

**Saigon General Service Corporation
and its subsidiaries**

Consolidated financial statements
for the year ended 31 December 2014

Saigon General Service Corporation
Corporate information

Decision No.	3448/QD-UB	9 July 2004
	3449/QD-UB	9 July 2004

These decisions were issued by the Ho Chi Minh City People's Committee.

Business Licence	4103002955	15 December 2004
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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 26 January 2015. The business licence was issued by Ho Chi Minh City Planning and Investment Department.

Board of Management	Mr. Nguyen Vinh Tho	Chairman
	Mr. Nguyen Binh Minh	Vice Chairman (from 8 January 2014)
	Mr. Nguyen Binh Minh	Member (until 8 January 2014)
	Mr. Ta Phuoc Dat	Member
	Mr. Vo Hien	Member
	Mr. Te Tri Dung	Member
	Mr. Luong Quang Hien	Member
	Mr. Le Hung	Member

Board of Directors	Mr. Mai Viet Ha	General Director (from 19 January 2015)
	Mr. Nguyen Binh Minh	General Director (from 8 January 2014 until 19 January 2015)
	Mr. Nguyen Vinh Tho	General Director (until 8 January 2014)
	Mr. Doan Van Quang	Deputy General Director (from 8 January 2014)
	Ms. Nguyen Thu Nga	Deputy General Director (from 8 January 2014)
	Mr. Vo Hien	Deputy General Director
	Mr. Nguyen Binh Minh	Deputy General Director (until 8 January 2014)
	Mr. Ta Phuoc Dat	Deputy General Director (until 19 January 2015)
	Mr. Phan Tuan Dung	Deputy General Director (until 15 March 2014)
	Mr. Mai Viet Ha	Deputy General Director (until 19 January 2015)

Saigon General Service Corporation
Corporate information (continued)

Supervisory board	Ms. Nguyen Viet Hoa	Head of the Board (from 28 March 2014)
	Mr. Le Xuan Duc	Head of the Board (until 28 March 2014)
	Mr. Nguyen Thai Hoa	Member (from 28 March 2014)
	Ms. Nguyen Phuong Loan	Member (until 28 March 2014)
	Mr. Nguyen Cong Binh	Member
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 is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 6 to 64 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 2014, 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 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 these consolidated financial statements for issue.

On behalf of the Board of Directors



Ma Văn Hà
General Director

Ho Chi Minh City, 23 March 2015

INDEPENDENT AUDITORS' 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 2014, 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 23 March 2015, as set out on pages 6 to 64.

Management’s Responsibility

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

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 2014 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Operating registration certificate No.: 4114000230

Audit Report No.: 14-01-383



Trần Thị Ngọc Hào

Practicing Auditor Registration

Certificate No. 0866-2013-007-1

Deputy General Director

Nguyen Cam Tu

Practicing Auditor Registration

Certificate No. 2193-2013-007-1

Ho Chi Minh City, 23 March 2015

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2014

Form B 01 – DN/HN

	Code	Note	31/12/2014 VND	31/12/2013 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		850,167,915,033	904,383,830,530
Cash and cash equivalents	110	5	179,855,579,173	187,157,793,659
Cash	111		136,264,039,173	160,727,048,497
Cash equivalents	112		43,591,540,000	26,430,745,162
Short-term investments	120	6	53,807,128,679	42,675,353,904
Short-term investments	121		69,590,209,033	61,956,188,543
Allowance for diminution in the value of short-term investments	129		(15,783,080,354)	(19,280,834,639)
Accounts receivable	130	7	241,925,470,112	322,176,581,309
Accounts receivable – trade	131		180,495,663,976	182,247,915,338
Prepayments to suppliers	132		22,341,293,910	110,790,187,857
Other receivables	135		39,537,358,660	29,167,537,174
Allowance for doubtful debts	139		(448,846,434)	(29,059,060)
Inventories	140	8	345,562,579,432	327,294,943,521
Inventories	141		349,052,523,101	329,859,439,689
Allowance for inventories	149		(3,489,943,669)	(2,564,496,168)
Other current assets	150		29,017,157,637	25,079,158,137
Short-term prepayments	151		6,400,386,877	5,110,255,889
Deductible value added tax	152		11,377,987,969	3,879,275,692
Taxes receivable from State Treasury	154		1,116,681,706	714,911,865
Other current assets	158		10,122,101,085	15,374,714,691

The accompanying notes are an part of these consolidated financial statements

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2014 (continued)

Form B 01 – DN/HN

	Code	Note	31/12/2014 VND	31/12/2013 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		1,788,434,821,014	1,901,432,002,573
Accounts receivable – long-term	210	7	9,345,621,247	4,345,621,247
Other long-term receivables	218		9,345,621,247	4,345,621,247
Fixed assets	220		667,200,003,459	783,651,895,915
Tangible fixed assets	221	9	181,834,605,708	120,457,119,269
<i>Cost</i>	222		272,433,479,303	190,038,973,990
<i>Accumulated depreciation</i>	223		(90,598,873,595)	(69,581,854,721)
Finance lease tangible fixed assets	224	10	-	1,974,158,868
<i>Cost</i>	225		-	5,280,483,547
<i>Accumulated depreciation</i>	226		-	(3,306,324,679)
Intangible fixed assets	227	11	50,719,400,830	44,434,270,003
<i>Cost</i>	228		60,558,856,159	53,263,288,840
<i>Accumulated amortisation</i>	229		(9,839,455,329)	(8,829,018,837)
Construction in progress	230	12	434,645,996,921	616,786,347,775
Investment property	240	13	748,333,861,693	765,790,945,029
<i>Cost</i>	241		860,824,567,718	854,040,766,295
<i>Accumulated depreciation</i>	242		(112,490,706,025)	(88,249,821,266)
Long-term investments	250	14	299,845,134,838	273,950,703,616
Investments in associates	252		98,866,042,688	87,569,378,997
Other long-term investments	258		204,351,640,112	189,320,158,630
Allowance for diminution in the value of long-term investments	259		(3,372,547,962)	(2,938,834,011)
Other long-term assets	260		63,710,199,777	73,692,836,766
Long-term prepayments	261	15	36,783,542,803	45,257,021,973
Deferred tax assets	262	33	3,767,835,493	2,669,442,312
Other long-term assets	268		23,158,821,481	25,766,372,481
TOTAL ASSETS (270 = 100 + 200)	270		2,638,602,736,047	2,805,815,833,103

The accompanying notes are an part of these consolidated financial statements

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2014 (continued)

Form B 01 – DN/HN

	Code	Note	31/12/2014 VND	31/12/2013 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		1,667,197,994,009	1,888,334,348,278
Current liabilities	310		969,259,400,348	1,080,265,978,973
Short-term borrowings	311	16	413,133,029,920	478,290,058,679
Accounts payable – trade	312		96,568,059,294	109,602,109,423
Advances from customers	313		57,139,531,631	228,420,211,506
Taxes payable to State Treasury	314	17	33,652,596,327	28,913,488,080
Payables to employees	315		65,789,300,868	67,918,393,954
Accrued expenses	316	18	27,002,005,743	23,708,971,886
Other payables	319	19	267,082,846,811	136,887,652,266
Bonus and welfare fund	323	20	8,892,029,754	6,525,093,179
Long-term liabilities	330		697,938,593,661	808,068,369,305
Other long-term liabilities	333	21	173,309,910,091	185,196,226,578
Long-term borrowings	334	22	397,073,375,426	502,209,827,703
Unearned revenue	338	23	127,555,308,144	120,662,315,024
EQUITY (400 = 410)	400		754,603,303,849	741,609,750,122
Owners' equity	410	24	754,603,303,849	741,609,750,122
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		20,579,438,084	19,172,474,946
Financial reserve	418		20,102,186,741	18,472,324,897
Retained profits	420		142,498,081,774	132,541,353,029
MINORITY INTEREST	439	26	216,801,438,189	175,871,734,703
TOTAL RESOURCES (440 = 300 + 400 + 439)	440		2,638,602,736,047	2,805,815,833,103

The accompanying notes are an part of these consolidated financial statements

Saigon General Service Corporation and its subsidiaries
 Consolidated balance sheet as at 31 December 2014 (continued)


