

**Saigon General Service Corporation  
and its subsidiaries**

Consolidated Financial Statements  
for the year ended 31 December 2019

## Saigon General Service Corporation Corporate Information

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

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

<b>Business Registration Certificate</b>	4103002955	15 December 2004
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The Company's business registration certificate has been amended several times, the most recent of which is by Business Registration Certificate No. 0301154821 dated 3 October 2019. The business registration certificate and its updates were issued by Ho Chi Minh City Planning and Investment Department.

<b>Board of Management</b>	Mr. Mai Viet Ha	Chairman (from 30 September 2019)
		Member (until 30 September 2019)
	Mr. Nguyen Binh Minh	Chairman (until 28 September 2019)
	Ms. Nguyen Viet Hoa	Member
	Mr. Doan Van Quang	Member
	Mr. Nguyen Cong Binh	Member
	Mr. Nguyen Duc Trong	Member
	Mr. Luong Quang Hien	Member
	Mr. Lars Johan Gerard De Geer	Member

<b>Supervisory Board</b>	Ms. Nguyen Nhu Anh	Head of the Board
	Mr. Nguyen Thai Hoa	Member
	Ms. Hoang Thi Thu Huong	Member
	Ms. Dinh Truc Phuong	Member

<b>Board of Directors</b>	Mr. Phan Duong Cuu Long	General Director (from 30 September 2019)
		Deputy General Director (from 6 May 2019 to 30 September 2019)
	Mr. Mai Viet Ha	General Director (until 29 September 2019)
	Mr. Doan Van Quang	Deputy General Director
	Ms. Nguyen Thu Nga	Deputy General Director (until 1 November 2019)
	Mr. Nguyen Cong Binh	Deputy General Director

<b>Registered Office</b>	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam
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<b>Auditor</b>	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 2019.

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 60 give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, 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



Phan Duong Cuc Long  
General Director

Ho Chi Minh City, 30 March 2020

## **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 2019, 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 30 March 2020, as set out on pages 5 to 60.

### **Management's Responsibility**

The Company's Board of Directors is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 2019 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

### KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 19-01-00354-20-2



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

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

Ho Chi Minh City, 30 March 2020

**Saigon General Service Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>2,515,665,750,910</b>	<b>2,196,052,230,291</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>6</b>	<b>328,713,933,259</b>	<b>268,045,104,754</b>
Cash	111		196,657,160,753	210,007,572,879
Cash equivalents	112		132,056,772,506	58,037,531,875
<b>Short-term financial investments</b>	<b>120</b>		<b>38,892,075,283</b>	<b>39,488,075,283</b>
Trading securities	121	7(a)	42,802,075,283	42,802,075,283
Allowance for diminution in the value of trading securities	122	7(a)	(21,060,000,000)	(18,225,000,000)
Held-to-maturity investments	123	7(b)	17,150,000,000	14,911,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>700,914,688,346</b>	<b>695,256,990,400</b>
Accounts receivable from customers	131	8	502,600,110,826	517,312,887,580
Prepayments to suppliers	132		113,211,195,064	85,880,071,038
Loans receivable	135	7(c)	9,900,000,000	12,000,000,000
Other short-term receivables	136	9(a)	75,486,701,084	80,720,767,210
Allowance for doubtful short-term debts	137		(283,318,628)	(656,735,428)
<b>Inventories</b>	<b>140</b>	<b>10</b>	<b>1,385,059,862,043</b>	<b>1,134,474,506,423</b>
Inventories	141		1,386,407,867,822	1,138,523,608,918
Allowance for inventories	149		(1,348,005,779)	(4,049,102,495)
<b>Other current assets</b>	<b>150</b>		<b>62,085,191,979</b>	<b>58,787,553,431</b>
Short-term prepaid expenses	151	15(a)	17,980,691,811	11,734,520,242
Deductible value added tax	152		41,718,501,919	46,780,713,489
Taxes and others receivable from State Treasury	153	17(b)	2,385,998,249	272,319,700

*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 2019 (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	31/12/2019 VND	1/1/2019 VND
<b>Long-term assets</b> <b>(200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>2,212,370,843,023</b>	<b>2,159,597,103,287</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>178,403,847,072</b>	<b>182,178,610,222</b>
Other long-term receivables	216	9(b)	178,403,847,072	183,178,610,222
Allowance for doubtful long-term debts	219		-	(1,000,000,000)
<b>Fixed assets</b>	<b>220</b>		<b>502,796,348,304</b>	<b>457,816,965,914</b>
Tangible fixed assets	221	11	430,719,746,374	386,374,719,139
<i>Cost</i>	222		692,907,549,178	597,281,457,583
<i>Accumulated depreciation</i>	223		(262,187,802,804)	(210,906,738,444)
Intangible fixed assets	227	12	72,076,601,930	71,442,246,775
<i>Cost</i>	228		83,216,692,256	81,186,312,256
<i>Accumulated amortisation</i>	229		(11,140,090,326)	(9,744,065,481)
<b>Investment property</b>	<b>230</b>	<b>13</b>	<b>702,170,656,011</b>	<b>726,184,526,348</b>
<i>Cost</i>	231		921,937,799,775	921,828,708,866
<i>Accumulated depreciation</i>	232		(219,767,143,764)	(195,644,182,518)
<b>Long-term work in progress</b>	<b>240</b>		<b>367,055,084,313</b>	<b>367,635,726,677</b>
Construction in progress	242	14	367,055,084,313	367,635,726,677
<b>Long-term financial investments</b>	<b>250</b>		<b>420,272,552,735</b>	<b>384,210,488,328</b>
Investments in associates	252	7(d)	412,912,288,735	378,850,224,328
Equity investments in other entities	253		5,360,264,000	5,360,264,000
Held-to-maturity investments	255	7(b)	2,000,000,000	-
<b>Other long-term assets</b>	<b>260</b>		<b>41,672,354,588</b>	<b>41,570,785,798</b>
Long-term prepaid expenses	261	15(b)	35,508,351,949	38,061,909,597
Deferred tax assets	262	36(a)	6,164,002,639	3,508,876,201
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>4,728,036,593,933</b>	<b>4,355,649,333,578</b>

*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 2019 (continued)**

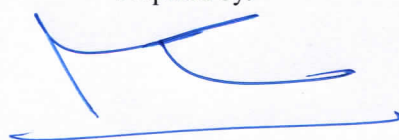
**Form B 01 – DN/HN**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>3,088,226,001,928</b>	<b>2,820,503,318,544</b>
<b>Current liabilities</b>	<b>310</b>		<b>2,592,153,508,725</b>	<b>2,266,260,565,058</b>
Accounts payable to suppliers	311	16	186,701,346,944	184,846,499,376
Advances from customers	312		153,039,320,060	164,874,327,197
Taxes and others payable to State Treasury	313	17(a)	38,227,638,532	39,422,262,288
Payables to employees	314		81,580,668,366	100,659,106,107
Accrued expenses	315	18	46,562,125,725	53,055,205,113
Unearned revenue – short-term	318	19(a)	7,084,253,013	6,773,857,186
Other payables – short-term	319	20(a)	448,665,281,523	438,146,116,890
Short-term borrowings	320	21(a)	1,611,364,573,958	1,262,171,559,942
Provisions – short-term	321		1,000,000,000	-
Bonus and welfare fund	322	22	17,928,300,604	16,311,630,959
<b>Long-term liabilities</b>	<b>330</b>		<b>496,072,493,203</b>	<b>554,242,753,486</b>
Unearned revenue – long-term	336	19(b)	85,418,863,717	95,941,611,058
Other payables – long-term	337	20(b)	87,541,133,292	87,253,926,927
Long-term borrowings	338	21(b)	323,112,496,194	371,047,215,501
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>1,639,810,592,005</b>	<b>1,535,146,015,034</b>
<b>Owners' equity</b>	<b>410</b>	<b>23</b>	<b>1,639,810,592,005</b>	<b>1,535,146,015,034</b>
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		91,895,000,000	20,242,000,000
Treasury shares	415	24	(690,474,358)	(690,474,358)
Investment and development fund	418	26	36,249,605,701	43,033,201,299
Retained profits	421		460,490,751,230	424,537,839,749
- Retained profits brought forward	421a		306,823,736,258	251,534,943,076
- Retained profit for the current year	421b		153,667,014,972	173,002,896,673
Non-controlling interest	429		484,845,121,129	481,002,860,041
<b>TOTAL RESOURCES</b> (440 = 300 + 400)	<b>440</b>		<b>4,728,036,593,933</b>	<b>4,355,649,333,578</b>

30 March 2020

Prepared by:



Ngo Van Danh  
Chief Accountant

Approved by:



Phan Duong Cui Long  
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 2019**

