

**Saigon General Service Corporation
and its subsidiaries**

Consolidated financial statements for the
year ended 31 December 2012

Saigon General Service Corporation Corporate information

Decision No.	3448/QD-UB 3449/QD-UB	9 July 2004 9 July 2004
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These decisions were issued by the Ho Chi Minh City People's Committee.

Business Licence	4103002955	15 December 2004
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The Company's business licence has been amended several times, the most recent of which is by business licence No. 0301154821 dated 15 October 2009. The business licence was issued by Ho Chi Minh City Planning and Investment Department.

Board of Management	Mr. Nguyen Vinh Tho Mr. Nguyen Binh Minh Mr. Ta Phuoc Dat Mr. Vo Hien Mr. Te Tri Dung Mr. Luong Quang Hien Mr. Le Hung	Chairman Member Member Member Member Member Member
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Board of Directors	Mr. Nguyen Vinh Tho Mr. Nguyen Binh Minh Mr. Ta Phuoc Dat Mr. Vo Hien Mr. Phan Tuan Dung Mr. Mai Viet Ha	General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director
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Supervisory board	Mr. Le Xuan Duc Ms. Nguyen Phuong Loan Mr. Nguyen Cong Binh	Head of the Board Member Member
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Registered Office	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam
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Auditors	KPMG Limited Vietnam
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Saigon General Service Corporation Statement of the Board of Directors

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

- (a) the consolidated financial statements set out on pages 4 to 56 are prepared and presented so as to give a true and fair view of the consolidated financial position of Saigon General Service Corporation and its subsidiaries (together referred to as “the Group”) as at 31 December 2012, and of the consolidated results of operations and the consolidated cash flows of the Group for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements; 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 these consolidated financial statements for issue.

On behalf of the Board of Directors

Nguyen Vinh Tho
General Director

Ho Chi Minh City, 18 March 2013

INDEPENDENT AUDITORS' REPORT

**To the Shareholders
Saigon General Service Corporation**

Scope

We have audited the accompanying consolidated balance sheet of Saigon General Service Corporation (“the Company”) and its subsidiaries (“together referred to as “the Group”) as of 31 December 2012 and the related 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 management on 18 March 2013, as set out on pages 4 to 56. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Saigon General Service Corporation and its subsidiaries as of 31 December 2012 and of their consolidated results of operations and their cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

KPMG Limited

Vietnam

Investment Certificate No: 011043000345

Audit Report No: 12-01-325

Chang Hung Chun
CPA No. N0863/KTV
Deputy General Director

Le Duc Phong
CPA No. 0465/KTV

Ho Chi Minh City, 18 March 2013

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2012

Form B 01 – DN/HN

	Code	Note	31/12/2012 VND	31/12/2011 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		747,081,796,641	718,944,048,040
Cash and cash equivalents	110	5	222,128,381,716	112,173,337,974
Cash	111		102,304,749,716	68,164,867,974
Cash equivalents	112		119,823,632,000	44,008,470,000
Short-term investments	120	6	12,882,052,543	31,176,951,543
Short-term investments	121		54,802,052,543	65,732,791,851
Allowance for diminution in the value of short-term investments	129		(41,920,000,000)	(34,555,840,308)
Accounts receivable – short-term	130	7	229,518,139,126	227,356,980,724
Accounts receivable – trade	131		129,633,958,381	101,414,572,508
Prepayments to suppliers	132		33,607,945,565	40,455,215,942
Other receivables	135		66,817,856,373	86,169,126,713
Allowance for doubtful debts	139		(541,621,193)	(681,934,439)
Inventories	140	8	250,708,828,148	317,575,947,668
Inventories	141		254,292,384,761	322,287,800,439
Allowance for inventories	149		(3,583,556,613)	(4,711,852,771)
Other current assets	150		31,844,395,108	30,660,830,131
Short-term prepayments	151		5,490,505,593	3,425,135,195
Deductible value added tax	152		7,738,213,381	6,276,805,374
Taxes receivable from State Treasury	154		146,198,012	140,000
Other current assets	158		18,469,478,122	20,958,749,562
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		1,967,497,112,755	2,005,705,337,523
Accounts receivable – long-term	210		10,243,477,357	4,345,621,247
Other long-term receivables	218		10,243,477,357	4,345,621,247
Fixed assets	220		678,150,706,078	629,960,488,823
Tangible fixed assets	221	9	136,942,499,397	135,179,405,270
Cost	222		197,565,257,446	177,048,103,836
Accumulated depreciation	223		(60,622,758,049)	(41,868,698,566)
Finance lease tangible fixed assets	224	10	2,843,865,888	5,081,567,819
Cost	225		5,280,483,547	8,099,678,641
Accumulated depreciation	226		(2,436,617,659)	(3,018,110,822)
Intangible fixed assets	227	11	45,755,313,252	46,919,685,181
Cost	228		53,234,671,840	52,977,326,840
Accumulated amortisation	229		(7,479,358,588)	(6,057,641,659)
Construction in progress	230	12	492,609,027,541	442,779,830,553

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

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2012 (continued)

Form B 01 – DN/HN

	Code	Note	31/12/2012 VND	31/12/2011 VND
Investment property	240	13	789,761,318,322	745,445,006,731
<i>Cost</i>	241		852,876,235,162	783,175,706,816
<i>Accumulated depreciation</i>	242		(63,114,916,840)	(37,730,700,085)
Long-term investments	250	14	392,762,709,744	537,792,105,185
Investments in associates	252		92,508,120,585	169,375,402,896
Other long-term investments	258		313,846,191,920	382,552,961,223
Allowance for diminution in the value of long-term investments	259		(13,591,602,761)	(14,136,258,934)
Other long-term assets	260		96,578,901,254	88,162,115,537
Long-term prepayments	261	15	58,368,910,916	48,861,518,233
Deferred tax assets	262	33	4,435,223,646	5,582,297,781
Long-term deposits	268		33,600,828,731	33,544,361,562
Goodwill	269		173,937,961	173,937,961
TOTAL ASSETS (270 = 100 + 200)	270		2,714,578,909,396	2,724,649,385,563

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

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2012 (continued)

Form B 01 – DN/HN

	Code	Note	31/12/2012 VND	31/12/2011 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		1,812,117,315,097	1,828,102,659,059
Current liabilities	310		908,774,572,171	934,325,933,360
Short-term borrowings	311	16	443,331,700,741	410,985,178,557
Accounts payable – trade	312		123,557,324,741	184,400,476,892
Advances from customers	313		111,015,570,172	124,179,037,603
Taxes payable to State Treasury	314	17	38,022,554,914	27,618,572,089
Payables to employees	315		52,890,709,012	56,986,161,767
Accrued expenses	316	18	33,272,350,669	16,678,038,149
Other short-term payables	319	19	100,034,371,577	105,624,966,630
Bonus and welfare fund	323	20	6,649,990,345	7,853,501,673
Long-term liabilities	330		903,342,742,926	893,776,725,699
Other long-term liabilities	333	21	218,497,259,192	166,197,375,962
Long-term borrowings	334	22	560,910,473,936	537,153,278,135
Provision – long-term	337		-	2,689,325,256
Unearned revenue	338	23	123,935,009,798	187,736,746,346
EQUITY (400 = 410)	400		733,037,908,229	740,977,942,031
Owners' equity	410	24	733,037,908,229	740,977,942,031
Share capital	411	25	249,955,730,000	249,955,730,000
Capital surplus	412		317,064,858,303	317,064,858,303
Treasury shares	414	25	(690,474,358)	(690,474,358)
Foreign exchange differences	416		5,093,483,305	5,093,483,305
Investment and development fund	417		18,718,976,700	18,684,019,711
Financial reserve	418		17,802,254,521	17,685,506,194
Retained profits	420		125,093,079,758	133,184,818,876
MINORITY INTEREST	439	26	169,423,686,070	155,568,784,473
TOTAL RESOURCES (440 = 300 + 400 + 439)	440		2,714,578,909,396	2,724,649,385,563

