)	(5,040,000,000)
• Ho Chi Minh City Electric Power Trading Investment Corporation	1,350,000	13,500,000,000	(*)	1,350,000	13,500,000,000	(*)	-
• Hai Phong Securities Joint Stock Company	812	2,052,543	(*)	812	2,052,543	(*)	-
		50,844,913,855	(19,170,000,000)		51,869,913,855	(15,175,468,000)	(15,175,468,000)

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(*) At the reporting date, fair value of these investments was not available.

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

	2017 VND	2016 VND
Opening balance	15,175,468,000	15,845,846,319
Increase in allowance during the year	5,130,000,000	1,524,948,000
Allowance utilised during the year	-	(591,600,000)
Written back	(1,135,468,000)	(1,603,726,319)
	<hr/>	<hr/>
Closing balance	19,170,000,000	15,175,468,000

(b) Held-to-maturity investments

	31/12/2017		1/1/2017	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Short-term deposits	8,550,000,000	8,550,000,000	11,750,000,000	11,750,000,000

Short-term deposit at 31 December 2017 included VND6,500 million (1 January 2017: Nil) pledged with banks as security for loans granted to the Group.

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(c) Equity investments in other entities

31 December 2017	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:					
Associates					
• ComfortDelgro Saigon Taxi Company	40.03%	40.03%	34,860,332,594	(*)	-
• Toyota East Saigon Joint Stock Company (TESC) (a)	35.16%	35.16%	72,435,469,630	(*)	-
• Binh Duong New City Automobile Service Joint Stock Company (b)	35.41%	35.41%	25,527,962,512	(*)	-
• Dana Joint Stock Company (DANA FORD)	28.19%	28.19%	16,429,828,085	(*)	-
• South West Star Automobile Joint Stock Company (c)	43.80%	43.80%	21,436,333,643	(*)	-
• Toyota Ly Thuong Kiet Company Limited (d)	35%	35%	15,834,973,826	(*)	-
• Bac Au Automobile Joint Stock Company	39.81%	39.81%	28,192,701,551	(*)	-
• South Saigon Automobile Service Commercial Investment Joint Stock Company	15.62%	15.62%	3,885,529,321	(*)	-
• Savico Investment Joint Stock Company (e)	40%	40%	63,929,820,396	(*)	-
• Bac Au Hanoi Automobile Limited Company (f)	17.50%	17.50%	5,266,668,731	(*)	-
• Binh Thuan Automotive Service Joint Stock Company (g)	26.03%	26.03%	10,045,138,517	(*)	-
• Ben Thanh Tay Ninh Automobile Corporation (h)	26.03%	26.03%	7,470,753,861	(*)	-
			<hr/>		<hr/>
			305,315,512,667		-
				(*)	-
			<hr/>		<hr/>
			8,689,264,000		-
			<hr/>		<hr/>
			314,004,776,667		-
			<hr/>		<hr/>
Others					
• Other long-term investments				(*)	-

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1 January 2017	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:					
Associates					
• ComfortDelgro Savico Taxi Company	40.03%	40.03%	34,766,236,353	(*)	-
• Toyota East Saigon Joint Stock Company (TESC)	35.16%	35.16%	61,082,122,037	(*)	-
• Binh Duong New City Automobile Service Joint Stock Company	27.50%	27.50%	14,917,853,871	(*)	-
• Dana Joint Stock Company (DANA FORD)	28.19%	28.19%	12,741,640,310	(*)	-
• South West Star Automobile Joint Stock Company	43.80%	43.80%	13,457,567,475	(*)	-
• Toyota Ly Thuong Kiet Company Limited	51%	51%	33,739,344,765	(*)	-
• Bac Au Automobile Joint Stock Company	39.81%	39.81%	17,512,179,606	(*)	-
• South Saigon Automobile Service Commercial Investment Joint Stock Company	15.62%	15.62%	3,627,382,800	(*)	-
			191,844,327,217		-
Others					
• Other long-term investments			12,415,264,000	(*)	-
			204,259,591,217		-

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- (*) At the reporting date, fair value of these investments was not available.
- (a) On 30 June 2017, the Group acquired additionally VND12,307 million of shares of Toyota East Saigon Joint Stock Company (TESC). At the reporting date, the Group fully paid for subscribed shares.
- (b) On 26 November 2017, the Group acquired additionally VND5,500 million of shares of Binh Duong New City Automobile Service Joint Stock Company. At the reporting date, the Group has fully paid for subscribed shares.
- (c) On 18 April 2017, the Group acquired additionally VND6,570 million of shares of South West Star Automobile Joint Stock Company. At the reporting date, the Group fully paid for subscribed shares.
- (d) On 30 October 2017, the Group disposed 31% of shares of Toyota Ly Thuong Kiet Company to Nguyen Binh Trading Investment Co., Ltd at par value and acquired additionally 15% of shares of Toyota Ly Thuong Kiet Company Limited amounting to VND4,925 million and increased the percentage of economic interest from 20% to 35%.
- (e) On 1 March 2017, the Group disposed 60% of shares of Savico Investment Joint Stock Company, amounting to VND72,000 million, to Nguyen Nguyen Group Investment Corporation, a third party, at a consideration of VND63,600 million and lost the control over this investment. Loss on disposal of this investment amounting to VND8,385 million was recorded in the consolidated statement of income.
- On 31 March 2017, the Group acquired additionally VND16,600 million of shares of Savico Investment Joint Stock Company. At the reporting date, the Group fully paid for subscribed shares.
- (f) On 5 June 2017, the Group acquired 25% of shares of Bac Au Hanoi Automobile Limited. At the reporting date, the Group has fully paid for subscribed shares.
- (g) On 27 February 2017, the Group acquired 50% of share of Binh Thuan Automobile Service Joint Stock Company. At the reporting date, the Group has fully paid for subscribed shares.
- (h) On 21 March 2017, the Group acquired 50% of share of Ben Thanh Tay Ninh Automobile Corporation. At the reporting date, the Group has fully paid for subscribed shares.