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

	Code	Note	2019 VND	2018 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>28</b>	<b>18,274,373,552,043</b>	<b>14,881,843,305,842</b>
<b>Revenue deductions</b>	<b>02</b>	<b>28</b>	<b>(8,067,080,241)</b>	<b>(10,188,383,538)</b>
<b>Net revenue (10 = 01 + 02)</b>	<b>10</b>	<b>28</b>	<b>18,266,306,471,802</b>	<b>14,871,654,922,304</b>
<b>Cost of goods sold and services provided</b>	<b>11</b>	<b>29</b>	<b>(17,213,838,525,133)</b>	<b>(13,851,910,777,563)</b>
<b>Gross profit (20 = 10 + 11)</b>	<b>20</b>		<b>1,052,467,946,669</b>	<b>1,019,744,144,741</b>
Financial income	21	30	14,706,567,926	17,898,325,134
Financial expenses	22	31	(138,509,018,746)	(87,738,744,569)
<i>In which: Interest expense</i>	23		<i>(129,632,263,755)</i>	<i>(84,957,422,562)</i>
Share of profit in associates	24	7(d)	87,625,524,407	57,903,674,161
Selling expenses	25	32	(557,277,105,102)	(458,726,538,431)
General and administration expenses	26	33	(324,687,420,728)	(289,673,785,247)
<b>Net operating profit (30 = 20 + 21 + 22 + 24 + 25 + 26)</b>	<b>30</b>		<b>134,326,494,426</b>	<b>259,407,075,789</b>
Other income	31	34	144,517,819,076	106,523,258,417
Other expenses	32		(4,059,116,022)	(3,618,577,716)
<b>Results of other activities (40 = 31 + 32)</b>	<b>40</b>		<b>140,458,703,054</b>	<b>102,904,680,701</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>274,785,197,480</b>	<b>362,311,756,490</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>36(b)</b>	<b>(44,108,217,192)</b>	<b>(62,969,194,590)</b>
<b>Income tax benefit – deferred</b>	<b>52</b>	<b>36(b)</b>	<b>2,655,126,438</b>	<b>924,286,472</b>
<b>Net profit after tax (60 = 50 + 51 + 52) (carried forward to the next page)</b>	<b>60</b>		<b>233,332,106,726</b>	<b>300,266,848,372</b>

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

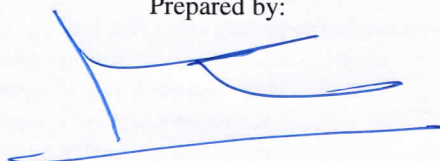
**Saigon General Service Corporation and its subsidiaries**  
**Consolidated statement of income for the year ended 31 December 2019 (continued)**

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

	Code	Note	2019 VND	2018 VND
Net profit after tax (60 = 50 + 51 + 52) (brought forward from the previous page)	60		233,332,106,726	300,266,848,372
<b>Attributable to:</b>				
Equity holders of the Company	61		153,667,014,972	173,002,896,673
Non-controlling interest	62		79,665,091,754	127,263,951,699
<b>Basic earnings per share</b>	<b>70</b>	<b>37</b>	<b>5,537</b>	<b>6,425</b>

30 March 2020

Prepared by:



Ngo Van Danh  
Chief Accountant

Approved by:



Phan Duong Cuu Long  
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 2019**  
**(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	2019 VND	2018 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>274,785,197,480</b>	<b>362,311,756,490</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	89,876,778,586	73,393,593,028
Allowances and provisions	03	(239,513,516)	(2,384,670,269)
Losses on liquidation of investment in an associate	05	253,696,953	-
Gains on disposals of fixed assets	05	(2,280,315,934)	(2,282,130,956)
Dividend income and interest income	05	(10,227,421,035)	(9,201,722,200)
Share of profit in associates	05	(87,625,524,407)	(57,903,674,161)
Interest expense	06	129,632,263,755	84,957,422,562
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>394,175,161,882</b>	<b>448,890,574,494</b>
Change in receivables and other current assets	09	34,665,318,906	(99,624,128,023)
Change in inventories	10	(247,884,258,904)	(416,605,596,879)
Change in payables and other liabilities	11	(13,963,265,415)	70,037,650,435
Change in prepaid expenses	12	(3,692,613,921)	(18,270,986,003)
Change in trading securities	13	-	8,042,838,572
		<b>163,300,342,548</b>	<b>(7,529,647,404)</b>
Interest paid	14	(129,021,224,866)	(84,392,802,785)
Corporate income tax paid	15	(61,408,340,425)	(46,268,936,833)
Other payments for operating activities	17	(14,704,532,406)	(14,305,735,593)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(41,833,755,149)</b>	<b>(152,497,122,615)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(171,221,387,307)	(173,193,772,239)
Proceeds from disposals of fixed assets	22	26,183,121,122	29,574,377,428
Payments for granting loans	23	(59,420,000,000)	(13,000,000,000)
Payments for term deposits at banks	23	(4,264,000,000)	(7,886,000,000)
Collection from term deposits at banks	24	25,000,000	1,525,000,000
Receipts from collecting loans	24	61,520,000,000	1,000,000,000
Payments for investments in other entities	25	(12,500,000,000)	(26,293,000,000)
Payments for acquisition of a subsidiary, netted of cash acquired (Note 5)	25	(9,900,000,000)	-
Collections from investment in an associate	26	31,496,303,047	-
Receipts of dividends and interests	27	44,540,881,035	19,863,684,700
Net payment for other non-current assets		(4,905,236,850)	(12,472,551,876)
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(98,445,318,953)</b>	<b>(180,882,261,987)</b>

*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 2019**  
**(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	2019 VND	2018 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from equity issued by subsidiaries to non-controlling interest	31	8,348,000,000	35,531,430,000
Proceeds from borrowings	33	11,668,865,440,941	8,871,125,408,105
Payments to settle loan principals	34	(11,367,607,146,232)	(8,466,678,822,737)
Payments of dividends to equity holders of the Company	36	(37,451,236,350)	(29,965,543,380)
Payments of dividends by subsidiaries to non-controlling interest	36	(71,207,155,752)	(31,334,921,140)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>200,947,902,607</b>	<b>378,677,550,848</b>
<b>Net cash flows during the year</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>60,668,828,505</b>	<b>45,298,166,246</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>268,045,104,754</b>	<b>222,746,938,508</b>
<b>Cash and cash equivalents at the end of the year</b> (70 = 50 + 60) (Note 6)	<b>70</b>	<b>328,713,933,259</b>	<b>268,045,104,754</b>

30 March 2020

Prepared by:

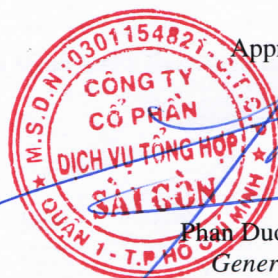


Ngo Van Danh  
Chief Accountant

Approved by:



Phan Duong Cuu Long  
General Director



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

**Saigon General Service Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**

**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 2019 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

**(b) Principal activities**

The principal activities of the Company are:

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

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

**(c) Normal operating cycle**

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

**(d) Group structure**

As at 31 December 2019, the Group had 3,161 employees (1 January 2019: 2,744 employees).

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

**Saigon General Service Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				31/12/2019	1/1/2019
<b>Direct subsidiaries</b>					
1	Saigon Automobile Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	61A Cao Thang Street, Ward 3, District 3, Ho Chi Minh City, Vietnam	52.05%	52.05%
2	Toyota Giai Phong Joint Venture Company	Trading TOYOTA cars and spare parts, providing maintenance services.	807 Giai Phong Street, Giap Bat Ward, Hoang Mai District, Hanoi City, Vietnam	51.00%	51.00%
3	Saigon Service Trading Limited Company	Trading YAMAHA motorbikes and spare parts, providing maintenance services.	164 – 166C, 3/2 Street, Hung Loi Ward, Ninh Kieu District, Can Tho City, Vietnam	88.12%	88.12%
4	Saigon Star Corporation	Trading SUZUKI and HONDA automobile and motorbikes and spare parts, providing maintenance services.	510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam	56.80%	56.80%
5	Savico Hanoi Corporation	Operating business centre; trading real estate and trading and maintaining automobile.	7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam	70.00%	70.00%
6	Toyota Can Tho Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	K2-0, Vo Nguyen Giap Street, Thanh Thuan Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51.00%	51.00%
7	Savico Da Nang Corporation	Trading real estate; providing workshops and office rental services; providing consulting and real estate brokerage services; trading automobile and spare parts and providing maintenance and repairing service.	66 Vo Van Tan Street, Chinh Gian Ward, Thanh Khe District, Da Nang City, Vietnam	70.00%	70.00%

**Saigon General Service Corporation and its subsidiaries**  
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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				31/12/2019	1/1/2019
8	OtoS Joint Stock Company (otos.vn)	Providing e-commerce services; advertising services; trading cars and spare parts; providing software publication and other services related to information technology.	68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	80.86%	80.86%
9	Da Nang Son Tra Corporation	Trading real estate; providing hotel and travel services; operating restaurants.	Bai Trem, Hoang Sa Street, Tho Quang Ward, Son Tra District, Da Nang City, Vietnam	98.00%	98.00%
10	Saigon Cuu Long Automobile Corporation	Trading GM, VINFAST cars and spare parts; providing maintenance 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 (iii)	Trading ISUZU trucks and spare parts; providing maintenance services.	43/7A Xuan Thoi Dong 2 Area, Xuan Thoi Dong Ward, Hoc Mon District, Ho Chi Minh City, Vietnam	99.90%	80.00%
12	Vinh Thinh Automobile Joint Stock Company	Trading HINO truck and spare parts; providing maintenance services.	5/5 Binh Giao Area, Thuan Giao Ward, Thuan An Town, Binh Duong Province, Vietnam	90.00%	90.00%
13	Nam Song Hau Automobile Joint Stock Company	Trading HONDA cars and spare parts; providing maintenance services.	Block E1-1, Vo Nguyen Giap Street, Thanh Loi Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51.00%	51.00%
14	Vinh Thinh Vehicle And Specialized Equipment Company Limited	Trading HYUNDAI truck, bus and spare parts; providing maintenance services.	Hamlet 1, Dong Tien Commune, Dong Phu District, Binh Phuoc Province, Vietnam	55.00%	55.00%

