

**Saigon General Service Corporation
and its subsidiaries**

Consolidated Interim Financial Statements
for the six-month period ended 30 June 2019

Saigon General Service Corporation Corporate Information

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

Business Registration Certificate	4103002955	15 December 2004
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The Company's business registration certificate has been amended several times, the most recent of which is by Business Registration Certificate No. 0301154821 dated 26 January 2015. The business registration certificate and its updates issued by Ho Chi Minh City Planning and Investment Department.

Board of Management	Mr. Nguyen Binh Minh Mr. Mai Viet Ha Ms. Nguyen Viet Hoa Mr. Doan Van Quang Mr. Nguyen Cong Binh Mr. Nguyen Duc Trong Mr. Luong Quang Hien Mr. Lars Johan Gerard De Geer	Chairman Member Member Member Member Member Member Member
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Supervisory Board	Ms. Nguyen Nhu Anh Mr. Nguyen Thai Hoa Mr. Hoang Thi Thu Huong Mr. Dinh Truc Phuong	Head of the Board Member Member Member
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Board of Directors	Mr. Mai Viet Ha Mr. Doan Van Quang Ms. Nguyen Thu Nga Mr. Nguyen Cong Binh Mr. Phan Duong Cuu Long	General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director (from 6 May 2019)
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Legal Representative	Mr. Mai Viet Ha	General Director
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Registered Office	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam
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Auditor	KPMG Limited Vietnam
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Saigon General Service Corporation Statement of the Board of Directors

The Board of Directors of Saigon General Service Corporation (“the Company”) and its subsidiaries (together referred to as “the Group”) presents this statement and the accompanying consolidated interim financial statements of the Group for the six-month period ended 30 June 2019.

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

- (a) the consolidated interim financial statements set out on pages 5 to 60 give a true and fair view of the consolidated financial position of the Group as at 30 June 2019, and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors



Mai Viet Ha
General Director

Ho Chi Minh City, 12 August 2019

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Saigon General Service Corporation

We have reviewed the accompanying consolidated interim 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 30 June 2019, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Directors on 12 August 2019, as set out on pages 5 to 60.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not 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 30 June 2019 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 19-01-00353-19-2



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

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

Ho Chi Minh City, 12 August 2019

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2019

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		2,515,351,203,482	2,196,052,230,291
Cash and cash equivalents	110	8	254,624,976,298	268,045,104,754
Cash	111		146,506,708,823	210,007,572,879
Cash equivalents	112		108,118,267,475	58,037,531,875
Short-term financial investments	120		38,173,075,283	39,488,075,283
Trading securities	121	9(a)	42,802,075,283	42,802,075,283
Allowance for diminution in the value of trading securities	122	9(a)	(19,575,000,000)	(18,225,000,000)
Held-to-maturity investments	123	9(b)	14,946,000,000	14,911,000,000
Accounts receivable – short-term	130		754,029,034,645	695,256,990,400
Accounts receivable from customers	131	10	562,954,905,346	517,312,887,580
Prepayments to suppliers	132		91,845,567,534	85,880,071,038
Loans receivable	135	9(c)	16,950,000,000	12,000,000,000
Other short-term receivables	136	11(a)	82,935,297,193	80,720,767,210
Allowance for doubtful short-term debts	137		(656,735,428)	(656,735,428)
Inventories	140	12	1,399,056,132,903	1,134,474,506,423
Inventories	141		1,401,027,085,721	1,138,523,608,918
Allowance for inventories	149		(1,970,952,818)	(4,049,102,495)
Other current assets	150		69,467,984,353	58,787,553,431
Short-term prepaid expenses	151	17(a)	18,393,160,556	11,734,520,242
Deductible value added tax	152		46,955,273,740	46,780,713,489
Taxes and others receivable from State Treasury	153	19(b)	4,119,550,057	272,319,700

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

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2019 (continued)

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		2,171,833,062,075	2,159,597,103,287
Accounts receivable – long-term	210		174,982,673,573	182,178,610,222
Other long-term receivables	216	11(b)	175,982,673,573	183,178,610,222
Allowance for doubtful long-term debts	219	11(c)	(1,000,000,000)	(1,000,000,000)
Fixed assets	220		492,059,404,339	457,816,965,914
Tangible fixed assets	221	13	421,230,434,575	386,374,719,139
<i>Cost</i>	222		657,648,237,362	597,281,457,583
<i>Accumulated depreciation</i>	223		(236,417,802,787)	(210,906,738,444)
Intangible fixed assets	227	14	70,828,969,764	71,442,246,775
<i>Cost</i>	228		81,224,312,256	81,186,312,256
<i>Accumulated amortisation</i>	229		(10,395,342,492)	(9,744,065,481)
Investment property	230	15	714,231,478,509	726,184,526,348
<i>Cost</i>	231		921,937,799,775	921,828,708,866
<i>Accumulated depreciation</i>	232		(207,706,321,266)	(195,644,182,518)
Long-term work in progress	240		363,094,222,086	367,635,726,677
Construction in progress	242	16	363,094,222,086	367,635,726,677
Long-term financial investments	250		390,553,828,262	384,210,488,328
Investments in associates	252	9(d)	384,193,564,262	378,850,224,328
Equity investments in other entities	253		6,360,264,000	5,360,264,000
Other long-term assets	260		36,911,455,306	41,570,785,798
Long-term prepaid expenses	261	17(b)	33,402,579,105	38,061,909,597
Deferred tax assets	262	38(a)	3,508,876,201	3,508,876,201
TOTAL ASSETS (270 = 100 + 200)	270		4,687,184,265,557	4,355,649,333,578

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

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2019 (continued)

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		3,155,692,346,778	2,820,503,318,544
Current liabilities	310		2,625,210,383,909	2,266,260,565,058
Accounts payable to suppliers	311	18	158,757,518,387	184,846,499,376
Advances from customers	312		162,818,303,454	164,874,327,197
Taxes and others payable to State Treasury	313	19(a)	24,483,275,085	39,422,262,288
Payables to employees	314		70,337,252,965	100,659,106,107
Accrued expenses	315	20	47,427,086,832	53,055,205,113
Unearned revenue – short-term	318	21(a)	11,146,016,122	6,773,857,186
Other payables – short-term	319	22(a)	504,022,261,774	438,146,116,890
Short-term borrowings	320	23(a)	1,632,999,815,398	1,262,171,559,942
Bonus and welfare fund	322	24	13,218,853,892	16,311,630,959
Long-term liabilities	330		530,481,962,869	554,242,753,486
Unearned revenue – long-term	336	21(b)	86,627,188,030	95,941,611,058
Other payables – long-term	337	22(b)	89,466,502,505	87,253,926,927
Long-term borrowings	338	23(b)	354,388,272,334	371,047,215,501
EQUITY (400 = 410)	400		1,531,491,918,779	1,535,146,015,034
Owners' equity	410	25	1,531,491,918,779	1,535,146,015,034
Share capital	411	26	249,955,730,000	249,955,730,000
Share premium	412		317,064,858,303	317,064,858,303
Other capital	414		22,792,000,000	20,242,000,000
Treasury shares	415	26	(690,474,358)	(690,474,358)
Investment and development fund	418	28	43,033,201,299	43,033,201,299
Retained profits	421		446,305,020,952	424,537,839,749
- Retained profits brought forward	421a		377,659,861,850	251,534,943,076
- Retained profit for the current period/year	421b		68,645,159,102	173,002,896,673
Non-controlling interest	429		453,031,582,583	481,002,860,041
TOTAL RESOURCES (440 = 300 + 400)	440		4,687,184,265,557	4,355,649,333,578

12 August 2019

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2019

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

	Code	Note	Six-month period ended	
			30/6/2019 VND	30/6/2018 VND
Revenue from sales of goods and provision of services	01	30	8,583,039,439,749	6,151,579,178,757
Revenue deductions	02	30	(6,168,454,552)	(10,171,333,272)
Net revenue (10 = 01 + 02)	10	30	8,576,870,985,197	6,141,407,845,485
Cost of goods sold and services provided	11	31	(8,047,139,172,632)	(5,707,788,704,449)
Gross profit (20 = 10 + 11)	20		529,731,812,565	433,619,141,036
Financial income	21	32	5,764,126,720	8,106,486,730
Financial expenses	22	33	(65,126,082,293)	(36,967,029,008)
<i>In which: Interest expense</i>	23		(60,059,216,030)	(39,978,164,974)
Share of profit in associates	24	9(d)	39,425,178,901	19,948,313,376
Selling expenses	25	34	(262,789,130,334)	(209,621,334,547)
General and administration expenses	26	35	(162,861,242,296)	(130,783,707,694)
Net operating profit (30 = 20 + 21 + 22 + 24 + 25 + 26)	30		84,144,663,263	84,301,869,893
Other income	31	36	57,832,825,708	52,317,460,689
Other expenses	32		(2,550,136,488)	(1,366,769,268)
Results of other activities (40 = 31 + 32)	40		55,282,689,220	50,950,691,421
Accounting profit before tax (50 = 30 + 40)	50		139,427,352,483	135,252,561,314
Income tax expense – current	51	38(b)	(23,948,915,498)	(22,870,294,439)
Income tax expense – deferred	52	38(b)	-	-
Net profit after tax (60 = 50 + 51 + 52) (carried forward to the next page)	60		115,478,436,985	112,382,266,875

