

**Saigon General Service Corporation
and its subsidiaries**

Consolidated Interim Financial Statements
for the six-month period ended 30 June 2020

Saigon General Service Corporation Corporate Information

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

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

| | | |
|--|------------|------------------|
| Business Registration Certificate | 4103002955 | 15 December 2004 |
|--|------------|------------------|

The Company's business registration certificate has been amended several times, the most recent of which is by Enterprise 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.

| | | |
|----------------------------|-------------------------------|-------------------------------|
| Board of Management | Mr. Mai Viet Ha | Chairman |
| | Mr. Nguyen Cong Binh | Member |
| | Mr. Nguyen Ngoc Chau | Member (from 29 May 2020) |
| | Mr. Nguyen Hoang Giang | Member (from 29 May 2020) |
| | Mr. Hoang Tam Hoa | Member (from 29 May 2020) |
| | Mr. Phan Duong Cuu Long | Member (from 29 May 2020) |
| | Mr. Le Tuan | Member (from 29 May 2020) |
| | Ms. Nguyen Viet Hoa | Member (until 29 May 2020) |
| | Mr. Doan Van Quang | Member (until 29 May 2020) |
| | Mr. Nguyen Duc Trong | Member (until 29 May 2020) |
| | Mr. Luong Quang Hien | Member (until 29 May 2020) |
| | Mr. Lars Johan Gerard De Geer | Member (until 29 May 2020) |

| | | |
|--------------------------|-------------------------|--|
| Supervisory Board | Ms. Hoang Thi Thu Huong | Head of the Board (from 29 May 2020) |
| | | Member (until 29 May 2020) |
| | Ms. Nguyen Nhu Anh | Head of the Board (until 29 May 2020) |
| | Mr. Le Anh Tuan | Member (from 29 May 2020) |
| | Mr. Ngo Hoa | Member (from 29 May 2020) |
| | Ms. Dinh Truc Phuong | Member (until 29 May 2020) |

Saigon General Service Corporation
Corporate Information (continued)

| | | |
|---------------------------|--|--|
| Board of Directors | Mr. Phan Duong Cuu Long Mr. Doan Van Quang Mr. Nguyen Cong Binh | General Director Deputy General Director Deputy General Director |
| Registered Office | 68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam | |
| Auditor | KPMG Limited Vietnam | |

Saigon General Service Corporation Statement of the Board of Directors


The Board of Directors of Saigon General Service Corporation (“the Company”) and its subsidiaries (together referred to as “the Group”) presents this statement and the accompanying consolidated interim financial statements of the Group for the six-month period ended 30 June 2020.

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

- (a) the consolidated interim financial statements set out on pages 6 to 62 give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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



On behalf of the Board of Directors 


Phan Duong Cuu Long
General Director

Ho Chi Minh City, 14 August 2020

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Saigon General Service Corporation

We have reviewed the accompanying consolidated interim financial statements of Saigon General Service Corporation (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated balance sheet as at 30 June 2020, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Directors on 14 August 2020, as set out on pages 6 to 62.

Management’s Responsibility

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

Auditor’s Responsibility

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

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



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Saigon General Service Corporation and its subsidiaries as at 30 June 2020 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 20-01-00289-20-2



Avarin Phoi
Practicing Auditor Registration
Certificate No. 2252-2018-007-1
Deputy General Director

Tran Dinh Vinh
Practicing Auditor Registration
Certificate No. 0339-2018-007-1

Ho Chi Minh City, 14 August 2020

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2020

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

| | Code | Note | 30/6/2020 VND | 1/1/2020 VND |
|--|------------|-----------|--------------------------|--------------------------|
| ASSETS | | | | |
| Current assets (100 = 110 + 120 + 130 + 140 + 150) | 100 | | 2,080,499,663,059 | 2,515,665,750,910 |
| Cash and cash equivalents | 110 | 8 | 317,420,401,411 | 328,713,933,259 |
| Cash | 111 | | 176,142,021,265 | 196,657,160,753 |
| Cash equivalents | 112 | | 141,278,380,146 | 132,056,772,506 |
| Short-term financial investments | 120 | | 39,332,075,283 | 38,892,075,283 |
| Trading securities | 121 | 9(a) | 42,802,075,283 | 42,802,075,283 |
| Allowance for diminution in the value of trading securities | 122 | 9(a) | (20,790,000,000) | (21,060,000,000) |
| Held-to-maturity investments | 123 | 9(b) | 17,320,000,000 | 17,150,000,000 |
| Accounts receivable – short-term | 130 | | 652,628,181,248 | 700,914,688,346 |
| Accounts receivable from customers | 131 | 10 | 431,177,372,649 | 502,600,110,826 |
| Prepayments to suppliers | 132 | | 95,376,038,199 | 113,211,195,064 |
| Loans receivable | 135 | 9(c) | 5,400,000,000 | 9,900,000,000 |
| Other short-term receivables | 136 | 11(a) | 120,958,089,028 | 75,486,701,084 |
| Allowance for doubtful short-term debts | 137 | | (283,318,628) | (283,318,628) |
| Inventories | 140 | 12 | 1,013,255,468,101 | 1,385,059,862,043 |
| Inventories | 141 | | 1,014,603,473,880 | 1,386,407,867,822 |
| Allowance for inventories | 149 | | (1,348,005,779) | (1,348,005,779) |
| Other current assets | 150 | | 57,863,537,016 | 62,085,191,979 |
| Short-term prepaid expenses | 151 | 17(a) | 26,738,185,274 | 17,980,691,811 |
| Deductible value added tax | 152 | | 27,503,947,947 | 41,718,501,919 |
| Taxes and others receivable from State Treasury | 153 | 19(b) | 3,621,403,795 | 2,385,998,249 |

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

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2020 (continued)

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

| | Code | Note | 30/6/2020 VND | 1/1/2020 VND |
|--|------------|-----------|--------------------------|--------------------------|
| Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260) | 200 | | 2,175,883,371,490 | 2,212,370,843,023 |
| Accounts receivable – long-term | 210 | | 178,827,854,304 | 178,403,847,072 |
| Other long-term receivables | 216 | 11(b) | 178,827,854,304 | 178,403,847,072 |
| Fixed assets | 220 | | 482,890,958,071 | 502,796,348,304 |
| Tangible fixed assets | 221 | 13 | 410,677,472,513 | 430,719,746,374 |
| <i>Cost</i> | 222 | | 697,552,547,535 | 692,907,549,178 |
| <i>Accumulated depreciation</i> | 223 | | (286,875,075,022) | (262,187,802,804) |
| Intangible fixed assets | 227 | 14 | 72,213,485,558 | 72,076,601,930 |
| <i>Cost</i> | 228 | | 84,250,092,256 | 83,216,692,256 |
| <i>Accumulated amortisation</i> | 229 | | (12,036,606,698) | (11,140,090,326) |
| Investment property | 230 | 15 | 690,109,833,489 | 702,170,656,011 |
| <i>Cost</i> | 231 | | 921,937,799,775 | 921,937,799,775 |
| <i>Accumulated depreciation</i> | 232 | | (231,827,966,286) | (219,767,143,764) |
| Long-term work in progress | 240 | | 367,605,378,427 | 367,055,084,313 |
| Construction in progress | 242 | 16 | 367,605,378,427 | 367,055,084,313 |
| Long-term financial investments | 250 | | 415,697,902,819 | 420,272,552,735 |
| Investments in associates | 252 | 9(d) | 410,587,638,819 | 412,912,288,735 |
| Equity investments in other entities | 253 | | 3,110,264,000 | 5,360,264,000 |
| Held-to-maturity investments | 255 | 9(b) | 2,000,000,000 | 2,000,000,000 |
| Other long-term assets | 260 | | 40,751,444,380 | 41,672,354,588 |
| Long-term prepaid expenses | 261 | 17(b) | 33,296,677,363 | 35,508,351,949 |
| Deferred tax assets | 262 | 38(a) | 7,454,767,017 | 6,164,002,639 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 4,256,383,034,549 | 4,728,036,593,933 |