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				31/12/2019	1/1/2019
<b>Indirect subsidiaries</b>					
15	Ben Thanh Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	831 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	52.00%	52.00%
16	Can Tho Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	11 Vo Nguyen Giap Street, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	90.25%	90.25%
17	Saigon Far East Service Trading Company Limited	Trading HONDA motorbikes and spare parts, providing maintenance services.	673 Huynh Tan Phat Street, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam	100%	100%
18	Toyota Long Bien Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam	51.00%	51.00%
19	Toyota Hai Duong Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	1 Ngo Quyen Street, Cam Thuong Ward, Hai Duong City, Vietnam	51.00%	51.00%
20	Hai Duong Auto Investment and Service Company Limited	Trading FORD cars and spare parts, providing maintenance services.	118 An Dinh Street, Binh Han Ward, Hai Duong City, Viet Nam	51.00%	51.00%



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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				31/12/2019	1/1/2019
21	Han River Automobile Corporation	Trading HYUNDAI cars and spare parts, providing maintenance services.	76 Duy Tan Street, Hoa Thuan Tay Ward, Hai Chau District, Da Nang City, Vietnam	51.00%	51.00%
22	Binh Dinh Automobile Corporation	Trading HYUNDAI cars and spare parts, providing maintenance services.	359 Tay Son Street, Quang Trung Ward, Quy Nhon City, Binh Dinh Province, Vietnam	51.00%	51.00%
23	Hung Thinh Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts, providing maintenance services.	Lot 02, 1A National Highway, Qua Giang, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam	55.00%	55.00%
24	Gia Lai Automobile One Member Limited Company	Trading HUYNDAI cars and spare parts, providing maintenance services.	278 Le Duan, Thang Loi Ward, Pleiku, Gia Lai Province, Vietnam	100%	100%
25	Saigon Southern Company Limited (v)	Trading VEAM trucks and spare parts, providing maintenance services.	510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam	100%	100%
26	Kon Tum Automobile Joint Stock Company (ii)	Trading HYUNDAI cars and spare parts, providing maintenance services.	377A Phan Dinh Phung Street, Duy Tan Ward, Kon Tum Province, Vietnam	99.10%	-
27	Son Tra Automobile Limited Company (i)	Trading HYUNDAI cars and spare parts.	286 Pham Hung Street, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam	100%	-
28	Dai Thinh Automobile Joint Stock Company (i)	Trading ISUZU cars and spare parts, providing maintenance services.	Highway 1A, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam	80%	-

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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				31/12/2019	1/1/2019
<b>Direct associates</b>					
1	ComfortDelgro Savico Taxi Company Limited (iv)	Providing the transportation and maintenance services.	6 <sup>th</sup> floor, 555 Tran Hung Dao Street, Cau Kho Ward, District 1, Ho Chi Minh City, Vietnam	-	40.03%
2	Toyota East Saigon Joint Stock Company	Trading TOYOTA cars and spare parts, providing maintenance services.	507 Ha Noi Highway, District 2, Ho Chi Minh City, Vietnam	30.30%	30.30%
3	Binh Duong New City Automobile Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot C13, Hung Vuong Street, Lien Hop Area, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	38.51%	38.51%
4	South West Star Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts; providing maintenance services.	91 Cach Mang Thang Tam Street, An Thoi Ward, Binh Thuy District, Can Tho City, Vietnam	43.80%	43.80%
5	Toyota Ly Thuong Kiet Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services, non-life insurance agency.	188 Le Trong Tan, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	35.00%	35.00%
6	Bac Au Automobile Joint Stock Company	Trading VOLVO cars and spare parts, providing maintenance services.	340A Nguyen Van Linh, Binh Thuan Ward, District 7, Ho Chi Minh City, Vietnam	39.81%	39.81%

**Saigon General Service Corporation and its subsidiaries**  
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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				31/12/2019	1/1/2019
7	Savico Investment Joint Stock Company	Trading real estate; providing property consultancy, brokerage, auction; providing services on market study, surveys of public opinion; providing architecture and related technology consultancy; providing specialised design and construction services; trading automobile and spare parts; providing maintenance and repairing services.	66-68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	40.00%	40.00%
<b>Indirect associates</b>					
8	Dana Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	56 Dien Bien Phu Street, Thanh Khe Ward, Da Nang City, Vietnam	40.27%	40.27%
9	South Saigon Automobile Service Commercial Investment Joint Stock	Trading GM, VINFAST cars and spare parts, providing maintenance services.	1489 Nguyen Van Linh, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam	30.00%	30.00%
10	Bac Au Hanoi Automobile Limited Company	Trading VOLVO cars and spare parts, providing maintenance services.	9 Nguyen Van Linh, Gia Thuy Ward, Long Bien District, Hanoi City, Vietnam	25.00%	25.00%
11	Binh Thuan Automotive Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot 4/3, Street No.4, Phan Thiet 1 Industrial Zone, Phong Nam Commune, Phan Thiet City, Binh Thuan Province	50.00%	50.00%
12	Ben Thanh Tay Ninh Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	Highway 22B, Hiep Truong Hamlet, Hiep Tan Commune, Hoa Thanh District, Tay Ninh Province	50.00%	50.00%

**Saigon General Service Corporation and its subsidiaries**  
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Number	Name	Principal activity	Address	Percentage of equity ownership and voting rights at	
				31/12/2019	1/1/2019
13	Da Nang Automobile Company Limited	Trading MITSUBISHI cars and spare parts, providing maintenance services.	No.2 Nguyen Huu Tho Street, Hoa Thuan Tay Ward, Hai Chau District, Da Nang City	50.00%	50.00%
14	Savico Quang Nam Company Limited	Trading MITSUBISHI cars and spare parts, providing maintenance services.	1A Highway, Van Long Hamlet, Tam Dan Commune, Phu Ninh District, Quang Nam Province	50.00%	50.00%
15	Sai Gon Auto Gia Dinh Service Company Limited	Trading FORD cars and spare parts, providing maintenance services.	1A Highway, Thanh Xuan Ward, District 12, Ho Chi Minh City	35.00%	35.00%
16	Star Hyundai Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts, providing maintenance services.	184C/1, 1A Town, An Phu Ward, Thuan An District, Binh Duong Province	49.00%	49.00%
17	Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company (i)	Trading HYUNDAI cars and spare parts, providing maintenance services.	D6/28 National Highway 1A, Town 4, Tan Tuc Ward, Binh Chanh District, Ho Chi Minh City	50.00%	-

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- (i) These companies were established during the year ended 31 December 2019.
- (ii) The Group acquired this subsidiary with total cash consideration of VND9,900 million in March 2019 (Note 5).
- (iii) On 8 August 2019, the Group acquired 796,000 shares of this subsidiary with total cash consideration of VND7,960 million and the equity ownership increased from 80% to 99.90%.
- (iv) On 28 February 2019, the Members' Council of ComfortDelgro Savico Taxi Company Limited decided to liquidate the company and return the remaining assets to the investor upon completion of the liquidation. The liquidation was completed during the year.
- (v) This subsidiary is in the liquidation process.

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

**(a) Statement of compliance**

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

**(b) Basis of measurement**

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

**(c) Annual accounting period**

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

**(d) Accounting and presentation currency**

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

**3. Summary of significant accounting policies**

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

**(a) Basis of consolidation**

**(i) Subsidiaries**

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

**(ii) Non-controlling interests**

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

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

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

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

**(iv) Business combination**

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

**(v) 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.

**(vi) Transactions eliminated on consolidation**

Intra-group transactions, balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated 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 average of account transfer buying rate and account transfer selling rate at the end of the annual 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.

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**(c) Cash and cash equivalents**

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

**(d) Investments**

**(i) Trading securities**

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

**(ii) Held-to-maturity investments**

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

**(iii) Investments in equity instruments of other entities**

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

**(e) Accounts receivable**

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

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**(f) Inventories**

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

The Group applies the perpetual method of accounting for inventories.

**(g) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the 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 and structures	6 – 42 years
▪ machinery and equipment	4 – 8 years
▪ office equipment	2 – 10 years
▪ motor vehicles	5 – 6 years
▪ others	3 – 5 years

**(h) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise:

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

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



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**(ii) Software**

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

**(i) Investment property held to earn rental**

**(i) Cost**

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

**(ii) Depreciation**

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

- land use rights 18 – 50 years
- buildings and structures 5 – 45 years

**(j) Construction in progress**

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

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

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

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**(k) Business cooperation contracts**

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

**(l) Long-term prepaid expenses**

**(i) Prepaid land costs**

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

**(ii) Tools and instruments**

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

**(iii) Other prepaid expenses**

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

**(m) Trade and other payables**

Trade and other payables are stated at their cost.

**(n) Provisions**

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

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**(o) Share capital**

**(i) Ordinary shares**

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

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

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

**(p) Equity funds**

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

**(q) Taxation**

Income tax on the consolidated profit or loss for the 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 end of the annual accounting period, 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 end of the annual accounting period.