Form B 01 – DN/HN

OFF BALANCE SHEET ITEMS

	31/12/2014	31/12/2013
Foreign currency included in cash:		
USD	543	871
Goods held for third parties – denominated in VND	92,299,543,053	90,571,650,672

23 March 2015

Prepared by:



Ngo Van Danh
 Chief Accountant

Approved by:



Nguyen Viet Ha
 General Director

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the year ended 31 December 2014

Form B 02 – DN/HN

	Code	Note	2014 VND	2013 VND
Total revenue	01	27	7,939,698,170,623	6,595,628,151,519
Less revenue deductions	02	27	(9,456,390,759)	(13,262,568,762)
Net revenue (10 = 01 + 02)	10	27	7,930,241,779,864	6,582,365,582,757
Cost of sales	11	28	(7,429,963,163,553)	(6,186,678,221,044)
Gross profit (20 = 10 + 11)	20		500,278,616,311	395,687,361,713
Financial income	21	29	11,387,456,520	44,459,960,054
Financial expenses	22	30	(67,564,894,871)	(84,771,832,677)
<i>In which: Interest expense</i>	23		(64,142,222,565)	(88,158,375,350)
Selling expenses	24		(187,250,220,059)	(169,500,322,431)
General and administration expenses	25		(165,213,173,009)	(147,305,933,640)
Net operating profit (30 = 20 + 21 + 22 + 24 + 25)	30		91,637,784,892	38,569,233,019
Other income	31	31	58,850,738,612	50,189,951,018
Other expenses	32	32	(40,591,805,868)	(8,007,359,940)
Results of other activities (40 = 31 + 32)	40		18,258,932,744	42,182,591,078
Share of profit in associates	41	14	8,751,205,868	3,959,616,144
Profit before tax (50 = 30 + 40 + 41)	50		118,647,923,504	84,711,440,241
Income tax expense – current	51	33	(31,908,297,424)	(21,825,335,773)
Income tax benefit/(expense) – deferred	52	33	1,041,391,181	(1,765,781,334)
Net profit after tax (60 = 50 + 51 + 52)	60		87,781,017,261	61,120,323,134

The accompanying notes are an part of these consolidated financial statements


Saigon General Service Corporation and its subsidiaries
 Consolidated statement of income for the year ended 31 December 2014 (continued)

Form B 02 – DN/HN

	Code	Note	2014 VND	2013 VND
Net profit after tax (60 = 50 + 51 + 52)	60		87,781,017,261	61,120,323,134
Attributable to:				
Minority interest	61	26	35,973,324,829	19,948,253,386
Equity holders of the Company	62		51,807,692,432	41,172,069,748
Basic earnings per share	70	34	2,074	1,648

23 March 2015

Prepared by:



Ngo Van Danh
 Chief Accountant

Approved by:



Ma Viet Ha
 General Director

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2014
(Indirect method)

Form B 03 – DN/HN

	Code	Note	2014 VND	2013 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		118,647,923,504	84,711,440,241
Adjustments for				
Depreciation and amortisation	02		46,268,640,090	46,681,441,190
Allowances and provisions	03		(1,694,187,478)	(7,957,655,999)
Gains on disposals of fixed assets	05		(2,481,039,874)	(673,454,534)
Gains on disposals of other long-term investments	05		(664,950,000)	(464,673,782)
Losses on disposals of investments in associates	05		2,694,669,694	-
Losses on written off of construction in progress	05		245,616,673	286,527,273
Dividends and interest income	05		(5,392,421,309)	(14,651,666,633)
Net losses on trading securities	05		1,343,209,510	-
Income from associates	05		(8,751,205,868)	(3,959,616,144)
Interest expense	06		64,142,222,565	88,158,375,350
Operating profit before changes in working capital	08		214,358,477,507	192,130,716,962
Change in receivables and other current assets	09		84,195,221,794	23,844,777,067
Change in inventories	10		192,664,732,756	(77,503,255,618)
Change in payables and other liabilities	11		(59,650,523,725)	70,995,158,019
Change in prepayments	12		7,183,348,182	17,426,059,760
			438,751,256,514	226,893,456,190
Interest paid	13		(67,733,019,851)	(88,771,700,134)
Corporate income tax paid	14		(31,054,179,708)	(32,133,924,605)
Other receipts from operating activities	15		-	9,460,449,421
Other payments for operating activities	16		(8,263,611,866)	(8,537,138,424)
Net cash flow from operating activities	20		331,700,445,089	106,911,142,448

The accompanying notes are an part of these consolidated financial statements

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2014
(Indirect method – continued)

Form B 03 – DN/HN

	Code	Note	2014 VND	2013 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(123,164,262,896)	(128,913,651,064)
Proceeds from disposals of fixed assets	22		10,094,569,908	5,564,609,094
Proceeds from disposals of investments in securities	22		7,598,355,000	6,570,300,000
Proceeds from disposals of other long-term investments			907,500,000	6,582,481,592
Payments for investments in other entities	25		(44,899,616,482)	(2,740,795,979)
Collection of investments in associates			734,199,983	1,960,000,000
Receipts of dividends and interest income	27		5,392,421,309	14,774,724,908
(Payments)/receipts in other non-current assets			(2,392,449,000)	13,906,250,321
Net cash flow from investing activities	30		(145,729,282,178)	(82,296,081,128)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term and long-term borrowings	33		3,870,681,841,050	2,980,813,258,415
Payments to settle loan principals	34		(4,039,649,274,822)	(3,003,651,529,110)
Proceeds from equity issued by subsidiaries to minority interest			29,098,000,000	3,200,000,000
Payments for financial lease liabilities	35		(1,326,047,264)	(904,017,600)
Payments of dividends to equity holders of the Company	36		(30,485,248,830)	(24,655,691,150)
Payments of dividends by subsidiaries to minority interest			(21,592,647,531)	(14,387,669,932)
Net cash flow from financing activities	40		(193,273,377,397)	(59,585,649,377)
Net cash flows during the year (50 = 20 + 30 + 40)	50		(7,302,214,486)	(34,970,588,057)
Cash and cash equivalents at the beginning of the year	60		187,157,793,659	222,128,381,716
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	179,855,579,173	187,157,793,659

23 March 2015

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



The accompanying notes are an 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 2014

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:

- Services and trading: trading, distribution, repair and maintenance of cars, motorbikes and spare parts of Toyota, Ford, GM, Suzuki, Hyundai, SYM, Yamaha; 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;
- 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.

The consolidated financial statements of the Group for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

As at 31 December 2014, the Group had 1,810 employees (31 December 2013: 1,791 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 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 currency

The 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 2014
(continued)

Form B 09 – DN/HN

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. 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 2014
(continued)

Form B 09 – DN/HN

(d) Short-term and long-term investments

Short-term investments consist of investments in listed, unlisted shares and other short-term investments.

Investments are stated at cost. An allowance is made for reductions in investment values if market value of the investment falls below cost or if the investee has suffered a loss. The allowance is reversed if the recoverable amount is subsequently increased 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.

Allowance for diminutions in the value of investments is made as follows:

- For listed securities, market price for provisioning purpose is the closing price on the day of appropriating the provision in accordance with Circular 228/2009/TT-BTC dated 7 December 2009.
- For unlisted securities, market price for provisioning purpose is the average price calculated according to prices quoted by at least three securities companies at the time of appropriating the provision in accordance with Circular 228/2009/TT-BTC dated 7 December 2009.
- For other long-term investments, the basis of making the allowance is the investees' financial statements for the year in accordance with Circular 89/2013/TT-BTC dated 28 June 2013.

(e) Accounts receivable

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

(f) Inventories

Inventories consist of residential projects, cars, motorbikes and spare parts.

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 spare parts 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.

Cost of work in progress includes land use right and land development costs.

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 2014
(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 3(g).

(i) Intangible fixed assets

(i) Land use rights

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.

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(ii) Software

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

(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. Fixed assets, investment property and inventories are stated at cost of initial recognition. Subsequently, there are recognised 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. 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.

(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 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 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

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(l) Long-term prepayments

(i) *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.

(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 Circular 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance which provides guidance on management, use and depreciation of fixed assets (“Circular 45”). Cost of tools and supplies are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(m) Trade and other payables

Trade and other payables are stated at their cost.

