

**Saigon General Service Corporation
and its subsidiaries**

Consolidated financial statements
for the year ended 31 December 2016

Saigon General Service Corporation Corporate information

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

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

Board of Management	Mr. Nguyen Binh Minh Mr. Mai Viet Ha Ms. Nguyen Viet Hoa Mr. Doan Van Quang Mr. Nguyen Cong Binh Mr. Nguyen Duc Trong Mr. Luong Quang Hien	Chairman Member Member Member Member Member Member
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Board of Directors	Mr. Mai Viet Ha Mr. Doan Van Quang Ms. Nguyen Thu Nga Mr. Nguyen Cong Binh	General Director Deputy General Director Deputy General Director Deputy General Director
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Supervisory Board	Ms. Nguyen Nhu Anh Mr. Nguyen Truong Bao Khanh Mr. Nguyen Thai Hoa Mr. Tran Huy Dung	Head of the Board (from 1 April 2016) Head of the Board (until 31 March 2016) Member Member (until 1 October 2016)
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Registered Office	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam
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Auditors	KPMG Limited Vietnam
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Saigon General Service Corporation Statement of the Board of Directors

The Board of Directors of Saigon General Service Corporation ("the Company") and its subsidiaries (together referred to as "the Group") presents this statement and the accompanying consolidated financial statements of the Group for the year ended 31 December 2016.

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

- (a) the consolidated financial statements set out on pages 5 to 62 give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of the consolidated results of operations and the consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors



Ho Chi Minh City, 10 March 2017

INDEPENDENT AUDITOR'S REPORT

To the Shareholders Saigon General Service Corporation

We have audited the accompanying consolidated financial statements of Saigon General Service Corporation ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2016, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 10 March 2017, as set out on pages 5 to 62.

Management's Responsibility

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

Auditor's Responsibility

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

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

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




Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Saigon General Service Corporation and its subsidiaries as at 31 December 2016 and of its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Audit Report No.: 16-01-426/HN




Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2013-007-1
Deputy General Director

Ho Chi Minh City, 10 March 2017



Nguyen Cam Tu
Practicing Auditor Registration
Certificate No. 2193-2013-007-1

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2016

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

	Code	Note	31/12/2016 VND	1/1/2016 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		1,736,418,709,247	1,277,683,802,876
Cash and cash equivalents	110	5	231,191,439,679	211,789,394,100
Cash	111		154,176,575,255	135,693,237,362
Cash equivalents	112		77,014,864,424	76,096,156,738
Short-term financial investments	120		48,444,445,855	39,754,293,136
Trading securities	121	6(a)	51,869,913,855	55,600,139,455
Allowance for diminution in the value of trading securities	122	6(a)	(15,175,468,000)	(15,845,846,319)
Held-to-maturity investments	123	6(b)	11,750,000,000	-
Accounts receivable – short-term	130		545,397,552,956	391,869,489,960
Accounts receivable from customers	131	7	398,763,820,419	273,016,789,004
Prepayments to suppliers	132		73,008,332,043	34,395,145,470
Loan receivables	135	8	3,000,000,000	-
Other receivables	136	9(a)	71,418,964,131	84,473,591,250
Allowance for doubtful debts	137		(793,563,637)	(16,035,764)
Inventories	140	10	845,503,520,873	592,017,667,159
Inventories	141		870,589,928,463	616,585,098,578
Allowance for inventories	149		(25,086,407,590)	(24,567,431,419)
Other current assets	150		65,881,749,884	42,252,958,521
Short-term prepaid expenses	151	15(a)	18,470,655,349	7,661,316,420
Deductible value added tax	152		46,497,201,276	34,395,624,809
Taxes receivable from State Treasury	153		913,893,259	196,017,292

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

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2016 (continued)

Form B 01 – DN/HN

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

	Code	Note	31/12/2016 VND	1/1/2016 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		1,601,399,267,878	1,479,978,165,646
Accounts receivable – long-term	210		137,654,838,220	128,241,637,820
Other long-term receivables	216	9(b)	141,804,838,220	135,072,145,060
Allowance for doubtful long-term debts	219	9(b)	(4,150,000,000)	(6,830,507,240)
Fixed assets	220		248,463,382,989	268,210,319,574
Tangible fixed assets	221	11	220,610,926,831	197,561,190,843
<i>Cost</i>	222		350,850,311,584	302,939,415,215
<i>Accumulated depreciation</i>	223		(130,239,384,753)	(105,378,224,372)
Intangible fixed assets	227	12	27,852,456,158	70,649,128,731
<i>Cost</i>	228		34,342,442,441	81,596,155,250
<i>Accumulated amortisation</i>	229		(6,489,986,283)	(10,947,026,519)
Investment property	230	13	656,960,899,324	737,700,368,141
<i>Cost</i>	231		805,606,585,211	869,383,089,931
<i>Accumulated depreciation</i>	232		(148,645,685,887)	(131,682,721,790)
Long-term work in progress	240		334,830,529,720	171,438,939,997
Construction in progress	242	14	334,830,529,720	171,438,939,997
Long-term financial investments	250		204,259,591,217	158,140,355,873
Investments in associates	252	6(c)	191,844,327,217	152,825,091,873
Equity investments in other entities	253	6(c)	12,415,264,000	5,315,264,000
Other long-term assets	260		19,230,026,408	16,246,544,241
Long-term prepaid expenses	261	15(b)	16,054,171,416	13,655,519,772
Deferred tax assets	262	37(a)	3,175,854,992	2,591,024,469
TOTAL ASSETS (270 = 100 + 200)	270		3,337,817,977,125	2,757,661,968,522

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

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2016 (continued)

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

	Code	Note	31/12/2016 VND	1/1/2016 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		2,165,332,684,786	1,696,529,323,438
Current liabilities	310		1,604,378,313,823	1,198,826,079,547
Accounts payable to suppliers	311	16	183,206,146,897	170,719,356,565
Advances from customers	312		124,334,860,408	136,207,745,909
Taxes and other payables to State Treasury	313	17	40,930,607,637	36,544,421,691
Payables to employees	314		65,124,231,200	67,574,953,756
Accrued expenses	315	18	44,026,701,271	38,730,282,536
Unearned revenue – short-term	318	19(a)	6,807,126,251	19,005,530,415
Other payables – short-term	319	20(a)	159,644,926,422	172,521,100,305
Short-term borrowings	320	21(a)	957,951,034,891	541,683,661,130
Provisions – short-term	321		184,554,545	-
Bonus and welfare fund	322	22	22,168,124,301	15,839,027,240
Long-term liabilities	330		560,954,370,963	497,703,243,891
Unearned revenue – long-term	336	19(b)	90,316,000,000	96,786,400,000
Other payables – long-term	337	20(b)	111,020,646,268	152,512,486,762
Long-term borrowings	338	21(b)	359,617,724,695	248,404,357,129
EQUITY (400 = 410)	400		1,172,485,292,339	1,061,132,645,084
Owners' equity	410	23	1,172,485,292,339	1,061,132,645,084
Share capital	411	24	249,955,730,000	249,955,730,000
Share premium	412		317,064,858,303	317,064,858,303
Other capital	414		2,550,000,000	-
Treasury shares	415	24	(690,474,358)	(690,474,358)
Investment and development fund	418	26	46,657,038,976	43,550,163,077
Retained profits	421		261,454,985,027	198,727,250,046
Non-controlling interest	429		295,493,154,391	252,525,118,016
TOTAL RESOURCES (440 = 300 + 400)	440		3,337,817,977,125	2,757,661,968,522

10 March 2017

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the year ended 31 December 2016