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

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**(r) Revenue**

**(i) Sales of properties**

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

**(ii) Sales of merchandise goods**

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

**(iii) Services rendered**

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

**(iv) Rental income**

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

**(s) Financial income**

**(i) Interest income**

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

**(ii) Income from trading of securities**

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

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**(iii) Dividend income**

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

**(t) Operating lease payments**

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

**(u) Borrowing costs**

Borrowing costs are recognised as an expense in the 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 year of construction are capitalised as part of the cost of the assets concerned.

**(v) Earnings per share**

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund and Board of Management and Supervisory Board fee fund for the annual accounting period) of the Company 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, if any.

**(w) Segment reporting**

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

**(x) Related parties**

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

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**4. Segment reporting**

*For the years ended 31 December 2019 and 2018*

	Services and trading		Real estate		Financial services		Total	
	2019 VND	2018 VND	2019 VND	2018 VND	2019 VND	2018 VND	2019 VND	2018 VND
Segment revenue	18,044,575,575,404	14,674,708,467,915	221,730,896,398	196,946,454,389	-	-	18,266,306,471,802	14,871,654,922,304
Segment other income	209,569,473,474	154,585,003,358	12,100,449,290	6,273,827,248	1,399,129,975	2,390,251,428	223,069,052,739	163,249,082,034
Direct and attributable cost of sales to segments	(17,121,406,996,637)	(13,774,533,290,859)	(92,431,528,496)	(77,377,486,704)	-	-	(17,213,838,525,133)	(13,851,910,777,563)
Direct and attributable other expenses to segments	(939,727,868,131)	(757,057,372,525)	(80,892,187,061)	(78,442,010,940)	(828,956,552)	(816,307,976)	(1,021,449,011,744)	(836,315,691,441)
Segment profit	193,010,184,110	297,702,807,889	60,507,630,131	47,400,783,993	570,173,423	1,573,943,452	254,087,987,664	346,677,535,334
Un-allocated income							23,780,858,670	19,272,372,603
Un-allocated expenses							(3,083,648,854)	(3,638,151,447)
Income tax							(41,453,090,754)	(62,044,908,118)
							233,332,106,726	300,266,848,372
	Services and trading		Real estate		Financial services		Total	
	2019 VND	2018 VND	2019 VND	2018 VND	2019 VND	2018 VND	2019 VND	2018 VND
Depreciation and amortisation	65,753,817,340	49,610,985,547	24,122,961,246	23,782,607,481	-	-	89,876,778,586	73,393,593,028
Allowances and provisions	(3,074,513,516)	(1,439,670,269)	-	-	2,835,000,000	(945,000,000)	(239,513,516)	(2,384,670,269)
Capital expenditure	94,657,709,356	122,568,147,677	76,563,677,951	70,461,484,517	-	-	171,221,387,307	193,029,632,194

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	Services and trading		Real estate		Financial services		Total	
	31/12/2019 VND	1/1/2019 VND	31/12/2019 VND	1/1/2019 VND	31/12/2019 VND	1/1/2019 VND	31/12/2019 VND	1/1/2019 VND
<b>Assets</b>								
Segment current assets	2,265,622,047,026	1,989,572,301,235	226,874,124,391	180,711,121,765	23,169,579,493	25,768,807,291	2,515,665,750,910	2,196,052,230,291
Segment non-current assets	774,632,487,187	740,142,423,044	1,431,476,184,542	1,414,980,820,760	98,168,655	964,983,282	2,206,206,840,384	2,156,088,227,086
Segment un-allocated assets	-	-	-	-	-	-	6,164,002,639	3,508,876,201
	3,040,254,534,213	2,729,714,724,279	1,658,350,308,933	1,595,691,942,525	23,267,748,148	26,733,790,573	4,728,036,593,933	4,355,649,333,578
<b>Liabilities</b>								
Segment current liabilities	2,041,795,002,922	1,714,913,366,102	549,546,081,275	549,973,929,541	812,424,528	1,373,269,415	2,592,153,508,725	2,266,260,565,058
Segment non-current liabilities	100,771,938,373	106,885,854,951	395,002,556,182	447,016,953,436	297,998,648	339,945,099	496,072,493,203	554,242,753,486
	2,142,566,941,295	1,821,799,221,053	944,548,637,457	996,990,882,977	1,110,423,176	1,713,214,514	3,088,226,001,928	2,820,503,318,544
#	#	#	#	#	#	#	#	#
#	#	#	#	#	#	#	#	#

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**5. Business combination**

In March 2019, the Group completed the acquisition of 99.10% share capital of Kon Tum Automobile Joint Stock Company with total cash consideration of VND9,900 million. The acquisition had the following effects on the Group's assets and liabilities on acquisition date:

	<b>Pre-acquisition carrying amounts /Recognised value on acquisition VND</b>
Deductible value added tax	647,095,865
Tangible fixed assets	6,377,328,669
Other current assets	442,780,310
	7,467,204,844
Net identifiable assets and liabilities	7,467,204,844
Share of net assets acquired (99.10%)	7,400,000,000
Goodwill on acquisition (Note 31)	2,500,000,000
	9,900,000,000
Total considerations paid	9,900,000,000
	9,900,000,000
Net cash outflow	9,900,000,000

During the period from the acquisition date to 31 December 2019, the acquired business contributed revenue of VND3,963 million to the Group's results.

**6. Cash and cash equivalents**

	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
Cash on hand	15,031,086,601	36,785,258,007
Cash in banks	181,626,074,152	173,222,314,872
Cash equivalents	132,056,772,506	58,037,531,875
	328,713,933,259	268,045,104,754

Cash equivalents at 31 December 2019 included VND1,950 million (1 January 2019: VND11,340 million) was pledged with banks as security for loans granted to the Group (Note 21).



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**7. Investments**

**(a) Trading securities**

	Quantity	Cost VND	31/12/2019 Allowance for diminution in value VND	Fair value VND	Quantity	Cost VND	1/1/2019 Allowance for diminution in value VND	Fair value VND
<b>Listed securities</b>								
• Ho Chi Minh City Electric Power Trading Investment Corporation	1,350,000	13,500,000,000	(7,020,000,000)	6,480,000,000	1,350,000	13,500,000,000	(4,185,000,000)	9,315,000,000
• Tien Len Steel Corporation Joint Stock Company	3	22,740	-	22,740	3	22,740	-	22,740
<b>Unlisted securities</b>								
• Pacific Construction Investment and Commercial Joint Stock Company	500,000	14,000,000,000	(9,000,000,000)	(*)	500,000	14,000,000,000	(9,000,000,000)	(*)
• Ben Thanh Non Nuoc Joint Stock Company	900,000	9,000,000,000	-	(*)	900,000	9,000,000,000	-	(*)
• Toan Cau Insurance Company	180,000	6,300,000,000	(5,040,000,000)	(*)	180,000	6,300,000,000	(5,040,000,000)	(*)
• Hai Phong Securities Joint Stock Company	812	2,052,543	-	(*)	812	2,052,543	-	(*)
		42,802,075,283	(21,060,000,000)			42,802,075,283	(18,225,000,000)	

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

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

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	18,225,000,000	19,170,000,000
Allowance made during the year	2,835,000,000	-
Allowance reserved during the year	-	(945,000,000)
	<hr/>	<hr/>
Closing balance	21,060,000,000	18,225,000,000
	<hr/> <hr/>	<hr/> <hr/>

**(b) Held-to-maturity investments**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
▪ Term deposits at banks with term to maturity of more than 3 months to 1 year	17,150,000,000	14,911,000,000
▪ Term deposits at banks with term to maturity of more than 1 year	2,000,000,000	-
	<hr/> <hr/>	<hr/> <hr/>

Term deposits at banks at 31 December 2019 included VND18,650 million (1 January 2019: VND11,650 million) was pledged with banks as security for loans granted to the Group (Note 21).

**(c) Loans receivable**

	<b>Term</b>	<b>Annual interest rate</b>	<b>31/12/2019</b>	<b>1/1/2019</b>
			<b>VND</b>	<b>VND</b>
<b>Loans receivable from associates:</b>				
▪ Binh Duong New City Automobile Service Joint Stock Company	6 - 12 months	6.5%	-	9,000,000,000
▪ Southwest Star Automobile Joint Stock Company	6 - 12 months	7.5%	-	3,000,000,000
▪ Star Hyundai Automobile Joint Stock Company	3 - 6 months	8%	9,900,000,000	-
			<hr/>	<hr/>
			9,900,000,000	12,000,000,000
			<hr/> <hr/>	<hr/> <hr/>

These loans are unsecured.