(n) Provisions

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

(o) 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 follows:

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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.

Short-term and long-term investments are under the category of available-for-sale financial assets. All other financial assets on the consolidated balance sheet are under the category of loans and receivables.

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Notes to the consolidated financial statements for the year ended 31 December 2014
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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.

All financial liabilities on the consolidated balance sheet are under the category of 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.

(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.

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(q) Equity funds

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

(r) Revenue

(i) 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 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. The transfer of significant risks and rewards is determined to be at the time of sale or completion of the property, whichever is later.

(ii) Merchandise goods sold

Revenue from the sale of merchandise 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.

(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.

(s) Financial income

(i) Interest income

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

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Notes to the consolidated financial statements for the year ended 31 December 2014
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(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.

(t) Operating lease payments

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

(u) Borrowing costs

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

(v) 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.

(w) Segment reporting

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

(x) Related parties

Related companies include the shareholders and enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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Notes to the consolidated financial statements for the year ended 31 December 2014 (continued)

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4. Segment reporting

For the year ended:

	Services and trading		Investment property services		Financial services		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	VND	VND	VND	VND	VND	VND	VND	VND
Segment revenue	7,561,303,976,857	6,487,407,666,859	368,937,803,007	94,957,915,898	-	-	7,930,241,779,864	6,582,365,582,757
Segment other income	41,189,305,213	25,377,023,724	17,756,209,793	46,674,311,608	3,597,275,690	3,314,959,315	62,542,790,696	75,366,294,647
Direct and attributable cost of sales to segments	(7,189,418,469,165)	(6,168,703,523,868)	(240,544,694,388)	(17,974,697,176)	-	-	(7,429,963,163,553)	(6,186,678,221,044)
Direct and attributable other expenses to segments	(332,682,787,935)	(306,987,855,609)	(108,436,284,328)	(90,792,395,575)	(1,878,258,410)	(3,797,837,564)	(442,997,330,673)	(401,578,088,748)
Segment profit during the year	80,392,024,970	37,093,311,106	37,713,034,084	32,865,134,755	1,719,017,280	(482,878,249)	119,824,076,334	69,475,567,612
Un-allocated income							16,446,610,304	23,243,232,569
Un-allocated expenses							(17,622,763,134)	(8,007,359,940)
							118,647,923,504	84,711,440,241

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	Services and trading		Investment property services		Financial services		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	VND	VND	VND	VND	VND	VND	VND	VND
Assets								
Current assets	720,206,967,182	728,051,797,995	82,415,443,355	133,055,165,453	47,545,504,496	43,276,867,082	850,167,915,033	904,383,830,530
Non-current assets	278,601,352,634	277,956,477,420	1,505,050,368,887	1,619,548,268,841	1,015,264,000	1,257,814,000	1,784,666,985,521	1,898,762,560,261
Un-allocated assets	-	-	-	-	-	-	3,767,835,493	2,669,442,312
	998,808,319,816	1,006,008,275,415	1,587,465,812,242	1,752,603,434,294	48,560,768,496	44,534,681,082	2,638,602,736,047	2,805,815,833,103
Liabilities								
Current liabilities	567,218,156,266	599,095,088,451	388,277,352,396	453,339,548,291	13,763,891,686	27,831,342,231	969,259,400,348	1,080,265,978,973
Non-current liabilities	129,280,877,121	69,768,437,880	564,351,582,154	738,299,931,425	4,306,134,386	-	697,938,593,661	808,068,369,305
	696,499,033,387	668,863,526,331	952,628,934,550	1,191,639,479,716	18,070,026,072	27,831,342,231	1,667,197,994,009	1,888,334,348,278
For the year ended :								
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	VND	VND	VND	VND	VND	VND	VND	VND
Depreciation and amortisation	22,027,755,331	21,546,536,764	24,240,884,759	25,134,904,426	-	-	46,268,640,090	46,681,441,190
Allowances and provisions	1,369,852,856	404,578,112	-	-	(3,064,040,334)	(8,362,234,111)	(1,694,187,478)	(7,957,655,999)
Capital expenditure	95,329,743,763	10,941,505,450	27,834,519,133	117,972,145,614	-	-	123,164,262,896	128,913,651,064

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5. Cash and cash equivalents

	31/12/2014	31/12/2013
	VND	VND
Cash on hand	7,258,329,191	7,572,387,045
Cash in banks	129,005,709,982	152,619,955,702
Cash in transits	-	534,705,750
Cash equivalents	43,591,540,000	26,430,745,162
	<hr/>	<hr/>
	179,855,579,173	187,157,793,659
	<hr/> <hr/>	<hr/> <hr/>

Cash equivalents at 31 December 2014 included VND2,542 million (31 December 2013: VND26,281 million) pledged with banks as security for loans granted to the Group.

6. Short-term investments

	31/12/2014	31/12/2013
	VND	VND
Short-term investments in:		
▪ Listed shares	14,015,656,490	4,338,960,000
▪ Non-listed shares	49,574,552,543	57,617,228,543
	<hr/>	<hr/>
	63,590,209,033	61,956,188,543
Other short-term investments (*)	6,000,000,000	-
	<hr/>	<hr/>
	69,590,209,033	61,956,188,543
Allowance for diminution in value of short-term investments	(15,783,080,354)	(19,280,834,639)
	<hr/>	<hr/>
	53,807,128,679	42,675,353,904
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Short-term investments in shares represented investments in the following:

	31/12/2014	
	Quantity	VND
Equity instruments – short-term investments in shares of:		
- Vietnam Investment Construction and Trading Joint Stock Company	500,000	14,000,000,000
- Ho Chi Minh City Electric Power Trading Investment Corporation	1,350,000	13,500,000,000
- Ben Thanh Non Nuoc Joint Stock Company	90,000	9,000,000,000
- Viet Thai Joint Stock Company	650,760	8,042,676,000
- Ben Thanh Long Hai Joint Stock Company	691,126	6,772,500,000
- Toan Cau Insurance Company	180,000	6,300,000,000
- Ben Thanh Trading and Service Joint Stock Company	182,129	3,289,960,000
- Tien Len Steel Corporation Joint Stock Company	289,530	2,683,020,490
- Hai Phong Securities Joint Stock Company	812	2,052,543
	<hr/>	<hr/>
	3,934,357	63,590,209,033
	<hr/> <hr/>	<hr/> <hr/>

(*) Short-term investments at 31 December 2014 represented time deposits maturing after 3 months from their transaction dates (31 December 2013: Nil).

At 31 December 2014 other short-term investments with a carrying value of VND5,718 million (31 December 2013: Nil) were pledged with banks as security for loans granted to the Group.

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

	2014	2013
	VND	VND
Opening balance	19,280,834,639	41,920,000,000
Reclassification from allowance for diminution in value of long-term investments	-	3,262,766,551
Allowance utilised during the year	-	(24,929,700,000)
Written back	(3,497,754,285)	(972,231,912)
	<hr/>	<hr/>
Closing balance	15,783,080,354	19,280,834,639
	<hr/> <hr/>	<hr/> <hr/>

7. Accounts receivable – short-term and long-term

Prepayments to suppliers as of 31 December 2014 included amounts prepaid for acquisition of buildings and construction services of VND3,393 million (31 December 2013: VND96,773 million).