Form B 02 – DN/HN

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

	Code	Note	2016 VND	2015 VND
Revenue from sales of goods and provision of services	01	28	13,661,872,246,945	9,898,430,954,668
Revenue deductions	02	28	(12,749,646,528)	(8,488,551,696)
Net revenue (10 = 01 + 02)	10	28	13,649,122,600,417	9,889,942,402,972
Cost of sales	11	29	(12,936,368,205,494)	(9,398,256,118,814)
Gross profit (20 = 10 + 11)	20		712,754,394,923	491,686,284,158
Financial income	21	30	15,593,139,225	131,313,611,859
Financial expenses	22	31	(70,892,623,612)	(54,132,416,925)
<i>In which: Interest expense</i>	23		<i>(66,862,508,991)</i>	<i>(52,929,724,175)</i>
Share of profit in associates	24	6(c)	19,693,440,554	13,971,199,185
Selling expenses	25	32	(326,615,666,168)	(233,222,725,452)
General and administrative expenses	26	33	(210,203,789,026)	(181,799,948,240)
Net operating profit (30 = 20 + 21 + 22 + 24 + 25 + 26)	30		140,328,895,896	167,816,004,585
Other income	31	34	75,031,951,241	44,053,625,861
Other expenses	32	35	(3,206,877,113)	(6,482,931,382)
Results of other activities (40 = 31 + 32)	40		71,825,074,128	37,570,694,479
Accounting profit before tax (50 = 30 + 40)	50		212,153,970,024	205,386,699,064
Income tax expense – current	51	37(b)	(38,918,998,047)	(40,962,972,756)
Income tax expense – deferred	52	37(b)	584,830,523	(1,147,250,746)
Net profit after tax (60 = 50 + 51 + 52)	60		173,819,802,500	163,276,475,562

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the year ended 31 December 2016 (continued)

Form B 02 – DN/HN

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

	Code	Note	2016 VND	2015 VND
Net profit after tax (60 = 50 + 51 + 52)	60		173,819,802,500	163,276,475,562
Attributable to:				
Equity holders of the Company	61		122,992,852,474	103,861,038,432
Non-controlling interest	62		50,826,950,026	59,415,437,130
Basic earnings per share	70	38	4,138	3,569

10 March 2017

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Ma Viet Ha
General Director

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2016
(Indirect method)

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

	Code	Note	2016 VND	2015 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		212,153,970,024	205,386,699,064
Adjustments for				
Depreciation and amortisation	02		55,968,378,088	50,344,224,149
Allowances and provisions	03		(1,462,781,515)	24,327,190,105
(Gains)/losses on disposals of tangible fixed assets	05		(2,048,087,583)	3,386,630,109
Gains on disposals of investments in subsidiary	05		-	(4,266,034,971)
Gains on disposals of other long-term investments	05		-	(110,235,368,205)
Losses from liquidation of investments in associate	05		70,072,710	-
Tangible fixed assets written off	05		314,463,860	-
Construction in progress written off	05		813,904,721	-
Dividends and interest income	05		(6,222,080,795)	(10,067,082,253)
Income from associates	05		(19,693,440,554)	(13,971,199,185)
Interest expense	06		66,862,508,991	52,929,724,175
Operating profit before changes in working capital	08		306,756,907,947	197,834,782,988
Change in receivables and other current assets	09		(245,127,697,823)	(160,476,732,231)
Change in inventories	10		(197,030,058,546)	11,886,374,627
Change in payables and other liabilities	11		15,738,288,877	213,076,128,815
Change in prepaid expenses	12		(13,207,990,573)	(218,209,528)
Change in trading securities	13		3,138,625,600	7,990,069,578
			(129,731,924,518)	270,092,414,249
Interest paid	14		(66,624,597,933)	(53,658,708,530)
Corporate income tax paid	15		(38,657,546,841)	(32,099,925,042)
Other payments for operating activities	17		(13,313,434,733)	(9,831,646,219)
Net cash flows from operating activities	20		(248,327,504,025)	174,502,134,458

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2016
(Indirect method – continued)

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

	Code	Note	2016 VND	2015 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(190,408,073,937)	(124,820,974,062)
Proceeds from disposals of tangible fixed assets	22		15,660,656,820	10,663,750,136
Proceeds from disposals of investments in subsidiary, net of cash disposed	22		-	(280,685,507)
Proceeds from disposals of other long-term investments	22		-	28,422,900,000
Payments for granting loans	23		(3,000,000,000)	-
Placement of held-to-maturity investments	23		(11,750,000,000)	-
Payments for investments in other entities	25		(30,850,000,000)	(46,100,000,000)
Receipts of dividends and interest income	27		10,576,213,295	11,879,232,253
Net payments in other non-current assets			(6,732,693,160)	(2,604,313,701)
Net cash flows from investing activities	30		(216,503,896,982)	(122,840,090,881)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		7,315,788,290,677	4,135,769,213,612
Payments to settle loan principals	34		(6,788,307,549,350)	(4,105,552,773,699)
Proceeds from equity issued by subsidiaries to non-controlling interest			22,392,800,000	4,644,400,000
Payments of dividends to equity holders of the Company	36		(35,388,381,090)	(29,546,322,250)
Payments of dividends by subsidiaries to non-controlling interest	36		(30,251,713,651)	(25,042,746,313)
Net cash flows from financing activities	40		484,233,446,586	(19,728,228,650)

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2016
(Indirect method – continued)

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

	Code	Note	2016 VND	2015 VND
Net cash flows during the year (50 = 20 + 30 + 40)	50		19,402,045,579	31,933,814,927
Cash and cash equivalents at the beginning of the year	60		211,789,394,100	179,855,579,173
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	231,191,439,679	211,789,394,100

10 March 2017

Prepared by:

Ngo Van Danh
Chief Accountant

Approved by:



Ms. Viet Ha
General Director

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2016

Form B 09 – 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 financial statements.

1. Reporting entity

(a) Ownership structure

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

The consolidated financial statements of the Company for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

(b) Principals activities

The principal activities of the Group are:

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

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

(c) Normal operating cycle

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

(d) Group structure

As at 31 December 2016, the Group had 2,309 employees (1 January 2016: 1,847 employees).

As at 31 December 2016, the Group had 14 subsidiaries and 8 associates (1 January 2016: 13 subsidiaries and 7 associates) as follows:

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2016 (continued)

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

Subsidiaries

Number	Name	Principal activity	Address	Percentage of economic interest at	
				31/12/2016	1/1/2016
1	Saigon Automobile Service Joint Stock Company (SAIGON FORD)	Trading FORD cars and spare parts, providing maintenance services.	61A Cao Thang Street, Ward 3, District 3, Ho Chi Minh City, Vietnam	52.05%	52.05%
2	Toyota Giai Phong Joint Venture Company (TGP)	Trading TOYOTA cars and spare parts, providing maintenance services.	807 Giai Phong Street, Giap Bat Ward, Hoang Mai District, Hanoi City, Vietnam	51%	51%
3	Saigon Service Trading Limited Company (YAMAHA Can Tho)	Trading YAMAHA motorbikes and spare parts, providing maintenance services.	164 – 166C, 3/2 Street, Hung Loi Ward, Ninh Kieu District, Can Tho City, Vietnam	88.12%	88.12%
4	Saigon Star Corporation	Trading SUZUKI, HONDA and VEAM automobile and motorbikes and spare parts, providing maintenance services.	510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam	59.62%	59.62%
5	Savico Hanoi Corporation	Operating business centre, providing hotel services; civil construction, industrial projects; agents and consignment; import and export activities; trading and maintaining automobile; providing engine rental, transportation and car parking services.	7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam	70%	70%
6	Toyota Can Tho Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	K2-0, Vo Nguyen Giap Street, Thanh Thuan Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51%	51%

Saigon General Service Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2016 (continued)

Form B 09 – 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 economic interest at	
				31/12/2016	1/1/2016
7	Savico Da Nang Corporation	Trading real estate; providing workshops and office rental services; providing consulting and real estate brokerage services; trading automobile and spare parts; providing maintenance and repairing service; providing transportation services.	66 Vo Van Tan Street, Chinh Gian Ward, Thanh Khe District, Da Nang City, Vietnam	70%	70%
8	OtoS Joint Stock Company (otos.vn)	Providing e-commerce services; advertising services; trading cars and spare parts; providing maintenance and repairing services; providing software publishment and other services related to information technology.	68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	77.07%	77.07%
9	Da Nang Son Tra Corporation	Trading real estate; providing hotel and travel services; operating restaurant, providing foods and beverages; providing transportation and civil construction services.	Bai Trem, Hoang Sa Street, Tho Quang Ward, Son Tra District, Da Nang City, Vietnam	98%	98%
10	Saigon Cuu Long Automobile Corporation	Trading GM cars and spare parts; providing maintenance and transportation services.	274 30/4 Street, Hung Loi Ward, Ninh Kiều District, Can Tho City, Vietnam	84.17%	84.17%
11	Saigon North West Automobile Joint Stock Company	Trading FUSO truck and spare parts; providing maintenance, repairing and transportation services.	43/7A Xuan Thoi Dong 2 Area, Xuan Thoi Dong Ward, Hoc Mon District, Ho Chi Minh City, Vietnam	80%	80%
12	Vinh Thinh Automobile Joint Stock Company	Trading HINO truck and spare parts; providing maintenance, repairing and transportation services.	5/5 Binh Giao Area, Thuan Giao Ward, Thuan An Town, Binh Duong Province, Vietnam	90%	90%