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2019
(continued)

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

	Code	Note	Six-month period ended	
			30/6/2019 VND	30/6/2018 VND
Net profit after tax (60 = 50 + 51 + 52) (brought forward from the previous page)	60		115,478,436,985	112,382,266,875
Attributable to:				
Equity holders of the Company	61		68,645,159,102	66,454,914,320
Non-controlling interest	62		46,833,277,883	45,927,352,555
Basic earnings per share	70	39	2,474	2,360

12 August 2019

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Maí Viet Ha
General Director

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2019
(Indirect method)

Form B 03a – DN/HN

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

	Code	Note	Six-month period ended	
			30/6/2019	30/6/2018
			VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		139,427,352,483	135,252,561,314
Adjustments for				
Depreciation and amortisation	02		42,358,615,550	35,199,188,097
Allowances and provisions	03		(728,149,677)	(3,186,396,682)
Losses on liquidation of investment in an associate	05		253,696,953	-
Gains on disposals of fixed assets	05		(3,557,482,084)	(1,238,366,107)
Dividend income and interest income	05		(3,578,589,581)	(3,744,501,157)
Share of profit in associates	05		(39,425,178,901)	(19,948,313,376)
Interest expense	06		60,059,216,030	39,978,164,974
Operating profit before changes in working capital	08		194,809,480,773	182,312,337,063
Change in receivables and other current assets	09		(52,077,388,134)	166,647,052,242
Change in inventories	10		(262,503,476,803)	95,987,094,715
Change in payables and other liabilities	11		(54,627,589,351)	(130,347,287,733)
Change in prepaid expenses	12		(1,999,309,822)	(49,210,934)
Change in trading securities	13		-	8,042,838,572
			(176,398,283,337)	322,592,823,925
Interest paid	14		(60,106,497,948)	(40,207,647,482)
Corporate income tax paid	15		(40,800,071,635)	(21,416,411,198)
Other payments for operating activities	17		(11,972,294,055)	(8,268,797,308)
Net cash flows from operating activities	20		(289,277,146,975)	252,699,967,937
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(67,357,662,718)	(96,452,440,911)
Proceeds from disposals of fixed assets	22		12,185,971,926	21,708,157,933
Payments for granting loans	23		(10,220,000,000)	(1,000,000,000)
Payments for term deposits at banks	23		(35,000,000)	(4,963,177,575)
Receipts from collecting loans	24		5,270,000,000	1,000,000,000
Payments for investments in other entities	25		(13,500,000,000)	(11,813,842,466)
Payments for acquisition of a subsidiary, netted of cash acquired (Note 7)	25		(9,900,000,000)	-
Collections from investment in an associate	26		31,496,303,047	-
Receipts of dividends and interests	27		18,410,428,548	8,572,378,292
Net (payment)/receipt in other non-current assets			(2,484,063,351)	769,785,090
Net cash flows from investing activities	30		(36,134,022,548)	(82,179,139,637)

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2019
(Indirect method – continued)

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

	Code	Note	Six-month period ended	
			30/6/2019 VND	30/6/2018 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from equity issued by subsidiaries to non-controlling interest	31		-	1,281,430,000
Proceeds from borrowings	33		5,620,501,180,608	3,249,652,757,074
Payments to settle loan principals	34		(5,266,331,868,319)	(3,427,287,656,777)
Payments of dividends by subsidiaries to non-controlling interest	36		(42,178,271,222)	(19,734,921,140)
Net cash flows from financing activities	40		311,991,041,067	(196,088,390,843)
Net cash flows during the period (50 = 20 + 30 + 40)	50		(13,420,128,456)	(25,567,562,543)
Cash and cash equivalents at the beginning of the period	60		268,045,104,754	222,746,938,508
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70	8	254,624,976,298	197,179,375,965

12 August 2019

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

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

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019

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

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

1. Reporting entity

(a) Ownership structure

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

The consolidated interim financial statements of the Company for the six-month period ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

(b) Principal activities

The principal activities of the Company are:

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

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

(c) Normal operating cycle

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

(d) Group structure

As at 30 June 2019, the Group had 2,857 employees (1 January 2019: 2,744 employees).

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

Saigon General Service Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

Form B 09a – DN/HN

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

Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				30/6/2019	1/1/2019
Direct subsidiaries					
1	Saigon Automobile Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	61A Cao Thang Street, Ward 3, District 3, Ho Chi Minh City, Vietnam	52.05%	52.05%
2	Toyota Giai Phong Joint Venture Company	Trading TOYOTA cars and spare parts, providing maintenance services.	807 Giai Phong Street, Giap Bat Ward, Hoang Mai District, Hanoi City, Vietnam	51.00%	51.00%
3	Saigon Service Trading Limited Company	Trading YAMAHA motorbikes and spare parts, providing maintenance services.	164 – 166C, 3/2 Street, Hung Loi Ward, Ninh Kieu District, Can Tho City, Vietnam	88.12%	88.12%
4	Saigon Star Corporation	Trading SUZUKI and HONDA automobile and motorbikes and spare parts, providing maintenance services.	510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam	56.80%	56.80%
5	Savico Hanoi Corporation	Operating business centre; trading real estate and trading and maintaining automobile.	7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam	70.00%	70.00%
6	Toyota Can Tho Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	K2-0, Vo Nguyen Giap Street, Thanh Thuan Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51.00%	51.00%
7	Savico Da Nang Corporation	Trading real estate; providing workshops and office rental services; providing consulting and real estate brokerage services; trading automobile and spare parts and providing maintenance and repairing service.	66 Vo Van Tan Street, Chinh Gian Ward, Thanh Khe District, Da Nang City, Vietnam	70.00%	70.00%

Saigon General Service Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

Form B 09a – DN/HN

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

Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				30/6/2019	1/1/2019
8	OtoS Joint Stock Company (otos.vn)	Providing e-commerce services; advertising services; trading cars and spare parts; providing software publication and other services related to information technology.	68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	80.86%	80.86%
9	Da Nang Son Tra Corporation	Trading real estate; providing hotel and travel services; operating restaurant, providing foods and beverages.	Bai Trem, Hoang Sa Street, Tho Quang Ward, Son Tra District, Da Nang City, Vietnam	98.00%	98.00%
10	Saigon Cuu Long Automobile Corporation	Trading GM, VINFAST cars and spare parts; providing maintenance and transportation services.	274 30/4 Street, Hung Loi Ward, Ninh Kiều District, Can Tho City, Vietnam	84.17%	84.17%
11	Saigon North West Automobile Joint Stock Company	Trading ISUZU trucks and spare parts; providing maintenance, repairing and transportation services.	43/7A Xuan Thoi Dong 2 Area, Xuan Thoi Dong Ward, Hoc Mon District, Ho Chi Minh City, Vietnam	80.00%	80.00%
12	Vinh Thinh Automobile Joint Stock Company	Trading HINO truck and spare parts; providing maintenance, repairing and transportation services.	5/5 Binh Giao Area, Thuan Giao Ward, Thuan An Town, Binh Duong Province, Vietnam	90.00%	90.00%
13	Nam Song Hau Automobile Joint Stock Company	Trading HONDA cars and spare parts; providing maintenance, repairing and transportation services.	Block E1-1, Vo Nguyen Giap Street, Thanh Loi Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51.00%	51.00%
14	Vinh Thinh Vehicle And Specialized Equipment Company Limited	Trading HYUNDAI truck, bus and spare parts; providing maintenance, repairing and transportation services.	Hamlet 1, Dong Tien Commune, Dong Phu District, Binh Phuoc Province, Vietnam	55.00%	55.00%