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

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2012 (continued)

Form B 01 – DN/HN

OFF BALANCE SHEET ITEMS

	31/12/2012	31/12/2011
Foreign currencies included in cash:		
USD	1,284	904
EUR	-	5
Goods held for third parties – denominated in VND	9,414,202,856	2,419,999,999

Prepared by: 18 March 2013

Approved by:

Hoang Thi Thao
Chief Accountant

Nguyen Vinh Tho
General Director

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the year ended 31 December 2012

Form B 02 – DN/HN

	Code	Note	2012 VND	2011 VND
Total revenue	01	27	5,433,311,343,732	6,174,258,672,347
Less revenue deductions	02	27	(19,236,013,145)	(18,946,646,398)
Net revenue (10 = 01 + 02)	10	27	5,414,075,330,587	6,155,312,025,949
Cost of sales	11	28	(5,029,510,240,979)	(5,749,106,306,446)
Gross profit (20 = 10 + 11)	20		384,565,089,608	406,205,719,503
Financial income	21	29	28,000,371,572	58,884,858,683
Financial expenses	22	30	(183,126,681,603)	(145,892,638,681)
<i>In which: Interest expense</i>	23		<i>(150,237,362,999)</i>	<i>(120,072,307,725)</i>
Selling expenses	24		(171,735,808,169)	(146,918,029,452)
General and administration expenses	25		(150,001,408,988)	(142,144,553,505)
Net operating (loss)/profit (30 = 20 + 21 + 22 + 24 + 25)	30		(92,298,437,580)	30,135,356,548
Other income	31	31	157,672,850,479	84,189,220,658
Other expenses	32	32	(10,070,265,819)	(5,243,693,705)
Results of other activities (40 = 31 + 32)	40		147,602,584,660	78,945,526,953
Share of profit in associates	41	14	6,191,891,525	8,852,824,930
Profit before tax (50 = 30 + 40 + 41)	50		61,496,038,605	117,933,708,431
Income tax expense – current	51	33	(13,587,740,292)	(29,859,630,230)
Income tax expense – deferred	52	33	(1,147,074,135)	(6,641,629,015)
Net profit after tax (60 = 50 + 51+ 52)	60		46,761,224,178	81,432,449,186

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the year ended 31 December 2012 (continued)

Form B 02 – DN/HN

	Code	Note	2012 VND	2011 VND
Net profit after tax (60 = 50 + 51+ 52)			46,761,224,178	81,432,449,186
Attributable to :				
Minority interest	61	26	1,916,041,556	36,808,986,590
Equity holders of the Company	62		44,845,182,622	44,623,462,596
Basic earnings per share	70	34	1,796	1,787

Prepared by: 18 March 2013

Approved by:

Hoang Thi Thao
Chief Accountant

Nguyen Vinh Tho
General Director

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2012
(Indirect method)

Form B 03 – DN/HN

	Code	Note	2012 VND	2011 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		61,496,038,605	117,933,708,431
Adjustments for				
Depreciation and amortisation	02		47,141,651,297	46,132,711,007
Allowances and provisions	03		(2,190,922,172)	11,852,627,980
Gains on disposals of assets	05		(1,323,371,059)	(1,200,770,707)
Gains on disposals of investment properties	05		(4,162,663,573)	-
Gains on partial disposal of investments in associate	05		-	(26,236,344,546)
Losses/(gain) on trading securities	05		13,116,458,898	(7,654,448,170)
Dividends and interest income	05		(14,795,042,917)	(11,983,181,170)
Income from associates			(6,191,891,525)	(8,852,824,930)
Interest expense	06		150,237,362,999	120,072,307,725
Operating profit before changes in working capital	08		243,327,620,553	240,063,785,620
Change in receivables and other current assets	09		3,105,176,555	166,850,020,981
Change in inventories	10		67,030,587,263	(42,397,458,625)
Change in payables and other liabilities	11		(82,394,991,386)	226,003,904,756
			231,068,392,985	590,520,252,732
Interest paid	13		(151,153,530,579)	(104,743,224,748)
Corporate income tax paid	14		(12,033,294,739)	(26,995,074,419)
Other payments for operating activities	16		(15,214,551,869)	(11,452,951,287)
Net cash flow from operating activities	20		52,667,015,798	447,329,002,278

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2012
(Indirect method - continued)

Form B 03 – DN/HN

	Code	Note	2012 VND	2011 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(152,226,753,485)	(643,945,821,823)
Proceeds from disposals of fixed assets	22		5,662,687,299	3,471,818,179
Proceeds from disposals of investment properties	22		11,346,006,102	-
Proceeds from trading securities			152,339,211,000	48,454,142,290
Payments for investments in other entities	25		-	(29,283,111,566)
Receipts of dividends and interest	27		14,795,042,917	17,368,840,396
Payments for other non-current assets			(5,954,323,279)	(293,846,312)
Proceeds from partial disposal of investments in associate			-	105,202,800,000
Net cash flow from investing activities	30		25,961,870,554	(499,025,178,836)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		3,209,332,127,206	2,054,533,123,027
Payments to settle debts	34		(3,150,967,875,720)	(1,931,008,374,754)
Proceeds from equity issued by subsidiaries to minority interest			23,402,800,000	1,650,000,000
Payments for financial lease liabilities	35		(2,260,533,501)	(1,679,165,600)
Payments of dividends to equity holders of the Company	36		(37,463,260,500)	(37,436,928,000)
Payments of dividends by subsidiaries to minority interest			(10,717,100,095)	(28,686,935,044)
Net cash flow from financing activities	40		31,326,157,390	57,371,719,629
Net cash flows during the year (50 = 20 + 30 + 40)	50		109,955,043,742	5,675,543,071
Cash and cash equivalents at the beginning of the year	60		112,173,337,974	106,497,794,903
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	222,128,381,716	112,173,337,974

18 March 2013

Prepared by:

Approved by:

Hoang Thi Thao
Chief Accountant

Nguyen Vinh Tho
General Director

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

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2012

Form B 09 – DN/HN

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

1. Reporting Entity

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

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

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

The consolidated financial statements of the Group for the year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

As at 31 December 2012, the Group had 1,568 employees (31 December 2011: 1,455 employees).

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 and the relevant statutory requirements.

(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 Company is from 1 January to 31 December.

(d) Accounting currency

The consolidated financial statements are prepared and presented in Vietnam Dong (“VND”).

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2012
(continued)

Form B 09 – DN/HN

3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

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

(iii) Transactions eliminated on consolidation

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

(b) Foreign currency transactions

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

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 2012
(continued)

Form B 09 – DN/HN

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

(i) Classification

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

(ii) Recognition

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

(iii) Measurement

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

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

(iv) Impairment

The allowance for diminution of publicly traded securities is made in accordance with the current regulations as issued by the Ministry of Finance. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(v) Derecognition

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

(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 merchandise inventories 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.

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2012
(continued)

Form B 09 – DN/HN

(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) Financial lease tangible fixed assets

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

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

(i) Intangible fixed assets

(i) Land use rights

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

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2012
(continued)

Form B 09 – DN/HN

(ii) Software

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

(j) Construction in progress

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

(k) Investment property

(i) Cost

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

(ii) Depreciation

Land use rights with indefinite period are not amortised. Land use rights with definite period 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

(l) Long-term prepayments

(i) Pre-operating expenses

Pre-operating expenses are recorded in the consolidated statement of income, except for establishment costs and expenditure on training, advertising and promotional activities incurred from the incorporation date to the commercial operation date. These expenses are recognised as long-term prepayments, initially stated at cost, and are amortised on a straight line basis over 3 years starting from the date of commercial operation.