Saigon General Service Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2016 (continued)

Form B 09 – 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 economic interest at	
				31/12/2016	1/1/2016
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	93%	93%
14	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; providing kindergarten education.	66-68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	99.50%	-

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2016 (continued)

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Associates

Number	Name	Principal activity	Address	Percentage of economic interest at	
				31/12/2016	1/1/2016
1	Ben Thanh Savico General Trading & Services Co., Ltd. (**)	Trading SYM motorbikes and spare parts, providing maintenance services.	17-19 Tran Hung Dao, District 1, Ho Chi Minh City, Vietnam	-	37.33%
2	ComfortDelgro Savico Taxi Company	Providing the transportation and maintenance services.	384A Kha Van Can, Hiep Binh Chanh Ward, Thu Duc District, Ho Chi Minh City, Vietnam	40.03%	40.03%
3	Toyota East Saigon Joint Stock Company (TESC)	Trading TOYOTA cars and spare parts, providing maintenance services.	507 Ha Noi Highway, District 2, Ho Chi Minh City, Vietnam	35.16%	35.16%
4	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	27.50%	27.50%
5	South West Star Automobile Joint Stock Company (*)	Trading HYUNDAI cars and spare parts; providing maintenance, repairing and transportation services.	91 Cach Mang Thang Tam Street, An Thoi Ward, Binh Thuy District, Can Tho City, Vietnam	43.80%	40%
6	Toyota Ly Thuong Kiet Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services, non-life insurance agency.	188 Le Trong Tan, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	20%	20%

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Number	Name	Principal activity	Address	Percentage of economic interest at	
				31/12/2016	1/1/2016
7	Bac Au Automobile Joint Stock Company (*)	Trading VOLVO cars and spare parts, providing maintenance services.	340A Nguyen Van Linh, Binh Thuan Ward, District 7, Ho Chi Minh City, Vietnam	32%	-
8	South Saigon Automobile Service Commercial Investment Joint Stock (*)	Trading GM cars and spare parts, providing maintenance services.	1489 Nguyen Van Linh, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam	30%	-

(*) During the year, the Group acquired additionally 3.80% shares of an associate – South West Star Automobile Joint Stock Company and acquired 99.50%, 32% and 30% shares to form a subsidiary – Savico Investment Joint Stock Company and two associates – Bac Au Automobile Joint Stock Company and South Saigon Automobile Service Commercial Investment Joint Stock, respectively.

(**) During the year, Ben Thanh Savico General Trading & Services Co., Ltd (Note 6(c)(**)) was liquidated.

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2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

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

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(iii) *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment 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 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 balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates are eliminated against the investments to the extent of the Group's interest in the associate.

(b) *Foreign currency transactions*

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

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

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

(c) *Cash and cash equivalents*

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

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(d) Investments

(i) Trading securities

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

(ii) Held-to-maturity investments

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

(iii) Investments in equity instruments of other entities

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

(e) Accounts receivable

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

(f) Inventories

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

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

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

The Group applies the perpetual method of accounting for inventories.

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(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

(ii) Software

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

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(i) Investment property

Investment property held to earn rental

Cost

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

Depreciation

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

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

(j) Construction in progress

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

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

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

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(k) Long-term prepaid expenses

(i) Prepaid land costs

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

(ii) Tools and supplies

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

(iii) Others

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

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

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

(n) Share capital

(i) Ordinary shares

Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

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

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

(o) Equity funds

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

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

(p) Taxation

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

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

(q) Revenue

(i) Sales of real estate

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

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(ii) Sales of merchandise goods

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

(iii) Services rendered

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

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

(iv) Rental income

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

(r) Financial income

(i) Interest income

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

(ii) Revenue from security trading

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

(iii) Dividend income

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

(s) Operating lease payments

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

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(t) Borrowing costs

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

(u) Earnings per share

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

(v) Segment reporting

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

(w) Related parties

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

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4. Segment reporting

For the year:

	Services and trading		Investment property services		Financial services		Total	
	2016 VND	2015 VND	2016 VND	2015 VND	2016 VND	2015 VND	2016 VND	2015 VND
Segment revenue	13,363,152,493,173	9,522,163,333,850	285,970,107,244	367,779,069,122	-	-	13,649,122,600,417	9,889,942,402,972
Segment other income	90,780,093,410	41,528,665,325	1,532,206,370	114,408,860,771	4,280,641,515	6,811,587,049	96,592,941,295	162,749,113,145
Direct and attributable cost of sales to segments	(12,788,583,492,430)	(9,057,807,373,899)	(147,784,713,064)	(340,448,744,915)	-	-	(12,936,368,205,494)	(9,398,256,118,814)
Direct and attributable other expenses to segments	(542,243,293,893)	(399,980,872,766)	(65,615,933,120)	(67,329,066,480)	(3,449,741,102)	(1,861,951,371)	(611,308,968,115)	(469,171,890,617)
Segment profit	123,105,800,260	105,903,752,510	74,101,667,430	74,410,118,498	830,900,413	4,949,635,678	198,038,368,103	185,263,506,686
Un-allocated income							17,322,479,034	26,589,323,760
Un-allocated expenses							(3,206,877,113)	(6,466,131,382)
Income tax							(38,334,167,524)	(42,110,223,502)
							173,819,802,500	163,276,475,562

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	Services and trading		Investment property services		Financial services		Total	
	31/12/2016 VND	1/1/2016 VND	31/12/2016 VND	1/1/2016 VND	31/12/2016 VND	1/1/2016 VND	31/12/2016 VND	1/1/2016 VND
Assets								
Current assets	1,506,838,189,096	1,054,513,812,558	192,676,252,067	182,443,804,366	36,904,268,084	40,726,185,952	1,736,418,709,247	1,277,683,802,876
Non-current assets	582,309,965,300	272,185,262,896	1,014,176,819,355	1,205,201,878,281	1,736,628,231	-	1,598,223,412,886	1,477,387,141,177
Un-allocated assets	-	-	-	-	-	-	3,175,854,992	2,591,024,469
	2,089,148,154,396	1,326,699,075,454	1,206,853,071,422	1,387,645,682,647	38,640,896,315	40,726,185,952	3,337,817,977,125	2,757,661,968,522
Liabilities								
Current liabilities	1,328,672,318,245	852,706,501,149	263,671,040,201	346,119,578,398	12,034,955,377	-	1,604,378,313,823	1,198,826,079,547
Non-current liabilities	93,525,903,675	2,363,244,775	466,203,282,246	495,339,999,116	1,225,185,042	-	560,954,370,963	497,703,243,891
	1,422,198,221,920	855,069,745,924	729,874,322,447	841,459,577,514	13,260,140,419	-	2,165,332,684,786	1,696,529,323,438
For the year:								
	2016 VND	2015 VND	2016 VND	2015 VND	2016 VND	2015 VND	2016 VND	2015 VND
Depreciation and amortisation	32,535,464,171	30,982,511,416	23,432,913,917	19,361,712,733	-	-	55,968,378,088	50,344,224,149
Allowances and provisions	1,296,504,044	27,636,972,102	(2,680,507,240)	-	(78,778,319)	(3,309,781,997)	(1,462,781,515)	24,327,190,105
Capital expenditure	64,775,942,021	70,006,502,577	125,632,131,916	54,814,471,485	-	-	190,408,073,937	124,820,974,062

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5. Cash and cash equivalents

	31/12/2016	1/1/2016
	VND	VND
Cash on hand	15,424,708,233	10,979,173,552
Cash in banks	138,751,867,022	124,714,063,810
Cash equivalents	77,014,864,424	76,096,156,738
	<hr/>	<hr/>
	231,191,439,679	211,789,394,100
	<hr/>	<hr/>

Cash equivalents at 31 December 2016 included VND4,258 million (1 January 2016: VND482 million) pledged with banks as security for loans granted to the Group.