Saigon General Service Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

Form B 09a – DN/HN

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

Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				30/6/2019	1/1/2019
Indirect subsidiaries					
15	Ben Thanh Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	831 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	52.00%	52.00%
16	Can Tho Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	11 Vo Nguyen Giap Street, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	90.25%	90.25%
17	Saigon Far East Service Trading Company Limited	Trading HONDA motorbikes and spare parts, providing maintenance services.	673 Huynh Tan Phat Street, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam	100%	100%
18	Toyota Long Bien Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam	51.00%	51.00%
19	Toyota Hai Duong Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	1 Ngo Quyen Street, Cam Thuong Ward, Hai Duong City, Vietnam	51.00%	51.00%
20	Hai Duong Auto Investment and Service Company Limited	Trading FORD cars and spare parts, providing maintenance services.	118 An Dinh Street, Binh Han Ward, Hai Duong City, Viet Nam	51.00%	51.00%

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				30/6/2019	1/1/2019
21	Han River Automobile Corporation	Trading HYUNDAI cars and spare parts, providing maintenance services.	76 Duy Tan Street, Hoa Thuan Tay Ward, Hai Chau District, Da Nang City, Vietnam	51.00%	51.00%
22	Binh Dinh Automobile Corporation	Trading HYUNDAI cars and spare parts, providing maintenance services.	359 Tay Son Street, Quang Trung Ward, Quy Nhon City, Binh Dinh Province, Vietnam	51.00%	51.00%
23	Hung Thinh Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts, providing maintenance services.	Lot 02, 1A National Highway, Qua Giang, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam	55.00%	55.00%
24	Gia Lai Automobile One Member Limited Company	Trading HUYNDAL cars and spare parts, providing maintenance services.	278 Le Duan, Thang Loi Ward, Pleiku, Gia Lai Province, Vietnam	100%	100%
25	Saigon Southern Company Limited (iv)	Trading VEAM trucks and spare parts, providing maintenance services.	510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam	100%	100%
26	Kon Tum Automobile Joint Stock Company (iii)	Trading HYUNDAI cars and spare parts, providing maintenance services.	377A Phan Dinh Phung Street, Duy Tan Ward, Kon Tum Province, Vietnam	99.10%	-
27	Son Tra Automobile Limited Company (ii)	Trading HYUNDAI cars and spare parts, providing maintenance services.	286 Pham Hung Street, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam	100%	-

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				30/6/2019	1/1/2019
Direct associates					
1	ComfortDelgro Savico Taxi Company Limited (i)	Providing the transportation and maintenance services.	6 th floor, 555 Tran Hung Dao Street, Cau Kho Ward, District 1, Ho Chi Minh City, Vietnam	-	40.03%
2	Toyota East Saigon Joint Stock Company	Trading TOYOTA cars and spare parts, providing maintenance services.	507 Ha Noi Highway, District 2, Ho Chi Minh City, Vietnam	30.30%	30.30%
3	Binh Duong New City Automobile Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot C13, Hung Vuong Street, Lien Hop Area, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	38.51%	38.51%
4	South West Star Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts; providing maintenance, repairing and transportation services.	91 Cach Mang Thang Tam Street, An Thoi Ward, Binh Thuy District, Can Tho City, Vietnam	43.80%	43.80%
5	Toyota Ly Thuong Kiet Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services, non-life insurance agency.	188 Le Trong Tan, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	35.00%	35.00%
6	Bac Au Automobile Joint Stock Company	Trading VOLVO cars and spare parts, providing maintenance services.	340A Nguyen Van Linh, Binh Thuan Ward, District 7, Ho Chi Minh City, Vietnam	39.81%	39.81%

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				30/6/2019	1/1/2019
7	Savico Investment Joint Stock Company	Trading real estate; providing property consultancy, brokerage, auction; providing services on market study, surveys of public opinion; providing architecture and related technology consultancy; providing specialised design and construction services; trading automobile and spare parts; providing maintenance and repairing services.	66-68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	40.00%	40.00%
Indirect associates					
8	Dana Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	56 Dien Bien Phu Street, Thanh Khe Ward, Da Nang City, Vietnam	40.27%	40.27%
9	South Saigon Automobile Service Commercial Investment Joint Stock	Trading GM, VINFAST cars and spare parts, providing maintenance services.	1489 Nguyen Van Linh, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam	30.00%	30.00%
10	Bac Au Hanoi Automobile Limited Company	Trading VOLVO cars and spare parts, providing maintenance services.	9 Nguyen Van Linh, Gia Thuy Ward, Long Bien District, Hanoi City, Vietnam	25.00%	25.00%
11	Binh Thuan Automotive Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot 4/3, Street No.4, Phan Thiet 1 Industrial Zone, Phong Nam Commune, Phan Thiet City, Binh Thuan Province	50.00%	50.00%
12	Ben Thanh Tay Ninh Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	Highway 22B, Hiep Truong Hamlet, Hiep Tan Commune, Hoa Thanh District, Tay Ninh Province	50.00%	50.00%

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				30/6/2019	1/1/2019
13	Da Nang Automobile Company Limited	Trading MITSUBISHI cars and spare parts, providing maintenance, transportation and car rental services.	No.2 Nguyen Huu Tho Street, Hoa Thuan Tay Ward, Hai Chau District, Da Nang City	50.00%	50.00%
14	Savico Quang Nam Company Limited	Trading cars and spare parts, providing maintenance, transportation and car rental services.	1A Highway, Van Long Hamlet, Tam Dan Commune, Phu Ninh District, Quang Nam Province	50.00%	50.00%
15	Sai Gon Auto Gia Dinh Service Company Limited	Trading FORD cars and spare parts, providing maintenance, transportation and car rental services.	1A Highway, Thanh Xuan Ward, District 12, Ho Chi Minh City	35.00%	35.00%
16	Star Hyundai Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts, providing maintenance services.	184C/1, 1A Town, An Phu Ward, Thuan An District, Binh Duong Province	49.00%	49.00%
17	Phu Lam Automobile Joint Stock Company (ii)	Trading HYUNDAI cars and spare parts, providing maintenance services.	D6/28 National Highway 1A, Town 4, Tan Tuc Ward, Binh Chanh District, Ho Chi Minh City	50.00%	-

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- (i) On 28 February 2019, the Members' Council of ComfortDelgro Savico Taxi Company Limited decided to liquidate the company and return the remaining assets to the investor upon completion of the liquidation. The liquidation was completed during the period.
 - (ii) These companies were established during the six-month period ended 30 June 2019.
 - (iii) The Group acquired this subsidiary with total cash consideration of VND9.9 billion in March 2019 (Note 7).
 - (iv) This company is in the liquidation process.

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2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated interim 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. These consolidated interim financial statements are prepared for the six-month period ended 30 June 2019.

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

The accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the latest consolidated annual financial statements.

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

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

(iii) *Loss of control*

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

(iv) *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 interim financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

(v) *Transactions eliminated on consolidation*

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

(vi) *Business combination*

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

(b) *Foreign currency transactions*

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

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

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

(c) Cash and cash equivalents

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

(d) Investments

(i) Trading securities

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

(ii) Held-to-maturity investments

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

(iii) Investments in equity instruments of other entities

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

(e) Accounts receivable

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

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(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

(ii) Software

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

(i) Investment property held to earn rental

(i) Cost

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

(ii) Depreciation

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

- land use rights 18 – 50 years
- buildings and structures 5 – 36 years

(j) Construction in progress

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

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

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

(k) Business cooperation contracts

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

(l) Long-term prepaid expenses

(i) Prepaid land costs

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

(ii) Tools and instruments

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

(iii) Other prepaid expenses

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

(m) Trade and other payables

Trade and other payables are stated at their cost.

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(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) Share capital

(i) Ordinary shares

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

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

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

(p) Equity funds

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

(q) Taxation

Income tax on the consolidated profit or loss for the period 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 period, using tax rates enacted at the end of accounting period, and any adjustment to tax payable in respect of previous periods.

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

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

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(r) Revenue

(i) Sales of properties

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

(ii) Sales of merchandise goods

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

(iii) Services rendered

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

(iv) Rental income

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

(s) Financial income

(i) Interest income

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

(ii) Income from trading of securities

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

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(iii) Dividend income

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

(t) Operating lease payments

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

(u) Borrowing costs

Borrowing costs are recognised as an expense in the period 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 and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund and Board of Management and Supervisory Board fee fund for the accounting period) of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

(w) Segment reporting

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

(x) Related parties

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

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4. Seasonality or cyclical factors

The Group's results of operation is not affected by seasonality or cyclical factors except for the following items:

(a) Employees' salary and bonus

The Group recognised employees' salary and bonus based on the profit for the interim period and the employees' salary and bonus will be finalised based on the annual profit at the year-end.

(b) Income tax

In accordance with the prevailing tax regulations, corporate income tax is computed and finalised at the year-end. The corporate income tax for the interim period is calculated using the applicable tax rate to the interim taxable profits of the Group.