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**(d) Investments in associates**

	31/12/2019			1/1/2019		
	Cost VND	Cumulative share of profit/(loss) VND	Carrying value VND	Cost VND	Cumulative share of profit/(loss) VND	Carrying value VND
• ComfortDelgro Savico Taxi Company Limited	-	-	-	31,750,000,000	(249,788,039)	31,500,211,961
• Toyota East Saigon Joint Stock Company	29,106,059,000	49,886,924,145	78,992,983,145	29,106,059,000	47,835,685,016	76,941,744,016
• Binh Duong New City Automobile Service Joint Stock Company	15,393,000,000	19,901,116,710	35,294,116,710	15,393,000,000	14,854,244,680	30,247,244,680
• South West Star Automobile Joint Stock Company	17,520,000,000	7,376,483,583	24,896,483,583	17,520,000,000	5,517,113,380	23,037,113,380
• Toyota Ly Thuong Kiet Company Limited	16,925,119,945	2,679,456,095	19,604,576,040	16,925,119,945	7,961,240,201	24,886,360,146
• Bac Au Automobile Joint Stock Company	19,200,000,000	60,997,007,597	80,197,007,597	19,200,000,000	25,121,822,751	44,321,822,751
• Savico Investment Joint Stock Company	64,000,000,000	(461,142,830)	63,538,857,170	64,000,000,000	(1,147,906)	63,998,852,094
• Dana Joint Stock Company	6,040,500,000	22,927,754,788	28,968,254,788	6,040,500,000	19,327,418,284	25,367,918,284
• South Saigon Automobile Service Commercial Investment Joint Stock Company	3,600,000,000	(407,465,157)	3,192,534,843	3,600,000,000	861,801,529	4,461,801,529
• Bac Au Hanoi Automobile Limited Company	5,000,000,000	6,070,848,796	11,070,848,796	5,000,000,000	3,410,522,331	8,410,522,331
• Binh Thuan Automotive Service Joint Stock Company	10,000,000,000	2,452,101,733	12,452,101,733	10,000,000,000	739,054,358	10,739,054,358
• Ben Thanh Tay Ninh Automobile Corporation	10,000,000,000	671,573,112	10,671,573,112	7,500,000,000	572,940,135	8,072,940,135
• Da Nang Automobile Company Limited	5,000,000,000	11,729,317,227	16,729,317,227	5,000,000,000	3,154,804,483	8,154,804,483
• Savico Quang Nam Company Limited	1,100,000,000	(41,431,925)	1,058,568,075	1,100,000,000	(3,492,767)	1,096,507,233
• Sai Gon Auto Gia Dinh Service Company Limited	8,750,000,000	2,081,399,269	10,831,399,269	8,750,000,000	348,729,517	9,098,729,517
• Star Hyundai Automobile Joint Stock Company	9,800,000,000	(4,458,614,327)	5,341,385,673	9,800,000,000	(1,285,402,570)	8,514,597,430
• Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company	10,000,000,000	72,280,974	10,072,280,974	-	-	-
	231,434,678,945	181,477,609,790	412,912,288,735	250,684,678,945	128,165,545,383	378,850,224,328

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

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

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	378,850,224,328	305,315,512,667
New investments	12,500,000,000	26,293,000,000
Share of net profit in associates	87,625,524,407	57,903,674,161
Dividends received from associates	(34,313,460,000)	(10,661,962,500)
Carrying value of investment in an associate after liquidation	(31,496,303,047)	-
Losses on liquidation of an associate	(253,696,953)	-
	<hr/>	<hr/>
Closing balance	412,912,288,735	378,850,224,328

**8. Accounts receivable from customers – short-term**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Associates:	4,114,519,640	8,299,223,152
▪ Ben Thanh Tay Ninh Automobile Corporation	-	628,330,000
▪ Binh Thuan Automobile Service Joint Stock Company	1,308,106,364	2,924,445,000
▪ Sai Gon Auto Gia Dinh Service Company Limited	1,076,218,276	3,641,182,396
▪ Dana Joint Stock Company	-	343,156,877
▪ Da Nang Automobile Company Limited	-	540,773,879
▪ Binh Duong New City Automobile Service Joint Stock Company	-	221,335,000
▪ Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company	1,730,195,000	-
Third parties:	498,485,591,186	509,013,664,428
▪ Customers in relation to sales of merchandise goods	458,961,108,524	491,405,363,968
▪ Customers in relation to property rental	6,232,461,823	1,414,782,755
▪ Customers in relation to sales of properties	6,381,815,282	8,289,485,711
▪ Other customers	26,910,205,557	7,904,031,994
	<hr/>	<hr/>
	502,600,110,826	517,312,887,580

At 31 December 2019, accounts receivable from customers with a carrying value of VND1,356 million (1 January 2019: Nil) was pledged with banks as security for loans granted to the Group (Note 21).

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

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**9. Other receivables**

**(a) Other short-term receivables**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Deposits for trading used cars on behalf of customers	28,310,000,000	36,330,600,000
Advances to employees	15,745,259,983	12,410,570,532
Short-term deposits	1,892,944,370	1,112,700,000
Others	29,538,496,731	30,866,896,678
	75,486,701,084	80,720,767,210
	75,486,701,084	80,720,767,210

**(b) Other long-term receivables**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Receivables from business cooperation contracts with other counterparties (i)	128,548,020,723	117,306,336,203
Long-term deposits	49,588,621,408	60,563,953,009
Others	267,204,941	5,308,321,010
	178,403,847,072	183,178,610,222
	178,403,847,072	183,178,610,222

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

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**10. Inventories**

	31/12/2019		1/1/2019	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	2,428,123,809	-	304,335,682	-
Materials and spare parts	31,336,197,616	-	11,928,292,687	-
Work in progress	115,186,018,166	-	104,078,195,400	-
▪ <i>Tam Binh Residential Project</i>	20,688,280,926	-	13,627,374,969	-
▪ <i>Nam Cam Le Project</i>	85,102,667,227	-	75,824,655,957	-
▪ <i>Others</i>	9,395,070,013	-	14,626,164,474	-
Finished goods	2,615,456,426	-	1,332,902,688	-
Merchandise inventories (cars and motorbikes)	1,234,703,043,180	(1,348,005,779)	1,019,333,833,616	(4,049,102,495)
Goods on consignment	139,028,625	-	1,546,048,845	-
	<u>1,386,407,867,822</u>	<u>(1,348,005,779)</u>	<u>1,138,523,608,918</u>	<u>(4,049,102,495)</u>

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

	2019 VND	2018 VND
Opening balance	4,049,102,495	2,340,308,192
Allowance made during the year	1,304,728,436	1,708,794,303
Allowance reserved during the year	(4,005,825,152)	-
Closing balance	<u>1,348,005,779</u>	<u>4,049,102,495</u>

At 31 December 2019, inventories with carrying value of VND641,558 million (1 January 2019: VND407,441 million) were pledged with banks as security for loans granted to the Group (Note 21).

Included in inventories at 31 December 2019 was VND87,064 million (1 January 2019: VND90,372 million) of cars and motorbikes carried at net realised value.

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**11. Tangible fixed assets**

	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Office equipment VND</b>	<b>Motor vehicles VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>Cost</b>						
Opening balance	389,861,086,332	103,885,903,836	16,604,718,547	76,072,641,279	10,857,107,589	597,281,457,583
Additions	11,396,469,011	18,084,250,913	4,727,163,710	57,930,965,613	488,480,109	92,627,329,356
Transfer from construction in progress	30,279,902,768	4,199,600,157	450,636,364	2,211,372,273	336,784,000	37,478,295,562
Disposals	(190,087,134)	-	(1,841,152,727)	(31,804,118,142)	-	(33,835,358,003)
Written off	-	(644,175,320)	-	-	-	(644,175,320)
Closing balance	431,347,370,977	125,525,579,586	19,941,365,894	104,410,861,023	11,682,371,698	692,907,549,178
<b>Accumulated depreciation</b>						
Opening balance	118,565,468,592	52,945,648,178	8,134,965,879	23,747,051,747	7,513,604,048	210,906,738,444
Charge for the year	29,966,974,844	14,255,567,179	4,164,416,901	12,724,437,049	746,396,522	61,857,792,495
Disposals	(9,051,768)	-	(994,681,837)	(8,928,819,210)	-	(9,932,552,815)
Written off	-	(644,175,320)	-	-	-	(644,175,320)
Closing balance	148,523,391,668	66,557,040,037	11,304,700,943	27,542,669,586	8,260,000,570	262,187,802,804
<b>Net book value</b>						
Opening balance	271,295,617,740	50,940,255,658	8,469,752,668	52,325,589,532	3,343,503,541	386,374,719,139
Closing balance	282,823,979,309	58,968,539,549	8,636,664,951	76,868,191,437	3,422,371,128	430,719,746,374

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Included in tangible fixed assets were assets costing VND74,093 million which were fully depreciated as of 31 December 2019 (1 January 2019: VND59,104 million), but which are still in active use.

At 31 December 2019, tangible fixed assets with a carrying value of VND119,480 million (1 January 2019: VND87,071 million) were pledged with banks as security for loans granted to the Group (Note 21).

## 12. Intangible fixed assets

	<b>Indefinite term land use rights VND</b>	<b>Definite term land use rights VND</b>	<b>Software VND</b>	<b>Total VND</b>
<b>Cost</b>				
Opening balance	20,697,299,091	55,683,988,140	4,805,025,025	81,186,312,256
Additions	-	-	2,030,380,000	2,030,380,000
Closing balance	20,697,299,091	55,683,988,140	6,835,405,025	83,216,692,256
<b>Accumulated amortisation</b>				
Opening balance	-	5,498,331,378	4,245,734,103	9,744,065,481
Charge for the year	-	1,024,230,480	371,794,365	1,396,024,845
Closing balance	-	6,522,561,858	4,617,528,468	11,140,090,326
<b>Net book value</b>				
Opening balance	20,697,299,091	50,185,656,762	559,290,922	71,442,246,775
Closing balance	20,697,299,091	49,161,426,282	2,217,876,557	72,076,601,930

Included in intangible fixed assets were assets costing VND8,339 million which were fully depreciated as of 31 December 2019 (1 January 2019: VND3,244 million), but which are still in active use.