(ii) Prepaid land costs

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

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Notes to the consolidated financial statements for the year ended 31 December 2012
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(iii) Tools and supplies

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

(m) Goodwill

Goodwill arises on the acquisition of subsidiary. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in the consolidated statement of income. Goodwill is amortised on a straight-line basis over 5 years.

(n) Trade and other payables

Trade and other payables are stated at their cost.

(o) Provisions

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

Severance allowance

Under the Vietnamese Labour Code, when an employee who have worked for 12 months or more ("the eligible employee") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of an employee's basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as of 31 December 2012 will be determined based on the eligible employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

(p) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Group's consolidated financial position and consolidated results of operations and the nature and extent of risk arising from financial instruments, the Group classifies its financial instruments as follow:

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(i) *Financial assets*

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Group as at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Group has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Group intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Group upon initial recognition designates as available-for-sale; or
- for which the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

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(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held for trading. A financial liability is considered as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Group as at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

(q) Taxation

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

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

(r) 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.

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Notes to the consolidated financial statements for the year ended 31 December 2012
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(s) Revenue

(i) Goods sold

Revenue from the sale of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

(ii) Services rendered

Revenue from services rendered is recognised in the 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.

(iii) 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.

(t) 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

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

(u) 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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(v) 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.

(w) Earnings per share

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

(x) 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.

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Notes to the consolidated financial statements for the year ended 31 December 2012 (continued)

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4. Segment reporting

	Services and trading		Investment property services		Financial services		Total	
	2012 VND	2011 VND	2012 VND	2011 VND	2012 VND	2011 VND	2012 VND	2011 VND
Segment revenue	5,121,421,334,803	6,133,398,793,382	451,417,333,405	139,200,099,054	17,147,987,958	19,977,167,568	5,589,986,656,166	6,292,576,060,004
Direct and attributable expenses to segment	(5,129,203,717,009)	(6,064,375,828,265)	(367,604,521,828)	(83,548,416,898)	(37,565,900,902)	(36,867,283,474)	(5,534,374,139,739)	(6,184,791,528,637)
Segment profit during the year	(7,782,382,206)	69,022,965,117	83,812,811,577	55,651,682,156	(20,417,912,944)	(16,890,115,906)	55,612,516,427	107,784,531,367
Un-allocated income							15,953,787,997	14,662,870,216
Un-allocated expense							(10,070,265,819)	(4,513,693,152)
							61,496,038,605	117,933,708,431

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Notes to the consolidated financial statements for the year ended 31 December 2012 (continued)

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	Services and trading		Investment property services		Financial services		Total	
	31/12/2012 VND	31/12/2011 VND	31/12/2012 VND	31/12/2011 VND	31/12/2012 VND	31/12/2011 VND	31/12/2012 VND	31/12/2011 VND
Assets								
Current assets	434,412,960,475	466,721,372,771	296,504,746,093	221,045,723,726	16,164,090,073	31,176,951,543	747,081,796,641	718,944,048,040
Non-current assets	782,940,024,149	612,815,201,358	1,145,872,526,787	1,042,330,127,832	34,249,338,173	344,977,710,552	1,963,061,889,109	2,000,123,039,742
Un-allocated assets	-	-	-	-	-	-	4,435,223,646	5,582,297,781
	1,217,352,984,624	1,079,536,574,129	1,442,377,272,880	1,263,375,851,558	50,413,428,246	376,154,662,095	2,714,578,909,396	2,724,649,385,563
Liabilities								
Current liabilities	823,482,927,952	511,553,030,564	81,295,998,524	378,217,918,994	12,097,744,768	44,554,983,802	916,876,671,244	934,325,933,360
Non-current liabilities	48,994,250,102	42,732,732,810	846,246,393,751	823,750,526,619	-	27,293,466,270	895,240,643,853	893,776,725,699
	872,477,178,054	554,285,763,374	927,542,392,275	1,201,968,445,613	12,097,744,768	71,848,450,072	1,812,117,315,097	1,828,102,659,059
For the year ended:								
Depreciation and amortisation	28,225,207,471	30,953,900,979	18,916,443,826	15,178,810,028	-	-	47,141,651,297	46,132,711,007
Allowances and provisions	(163,467,743)	(9,229,322)	-	-	(2,027,454,429)	(11,843,398,658)	(2,190,922,172)	(11,852,627,980)
Capital expenditure	21,375,974,756	50,900,834,467	130,850,778,729	593,338,833,668	-	-	152,226,753,485	644,239,668,135

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5. Cash and cash equivalents

	31/12/2012	31/12/2011
	VND	VND
Cash on hand	8,469,381,004	6,257,567,567
Cash in banks	93,043,379,985	61,907,300,407
Cash equivalents	120,615,620,727	44,008,470,000
	<hr/>	<hr/>
	222,128,381,716	112,173,337,974
	<hr/>	<hr/>

6. Short-term investments

	31/12/2012	31/12/2011
	VND	VND
Short-term investments in:		
▪ Listed shares	31,500,000,000	42,432,791,851
▪ OTC shares	23,302,052,543	23,300,000,000
	<hr/>	<hr/>
	54,802,052,543	65,732,791,851
Allowance for diminution in value of short-term investments	(41,920,000,000)	(34,555,840,308)
	<hr/>	<hr/>
	12,882,052,543	31,176,951,543
	<hr/>	<hr/>

Short-term investments represented investments in the following shares:

	31/12/2012	
	Quantity	VND
Equity instruments – short-term investments in shares of:		
- Orient Securities Corporation	2,400,000	31,500,000,000
- Construction Investment and Export Import Number 2 Joint Stock Company	500,000	14,000,000,000
- Toan Cau Insurance Company	180,000	6,300,000,000
- Merufa Joint Stock Company	110,000	3,000,000,000
- Hai Phong Securities Joint Stock Company	205	2,052,543
	<hr/>	<hr/>
	3,190,205	54,802,052,543
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As at 31 December 2012, the fair value of short-term investments in securities based on quoted market price of these instruments as of 31 December 2012 was VND5,520,000,000.

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

	2012 VND	2011 VND
Opening balance	34,555,840,308	12,963,221,528
Increase in allowance during the year	7,364,159,692	11,452,618,780
Reclassification from allowance for diminution in value of long-term investments	-	10,140,000,000
	<hr/>	<hr/>
Closing balance	41,920,000,000	34,555,840,308
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At 31 December 2012 short-term investments with a carrying value of VND12,880 million (31 December 2011: VND26,660 million) were pledged with banks as security for loans granted to the Group.

7. Accounts receivable – short-term

Accounts receivable – short-term as of 31 December 2012 included VND5,777 million (31 December 2011: VND70,762 million) due from related parties.

Prepayments to suppliers as of 31 December 2012 included amounts prepaid for acquisition of buildings and construction services of VND7,710 million (31 December 2011: VND21,694 million).

8. Inventories

	31/12/2012 VND	31/12/2011 VND
Goods in transit	1,673,255,245	3,269,256,171
Materials and spare parts	27,344,587,718	6,941,927,038
Work in progress	1,666,882,916	2,061,221,630
Finished goods	331,611,805	359,449,103
Merchandise inventories	223,080,346,944	309,351,155,455
Goods on consignment	195,700,133	304,791,042
	<hr/>	<hr/>
	254,292,384,761	322,287,800,439
Allowance for inventories	(3,583,556,613)	(4,711,852,771)
	<hr/>	<hr/>
	250,708,828,148	317,575,947,668
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the consolidated financial statements for the year ended 31 December 2012
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Movements in the allowance for inventories during the year were as follows:

	2012 VND	2011 VND
Opening balance	4,711,852,771	4,825,043,063
Allowance utilised during the year	(354,214,900)	(103,960,970)
Written back	(774,081,258)	(9,229,322)
	<hr/>	<hr/>
Closing balance	3,583,556,613	4,711,852,771
	<hr/>	<hr/>

At 31 December 2012 inventories with a carrying value of VND151,684 million (31 December 2011: VND59,413 million) were pledged with banks as security for loans granted to the Group.