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6. Investments

(a) Trading securities

	31/12/2016				1/1/2016			
	Quantity	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	Quantity	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Short-term financial investments in:								
Listed shares								
• Ben Thanh Trading and Service Joint Stock Company	9	162,572	162,572	-	39,159	694,914,918	1,640,762,100	-
• Viet Thai Joint Stock Company	650,760	8,042,676,000	7,028,208,000	(1,014,468,000)	650,760	8,042,676,000	10,086,780,000	-
• Tien Len Steel Corporation Joint Stock Company	3	22,740	22,740	-	518,983	3,946,111,619	2,140,265,300	(1,805,846,319)
• TASCOCO Joint Stock Company	80,000	1,025,000,000	904,000,000	(121,000,000)	-	-	-	-
• The Southern Fertilizer Joint Stock Company	-	-	-	-	8,300	114,384,375	117,030,000	-
Non-listed 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)
• Ho Chi Minh City Electric Power Trading Investment Corporation	1,350,000	13,500,000,000	(*)	-	1,350,000	13,500,000,000	(*)	-
• Hai Phong Securities Joint Stock Company	812	2,052,543	(*)	-	812	2,052,543	(*)	-
		<u>51,869,913,855</u>		<u>(15,175,468,000)</u>		<u>55,600,139,455</u>		<u>(15,845,846,319)</u>

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

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

	2016	2015
	VND	VND
Opening balance	15,845,846,319	15,783,080,354
Increase in allowance during the year	1,524,948,000	1,727,092,829
Allowance utilised during the year	(591,600,000)	(27,450,000)
Written back	(1,603,726,319)	(1,636,876,864)
	<hr/>	<hr/>
Closing balance	15,175,468,000	15,845,846,319
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(b) Held-to-maturity investments

	31/12/2016		1/1/2016	
	Carrying	Fair value	Carrying	Fair value
	amount	VND	amount	VND
	VND	VND	VND	VND
Held-to-maturity investments – short-term				
▪ term deposits	11,750,000,000	11,750,000,000	-	-
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(c) Equity investments in other entities

31 December 2016	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:					
Associates					
• ComfortDelgro Savico Taxi Company	40.03%	40.03%	34,766,236,353	(*)	-
• Toyota East Saigon Joint Stock Company (TESC)	35.16%	35.16%	61,082,122,037	(*)	-
• Binh Duong New City Automobile Service Joint Stock Company	27.50%	27.50%	14,917,853,871	(*)	-
• Dana Joint Stock Company (DANA FORD)	28.19%	28.19%	12,741,640,310	(*)	-
• South West Star Automobile Joint Stock Company (a)	43.80%	43.80%	13,457,567,475	(*)	-
• Toyota Ly Thuong Kiet Company Limited	51%	51%	33,739,344,765	(*)	-
• Bac Au Automobile Joint Stock Company (b)	32%	32%	17,512,179,606	(*)	-
• South Saigon Automobile Service Commercial Investment Joint Stock Company (c)	30%	30%	3,627,382,800	(*)	-
			191,844,327,217		-
Others					
• Other long-term investments			12,415,264,000	(*)	-
			204,259,591,217		-

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1 January 2016	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:					
Associates					
• Ben Thanh Savico General Trading & Services Co., Ltd. (**)	37.33%	37.33%	70,072,710	(*)	-
• ComfortDelgro Savico Taxi Company	40.03%	40.03%	33,458,203,711	(*)	-
• Toyota East Saigon Joint Stock Company (TESC)	35.16%	35.16%	53,843,827,214	(*)	-
• Binh Duong New City Automobile Service Joint Stock Company	27.50%	27.50%	13,625,820,140	(*)	-
• Dana Joint Stock Company (DANA FORD)	28.19%	28.19%	9,352,545,577	(*)	-
• South West Star Automobile Joint Stock Company	40.00%	40.00%	10,412,954,285	(*)	-
• Toyota Ly Thuong Kiet Company Limited	51.00%	51.00%	32,061,668,236	(*)	-
			152,825,091,873		-
Others					
• Other long-term investments			5,315,264,000	(*)	-
			158,140,355,873		-

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- (*) At the reporting date, fair value of these investments was not available.
- (a) On 10 November 2016, the Group acquired additionally 3.8% of shares of South West Star Automobile Joint Stock Company from an individual shareholder amounting to VND950 million and increased the percentage of economic interest from 40% to 43.80%.
- (b) On 6 November 2015, under the minutes No. 69/QD/HDQT-SVC, the Board of Management resolved to establish Bac Au Automobile Joint Stock Company with the authorised share capital of VND60,000 million, in which 50% of authorised shared capital is acquired by the Group. The Group signed a share capital assignment agreement with Ben Thanh Group, a shareholder, whereby the Group transferred all rights and obligations arising from 20% of authorised share capital of Bac Au Automobile Joint Stock Company acquired by the Company at par value since 27 April 2016. On 26 May 2016, the Group acquired additionally 2% of authorised share capital of Bac Au Automobile Joint Stock Company from an individual shareholder at par value. At the reporting date, the Group has acquired 32% of share capital of Bac Au Automobile Joint Stock Company.
- (c) On 5 April 2016, the Group acquired 30% of shares of South Saigon Automobile Service Commercial Investment Joint Stock. At the reporting date, the Group has fully paid for the subscribed shares.
- (**) On 30 June 2016, Ben Thanh Savico General Trading & Services Co., Ltd., an associate, was liquidated. At the reporting date, the liquidation process was completed.

Movements of investments in associates were as follows:

	2016	2015
	VND	VND
Balance at the beginning of the year	152,825,091,873	98,866,042,688
New investments	20,750,000,000	41,800,000,000
Transfer from other long-term investments	3,000,000,000	-
Share of net profit in associates (net of income tax)	19,693,440,554	13,971,199,185
Dividends from associates	(4,354,132,500)	(1,812,150,000)
Liquidation of associates	(70,072,710)	-
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	191,844,327,217	152,825,091,873
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Summary of financial position and performance of associates were as follows:

	Total assets as of 31/12/2016 VND	Total liabilities as of 31/12/2016 VND	Owners' equity as of 31/12/2016 VND	Net profit/(loss) after tax 2016 VND
ComfortDelgro Savico Taxi Company	94,307,507,319	7,457,054,278	86,850,453,041	3,289,018,453
Toyota East Saigon Joint Stock Company (TESC)	495,864,022,098	322,136,890,305	173,727,131,793	34,625,617,969
Binh Duong New City Automobile Service Joint Stock Company	126,733,112,976	95,035,505,081	31,697,607,895	3,638,043,278
Dana Joint Stock Company (DANA FORD)	68,694,800,426	37,930,503,107	30,764,297,319	12,174,662,431
South West Star Automobile Joint Stock Company	125,727,379,210	94,458,460,525	31,268,918,685	5,159,360,422
Toyota Ly Thuong Kiet Company Limited	229,694,097,170	146,359,406,927	83,334,690,243	8,364,354,364
Bac Au Automobile Joint Stock Company	117,491,785,571	62,766,224,301	54,725,561,270	(5,221,599,558)
South Saigon Automobile Service Commercial Investment Joint Stock Company	52,377,631,360	40,302,880,224	12,074,751,136	74,751,136

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	Total assets as of 1/1/2016 VND	Total liabilities as of 1/1/2016 VND	Owners' equity as of 1/1/2016 VND	Net profit/(loss) after tax 2015 VND
Ben Thanh Savico General Trading & Services Co., Ltd.	187,885,642	-	187,885,642	-
ComfortDelgro Savico Taxi Company	92,648,243,863	9,065,421,704	83,582,822,159	6,976,246,639
Toyota East Saigon Joint Stock Company (TESC)	437,030,507,290	283,891,066,975	153,139,440,315	22,914,663,107
Binh Duong New City Automobile Service Joint Stock Company	90,340,423,544	61,849,399,927	28,491,023,617	(1,560,481,586)
Dana Joint Stock Company (DANA FORD)	52,278,376,687	29,930,008,677	22,348,368,010	9,219,847,743
South West Star Automobile Joint Stock Company	150,548,138,286	125,465,752,575	25,082,385,711	1,032,385,711
Toyota Ly Thuong Kiet Company Limited	192,364,454,444	117,417,504,020	74,946,950,424	14,946,307,600

7. Accounts receivable from customers

Accounts receivable from customers detailed by significant customers

	31/12/2016 VND	1/1/2016 VND
Customers in relation to sales of merchandise goods	373,126,393,523	263,039,291,317
Customers in relation to rental income	7,531,096,621	4,290,319,052
Customers in relation to sales of real estate	13,226,866,859	453,540,087
Other customers	4,879,463,416	5,233,638,548
	398,763,820,419	273,016,789,004

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8. Loans receivable – short-term

Loans receivable – short-term represented a short-term loan granted to an associate which earned interest at rates ranging from 6.50% to 7% per annum during the year (2015: nil).