At 31 December 2019, intangible fixed assets with a carrying value of VND20,697 million (1 January 2019: VND20,697 million) were pledged with banks as security for loans granted to the Group (Note 21).



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### 13. Investment property

#### Investment property held to earn rental

	<b>Land use rights VND</b>	<b>Buildings and structures VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	68,707,047,550	853,121,661,316	921,828,708,866
Additions	-	109,090,909	109,090,909
Closing balance	68,707,047,550	853,230,752,225	921,937,799,775
<b>Accumulated depreciation</b>			
Opening balance	10,570,473,702	185,073,708,816	195,644,182,518
Charge for the year	1,006,820,340	23,116,140,906	24,122,961,246
Closing balance	11,577,294,042	208,189,849,722	219,767,143,764
<b>Net book value</b>			
Opening balance	58,136,573,848	668,047,952,500	726,184,526,348
Closing balance	57,129,753,508	645,040,902,503	702,170,656,011

Included in investment property held to earn rental were assets costing VND9,671 million which were fully depreciated as of 31 December 2019 (1 January 2019: VND9,671 million), but which are still in active use.

At 31 December 2019, investment property held to earn rental with a carrying value of VND543,485 million (1 January 2019: VND546,214 million) were pledged with banks as security for loans granted to the Group (Note 21).

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

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**14. Construction in progress**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	367,635,726,677	383,146,360,661
Additions during the year	36,897,653,198	108,566,472,680
Transfer to tangible fixed assets	(37,478,295,562)	(85,397,530,896)
Transfer to intangible fixed assets	-	(261,000,000)
Transfer to investment property	-	(38,418,575,768)
	<hr/>	<hr/>
Closing balance	367,055,084,313	367,635,726,677
	<hr/> <hr/>	<hr/> <hr/>

Major constructions in progress were as follows:

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
104 Pho Quang Project	266,134,935,670	266,134,935,670
Mecure Son Tra, Da Nang Project	87,586,049,258	84,351,999,406
403 Tran Xuan Soan warehouse	8,755,875,732	-
Toyota Can Tho's showroom	559,036,364	2,968,127,273
Savico Da Nang Mall Project	2,028,815,191	2,028,815,191
Tay Bac Saigon's showroom	-	1,399,200,000
Hyundai Vinh Thinh's showroom	-	6,041,818,182
Hyundai Hung Thinh's showroom	-	1,954,725,498
Savico Ha Noi's showroom	-	2,087,726,050
Other projects	1,990,372,098	668,379,407
	<hr/>	<hr/>
	367,055,084,313	367,635,726,677
	<hr/> <hr/>	<hr/> <hr/>

**15. Prepaid expenses**

**(a) Short-term prepaid expenses**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Office and house rentals	2,130,460,123	1,572,250,669
Tools and instruments	4,267,998,973	2,163,071,012
Prepaid land costs	477,210,849	-
Others	11,105,021,866	7,999,198,561
	<hr/>	<hr/>
	17,980,691,811	11,734,520,242
	<hr/> <hr/>	<hr/> <hr/>

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**(b) Long-term prepaid expenses**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Tools and instruments	14,499,488,933	8,442,784,938
Prepaid land costs	11,449,333,945	13,001,075,924
Renovation costs	4,834,591,433	9,694,608,585
Others	4,724,937,638	6,923,440,150
	<hr/>	<hr/>
	35,508,351,949	38,061,909,597
	<hr/>	<hr/>

**16. Accounts payable to suppliers – short-term**

**Accounts payable to suppliers detailed by significant supplier**

	<b>Cost/Amount within payment</b>	
	<b>capacity</b>	
	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Hino Motor Vietnam Limited	25,132,368,355	28,355,092,547
Ford Vietnam Company Limited	21,662,434,185	21,771,280,302
Isuzu Vietnam Company Limited	17,758,087,620	21,544,993,996
Hyundai Thanh Cong Auto Viet Nam Joint Stock Company	37,010,915,250	42,479,885,050
Toyota Motor Vietnam Company Limited	12,055,133,847	4,577,186,792
Other suppliers	73,082,407,687	66,118,060,689
	<hr/>	<hr/>
	186,701,346,944	184,846,499,376
	<hr/>	<hr/>

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**17. Taxes**

**(a) Taxes and others payable to State Treasury**

	1/1/2019 VND	Incurred VND	Paid VND	Net-off VND	Reclassification VND	31/12/2019 VND
<b>Taxes</b>						
Value added tax	3,917,127,983	2,040,811,132,134	(474,999,437,395)	(1,553,821,024,585)	-	15,907,798,137
Corporate income tax	27,597,915,099	44,108,217,192	(61,408,340,425)	-	2,144,133,187	12,441,925,053
Personal income tax	4,430,638,118	31,423,233,715	(30,820,368,745)	(30,454,638)	-	5,003,048,450
<b>Other obligations</b>						
Land rental	3,217,657,130	26,551,005,716	(25,147,005,716)	-	-	4,621,657,130
Other obligations	258,923,958	481,882,987	(487,597,183)	-	-	253,209,762
	39,422,262,288	2,143,375,471,744	(592,862,749,464)	(1,553,851,479,223)	2,144,133,187	38,227,638,532

**(b) Taxes and others receivable from State Treasury**

	1/1/2019 VND	Net-off VND	Reclassification VND	31/12/2019 VND
Corporate income tax	172,770,199	-	2,144,133,187	2,316,903,386
Personal income tax	99,549,501	(30,454,638)	-	69,094,863
	272,319,700	(30,454,638)	2,144,133,187	2,385,998,249

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**18. Accrued expenses**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Interest expense on borrowings	2,236,066,877	1,625,027,988
Rental expense	128,827,273	354,250,910
Salary and related expenses	11,876,116,096	18,616,907,553
Professional service fees	9,440,940,678	9,401,125,791
Operating expenses	9,206,731,847	8,474,171,601
Other expenses	13,673,442,954	14,583,721,270
	<hr/>	<hr/>
	46,562,125,725	53,055,205,113
	<hr/>	<hr/>

**19. Unearned revenue**

**(a) Unearned revenue – short-term**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Properties rental revenue received in advance	269,704,549	212,939,141
Portion of long-term unearned revenue to be realised within 12 months	6,775,086,068	6,552,650,000
Others	39,462,396	8,268,045
	<hr/>	<hr/>
	7,084,253,013	6,773,857,186
	<hr/>	<hr/>

**(b) Unearned revenue – long-term**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Properties rental revenue received in advance	92,193,949,785	102,494,261,058
Amount to be realised within 12 months	(6,775,086,068)	(6,552,650,000)
	<hr/>	<hr/>
Amount to be realised after 12 months	85,418,863,717	95,941,611,058
	<hr/>	<hr/>

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**20. Other payables**

**(a) Other payables – short-term**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Advances received from to a counterparty in relation to 104 Pho Quang Project	341,319,476,227	341,319,476,227
Payable to a counterparty in relation to 91 Pasteur Project	23,755,483,552	33,755,483,552
Instalments received from customers in relation to Tam Binh Residential Project	48,425,579,600	27,567,765,400
Dividends payable	1,379,329,095	1,367,304,945
Insurance premiums collected on behalf of insurance companies	5,496,217,172	4,995,336,593
Others	28,289,195,877	29,140,750,173
	<hr/>	<hr/>
	448,665,281,523	438,146,116,890
	<hr/>	<hr/>

**(b) Other payables – long-term**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits received for rental contracts	63,301,619,458	63,014,413,093
Capital contribution received from counterparties of business cooperation contracts in relation to Binh An Project	24,239,513,834	24,239,513,834
	<hr/>	<hr/>
	87,541,133,292	87,253,926,927
	<hr/>	<hr/>

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## 21. Borrowings

### (a) Short-term borrowings

	1/1/2019 Carrying amount VND	Movements during the year		31/12/2019 Carrying amount VND
		Increase VND	(Decrease) VND	
Short-term borrowings	1,234,670,787,281	11,649,335,953,791	(11,304,450,017,938)	1,579,556,723,134
Current portion of long-term borrowings	27,500,772,661	32,075,842,158	(27,768,763,995)	31,807,850,824
	1,262,171,559,942	11,681,411,795,949	(11,332,218,781,933)	1,611,364,573,958
Amount within payment capacity	1,262,171,559,942			1,611,364,573,958

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

Lenders	Currency	Annual interest rate	31/12/2019 VND	1/1/2019 VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	5% - 7.2%	658,375,406,732	739,391,831,241
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	5.2% - 7%	680,267,787,227	279,580,555,697
▪ HSBC Bank (Vietnam) Ltd.	VND	4.7% - 6.9%	68,752,051,000	97,522,244,600
▪ ANZ Bank Vietnam Limited	VND	4.7% - 6.9%	-	78,469,822,200
▪ Military Commercial Joint Stock Bank	VND	6.3 - 8.6%	40,806,497,100	21,240,590,000
▪ CIMB Bank Vietnam Limited	VND	5.2%	25,700,000,000	6,000,000,000
▪ Bank for Investment and Development of Vietnam	VND	5.5% - 6.7%	72,089,375,900	5,664,334,625
▪ Vietnam Prosperity Joint Stock Commercial Bank	VND	6.5%	1,225,895,000	4,301,408,918
▪ Standard Chartered Bank (Vietnam) Limited	VND	5.8 - 6.5%	29,232,498,750	-
▪ Vietnam Technological and Commercial Joint Stock Bank	VND	6.7%	3,107,211,425	-
▪ An individual	VND	5.8%	-	2,500,000,000
			1,579,556,723,134	1,234,670,787,281