5. Changes in accounting estimates and composition of the Group and unusual items

(a) Changes in accounting estimates

In preparing these consolidated interim financial statements and consolidated annual financial statements, the Board of Directors have made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in accounting estimates compared to those made in the most recent annual consolidated financial statements or those made in the same interim period of the prior year.

(b) Changes in composition of the Group

Except for changes in composition in the Group as described in Note 1(d), there were no other changes in the composition of the Group for the six-month period ended 30 June 2019.

(c) Unusual items

There were no significant unusual items incurred during the six-month period ended 30 June 2019.

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6. Segment reporting

For the six-month periods ended 30 June 2019 and 2018:

	Services and trading		Real estate		Financial services		Total	
	30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	30/6/2018 VND
Segment revenue	8,474,267,061,526	6,051,961,658,185	102,603,923,671	89,446,187,300	-	-	8,576,870,985,197	6,141,407,845,485
Segment other income	95,881,129,254	79,290,420,547	7,141,002,075	339,090,320	-	742,749,928	103,022,131,329	80,372,260,795
Direct and attributable cost of sales to segments	(8,026,336,659,753)	(5,689,266,005,472)	(20,802,512,879)	(18,522,698,977)	-	-	(8,047,139,172,632)	(5,707,788,704,449)
Direct and attributable other expenses to segments	(451,608,365,201)	(340,890,549,176)	(38,895,730,848)	(36,309,924,660)	(745,731,457)	(579,070,782)	(491,249,827,506)	(377,779,544,618)
Segment profit/(loss)	92,203,165,826	101,095,524,084	50,046,682,019	34,952,653,983	(745,731,457)	163,679,146	141,504,116,388	136,211,857,213
Un-allocated expenses							(2,076,763,905)	(959,295,899)
Income tax							(23,948,915,498)	(22,870,294,439)
							115,478,436,985	112,382,266,875

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	Services and trading		Real estate		Financial services		Total	
	30/6/2019 VND	1/1/2019 VND	30/6/2019 VND	1/1/2019 VND	30/6/2019 VND	1/1/2019 VND	30/6/2019 VND	1/1/2019 VND
Assets								
Segment current assets	2,280,493,186,464	1,989,572,301,235	210,155,057,110	180,711,121,765	24,702,959,908	25,768,807,291	2,515,351,203,482	2,196,052,230,291
Segment non-current assets	813,443,320,654	740,142,423,044	1,354,752,398,864	1,414,980,820,760	128,466,356	964,983,282	2,168,324,185,874	2,156,088,227,086
Segment un-allocated assets							3,508,876,201	3,508,876,201
	3,093,936,507,118	2,729,714,724,279	1,564,907,455,974	1,595,691,942,525	24,831,426,264	26,733,790,573	4,687,184,265,557	4,355,649,333,578
Liabilities								
Segment current liabilities	2,054,876,397,580	1,714,913,366,102	568,773,029,434	549,973,929,541	1,560,956,895	1,373,269,415	2,625,210,383,909	2,266,260,565,058
Segment non-current liabilities	115,952,409,030	106,885,854,951	414,187,892,029	447,016,953,436	341,661,810	339,945,099	530,481,962,869	554,242,753,486
	2,170,828,806,610	1,821,799,221,053	982,960,921,463	996,990,882,977	1,902,618,705	1,713,214,514	3,155,692,346,778	2,820,503,318,544

For the six-month periods ended 30 June 2019 and 2018:

	Services and trading		Real estate		Financial services		Total	
	30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	30/6/2018 VND
Depreciation and amortisation	30,296,476,802	23,487,548,978	12,062,138,748	11,711,639,119	-	-	42,358,615,550	35,199,188,097
Allowances and provisions	(2,078,149,677)	728,603,318	-	-	1,350,000,000	(3,915,000,000)	(728,149,677)	(3,186,396,682)
Capital expenditure	45,524,459,458	21,267,286,527	28,210,531,929	75,185,154,384	-	-	73,734,991,387	96,452,440,911

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7. Business combination

In March 2019, the Group completed the acquisition of 99.10% share capital of Kon Tum Automobile Joint Stock Company with total cash consideration of VND9.9 billion. The acquisition had the following effects on the Group's assets and liabilities on acquisition date:

	Pre-acquisition carrying amounts /Recognised value on acquisition VND
Deductible value added tax	647,095,865
Tangible fixed assets	6,377,328,669
Other current assets	442,780,310
	7,467,204,844
Net identifiable assets and liabilities	7,467,204,844
Share of net assets acquired (99.10%)	7,400,000,000
Goodwill on acquisition (Note 33)	2,500,000,000
	9,900,000,000
Total considerations paid	9,900,000,000
Net cash outflow	9,900,000,000

During the period from the acquisition date to 30 June 2019, there was no contribution of revenue of the acquired business to the Group's results.

8. Cash and cash equivalents

	30/6/2019 VND	1/1/2019 VND
Cash on hand	29,977,613,267	36,785,258,007
Cash in banks	116,529,095,556	173,222,314,872
Cash equivalents	108,118,267,475	58,037,531,875
	254,624,976,298	268,045,104,754
	254,624,976,298	268,045,104,754

Cash equivalents at 30 June 2019 included VND5,385 million (1 January 2019: VND11,340 million) was pledged with banks as security for loans granted to the Group.

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9. Investments

(a) Trading securities

	Quantity shares	Cost VND	30/6/2019 Allowance for diminution in value VND	Fair value VND	Quantity shares	Cost VND	1/1/2019 Allowance for diminution in value VND	Fair value VND
Listed shares								
• Ho Chi Minh City Electric Power Trading Investment Corporation	1,350,000	13,500,000,000	(5,535,000,000)	7,965,000,000	1,350,000	13,500,000,000	(4,185,000,000)	9,315,000,000
• Tien Len Steel Corporation Joint Stock Company	3	22,740	-	33,750	3	22,740	-	33,750
Unlisted shares								
• Pacific Construction Investment and Commercial Joint Stock Company	500,000	14,000,000,000	(9,000,000,000)	(*)	500,000	14,000,000,000	(9,000,000,000)	(*)
• Ben Thanh Non Nuoc Joint Stock Company	900,000	9,000,000,000	-	(*)	900,000	9,000,000,000	-	(*)
• Toan Cau Insurance Company	180,000	6,300,000,000	(5,040,000,000)	(*)	180,000	6,300,000,000	(5,040,000,000)	(*)
• Hai Phong Securities Joint Stock Company	812	2,052,543	-	(*)	812	2,052,543	-	(*)
		<u>42,802,075,283</u>	<u>(19,575,000,000)</u>			<u>42,802,075,283</u>	<u>(18,225,000,000)</u>	

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

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	18,225,000,000	19,170,000,000
Allowance made during the period	1,350,000,000	-
Allowance reserved during the period	-	(3,915,000,000)
	<hr/>	<hr/>
Closing balance	19,575,000,000	15,255,000,000
	<hr/> <hr/>	<hr/> <hr/>

(b) Held-to-maturity investments

	30/6/2019	1/1/2019
	VND	VND
Term deposits at banks with original term to maturity of more than 3 months to 1 year	14,946,000,000	14,911,000,000
	<hr/> <hr/>	<hr/> <hr/>

Term deposits at banks at 30 June 2019 included VND6,500 million (1 January 2019: VND11,650 million) was pledged with banks as security for loans granted to the Group.

(c) Loans receivable

	Term	Annual interest rate	30/6/2019	1/1/2019
			VND	VND
<i>Loans receivable from associates:</i>				
▪ Binh Duong New City Automobile Service Joint Stock Company	6 - 12 months	6.5%	9,000,000,000	9,000,000,000
▪ Southwest Star Automobile Joint Stock Company	6 - 12 months	7.5%	-	3,000,000,000
▪ Star Hyundai Automobile Joint Stock Company	6 - 12 months	7.5%	7,950,000,000	-
			<hr/>	<hr/>
			16,950,000,000	12,000,000,000
			<hr/> <hr/>	<hr/> <hr/>

These loans are unsecured.