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Notes to the consolidated financial statements for the year ended 31 December 2012 (continued)

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9. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Cost						
Opening balance	113,011,554,925	28,785,945,329	9,698,518,357	19,815,719,258	5,736,365,967	177,048,103,836
Additions	4,607,454,689	5,792,489,296	950,287,942	9,721,483,829	46,914,000	21,118,629,756
Transfers from construction in progress	3,081,796,293	-	-	-	-	3,081,796,293
Transfers from finance lease tangible fixed assets	-	2,819,195,094	-	-	-	2,819,195,094
Disposals	-	(13,636,364)	(677,687,132)	(5,811,144,037)	-	(6,502,467,533)
Closing balance	120,700,805,907	37,383,993,355	9,971,119,167	23,726,059,050	5,783,279,967	197,565,257,446
Accumulated depreciation						
Opening balance	19,187,280,256	10,486,059,491	4,761,419,551	6,178,436,953	1,255,502,315	41,868,698,566
Charge for the year	7,755,266,686	5,109,238,038	1,990,345,416	3,262,143,362	799,450,324	18,916,443,826
Disposals	-	(4,545,459)	(472,971,786)	(1,685,634,048)	-	(2,163,151,293)
Transfers from finance lease tangible fixed assets	-	2,000,766,950	-	-	-	2,000,766,950
Closing balance	26,942,546,942	17,591,519,020	6,278,793,181	7,754,946,267	2,054,952,639	60,622,758,049
Net book value						
Opening balance	93,824,274,669	18,299,885,838	4,937,098,806	13,637,282,305	4,480,863,652	135,179,405,270
Closing balance	93,758,258,965	19,792,474,335	3,692,325,986	15,971,112,783	3,728,327,328	136,942,499,397

Included in the cost of tangible fixed assets were assets costing VND15,432 million which were fully depreciated as of 31 December 2012 (31 December 2011: VND13,779 million), but which are still in active use.

At 31 December 2012 tangible fixed assets with a carrying value of VND3,064 million (31 December 2011: VND3,468 million) were pledged with banks as security for loans granted to the Group.

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10. Finance lease tangible fixed assets

	Machinery and equipment VND	Office equipment VND	Total VND
Cost			
Opening balance	2,819,195,094	5,280,483,547	8,099,678,641
Transfers to tangible fixed assets	(2,819,195,094)	-	(2,819,195,094)
<hr/>			
Closing balance	-	5,280,483,547	5,280,483,547
<hr/>			
Accumulated depreciation			
Opening balance	1,452,590,125	1,565,520,697	3,018,110,822
Charge for the year	548,176,825	871,096,962	1,419,273,787
Transfers to tangible fixed assets	(2,000,766,950)	-	(2,000,766,950)
<hr/>			
Closing balance	-	2,436,617,659	2,436,617,659
<hr/>			
Net book value			
Opening balance	1,366,604,969	3,714,962,850	5,081,567,819
Closing balance	-	2,843,865,888	2,843,865,888
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At the end of each of the leases the Group has the option to purchase the equipment at a beneficial price. The leased equipment secures the lease obligations.

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11. Intangible fixed assets

	Indefinite land use rights VND	Definite land use rights VND	Software VND	Total VND
Cost				
Opening balance	14,634,054,300	36,486,639,190	1,856,633,350	52,977,326,840
Additions	-	-	257,345,000	257,345,000
Closing balance	14,634,054,300	36,486,639,190	2,113,978,350	53,234,671,840
Accumulated amortisation				
Opening balance	-	5,192,361,004	865,280,655	6,057,641,659
Charge for the year	-	876,700,512	545,016,417	1,421,716,929
Closing balance	-	6,069,061,516	1,410,297,072	7,479,358,588
Net book value				
Opening balance	14,634,054,300	31,294,278,186	991,352,695	46,919,685,181
Closing balance	14,634,054,300	30,417,577,674	703,681,278	45,755,313,252

At 31 December 2012 intangible fixed assets with a carrying value of VND29,182 million (31 December 2011: VND44,457 million) were pledged with banks as security for loans granted to the Group.

12. Construction in progress

	2012 VND	2011 VND
Opening balance	442,779,830,553	461,881,123,012
Additions during the year	130,850,778,729	555,385,131,668
Transfers to investment property	(76,883,870,875)	(574,486,424,127)
Transfers to tangible fixed assets	(3,081,796,293)	-
Transfers to long-term prepayments	(1,055,914,573)	-
Closing balance	492,609,027,541	442,779,830,553

At 31 December 2012 construction in progress with a carrying value of VND81,978 million (31 December 2011: VND226,141 million) was pledged with a bank as security for loans granted to the Group.

During the year, borrowing costs capitalised into construction in progress amounting to VND20,870 million (2011: VND48,413 million).

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13. Investment property

	Land use rights VND	Buildings VND	Total VND
Cost			
Opening balance	132,036,608,908	651,139,097,908	783,175,706,816
Transfers from construction in progress	7,183,342,529	69,700,528,346	76,883,870,875
Disposals	(7,183,342,529)	-	(7,183,342,529)
	<hr/>		
Closing balance	132,036,608,908	720,839,626,254	852,876,235,162
Accumulated depreciation			
Opening balance	5,788,997,145	31,941,702,940	37,730,700,085
Charge for the year	4,237,389,780	21,146,826,975	25,384,216,755
	<hr/>		
Closing balance	10,026,386,925	53,088,529,915	63,114,916,840
Net book value			
Opening balance	126,247,611,763	619,197,394,968	745,445,006,731
Closing balance	122,010,221,983	667,751,096,339	789,761,318,322
	<hr/>		

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

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

Included in the cost of investment properties were assets costing VND10,345 million which were fully depreciated as of 31 December 2012 (31 December 2011: VND7,198 million), but which are still in active use.

At 31 December 2012 investment properties with a carrying value of VND712,721 million (31 December 2011: VND619,193 million) were pledged with banks as security for loans granted to the Group.

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14. Long-term investments

	31/12/2012	31/12/2011
	VND	VND
Long-term equity investments in associates	92,508,120,585	169,375,402,896
Other long-term investments	313,846,191,920	382,552,961,223
	<hr/>	<hr/>
	406,354,312,505	551,928,364,119
Allowance for diminution in value of long-term investments	(13,591,602,761)	(14,136,258,934)
	<hr/>	<hr/>
	392,762,709,744	537,792,105,185
	<hr/>	<hr/>

Included in other long-term investments are investments in shares of other entities (listed and unlisted) with carrying amount of VND37,605 million, for which the fair value based on quoted market price of these instruments as of 31 December 2012 was VND37,092 million. The remaining long-term investments represented the Group's investments in real-estate business cooperation contracts.

Movements of investments in associates were as follows:

	2012	2011
	VND	VND
Balance at the beginning of the year	169,375,402,896	245,139,975,519
New investments	-	3,314,000,000
Share of net profit in associates (net of income tax)	6,191,891,525	8,852,824,930
Dividends from associates	(6,449,899,934)	(5,644,967,591)
Partial disposal of associate	-	(78,966,455,454)
Reclassification to other long-term investments	(76,603,904,624)	-
Associate acquired to become subsidiary	-	(1,407,232,099)
Others	(5,369,278)	(1,912,742,409)
	<hr/>	<hr/>
	92,508,120,585	169,375,402,896
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Movements in the allowance for diminution in value of long-term investments during the year were as follows:

	2012 VND	2011 VND
Opening balance	14,136,258,934	23,885,479,056
Increase in allowance during the year	-	390,779,878
Reclassification to allowance for diminution in value of short-term investments	-	(10,140,000,000)
Written back	(544,656,173)	-
	<hr/>	<hr/>
Closing balance	13,591,602,761	14,136,258,934
	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2012 investments in associates with a carrying value of VND16,798 million (31 December 2011: VND16,798 million) and other long-term investments with a carrying value of VND13,500 million (31 December 2011: VND123,848 million) were pledged with banks as security for loans granted to the Group.