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

Saigon General Service Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2020 (continued)

Form B 01a – DN/HN

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

| | Code | Note | 30/6/2020 VND | 1/1/2020 VND |
|---|------------|-----------|--------------------------|--------------------------|
| RESOURCES | | | | |
| LIABILITIES (300 = 310 + 330) | 300 | | 2,652,718,662,305 | 3,088,226,001,928 |
| Current liabilities | 310 | | 2,179,651,727,880 | 2,592,153,508,725 |
| Accounts payable to suppliers | 311 | 18 | 214,673,880,464 | 186,701,346,944 |
| Advances from customers | 312 | | 141,166,641,941 | 153,039,320,060 |
| Taxes and others payable to State Treasury | 313 | 19(a) | 32,680,129,921 | 38,227,638,532 |
| Payables to employees | 314 | | 37,744,699,059 | 81,580,668,366 |
| Accrued expenses | 315 | 20 | 49,023,960,780 | 46,562,125,725 |
| Unearned revenue – short-term | 318 | 21(a) | 10,046,149,846 | 7,084,253,013 |
| Other payables – short-term | 319 | 22(a) | 467,073,225,937 | 448,665,281,523 |
| Short-term borrowings | 320 | 23(a) | 1,211,772,506,559 | 1,611,364,573,958 |
| Provisions – short-term | 321 | | 1,000,000,000 | 1,000,000,000 |
| Bonus and welfare fund | 322 | 24 | 14,470,533,373 | 17,928,300,604 |
| Long-term liabilities | 330 | | 473,066,934,425 | 496,072,493,203 |
| Unearned revenue – long-term | 336 | 21(b) | 82,093,272,631 | 85,418,863,717 |
| Other payables – long-term | 337 | 22(b) | 88,438,466,210 | 87,541,133,292 |
| Long-term borrowings | 338 | 23(b) | 302,535,195,584 | 323,112,496,194 |
| EQUITY (400 = 410) | 400 | | 1,603,664,372,244 | 1,639,810,592,005 |
| Owners' equity | 410 | 25 | 1,603,664,372,244 | 1,639,810,592,005 |
| Share capital | 411 | 26 | 249,955,730,000 | 249,955,730,000 |
| Share premium | 412 | | 317,064,858,303 | 317,064,858,303 |
| Other capital | 414 | | 91,895,000,000 | 91,895,000,000 |
| Treasury shares | 415 | 26 | (690,474,358) | (690,474,358) |
| Investment and development fund | 418 | 28 | 37,299,135,379 | 36,249,605,701 |
| Retained profits | 421 | | 452,992,604,383 | 460,490,751,230 |
| - Retained profits brought forward | 421a | | 431,295,520,146 | 306,823,736,258 |
| - Retained profit for the current period/year | 421b | | 21,697,084,237 | 153,667,014,972 |
| Non-controlling interest | 429 | | 455,147,518,537 | 484,845,121,129 |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 4,256,383,034,549 | 4,728,036,593,933 |

14 August 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 interim financial statements

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2020

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

| | Code | Note | Six-month period ended | |
|--|-----------|--------------|----------------------------|----------------------------|
| | | | 30/6/2020 VND | 30/6/2019 VND |
| Revenue from sales of goods and provision of services | 01 | 30 | 6,253,373,211,672 | 8,583,039,439,749 |
| Revenue deductions | 02 | 30 | (613,983,884) | (6,168,454,552) |
| Net revenue (10 = 01 + 02) | 10 | 30 | 6,252,759,227,788 | 8,576,870,985,197 |
| Cost of goods sold and services provided | 11 | 31 | (5,886,112,299,346) | (8,047,139,172,632) |
| Gross profit (20 = 10 + 11) | 20 | | 366,646,928,442 | 529,731,812,565 |
| Financial income | 21 | 32 | 8,228,320,709 | 5,764,126,720 |
| Financial expenses | 22 | 33 | (60,057,103,710) | (65,126,082,293) |
| <i>In which: Interest expense</i> | 23 | | <i>(59,019,159,193)</i> | <i>(60,059,216,030)</i> |
| Share of profit in associates | 24 | 9(d) | 15,703,715,084 | 39,425,178,901 |
| Selling expenses | 25 | 34 | (226,697,996,771) | (262,789,130,334) |
| General and administration expenses | 26 | 35 | (138,937,102,247) | (162,861,242,296) |
| Net operating (loss)/profit (30 = 20 + 21 + 22 + 24 + 25 + 26) | 30 | | (35,113,238,493) | 84,144,663,263 |
| Other income | 31 | 36 | 65,712,122,077 | 57,832,825,708 |
| Other expenses | 32 | | (1,814,834,703) | (2,550,136,488) |
| Results of other activities (40 = 31 + 32) | 40 | | 63,897,287,374 | 55,282,689,220 |
| Accounting profit before tax (50 = 30 + 40) | 50 | | 28,784,048,881 | 139,427,352,483 |
| Income tax expense – current | 51 | 38(b) | (5,933,352,642) | (23,948,915,498) |
| Income tax benefit – deferred | 52 | 38(b) | 1,290,764,378 | - |
| Net profit after tax (60 = 50 + 51 + 52) (carried forward to the next page) | 60 | | 24,141,460,617 | 115,478,436,985 |

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

Saigon General Service Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2020
(continued)

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

| | Code | Note | Six-month period ended | |
|--|-----------|-----------|------------------------|------------------------|
| | | | 30/6/2020 VND | 30/6/2019 VND |
| Net profit after tax (60 = 50 + 51 + 52) (brought forward from the previous page) | 60 | | 24,141,460,617 | 115,478,436,985 |
| Attributable to: | | | | |
| Equity holders of the Company | 61 | | 21,697,084,237 | 68,645,159,102 |
| Non-controlling interest | 62 | | 2,444,376,380 | 46,833,277,883 |
| Basic earnings per share | 70 | 39 | 742 | 2,474 |

14 August 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 interim financial statements

Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2020
(Indirect method)