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(d) Investments in associates

		30/6/2019			1/1/2019	
	Cost	Cumulative share	Carrying value	Cost	Cumulative share	Carrying value
	VND	of profit/(loss)	VND	VND	of profit/(loss)	VND
		VND			VND	
• ComfortDelgro Savico Taxi Company Limited	-	-	-	31,750,000,000	(249,788,039)	31,500,211,961
• Toyota East Saigon Joint Stock Company	29,106,059,000	49,423,252,836	78,529,311,836	29,106,059,000	47,835,685,016	76,941,744,016
• Binh Duong New City Automobile Service Joint Stock Company	25,393,000,000	7,537,670,704	32,930,670,704	25,393,000,000	4,854,244,680	30,247,244,680
• Dana Joint Stock Company	6,040,500,000	24,012,540,319	30,053,040,319	6,040,500,000	19,327,418,284	25,367,918,284
• South West Star Automobile Joint Stock Company	17,520,000,000	7,402,710,645	24,922,710,645	17,520,000,000	5,517,113,380	23,037,113,380
• Toyota Ly Thuong Kiet Company Limited	16,925,119,945	10,816,875,242	27,741,995,187	16,925,119,945	7,961,240,201	24,886,360,146
• Bac Au Automobile Joint Stock Company	28,200,000,000	22,615,704,566	50,815,704,566	28,200,000,000	16,121,822,751	44,321,822,751
• South Saigon Automobile Service Commercial Investment Joint Stock Company	3,600,000,000	149,244,699	3,749,244,699	3,600,000,000	861,801,529	4,461,801,529
• Savico Investment Joint Stock Company	64,000,000,000	(548,486,805)	63,451,513,195	64,000,000,000	(1,147,906)	63,998,852,094
• Bac Au Hanoi Automobile Limited Company	5,000,000,000	3,727,676,988	8,727,676,988	5,000,000,000	3,410,522,331	8,410,522,331
• Binh Thuan Automotive Service Joint Stock Company	10,000,000,000	2,408,073,430	12,408,073,430	10,000,000,000	739,054,358	10,739,054,358
• Ben Thanh Tay Ninh Automobile Corporation	10,000,000,000	852,487,901	10,852,487,901	7,500,000,000	572,940,135	8,072,940,135
• Da Nang Automobile Company Limited	5,000,000,000	6,801,200,498	11,801,200,498	5,000,000,000	3,154,804,483	8,154,804,483
• Sai Gon Auto Gia Dinh Service Company Limited	8,750,000,000	(2,067,301,220)	6,682,698,780	8,750,000,000	348,729,517	9,098,729,517
• Star Hyundai Automobile Joint Stock Company	9,800,000,000	516,398,950	10,316,398,950	9,800,000,000	(1,285,402,570)	8,514,597,430
• Savico Quang Nam Company Limited	1,100,000,000	(9,234,799)	1,090,765,201	1,100,000,000	(3,492,767)	1,096,507,233
• Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company	10,000,000,000	120,071,363	10,120,071,363	-	-	-
	250,434,678,945	133,758,885,317	384,193,564,262	269,684,678,945	109,165,545,383	378,850,224,328

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

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	378,850,224,328	305,315,512,667
New investments	12,500,000,000	6,643,000,000
Share of net profit in associates	39,425,178,901	19,948,313,376
Dividends received from associates	(14,831,838,967)	(4,827,877,135)
Collection of investment in an associate from liquidation	(31,496,303,047)	-
Losses on liquidation of an associate	(253,696,953)	-
	<hr/>	<hr/>
Closing balance	384,193,564,262	327,078,948,908
	<hr/> <hr/>	<hr/> <hr/>

10. Accounts receivable from customers – short-term

	30/6/2019	1/1/2019
	VND	VND
Associates:	21,738,917,755	8,299,223,152
▪ <i>Ben Thanh Tay Ninh Automobile Corporation</i>	1,855,727,459	628,330,000
▪ <i>Binh Thuan Automotive Service Joint Stock Company</i>	10,282,756,688	2,924,445,000
▪ <i>Sai Gon Auto Gia Dinh Service Company Limited</i>	9,260,876,731	3,641,182,396
▪ <i>Dana Joint Stock Company</i>	339,556,877	343,156,877
▪ <i>Da Nang Automobile Company Limited</i>	-	540,773,879
▪ <i>Binh Duong New City Automobile Service Joint Stock Company</i>	-	221,335,000
Third parties:	541,215,987,591	509,013,664,428
▪ <i>Customers in relation to sales of merchandise goods</i>	525,810,499,339	491,405,363,968
▪ <i>Customers in relation to property rental</i>	5,288,240,767	1,414,782,755
▪ <i>Customers in relation to sales of real estates</i>	6,381,815,282	8,289,485,711
▪ <i>Other customers</i>	3,735,432,203	7,904,031,994
	<hr/>	<hr/>
	562,954,905,346	517,312,887,580
	<hr/> <hr/>	<hr/> <hr/>

At 30 June 2019, accounts receivable from customers with a carrying value of VND32,941 million (1 January 2019: Nil) was pledged with banks as security for loans granted to the Group.

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

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11. Other receivables

(a) Other short-term receivables

	30/6/2019	1/1/2019
	VND	VND
Deposits for trading used cars on behalf of customers	39,672,602,000	36,330,600,000
Advances to employees	21,073,861,578	12,410,570,532
Short-term deposits	1,147,055,000	1,112,700,000
Others	21,041,778,615	30,866,896,678
	<hr/>	<hr/>
	82,935,297,193	80,720,767,210
	<hr/>	<hr/>

(b) Other long-term receivables

	30/6/2019	1/1/2019
	VND	VND
Receivables from business cooperation contracts with other counterparties (i)	122,124,726,708	117,306,336,203
Long-term deposits	49,512,325,618	60,563,953,009
Others	4,345,621,247	5,308,321,010
	<hr/>	<hr/>
	175,982,673,573	183,178,610,222
	<hr/>	<hr/>

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

(c) Allowance for doubtful long-term debts

Allowance for doubtful long-term debts represents the allowance made for receivables from counterparties in business cooperation contracts.

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12. Inventories

	30/6/2019		1/1/2019	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	489,135,575	-	304,335,682	-
Materials and spare parts	16,618,261,772	-	11,928,292,687	-
Work in progress	101,338,747,922	-	104,078,195,400	-
▪ <i>Tam Binh Residential Project</i>	<i>16,326,712,507</i>	<i>-</i>	<i>13,627,374,969</i>	<i>-</i>
▪ <i>Nam Cam Le Project</i>	<i>75,824,655,957</i>	<i>-</i>	<i>75,824,655,957</i>	<i>-</i>
▪ <i>Others</i>	<i>9,187,379,458</i>	<i>-</i>	<i>14,626,164,474</i>	<i>-</i>
Finished goods	3,163,860,656	-	1,332,902,688	-
Merchandise inventories (cars and motorbikes)	1,278,837,222,851	(1,970,952,818)	1,019,333,833,616	(4,049,102,495)
Goods on consignment	579,856,945	-	1,546,048,845	-
	1,401,027,085,721	(1,970,952,818)	1,138,523,608,918	(4,049,102,495)

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

	Six-month period ended	
	30/6/2019 VND	30/6/2018 VND
Opening balance	4,049,102,495	2,340,308,192
Allowance reversed during the period	(2,078,149,677)	-
Closing balance	1,970,952,818	2,340,308,192

At 30 June 2019, inventories with carrying value of VND595,231 million (1 January 2019: VND407,441 million) were pledged with banks as security for loans granted to the Group.

Included in inventories at 30 June 2019 was VND64,198 million (1 January 2019: VND90,372 million) of cars and motorbikes carried at net realised value.

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13. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Cost						
Opening balance	389,861,086,332	103,885,903,836	16,604,718,547	76,072,641,279	10,857,107,589	597,281,457,583
Additions	5,924,397,700	3,484,954,708	3,086,936,364	32,601,346,159	388,824,527	45,486,459,458
Transfer from construction in progress	18,921,671,943	-	-	2,343,944,999	-	21,265,616,942
Increase through acquisition of a subsidiary (Note 7)	6,377,328,669	-	-	-	-	6,377,328,669
Disposals	-	(436,945,120)	(35,454,545)	(12,290,225,625)	-	(12,762,625,290)
Closing balance	421,084,484,644	106,933,913,424	19,656,200,366	98,727,706,812	11,245,932,116	657,648,237,362
Accumulated depreciation						
Opening balance	118,565,468,592	52,945,648,178	8,134,965,879	23,747,051,747	7,513,604,048	210,906,738,444
Charge for the period	14,769,246,399	6,756,740,279	1,168,231,375	6,593,249,402	357,732,336	29,645,199,791
Disposals	-	(436,945,120)	(14,173,721)	(3,683,016,607)	-	(4,134,135,448)
Closing balance	133,334,714,991	59,265,443,337	9,289,023,533	26,657,284,542	7,871,336,384	236,417,802,787
Net book value						
Opening balance	271,295,617,740	50,940,255,658	8,469,752,668	52,325,589,532	3,343,503,541	386,374,719,139
Closing balance	287,749,769,653	47,668,470,087	10,367,176,833	72,070,422,270	3,374,595,732	421,230,434,575

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Included in tangible fixed assets were assets costing VND63,823 million which were fully depreciated as of 30 June 2019 (1 January 2019: VND59,104 million), but which are still in active use.