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Notes to the consolidated financial statements for the year ended 31 December 2014
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8. Inventories

	31/12/2014	31/12/2013
	VND	VND
Goods in transit	15,553,222,728	9,475,902,732
Materials and spare parts	9,041,913,301	5,675,989,846
Work in progress	23,017,854,422	2,293,214,671
Finished goods	213,035,173	8,202,267
Merchandise inventories	300,624,679,295	312,210,430,040
Goods on consignment	601,818,182	195,700,133
	<hr/>	<hr/>
	349,052,523,101	329,859,439,689
Allowance for inventories	(3,489,943,669)	(2,564,496,168)
	<hr/>	<hr/>
	345,562,579,432	327,294,943,521
	<hr/> <hr/>	<hr/> <hr/>

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

	2014	2013
	VND	VND
Opening balance	2,564,496,168	3,583,556,613
Increase in allowance during the year	943,161,465	-
Allowance utilised during the year	(17,713,964)	(101,920,200)
Written back	-	(917,140,245)
	<hr/>	<hr/>
Closing balance	3,489,943,669	2,564,496,168
	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2014 inventories with carrying value of VND165,003 million (31 December 2013: VND169,770 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 2014 (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	122,708,376,283	32,971,462,381	5,355,181,003	23,144,618,228	5,859,336,095	190,038,973,990
Additions	51,426,830,797	11,213,506,330	1,930,370,499	20,026,334,083	3,405,789,735	88,002,831,444
Disposals	-	(126,170,611)	-	(10,453,329,279)	-	(10,579,499,890)
Written off	-	(293,866,818)	(15,442,970)	-	-	(309,309,788)
Transfers from finance lease tangible fixed assets	-	-	5,280,483,547	-	-	5,280,483,547
Closing balance	174,135,207,080	43,764,931,282	12,550,592,079	32,717,623,032	9,265,125,830	272,433,479,303
Accumulated depreciation						
Opening balance	34,948,292,780	19,687,092,388	4,173,338,026	7,937,308,457	2,835,823,070	69,581,854,721
Charge for the year	9,596,687,440	4,561,197,390	723,228,007	4,299,941,202	1,007,688,365	20,188,742,404
Disposals	-	(535,328,852)	-	(2,430,641,004)	-	(2,965,969,856)
Written off	-	(293,866,818)	(15,442,970)	-	-	(309,309,788)
Transfers from finance lease tangible fixed assets	-	-	4,103,556,114	-	-	4,103,556,114
Closing balance	44,544,980,220	23,419,094,108	8,984,679,177	9,806,608,655	3,843,511,435	90,598,873,595
Net book value						
Opening balance	87,760,083,503	13,284,369,993	1,181,842,977	15,207,309,771	3,023,513,025	120,457,119,269
Closing balance	129,590,226,860	20,345,837,174	3,565,912,902	22,911,014,377	5,421,614,395	181,834,605,708

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Included in the cost of tangible fixed assets were assets costing VND22,906 million which were fully depreciated as of 31 December 2014 (31 December 2013: VND20,311 million), but which are still in active use.

At 31 December 2014 tangible fixed assets with carrying value of VND40,872 million (31 December 2013: VND3,463 million) were pledged with banks as security for loans granted to the Group.

10. Finance lease tangible fixed assets

	Office equipment VND
Cost	
Opening balance	5,280,483,547
Transfers to tangible fixed assets	(5,280,483,547)
	<hr/>
Closing balance	-
	<hr/>
Accumulated depreciation	
Opening balance	3,306,324,679
Charge for the year	797,231,435
Transfers to tangible fixed assets	(4,103,556,114)
	<hr/>
Closing balance	-
	<hr/>
Net book value	
Opening balance	1,974,158,868
Closing balance	-
	<hr/> <hr/>

At the end of the leases the Group has the option to purchase the equipment at the beneficial price.

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11. Intangible fixed assets

	Indefinite lived land use rights VND	Definite lived land use rights VND	Software VND	Total VND
Cost				
Opening balance	14,634,054,300	36,486,639,190	2,142,595,350	53,263,288,840
Additions	-	7,286,912,319	40,000,000	7,326,912,319
Written off	-	-	(31,345,000)	(31,345,000)
Closing balance	14,634,054,300	43,773,551,509	2,151,250,350	60,558,856,159
Accumulated amortisation				
Opening balance	-	6,945,762,028	1,883,256,809	8,829,018,837
Charge for the year	-	900,795,140	140,986,352	1,041,781,492
Written off	-	-	(31,345,000)	(31,345,000)
Closing balance	-	7,846,557,168	1,992,898,161	9,839,455,329
Net book value				
Opening balance	14,634,054,300	29,540,877,162	259,338,541	44,434,270,003
Closing balance	14,634,054,300	35,926,994,341	158,352,189	50,719,400,830

Included in the cost of intangible fixed assets were assets costing VND1,785 million which were fully depreciated as of 31 December 2014 (31 December 2013: VND548 million), but which are still in active use.

At 31 December 2014 intangible fixed assets with carrying value of VND27,899 million (31 December 2013: VND28,540 million) were pledged with banks as security for loans granted to the Group.

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12. Construction in progress

	2014 VND	2013 VND
Opening balance	616,786,347,775	492,609,027,541
Additions during the year	36,764,597,374	125,997,990,244
Transfers to inventories	(211,875,530,132)	(1,534,142,737)
Transfers to investment property	(6,783,801,423)	-
Written off	(245,616,673)	(286,527,273)
	<hr/>	<hr/>
Closing balance	434,645,996,921	616,786,347,775
	<hr/> <hr/>	<hr/> <hr/>

Major constructions in progress were as follows:

	31/12/2014 VND	31/12/2013 VND
Highway 13 Project	205,001,515,814	204,944,001,629
South Cam Le, Da Nang Project	74,563,358,488	77,229,210,858
Mecure Son Tra, Da Nang Project	83,794,011,286	75,632,214,523
CN4-3 Phu My Hung Project	-	54,937,738,080
104 Pho Quang Project	34,878,168,629	26,303,521,184
Tam Binh – Hiep Binh Phuoc Project	-	155,155,893,142
277 – 279 Ly Tu Trong Office Building Project	18,228,025,937	11,673,685,260
66 – 68 Nam Ky Khoi Nghia Project	11,110,328,757	10,670,213,016
Garage renovation for Toyota Phap Van, a branch of Toyota Gia Phong Joint Venture Company (TGP)	3,654,200,366	-
Huyn dai Gia Lai Branch (a branch of Savico Da Nang Corporation) Project	3,175,831,561	-
Ho Tram, Xuyen Moc Project	240,556,083	239,870,083
	<hr/>	<hr/>
	434,645,996,921	616,786,347,775
	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2014 construction in progress with carrying value of VND46,040 million (31 December 2013: VND42,864 million) was pledged with banks as security for loans granted to the Group.

During the year, borrowings costs capitalised into construction in progress amounted to VND8,930 million (2013: VND18,500 million).

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Notes to the consolidated financial statements for the year ended 31 December 2014
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13. Investment property

	Land use rights VND	Buildings VND	Total VND
Cost			
Opening balance	133,201,140,041	720,839,626,254	854,040,766,295
Transfers from construction in progress	6,783,801,423	-	6,783,801,423
<hr/>			
Closing balance	139,984,941,464	720,839,626,254	860,824,567,718
<hr/>			
Accumulated depreciation			
Opening balance	14,263,776,705	73,986,044,561	88,249,821,266
Charge for the year	4,237,389,780	20,003,494,979	24,240,884,759
<hr/>			
Closing balance	18,501,166,485	93,989,539,540	112,490,706,025
<hr/>			
Net book value			
Opening balance	118,937,363,336	646,853,581,693	765,790,945,029
Closing balance	121,483,774,979	626,850,086,714	748,333,861,693
<hr/>			

The Group's investment properties represented buildings and land use rights held for earning rental income.

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

Included in the cost of investment properties were assets costing VND12,746 million which were fully depreciated as of 31 December 2014 (31 December 2013: VND11,702 million), but which are still in active use.

At 31 December 2014 investment properties with carrying value of VND671,154 million (31 December 2013: VND691,559 million) were pledged with banks as security for loans granted to the Group.

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14. Long-term investments

	31/12/2014	31/12/2013
	VND	VND
Long-term equity investments in associates	98,866,042,688	87,569,378,997
Other long-term investments	204,351,640,112	189,320,158,630
	<hr/>	<hr/>
	303,217,682,800	276,889,537,627
Allowance for diminution in value of long-term investments	(3,372,547,962)	(2,938,834,011)
	<hr/>	<hr/>
	299,845,134,838	273,950,703,616
	<hr/>	<hr/>

Other long-term investments as of 31 December 2014 represented the Group's investments in real-estate and other business cooperation contracts with separate legal entities established amounting to VND199,652 million (31 December 2013: 189,320 million) and a long-term deposit in bank amounting to VND4,700 million (31 December 2013: Nil).

At 31 December 2014 other long-term investments with a carrying value of VND4,700 million (31 December 2013: Nil) were pledged with banks as security for loans granted to the Group.