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

| | Code | Six-month period ended | |
|---|-----------|------------------------|--------------------------|
| | | 30/6/2020 VND | 30/6/2019 VND |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Accounting profit before tax | 01 | 28,784,048,881 | 139,427,352,483 |
| Adjustments for | | | |
| Depreciation and amortisation | 02 | 44,506,615,631 | 42,358,615,550 |
| Allowances and provisions | 03 | (270,000,000) | (728,149,677) |
| Losses on liquidation of investments in an associate | 05 | - | 253,696,953 |
| Gains on disposals of fixed assets | 05 | (568,298,270) | (3,557,482,084) |
| Losses on written off of fixed assets | 05 | 1,040,523,658 | - |
| Dividend income and interest income | 05 | (6,706,792,963) | (3,578,589,581) |
| Share of profit in associates | 05 | (15,703,715,084) | (39,425,178,901) |
| Interest expense | 06 | 59,019,159,193 | 60,059,216,030 |
| Operating profit before changes in working capital | 08 | 110,101,541,046 | 194,809,480,773 |
| Change in receivables and other current assets | 09 | 56,969,145,561 | (52,077,388,134) |
| Change in inventories | 10 | 371,804,393,942 | (262,503,476,803) |
| Change in payables and other liabilities | 11 | (21,498,125,543) | (54,627,589,351) |
| Change in prepaid expenses | 12 | (6,545,818,877) | (1,999,309,822) |
| | | 510,831,136,129 | (176,398,283,337) |
| Interest paid | 14 | (59,927,774,786) | (60,106,497,948) |
| Corporate income tax paid | 15 | (11,902,589,393) | (40,800,071,635) |
| Other payments for operating activities | 17 | (12,757,860,617) | (11,972,294,055) |
| Net cash flows from operating activities | 20 | 426,242,911,333 | (289,277,146,975) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | (33,671,857,623) | (67,357,662,718) |
| Proceeds from disposals of fixed assets | 22 | 15,108,935,245 | 12,185,971,926 |
| Payments for granting loans | 23 | (8,200,000,000) | (10,220,000,000) |
| Payments for term deposits at banks | 23 | (170,000,000) | (35,000,000) |
| Receipts from collecting loans | 24 | 12,700,000,000 | 5,270,000,000 |
| Payments for investments in other entities | 25 | (5,000,000,000) | (13,500,000,000) |
| Payments for acquisition of a subsidiary, netted of cash acquired | 25 | - | (9,900,000,000) |
| Collections from investments in an associate | 26 | - | 31,496,303,047 |
| Receipts of dividends and interests | 27 | 31,985,157,963 | 18,410,428,548 |
| Net payments for other non-current assets | | (424,007,232) | (2,484,063,351) |
| Net cash flows from investing activities | 30 | 12,328,228,353 | (36,134,022,548) |

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


Saigon General Service Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2020
(Indirect method – continued)

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

| | Code | Six-month period ended | |
|---|-----------|--------------------------|-------------------------|
| | | 30/6/2020 VND | 30/6/2019 VND |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from equity issued by subsidiaries to non-controlling interest | 31 | 800,000,000 | - |
| Proceeds from borrowings | 33 | 3,947,439,286,316 | 5,620,501,180,608 |
| Payments to settle loan principals | 34 | (4,367,608,654,325) | (5,266,331,868,319) |
| Payments of dividends to equity holders of the Company | 36 | (3,381,525) | - |
| Payments of dividends by subsidiaries to non-controlling interest | 36 | (30,491,922,000) | (42,178,271,222) |
| Net cash flows from financing activities | 40 | (449,864,671,534) | 311,991,041,067 |
| Net cash flows during the period (50 = 20 + 30 + 40) | 50 | (11,293,531,848) | (13,420,128,456) |
| Cash and cash equivalents at the beginning of the period | 60 | 328,713,933,259 | 268,045,104,754 |
| Cash and cash equivalents at the end of the period (70 = 50 + 60) (Note 8) | 70 | 317,420,401,411 | 254,624,976,298 |

14 August 2020

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Phan Duong Cuu Long
General Director

Saigon General Service Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2020

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

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

1. Reporting entity

(a) Ownership structure

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

The consolidated interim financial statements of the Company for the six-month period ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

(b) Principal activities

The principal activities of the Company are:

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

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

(c) Normal operating cycle

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

(d) Group structure

As at 30 June 2020, the Group had 2,857 employees (1 January 2020: 3,161 employees).

As at 30 June 2020, the Group had 28 subsidiaries and 17 associates (1/1/2020: 28 subsidiaries and 16 associates), detailed as follows:

Saigon General Service Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

Form B 09a – DN/HN

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

| Number | Name | Principal activity | Address | Percentage of equity ownership and voting rights at | |
|----------------------------|---|---|---|---|----------|
| | | | | 30/6/2020 | 1/1/2020 |
| Direct subsidiaries | | | | | |
| 1 | Saigon Automobile Service Joint Stock Company | Trading FORD cars and spare parts, providing maintenance services. | 61A Cao Thang Street, Ward 3, District 3, Ho Chi Minh City, Vietnam | 52.05% | 52.05% |
| 2 | Toyota Giai Phong Joint Venture Company | Trading TOYOTA cars and spare parts, providing maintenance services. | 807 Giai Phong Street, Giap Bat Ward, Hoang Mai District, Hanoi City, Vietnam | 51.00% | 51.00% |
| 3 | Saigon Service Trading Limited Company | Trading YAMAHA motorbikes and spare parts, providing maintenance services. | 164 – 166C, 3/2 Street, Hung Loi Ward, Ninh Kieu District, Can Tho City, Vietnam | 88.12% | 88.12% |
| 4 | Saigon Star Corporation | Trading SUZUKI and HONDA automobile and motorbikes and spare parts, providing maintenance services. | 510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam | 56.80% | 56.80% |
| 5 | Savico Hanoi Corporation | Operating business centre; trading real estate and trading and maintaining automobile. | 7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam | 70.00% | 70.00% |
| 6 | Toyota Can Tho Company Limited | Trading TOYOTA cars and spare parts, providing maintenance services. | K2-0, Vo Nguyen Giap Street, Thanh Thuan Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam | 51.00% | 51.00% |
| 7 | Savico Da Nang Corporation | Trading real estate; providing workshops and office rental services; providing consulting and real estate brokerage services; trading automobile and spare parts and providing maintenance and repairing service. | 66 Vo Van Tan Street, Chinh Gian Ward, Thanh Khe District, Da Nang City, Vietnam | 70.00% | 70.00% |

Saigon General Service Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

Form B 09a – DN/HN

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

| Number | Name | Principal activity | Address | Percentage of equity ownership and voting rights at | |
|--------|--|---|---|---|----------|
| | | | | 30/6/2020 | 1/1/2020 |
| 8 | OtoS Joint Stock Company (otos.vn) | Providing e-commerce services; advertising services; trading cars and spare parts; providing software publication and other services related to information technology. | 68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam | 80.86% | 80.86% |
| 9 | Da Nang Son Tra Corporation | Trading real estate; providing hotel and travel services; operating restaurant. | 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 | 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% | 99.90% |
| 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 | |
|------------------------------|---|---|---|---|----------|
| | | | | 30/6/2020 | 1/1/2020 |
| Indirect subsidiaries | | | | | |
| 15 | Ben Thanh Automobile Corporation | Trading FORD cars and spare parts, providing maintenance services. | 831 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam | 52.00% | 52.00% |
| 16 | Can Tho Automobile Corporation | Trading FORD cars and spare parts, providing maintenance services. | 11 Vo Nguyen Giap Street, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam | 90.25% | 90.25% |
| 17 | Saigon Far East Service Trading Company Limited | Trading HONDA motorbikes and spare parts, providing maintenance services. | 673 Huynh Tan Phat Street, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam | 100.00% | 100.00% |
| 18 | Toyota Long Bien Company Limited | Trading TOYOTA cars and spare parts, providing maintenance services. | 7 – 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam | 51.00% | 51.00% |
| 19 | Toyota Hai Duong Company Limited | Trading TOYOTA cars and spare parts, providing maintenance services. | 1 Ngo Quyen Street, Cam Thuong Ward, Hai Duong City, Vietnam | 51.00% | 51.00% |
| 20 | Hai Duong Auto Investment and Service Company Limited | Trading FORD cars and spare parts, providing maintenance services. | 118 An Dinh Street, Binh Han Ward, Hai Duong City, Viet Nam | 51.00% | 51.00% |