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Included in short-term borrowings were VND758,573 million (1 January 2019: VND357,561 million) unsecured and VND820,983 million (1 January 2019: VND877,110 million) secured by the following assets:

	Note	31/12/2019 VND	1/1/2019 VND
Cash equivalents	6	1,950,000,000	11,340,080,431
Accounts receivable from customers	8	1,355,913,683	-
Inventories	10	641,557,617,602	370,944,563,474
Tangible fixed assets	11	9,698,316,051	8,639,949,095
Held-to-maturity investments – short-term	7(b)	16,650,000,000	11,650,000,000
Held-to-maturity investments – long-term	7(b)	2,000,000,000	-
		<hr/>	<hr/>
		673,211,847,336	402,574,593,000

**(b) Long-term borrowings**

	31/12/2019 VND	1/1/2019 VND
Long-term borrowings	354,920,347,018	398,547,988,162
Repayable within twelve months	(31,807,850,824)	(27,500,772,661)
	<hr/>	<hr/>
Repayable after twelve months	323,112,496,194	371,047,215,501

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

Lenders	Currency	Annual interest rate	Year of maturity	31/12/2019 VND	1/1/2019 VND
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	8% - 11.5%	2028	272,794,055,785	351,818,024,832
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	9.5% - 10%	2025	31,947,000,000	21,869,003,334
▪ Orient Commercial Joint Stock Bank	VND	10.6% - 11.8%	2028	11,348,233,667	13,849,177,331
▪ Vietnam Public Joint Stock Commercial Bank	VND	11% - 12%	2024	-	9,807,366,993
▪ Tien Phong Commercial Joint Stock Bank	VND	10% - 11%	2026	15,902,997,209	-
▪ Military Commercial Joint Stock Bank	VND	9.2% - 10.7%	2021	232,360,357	659,915,672



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<b>Lenders</b>	<b>Currency</b>	<b>Annual interest rate</b>	<b>Year of maturity</b>	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
▪ Vietnam Prosperity Joint Stock Commercial Bank	VND	7.8%	2023	425,700,000	544,500,000
▪ Vietnam International Commercial Joint Stock Bank	VND	8.0%	2029	22,270,000,000	-
				<hr/> 354,920,347,018	<hr/> 398,547,988,162

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

	<b>Note</b>	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
Inventories	10	-	36,495,951,129
Tangible fixed assets	11	109,782,183,556	78,431,263,619
Intangible fixed assets	12	20,697,299,091	20,697,299,091
Investment property	13	543,485,149,807	546,213,846,398
		<hr/> 673,964,632,454	<hr/> 681,838,360,237

## **22. Bonus and welfare fund**

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

	<b>2019 VND</b>	<b>2018 VND</b>
Opening balance	16,311,630,959	13,923,106,755
Appropriation from retained profits (Note 23)	8,287,427,939	9,688,951,880
Utilisation during the year	(6,670,758,294)	(7,300,427,676)
	<hr/> 17,928,300,604	<hr/> 16,311,630,959

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**23. Changes in owners' equity**

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
<b>Balance at 1 January 2018</b>	249,955,730,000	317,064,858,303	14,850,000,000	(690,474,358)	47,539,169,112	297,796,407,469	350,831,835,473	1,277,347,525,999
Capital contribution by non-controlling interest	-	-	-	-	-	-	35,531,430,000	35,531,430,000
Net profit for the year	-	-	-	-	-	173,002,896,673	127,263,951,699	300,266,848,372
Dividends (Note 25)	-	-	-	-	-	(29,970,608,400)	(31,334,921,140)	(61,305,529,540)
Appropriation to bonus and welfare fund	-	-	-	-	-	(7,113,224,696)	(2,575,727,184)	(9,688,951,880)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(5,411,599,110)	(1,593,708,807)	(7,005,307,917)
Share dividends received from a subsidiary	-	-	5,392,000,000	-	(3,988,710,430)	(4,283,289,570)	2,880,000,000	-
Others	-	-	-	-	(517,257,383)	517,257,383	-	-
<b>Balance at 1 January 2019</b>	249,955,730,000	317,064,858,303	20,242,000,000	(690,474,358)	43,033,201,299	424,537,839,749	481,002,860,041	1,535,146,015,034
Capital contribution by non-controlling interest	-	-	-	-	-	-	8,348,000,000	8,348,000,000
Net profit for the year	-	-	-	-	-	153,667,014,972	79,665,091,754	233,332,106,726
Dividends (Note 25)	-	-	-	-	-	(37,463,260,500)	(71,207,155,752)	(108,670,416,252)
Appropriation to bonus and welfare fund	-	-	-	-	-	(7,003,819,753)	(1,283,608,186)	(8,287,427,939)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(8,377,618,836)	(2,000,066,728)	(10,377,685,564)
Share dividends received from subsidiaries	-	-	71,653,000,000	-	(6,783,595,598)	(64,869,404,402)	-	-
Change through additional acquisition of equity interest in subsidiaries	-	-	-	-	-	-	(9,680,000,000)	(9,680,000,000)
<b>Balance at 31 December 2019</b>	249,955,730,000	317,064,858,303	91,895,000,000	(690,474,358)	36,249,605,701	460,490,751,230	484,845,121,129	1,639,810,592,005

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## 24. Share capital

The Company's authorised and issued share capital are:

	31/12/2019		1/1/2019	
	Number of shares	VND	Number of shares	VND
Authorised share capital	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Issued ordinary shares	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Treasury ordinary shares	(20,066)	(690,474,358)	(20,066)	(690,474,358)
Ordinary shares in circulation	24,975,507	249,265,255,642	24,975,507	249,265,255,642

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

There were no movements in share capital during the years ended 31 December 2019 and 2018.

## 25. Dividends

The Annual General Meeting of Shareholders of the Company on 29 March 2019 resolved to distribute dividends amounting to VND37,463 million, which is equal to 15% of par value of shares in circulation at that time (2018: VND29,971 million, which is equal to 12% 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 Annual General Meeting of Shareholders. This fund is established for the purpose of future business expansion.

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**27. Off balance sheet items**

**(a) Lessor commitments**

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

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Within one year	106,595,608,500	89,424,866,461
From two to five years	352,533,619,340	279,874,996,131
Over five years	796,936,961,785	580,204,669,368
	<hr/>	<hr/>
	1,256,066,189,625	949,504,531,960
	<hr/>	<hr/>

**(b) Goods held for third parties**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Goods held for third parties	280,117,108,654	300,607,628,183
	<hr/>	<hr/>

**28. Revenue from sales of goods and provision of services**

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

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sales of properties	-	12,035,142,799
▪ Sales of merchandise goods	16,707,201,091,271	13,536,291,359,353
▪ Services rendered	1,371,479,057,141	1,163,177,136,820
▪ Rental income	195,693,403,631	170,339,666,870
	<hr/>	<hr/>
	18,274,373,552,043	14,881,843,305,842
Less revenue deductions	(8,067,080,241)	(10,188,383,538)
	<hr/>	<hr/>
Net revenue	18,266,306,471,802	14,871,654,922,304
	<hr/>	<hr/>

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**29. Cost of goods sold and services provided**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Total cost of goods sold and services provided		
▪ Cost of properties sold	-	6,598,472,399
▪ Merchandise goods sold	16,139,260,702,321	12,926,947,136,251
▪ Services rendered	1,010,501,076,998	859,588,516,685
▪ Operating costs of investment property held to earn rental	66,777,842,530	57,067,857,925
▪ (Reversal of allowance)/Allowance for inventories	(2,701,096,716)	1,708,794,303
	<hr/>	<hr/>
	17,213,838,525,133	13,851,910,777,563
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**30. Financial income**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Interest income	6,479,321,035	4,763,620,700
Income from securities trading	-	742,749,928
Dividend income	3,748,100,000	4,438,101,500
Foreign exchange gains	-	84,648,344
Other financial income	4,479,146,891	7,869,204,662
	<hr/>	<hr/>
	14,706,567,926	17,898,325,134
	<hr/> <hr/>	<hr/> <hr/>

**31. Financial expenses**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Interest expense	129,632,263,755	84,957,422,562
Allowance/(reversal of allowance) for diminution in value of financial investments	2,835,000,000	(945,000,000)
Goodwill on acquisition of a subsidiary	2,500,000,000	-
Loss on liquidation of investment in an associate	253,696,953	-
Other financial expenses	3,288,058,038	3,726,322,007
	<hr/>	<hr/>
	138,509,018,746	87,738,744,569
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**32. Selling expenses**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Labour costs and staff costs	257,976,484,908	272,018,372,916
Outside service expenses	81,809,339,250	60,616,808,801
Commission and insurance	36,413,585,031	26,264,816,203
Depreciation and amortisation	31,426,966,792	25,401,956,131
Tools and supplies	10,425,263,557	11,248,934,526
Others	139,225,465,564	63,175,649,854
	<hr/>	<hr/>
	557,277,105,102	458,726,538,431
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**33. General and administration expenses**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Staff costs	159,357,465,739	140,780,044,644
Outside service expenses	76,212,340,618	75,515,375,303
Depreciation and amortisation	18,234,103,505	19,542,544,577
Others	70,883,510,866	53,835,820,723
	<hr/>	<hr/>
	324,687,420,728	289,673,785,247
	<hr/> <hr/>	<hr/> <hr/>