Movements of investments in associates were as follows:

	2014	2013
	VND	VND
Balance at the beginning of the year	87,569,378,997	92,508,120,585
New investments	13,050,000,000	83,050,436
Share of net profit in associates (net of income tax)	8,751,205,868	3,959,616,144
Dividends from associates	(7,075,672,500)	(7,021,408,168)
Disposals of associates	(8,909,369,677)	(1,960,000,000)
Deemed acquisition of an associate	6,040,500,000	-
Partial collection of investment in an associate (c)	(560,000,000)	-
	<hr/>	<hr/>
	98,866,042,688	87,569,378,997
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Notes to the consolidated financial statements for the year ended 31 December 2014
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Movements in the allowance for diminution in value of long-term investments during the year were as follows:

	2014 VND	2013 VND
Opening balance	2,938,834,011	13,591,602,761
Increase in allowance during the year	433,713,951	-
Reclassification to allowance for diminution in value of short-term investments	-	(3,262,766,551)
Written back	-	(7,390,002,199)
Closing balance	3,372,547,962	2,938,834,011

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Notes to the consolidated financial statements for the year ended 31 December 2014
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Details of the investments in associates were as follows:

Name	Principal activity	Investment licence	% of ownership	31/12/2014 VND	31/12/2013 VND
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.	40.03%	30,680,975,476	31,869,886,914
Dana Joint Stock Company (DANA FORD) (a)	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.	28.19%	7,451,862,891	6,602,937,626
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%	47,679,461,182	45,223,981,109
Khanh Hoi Saigon General Service Co., Ltd. (b)	Trading, providing consultancy and tender real estate services, advertising.	Business Licence No. 0309535441 issued by Ho Chi Minh Planning and Investment Department on 4 January 2010.		-	1,189,007,367
Ben Thanh Savico General Trading & Services Co., Ltd. (c)	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%	70,072,710	1,566,141,297
Super Car Joint Stock Company (b)	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.		-	1,117,424,684

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Notes to the consolidated financial statements for the year ended 31 December 2014
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Name	Principal activity	Investment licence	% of ownership	31/12/2014 VND	31/12/2013 VND
Binh Duong New City Automobile Service Joint Stock Company (d)	Trading FORD cars and spare parts, providing maintenance services.	Business Licence No. 3702287077 issued by Binh Duong Province Planning and Investment Department on 16 July 2014.	35.41%	12,983,670,429	-
				98,866,042,688	87,569,378,997

- (a) As at 26 March 2014, the Company disposed an associate – Dana Joint Stock Company (DANA FORD). The Company signed a capital assignment agreement with Savico Da Nang Corporation, a subsidiary, whereby the Company transferred all rights and the obligations arising from its shares in DANA FORD to Savico Da Nang Corporation since 3 January 2014.
- (b) During the year, Super Car Joint Stock Company and Khanh Hoi Saigon General Service Co., Ltd. were liquidated.

Losses on disposals/liquidations of associates, included as financial expenses during the year, were as follows:

	Dana Joint Stock Company VND	Khanh Hoi Saigon General Service Co., Ltd. VND	Super Car Joint Stock Company VND	Total VND
Proceeds from disposals/liquidations of associates	6,040,500,000	174,199,983	-	6,214,699,983
Carrying amounts of investments in associates disposed/liquidated	(6,602,937,626)	(1,189,007,367)	(1,117,424,684)	(8,909,369,677)
Losses on disposals/liquidations of associates	(562,437,626)	(1,014,807,384)	(1,117,424,684)	(2,694,669,694)

- (c) During the year, the Group partially collected its investment in Ben Thanh Savico General Trading & Services Co., Ltd., an associate, amounting to VND560 million.
- (d) During the year, the Group contributed 35.41% capital of Binh Duong New City Automobile Service Joint Stock Company and had significant influence over this company.

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Summary of balance sheets and statements of income of associates are as follows:

	Total assets 31/12/2014 VND	Total liabilities 31/12/2014 VND	Owners' equity 31/12/2014 VND	Net profit/(loss) after tax 2014 VND
ComfortDelgro Savico Taxi Company	85,898,446,146	9,253,491,173	76,644,954,973	(2,970,051,056)
Dana Joint Stock Company (DANA FORD)	44,220,768,810	26,149,427,017	18,071,341,793	8,304,750,163
Toyota East Saigon Joint Stock Company (TESC)	363,349,307,806	227,742,194,090	135,607,113,716	26,269,432,736
Ben Thanh Savico General Trading & Services Co., Ltd.	187,885,642	-	187,885,642	(2,513,599,335)
Binh Duong New City Automobile Service Joint Stock Company	39,365,661,078	14,632,971,369	24,732,689,709	(187,310,291)
<hr/>				
	Total assets 31/12/2013 VND	Total liabilities 31/12/2013 VND	Owners' equity 31/12/2013 VND	Net profit/(loss) after tax 2013 VND
ComfortDelgro Savico Taxi Company	107,635,623,993	28,020,617,964	79,615,006,029	(4,854,002,659)
Dana Joint Stock Company (DANA FORD)	36,553,255,155	21,553,255,155	15,000,000,000	4,275,457,890
Toyota East Saigon Joint Stock Company (TESC)	320,222,705,827	191,599,323,831	128,623,381,996	16,732,873,294
Khanh Hoi Saigon General Service Co., Ltd.	2,427,463,949	918,301	2,426,545,648	173,561,974
Ben Thanh Savico General Trading & Services Co., Ltd.	8,698,408,609	4,496,923,632	4,201,484,977	(1,059,848,456)
Super Car Joint Stock Company	254,356,952	421,025,621	(166,668,669)	-

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15. Long-term prepayments

	31/12/2014	31/12/2013
	VND	VND
Tools and supplies	2,671,477,178	8,509,899,125
Prepaid land costs	12,733,960,616	14,632,898,017
Renovation expenses	14,781,713,089	18,835,808,099
Others	6,596,391,920	3,278,416,732
	<hr/>	<hr/>
	36,783,542,803	45,257,021,973
	<hr/> <hr/>	<hr/> <hr/>

16. Short-term borrowings

	31/12/2014	31/12/2013
	VND	VND
Short-term borrowings denominated in VND	362,787,833,920	427,896,227,651
Current portion of long-term borrowings (Note 22)	50,345,196,000	50,393,831,028
	<hr/>	<hr/>
	413,133,029,920	478,290,058,679
	<hr/> <hr/>	<hr/> <hr/>

Included in short-term borrowings were VND68,725 million (31 December 2013: VND179,208 million) unsecured and VND294,063 million (31 December 2013: VND248,688 million) secured by the following assets:

	31/12/2014	31/12/2013
	VND	VND
Cash equivalents	2,541,540,000	15,412,980,000
Short-term investments	5,718,022,800	-
Inventories	148,251,615,423	169,770,411,810
Tangible fixed assets	-	1,979,798,718
Investment properties	33,419,410,703	44,660,768,949
Other long-term investments	4,700,000,000	-
	<hr/>	<hr/>
	194,630,588,926	231,823,959,477
	<hr/> <hr/>	<hr/> <hr/>

These loans bore interest at rates ranging from 2.1% to 9% (2013: from 1.8% to 14%) per annum.