Movements of investments in associates were as follows:

	2017 VND	2016 VND
Balance at the beginning of the year	191,844,327,217	152,825,091,873
New investments	68,402,469,945	20,750,000,000
Transfer from investment in subsidiaries and other long-term investments	60,400,000,000	3,000,000,000
Share of net profit in associates (net of income tax)	14,315,723,152	19,693,440,554
Dividends from associates	(11,047,007,647)	(4,354,132,500)
Partial disposal of an associate	(18,600,000,000)	-
Liquidation of associates	-	(70,072,710)
	305,315,512,667	191,844,327,217

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Summary of financial position and performance of associates were as follows:

	Total assets as of 31/12/2017 VND	Total liabilities as of 31/12/2017 VND	Owners' equity as of 31/12/2017 VND	Net profit/(loss) after tax 2017 VND
ComfortDelgro Savico Taxi Company	92,606,460,284	5,520,942,938	87,085,517,346	235,064,305
Toyota East Saigon Joint Stock Company (TESC)	482,681,351,597	247,931,698,423	234,749,653,174	16,313,238,600
Binh Duong New City Automobile Service Joint Stock Company	90,547,690,235	56,083,780,086	34,463,910,149	4,416,432,199
Dana Joint Stock Company (DANA FORD)	72,261,760,225	32,339,117,135	39,922,643,090	14,402,194,362
South West Star Automobile Joint Stock Company	67,216,509,232	17,624,063,937	49,592,445,295	3,468,350,996
Toyota Ly Thuong Kiet Company Limited	213,655,108,515	153,633,488,139	60,021,620,376	21,618,133
Bac Au Automobile Joint Stock Company	194,109,835,745	133,557,619,073	60,552,216,672	5,962,544,045
South Saigon Automobile Service Commercial Investment Joint Stock Company	71,246,309,415	58,294,545,014	12,951,764,401	1,000,593,205
Savico Investment Joint Stock Company	166,214,492,012	6,393,470,400	159,821,021,612	(164,026,405)
Bac Au Hanoi Automobile Limited Company	70,225,878,633	50,164,981,873	20,060,896,760	287,441,803
Binh Thuan Automotive Service Joint Stock Company	60,188,618,278	40,118,341,243	20,070,277,035	90,277,035
Ben Thanh Tay Ninh Automobile Corporation	24,107,499,276	9,165,991,555	14,941,507,721	(58,492,279)

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	Total assets as of 1/1/2017 VND	Total liabilities as of 1/1/2017 VND	Owners' equity as of 1/1/2017 VND	Net profit/(loss) after tax 2016 VND
ComfortDelgro Savico Taxi Company	94,307,507,319	7,457,054,278	86,850,453,041	3,289,018,453
Toyota East Saigon Joint Stock Company (TESC)	386,671,696,197	212,659,557,052	174,012,139,145	34,910,625,321
Binh Duong New City Automobile Service Joint Stock Company	108,126,340,960	76,428,863,010	31,697,477,950	3,637,913,333
Dana Joint Stock Company (DANA FORD)	68,660,921,930	37,896,624,611	30,764,297,319	12,174,662,431
South West Star Automobile Joint Stock Company	126,000,242,828	94,876,158,648	31,124,084,180	5,140,525,341
Toyota Ly Thuong Kiet Company Limited	212,891,374,170	129,556,683,927	83,334,690,243	8,364,354,364
Bac Au Automobile Joint Stock Company	117,550,433,796	62,960,895,169	54,589,538,627	(5,410,461,373)
South Saigon Automobile Service Commercial Investment Joint Stock Company	52,354,565,053	40,273,316,741	12,081,248,312	81,248,312

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7. Accounts receivable from customers

Accounts receivable from customers detailed by significant customers

	31/12/2017 VND	1/1/2017 VND
Customers in relation to sales of merchandise goods	421,818,347,701	373,126,393,523
Customers in relation to rental income	4,057,261,443	7,531,096,621
Customers in relation to sales of real estate	11,392,744,882	13,226,866,859
Other customers	5,696,224,966	4,879,463,416
	<u>442,964,578,992</u>	<u>398,763,820,419</u>

8. Other receivables

(a) Other short-term receivables

	31/12/2017 VND	1/1/2017 VND
Deposits for trading used cars on behalf of customers	15,678,169,967	24,704,421,967
Advances to employees	23,299,322,087	19,840,658,502
Short-term deposits	3,703,090,000	6,394,789,570
Others	44,839,217,642	20,479,094,092
	<u>87,519,799,696</u>	<u>71,418,964,131</u>

(b) Other long-term receivables

	31/12/2017 VND	1/1/2017 VND
Receivables in business cooperation contracts (*)	106,431,941,568	113,406,731,568
Long-term deposits	52,395,615,531	15,094,801,021
Others	11,878,501,247	13,303,305,631
	<u>170,706,058,346</u>	<u>141,804,838,220</u>

(*) These receivables related to a real estate investment cooperation agreement with other partners.

There were no movements in the allowance for doubtful long-term debts during the year.