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Notes to the consolidated financial statements for the year ended 31 December 2012 (continued)

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Details of the investments in associates were as follows:

Name	Principal activity	Investment licence	% of ownership	31/12/2012 VND	31/12/2011 VND
Super Car Joint Stock Co.	Trading cars' spare parts and interior decorative materials.	Business Licence No. 4103008825 issued by Ho Chi Minh City Planning and Investment Department on 21 December 2007 and amended on 6 March 2008.	37.5%	1,034,374,248	1,059,599,897
Savico Ben Thanh Co., Ltd. (SYM)	Trading SYM motorbikes and spare parts, providing maintenance services.	Business Licence No. 4102036521 issued by Ho Chi Minh City Planning and Investment Department on 25 January 2006.	37.33%	2,132,040,771	2,415,799,210
Dana Joint Stock Company (DANA FORD)	Trading FORD cars and spare parts, providing maintenance services.	Business Licence No. 044937 issued by the Planning and Investment Department of Da Nang City on 16 June 1998 and amended on 25 June 2007.	40.27%	7,878,707,936	6,976,104,179
ComfortDelgro Savico Taxi Company	Providing taxi transportation and related services in Vietnam.	Business Licence No. 824/GP-HCM issued by the People's Committee of Ho Chi Minh City on 28 March 2005.	40%	33,812,944,178	31,534,378,130
Toyota East Saigon Joint Stock Company (TESC)	Trading TOYOTA cars and spare parts, providing maintenance services.	Business Licence No. 4103001903 issued by Ho Chi Minh City Planning and Investment Department on 3 November 2003 and amended on 14 July 2005 and 14 November 2007.	35.16%	44,506,124,407	47,443,892,923
Khanh Hoi Saigon General Service Co., Ltd.	Trading, providing consultancy and tender real estate services, advertising.	Business Licence No. 0309535441 issued by Ho Chi Minh City Planning and Investment Department on 4 January 2010.	49%	3,143,929,045	3,341,723,933

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Name	Principal activity	Investment licence	% of ownership	31/12/2012 VND	31/12/2011 VND
Savico-Vinaland Co., Ltd. (*)	Constructing and managing the business centre, providing office for lease and related services.	Investment License No. 411022000214 issued by the People's Committee of Ho Chi Minh City on 3 October 2008.	25%	-	76,603,904,624
				92,508,120,585	169,375,402,896
				92,508,120,585	169,375,402,896

(*) During the year, the Group reclassified the long-term equity investments in Savico-Vinaland Co., Ltd, an associate, to other long-term investments. The Group signed an agreement with the other investor in the investee, whereby the Group will receive fixed income from the investee.

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15. Long-term prepayments

	31/12/2012	31/12/2011
	VND	VND
Pre-operating expenses	-	798,521,542
Expenses prepaid for Phan Van Tri Project	22,898,062,419	15,903,254,002
Tools and supplies	11,744,389,040	6,930,830,423
Prepaid land costs	12,286,994,105	11,071,257,163
Renovation expenses	5,487,530,361	6,609,468,814
Others	5,951,934,991	7,548,186,289
	<hr/>	<hr/>
	58,368,910,916	48,861,518,233
	<hr/> <hr/>	<hr/> <hr/>

16. Short-term borrowings

	31/12/2012	31/12/2011
	VND	VND
Short-term borrowings denominated in VND	404,166,092,017	371,544,697,299
Current portion of long-term borrowings (Note 22)	39,165,608,724	39,440,481,258
	<hr/>	<hr/>
	443,331,700,741	410,985,178,557
	<hr/> <hr/>	<hr/> <hr/>

Included in short-term borrowings were VND148,193 million (31 December 2011: VND102,538 million) unsecured and VND255,973 million (31 December 2011: VND269,007 million) secured by assets with carrying amounts of VND194,862 million (31 December 2011: VND185,880 million).

These loans bore interest at rates ranging from 3.7% to 19.9% (2011: from 12% to 22%) per annum.

17. Taxes payable to State Treasury

	31/12/2012	31/12/2011
	VND	VND
Value added tax	8,471,654,276	3,974,695,040
Corporate income tax	17,767,974,988	16,213,529,435
Personal income tax	3,833,231,140	3,170,383,571
Other obligations	7,949,694,510	4,259,964,043
	<hr/>	<hr/>
	38,022,554,914	27,618,572,089
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the consolidated financial statements for the year ended 31 December 2012
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18. Accrued expenses

	31/12/2012	31/12/2011
	VND	VND
Interest on borrowings	4,723,190,544	5,639,358,124
Rental fees	2,504,281,507	838,850,518
Salary and related expenses	1,863,000,000	1,941,480,101
Professional service fees	9,936,965,875	1,213,270,369
Accruals for operating expenses	8,796,711,153	-
Others	5,448,201,590	7,045,079,037
	<hr/>	<hr/>
	33,272,350,669	16,678,038,149
	<hr/> <hr/>	<hr/> <hr/>

19. Other short-term payables

Included in other short-term payables were borrowings from related parties of VND27,000 million (31 December 2011: VND44,146 million), which bore interest at 12.5% per annum (2011: 17% per annum).

20. Bonus and welfare fund

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

	2012	2011
	VND	VND
Opening balance	7,853,501,673	6,853,594,274
Appropriation from retained profits	9,708,914,906	9,351,635,372
Utilised during the year	(10,912,426,234)	(8,351,745,973)
	<hr/>	<hr/>
Closing balance	6,649,990,345	7,853,501,673
	<hr/> <hr/>	<hr/> <hr/>

21. Other long-term liabilities

	31/12/2012	31/12/2011
	VND	VND
Long-term deposits received	62,558,014,976	64,530,279,091
Other long-term payables	155,939,244,216	101,667,096,871
	<hr/>	<hr/>
	218,497,259,192	166,197,375,962
	<hr/> <hr/>	<hr/> <hr/>

Other long term payables represented amounts contributed by partners for participation in the Group's property projects and were interest free.

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22. Long-term borrowings

	31/12/2012	31/12/2011
	VND	VND
Long-term borrowings denominated in VND	497,846,017,796	472,103,161,028
Long-term bonds issued	100,000,000,000	100,000,000,000
	<hr/>	<hr/>
	597,846,017,796	572,103,161,028
Finance lease liabilities (*)	2,230,064,864	4,490,598,365
	<hr/>	<hr/>
	600,076,082,660	576,593,759,393
Repayable within twelve months (Note 16)	(39,165,608,724)	(39,440,481,258)
	<hr/>	<hr/>
Repayable after twelve months	560,910,473,936	537,153,278,135
	<hr/> <hr/>	<hr/> <hr/>

Including in long-term borrowings were VND29,702 million (31 December 2011: VND86,818 million) unsecured and amounts VND468,144 million (31 December 2011: VND385,285 million) secured by assets with carrying amounts of VND751,845 million (31 December 2011: VND877,745 million). These loans bore interest at rates ranging from 5.95% to 22.75% (2011: from 14% to 24%) per annum.

The long-term bonds were issued in July 2010 at its nominal value. The bonds will mature in July 2015 and are redeemable at its nominal value. The bonds are secured by assets with carrying amounts of VND75,100 million (31 December 2011: VND60,126 million) and bore interest at rate 15% per annum (2011: 19% per annum).