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17. Taxes payable to State Treasury

	31/12/2014	31/12/2013
	VND	VND
Value added tax	5,625,774,566	4,695,785,030
Corporate income tax	8,313,503,872	7,459,386,156
Personal income tax	4,582,896,487	3,440,776,366
Other obligations	15,130,421,402	13,317,540,528
	<hr/>	<hr/>
	33,652,596,327	28,913,488,080
	<hr/>	<hr/>

18. Accrued expenses

	31/12/2014	31/12/2013
	VND	VND
Interest on borrowings	519,068,474	4,109,865,760
Rental fees	254,143,228	360,965,451
Salary and related expenses	4,676,937,820	2,720,000,000
Professional service fees	9,783,046,548	9,515,595,775
Accruals for operating expenses	3,810,076,095	1,572,108,775
Others	7,958,733,578	5,430,436,125
	<hr/>	<hr/>
	27,002,005,743	23,708,971,886
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19. Other payables

	31/12/2014	31/12/2013
	VND	VND
Dividends payable	6,974,401,435	4,040,651,275
Borrowings from a related party	-	6,541,734,555
Borrowings from third parties (a)	1,800,000,000	3,000,000,000
Payments on behalf of related parties	-	926,194,003
Payable to Vinaland Investments Limited (b)	130,323,934,900	-
Payable to a party of a real estate project (c)	40,235,200,000	-
Payable to a customer	5,856,400,000	5,856,400,000
Short-term deposits received in relation to Tam Binh Project	59,101,838,270	42,442,208,800
Short-term deposit received from a customer in relation to Saigon South Project	-	54,887,738,080
Short-term unearned revenue	6,932,017,411	6,470,400,000
Payables to other contract partners in respect of Phan Van Tri Project	1,130,055,440	1,895,371,856
Payables related to used cars sold on behalf of customers	-	511,000,000
Contribution from other contractual parties in respect of Car Supermarket Project	1,384,764,476	1,473,697,257
Insurance premium collected on behalf of insurance agencies	3,117,487,977	1,640,628,598
Sales consultant commission payables	1,446,828,107	253,000,000
Others	8,779,918,795	6,948,627,842
	<hr/> <hr/>	<hr/> <hr/>
	267,082,846,811	136,887,652,266

- a. Borrowings from third parties as of 31 December 2014 bore interest rate at 8.5% (2013: rates ranging from 10.7% to 13%) per annum. These amounts are payable on 31 October 2015.
- b. Payable to Vinaland Investments Limited as of 31 December 2014 represented the advance from this partner under the Capital Assignment Agreement dated 20 November 2014 for the assignment of the Company's capital contribution in Savico-Vinaland Co., Ltd.
- c. Payable to a party of a real estate project represented the advance from this party under the Cooperation Agreement dated 10 July 2014 on a project at 104 Pho Quang.

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20. Bonus and welfare fund

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

	2014	2013
	VND	VND
Opening balance	6,525,093,179	6,649,990,345
Appropriation from retained profits	8,603,572,264	6,610,854,931
Utilisation during the year	(6,236,635,689)	(6,735,752,097)
	<hr/>	<hr/>
Closing balance	8,892,029,754	6,525,093,179
	<hr/>	<hr/>

21. Other long-term liabilities

	31/12/2014	31/12/2013
	VND	VND
Long-term deposits received	45,977,607,041	61,400,248,429
Other long-term payables	127,332,303,050	123,795,978,149
	<hr/>	<hr/>
	173,309,910,091	185,196,226,578
	<hr/>	<hr/>

Other long-term payables, were interest free, represented amounts contributed by partners for participation in the Group's property projects and payables for other long-term contracts as follows:

	31/12/2014	31/12/2013
	VND	VND
Binh An Project	22,042,917,434	19,532,917,434
Highway 13 Project	25,098,400,000	26,098,400,000
227-229 Ly Tu Trong Office Building Project	47,714,227,225	43,621,215,625
104 Pho Quang Project	10,000,000,000	14,549,119,468
Phan Van Tri Project	14,882,586,965	14,233,633,130
Land rental payable to land lessor	7,594,171,426	5,760,692,492
	<hr/>	<hr/>
	127,332,303,050	123,795,978,149
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22. Long-term borrowings

	31/12/2014	31/12/2013
	VND	VND
Long-term borrowings denominated in VND	447,418,571,426	451,277,611,467
Long-term bonds issued	-	100,000,000,000
	<hr/>	<hr/>
	447,418,571,426	551,277,611,467
Finance lease liabilities	-	1,326,047,264
	<hr/>	<hr/>
	447,418,571,426	552,603,658,731
Repayable within twelve months (Note 16)	(50,345,196,000)	(50,393,831,028)
	<hr/>	<hr/>
Repayable after twelve months	397,073,375,426	502,209,827,703
	<hr/> <hr/>	<hr/> <hr/>

Included in long-term borrowings were VND12,100 million of unsecured borrowings (31 December 2013: VND20,963 million) and VND435,319 million of borrowings (31 December 2013: VND430,315 million) secured by the following assets:

	31/12/2014	31/12/2013
	VND	VND
Cash equivalents	-	10,867,765,162
Inventories	16,751,846,290	-
Tangible fixed assets	40,872,396,466	1,483,285,750
Intangible fixed assets	27,899,312,792	28,540,425,384
Construction in progress	46,039,831,209	42,863,999,648
Investment properties	637,734,352,845	646,898,536,979
	<hr/>	<hr/>
	769,297,739,602	730,654,012,923
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These loans bore interest at rates ranging from 3.4% to 11% (2013: from 3% to 18%) per annum.

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23. Unearned revenue

	31/12/2014	31/12/2013
	VND	VND
Building rental income	102,368,932,133	109,727,200,000
Land rental income	9,004,800,000	-
Warranty and customer care services	16,181,576,011	10,508,238,412
Others	-	426,876,612
	<hr/>	<hr/>
	127,555,308,144	120,662,315,024
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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 2013	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
Net profit for the year	-	-	-	-	-	-	41,172,069,748	41,172,069,748
Appropriation to equity funds	-	-	-	-	453,498,246	670,070,376	(1,123,568,622)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(5,406,513,911)	(5,406,513,911)
Dividends	-	-	-	-	-	-	(24,975,507,000)	(24,975,507,000)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	-	(1,888,513,767)	(1,888,513,767)
Other decreases	-	-	-	-	-	-	(329,693,177)	(329,693,177)
Balance at 1 January 2014	249,955,730,000	317,064,858,303		5,093,483,305	19,172,474,946	18,472,324,897	132,541,353,029	741,609,750,122
Net profit for the year	-	-	-	-	-	-	51,807,692,432	51,807,692,432
Appropriation to equity funds	-	-	-	-	1,406,963,138	1,629,861,844	(3,036,824,982)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(6,644,987,627)	(6,644,987,627)
Dividends (Note 37)	-	-	-	-	-	-	(29,970,608,400)	(29,970,608,400)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	-	(2,026,976,177)	(2,026,976,177)
Other decreases	-	-	-	-	-	-	(171,566,501)	(171,566,501)
Balance at 31 December 2014	249,955,730,000	317,064,858,303	(690,474,358)	5,093,483,305	20,579,438,084	20,102,186,741	142,498,081,774	754,603,303,849

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25. Share capital

	31/12/2014		31/12/2013	
	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

	2014 VND	2013 VND
Balance at the beginning of the year	175,871,734,703	169,423,686,070
Earnings attributable to minority interest during the year	35,973,324,829	19,948,253,386
Capital contribution during the year	29,098,000,000	3,200,000,000
Dividends	(21,592,647,531)	(14,387,669,932)
Share of bonus and welfare fund	(1,958,584,637)	(1,117,213,580)
Others	(590,389,175)	(1,195,321,241)
Balance at the end of the year	216,801,438,189	175,871,734,703

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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:

	2014	2013
	VND	VND
Total revenue		
▪ Sales of real estate	226,145,504,359	1,086,474,762
▪ Sales of merchandise goods	7,091,192,063,245	6,004,020,446,119
▪ Services rendered	479,568,304,371	496,649,789,502
▪ Rental income	142,792,298,648	93,871,441,136
	<hr/>	<hr/>
	7,939,698,170,623	6,595,628,151,519
Less revenue deductions	(9,456,390,759)	(13,262,568,762)
	<hr/>	<hr/>
Net revenue	7,930,241,779,864	6,582,365,582,757
	<hr/> <hr/>	<hr/> <hr/>

28. Cost of sales

	2014	2013
	VND	VND
Merchandise goods sold	6,860,892,974,256	5,812,963,217,119
Services rendered	352,712,079,232	347,963,097,007
Depreciation charge of investment property	24,240,884,759	25,134,904,426
Carrying value of sold real estate	191,174,063,841	1,534,142,737
Allowance/(reversal of allowance) for inventories	943,161,465	(917,140,245)
	<hr/>	<hr/>
	7,429,963,163,553	6,186,678,221,044
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Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2014
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29. Financial income

	2014	2013
	VND	VND
Interest income from deposits	1,995,628,109	11,664,362,233
Income from security trading	220,282,490	44,623,519
Income from disposal of other long-term investment	664,950,000	-
Dividends	3,396,793,200	2,987,304,400
Foreign exchange gains	1,046,570,370	1,116,361,849
Other financial income	4,063,232,351	28,647,308,053
	<hr/>	<hr/>
	11,387,456,520	44,459,960,054
	<hr/>	<hr/>