**34. Other income**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Gains on disposals of tangible fixed assets	2,280,315,934	2,282,130,956
Incentive received from suppliers	107,929,352,197	65,001,999,045
Insurance commission received from insurance agencies	10,630,526,392	20,132,449,994
Compensation received for cancellation of contracts	1,803,100,000	792,284,000
Others	21,874,524,553	18,314,394,422
	<hr/>	<hr/>
	144,517,819,076	106,523,258,417
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**35. Trading and business costs by elements**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Cost of properties sold	-	6,598,472,399
Cost of merchandise goods sold	16,756,198,414,035	13,400,521,128,812
Labour costs and staff costs	558,613,510,484	537,149,723,089
Depreciation and amortisation	89,876,778,586	73,393,593,028
Outside services	316,303,798,855	296,989,941,660
Other expenses	374,810,549,003	285,658,242,253

**36. Income tax**

**(a) Recognised in the consolidated balance sheet**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
<b>Deferred tax assets</b>		
Accrued expenses	2,539,789,730	2,554,589,730
Tax losses carry-forwards	3,624,212,909	954,286,471
	<b>6,164,002,639</b>	<b>3,508,876,201</b>

**(b) Recognised in the consolidated statement of income**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Current year	43,611,099,442	62,294,176,765
Under provision in prior years	497,117,750	675,017,825
	<b>44,108,217,192</b>	<b>62,969,194,590</b>
<b>Deferred tax (benefit)/expense</b>		
Origination and reversal of temporary differences	14,800,000	29,999,999
Benefit of tax losses recognised	(2,669,926,438)	(954,286,471)
	<b>(2,655,126,438)</b>	<b>(924,286,472)</b>
Income tax expense	<b>41,453,090,754</b>	<b>62,044,908,118</b>

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**(c) Reconciliation of effective tax rate**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	274,785,197,480	362,311,756,490
<hr/>		
Tax at the Company's tax rate	54,957,039,496	72,462,351,298
Non-deductible expenses	1,814,057,470	1,027,211,031
Non-taxable income	(749,620,000)	(1,760,621,784)
Effect of share of profit in associates	(17,525,104,881)	(11,580,734,832)
Deferred tax assets not recognised	2,998,679,610	3,718,395,665
Deferred tax liabilities not recognised	-	(1,951,441,016)
Tax losses utilised	(539,078,691)	(545,270,069)
Under provision in prior years	497,117,750	675,017,825
<hr/>		
	41,453,090,754	62,044,908,118
<hr/>		

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

**(d) Applicable tax rates**

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



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**37. Basic earnings per share**

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

**(i) Net profit attributable to ordinary shareholders**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Net profit attributable to ordinary shareholders	153,667,014,972	173,002,896,673
Appropriation to bonus and welfare fund	(7,003,819,753)	(7,113,224,696)
Appropriation to Board of Management and Supervisory Board fee fund	(8,377,618,836)	(5,411,599,110)
	138,285,576,383	160,478,072,867
	138,285,576,383	160,478,072,867

**(ii) Weighted average number of ordinary shares**

	<b>2019</b>	<b>2018</b>
	<b>Shares</b>	<b>Shares</b>
Weighted average number of ordinary shares	24,975,507	24,975,507
	24,975,507	24,975,507

**(iii) Basic earnings per share**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Basic earnings per share	5,537	6,425
	5,537	6,425

As at 31 December 2019 and 31 December 2018, the Company did not have potentially dilutive ordinary shares.

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### **38. Significant transactions with related parties**

#### **Identity of related parties**

The Group has related party relationship with its major shareholders, its associates and its key management personnel.

#### **Transactions with key management personnel**

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

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Members of Board of Management and Board of Directors	3,794,225,000	3,381,000,000
Members of Supervisory Board	823,000,000	820,600,000
	<hr/>	<hr/>
	4,617,225,000	4,201,600,000
	<hr/> <hr/>	<hr/> <hr/>

#### **Other related party transactions**

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

<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>2019</b>	<b>2018</b>
			<b>VND</b>	<b>VND</b>
Ben Thanh Group – One Member Limited	Major shareholder	Dividend paid	20,262,184,500	15,215,157,600
		Sales of goods and services	30,611,574,744	183,659,859,959
		Purchases of goods and services	31,139,761,858	4,649,411,169
ComfortDelgro Savico Taxi Company Limited	Associate	Received cash from liquidation	31,496,303,047	-
		Dividend income	-	2,400,000,000
		Rental income	-	122,727,276
Toyota East Saigon Joint Stock Company	Associate	Sales of goods	6,373,330,000	-
		Loans granted to associate	5,000,000,000	-
		Dividend income	1,643,910,000	4,316,362,500
		Other income	35,743,000	27,721,000
		Interest income	8,260,274	-
South West Start Automobile Joint Stock Company	Associate	Loans granted to associate	7,000,000,000	3,000,000,000
		Sales of goods	5,713,636,362	-
		Purchases of goods	7,230,490,913	-
		Interest income	139,083,946	12,096,000
		Other income	18,050,000	-
		Dividend income	-	2,628,000,000

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<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>2019 VND</b>	<b>2018 VND</b>
Toyota Ly Thuong Kiet Company Limited	Associate	Sales of goods	12,144,323,201	11,690,875,592
		Purchases of goods	10,424,895,283	10,441,223,858
		Dividend income	9,030,000,000	-
		Other income	124,677,182	-
Binh Duong New City Automobile Service Joint Stock Company	Associate	Sales of goods	33,566,430,065	20,340,009,115
		Purchases of goods	20,745,531,097	19,359,503,810
		Loans granted to associate	-	9,000,000,000
		Capital contribution	-	1,643,000,000
		Dividend income	-	1,101,600,000
		Interest income	559,626,507	4,704,000
		Other income	10,235,000	-
Ben Thanh Tay Ninh Automobile Corporation	Associate	Capital contribution	2,500,000,000	-
		Purchases of goods	56,541,664,150	82,023,171,336
		Sales of goods	28,686,415,427	21,484,487,333
		Sales of land use rights	-	7,700,000,000
Dana Joint Stock Company	Associate	Dividend income	6,644,550,000	-
		Sales of goods	3,404,067,433	3,066,373,590
		Purchases of fixed assets	454,545,455	-
		Purchases of goods	-	1,463,636,364
		Other income	-	3,272,727
South Saigon Automobile Service Commercial Investment Joint Stock Company	Associate	Sales of goods	-	218,127,269
		Dividend income	-	216,000,000
Binh Thuan Automotive Service Joint Stock Company	Associate	Purchases of goods	36,124,672,137	120,661,590,365
		Sales of goods	45,876,370,274	24,423,959,881
		Dividend income	500,000,000	-
Da Nang Automobile Company Limited	Associate	Sales of goods	-	21,787,135,157
		Sales of fixed assets	6,581,270,462	4,092,642,092
		Capital contribution	-	5,000,000,000
		Purchase of goods	-	3,028,547,908
		Rental income	3,398,212,746	2,746,904,343
		Loans granted to associate	2,900,000,000	1,000,000,000
		Interest expense	2,000,000	89,873,972
		Interest income	5,021,370	60,716,485
		Other income	-	12,783,680
		Other expenses	2,000,000	24,750,000
Dividend income	2,625,000,000	-		

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<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>2019 VND</b>	<b>2018 VND</b>
Bac Au Ha Noi Automobile Limited Company	Associate	Dividend income	4,000,000,000	-
		Loans granted to associate	19,000,000,000	-
		Sales of services	3,636,185,788	2,623,760,274
		Interest income	210,602,054	-
		Other income	2,200,000	-
Star Hyundai Automobile Joint Stock Company	Associate	Loans granted to associate	25,520,000,000	-
		Sales of goods	11,622,897,462	-
		Purchase of goods	6,225,295,817	-
		Capital contribution	-	9,800,000,000
		Interest income	402,232,274	-
		Other income	7,301,503	-
Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company	Associate	Capital contribution	10,000,000,000	-
		Purchases of goods	23,941,818,180	-
		Sales of goods	18,341,177,273	-
Savico Investment Joint Stock Company	Associate	Sales of services	-	120,000,000
Sai Gon Auto Gia Dinh Service Company Limited	Associate	Purchases of goods	71,596,528,616	-
		Sales of goods	93,700,852,677	5,150,463,996
		Rental income	-	184,240,000
		Capital contribution	-	8,750,000,000
		Other expenses	62,592,994	-
Bac Au Automobile Joint Stock Company	Associate	Dividend income	9,870,000,000	-
		Purchases of goods	5,302,695,455	-
		Other income	4,625,000	-
Savico Quang Nam Company Limited	Associate	Capital contribution	-	1,100,000,000

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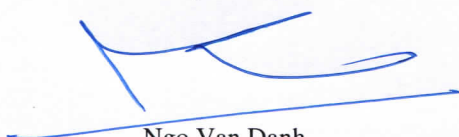
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**39. Corresponding figures**

The corresponding figures as at 1 January 2019 were derived from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

30 March 2020

Prepared by:



Ngo Van Danh  
Chief Accountant

Approved by:



Phan Duong Cuu Long  
General Director