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

	31/12/2012			31/12/2011		
	VND			VND		
	Payments	Interest	Principal	Payments	Interest	Principal
Within one year	1,271,773,364	367,755,764	904,017,600	2,424,342,576	745,176,976	1,679,165,600
From two to five years	1,538,986,463	212,939,199	1,326,047,264	3,419,353,009	607,920,244	2,811,432,765
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,810,759,827	580,694,963	2,230,064,864	5,843,695,585	1,353,097,220	4,490,598,365
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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23. Unearned revenue

	31/12/2012	31/12/2011
	VND	VND
Income from Savico-Vinaland Project represented gain on contributed asset	-	47,046,852,000
Building rental income	115,832,910,725	130,273,899,149
Warranty and customer care services	8,102,099,073	9,624,911,608
Others	-	791,083,589
	<hr/>	<hr/>
	123,935,009,798	187,736,746,346
	<hr/> <hr/>	<hr/> <hr/>

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24. Changes in owners' equity

	Share capital VND	Capital surplus VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Financial reserve VND	Retained profits VND	Total VND
Balance at 1 January 2011	249,955,730,000	317,064,858,303	(690,474,358)	5,093,483,305	19,159,016,653	9,067,519,041	133,075,083,886	732,725,216,830
Net profit for the year	-	-	-	-	-	-	44,623,462,596	44,623,462,596
Appropriation to equity funds	-	-	-	-	1,787,465,462	6,355,524,749	(8,142,990,211)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(8,294,025,081)	(8,294,025,081)
Conversion to financial reserve	-	-	-	-	(2,262,462,404)	2,262,462,404	-	-
Dividends	-	-	-	-	-	-	(24,975,507,000)	(24,975,507,000)
Board of Management fee and bonus	-	-	-	-	-	-	(3,101,205,314)	(3,101,205,314)
Balance at 1 January 2012	249,955,730,000	317,064,858,303	(690,474,358)	5,093,483,305	18,684,019,711	17,685,506,194	133,184,818,876	740,977,942,031
Net profit for the year	-	-	-	-	-	-	44,845,182,622	44,845,182,622
Appropriation to equity funds	-	-	-	-	1,139,119,795	942,924,449	(2,082,044,244)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(9,708,914,906)	(9,708,914,906)
Utilisation of equity funds	-	-	-	-	(1,104,162,806)	(826,176,122)	-	(1,930,338,928)
Dividends (Note 36)	-	-	-	-	-	-	(37,463,260,500)	(37,463,260,500)
Board of Management fee and bonus	-	-	-	-	-	-	(3,682,702,090)	(3,682,702,090)
Balance at 31 December 2012	249,955,730,000	317,064,858,303	(690,474,358)	5,093,483,305	18,718,976,700	17,802,254,521	125,093,079,758	733,037,908,229

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25. Share capital

	31/12/2012		31/12/2011	
	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.

26. Minority interest

	2012 VND	2011 VND
Balance at the beginning of the year	155,568,784,473	147,408,918,927
Earnings attributable to minority interest during the year	1,916,041,556	36,808,986,590
Capital contribution during the year	23,402,800,000	1,650,000,000
Dividends	(10,717,100,095)	(28,686,935,044)
Share of bonus and welfare fund	(619,423,545)	(1,057,628,291)
Others	(127,416,319)	(554,557,709)
Balance at the end of the year	169,423,686,070	155,568,784,473

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27. Total revenue

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

Net revenue comprised of:

	2012	2011
	VND	VND
Total revenue		
▪ Sales	4,841,493,025,869	5,795,498,490,153
▪ Services	450,896,921,630	375,221,193,407
▪ Investment property services	129,575,390,131	3,538,988,787
▪ Sales of real estate	11,346,006,102	-
	<hr/>	<hr/>
	5,433,311,343,732	6,174,258,672,347
Less revenue deductions	(19,236,013,145)	(18,946,646,398)
	<hr/>	<hr/>
Net revenue	5,414,075,330,587	6,155,312,025,949
	<hr/>	<hr/>

28. Cost of sales

	2012	2011
	VND	VND
Merchandise goods sold	4,683,151,369,313	5,488,396,396,131
Services provided	327,649,181,274	246,417,030,121
Depreciation charge of investment properties	12,300,429,121	14,302,109,516
Real estate sold	7,183,342,529	-
Allowance for inventories	(774,081,258)	(9,229,322)
	<hr/>	<hr/>
	5,029,510,240,979	5,749,106,306,446
	<hr/>	<hr/>

29. Financial income

	2012	2011
	VND	VND
Interest income from deposits	6,345,634,017	7,949,481,655
Income from disposals security	6,890,172,740	13,404,147,750
Income from disposals of investments	-	26,236,344,546
Dividends	8,449,408,900	4,033,699,515
Foreign exchange gains	2,160,968,786	2,323,535,944
Other financial income	4,154,187,129	4,937,649,273
	<hr/>	<hr/>
	28,000,371,572	58,884,858,683
	<hr/>	<hr/>

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30. Financial expenses

	2012	2011
	VND	VND
Interest expense	150,237,362,999	120,072,307,725
Losses from disposals of securities	20,006,631,638	5,749,699,580
Security trading expenses	2,690,831,840	280,344,246
Foreign exchange losses	1,024,013,983	3,823,349,375
Allowance for short-term and long-term investments	6,819,503,519	11,843,398,658
Other financial expenses	2,348,337,624	4,123,539,097
	<hr/>	<hr/>
	183,126,681,603	145,892,638,681
	<hr/> <hr/>	<hr/> <hr/>

31. Other income

	2012	2011
	VND	VND
Proceeds from disposals of tangible fixed assets	5,662,687,299	3,471,818,179
Commission received from other parties	10,446,547,476	11,419,308,452
Deduction in payables granted by suppliers	16,160,452,272	11,296,825,818
Income from Savico-Vinaland Project (*)	47,046,852,000	47,228,238,000
Support from Vinaland Investments Limited during construction period of Savico-Vinaland Project	36,930,300,000	-
Compensation received from a customer for cancellation of contract (**)	30,000,000,000	-
Compensation received for land clearance	-	4,499,560,000
Compensation received from breach of contract	1,134,910,734	1,947,923,309
Others	10,291,100,698	4,325,546,900
	<hr/>	<hr/>
	157,672,850,479	84,189,220,658
	<hr/> <hr/>	<hr/> <hr/>

(*) This income represented gain on asset contributed to Savico-Vinaland Co., Ltd., an associate, as part of the Company's capital contributions to the associate.

(**) This income represented the compensation received from a customer for breach of land use rights transfer contract – National Highway Thirteen Project in Hiep Binh Phuoc Ward, Thu Duc District dated 11 October 2011. This compensation has been agreed between two parties according to the agreement minute dated 15 May 2012 and the land use rights transfer cancellation agreement dated 23 May 2012 at the Notary Public's Office 4, Ho Chi Minh City.