30. Financial expenses

	2014	2013
	VND	VND
Interest expense	64,142,222,565	88,158,375,350
Losses from security trading	1,563,492,000	188,345,937
Losses from disposals/liquidations of investments in associates	2,694,669,694	-
Security trading expenses	52,570,644	37,734,791
Foreign exchange losses	807,784,082	2,069,559,119
Reversal of allowance for short-term and long-term investments	(3,064,040,334)	(8,362,234,111)
Other financial expenses	1,368,196,220	2,680,051,591
	<hr/>	<hr/>
	67,564,894,871	84,771,832,677
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Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2014
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31. Other income

	2014	2013
	VND	VND
Proceeds from disposals of tangible fixed assets	10,094,569,908	5,564,609,094
Proceeds from disposals of long-term prepayments	4,421,964,161	-
Deduction in payables granted by suppliers	19,147,172,105	11,496,720,690
Commission received from other parties	9,150,518,363	15,449,997,759
Support from Vinaland Investments Limited during the construction period of Savico-Vinaland Project	-	10,400,000,000
Compensation received from customers for cancellation of contracts	7,106,437,840	1,132,170,000
Compensation received from a party for cancellation of agreement (*)	7,000,000,000	-
Others	1,930,076,235	6,146,453,475
	<hr/>	<hr/>
	58,850,738,612	50,189,951,018
	<hr/>	<hr/>

(*) This income represented the compensation received from Khanh Hoi Export – Import Joint Stock Company (Khahomex) for breach of the agreement dated 25 September 2013 to purchase apartments of 56 Ben Van Don Project. This compensation has been agreed between two parties according to the cancellation agreement dated 9 January 2014.

32. Other expenses

	2014	2013
	VND	VND
Net book value of tangible fixed assets disposed	7,613,530,034	4,891,154,560
Net book value of long-term prepayments disposed	5,988,045,049	-
Additional payments to State Treasury	16,924,009,460	-
Others	10,066,221,325	3,116,205,380
	<hr/>	<hr/>
	40,591,805,868	8,007,359,940
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33. Income tax

(a) Recognised in the balance sheet

	31/12/2014	31/12/2013
	VND	VND
Deferred tax assets		
Allowances and provisions	-	27,282,888
Accrued expenses	2,722,698,294	2,642,159,424
Tax losses carry-forwards	1,045,137,199	-
	<hr/>	<hr/>
	3,767,835,493	2,669,442,312
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(b) Recognised in the statement of income

	2014	2013
	VND	VND
Current tax expense		
Current year	30,300,444,363	21,621,412,008
Under provision in prior years	1,607,853,061	203,923,765
	<hr/>	<hr/>
	31,908,297,424	21,825,335,773
	<hr/>	<hr/>
Deferred tax (benefit)/expense		
Origination of temporary differences	-	(2,493,705,148)
Reversal of temporary differences	3,746,018	4,259,486,482
Benefit of tax losses recognised	(1,045,137,199)	-
	<hr/>	<hr/>
	(1,041,391,181)	1,765,781,334
	<hr/>	<hr/>
Income tax expense	30,866,906,243	23,591,117,107
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(c) Reconciliation of effective tax rate

	2014 VND	2013 VND
Profit before tax	118,647,923,504	84,711,440,241
Tax at income rate applicable to the Company	26,102,543,171	21,177,860,059
Non-deductible expenses	5,461,590,348	1,413,222,555
Non-taxable income	(4,034,210,242)	(2,830,029,716)
Deferred tax assets not recognised	3,888,475,754	1,926,461,145
Tax losses utilised	(2,949,322,078)	-
Deferred tax assets/(liabilities) not recognised on reversal of allowance/(allowance) for diminution in the value of investments in subsidiaries and associates	789,976,229	(2,161,863,172)
Effect of change in tax rates	-	3,861,542,471
Under provision in prior years	1,607,853,061	203,923,765
Income tax expense	30,866,906,243	23,591,117,107

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

(d) Applicable tax 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 22%. On 19 June 2013, the National Assembly approved the Law on amendments and supplements to a number of articles of the Corporate Income Tax Law. Accordingly, the highest income tax rate shall be reduced from 25% to 22% for 2014 and 2015, and to 20% from 2016.

34. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2014 and 31 December 2013 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

	2014 VND	2013 VND
Net profit to ordinary shareholders of Saigon General Service Corporation for the year	51,807,692,432	41,172,069,748

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(ii) Weighted average number of ordinary shares

	2014	2013
	Number of shares	Number of shares
Weighted average number of ordinary shares	24,975,507	24,975,507

As of 31 December 2014, the Group did not have potentially dilutive ordinary shares.

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; and
- 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.

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(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.

(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	31/12/2014 VND	31/12/2013 VND
Cash in banks and cash equivalents	(ii)	172,597,249,982	179,050,700,864
Other short-term investments in bank deposits	(ii)	6,000,000,000	-
Trade and other receivables – short-term and long-term	(iii)	228,929,797,449	215,732,014,699
Other long-term investments in bank deposits	(ii)	4,700,000,000	-
		412,227,047,431	394,782,715,563

(ii) Cash in banks and cash equivalents and other short-term and long-term investments in bank deposits

The cash and cash equivalents in banks and other short-term and long-term investments in bank deposits 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.

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

	Gross 31/12/2014 VND	Allowance for doubtful debts 31/12/2014 VND	Gross 31/12/2013 VND	Allowance for doubtful debts 31/12/2013 VND
Not past due	217,895,334,327	300,000,000	205,782,930,152	-
Past due 0 – 30 days	8,211,561,617	-	3,482,247,187	-
Past due 31 – 180 days	1,454,739,797	-	6,321,104,019	13,927,195
Past due over 180 days	1,817,008,142	148,846,434	174,792,401	15,131,865
	<hr/> 229,378,643,883	448,846,434	215,761,073,759	29,059,060 <hr/>

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

	2014 VND	2013 VND
Opening balance	29,059,060	541,621,193
Increase in allowance during the year	426,691,391	-
Allowance utilised during the year	(6,904,017)	(78,424,778)
Written back	-	(434,137,355)
	<hr/> 448,846,434	29,059,060 <hr/> <hr/>
Closing balance	448,846,434	29,059,060

(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.

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The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

31 December 2014

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND	2 – 5 years VND	Over 5 years VND
Short-term borrowings	413,133,029,920	422,968,611,127	422,968,611,127	-	-	-
Trade and other payables	363,650,906,105	363,778,336,242	363,778,336,242	-	-	-
Payables to employees	65,789,300,868	65,789,300,868	65,789,300,868	-	-	-
Accrued expenses	27,002,005,743	27,002,005,743	27,002,005,743	-	-	-
Long-term borrowings	397,073,375,426	485,147,782,257	-	211,777,784,810	260,117,950,226	13,252,047,221
Other long-term liabilities	173,309,910,091	173,309,910,091	-	125,595,682,866	-	47,714,227,225
	1,439,958,528,153	1,537,995,946,328	879,538,253,980	337,373,467,676	260,117,950,226	60,966,274,446

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31 December 2013

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND	2 – 5 years VND	Over 5 years VND
Short-term borrowings	478,290,058,679	419,496,407,629	419,496,407,629	-	-	-
Trade and other payables	246,489,761,689	339,478,087,247	339,478,087,247	-	-	-
Payables to employees	67,918,393,954	67,918,393,954	67,918,393,954	-	-	-
Accrued expenses	23,708,971,886	23,708,971,886	23,708,971,886	-	-	-
Long-term bonds issued	100,000,000,000	119,133,333,333	12,470,833,333	106,662,500,000	-	-
Long-term borrowings and finance lease liabilities	402,209,827,703	580,523,861,908	68,815,820,665	110,515,945,439	283,787,434,532	117,404,661,272
Other long-term liabilities	185,196,226,578	185,196,226,578	123,277,170,713	11,648,913,120	-	50,270,142,745
	1,503,813,240,489	1,735,455,282,535	1,055,165,685,427	228,827,358,559	283,787,434,532	167,674,804,017

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

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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 Group, the VND. The currency in which these transactions primarily are denominated is USD.