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9. Inventories

	31/12/2017		1/1/2017	
	Carrying amount VND	Allowance VND	Carrying amount VND	Allowance VND
Goods in transit	1,707,995,686	-	8,738,144,365	-
Materials and spare parts	9,263,015,115	-	8,358,691,735	(2,420,239,855)
Work in progress	100,735,006,129	-	98,413,666,982	(21,975,574,661)
Finished goods	3,199,863,453	-	766,459,655	-
Merchandise inventories (cars and motorbikes)	606,554,957,529	(2,340,308,192)	754,067,412,038	(690,593,074)
Goods on consignment	457,174,127	-	245,553,688	-
	<u>721,918,012,039</u>	<u>(2,340,308,192)</u>	<u>870,589,928,463</u>	<u>(25,086,407,590)</u>

Work in progress represented residential real estate projects.

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

	2017 VND	2016 VND
Opening balance	25,086,407,590	24,567,431,419
Increase in allowance during the year	1,551,889,252	1,051,497,482
Written back	(24,297,988,650)	(532,521,311)
Closing balance	<u>2,340,308,192</u>	<u>25,086,407,590</u>

At 31 December 2017 inventories with carrying value of VND355,069 million (1 January 2017: VND240,794 million) were pledged with banks as security for loans granted to the Group.

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10. Tangible fixed assets

Cost	Buildings VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Opening balance	212,746,421,844	54,903,183,667	10,930,751,188	62,117,871,782	10,152,083,103	350,850,311,584
Additions	6,698,377,919	8,583,381,347	2,603,737,722	35,835,524,185	34,160,000	53,755,181,173
Transfer from construction in progress	96,614,742,557	17,761,119,036	972,681,973	3,244,291,564	-	118,592,835,130
Disposals	(240,580,567)	(540,505,472)	(4,968,556,454)	(33,733,871,337)	-	(39,483,513,830)
Closing balance	315,818,961,753	80,707,178,578	9,538,614,429	67,463,816,194	10,186,243,103	483,714,814,057
Accumulated depreciation						
Opening balance	71,157,061,815	32,392,224,566	6,864,479,425	13,749,760,811	6,075,858,136	130,239,384,753
Charge for the year	24,066,591,852	9,489,338,091	1,576,088,209	10,472,022,136	888,444,829	46,492,485,117
Disposals	(34,486,498)	(487,283,247)	(957,389,417)	(6,981,036,914)	-	(8,460,196,076)
Closing balance	95,189,167,169	41,394,279,410	7,483,178,217	17,240,746,033	6,964,302,965	168,271,673,794
Net book value						
Opening balance	141,589,360,029	22,510,959,101	4,066,271,763	48,368,110,971	4,076,224,967	220,610,926,831
Closing balance	220,629,794,584	39,413,699,168	2,055,436,212	50,223,070,161	3,121,140,138	315,443,140,263

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Included in the cost of tangible fixed assets were assets costing VND29,241 million which were fully depreciated as of 31 December 2017 (1 January 2017: VND35,849 million), but which are still in active use.

At 31 December 2017 tangible fixed assets with carrying value of VND90,996 million (1 January 2017: VND41,434 million) were pledged with banks as security for loans granted to the Group.

11. Intangible fixed assets

	Indefinite lived land use rights VND	Definite lived land use rights VND	Software VND	Total VND
Cost				
Opening balance	20,697,299,091	10,932,464,000	2,712,679,350	34,342,442,441
Additions	-	51,211,524,140	1,430,232,000	52,641,756,140
Transfer from construction in progress	-	-	345,093,675	345,093,675
Closing balance	20,697,299,091	62,143,988,140	4,488,005,025	87,329,292,256
Accumulated amortisation				
Opening balance	-	4,178,190,742	2,311,795,541	6,489,986,283
Charge for the year	-	235,392,840	1,612,685,918	1,848,078,758
Closing balance	-	4,413,583,582	3,924,481,459	8,338,065,041
Net book value				
Opening balance	20,697,299,091	6,754,273,258	400,883,809	27,852,456,158
Closing balance	20,697,299,091	57,730,404,558	563,523,566	78,991,227,215

Included in the cost of intangible fixed assets were assets costing VND1,915 million which were fully depreciated as of 31 December 2017 (1 January 2017: VND1,815 million), but which are still in active use.

At 31 December 2017 intangible fixed assets with carrying value of VND20,697 million (1 January 2017: VND20,697 million) were pledged with banks as security for loans granted to the Group.

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12. Investment property

Investment property held to earn rental

	Land use rights VND	Buildings VND	Total VND
Cost			
Opening balance	68,707,047,550	736,899,537,661	805,606,585,211
Additions	-	77,803,547,887	77,803,547,887
Closing balance	68,707,047,550	814,703,085,548	883,410,133,098
Accumulated depreciation			
Opening balance	10,570,473,702	138,075,212,185	148,645,685,887
Charge for the year	-	23,215,889,150	23,215,889,150
Closing balance	10,570,473,702	161,291,101,335	171,861,575,037
Net book value			
Opening balance	58,136,573,848	598,824,325,476	656,960,899,324
Closing balance	58,136,573,848	653,411,984,213	711,548,558,061

Included in the cost of investment properties held to earn rental were assets costing VND8,748 million which were fully depreciated as of 31 December 2017 (1 January 2017: VND8,748 million), but which are still in active use.

At 31 December 2017 investment properties held to earn rental with carrying value of VND526,286 million (1 January 2017: VND539,959 million) were pledged with banks as security for loans granted to the Group.