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32. Other expenses

	2012 VND	2011 VND
Carrying value of tangible fixed assets disposed	4,339,316,240	2,271,047,472
Others	5,730,949,579	2,972,646,233
	<hr/> 10,070,265,819	<hr/> 5,243,693,705
	<hr/> <hr/>	<hr/> <hr/>

33. Income tax

(a) Recognised in the balance sheet

	31/12/2012 VND	31/12/2011 VND
Deferred tax assets		
Allowances and provisions	-	4,745,384
Accrued expenses	4,435,223,646	719,234,857
Tax value of losses carry-forwards recognised	-	4,858,317,540
	<hr/> 4,435,223,646	<hr/> 5,582,297,781
	<hr/> <hr/>	<hr/> <hr/>

(b) Recognised in the statement of income

	2012 VND	2011 VND
Current tax expense		
Current year	15,906,101,750	29,585,178,008
(Over)/under provision in prior years	(2,318,361,458)	274,452,222
	<hr/> 13,587,740,292	<hr/> 29,859,630,230
	<hr/> <hr/>	<hr/> <hr/>
Deferred tax expense		
Origination of temporary differences	(4,280,378,541)	(7,520,992,886)
Reversal of temporary differences	377,008,202	8,135,515,581
Benefits of tax losses utilised/(recognised)	3,476,940,507	(1,188,445,794)
Write down of deferred tax assets	1,573,503,967	7,215,552,114
	<hr/> 1,147,074,135	<hr/> 6,641,629,015
	<hr/> <hr/>	<hr/> <hr/>
Income tax expense	<hr/> 14,734,814,427	<hr/> 36,501,259,245
	<hr/> <hr/>	<hr/> <hr/>

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(c) Reconciliation of effective tax rate

	2012 VND	2011 VND
Profit before tax	61,496,038,605	117,933,708,431
Tax at income rate applicable to the Company	15,374,009,651	29,483,427,108
Tax incentives	(280,199,583)	(610,654,102)
Non-deductible expenses	2,479,884,432	2,779,965,333
Non-taxable income	(2,112,352,225)	(1,411,241,898)
Tax losses utilised in subsidiaries	-	(1,230,241,532)
Deferred tax assets not recognized	18,329,643	-
Write down of deferred tax assets	1,573,503,967	7,215,552,114
(Over)/under provision in prior years	(2,318,361,458)	274,452,222
Income tax expense	14,734,814,427	36,501,259,245

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

(d) Applicable tax rate

The Company and its subsidiaries have an obligation to pay the government income tax at the rate that is generally applied for companies in Vietnam, which is currently at 25%.

34. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2012 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2012 VND	2011 VND
Net profit attributable to ordinary shareholders of Saigon General Service Corporation	44,845,182,622	44,623,462,596

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(ii) Weighted average number of ordinary shares

	2012	2011
	Number of shares	Number of shares
Weighted average number of ordinary shares at the beginning and the end of the year	24,975,507	24,975,507

35. Financial instruments

(a) Financial risk management

(i) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks.

The Company's Board of Management oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

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(i) Exposure to credit risk

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	31/12/2012 VND	31/12/2011 VND
Cash and cash equivalents	(ii)	213,659,000,712	105,915,770,407
Trade and other receivables – short-term and long-term	(iii)	206,153,670,918	191,247,386,029
		419,812,671,630	297,163,156,436

(ii) Cash and cash equivalents

The cash and cash equivalents in banks of the Group are mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

(iii) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivables are due within 30 days from the date of billing. Debtors with balances that are more than 30 days outstanding are requested to settle the balances before further credit is granted. No collateral is collected from the customers.

Trade and other receivables – short-term and long-term – that are neither past due nor impaired are mostly companies with good collection track records with the Group. Management believes that those receivables are of high credit quality.

The aging of trade and other receivables – short-term and long-term – at the balance sheet date was as follows:

	Gross 31/12/2012 VND	Allowance for doubtful debts 31/12/2012 VND	Gross 31/12/2011 VND	Allowance for doubtful debts 31/12/2011 VND
Not past due	130,165,030,290	-	175,211,308,866	-
Past due 0 – 30 days	56,079,659,957	-	4,698,640,861	-
Past due 31 – 180 days	15,833,149,524	-	10,245,984,767	-
Past due over 180 days	4,617,452,340	541,621,193	1,773,385,974	681,934,439
	206,695,292,111	541,621,193	191,929,320,468	681,934,439

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The movements of allowance for doubtful debts were as follows:

	2012	2011
	VND	VND
Opening balance	681,934,439	1,491,906,186
Allowance utilised during the year	(140,313,246)	(809,971,747)
Closing balance	<u>541,621,193</u>	<u>681,934,439</u>

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Notes to the consolidated financial statements for the year ended 31 December 2012 (continued)

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(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity 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.

As at 31 Dec 2012, the financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

31 December 2012

	Carrying Amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND	2 – 5 years VND	Over 5 years VND
Trade and other short-term payables	223,591,696,318	223,591,696,318	223,591,696,318	-	-	-
Short-term borrowings	443,331,700,741	457,057,332,877	457,057,332,877	-	-	-
Payables to employees	52,890,709,012	52,890,709,012	52,890,709,012	-	-	-
Accrued expenses	33,272,350,669	33,272,350,669	33,272,350,669	-	-	-
Long-term bonds issued	100,000,000,000	138,541,666,666	15,208,333,333	15,208,333,333	108,125,000,000	-
Long-term borrowings and finance lease liabilities	460,910,473,936	765,825,868,927	53,966,680,460	124,439,796,417	364,257,604,437	223,161,787,613
Other long-term liabilities	218,497,259,192	218,497,259,192	80,389,547,152	90,795,607,856	-	47,312,104,184
	1,532,494,189,868	1,889,676,883,661	916,376,649,821	230,443,737,606	472,382,604,437	270,473,891,797

31 December 2011

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	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND	2 – 5 years VND	Over 5 years VND
Trade and other short-term payables	290,025,443,522	293,537,539,412	293,537,539,412	-	-	-
Short-term borrowings	371,544,697,299	383,228,498,165	383,228,498,165	-	-	-
Payables to employees	53,872,350,956	53,872,350,956	53,872,350,956	-	-	-
Accrued expenses	19,791,848,960	19,791,848,960	19,791,848,960	-	-	-
Long-term bonds issued	100,000,000,000	167,150,684,932	19,000,000,000	19,000,000,000	129,150,684,932	-
Long-term borrowings and finance lease liabilities	476,593,759,393	585,905,347,164	74,890,420,901	357,742,444,629	119,182,796,206	34,089,685,428
Other long-term liabilities	166,197,375,962	166,197,375,962	-	128,272,461,055	-	37,924,914,907
	1,478,025,476,092	1,669,683,645,551	844,320,658,394	505,014,905,684	248,333,481,138	72,014,600,335

The Group manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in short-term investments.

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Notes to the consolidated financial statements for the year ended 31 December 2012
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(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group is exposed to currency risk on investments that are denominated in a currency other than the accounting currency of the Group, the VND. The currency in which these transactions primarily are denominated are USD.

The Company's exposure to currency risk is managed by keeping the exposure to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term over-exposures.

Exposure to currency risk

The Group had the following net monetary asset position exposed to currency risk:

	31/12/2012	31/12/2011
	USD	USD
Cash	1,284	904
Other receivables	1,767,000	2,730,000
Other long-term liabilities	(353,300)	(1,263,300)
	<hr/>	<hr/>
	1,414,984	1,467,604
	<hr/>	<hr/>

The following was the significant exchange rate applied by the Group:

	Exchange rate as at	
	31/12/2012	31/12/2011
	VND	VND
USD 1	20,815	20,828
	<hr/>	<hr/>

The possible impact on the net profit of the Group, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 31 December 2012, is not significant.

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Notes to the consolidated financial statements for the year ended 31 December 2012
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(ii) Interest rate risk

No policy in place pertaining to the mitigation of any potential volatility of the interest rate. At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2012 VND	31/12/2011 VND
Fixed rate instruments		
Cash equivalents	120,615,620,727	44,008,470,000
Short-term borrowings	(110,263,142,188)	(6,050,408,726)
Other short-term payables	(27,000,000,000)	(57,302,340,944)
Long-term borrowings	(304,868,500,477)	-
	(321,516,021,938)	(19,344,279,670)
Variable rate instruments		
Cash in bank	93,043,379,985	61,907,300,407
Short-term borrowings	(442,131,642,665)	(63,352,749,670)
Other short-term payables	(195,207,582,183)	(476,593,759,393)
Long-term bonds issued	(100,000,000,000)	(100,000,000,000)
	(644,295,844,863)	(578,039,208,656)

An increase of 100 basis points in interest rates would have decreased the net profit of the Group by VND4,832 million (31 December 2011: VND4,335 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(e) Fair values

(i) Fair values versus carrying amounts

As at 31 December 2012, the fair values of short-term financial assets and liabilities were not significantly different to their carrying values.