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| Number | Name | Principal activity | Address | Percentage of equity ownership and voting rights at | |
|--------|---|---|---|---|----------|
| | | | | 30/6/2020 | 1/1/2020 |
| 21 | Han River Automobile Corporation | Trading HYUNDAI cars and spare parts, providing maintenance services. | 76 Duy Tan Street, Hoa Thuan Tay Ward, Hai Chau District, Da Nang City, Vietnam | 51.00% | 51.00% |
| 22 | Binh Dinh Automobile Corporation | Trading HYUNDAI cars and spare parts, providing maintenance services. | 359 Tay Son Street, Quang Trung Ward, Quy Nhon City, Binh Dinh Province, Vietnam | 51.00% | 51.00% |
| 23 | Hung Thinh Automobile Joint Stock Company | Trading HYUNDAI cars and spare parts, providing maintenance services. | Lot 02, 1A National Highway, Qua Giang, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam | 55.00% | 55.00% |
| 24 | Gia Lai Automobile One Member Limited Company | Trading HUYNDAL cars and spare parts, providing maintenance services. | 278 Le Duan, Thang Loi Ward, Pleiku, Gia Lai Province, Vietnam | 100.00% | 100.00% |
| 25 | Saigon Southern Company Limited (i) | 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 | 100.00% | 100.00% |
| 26 | Kon Tum Automobile Joint Stock Company | Trading HYUNDAI cars and spare parts, providing maintenance services. | 377A Phan Dinh Phung Street, Duy Tan Ward, Kon Tum Province, Vietnam | 99.10% | 99.10% |
| 27 | Son Tra Automobile Limited Company | Trading HYUNDAI cars and spare parts, providing maintenance services. | 286 Pham Hung Street, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam | 100.00% | 100.00% |
| 28 | Dai Thinh Automobile Joint Stock Company | Trading ISUZU cars and spare parts, providing maintenance services. | Highway 1A, Hoa Phuoc, Hoa Vang District, Da Nang City, Vietnam | 80.00% | 80.00% |

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| Number | Name | Principal activity | Address | Percentage of equity ownership and voting rights at | |
|--------------------------|--|--|---|---|----------|
| | | | | 30/6/2020 | 1/1/2020 |
| Direct associates | | | | | |
| 1 | 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% |
| 2 | 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% |
| 3 | 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% |
| 4 | 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% |
| 5 | 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% |
| 6 | 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. | 66-68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam | 40.00% | 40.00% |

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| Number | Name | Principal activity | Address | Percentage of equity ownership and voting rights at | |
|----------------------------|---|---|--|---|----------|
| | | | | 30/6/2020 | 1/1/2020 |
| 7 | Lam Dong Automobile Company Limited | Trading cars and spare parts, providing maintenance services. | 71 Phu Dong Thien Vuong, Ward 8, Da Lat City, Lam Dong Province, Vietnam | 50.00% | - |
| Indirect associates | | | | | |
| 8 | Dana Joint Stock Company | Trading FORD cars and spare parts, providing maintenance services. | 56 Dien Bien Phu Street, Thanh Khe Ward, Da Nang City, Vietnam | 40.27% | 40.27% |
| 9 | South Saigon Automobile Service Commercial Investment Joint Stock | Trading GM, VINFAST cars and spare parts, providing maintenance services. | 1489 Nguyen Van Linh, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam | 30.00% | 30.00% |
| 10 | Bac Au Hanoi Automobile Limited Company | Trading VOLVO cars and spare parts, providing maintenance services. | 9 Nguyen Van Linh, Gia Thuy Ward, Long Bien District, Hanoi City, Vietnam | 25.00% | 25.00% |
| 11 | Binh Thuan Automotive Service Joint Stock Company | Trading FORD cars and spare parts, providing maintenance services. | Lot 4/3, Street No.4, Phan Thiet 1 Industrial Zone, Phong Nam Commune, Phan Thiet City, Binh Thuan Province, Vietnam | 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, Vietnam | 50.00% | 50.00% |
| 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, Vietnam | 50.00% | 50.00% |

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| Number | Name | Principal activity | Address | Percentage of equity ownership and voting rights at | |
|--------|---|--|---|---|----------|
| | | | | 30/6/2020 | 1/1/2020 |
| 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, Vietnam | 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, Vietnam | 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, Vietnam | 49.00% | 49.00% |
| 17 | Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company | 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, Vietnam | 50.00% | 50.00% |

(i) The entity is in the liquidation process.

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2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December. These consolidated interim financial statements are prepared for the six-month period ended 30 June 2020.

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

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

(iii) Loss of control

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

(iv) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated interim financial statements include the Group's share of the profit or loss of the equity accounted investees, 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. The carrying amount of investments in equity accounted investees is also adjusted for the alterations in the investor's proportionate interest in the investees arising from changes in the investee's equity that have not been included in the income statement (such as revaluation of fixed assets, or foreign exchange translation differences, etc.).

When the Group's share of losses exceeds its interest in an equity accounted investee, 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 investee.

(v) Transactions eliminated on consolidation

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

(b) Foreign currency transactions

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

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

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

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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. For listed securities, market value of the securities is determined by reference to the closing price on the stock exchanges of the most recent trading day to the reporting date. For unlisted securities, an allowance is made for diminution in investment value if the investee has suffered a loss and the allowance equals the deficit between the cost of investments and the Group's share of the investee's equity at the reporting date. The allowance is reversed if the market price subsequently increases after the allowance was recognized or 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 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 management of the Company and its subsidiaries 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 and the allowance equals the deficit between the cost of investments and the Group's share of the investee's equity at the reporting date. 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 interim consolidated statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

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

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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 period in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

(ii) Depreciation

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

- | | |
|----------------------------|---------------|
| ▪ land use rights | 18 – 50 years |
| ▪ buildings and structures | 5 – 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 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 profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of accounting period, and any adjustment to tax payable in respect of previous periods.

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

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

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(r) Revenue

(i) Sales of properties

Revenue from transfer of land use rights and sale of standard-designed houses which do not require significant customisation for each customer is recognised in the consolidated statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due 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 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) Leases

(i) Lease assets

Leases in terms of which the Group, as lessee, assumes substantially all the risks and rewards of ownership are classified as finance leases.

Assets held under other leases are classified as operating leases and are not recognised in the Group's consolidated balance sheet.

(ii) 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, over the term of the lease.

(u) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the 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 accounting period) of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, if any.

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(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.

(y) Comparative information

Comparative information in these consolidated interim financial statements is presented as corresponding figures. Under this method, comparative information for the prior period is included as an integral part of the current period financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these consolidated interim financial statements is not intended to present the Group's consolidated financial position, consolidated results of operation or consolidated cash flows for the prior period.

4. Seasonality or cyclical factors

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

Income tax

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

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5. Changes in accounting estimates and composition of the Group

(a) Changes in accounting estimates

In preparing these consolidated interim financial statements and consolidated annual financial statements, the Company's management have made several accounting estimates using the information that is reasonably available at the reporting date. It is management's assessment that there were no significant changes in accounting estimates compared to those made in the most recent annual consolidated financial statements or those made in the same interim period of the prior year despite the increased estimation uncertainty due to Covid-19. As additional information becomes available, future assessment of the estimates could differ materially in future reporting period.