The fair value of investment properties held to earn rental has not been determined as there were no recent market transactions for similar properties in the same location as the Group's investment properties held to earn rental and there is no active market for such properties.

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13. Construction in progress

	2017 VND	2016 VND
Opening balance	334,830,529,720	171,438,939,997
Additions during the year	344,533,978,169	125,632,131,916
Transfer to inventories	(57,543,338,423)	(56,793,573,710)
Transfer to tangible fixed assets	(118,592,835,130)	(11,215,484,522)
Transfer to intangible fixed assets	(345,093,675)	-
Transfer from tangible fixed assets	-	855,158,177
Transfer from intangible fixed assets	-	48,420,707,683
Transfer from investment property	-	57,306,554,900
Written off	-	(813,904,721)
Decrease through partial disposal of a subsidiary (Note 5)	(119,736,880,000)	-
Closing balance	383,146,360,661	334,830,529,720

Major constructions in progress were as follows:

	31/12/2017 VND	1/1/2017 VND
Mecure Son Tra, Da Nang Project	84,351,999,406	84,351,999,406
104 Pho Quang Project	263,154,634,444	37,264,371,710
Showroom of Savico Ha Noi	18,611,153,039	-
Showroom of Toyota Nam Dinh Branch of Toyota Giai Phong Joint Venture Company, a subsidiary	15,580,216,010	-
Showroom of Toyota Can Tho Company Limited, a subsidiary	676,615,951	16,835,211,045
Ho Tram, Xuyen Moc Project	243,853,083	243,853,083
Auto Mall Project	155,027,000	16,156,292,671
Show room Hyundai Song Han	90,272,728	-
66 – 68 Nam Ky Khoi Nghia Project	-	119,404,383,323
Showroom of Nam Song Hau Automobile Joint Stock Company, a subsidiary	-	45,690,790,037
Showroom of Saigon North West Automobile Joint Stock Company, a subsidiary	-	9,671,858,522
Showroom of Binh Dinh Automobile Corporation Company, a subsidiary	-	3,422,326,923
Volvo showroom	-	1,739,843,000
Others	282,589,000	49,600,000
	383,146,360,661	334,830,529,720

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14. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2017 VND	1/1/2017 VND
Office and house rental	827,806,770	6,684,832,123
Tools and supplies	2,901,392,174	3,604,902,340
Others	7,950,449,135	8,180,920,886
	<hr/>	<hr/>
	11,679,648,079	18,470,655,349

(b) Long-term prepaid expenses

	31/12/2017 VND	1/1/2017 VND
Tools and supplies	10,242,179,982	4,985,807,415
Prepaid land costs	2,108,990,485	3,311,434,317
Renovation expenses	1,187,170,471	1,734,948,016
Others	6,307,454,819	6,021,981,668
	<hr/>	<hr/>
	19,845,795,757	16,054,171,416

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15. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers

	31/12/2017		1/1/2017	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Hyundai Thanh Cong Auto				
Viet Nam Joint Stock Company	34,450,439,189	34,450,439,189	71,055,270,000	71,055,270,000
Suppliers in relation to Ford				
Brand	10,769,868,725	10,769,868,725	16,083,917,377	16,083,917,377
Suppliers in relation to Toyota				
Brand	10,957,339,007	10,957,339,007	7,301,678,645	7,301,678,645
Hino Motor Vietnam Limited	52,784,432,553	52,784,432,553	23,375,799,766	23,375,799,766
Veam Motor Vietnam Limited	39,926,097,872	39,926,097,872	2,785,458,704	2,785,458,704
Other suppliers	58,689,983,230	58,689,983,230	62,604,022,405	62,604,022,405
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	207,578,160,576	207,578,160,576	183,206,146,897	183,206,146,897

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16. Taxes and other payables to State Treasury

(a) Taxes and other payables to State Treasury

	1/1/2017 VND	Incurred VND	Net-off/ Reclassification VND	Paid VND	31/12/2017 VND
Taxes					
Value added tax	18,010,207,655	1,519,598,515,019	(1,221,925,454,623)	(299,545,152,160)	16,138,115,891
Corporate income tax	17,438,002,792	34,353,137,775	(210,617,065)	(40,155,148,919)	11,425,374,583
Personal income tax	3,768,337,781	16,682,569,659	95,014,877	(17,427,529,354)	3,118,392,963
Other obligations					
Land rental	54,948,413	289,827,076,870	-	(289,882,025,283)	-
Other obligations	1,659,110,996	9,235,944,587	-	(10,555,730,927)	339,324,656
	40,930,607,637	1,869,697,243,910	(1,222,041,056,811)	(656,770,084,326)	31,021,208,093

(b) Taxes receivable from State Treasury

	1/1/2017 VND	Net-off/ Reclassification VND	31/12/2017 VND
Taxes			
Corporate income tax	911,104,505	(210,617,065)	700,487,440
Personal income tax	2,788,754	95,014,877	97,803,631
	913,893,259	(115,602,188)	798,291,071

17. Accrued expenses

	31/12/2017 VND	1/1/2017 VND
Interest on borrowings	1,060,408,211	847,851,670
Rental fees	326,454,546	768,000,000
Salary and related expenses	8,951,134,473	5,520,419,349
Professional service fees	9,391,282,377	9,831,409,581
Accrued expenses for operating expenses	6,832,410,408	6,934,482,850
Others	20,395,994,124	20,124,537,821
	46,957,684,139	44,026,701,271