As at 31 December 2012, the fair values of long-term bonds and long-term borrowings – categorised as liabilities at amortised cost – based on present value of future principal and interest cash flows, discounted at the market rate of interest at 31 December 2012 were not significantly different to their carrying values.

The Group has not determined fair values of other long-term liabilities for disclosure in accordance with Article 28 of Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance because (i) quoted prices in active market is not available for these financial liabilities; and (ii) Vietnamese Accounting Standards and the Vietnamese Accounting System do not provide guidance on measurement of fair values in the case where quoted prices in active market is not available. Fair values of these financial instruments may be different from their carrying values.

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Notes to the consolidated financial statements for the year ended 31 December 2012
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(ii) Basis for determining fair values

Investments in equity securities

The fair value of equity securities is determined by reference to their quoted closing bid price at the balance sheet date. The fair value of the instruments is determined for disclosure purposes only.

Trade and other receivables – short-term and long-term

The fair value of trade and other receivables – short-term and long-term, excluding receivables and payables on construction contracts according to stages of completion, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value of the instruments is determined for disclosure purposes only.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

36. Dividends

The General Meeting of Shareholders of the Company on 6 April 2012 resolved to distribute dividends of 2011 amounting to VND37,463 million, which is equal to 15% of par value of shares in circulation at that time.

37. Significant transactions with related parties

Identity of related parties

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

Subsidiary name	Principal activity	Investment licence	% of ownership
Saigon Ford Co., Ltd. (SAIGON FORD)	Trading FORD cars and spare parts, providing maintenance services.	Business Registration Certificate No. 4102001544 issued by Ho Chi Minh City Planning and Investment Department on 30 June 2000, amended on 5 March 2003, 22 October 2003, 26 April 2005 and 9 October 2010.	52.05%
Toyota Giai Phong Joint Venture Company (TGP)	Trading TOYOTA cars and spare parts, providing maintenance services.	Business Licence No. 14/GP-HN issued by the People's Committee of Hanoi City on 22 January 1998.	51%
East City Co., Ltd. (GM)	Trading GM cars and spare parts, providing maintenance services.	Business Registration Certificate No. 4102014294 issued by Ho Chi Minh City Planning and Investment Department on 5 March 2003 and amended on 22 October 2003 and 5 December 2011.	55%

Saigon General Service Corporation and its subsidiaries
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Subsidiary name	Principal activity	Investment licence	% of ownership
City Automobile Corporation (HYUNDAI)	Trading HYUNDAI cars and spare parts, providing maintenance services.	Business Registration Certificate No. 0309553786 issued by Ho Chi Minh City Planning and Investment Department on 3 November 2009 and amended on 2 February 2010.	51%
Saigon Service Trading Limited Company (YAMAHA Can Tho)	Trading YAMAHA motorbikes and spare parts, providing maintenance services.	Business Registration Certificate No. 5702001169 issued by Can Tho City Planning and Investment Department on 11 August 2006 and amended on 23 June 2011.	63.64%
Saigon Star Corporation	Trading SUZUKI, HONDA, YAMAHA motorbikes and spare parts, providing maintenance services.	Business Licence No. 4103007242 issued by the Planning and Investment Department of Ho Chi Minh City on 9 July 2007 and amended on 28 May 2008.	55%
Savico Hanoi Corporation	Operating business centre, providing hotel services; civil constructions, industrial projects; agents and consignments; import and export activities; trading and maintenance automobile, providing engines rental; transportation and car parking services.	Business Registration Certificate No. 0103018056 issued by Hanoi City Planning and Investment Department on 19 June 2007 and amended on 28 October 2009.	70%
Toyota Can Tho Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	Investment Licence No. 571022000005 issued by the People's Committee of Can Tho City on 18 April 2007 and amended on 9 September 2009.	51%
Han River Automobile Corporation	Trading and maintenance automobiles, motorbikes, spare parts; trading of electrical engines, building materials; agents and consignment; providing automobiles rental, transportation services.	Business Registration Certificate No. 401337755 issued by Da Nang City Planning and Investment Department on 8 Feb 2010.	51%
Saigon Services Co., Ltd. (SSC)	Construction of civil, industrial projects and providing office for lease and entertainment services.	Business Licence No. 4102003457 issued by Ho Chi Minh City Planning and Investment Department on 9 January 2001.	99%
Savico Vinh Long Company Limited	Trading automobile, motorbikes and spare parts; providing maintenance and repairing services.	Business Registration Certificate No. 1500764333 issued by Vinh Long Province Planning and Investment Department on 30 June 2011 and amended on 28 December 2011.	51%

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Notes to the consolidated financial statements for the year ended 31 December 2012
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Subsidiary name	Principal activity	Investment licence	% of ownership
Savico-Mekong General Trade Service Limited Company	Trading automobile, motorbikes and spare parts; providing maintenance and repairing services.	Business Registration Certificate No. 1801231071 issued by Can Tho City Planning and Investment Department on 31 December 2011 and amended on 13 January 2012.	51%

Transactions with key management personnel

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

	2012 VND	2011 VND
Board of Management	2,526,000,000	3,234,000,000
Board of Directors	828,000,000	970,857,000
Supervisory Board	120,000,000	126,000,000
	3,474,000,000	4,330,857,000

Other related party transactions

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

Related party	Relationship	Nature of transaction	2012 VND	2011 VND
Toyota East Saigon Joint Stock Company	Associate	Dividends	5,142,150,000	4,113,720,000
		Acquisition of investment	-	3,314,000,000
		Loan received from associate	121,500,000,000	15,000,000,000
		Interest expense	669,690,757	201,452,055
ComfortDelgro Savico Taxi Company	Associate	Rental charged to associate	2,143,804,600	2,297,918,400
Ben Thanh Savico General Trading & Services Co., Ltd.	Associate	Dividends	-	403,687,591
		Commission received from associate	1,070,045,499	1,367,454,106
Dana Joint Stock Company	Associate	Dividends	906,075,000	1,127,560,000
		Rental charged to associate	-	333,447,292
Khanh Hoi Sai Gon General Service Co., Ltd.	Associate	Dividends	401,674,934	-

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38. Lease commitment

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

	31/12/2012	31/12/2011
	VND	VND
Within one year	40,278,624,329	41,842,198,406
From two to five years	109,276,959,982	118,094,381,803
Over five years	168,501,025,742	226,363,962,341
	<hr/>	<hr/>
	318,056,610,053	386,300,542,550
	<hr/>	<hr/>

39. Trading and business costs by element

	2012	2011
	VND	VND
Cost of merchandise goods	4,930,902,460,889	5,638,343,770,631
Labour costs and staff costs	179,198,266,932	163,993,241,177
Depreciation and amortisation	47,141,651,297	46,132,711,007
Outside services	182,225,657,280	127,183,097,226
Other expenses	73,932,352,477	59,771,227,870
	<hr/>	<hr/>

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40. Corresponding figures

Certain corresponding figure has been reclassified to conform with the current year's presentation. A comparison of the amounts previously reported and as reclassified is as follows:

	31/12/2011	31/12/2011
	(as reclassified)	(as previously reported)
	VND	VND
Taxes payable to State Treasury	27,618,572,089	23,358,608,046
Payables to employees	56,986,161,767	53,872,350,956
Accrued expenses	16,678,038,149	24,051,813,003

Prepared by: 18 March 2013

Approved by:

Hoang Thi Thao
Chief Accountant

Nguyen Vinh Tho
General Director