(b) Changes in composition of the Group

Except for changes in composition in the Group with one new associate as described in Note 1(d), there were no other changes in the composition of the Group for the six-month period ended 30 June 2020.

6. Unusual events – Covid-19 pandemic

The Covid-19 pandemic had adverse impact on the economy, disrupted supply chains and created significant economic uncertainty. The Company's management had closely monitored and actively implemented and updated its measures to the involving Covid-19 pandemic and its impacts on the Company and its subsidiaries. These measures include securing cash, saving costs, reassessing capital expenditure and identifying additional financing opportunities. Despite these responses, the Company and its subsidiaries had experienced a significant decline in financial performance for the six-month period ended 30 June 2020. The Company's management is continuing monitoring the situation, taking appropriate and timely action to minimise the impact of Covid-19 pandemic on the financial position and the financial performance of the Company and its subsidiaries.

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7. Segment reporting

For the six-month periods ended 30 June 2020 and 2019

| | Services and trading | | Real estate | | Financial services | | Total | |
|--|-----------------------------|---------------------|--------------------|------------------|---------------------------|------------------|---------------------|---------------------|
| | 30/6/2020 | 30/6/2019 | 30/6/2020 | 30/6/2019 | 30/6/2020 | 30/6/2019 | 30/6/2020 | 30/6/2019 |
| | VND | VND | VND | VND | VND | VND | VND | VND |
| Segment revenue | 6,166,033,933,316 | 8,474,267,061,526 | 86,725,294,472 | 102,603,923,671 | - | - | 6,252,759,227,788 | 8,576,870,985,197 |
| Segment other income | 74,060,658,372 | 84,608,734,609 | 3,554,391,440 | 7,141,002,075 | 112,596,712 | 758,337,331 | 77,727,646,524 | 92,508,074,015 |
| Direct and attributable cost of sales to segments | (5,842,853,816,140) | (8,026,336,659,753) | (43,258,483,206) | (20,802,512,879) | - | - | (5,886,112,299,346) | (8,047,139,172,632) |
| Direct and attributable other expenses to segments | (391,924,190,093) | (451,608,365,201) | (33,027,903,018) | (38,895,730,848) | (1,063,945,215) | (745,731,457) | (426,016,038,326) | (491,249,827,506) |
| Segment profit/(loss) | 5,316,585,455 | 80,930,771,181 | 13,993,299,688 | 50,046,682,019 | (951,348,503) | 12,605,874 | 18,358,536,640 | 130,990,059,074 |
| Un-allocated income | | | | | | | 11,923,953,184 | 10,514,057,314 |
| Un-allocated expenses | | | | | | | (1,498,440,943) | (2,076,763,905) |
| Income tax expenses | | | | | | | (4,642,588,264) | (23,948,915,498) |
| | | | | | | | 24,141,460,617 | 115,478,436,985 |
| | | | | | | | | |
| | Services and trading | | Real estate | | Financial services | | Total | |
| | 30/6/2020 | 30/6/2019 | 30/6/2020 | 30/6/2019 | 30/6/2020 | 30/6/2019 | 30/6/2020 | 30/6/2019 |
| | VND | VND | VND | VND | VND | VND | VND | VND |
| Depreciation and amortisation | 32,445,793,109 | 30,296,476,802 | 12,060,822,522 | 12,062,138,748 | - | - | 44,506,615,631 | 42,358,615,550 |
| Allowances and provisions | - | (2,078,149,677) | - | - | (270,000,000) | 1,350,000,000 | (270,000,000) | (728,149,677) |
| Capital expenditure | 13,393,492,623 | 45,524,459,458 | 20,278,365,000 | 21,833,203,260 | - | - | 33,671,857,623 | 67,357,662,718 |

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| | Services and trading | | Real estate | | Financial services | | Total | |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| | 30/6/2020 VND | 1/1/2020 VND | 30/6/2020 VND | 1/1/2020 VND | 30/6/2020 VND | 1/1/2020 VND | 30/6/2020 VND | 1/1/2020 VND |
| Assets | | | | | | | | |
| Segment current assets | 1,813,808,532,482 | 2,265,622,047,026 | 242,584,256,296 | 226,874,124,391 | 24,106,874,281 | 23,169,579,493 | 2,080,499,663,059 | 2,515,665,750,910 |
| Segment non-current assets | 756,715,852,379 | 774,632,487,187 | 1,411,558,500,681 | 1,431,476,184,542 | 154,251,413 | 98,168,655 | 2,168,428,604,473 | 2,206,206,840,384 |
| Segment un-allocated assets | - | - | - | - | - | - | 7,454,767,017 | 6,164,002,639 |
| | 2,570,524,384,861 | 3,040,254,534,213 | 1,654,142,756,977 | 1,658,350,308,933 | 24,261,125,694 | 23,267,748,148 | 4,256,383,034,549 | 4,728,036,593,933 |
| Liabilities | | | | | | | | |
| Segment current liabilities | 1,609,469,761,796 | 2,041,795,002,922 | 569,048,198,146 | 549,546,081,275 | 1,133,767,938 | 812,424,528 | 2,179,651,727,880 | 2,592,153,508,725 |
| Segment non-current liabilities | 94,487,922,354 | 100,771,938,373 | 378,290,357,357 | 395,002,556,182 | 288,654,714 | 297,998,648 | 473,066,934,425 | 496,072,493,203 |
| | 1,703,957,684,150 | 2,142,566,941,295 | 947,338,555,503 | 944,548,637,457 | 1,422,422,652 | 1,110,423,176 | 2,652,718,662,305 | 3,088,226,001,928 |

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8. Cash and cash equivalents

| | 30/6/2020 | 1/1/2020 |
|------------------|------------------|-----------------|
| | VND | VND |
| Cash on hand | 11,886,647,755 | 15,031,086,601 |
| Cash in banks | 164,255,373,510 | 181,626,074,152 |
| Cash equivalents | 141,278,380,146 | 132,056,772,506 |
| | <hr/> | <hr/> |
| | 317,420,401,411 | 328,713,933,259 |
| | <hr/> | <hr/> |

At 30 June 2020, cash equivalents represent term deposits with original term to maturity of not more than 3 months and earn annual interest rates ranging from 3.5% to 6.5% (1 January 2020: 0.5% to 5.4%).

Cash equivalents at 30 June 2020 include VND1,950 million (1 January 2020: VND1,950 million) being pledged with banks as security for loans granted to the Group (Note 23).