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18. Unearned revenue

(a) Unearned revenue – short-term

	31/12/2017 VND	1/1/2017 VND
Warranty and customer care services	2,669,058,100	34,640,000
Buildings rental revenue received in advance	-	67,252,462
Portion of long-term unearned revenue to be realised within 12 months	6,857,364,729	6,698,834,547
Others	281,309,396	6,399,242
	9,807,732,225	6,807,126,251

(b) Unearned revenue – long-term

	31/12/2017 VND	1/1/2017 VND
Buildings rental revenue received in advance	90,702,964,729	97,014,834,547
Amount to be realised within 12 months	(6,857,364,729)	(6,698,834,547)
Amount to be realised after 12 months	83,845,600,000	90,316,000,000

19. Other payables

(a) Other payables – short-term

	31/12/2017 VND	1/1/2017 VND
Dividends payable	1,362,239,925	1,359,883,505
Instalment contribution received from customers in relation to Tam Binh Residential Project	36,686,014,014	48,784,436,509
Payable to a third party in a real estate project (*)	338,409,629,546	86,080,042,873
Payable to a third party in relation to land rental paid on behalf of the Company	43,755,483,552	-
Payables to customers	3,613,219,302	3,186,211,761
Insurance premium collected on behalf of insurance agencies	1,459,504,445	3,976,194,008
Others	24,083,721,842	16,258,157,766
	449,369,812,626	159,644,926,422

(*) Payable to a party of a real estate project represented advance from this party under the Cooperation Agreement dated 10 July 2014 on a project at 104 Pho Quang.

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(b) Other payables – long-term

	31/12/2017 VND	1/1/2017 VND
Long-term deposits received	67,953,382,822	65,823,106,392
Shared profit from associate to a third party	-	4,865,984,384
Other long-term payables (*)	24,239,513,834	40,331,555,492
	<hr/>	<hr/>
Amount due after 12 months	92,192,896,656	111,020,646,268

(*) Other long-term payables, which were interest free, represented amounts contributed by business cooperation contract partners for participation in the Group's property projects as follows:

	31/12/2017 VND	1/1/2017 VND
Binh An Project	24,239,513,834	24,239,513,834
Land rental payable to land lessor	-	16,092,041,658
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	24,239,513,834	40,331,555,492

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20. Borrowings

(a) Short-term borrowings

	1/1/2017		Movements during the year		31/12/2017	
	Carrying amount VND	Amount within repayment capacity VND	Increase VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	932,797,817,691	932,797,817,691	8,417,722,765,057	(8,519,717,298,419)	830,803,284,329	830,803,284,329
Current portion of long-term borrowings	25,153,217,200	25,153,217,200	25,014,134,558	(25,153,217,200)	25,014,134,558	25,014,134,558
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	957,951,034,891	957,951,034,891	8,442,736,899,615	(8,544,870,515,619)	855,817,418,887	855,817,418,887

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

	Currency	Annual interest rate	31/12/2017 VND	1/1/2017 VND
▪ Vietnam Joint Stock Commercial Bank For Industry and Trade (Vietinbank)	VND	5% - 8.30%	350,571,411,328	174,970,896,352
▪ Vietnam Thuong Tin Commercial Joint Stock Bank (Vietbank)	VND	5% - 8.50%	211,047,850,904	45,792,690,000
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	VND	5% - 7%	94,222,007,053	295,278,290,257
▪ HSBC Bank (Vietnam) Ltd.	VND	4.60% - 5.50%	91,869,420,900	89,645,324,800
▪ ANZ Bank Vietnam Limited	VND	4.50% - 4.80%	46,119,997,200	32,165,721,250
▪ Military Commercial Joint Stock Bank (MB Bank)	VND	6.80% - 8.60%	13,467,336,261	70,047,963,500
▪ Bank for Investment and Development of Vietnam (BIDV)	VND	6.80%	10,429,238,354	2,870,005,000
▪ Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	VND	6%	8,231,959,829	-
▪ Vietnam Prosperity Joint Stock Commercial Bank (VP Bank)	VND	7.20%	3,544,062,500	19,293,089,273
▪ Loan from an individual	VND	5.80% - 8.50%	1,300,000,000	1,300,000,000
▪ Mizuho Bank, Ltd.	VND	2.70% - 5.40%	-	15,000,000,000
▪ Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank)	VND	8.50%	-	19,264,105,259
▪ Sumitomo Mitsui Banking Corporation (SMBC)	VND	2.60% - 5.60%	-	48,000,000,000
▪ Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	VND	7.20%	-	6,207,300,000
▪ The Bank of Tokyo Mitsubishi UFJ, Ltd.	VND	1.75% - 3.75%	-	89,500,000,000
▪ Vietnam International Commercial Joint Stock Bank (VIB)	VND	5.50% - 6%	-	18,462,432,000
▪ Orient Commercial Joint Stock Bank (OCB)	VND	8.50%	-	5,000,000,000
			830,803,284,329	932,797,817,691

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Included in short-term borrowings were VND174,011 million (1 January 2017: VND225,454 million) unsecured and VND656,792 million (1 January 2017: VND707,344 million) secured by the following assets:

	31/12/2017 VND	1/1/2017 VND
Cash equivalents	9,414,870,000	4,257,690,000
Inventories	382,141,735,049	213,229,659,734
Short-term investments	6,500,000,000	-
Tangible fixed assets	8,424,427,947	10,157,093,049
	406,481,032,996	227,644,442,783