The Group'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 liability position exposed to currency risk:

	31/12/2014	31/12/2013
	USD	USD
Cash	543	871
Other long-term liabilities	(60,000)	(341,300)
	<hr/>	<hr/>
	(59,457)	(340,429)
	<hr/> <hr/>	<hr/> <hr/>

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

	Exchange rate as at	
	31/12/2014	31/12/2013
	VND	VND
USD 1	21,380	21,085
	<hr/> <hr/>	<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 2014, is not significant.

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(ii) Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2014	31/12/2013
	VND	VND
Fixed rate instruments		
Cash equivalents	43,591,540,000	26,430,745,162
Other short-term investments in bank deposit	6,000,000,000	-
	<hr/>	<hr/>
	49,591,540,000	26,430,745,162
	<hr/>	<hr/>
Variable rate instruments		
Cash in banks	129,005,709,982	152,619,955,702
Other long-term investments in bank deposit	4,700,000,000	-
Short-term borrowings	(413,133,029,920)	(478,290,058,679)
Other payables	(1,800,000,000)	(9,063,708,333)
Long-term borrowings	(397,073,375,426)	(402,209,827,703)
Long-term bonds issued	-	(100,000,000,000)
	<hr/>	<hr/>
	(678,300,695,364)	(836,943,639,013)
	<hr/>	<hr/>

No policy in place pertaining to the mitigation of any potential volatility of the interest rate.

An increase of 100 basis points in interest rates would have decreased the net profit of the Group by VND2,645 million (2013: VND3,139 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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(e) Fair values

(i) Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities shown in the balance sheet are as follows:

		Carrying amount	
		31/12/2014	31/12/2013
		VND	VND
Available-for-sale financial assets:			
Short-term investments	(**)	47,807,128,679	42,675,353,904
Long-term investments	(**)	295,145,134,838	273,950,703,616
Categorised as loans and receivables:			
Cash and cash equivalents	(*)	179,855,579,173	187,157,793,659
Other short-term investments in bank deposit	(*)	6,000,000,000	-
Trade and other receivables – short-term and long-term	(**)	228,929,797,449	215,732,014,699
Other long-term investments in bank deposit	(*)	4,700,000,000	-
Categorised as liabilities at amortised cost:			
Short-term borrowings	(**)	(413,133,029,920)	(478,290,058,679)
Trade and other payables	(**)	(363,650,906,105)	(246,489,761,689)
Payables to employees	(**)	(65,789,300,868)	(67,918,393,954)
Accrued expenses	(**)	(27,002,005,743)	(23,708,971,886)
Long-term bonds issued	(**)	-	(100,000,000,000)
Long-term borrowings and finance lease liabilities	(**)	(397,073,375,426)	(402,209,827,703)
Other long-term liabilities	(**)	(173,309,910,091)	(185,196,226,578)
		<hr/> <hr/>	<hr/> <hr/>
		(677,520,888,014)	(784,297,374,611)

(ii) Basis for determining fair values

(*) As at 31 December 2014 and 2013, the fair values of cash and cash equivalents and other short-term and long-term investments in bank deposits were equal to their carrying values.

(**) The Group has not determined fair values of these financial instruments for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the relevant requirements of the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. There fair values of these financial instruments may differ from their carrying amounts.

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Notes to the consolidated financial statements for the year ended 31 December 2014
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36. Non-cash investing activities

	2014	2013
	VND	VND
Proceeds from disposals of other long-term investment (56 Van Don Landing Stage Project) in form of offsetting against other payables	-	5,492,492,766
Proceeds from disposals of investments in other long-term investment (56 Ben Van Don Project) in form of offsetting against prepayments to suppliers	-	78,677,314,301

37. Dividends

The General Meeting of Shareholders of the Company on 28 March 2014 resolved to distribute dividends of 2013 amounting to VND29,971 million, which is equal to 12% of par value of shares in circulation at that time.

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. 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, 9 October 2010 and 22 July 2013	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.	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 and 2 August 2012.	55%

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Subsidiary name	Principal activity	Investment licence	% of ownership
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.	88.12%
Saigon Star Corporation	Trading SUZUKI, HONDA, VEAM and YAMAHA automobile and motorbikes and spare parts, providing maintenance services.	Business Licence No. 4103007242 issued by the Ho Chi Minh City Planning and Investment Department on 9 July 2007 and amended on 28 May 2008.	55%
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.	Business Registration Certificate No. 0103018056 issued by Hanoi City Planning and Investment Department on 19 June 2007 and amended on 28 October 2009 and 6 October 2010.	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 and 4 May 2012.	51%
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%
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 service; providing transportation services.	Business Registration Certificate No. 0401581979 issued by Da Nang City Planning and Investment Department on 3 January 2014.	70%
OtoS Joint Stock Company (*)	Providing advertising services; trading cars and spare parts; trading automobile, motorbikes and spare parts; providing maintenance and repairing services; providing software publishment and other services related to information technology.	Business Registration Certificate No. 0312801485 issued by Ho Chi Minh City Planning and Investment Department on 2 June 2014 and amended on 8 August 2014.	77.07%

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Subsidiary name	Principal activity	Investment licence	% of ownership
Da Nang Son Tra Corporation (*)	Trading real estate; providing hotel and travel services; operating restaurant, providing food and beverages; providing transportation and civil construction services.	Business Registration Certificate No. 0401610891 issued by Da Nang City Planning and Investment Department on 17 June 2014.	98%
Saigon Cuu Long Automobil Corporation (*)	Trading GM cars and spare parts; providing maintenance and transportation services.	Business Registration Certificate No. 1801343681 issued by Can Tho City Planning and Investment Department on 26 June 2014.	84.17%

(*) During the year, the Company contributed 70% capital of Savico Da Nang Corporation, 77.07% of OtoS Joint Stock Company, 98% of Da Nang Son Tra Corporation and 84.17% of Saigon Cuu Long Automobil Corporation.

Transactions with key management personnel

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

	2014 VND	2013 VND
Board of Management	2,744,680,000	2,626,500,000
Board of Directors	1,305,400,000	790,000,000
Supervisory Board	112,500,000	112,500,000
	<hr/>	<hr/>
	4,162,580,000	3,529,000,000
	<hr/>	<hr/>

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Other related party transactions

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

Related party	Relationship	Nature of transaction	2014 VND	2013 VND
Toyota East Saigon Joint Stock Company (TESC)	Associate	Dividends	5,142,712,500	4,114,170,000
		Loan received from associate	-	17,300,000,000
		Other financial expenses	12,750,000	664,686,111
		Loan granted to associate	20,000,000,000	-
		Purchases of fixed assets	1,129,090,909	-
ConfortDelgro Taxi Savico Company	Associate	Rental and other related expenses charged to associate	2,482,487,393	3,056,355,441
Ben Thanh Savico General Trading & Services Co., Ltd.	Associate	Commission received from associate	464,528,000	1,390,763,000
		Dividends	-	168,000,000
		Purchase of equipment	260,000,000	-
		Loan granted to associate	-	500,000,000
		Other financial income	-	14,431,944

39. Lease commitment

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

	31/12/2014 VND	31/12/2013 VND
Within one year	47,257,649,291	35,080,647,220
From two to five years	138,391,280,524	85,632,134,485
Over five years	201,071,134,598	90,231,479,437
	386,720,064,413	210,944,261,142

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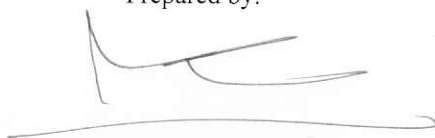
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40. Trading and business costs by element

	2014 VND	2013 VND
Cost of real estate sold	191,174,063,841	1,534,142,737
Cost of merchandise goods	6,918,360,213,959	2,634,876,879,860
Labour costs and staff costs	245,333,725,996	212,751,053,950
Depreciation and amortisation	46,268,640,090	46,681,441,190
Outside services	160,800,619,922	155,077,004,342
Other expenses	94,569,179,940	70,777,671,911

23 March 2015

Prepared by:



Ngo Van Danh
 Chief Accountant

Approved by:



Ma Thị Ha
 Chief Director