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9. Investments

(a) Trading securities

| | Quantity | Cost VND | 30/6/2020 Allowance for diminution in value VND | Fair value VND | Quantity | Cost VND | 1/1/2020 Allowance for diminution in value VND | Fair value VND |
|--|-----------|-----------------------|---|-------------------|-----------|-----------------------|--|-------------------|
| Short-term financial investments in: | | | | | | | | |
| Listed shares | | | | | | | | |
| • Ho Chi Minh City Electric Power Trading Investment Corporation | 1,350,000 | 13,500,000,000 | (6,750,000,000) | 6,750,000,000 | 1,350,000 | 13,500,000,000 | (7,020,000,000) | 6,480,000,000 |
| • Tien Len Steel Corporation Joint Stock Company | 3 | 22,740 | - | 22,740 | 3 | 22,740 | - | 22,740 |
| Unlisted shares | | | | | | | | |
| • Pacific Construction Investment and Commercial Joint Stock Company | 500,000 | 14,000,000,000 | (9,000,000,000) | (*) | 500,000 | 14,000,000,000 | (9,000,000,000) | (*) |
| • Ben Thanh Non Nuoc Joint Stock Company | 900,000 | 9,000,000,000 | - | (*) | 900,000 | 9,000,000,000 | - | (*) |
| • Toan Cau Insurance Company | 180,000 | 6,300,000,000 | (5,040,000,000) | (*) | 180,000 | 6,300,000,000 | (5,040,000,000) | (*) |
| • Hai Phong Securities Joint Stock Company | 812 | 2,052,543 | - | (*) | 812 | 2,052,543 | - | (*) |
| | | <u>42,802,075,283</u> | <u>(20,790,000,000)</u> | | | <u>42,802,075,283</u> | <u>(21,060,000,000)</u> | |

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

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

| | Six-month period ended | |
|--------------------------------------|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Opening balance | 21,060,000,000 | 18,225,000,000 |
| Allowance made during the period | - | 1,350,000,000 |
| Allowance reversed during the period | (270,000,000) | - |
| | <hr/> | <hr/> |
| Closing balance | 20,790,000,000 | 19,575,000,000 |

(b) Held-to-maturity investments

| | 30/6/2020 | 1/1/2020 |
|---|------------------|-----------------|
| | VND | VND |
| ▪ Term deposits at banks with original term to maturity of more than 3 months to 1 year | 17,320,000,000 | 17,150,000,000 |
| ▪ Term deposits at banks with original term to maturity of more than 1 year | 2,000,000,000 | 2,000,000,000 |

Term deposits at banks at 30 June 2020 included VND18,650 million (1 January 2020: VND18,650 million) being pledged with banks as security for loans granted to the Group (Note 23).

(c) Loans receivable

| | Term | Annual interest rate | 30/6/2020 | 1/1/2020 |
|---|---------------|-----------------------------|------------------|-----------------|
| | | | VND | VND |
| Loans receivable from an associate | | | | |
| ▪ Star Hyundai Automobile Joint Stock Company | 6 - 12 months | 7% | 5,400,000,000 | 9,900,000,000 |

These loans are unsecured.

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(d) Investments in associates

| | 30/6/2020 Cumulative share of profit/(loss) VND | Carrying value VND | 1/1/2020 Cumulative share of profit/(loss) VND | Carrying value VND |
|---|--|-----------------------|---|-----------------------|
| • Toyota East Saigon Joint Stock Company | 29,106,059,000 | 39,934,520,257 | 29,106,059,000 | 78,992,983,145 |
| • Binh Duong New City Automobile Service Joint Stock Company | 15,393,000,000 | 20,999,580,922 | 15,393,000,000 | 35,294,116,710 |
| • South West Star Automobile Joint Stock Company | 17,520,000,000 | 5,783,703,097 | 17,520,000,000 | 24,896,483,583 |
| • Toyota Ly Thuong Kiet Company Limited | 16,925,119,945 | (2,194,101,633) | 16,925,119,945 | 19,604,576,040 |
| • Bac Au Automobile Joint Stock Company | 19,200,000,000 | 77,838,834,011 | 19,200,000,000 | 80,197,007,597 |
| • Savico Investment Joint Stock Company | 64,000,000,000 | (3,857,030,898) | 64,000,000,000 | 63,538,857,170 |
| • Dana Joint Stock Company | 6,040,500,000 | 22,302,047,448 | 6,040,500,000 | 28,968,254,788 |
| • South Saigon Automobile Service Commercial Investment Joint Stock Company | 3,600,000,000 | (826,844,155) | 3,600,000,000 | 3,192,534,843 |
| • Bac Au Hanoi Automobile Limited Company | 5,000,000,000 | 7,081,748,737 | 5,000,000,000 | 11,070,848,796 |
| • Binh Thuan Automotive Service Joint Stock Company | 15,000,000,000 | 50,526,778 | 10,000,000,000 | 12,452,101,733 |
| • Ben Thanh Tay Ninh Automobile Corporation | 10,000,000,000 | (801,682,290) | 10,000,000,000 | 10,671,573,112 |
| • Da Nang Automobile Company Limited | 5,000,000,000 | 13,618,113,999 | 5,000,000,000 | 16,729,317,227 |
| • Savico Quang Nam Company Limited | 1,100,000,000 | (30,196,050) | 1,100,000,000 | 1,058,568,075 |
| • Sai Gon Auto Gia Dinh Service Company Limited | 8,750,000,000 | 922,345,883 | 8,750,000,000 | 10,831,399,269 |
| • Star Hyundai Automobile Joint Stock Company | 9,800,000,000 | (6,289,665,304) | 9,800,000,000 | 5,341,385,673 |
| • Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company | 10,000,000,000 | (2,079,598,161) | 10,000,000,000 | 10,072,280,974 |
| • Lam Dong Automobile Company Limited | 2,250,000,000 | (549,342,767) | - | - |
| | 238,684,678,945 | 171,902,959,874 | 231,434,678,945 | 412,912,288,735 |

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

| | Six-month period ended | |
|--|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Opening balance | 412,912,288,735 | 378,850,224,328 |
| New investments | 7,250,000,000 | 12,500,000,000 |
| Share of net profit in associates | 15,703,715,084 | 39,425,178,901 |
| Dividends received from associates | (25,278,365,000) | (14,831,838,967) |
| Collection of investments in an associate from liquidation | - | (31,496,303,047) |
| Losses on liquidation of an associate | - | (253,696,953) |
| | <hr/> | <hr/> |
| Closing balance | 410,587,638,819 | 384,193,564,262 |

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

10. Accounts receivable from customers – short-term

| | 30/6/2020 | 1/1/2020 |
|--|------------------|-----------------|
| | VND | VND |
| Associates: | 9,594,619,196 | 4,114,519,640 |
| ▪ <i>Ben Thanh Tay Ninh Automobile Corporation</i> | 598,640,554 | - |
| ▪ <i>Binh Thuan Automotive Service Joint Stock Company</i> | 508,088,970 | 1,308,106,364 |
| ▪ <i>Sai Gon Auto Gia Dinh Service Company Limited</i> | 7,149,054 | 1,076,218,276 |
| ▪ <i>Dana Joint Stock Company</i> | 216,594,334 | - |
| ▪ <i>Da Nang Automobile Company Limited</i> | 409,660,269 | - |
| ▪ <i>Binh Duong New City Automobile Service Joint Stock Company</i> | 311,631,175 | - |
| ▪ <i>Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company</i> | 7,225,220,000 | 1,730,195,000 |
| ▪ <i>Savico Quang Nam Company Limited</i> | 317,634,840 | - |
| Third parties: | 421,582,753,453 | 498,485,591,186 |
| ▪ <i>Customers in relation to sales of merchandise goods</i> | 378,405,244,282 | 458,961,108,524 |
| ▪ <i>Customers in relation to property rental</i> | 15,394,019,921 | 6,232,461,823 |
| ▪ <i>Customers in relation to sales of properties</i> | 6,250,000,000 | 6,381,815,282 |
| ▪ <i>Other customers</i> | 21,533,489,250 | 26,910,205,557 |
| | <hr/> | <hr/> |
| | 431,177,372,649 | 502,600,110,826 |

At 30 June 2020, accounts receivable from customers with a carrying value of VND20,113 million (1 January 2020: VND82,325 million) was pledged with banks as security for loans granted to the Group (Note 23).