(b) Long-term borrowings

	31/12/2017 VND	1/1/2017 VND
Long-term borrowings	397,968,905,746	384,770,941,895
Repayable within twelve months	(25,014,134,558)	(25,153,217,200)
	372,954,771,188	359,617,724,695

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

	Currency	Annual interest rate	Year of maturity	31/12/2017 VND	1/1/2017 VND
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	VND	10%	2020	293,985,585,900	297,300,000,000
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	VND	8%	2029	40,000,000,000	-
▪ Vietnam Joint Stock Commercial Bank For Industry and Trade (Vietinbank)	VND	8%	2025	20,400,000,000	23,642,848,800
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	VND	7.10%	2022	14,325,811,468	19,325,811,468
▪ Vietnam Public Joint Stock Commercial Bank (Pvcombank)	VND	9.50% - 12%	2024	11,565,010,993	12,590,635,783
▪ Orient Commercial Joint Stock Bank (OCB)	VND	10% - 10.40%	2025	8,900,000,000	10,100,000,000
▪ Vietnam Joint Stock Commercial Bank For Industry and Trade (Vietinbank)	VND	9%	2019	6,200,000,000	-
▪ Vietnam International Commercial Bank (Vietbank)	VND	7.20% - 7.60%	2019	1,054,967,893	2,000,576,293
▪ Military Commercial Joint Stock Bank (MB Bank)	VND	9.50%	2018	867,514,158	2,971,250,539
▪ Vietnam Joint Stock Commercial Bank For Industry and Trade (Vietinbank)	VND	8.50% - 10.50%	2021	670,015,334	871,027,334
▪ Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	VND	10% - 10.50%	2022	-	13,018,791,678
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	VND	11%	2019	-	2,500,000,000
▪ Ho Chi Minh Development Joint Stock Commercial Bank (HDbank)	VND	8%	2020	-	450,000,000
				397,968,905,746	384,770,941,895

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Included in long-term borrowings were VND8,900 million of unsecured borrowings (1 January 2017: VND10,550 million) and VND389,069 million of borrowings (1 January 2017: VND374,221 million) secured by the following assets:

	31/12/2017 VND	1/1/2017 VND
Inventories	-	27,564,760,190
Tangible fixed assets	82,572,007,348	31,277,368,199
Intangible fixed assets	20,697,299,091	20,697,299,091
Investment properties	526,286,191,862	539,958,957,655
Construction in progress	-	32,991,503,716
	629,555,498,301	652,489,888,851

21. Bonus and welfare fund

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

	2017 VND	2016 VND
Opening balance	22,168,124,301	15,839,027,240
Appropriation from retained profits (Note 22)	3,700,978,148	16,008,880,890
Re-appropriation to retained profits (Note 22)	(3,000,000,000)	-
Utilisation during the year	(8,945,995,694)	(9,679,783,829)
Closing balance	13,923,106,755	22,168,124,301

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22. Changes in owners' equity

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2016	249,955,730,000	317,064,858,303	-	(690,474,358)	43,550,163,077	198,727,250,046	252,525,118,016	1,061,132,645,084
Net profit for the year	-	-	-	-	-	122,992,852,474	50,826,950,026	173,819,802,500
Capital contribution by non-controlling interest	-	-	-	-	-	-	22,392,800,000	22,392,800,000
Appropriation to equity fund	-	-	-	-	3,106,875,899	(3,106,875,899)	-	-
Appropriation to bonus and welfare fund (Note 21)	-	-	-	-	-	(16,008,880,890)	-	(16,008,880,890)
Dividends (Note 24)	-	-	-	-	-	(34,965,709,800)	(30,251,713,651)	(65,217,423,451)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(3,633,650,904)	-	(3,633,650,904)
Share dividends received from a subsidiary	-	-	2,550,000,000	-	-	(2,550,000,000)	-	-
Balance at 1 January 2017	249,955,730,000	317,064,858,303	2,550,000,000	(690,474,358)	46,657,038,976	261,454,985,027	295,493,154,391	1,172,485,292,339
Net profit for the year	-	-	-	-	-	81,633,249,712	57,422,377,086	139,055,626,798
Capital contribution by non-controlling interest	-	-	-	-	-	-	30,128,740,000	30,128,740,000
Appropriation to equity funds	-	-	-	-	1,870,782,882	(1,870,782,882)	-	-
Appropriation to bonus and welfare fund (Note 21)	-	-	-	-	-	(2,049,094,694)	(1,651,883,454)	(3,700,978,148)
Re-Appropriation to bonus and welfare fund (Note 21)	-	-	-	-	-	3,000,000,000	-	3,000,000,000
Dividends (Note 24)	-	-	-	-	-	(29,970,608,400)	(29,262,352,512)	(59,232,960,912)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(3,089,994,040)	(698,274,798)	(3,788,268,838)
Share dividends received from a subsidiary	-	-	12,300,000,000	-	(988,652,746)	(11,311,347,254)	-	-
Decreased through partial disposal of subsidiary (Note 5)	-	-	-	-	-	-	(599,925,240)	(599,925,240)
Balance at 31 December 2017	249,955,730,000	317,064,858,303	14,850,000,000	(690,474,358)	47,539,169,112	297,796,407,469	350,831,835,473	1,277,347,525,999

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23. Share capital

The Company's authorised and issued share capital are:

	31/12/2017		1/1/2017	
	Number of shares	VND	Number of shares	VND
Authorised share capital	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Issued ordinary shares	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Treasury ordinary shares	(20,066)	(690,474,358)	(20,066)	(690,474,358)
Ordinary shares currently in circulation	24,975,507	249,265,255,642	24,975,507	249,265,255,642

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

There were no movements in share capital during the year.