9. Other receivables

(a) Other short-term receivables

	31/12/2016	1/1/2016
	VND	VND
Deposits for trading used cars on behalf of customers	24,704,421,967	25,451,621,967
Advances to employees	19,840,658,502	7,887,176,981
Short-term deposits	6,394,789,570	1,138,694,958
Receivable from disposals of other long-term investments	-	29,245,050,000
Others	20,479,094,092	20,751,047,344
	<hr/>	<hr/>
	71,418,964,131	84,473,591,250
	<hr/>	<hr/>

(b) Other long-term receivables

	31/12/2016	1/1/2016
	VND	VND
Receivables in business cooperation contracts (*)	113,406,731,568	113,406,731,568
Long-term deposits	15,094,801,021	10,337,346,792
Others	13,303,305,631	11,328,066,700
	<hr/>	<hr/>
	141,804,838,220	135,072,145,060
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(*) These receivables related to a real estate investment cooperation agreement with other partners.

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

	2016	2015
	VND	VND
Opening balance	6,830,507,240	-
Increase in allowance during the year	-	6,830,507,240
Written back	(2,680,507,240)	-
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Closing balance	4,150,000,000	6,830,507,240
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10. Inventories

	31/12/2016		1/1/2016	
	Carrying amount VND	Allowance VND	Carrying amount VND	Allowance VND
Goods in transit	8,738,144,365		7,961,388,308	-
Materials and spare parts	8,358,691,735	(2,420,239,855)	6,497,681,003	(2,591,856,758)
Work in progress	98,413,666,982	(21,975,574,661)	102,283,416,147	(21,975,574,661)
Finished goods	766,459,655	-	168,314,803	-
Merchandise inventories (cars and motorbikes)	754,067,412,038	(690,593,074)	499,674,298,317	-
Goods on consignment	245,553,688	-	-	-
	<u>870,589,928,463</u>	<u>(25,086,407,590)</u>	<u>616,585,098,578</u>	<u>(24,567,431,419)</u>

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

	2016 VND	2015 VND
Opening balance	24,567,431,419	3,489,943,669
Increase in allowance during the year	1,051,497,482	22,316,728,886
Written back	(532,521,311)	(1,112,858,045)
Decrease in allowance through disposals of investments in a subsidiary	-	(126,383,091)
Closing balance	<u>25,086,407,590</u>	<u>24,567,431,419</u>

At 31 December 2016 inventories with carrying value of VND240,794 million (1 January 2016: VND241,345 million) were pledged with banks as security for loans granted to the Group.

During the year, borrowing costs capitalised into inventories amounted to VND181 million (2015: nil).

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11. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Cost						
Opening balance	197,210,655,988	45,169,716,817	10,326,850,263	40,180,909,044	10,051,283,103	302,939,415,215
Additions	9,956,094,557	10,763,866,259	2,902,713,979	34,371,038,226	100,800,000	58,094,513,021
Transfer from construction in progress	10,211,866,340	-	-	1,003,618,182	-	11,215,484,522
Disposals	(1,007,614,246)	(1,030,399,409)	(2,298,813,054)	(13,437,693,670)	-	(17,774,520,379)
Written off	(480,709,091)	-	-	-	-	(480,709,091)
Transfer to construction in progress	(3,143,871,704)	-	-	-	-	(3,143,871,704)
Closing balance	212,746,421,844	54,903,183,667	10,930,751,188	62,117,871,782	10,152,083,103	350,850,311,584
Accumulated depreciation						
Opening balance	57,698,054,886	27,425,197,497	5,763,875,978	9,364,972,535	5,126,123,476	105,378,224,372
Charge for the year	16,140,678,909	5,279,994,863	1,429,263,077	7,678,398,772	949,734,660	31,478,070,281
Disposals	(226,713,222)	(312,967,794)	(328,659,630)	(3,293,610,496)	-	(4,161,951,142)
Written off	(166,245,231)	-	-	-	-	(166,245,231)
Transfer to construction in progress	(2,288,713,527)	-	-	-	-	(2,288,713,527)
Closing balance	71,157,061,815	32,392,224,566	6,864,479,425	13,749,760,811	6,075,858,136	130,239,384,753
Net book value						
Opening balance	139,512,601,102	17,744,519,320	4,562,974,285	30,815,936,509	4,925,159,627	197,561,190,843
Closing balance	141,589,360,029	22,510,959,101	4,066,271,763	48,368,110,971	4,076,224,967	220,610,926,831

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Included in the cost of tangible fixed assets were assets costing VND35,849 million which were fully depreciated as of 31 December 2016 (1 January 2016: VND24,489 million), but which are still in active use.

At 31 December 2016 tangible fixed assets with carrying value of VND41,434 million (1 January 2016: VND54,672 million) were pledged with banks as security for loans granted to the Group.

12. Intangible fixed assets

	Indefinite lived land use rights VND	Definite lived land use rights VND	Software VND	Total VND
Cost				
Opening balance	35,331,353,391	43,773,551,509	2,491,250,350	81,596,155,250
Additions	-	6,460,000,000	221,429,000	6,681,429,000
Transfer to construction in progress	(14,634,054,300)	(39,301,087,509)	-	(53,935,141,809)
Closing balance	20,697,299,091	10,932,464,000	2,712,679,350	34,342,442,441
Accumulated amortisation				
Opening balance	-	8,867,825,448	2,079,201,071	10,947,026,519
Charge for the year	-	824,799,420	232,594,470	1,057,393,890
Transfer to construction in progress	-	(5,514,434,126)	-	(5,514,434,126)
Closing balance	-	4,178,190,742	2,311,795,541	6,489,986,283
Net book value				
Opening balance	35,331,353,391	34,905,726,061	412,049,279	70,649,128,731
Closing balance	20,697,299,091	6,754,273,258	400,883,809	27,852,456,158

Included in the cost of intangible fixed assets were assets costing VND1,815 million which were fully depreciated as of 31 December 2016 (1 January 2016: VND1,815 million), but which are still in active use.

At 31 December 2016 intangible fixed assets with carrying value of VND20,697 million (1 January 2016: VND27,259 million) were pledged with banks as security for loans granted to the Group.

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13. Investment property

Investment property held to earn rental

	Land use rights VND	Buildings VND	Total VND
Cost			
Opening balance	126,013,602,450	743,369,487,481	869,383,089,931
Transfer to construction in progress	(57,306,554,900)	-	(57,306,554,900)
Written off	-	(6,469,949,820)	(6,469,949,820)
Closing balance	68,707,047,550	736,899,537,661	805,606,585,211
Accumulated depreciation			
Opening balance	9,282,938,130	122,399,783,660	131,682,721,790
Charge for the year	1,287,535,572	22,145,378,345	23,432,913,917
Written off	-	(6,469,949,820)	(6,469,949,820)
Closing balance	10,570,473,702	138,075,212,185	148,645,685,887
Net book value			
Opening balance	116,730,664,320	620,969,703,821	737,700,368,141
Closing balance	58,136,573,848	598,824,325,476	656,960,899,324

Included in the cost of investment properties held to earn rental were assets costing VND8,748 million which were fully depreciated as of 31 December 2016 (1 January 2016: VND19,702 million), but which are still in active use.

At 31 December 2016 investment properties held to earn rental with carrying value of VND539,959 million (1 January 2016: VND675,102 million) were pledged with banks as security for loans granted to the Group.