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

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11. Other receivables

(a) Other short-term receivables

| | 30/6/2020 | 1/1/2020 |
|---|------------------|-----------------|
| | VND | VND |
| Advances for trading used cars on behalf of customers | 48,257,000,000 | 28,310,000,000 |
| Advances to employees | 37,009,211,941 | 15,745,259,983 |
| Short-term deposits | 3,325,713,038 | 1,892,944,370 |
| Others | 32,366,164,049 | 29,538,496,731 |
| | <hr/> | <hr/> |
| | 120,958,089,028 | 75,486,701,084 |
| | <hr/> | <hr/> |

(b) Other long-term receivables

| | 30/6/2020 | 1/1/2020 |
|--|------------------|-----------------|
| | VND | VND |
| Contribution to business cooperation contracts (i) | 128,909,017,388 | 128,548,020,723 |
| Long-term deposits | 49,727,836,916 | 49,588,621,408 |
| Others | 191,000,000 | 267,204,941 |
| | <hr/> | <hr/> |
| | 178,827,854,304 | 178,403,847,072 |
| | <hr/> | <hr/> |

- (i) These amounts represent contribution to real estate business cooperation contracts including Binh An Project, Long Hoa Project, Melisa Project and Le Minh Xuan Project.

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12. Inventories

| | 30/6/2020 | | 1/1/2020 | |
|--|--------------------------|------------------------|--------------------------|------------------------|
| | Cost VND | Allowance VND | Cost VND | Allowance VND |
| Goods in transit | 3,663,363,046 | - | 2,428,123,809 | - |
| Materials and spare parts | 16,932,452,886 | - | 31,336,197,616 | - |
| Work in progress | 117,706,766,367 | - | 115,186,018,166 | - |
| ▪ <i>Tam Binh Residential Project</i> | 24,199,965,284 | - | 20,688,280,926 | - |
| ▪ <i>Nam Cam Le Project</i> | 85,102,667,227 | - | 85,102,667,227 | - |
| ▪ <i>Others</i> | 8,404,133,856 | - | 9,395,070,013 | - |
| Finished goods | 4,938,649,285 | - | 2,615,456,426 | - |
| Merchandise inventories (cars and motorbikes) | 871,279,986,982 | (1,348,005,779) | 1,234,703,043,180 | (1,348,005,779) |
| Goods on consignment | 82,255,314 | - | 139,028,625 | - |
| | 1,014,603,473,880 | (1,348,005,779) | 1,386,407,867,822 | (1,348,005,779) |

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

| | Six-month period ended | |
|--------------------------------------|------------------------|----------------------|
| | 30/6/2020 VND | 30/6/2019 VND |
| Opening balance | 1,348,005,779 | 4,049,102,495 |
| Allowance reversed during the period | - | (2,078,149,677) |
| Closing balance | 1,348,005,779 | 1,970,952,818 |

At 30 June 2020, inventories with carrying value of VND519,054 million (1 January 2020: VND641,558 million) were pledged with banks as security for loans granted to the Group (Note 23).

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13. Tangible fixed assets

| | Buildings and structures VND | Machinery and equipment VND | Office equipment VND | Motor vehicles VND | Others VND | Total VND |
|--|---|--|---------------------------------|-------------------------------|-----------------------|------------------------|
| Cost | | | | | | |
| Opening balance | 431,347,370,977 | 125,525,579,586 | 19,941,365,894 | 104,410,861,023 | 11,682,371,698 | 692,907,549,178 |
| Additions | 705,021,498 | 2,534,092,772 | 103,055,636 | 12,868,556,209 | 7,190,909 | 16,217,917,024 |
| Transfer from construction in progress | 10,870,246,485 | - | - | - | - | 10,870,246,485 |
| Disposals | - | (105,217,000) | - | (18,928,020,519) | (49,827,791) | (19,083,065,310) |
| Written off | (2,197,718,531) | (1,109,121,311) | - | - | (53,260,000) | (3,360,099,842) |
| Reclassifications | - | - | (6,460,006,893) | 6,460,006,893 | - | - |
| Closing balance | 440,724,920,429 | 126,845,334,047 | 13,584,414,637 | 104,811,403,606 | 11,586,474,816 | 697,552,547,535 |
| Accumulated depreciation | | | | | | |
| Opening 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 |
| Charge for the period | 14,370,299,097 | 7,480,050,656 | 1,014,322,992 | 8,250,062,084 | 434,541,908 | 31,549,276,737 |
| Disposals | - | (66,856,671) | - | (4,475,571,664) | - | (4,542,428,335) |
| Written off | (1,175,508,777) | (1,090,807,407) | - | - | (53,260,000) | (2,319,576,184) |
| Reclassifications | - | - | (1,695,135,753) | 1,695,135,753 | - | - |
| Closing balance | 161,718,181,988 | 72,879,426,615 | 10,623,888,182 | 33,012,295,759 | 8,641,282,478 | 286,875,075,022 |
| Net book value | | | | | | |
| Opening 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 |
| Closing balance | 279,006,738,441 | 53,965,907,432 | 2,960,526,455 | 71,799,107,847 | 2,945,192,338 | 410,677,472,513 |

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Included in tangible fixed assets were assets costing VND84,684 million which were fully depreciated as of 30 June 2020 (1 January 2020: VND74,093 million), but which are still in active use.

At 30 June 2020, tangible fixed assets with a carrying value of VND118,684 million (1 January 2020: VND90,210 million) were pledged with banks as security for loans granted to the Group (Note 23).

14. Intangible fixed assets

| | Indefinite term land use rights VND | Definite term land use rights VND | Software VND | Total VND |
|---------------------------------|--|--|-------------------------|----------------------|
| Cost | | | | |
| Opening balance | 20,697,299,091 | 55,683,988,140 | 6,835,405,025 | 83,216,692,256 |
| Additions | - | - | 1,033,400,000 | 1,033,400,000 |
| Closing balance | 20,697,299,091 | 55,683,988,140 | 7,868,805,025 | 84,250,092,256 |
| Accumulated amortisation | | | | |
| Opening balance | - | 6,522,561,858 | 4,617,528,468 | 11,140,090,326 |
| Charge for the period | - | 512,115,240 | 384,401,132 | 896,516,372 |
| Closing balance | - | 7,034,677,098 | 5,001,929,600 | 12,036,606,698 |
| Net book value | | | | |
| Opening balance | 20,697,299,091 | 49,161,426,282 | 2,217,876,557 | 72,076,601,930 |
| Closing balance | 20,697,299,091 | 48,649,311,042 | 2,866,875,425 | 72,213,485,558 |

Included in intangible fixed assets were assets costing VND8,423 million which were fully depreciated as of 30 June 2020 (1 January 2020: VND8,339 million), but which are still in active use.

At 30 June 2020, intangible fixed assets with a carrying value of VND65,697 million (1 January 2020: VND65,697 million) were pledged with banks as security for loans granted to the Group (Note 23).

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15. Investment property

Investment property held to earn rental

| | Indefinite term land use rights VND | Definite term land use rights VND | Buildings and structures VND | Total VND |
|---------------------------------|--|--|---|----------------------|
| Cost | | | | |
| Opening and closing balance | 5,107,878,273 | 63,599,169,277 | 853,230,752,225 | 921,937,799,775 |
| Accumulated depreciation | | | | |
| Opening balance | - | 11,577,294,042 | 208,189,849,722 | 219,767,143,764 |
| Charge for the period | - | 503,410,182 | 11,557,412,340 | 12,060,822,522 |
| Closing balance | - | 12,080,704,224 | 219,747,262,062 | 231,827,966,286 |
| Net book value | | | | |
| Opening balance | 5,107,878,273 | 52,021,875,235 | 645,040,902,503 | 702,170,656,011 |
| Closing balance | 5,107,878,273 | 51,518,465,053 | 633,483,490,163 | 690,109,833,489 |

Included in investment property held to earn rental were assets costing VND9,671 million which were fully depreciated as of 30 June 2020 (1 January 2020: VND9,671 million), but which are still in active use.