At 30 June 2019, tangible fixed assets with a carrying value of VND104,007 million (1 January 2019: VND87,071 million) were pledged with banks as security for loans granted to the Group.

14. Intangible fixed assets

	Indefinite term land use rights VND	Definite term land use rights VND	Software VND	Total VND
Cost				
Opening balance	20,697,299,091	55,683,988,140	4,805,025,025	81,186,312,256
Additions	-	-	38,000,000	38,000,000
Closing balance	20,697,299,091	55,683,988,140	4,843,025,025	81,224,312,256
Accumulated amortisation				
Opening balance	-	5,498,331,378	4,245,734,103	9,744,065,481
Charge for the period	-	512,115,240	139,161,771	651,277,011
Closing balance	-	6,010,446,618	4,384,895,874	10,395,342,492
Net book value				
Opening balance	20,697,299,091	50,185,656,762	559,290,922	71,442,246,775
Closing balance	20,697,299,091	49,673,541,522	458,129,151	70,828,969,764

Included in intangible fixed assets were assets costing VND3,840 million which were fully depreciated as of 30 June 2019 (1 January 2019: VND3,244 million), but which are still in active use.

At 30 June 2019, intangible fixed assets with a carrying value of VND115,371 million (1 January 2019: VND20,697 million) were pledged with banks as security for loans granted to the Group.

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15. Investment property

Investment property held to earn rental

	Land use rights VND	Buildings and structures VND	Total VND
Cost			
Opening balance	68,707,047,550	853,121,661,316	921,828,708,866
Additions	-	109,090,909	109,090,909
Closing balance	68,707,047,550	853,230,752,225	921,937,799,775
Accumulated depreciation			
Opening balance	10,570,473,702	185,073,708,816	195,644,182,518
Charge for the period	503,410,182	11,558,728,566	12,062,138,748
Closing balance	11,073,883,884	196,632,437,382	207,706,321,266
Net book value			
Opening balance	58,136,573,848	668,047,952,500	726,184,526,348
Closing balance	57,633,163,666	656,598,314,843	714,231,478,509

Included in investment property held to earn rental were assets costing VND9,671 million which were fully depreciated as of 30 June 2019 (1 January 2019: VND9,671 million), but which are still in active use.

At 30 June 2019, investment property held to earn rental with a carrying value of VND536,888 million (1 January 2019: VND546,214 million) were pledged with banks as security for loans granted to the Group.

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

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16. Construction in progress

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	367,635,726,677	383,146,360,661
Additions during the period	16,724,112,351	70,185,154,384
Transfer to inventories	-	(4,274,832,803)
Transfer to tangible fixed assets	(21,265,616,942)	(92,000,000)
Transfer to intangible fixed assets	-	(930,252,315)
Transfer to investment property	-	(32,600,702,288)
Closing balance	363,094,222,086	415,433,727,639

Major constructions in progress were as follows:

	30/6/2019	1/1/2019
	VND	VND
104 Pho Quang Project	266,134,935,670	266,134,935,670
Mecure Son Tra, Da Nang Project	87,511,597,258	84,351,999,406
Toyota Can Tho's show room	3,488,054,248	2,968,127,273
Tay Bac Saigon's show room	2,727,740,500	1,399,200,000
Savico Da Nang Mall Project	2,028,815,191	2,028,815,191
Hyundai Vinh Thinh's showroom	-	6,041,818,182
Hyundai Hung Thinh's showroom	-	1,954,725,498
Savico Ha Noi's show room	-	2,087,726,050
Other projects	1,203,079,219	668,379,407
	363,094,222,086	367,635,726,677

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17. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2019	1/1/2019
	VND	VND
Office and house rentals	4,389,205,021	1,572,250,669
Tools and instruments	2,674,508,623	2,163,071,012
Prepaid land costs	3,228,257,616	-
Others	8,101,189,296	7,999,198,561
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	18,393,160,556	11,734,520,242
	<hr/>	<hr/>

(b) Long-term prepaid expenses

	30/6/2019	1/1/2019
	VND	VND
Tools and instruments	6,919,781,794	8,442,784,938
Prepaid land costs	11,526,411,494	13,001,075,924
Renovation costs	9,132,080,804	9,694,608,585
Others	5,824,305,013	6,923,440,150
	<hr/>	<hr/>
	33,402,579,105	38,061,909,597
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18. Accounts payable to suppliers – short-term

Accounts payable to suppliers detailed by significant supplier

	Cost/Amount within payment	
	capacity	
	30/6/2019	1/1/2019
	VND	VND
Hino Motor Vietnam Limited	20,706,802,785	28,355,092,547
Ford Vietnam Company Limited	19,861,769,008	21,771,280,302
Isuzu Vietnam Company Limited	17,803,322,260	21,544,993,996
Hyundai Thanh Cong Auto Viet Nam Joint Stock Company	15,643,670,839	42,479,885,050
Toyota Motor Vietnam Company Limited	12,980,146,038	4,577,186,792
Other suppliers	71,761,807,457	66,118,060,689
	<hr/>	<hr/>
	158,757,518,387	184,846,499,376
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19. Taxes and others payable to/receivable from State Treasury

(a) Taxes and others payable to State Treasury

	1/1/2019 VND	Incurred VND	Paid VND	Net-off/ Reclassification VND	30/6/2019 VND
Taxes					
Value added tax	3,917,127,983	945,559,213,606	(29,828,956,974)	(917,219,007,309)	2,428,377,306
Corporate income tax	27,597,915,099	23,948,915,498	(40,800,071,635)	2,243,775,388	12,990,534,350
Personal income tax	4,430,638,118	20,466,808,621	(21,464,235,291)	803,092,769	4,236,304,217
Other obligations					
Land rental	3,217,657,130	8,590,050,009	(7,230,050,009)	-	4,577,657,130
Other obligations	258,923,958	420,552,164	(430,074,040)	1,000,000	250,402,082
	39,422,262,288	998,985,539,898	(99,753,387,949)	(914,171,139,152)	24,483,275,085

(b) Taxes and others receivable from State Treasury

	1/1/2019 VND	Reclassification VND	30/6/2019 VND
Corporate income tax	172,770,199	2,243,775,388	2,416,545,587
Personal income tax	99,549,501	803,092,769	902,642,270
Other taxes	-	800,362,200	800,362,200
	272,319,700	3,847,230,357	4,119,550,057

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20. Accrued expenses

	30/6/2019	1/1/2019
	VND	VND
Interest expense on borrowings	1,577,746,070	1,625,027,988
Rental expense	57,918,182	354,250,910
Salary and related expenses	8,510,543,902	18,616,907,553
Professional service fees	9,045,010,438	9,401,125,791
Accrued expenses for operating expenses	11,419,739,981	8,474,171,601
Other expenses	16,816,128,259	14,583,721,270
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	47,427,086,832	53,055,205,113
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21. Unearned revenue

(a) Unearned revenue – short-term

	30/6/2019	1/1/2019
	VND	VND
Buildings rental revenue received in advance	614,280,297	212,939,141
Portion of long-term unearned revenue to be realised within 12 months	10,489,290,327	6,552,650,000
Others	42,445,498	8,268,045
	<hr/>	<hr/>
	11,146,016,122	6,773,857,186
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(b) Unearned revenue – long-term

	30/6/2019	1/1/2019
	VND	VND
Buildings rental revenue received in advance	97,116,478,357	102,494,261,058
Amount to be realised within 12 months	(10,489,290,327)	(6,552,650,000)
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Amount to be realised after 12 months	86,627,188,030	95,941,611,058
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22. Other payables

(a) Other payables – short-term

	30/6/2019	1/1/2019
	VND	VND
Payables to a counterparty in the business cooperation contract in relation to 104 Pho Quang Project	341,319,476,227	341,319,476,227
Instalments received from customers in relation to Tam Binh Residential Project	34,930,831,400	27,567,765,400
Payable to a counterparty in relation to land rental paid on behalf of the Company	28,755,483,552	33,755,483,552
Dividends payable	59,762,049,975	1,367,304,945
Payables to customers	2,414,029,943	2,444,029,943
Insurance premiums collected on behalf of insurance companies	5,889,811,888	4,995,336,593
Others	30,950,578,789	26,696,720,230
	<hr/>	<hr/>
	504,022,261,774	438,146,116,890
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(b) Other payables – long-term