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

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14. Construction in progress

	2016 VND	2015 VND
Opening balance	171,438,939,997	434,645,996,921
Additions during the year	125,632,131,916	39,747,170,349
Transfer to inventories	(56,793,573,710)	(288,387,934,445)
Transfer to tangible fixed assets	(11,215,484,522)	(14,566,292,828)
Transfer from tangible fixed assets	855,158,177	-
Transfer from intangible fixed assets	48,420,707,683	-
Transfer from investment property	57,306,554,900	-
Written off	(813,904,721)	-
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Closing balance	334,830,529,720	171,438,939,997
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Major constructions in progress were as follows:

	31/12/2016 VND	1/1/2016 VND
Mecure Son Tra, Da Nang Project	84,351,999,406	84,351,999,406
104 Pho Quang Project	37,264,371,710	37,958,276,918
277 – 279 Ly Tu Trong Office Building Project	-	28,197,102,382
66 – 68 Nam Ky Khoi Nghia Project	119,404,383,323	11,134,809,686
Ho Tram, Xuyen Moc Project	243,853,083	241,318,083
Showroom construction of Nam Song Hau Automobile Joint Stock Company, a subsidiary	45,690,790,037	6,980,649,897
Showroom renovation of Toyota Can Tho Company Limited, a subsidiary	16,835,211,045	-
Auto Mall Project	16,156,292,671	-
Showroom construction of Saigon North West Automobile Joint Stock Company, a subsidiary	9,671,858,522	-
Showroom construction of Binh Dinh Automobile Corporation Company, a subsidiary	3,422,326,923	-
Volvo showroom construction	1,739,843,000	-
Showroom construction of Vinh Thinh Automobile Joint Stock Company, a subsidiary	-	2,574,783,625
Others	49,600,000	-
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	334,830,529,720	171,438,939,997
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At 31 December 2016 construction in progress with carrying value of VND32,992 million (1 January 2016: nil) were pledged with banks as security for loans granted to the Group.

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15. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2016	1/1/2016
	VND	VND
Office and house rental	6,684,832,123	122,880,667
Tools and supplies	3,604,902,340	2,576,014,331
Others	8,180,920,886	4,962,421,422
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	18,470,655,349	7,661,316,420
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(b) Long-term prepaid expenses

	31/12/2016	1/1/2016
	VND	VND
Tools and supplies	4,985,807,415	4,535,010,817
Prepaid land costs	3,311,434,317	4,616,946,843
Renovation expenses	1,734,948,016	1,339,258,823
Others	6,021,981,668	3,164,303,289
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	16,054,171,416	13,655,519,772
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16. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers

	31/12/2016		1/1/2016	
	Cost	Amount	Cost	Amount
	VND	within	VND	within
		payment		payment
		capacity		capacity
		VND		VND
Hyundai Thanh Cong Auto				
Viet Nam Joint Stock Company	71,055,270,000	71,055,270,000	97,723,180,000	97,723,180,000
Suppliers in relation to Ford				
Brand	16,083,917,377	16,083,917,377	13,026,629,433	13,026,629,433
Suppliers in relation to Toyota				
Brand	7,301,678,645	7,301,678,645	4,279,108,598	4,279,108,598
Hino Motor Vietnam Limited	23,375,799,766	23,375,799,766	6,217,508,000	6,217,508,000
Other suppliers	65,389,481,109	65,389,481,109	49,472,930,534	49,472,930,534
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	183,206,146,897	183,206,146,897	170,719,356,565	170,719,356,565
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17. Taxes payable to State Treasury

	1/1/2016 VND	Incurred VND	Net-off/Paid VND	31/12/2016 VND
Taxes				
Value added tax	6,132,626,934	1,434,112,203,802	(1,422,234,623,081)	18,010,207,655
Corporate income tax	17,176,551,586	38,918,998,047	(38,657,546,841)	17,438,002,792
Personal income tax	2,105,595,834	16,301,406,234	(14,638,664,287)	3,768,337,781
Other obligations				
Land rental	10,013,066,011	16,895,563,574	(26,853,681,172)	54,948,413
Other obligations	1,116,581,326	653,987,975	(111,458,305)	1,659,110,996
	36,544,421,691	1,844,652,183,754	(1,840,265,997,808)	40,930,607,637

18. Accrued expenses

	31/12/2016 VND	1/1/2016 VND
Interest on borrowings	847,851,670	428,742,983
Rental fees	768,000,000	2,978,427,840
Salary and related expenses	5,520,419,349	4,738,044,256
Professional service fees	9,831,409,581	9,521,168,523
Accrued expenses for operating expenses	6,934,482,850	4,221,382,710
Others	20,124,537,821	16,842,516,224
	44,026,701,271	38,730,282,536

19. Unearned revenue

(a) Unearned revenue – short-term

	31/12/2016 VND	1/1/2016 VND
Warranty and customer care services	34,640,000	12,227,716,018
Buildings rental revenue received in advance	67,252,462	101,358,497
Portion of long-term unearned revenue to be realised within 12 months	6,698,834,547	6,676,455,900
Others	6,399,242	-
	6,807,126,251	19,005,530,415

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(b) Unearned revenue – long-term

	31/12/2016 VND	1/1/2016 VND
Buildings rental revenue received in advance	97,014,834,547	103,462,855,900
Amount to be realised within 12 months	(6,698,834,547)	(6,676,455,900)
	<hr/>	<hr/>
Amount to be realised after 12 months	90,316,000,000	96,786,400,000
	<hr/>	<hr/>

20. Other payables

(a) Other payables – short-term

	31/12/2016 VND	1/1/2016 VND
Dividends payable	1,359,883,505	1,782,554,795
Instalment contribution received from customers in relation to Tam Binh Residential Project	48,784,436,509	63,874,447,722
Payable to a party in a real estate project (*)	86,080,042,873	85,950,625,357
Payables to customers	3,186,211,761	5,856,400,000
Insurance premium collected on behalf of insurance agencies	3,976,194,008	2,966,568,874
Others	16,258,157,766	12,090,503,557
	<hr/>	<hr/>
	159,644,926,422	172,521,100,305
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(*) Payable to a party of a real estate project represented advance from this party under the Cooperation Agreement dated 10 July 2014 on a project at 104 Pho Quang.

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(b) Other payables – long-term

	31/12/2016	1/1/2016
	VND	VND
Long-term deposits received	65,823,106,392	57,997,149,952
Shared profit from associate to a third party	4,865,984,384	2,265,585,765
Other long-term payables (*)	40,331,555,492	92,249,751,045
Amount due after 12 months	111,020,646,268	152,512,486,762

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

	31/12/2016	1/1/2016
	VND	VND
Binh An Project	24,239,513,834	24,239,513,834
227-229 Ly Tu Trong Office Building Project	-	56,672,384,699
Land rental payable to land lessor	16,092,041,658	11,337,852,512
	40,331,555,492	92,249,751,045

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21. Borrowings

(a) Short-term borrowings

	1/1/2016		Movements during the year		31/12/2016	
	Carrying amount VND	Amount within repayment capacity VND	Increase VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	455,952,356,207	455,952,356,207	7,166,387,036,898	(6,689,541,575,414)	932,797,817,691	932,797,817,691
Current portion of long-term borrowings	85,731,304,923	85,731,304,923	29,938,085,200	(90,516,172,923)	25,153,217,200	25,153,217,200
	541,683,661,130	541,683,661,130	7,196,325,122,098	(6,780,057,748,337)	957,951,034,891	957,951,034,891

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

	Currency	Annual interest rate	31/12/2016 VND	1/1/2016 VND
ANZ Bank Vietnam Limited	VND	5.80% - 9%	32,165,721,250	33,966,226,000
Military Commercial Joint Stock Bank (MB Bank)	VND	5% - 8.50%	70,047,963,500	56,127,063,667
Mizuho Bank, Ltd.	VND	2.70% - 5.40%	15,000,000,000	5,000,000,000
Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank)	VND	8.50%	19,264,105,259	5,419,225,000
Sumitomo Mitsui Banking Corporation (SMBC)	VND	2.60% - 5.60%	48,000,000,000	20,000,000,000
Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	VND	7.20%	6,207,300,000	5,304,390,000
The Bank of Tokyo Mitsubishi UFJ, Ltd.	VND	1.75% - 3.75%	89,500,000,000	73,000,000,000
Vietcombank	VND	5% - 9.80%	295,278,290,257	107,653,965,142
Vietnam Thuong Tin Commercial Joint Stock Bank (Vietbank)	VND	5.80% - 6%	45,792,690,000	2,947,975,000
Vietinbank	VND	5% - 6.50%	174,970,896,352	31,221,284,398
Vietnam International Commercial Joint Stock Bank (VIB)	VND	5.50% - 6%	18,462,432,000	12,413,132,000
Vietnam Prosperity Joint Stock Commercial Bank (VP Bank)	VND	7.20% - 8.50%	19,293,089,273	2,128,870,000
HSBC Bank (Vietnam) Ltd.	VND	6.50% - 13%	89,645,324,800	26,490,454,000
Loan from an individual	VND	5.80% - 8.50%	1,300,000,000	350,000,000
Orient Commercial Joint Stock Bank (OCB)	VND	8.50%	5,000,000,000	-
Bank for Investment and Development of Vietnam (BIDV)	VND	6.80%	2,870,005,000	-
Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	VND	6% - 7.50%	-	9,381,682,000
Indovina Bank (Vietnam) Ltd.	VND	6% - 7.80%	-	44,895,071,000
Tien Phong Commercial Joint Stock Bank	VND	6.80% - 8%	-	19,653,018,000
			932,797,817,691	455,952,356,207