24. Dividends

The General Meeting of Shareholders of the Company on 31 March 2017 resolved to distribute dividends of 2016 amounting to VND29,971 million (2016: VND34,966 million), which is equal to 12% of par value of shares in circulation at that time.

25. Investment and development fund

Investment and development fund was appropriated from retained profits in accordance with the resolution of General Meeting of Shareholders. This fund was established for the purpose of future business expansion. When the fund is utilised for business expansion, the amount utilised is transferred to Share capital.

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26. Off balance sheet items

(a) Leases

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

	31/12/2017 VND	1/1/2017 VND
Within one year	68,304,685,125	55,451,537,221
From two to five years	279,568,218,919	168,454,792,433
Over five years	197,293,850,095	250,098,583,482
	<hr/>	<hr/>
	545,166,754,139	474,004,913,136

(b) Goods held for third parties

	31/12/2017 VND	1/1/2017 VND
Goods held for third parties	216,346,324,401	195,199,287,268

27. Revenue from sales of goods and provision of services

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

Net revenue comprised of:

	2017 VND	2016 VND
Total revenue		
▪ Sales of real estate	16,340,873,687	120,048,476,587
▪ Sales of merchandise goods	12,702,430,569,632	12,660,921,393,799
▪ Services rendered	910,629,033,908	715,488,858,533
▪ Rental income	165,324,387,064	165,413,518,026
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	13,794,724,864,291	13,661,872,246,945
Less revenue deductions	(13,418,108,557)	(12,749,646,528)
	<hr/>	<hr/>
Net revenue	13,781,306,755,734	13,649,122,600,417

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28. Cost of goods sold and services provided

	2017 VND	2016 VND
Cost of real estate sold	9,705,017,756	102,847,216,723
Merchandise goods sold	12,461,214,310,341	12,410,468,193,440
Services rendered	555,539,249,896	363,009,487,554
Investment property rental services	57,204,498,462	59,524,331,606
(Reversal of allowance)/allowance for inventories	(22,746,099,398)	518,976,171
	<hr/>	<hr/>
	13,060,916,977,057	12,936,368,205,494

29. Financial income

	2017 VND	2016 VND
Interest income from deposits	3,833,731,149	3,068,516,495
Income from security trading	35,000,000	1,252,300,644
Dividends	3,955,929,300	3,153,564,300
Foreign exchange gains	711,323	688,009,469
Other financial income	13,445,603,736	7,430,748,317
	<hr/>	<hr/>
	21,270,975,508	15,593,139,225

30. Financial expenses

	2017 VND	2016 VND
Interest expense	90,915,434,287	66,862,508,991
Loss on partial disposal of investment in a subsidiary	8,385,122,777	-
Losses from security trading	-	1,888,650,244
Losses from liquidation of investments in associates	-	70,072,710
Security trading expenses	2,120,000	51,531,412
Foreign exchange losses	1,352,400	15,964,137
Allowance/(reversal of allowance) for diminution in the value of trading securities	3,994,532,000	(78,778,319)
Other financial expenses	4,575,656,035	2,082,674,437
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	107,874,217,499	70,892,623,612

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31. Selling expenses

	2017 VND	2016 VND
Labour costs and staff costs	196,515,118,670	170,828,641,809
Outside service expenses	82,804,219,761	69,832,732,161
Depreciation expenses	12,354,760,403	14,617,967,143
Tools and supplies	22,709,174,148	18,949,585,800
Support and commission expenses for distributors	25,135,449,251	29,015,586,886
Others	75,599,032,457	23,371,152,369
	<hr/>	<hr/>
	415,117,754,690	326,615,666,168

32. General and administration expenses

	2017 VND	2016 VND
Labour costs and staff costs	108,046,674,768	97,927,166,623
Outside service expenses	56,881,146,008	52,836,231,854
Depreciation expenses	14,367,120,609	7,915,669,468
Others	63,057,520,868	51,524,721,081
	<hr/>	<hr/>
	242,352,462,253	210,203,789,026

33. Other income

	2017 VND	2016 VND
Gains on disposals of tangible fixed assets	1,694,002,773	2,048,087,583
Deductions in payables granted by suppliers	126,965,249,954	36,860,704,421
Commission received from other parties	38,213,006,884	22,713,837,638
Compensation received from a party for cancellation of agreement	396,605,869	309,000,000
Others	18,934,037,128	13,100,321,599
	<hr/>	<hr/>
	186,202,902,608	75,031,951,241

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34. Other expenses

	2017 VND	2016 VND
Losses on fixed assets written off	-	314,463,860
Losses on construction in progress written off	-	813,904,721
Compensation paid to customers for cancellation of agreements	369,120,000	630,652,210
Tax penalties for late payments	662,585,057	982,111,528
Others	1,816,625,317	465,744,794
	<hr/>	<hr/>
	2,848,330,374	3,206,877,113

35. Trading and business costs by element

	2017 VND	2016 VND
Cost of real estate sold	9,705,017,756	102,847,216,723
Cost of merchandise goods	12,734,292,664,568	12,454,697,647,419
Labour costs and staff costs	416,988,804,987	365,962,775,579
Depreciation and amortisation	71,556,453,025	55,968,378,088
Outside services	260,003,119,736	209,455,141,273
Other expenses	225,841,133,928	284,256,501,606
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36. Income tax