	30/6/2019	1/1/2019
	VND	VND
Long-term deposits received	65,226,988,671	63,014,413,093
Capital contribution received from counterparties of business cooperation contracts in relation to Binh An Project	24,239,513,834	24,239,513,834
	<hr/>	<hr/>
	89,466,502,505	87,253,926,927
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23. Borrowings

(a) Short-term borrowings

	1/1/2019 Carrying amount VND	Movements during the period		30/6/2019 Carrying amount VND
		Increase VND	(Decrease) VND	
Short-term borrowings	1,234,670,787,281	5,604,091,778,899	(5,237,387,135,952)	1,601,375,430,228
Current portion of long-term borrowings	27,500,772,661	23,908,478,975	(19,784,866,466)	31,624,385,170
	<u>1,262,171,559,942</u>	<u>5,628,000,257,874</u>	<u>(5,257,172,002,418)</u>	<u>1,632,999,815,398</u>
Amount within payment capacity	<u>1,262,171,559,942</u>			<u>1,632,999,815,398</u>

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

	Currency	Annual interest rate	30/6/2019 VND	1/1/2019 VND
<i>Loans from:</i>				
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	5% - 7.2%	847,299,398,893	739,391,831,241
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	5.2% - 6.5%	451,186,853,179	279,580,555,697
▪ HSBC Bank (Vietnam) Ltd.	VND	4.6% - 6.9%	58,122,890,000	97,522,244,600
▪ ANZ Bank Vietnam Limited	VND	4.5% - 5.5%	80,695,031,502	78,469,822,200
▪ Military Commercial Joint Stock Bank	VND	6.8%	46,410,766,979	21,240,590,000
▪ CIMB Bank Vietnam Limited	VND	5.2%	28,480,000,000	6,000,000,000
▪ Bank for Investment and Development of Vietnam	VND	6.7% - 6.8%	23,945,587,425	5,664,334,625
▪ Vietnam Prosperity Joint Stock Commercial Bank	VND	7.2% - 9%	224,537,500	4,301,408,918
▪ Standard Chartered Bank (Vietnam) Limited	VND	5%	65,010,364,750	-
▪ An individual	VND	5.8%	-	2,500,000,000
			<u>1,601,375,430,228</u>	<u>1,234,670,787,281</u>

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Included in short-term borrowings were VND614,822 million (1 January 2019: VND357,561 million) unsecured and VND986,553 million (1 January 2019: VND877,110 million) secured by the following assets:

	Note	30/6/2019 VND	1/1/2019 VND
Cash equivalents	8	5,384,791,755	11,340,080,431
Accounts receivable from customers	10	32,940,894,388	-
Inventories	12	584,421,990,454	370,944,563,474
Tangible fixed assets	13	7,569,609,682	8,639,949,095
Intangible fixed assets	14	49,673,541,522	-
Held-to-maturity investments	9(b)	6,500,000,000	11,650,000,000
		686,490,827,801	402,574,593,000

(b) Long-term borrowings

	30/6/2019 VND	1/1/2019 VND
Long-term borrowings	386,012,657,504	398,547,988,162
Repayable within twelve months	(31,624,385,170)	(27,500,772,661)
	354,388,272,334	371,047,215,501

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

	Currency	Annual interest rate	Year of maturity	30/6/2019 VND	1/1/2019 VND
<i>Loans from:</i>					
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	8% - 11.5%	2029	315,405,415,785	351,818,024,832
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	9.5%	2023	39,948,753,334	21,869,003,334
▪ Orient Commercial Joint Stock Bank	VND	10.6% - 11%	2028	12,600,353,499	13,849,177,331
▪ Vietnam Public Joint Stock Commercial Bank	VND	11% - 12%	2024	8,929,368,993	9,807,366,993
▪ Tien Phong Commercial Joint Stock Bank	VND	11%	2026	8,182,142,855	-
▪ Military Commercial Joint Stock Bank	VND	10%	2021	461,523,038	659,915,672
▪ Vietnam Prosperity Joint Stock Commercial Bank	VND	11% - 12%	2023	485,100,000	544,500,000
				386,012,657,504	398,547,988,162

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

	Note	30/6/2019 VND	1/1/2019 VND
Inventories	12	10,809,190,000	36,495,951,129
Tangible fixed assets	13	96,436,926,917	78,431,263,619
Intangible fixed assets	14	65,697,299,091	20,697,299,091
Investment property	15	536,887,586,367	546,213,846,398
		709,831,002,375	681,838,360,237

24. Bonus and welfare fund

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

	Six-month period ended	
	30/6/2019 VND	30/6/2018 VND
Opening balance	16,311,630,959	13,923,106,755
Appropriation from retained profits (Note 25)	3,213,324,835	4,696,014,282
Utilisation during the period	(6,306,101,902)	(3,717,528,691)
	13,218,853,892	14,901,592,346

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25. Changes in owners' equity

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2019	249,955,730,000	317,064,858,303	20,242,000,000	(690,474,358)	43,033,201,299	424,537,839,749	481,002,860,041	1,535,146,015,034
Net profit for the period	-	-	-	-	-	68,645,159,102	46,833,277,883	115,478,436,985
Appropriation to bonus and welfare fund	-	-	-	-	-	(2,318,379,189)	(894,945,646)	(3,213,324,835)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(4,546,338,210)	(1,119,853,943)	(5,666,192,153)
Dividends (Note 27)	-	-	-	-	-	(37,463,260,500)	(63,109,755,752)	(100,573,016,252)
Share dividends received from a subsidiary	-	-	2,550,000,000	-	-	(2,550,000,000)	-	-
Increase in investments in subsidiaries	-	-	-	-	-	-	(9,680,000,000)	(9,680,000,000)
Balance at 30 June 2019	249,955,730,000	317,064,858,303	22,792,000,000	(690,474,358)	43,033,201,299	446,305,020,952	453,031,582,583	1,531,491,918,779
Balance at 1 January 2018	249,955,730,000	317,064,858,303	14,850,000,000	(690,474,358)	47,539,169,112	297,796,407,469	350,831,835,473	1,277,347,525,999
Capital contribution by non-controlling interest	-	-	-	-	-	-	1,281,430,000	1,281,430,000
Net profit for the period	-	-	-	-	-	66,454,914,320	45,927,352,555	112,382,266,875
Appropriation to bonus and welfare fund	-	-	-	-	-	(4,477,245,713)	(218,768,569)	(4,696,014,282)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(3,045,067,194)	(1,506,201,423)	(4,551,268,617)
Dividends (Note 27)	-	-	-	-	-	(29,970,608,400)	(19,734,921,140)	(49,705,529,540)
Share dividends received from subsidiaries	-	-	5,536,100,000	-	(1,937,528,714)	(3,598,571,286)	-	-
Balance at 30 June 2018	249,955,730,000	317,064,858,303	20,386,100,000	(690,474,358)	45,601,640,398	323,159,829,196	376,580,726,896	1,332,058,410,435

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26. Share capital

The Company's authorised and issued share capital are:

	30/6/2019		1/1/2019	
	Number of shares	VND	Number of shares	VND
Authorised share capital	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Issued ordinary shares	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Treasury ordinary shares	(20,066)	(690,474,358)	(20,066)	(690,474,358)
Ordinary shares in circulation	24,975,507	249,265,255,642	24,975,507	249,265,255,642

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

There were no movements in share capital during the six-month periods ended 30 June 2019 and 2018.

27. Dividends

The General Meeting of Shareholders of the Company on 29 March 2019 resolved to distribute dividends amounting to VND37,463 million, which is equal to 15% of par value of shares in circulation at that time (six-month period ended 30 June 2018: VND29,971 million, which is equal to 12% of par value of shares in circulation at that time).