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Included in short-term borrowings were VND225,454 million (1 January 2016: VND255,349 million) unsecured and VND707,344 million (1 January 2016: VND200,603 million) secured by the following assets:

	31/12/2016	1/1/2016
	VND	VND
Cash equivalents	4,257,690,000	482,090,000
Inventories	213,229,659,734	165,690,179,522
Investment properties	-	46,376,734,200
Tangible fixed assets	10,157,093,049	12,519,934,171
	<hr/>	<hr/>
	227,644,442,783	225,068,937,893
	<hr/>	<hr/>

(b) Long-term borrowings

	31/12/2016	1/1/2016
	VND	VND
Long-term borrowings	384,770,941,895	334,135,662,052
Repayable within twelve months	(25,153,217,200)	(85,731,304,923)
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Repayable after twelve months	359,617,724,695	248,404,357,129
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Terms and conditions of outstanding long-term borrowings were as follows:

	Currency	Annual interest rate	Year of maturity	31/12/2016 VND	1/1/2016 VND
Vietcombank/Vietinbank	VND	10%	2020	297,300,000,000	210,000,000,000
Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	VND	10% - 10.50%	2022	13,018,791,678	15,092,391,678
Military Commercial Joint Stock Bank (MB Bank)	VND	9.50%	2017	2,971,250,539	4,721,762,539
Vietcombank	VND	11%	2019	2,500,000,000	5,400,000,000
Ho Chi Minh Development Joint Stock Commercial Bank (HDBank)	VND	8%	2020	450,000,000	570,000,000
Orient Commercial Joint Stock Bank (OCB)	VND	10% - 10.40%	2025	10,100,000,000	11,300,000,000
Vietnam Prosperity Joint Stock Commercial Bank (VPBank)	VND	9.50% - 10.50%	2024	12,590,635,783	-
Vietnam International Commercial Bank (Vietbank)	VND	7.20% - 7.60%	2019	2,000,576,293	-
Vietinbank	VND	8.50% - 10.50%	2021	871,027,334	-
Vietinbank	VND	8%	2025	23,642,848,800	-
Vietcombank	VND	7.10%	2022	19,325,811,468	-
Vietnam Prosperity Joint Stock Commercial Bank (VPBank)	VND	10%	2016	-	30,000,000,000
Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	VND	10%	2017	-	10,326,000,000
Vietcombank	VND	9% - 10%	2017	-	5,367,117,890
Vietinbank	VND	9% - 10%	2017	-	36,800,000,000
The Bank of Tokyo Mitsubishi UFJ, Ltd.	VND	3.05% - 3.55%	2016	-	3,917,140,795
Ocean Commercial One Member Limited Liability Bank	VND	9.50%	2018	-	641,249,150
				384,770,941,895	334,135,662,052

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Included in long-term borrowings were VND10,550 million of unsecured borrowings (1 January 2016: VND15,787 million) and VND374,221 million of borrowings (1 January 2016: VND318,349 million) secured by the following assets:

	31/12/2016	1/1/2016
	VND	VND
Inventories	27,564,760,190	75,654,574,661
Tangible fixed assets	31,277,368,199	42,152,119,613
Intangible fixed assets	20,697,299,091	27,259,175,600
Investment properties	539,958,957,655	628,725,717,599
Construction in progress	32,991,503,716	-
	<hr/>	<hr/>
	652,489,888,851	773,791,587,473
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22. Bonus and welfare fund

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

	2016	2015
	VND	VND
Opening balance	15,839,027,240	8,892,027,107
Appropriation from retained profits	16,008,880,890	14,410,568,261
Utilisation during the year	(9,679,783,829)	(7,463,568,128)
	<hr/>	<hr/>
Closing balance	22,168,124,301	15,839,027,240
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23. Changes in owners' equity

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2015	249,955,730,000	317,064,858,303	-	(690,474,358)	5,093,483,305	40,681,624,825	142,498,081,774	216,801,438,189	971,404,742,038
Net profit for the year	-	-	-	-	-	-	103,861,038,432	59,415,437,130	163,276,475,562
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	4,644,400,000	4,644,400,000
Appropriation to equity fund	-	-	-	-	-	2,868,538,252	(2,868,538,252)	-	-
Appropriation to bonus and welfare fund (Note 22)	-	-	-	-	-	-	(12,347,900,190)	(2,062,668,071)	(14,410,568,261)
Dividends (Note 25)	-	-	-	-	-	-	(29,970,608,400)	(19,426,613,523)	(49,397,221,923)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	-	(2,368,078,091)	-	(2,368,078,091)
Decrease through disposal of investments in a subsidiary	-	-	-	-	-	-	-	(6,179,925,933)	(6,179,925,933)
Transfer to statement of income upon liquidation of investee	-	-	-	-	(5,093,483,305)	-	-	-	(5,093,483,305)
Other decreases	-	-	-	-	-	-	(76,745,227)	(666,949,776)	(743,695,003)
Balance at 1 January 2016	249,955,730,000	317,064,858,303	-	(690,474,358)	-	43,550,163,077	198,727,250,046	252,525,118,016	1,061,132,645,084
Net profit for the year	-	-	-	-	-	-	122,992,852,474	50,826,950,026	173,819,802,500
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	22,392,800,000	22,392,800,000
Appropriation to equity funds	-	-	-	-	-	3,106,875,899	(3,106,875,899)	-	-
Appropriation to bonus and welfare fund (Note 22)	-	-	-	-	-	-	(16,008,880,890)	-	(16,008,880,890)
Dividends (Note 25)	-	-	-	-	-	-	(34,965,709,800)	(30,251,713,651)	(65,217,423,451)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	-	(3,633,650,904)	-	(3,633,650,904)
Share dividends received from a subsidiary	-	-	2,550,000,000	-	-	-	(2,550,000,000)	-	-
Balance at 31 December 2016	249,955,730,000	317,064,858,303	2,550,000,000	(690,474,358)	-	46,657,038,976	261,454,985,027	295,493,154,391	1,172,485,292,339

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24. Share capital

The Company's authorised and issued share capital are:

	31/12/2016		1/1/2016	
	Number of shares	VND	Number of shares	VND
Authorised share capital	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Issued ordinary shares	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Treasury ordinary shares	(20,066)	(690,474,358)	(20,066)	(690,474,358)
Ordinary shares currently in circulation	24,975,507	249,265,255,642	24,975,507	249,265,255,642

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

There were no movements in share capital during the year.

25. Dividends

The General Meeting of Shareholders of the Company on 1 April 2016 resolved to distribute dividends of 2015 amounting to VND34,966 million (2015: VND29,971 million), which is equal to 14% of par value of shares in circulation at that time.