(a) Recognised in the balance sheet

	31/12/2017 VND	1/1/2017 VND
Deferred tax assets		
Accrued expenses	2,584,589,729	2,227,769,239
Tax losses carry-forwards	-	948,085,753
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	2,584,589,729	3,175,854,992

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(b) Recognised in the statement of income

	2017 VND	2016 VND
Current tax expense		
Current year	33,459,518,503	37,831,746,134
Under provision in prior years	893,619,272	1,087,251,913
	34,353,137,775	38,918,998,047
Deferred tax expenses/(benefit)		
Origination and reversal of temporary differences	(370,235,197)	363,255,230
Benefit of tax losses utilised/(recognised)	948,085,753	(948,085,753)
	577,850,556	(584,830,523)
Income tax expense	34,930,988,331	38,334,167,524

(c) Reconciliation of effective tax rate

	2017 VND	2016 VND
Profit before tax	173,986,615,129	212,153,970,024
Tax at income rate applicable to the Company	34,797,323,026	42,430,794,005
Non-deductible expenses	1,296,958,299	182,579,881
Non-taxable income	(1,523,056,169)	(5,062,398,412)
Deferred tax assets not recognised	1,254,788,040	2,041,960,592
Deferred tax assets not recognised on reversal of allowance for diminution in the value of investments in subsidiaries and associates	(1,788,644,137)	(2,346,020,455)
Under provision in prior years	893,619,272	1,087,251,913
	34,930,988,331	38,334,167,524

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

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(d) Applicable tax rates

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

37. Basic earnings per share

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

(i) Net profit attributable to ordinary shareholders

	2017 VND	2016 VND
Net profit attributable to ordinary shareholders of Saigon General Service Corporation	81,633,249,712	122,992,852,474
Appropriation to bonus and welfare fund	(2,049,094,694)	(16,008,880,890)
Re-appropriation to retained profits	3,000,000,000	-
Appropriation to Board of Management and Supervisory Board fee fund	(3,089,994,040)	(3,633,650,904)
	79,494,160,978	103,350,320,680

(ii) Weighted average number of ordinary shares

	2017 Number of shares	2016 Number of shares
Weighted average number of ordinary shares	24,975,507	24,975,507

As of 31 December 2017, the Group did not have potentially dilutive ordinary shares.

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38. 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.

Transactions with key management personnel

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

	2017 VND	2016 VND
Board of Management	2,184,000,000	2,061,138,000
Board of Directors	438,680,000	542,862,000
Supervisory Board	613,200,000	502,500,000
	3,235,880,000	3,106,500,000

Other related party transactions

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

Related party	Relationship	Nature of transaction	2017 VND	2016 VND
Toyota East Saigon Joint Stock Company (TESC)	Associate	Capital contribution	12,307,350,000	-
		Purchases of cars	3,170,909,089	39,436,363,620
		Purchases of fixed assets	5,346,478,180	-
		Dividends	4,114,170,000	3,085,627,500
South West Start Automobile Joint Stock Company	Associate	Capital contribution	6,570,000,000	-
		Loan granted to associate	-	3,000,000,000
		Other financial income	40,833,333	-
Toyota Ly Thuong Kiet Company Limited	Associate	Capital contribution	4,925,119,945	-
		Sales of cars	31,759,830,942	30,482,014,995
		Purchases of cars	29,786,267,735	55,762,372,730
		Dividends	11,900,691,000	-
		Loan granted to associate	15,000,000,000	-
Savico Investment Joint Stock Company	Associate	Capital contribution	16,600,000,000	-
		Loan granted to associate	10,000,000,000	-
		Purchase of service	1,188,927,266	-
		Other financial income	92,083,333	-

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Related party	Relationship	Nature of transaction	2017 VND	2016 VND
Bac Au Hanoi Automobile Limited Company	Associate	Capital contribution	5,000,000,000	-
		Sales of service	2,547,601,405	-
Binh Duong New City Automobile Service Joint Stock Company	Associate	Capital contribution	5,500,000,000	-
		Dividends	453,750,000	-
Binh Thuan Automotive Service Joint Stock Company	Associate	Capital contribution	10,000,000,000	-
Ben Thanh Tay Ninh Automobile Corporation	Associate	Capital contribution	7,500,000,000	-
Dana Joint Stock Company (DANA FORD)	Associate	Sales of cars	3,461,567,301	1,729,595,800
		Purchase of cars	-	1,463,636,363
		Dividends	1,812,150,000	1,268,505,000
		Other income	82,233,668	-
Bac Au Automobile Joint Stock Company	Associate	Capital contribution	-	30,200,000,000
Ben Thanh Group	Shareholder	Disposals of investment	-	12,000,000,000

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39. Non-cash investing activities

	2017 VND	2016 VND
Net-off accounts receivable from customers against other payables – long-term in relation to sales of real estate	-	81,002,654,520
Investment property acquired but not yet paid	43,755,483,552	-
Net off receivables from disposal of investments in associate against other payables – long-term	18,600,000,000	-
Net-off receivables from disposal of investments in subsidiary against advances from customers	10,000,000,000	-
Investments in associate acquired by netting-off against loan receivables – short-term	9,800,000,000	-
Investment in associates acquired by netting off against other receivables – short-term	800,000,000	-
Netting off account receivable from customers against loan receivables – short-term	200,000,000	-

20 March 2018

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director





SAVICO

SAIGON GENERAL SERVICE CORPORATION

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

Tel.: (84-28) 3821 3913
Fax: (84-28) 3821 3553 / 3821 5992

Email: savico@savico.com.vn

Website: www.savico.com.vn