28. Investment and development fund

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

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29. Off balance sheet items

(a) Lease commitments

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

	30/6/2019	1/1/2019
	VND	VND
Within one year	96,838,257,451	89,424,866,461
From two to five years	292,061,869,866	279,874,996,131
Over five years	577,992,763,817	580,204,669,368
	<hr/>	<hr/>
	966,892,891,134	949,504,531,960
	<hr/>	<hr/>

(b) Goods held for third parties

	30/6/2019	1/1/2019
	VND	VND
Goods held for third parties	367,986,898,117	300,607,628,183
	<hr/>	<hr/>

30. Revenue from sales of goods and provision of services

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

Net revenue comprised of :

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Total revenue		
▪ Sales of merchandise goods	8,047,645,175,642	5,691,798,658,843
▪ Services rendered	432,790,340,436	370,334,332,614
▪ Rental income	102,603,923,671	89,446,187,300
	<hr/>	<hr/>
	8,583,039,439,749	6,151,579,178,757
Less revenue deductions	(6,168,454,552)	(10,171,333,272)
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Net revenue	8,576,870,985,197	6,141,407,845,485
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31. Cost of goods sold and services provided

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Total cost of goods sold and services provided		
▪ Merchandise goods sold	7,638,162,610,472	5,368,522,866,638
▪ Services rendered	390,252,198,958	320,743,138,834
▪ Operating costs of investment property held to earn rental	20,802,512,879	18,522,698,977
▪ Reversal of allowance for inventories	(2,078,149,677)	-
	8,047,139,172,632	5,707,788,704,449

32. Financial income

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Interest income from deposits at banks	2,507,589,581	2,160,499,657
Income from securities trading	-	742,749,928
Dividend income	1,071,000,000	1,584,001,500
Other financial income	2,185,537,139	3,619,235,645
	5,764,126,720	8,106,486,730

33. Financial expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Interest expense	60,059,216,030	39,978,164,974
Allowance/(reversal of allowance) for diminution in value of financial investments	1,350,000,000	(3,915,000,000)
Loss on liquidation of investment in an associate	253,696,953	-
Goodwill on acquisition of a subsidiary	2,500,000,000	-
Other financial expenses	963,169,310	903,864,034
	65,126,082,293	36,967,029,008

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34. Selling expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Labour costs and staff costs	132,999,561,200	110,975,577,392
Outside service expenses	27,937,628,529	27,874,783,669
Commission and insurance	19,587,496,097	16,703,310,218
Depreciation and amortisation	14,714,130,641	11,460,646,152
Tools and supplies	5,354,540,676	5,331,609,967
Others	62,195,773,191	37,275,407,149
	<hr/>	<hr/>
	262,789,130,334	209,621,334,547
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35. General and administration expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Staff costs	85,127,968,191	61,953,472,255
Outside service expenses	34,062,870,002	29,591,778,458
Depreciation and amortisation	8,895,420,234	5,810,634,030
Others	34,774,983,869	33,427,822,951
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	162,861,242,296	130,783,707,694
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36. Other income

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Gains on disposals of tangible fixed assets	3,578,762,908	1,271,506,404
Incentive received from suppliers for reaching target sales	42,936,171,216	35,967,937,583
Commission received from other parties	3,774,192,875	3,257,909,093
Others	7,543,698,709	11,820,107,609
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	57,832,825,708	52,317,460,689
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37. Trading and business costs by elements

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Cost of merchandise goods	7,899,533,376,428	5,441,071,722,778
Labour costs and staff costs	279,513,839,720	231,303,858,065
Depreciation and amortisation	42,358,615,550	35,199,188,097
Outside services	151,740,634,934	164,247,281,664
Other expenses	99,643,078,630	176,371,696,086

38. Income tax

(a) Recognised in the consolidated balance sheet

	30/6/2019	1/1/2019
	VND	VND
Deferred tax assets		
Accrued expenses	2,554,589,730	2,554,589,730
Tax losses carry-forwards	954,286,471	954,286,471
	3,508,876,201	3,508,876,201

(b) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Current tax expense		
Current period	23,702,811,981	22,870,294,439
Under provision in prior years	246,103,517	-
	23,948,915,498	22,870,294,439
Deferred tax expense	-	-
	23,948,915,498	22,870,294,439

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(c) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Accounting profit before tax	139,427,352,483	135,252,561,314
Tax at the Company's tax rate	27,885,470,497	27,050,512,263
Non-deductible expenses	1,164,524,452	80,882,807
Non-taxable income	(214,200,000)	(965,575,427)
Effect of share of profit in associates	(7,885,035,780)	(3,989,662,675)
Deferred tax assets not recognised	2,752,052,812	1,695,072,618
Deferred tax liabilities not recognised	-	(104,200,638)
Tax losses utilised	-	(896,734,509)
Under provision in prior years	246,103,517	-
	23,948,915,498	22,870,294,439

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

(d) Applicable tax rates

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

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39. Basic earnings per share

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

(i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Net profit attributable to ordinary shareholders	68,645,159,102	66,454,914,320
Appropriation to bonus and welfare fund	(2,318,379,189)	(4,477,245,713)
Appropriation to Board of Management and Supervisory Board fee fund	(4,546,338,210)	(3,045,067,194)
	61,780,441,703	58,932,601,413
	61,780,441,703	58,932,601,413

(ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2019	30/6/2018
	Shares	Shares
Weighted average number of ordinary shares	24,975,507	24,975,507
	24,975,507	24,975,507
	24,975,507	24,975,507

(iii) Basic earnings per share

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Basic earnings per share	2,474	2,360
	2,474	2,360
	2,474	2,360

As at 30 June 2019, the Company did not have potentially dilutive ordinary shares.

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40. Significant transactions with related parties

Identity of related parties

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

Transactions with key management personnel

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Members of Board of Management and Board of Directors	1,722,000,000	1,749,000,000
Members of Supervisory Board	375,000,000	355,600,000
	2,097,000,000	2,104,600,000

Other related party transactions

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

Related party	Relationship	Nature of transaction	Six-month period ended	
			30/6/2019	30/6/2018
			VND	VND
ComfortDelgro Savico Taxi Company Limited	Associate	Return of investments from liquidation	31,496,303,047	-
		Dividend income	-	2,400,000,000
		Rental income	-	54,454,456
Toyota East Saigon Joint Stock Company	Associate	Sales of goods	3,724,204,918	-
		Dividend income	-	1,028,542,500
South West Start Automobile Joint Stock Company	Associate	Loans granted to associate	2,000,000,000	-
		Other financial income	32,465,754	-
		Other income	5,676,000	5,824,000
Toyota Ly Thuong Kiet Company Limited	Associate	Sales of goods	4,323,805,519	-
		Purchases of goods	3,348,510,000	-
		Dividend income	399,688,967	-
Bac Au Automobile Limited Company	Associate	Dividend income	9,870,000,000	-

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Related party	Relationship	Nature of transaction	Six-month period ended	
			30/6/2019 VND	30/6/2018 VND
Binh Duong New City Automobile Service Joint Stock Company	Associate	Capital contribution	-	1,643,000,000
		Dividend income	-	1,101,600,000
		Sales of goods	20,259,569,239	-
		Purchase of goods	12,719,142,005	-
		Other financial income	310,931,507	-
Ben Thanh Tay Ninh Automobile Corporation	Associate	Capital contribution	2,500,000,000	-
		Sale of fixed assets	-	6,460,000,000
		Dividend income	-	104,006,157
		Sales of goods	15,788,083,864	7,714,960,658
		Purchase of goods	23,255,443,329	17,990,815,131
Dana Joint Stock Company	Associate	Sales of goods	1,533,823,480	946,679,890
		Dividend income	1,812,150,000	-
South Saigon Automobile Service Commercial Investment Joint Stock Company	Associate	Dividend income	-	180,000,000
		Rental income	-	1,282,961,808
		Sales of goods	-	81,881,817
Binh Thuan Automotive Service Joint Stock Company	Associate	Sales of goods	44,404,789,778	6,594,926,246
		Purchase of goods	19,376,999,999	86,876,349,482
		Dividend income	500,000,000	-
Da Nang Automobile Company Limited	Associate	Capital contribution	-	5,000,000,000
		Loans granted to the associate	-	1,000,000,000
		Sales of goods	2,952,289,049	19,464,629,639
		Rental income	1,424,720,000	653,715,982
		Purchase of goods	1,219,550,000	4,092,642,092
		Other financial income	5,021,370	60,716,485
		Dividend income	750,000,000	-
Bac Au Ha Noi Automobile Limited Company	Associate	Dividend income	1,500,000,000	-
		Rental income	382,695,000	-
		Purchase of goods	93,215,753	-
Star Hyundai Automobile Joint Stock Company	Associate	Loans granted to the associate	8,220,000,000	-
Phu Lam Automobile Joint Stock Company	Associate	Capital contribution	10,000,000,000	-

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41. Non-cash investing activities

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Investment property acquired but not yet paid	28,755,483,552	38,755,483,552

42. Corresponding figures

The corresponding figures in the consolidated balance sheet as at 1 January 2019 were derived from the balances and amounts reported in Group’s consolidated financial statements for the year ended 31 December 2018 and the corresponding figures in the consolidated statements of income and cash flows for the six-month period ended 30 June 2019 were derived from the amounts in the Group’s consolidated statements of income and cash flows for six-month period ended 30 June 2018.

12 August 2019

Prepared by:



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Approved by:



Maï Viet Ha
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