26. Investment and development fund

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

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27. Off balance sheet items

(a) Leases

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

	31/12/2016	1/1/2016
	VND	VND
Within one year	55,451,537,221	38,189,029,513
From two to five years	168,454,792,433	91,466,269,340
Over five years	250,098,583,482	84,559,426,596
	<hr/>	<hr/>
	474,004,913,136	214,214,725,449
	<hr/>	<hr/>

(b) Goods held for third parties

	31/12/2016	1/1/2016
	VND	VND
Goods held for third parties	195,199,287,268	72,864,258,185
	<hr/>	<hr/>

28. 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:

	2016	2015
	VND	VND
Total revenue		
▪ Sales of real estate	120,048,476,587	160,720,455,551
▪ Sales of merchandise goods	12,660,921,393,799	9,163,412,511,709
▪ Services rendered	715,488,858,533	396,526,056,092
▪ Rental income	165,413,518,026	177,771,931,316
	<hr/>	<hr/>
	13,661,872,246,945	9,898,430,954,668
Less revenue deductions	(12,749,646,528)	(8,488,551,696)
	<hr/>	<hr/>
Net revenue	13,649,122,600,417	9,889,942,402,972
	<hr/>	<hr/>

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29. Cost of sales

	2016	2015
	VND	VND
Cost of real estate sold	102,847,216,723	228,353,697,207
Merchandise goods sold	12,446,559,611,129	8,789,898,918,614
Services rendered	363,009,487,554	339,437,919,419
Depreciation charge of investment property	23,432,913,917	19,361,712,733
Allowance for inventories	518,976,171	21,203,870,841
	<hr/>	<hr/>
	12,936,368,205,494	9,398,256,118,814
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30. Financial income

	2016	2015
	VND	VND
Interest income from deposits	3,068,516,495	4,175,994,254
Income from security trading	1,252,300,644	3,669,527,293
Dividends	3,153,564,300	5,891,087,999
Foreign exchange gains	688,009,469	497,368,874
Gains on disposals of investments in a subsidiary	-	4,266,034,971
Income from disposal of other long-term investment	-	110,235,368,205
Other financial income	7,430,748,317	2,578,230,263
	<hr/>	<hr/>
	15,593,139,225	131,313,611,859
	<hr/>	<hr/>

31. Financial expenses

	2016	2015
	VND	VND
Interest expense	66,862,508,991	52,929,724,175
Losses from security trading	1,888,650,244	125,875,773
Losses from liquidation of investments in associates	70,072,710	-
Security trading expenses	51,531,412	19,988,704
Foreign exchange losses	15,964,137	1,819,722,064
Reversal of allowance for diminution in the value of trading securities	(78,778,319)	(3,309,781,997)
Other financial expenses	2,082,674,437	2,546,888,206
	<hr/>	<hr/>
	70,892,623,612	54,132,416,925
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32. Selling expenses

	2016	2015
	VND	VND
Labour costs and staff costs	170,828,641,809	126,063,098,928
Outside service expenses	69,832,732,161	45,583,185,042
Tools and supplies	18,266,283,695	14,474,461,907
Others	67,688,008,503	47,101,979,575
	<hr/>	<hr/>
	326,615,666,168	233,222,725,452
	<hr/> <hr/>	<hr/> <hr/>

33. General and administration expenses

	2016	2015
	VND	VND
Labour costs and staff costs	97,927,166,623	81,601,173,089
Outside service expenses	52,836,231,854	44,278,908,790
Others	59,440,390,549	55,919,866,361
	<hr/>	<hr/>
	210,203,789,026	181,799,948,240
	<hr/> <hr/>	<hr/> <hr/>

34. Other income

	2016	2015
	VND	VND
Gains on disposals of tangible fixed assets	2,048,087,583	-
Deductions in payables granted by suppliers	36,860,704,421	14,638,517,320
Commission received from other parties	22,713,837,638	17,328,561,301
Compensation received from customers for cancellation of contracts	24,000,000	44,140,800
Compensation received from a party for cancellation of agreement	285,000,000	91,600,000
Others	13,100,321,599	11,950,806,440
	<hr/>	<hr/>
	75,031,951,241	44,053,625,861
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35. Other expenses

	2016	2015
	VND	VND
Losses on disposals of tangible fixed assets	-	3,386,630,109
Losses on fixed assets written off	314,463,860	-
Losses on construction in progress written off	813,904,721	-
Compensation paid to customers for cancellation of agreements	630,652,210	16,800,000
Tax penalties for late payments	982,111,528	-
Others	465,744,794	3,079,501,273
	<hr/>	<hr/>
	3,206,877,113	6,482,931,382
	<hr/> <hr/>	<hr/> <hr/>

36. Trading and business costs by element

	2016	2015
	VND	VND
Cost of real estate sold	102,847,216,723	227,754,580,150
Cost of merchandise goods	12,454,697,647,419	8,908,915,740,327
Labour costs and staff costs	365,962,775,579	294,501,928,008
Depreciation and amortisation	55,968,378,088	50,344,224,149
Outside services	209,455,141,273	158,786,646,421
Other expenses	284,256,501,606	174,608,441,286
	<hr/>	<hr/>
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37. Income tax

(a) Recognised in the balance sheet

	31/12/2016	1/1/2016
	VND	VND
Deferred tax assets		
Accrued expenses	2,227,769,239	2,018,933,373
Tax losses carry-forwards	948,085,753	572,091,096
	<hr/>	<hr/>
	3,175,854,992	2,591,024,469
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(b) Recognised in the statement of income

	2016 VND	2015 VND
Current tax expense		
Current year	37,831,746,134	41,559,649,442
Under/(over) provision in prior years	1,087,251,913	(596,676,686)
	<hr/> 38,918,998,047	<hr/> 40,962,972,756
Deferred tax (benefit)/expense		
Reversal of temporary differences	363,255,230	674,204,643
Benefit of tax losses recognised	(948,085,753)	473,046,103
	<hr/> (584,830,523)	<hr/> 1,147,250,746
Income tax expense	<hr/> 38,334,167,524	<hr/> 42,110,223,502

(c) Reconciliation of effective tax rate

	2016 VND	2015 VND
Profit before tax	212,153,970,024	205,386,699,064
Tax at income rate applicable to the Company	42,430,794,005	45,185,073,794
Non-deductible expenses	182,579,881	1,291,593,875
Non-taxable income	(5,062,398,412)	(4,461,966,934)
Deferred tax assets not recognised	2,647,534,662	3,234,839,232
Tax losses utilised	(605,574,070)	(3,339,185,904)
Deferred tax assets not recognised on reversal of allowance for diminution in the value of investments in subsidiaries and associates	(2,346,020,455)	707,534,116
Effect of different tax rate in a subsidiary	-	89,012,009
Under/(over) provision in prior years	1,087,251,913	(596,676,686)
	<hr/> 38,334,167,524	<hr/> 42,110,223,502

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.

Saigon General Service Corporation and its subsidiaries
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(d) Applicable tax rates

Under the terms of Income Tax Law the Company and its subsidiaries have an obligation to pay the government income tax at the rate of 20% of taxable profits (2015: 22%).

38. Basic earnings per share

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

(i) Net profit attributable to ordinary shareholders

	2016	2015
	VND	VND
Net profit attributable to ordinary shareholders of Saigon General Service Corporation	122,992,852,474	103,861,038,432
Appropriation to bonus and welfare fund (Note 22)	(16,008,880,890)	(12,347,900,190)
Appropriation to Board of Management and Supervisory Board fee fund (Note 23)	(3,633,650,904)	(2,368,078,091)
	103,350,320,680	89,145,060,151
	103,350,320,680	89,145,060,151

(ii) Weighted average number of ordinary shares

	2016	2015
	Number	Number
	of shares	of 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

As of 31 December 2016, the Group did not have potentially dilutive ordinary shares.

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39. Significant transactions with related parties

Identity of related parties

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

Transactions with key management personnel

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

	2016	2015
	VND	VND
Board of Management	2,061,138,000	1,620,000,000
Board of Directors	542,862,000	1,962,000,000
Supervisory Board	502,500,000	356,020,000
	<hr/>	<hr/>
	3,106,500,000	3,938,020,000
	<hr/> <hr/>	<hr/> <hr/>

Other related party transactions

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

Related party	Relationship	Nature of transaction	2016	2015
			VND	VND
Toyota East Saigon Joint Stock Company (TESC)	Associate	Purchases of fixed assets	-	2,130,880,878
		Dividends	3,085,627,500	-
		Purchases of cars	39,436,363,620	-
South West Start Automobile Joint Stock Company	Associate	Loan granted to associate	3,000,000,000	-
Toyota Ly Thuong Kiet Company Limited	Associate	Sales of cars	30,482,014,995	27,072,754,546
		Purchases of cars	55,762,372,730	38,616,763,635
Bac Au Automobile Joint Stock Company	Associate	Share capital contribution	30,200,000,000	-
Ben Thanh Group	Shareholder	Disposals of investments	12,000,000,000	-
			<hr/>	<hr/>

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40. Non-cash investing activity

	2016 VND	2015 VND
Net-off accounts receivable from customers against other payables – long-term in relation to sales of real estate	81,002,654,520	-
Net-off proceeds from disposals of investments with advance received from Vinaland Investments Limited in prior years	-	130,323,934,900
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10 March 2017

Prepared by:

Ngo Van Danh
 Chief Accountant

Approved by:



Ma Viet Ha
 General Director