At 30 June 2020, investment properties held to earn rental with a carrying value of VND533,651 million (1 January 2020: VND543,485 million) were pledged with banks as security for loans granted to the Group (Note 23).

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

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16. Construction in progress

| | Six-month period ended | |
|-----------------------------------|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Opening balance | 367,055,084,313 | 367,635,726,677 |
| Additions during the period | 11,420,540,599 | 16,724,112,351 |
| Transfer to tangible fixed assets | (10,870,246,485) | (21,265,616,942) |
| | <hr/> | <hr/> |
| Closing balance | 367,605,378,427 | 363,094,222,086 |
| | <hr/> <hr/> | <hr/> <hr/> |

Major constructions in progress were as follows:

| | 30/6/2020 | 1/1/2020 |
|----------------------------------|------------------|-----------------|
| | VND | VND |
| 104 Pho Quang Project | 266,214,663,240 | 266,134,935,670 |
| Mercure Son Tra, Da Nang Project | 87,586,049,258 | 87,586,049,258 |
| 403 Tran Xuan Soan warehouse | 9,093,148,459 | 8,755,875,732 |
| Toyota Can Tho showroom | 1,104,490,909 | 559,036,364 |
| Savico Da Nang Mall Project | 2,028,815,191 | 2,028,815,191 |
| Other projects | 1,578,211,370 | 1,990,372,098 |
| | <hr/> | <hr/> |
| | 367,605,378,427 | 367,055,084,313 |
| | <hr/> <hr/> | <hr/> <hr/> |

17. Prepaid expenses

(a) Short-term prepaid expenses

| | 30/6/2020 | 1/1/2020 |
|--------------------------|------------------|-----------------|
| | VND | VND |
| Office and house rentals | 6,576,727,739 | 2,130,460,123 |
| Tools and instruments | 4,207,650,231 | 4,267,998,973 |
| Prepaid land costs | 3,228,580,905 | 477,210,849 |
| Others | 12,725,226,399 | 11,105,021,866 |
| | <hr/> | <hr/> |
| | 26,738,185,274 | 17,980,691,811 |
| | <hr/> <hr/> | <hr/> <hr/> |

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(b) Long-term prepaid expenses

| | 30/6/2020 | 1/1/2020 |
|-----------------------|------------------|-----------------|
| | VND | VND |
| Tools and instruments | 8,533,569,944 | 12,277,266,709 |
| Prepaid land costs | 9,869,684,639 | 11,449,333,945 |
| Renovation costs | 11,944,245,791 | 9,034,890,948 |
| Others | 2,949,176,989 | 2,746,860,347 |
| | <hr/> | <hr/> |
| | 33,296,677,363 | 35,508,351,949 |
| | <hr/> | <hr/> |

18. Accounts payable to suppliers – short-term

Accounts payable to suppliers detailed by significant supplier

| | Cost/Amount within payment | |
|--|-----------------------------------|-----------------|
| | capacity | |
| | 30/6/2020 | 1/1/2020 |
| | VND | VND |
| Hyundai Thanh Cong Auto Viet Nam Joint Stock Company | 52,945,788,650 | 37,010,915,250 |
| Isuzu Vietnam Company Limited | 49,233,659,543 | 17,758,087,620 |
| Ford Vietnam Company Limited | 26,794,325,041 | 21,662,434,185 |
| Hino Motor Vietnam Limited | 16,658,002,603 | 25,132,368,355 |
| Toyota Motor Vietnam Company Limited | 4,377,910,381 | 12,055,133,847 |
| Other suppliers | 64,664,194,246 | 73,082,407,687 |
| | <hr/> | <hr/> |
| | 214,673,880,464 | 186,701,346,944 |
| | <hr/> | <hr/> |

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19. Taxes

(a) Taxes and others payable to State Treasury

| | 1/1/2020 VND | Incurred VND | Paid VND | Net-off VND | Reclassification VND | 30/6/2020 VND |
|--------------------------|-------------------------|-------------------------|--------------------------|--------------------------|---------------------------------|--------------------------|
| Taxes | | | | | | |
| Value added tax | 15,907,798,137 | 723,798,117,558 | (71,360,273,233) | (655,611,184,251) | - | 12,734,458,211 |
| Corporate income tax | 12,441,925,053 | 5,933,352,642 | (11,902,589,393) | - | 203,490,037 | 6,676,178,339 |
| Personal income tax | 5,003,048,450 | 14,609,192,156 | (16,851,099,091) | - | 199,232,539 | 2,960,374,054 |
| Other obligations | | | | | | |
| Land rental | 4,621,657,130 | 5,239,963,499 | (644,953,437) | - | 832,682,970 | 10,049,350,162 |
| Other obligations | 253,209,762 | 702,153,918 | (695,594,525) | - | - | 259,769,155 |
| | 38,227,638,532 | 750,282,779,773 | (101,454,509,679) | (655,611,184,251) | 1,235,405,546 | 32,680,129,921 |

(b) Taxes and others receivable from State Treasury

| | 1/1/2020 VND | Reclassification VND | 30/6/2020 VND |
|----------------------|-------------------------|---------------------------------|--------------------------|
| Corporate income tax | 2,316,903,386 | 203,490,037 | 2,520,393,423 |
| Personal income tax | 69,094,863 | 199,232,539 | 268,327,402 |
| Land rental | - | 832,682,970 | 832,682,970 |
| | 2,385,998,249 | 1,235,405,546 | 3,621,403,795 |

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20. Accrued expenses

| | 30/6/2020 | 1/1/2020 |
|--------------------------------|------------------|-----------------|
| | VND | VND |
| Interest expense on borrowings | 1,327,451,284 | 2,236,066,877 |
| Rental expense | 3,172,272,960 | 128,827,273 |
| Salary and related expenses | 8,281,479,117 | 11,876,116,096 |
| Professional service fees | 9,397,245,505 | 9,440,940,678 |
| Operating expenses | 8,837,012,887 | 9,206,731,847 |
| Other expenses | 18,008,499,027 | 13,673,442,954 |
| | <hr/> | <hr/> |
| | 49,023,960,780 | 46,562,125,725 |
| | <hr/> | <hr/> |

21. Unearned revenue

(a) Unearned revenue – short-term

| | 30/6/2020 | 1/1/2020 |
|---|------------------|-----------------|
| | VND | VND |
| Properties rental revenue received in advance | 274,657,576 | 269,704,549 |
| Portion of long-term unearned revenue to be realised within 12 months | 9,767,304,543 | 6,775,086,068 |
| Others | 4,187,727 | 39,462,396 |
| | <hr/> | <hr/> |
| | 10,046,149,846 | 7,084,253,013 |
| | <hr/> | <hr/> |

(b) Unearned revenue – long-term

| | 30/6/2020 | 1/1/2020 |
|---|------------------|-----------------|
| | VND | VND |
| Properties rental revenue received in advance | 91,860,577,174 | 92,193,949,785 |
| Amount to be realised within 12 months | (9,767,304,543) | (6,775,086,068) |
| | <hr/> | <hr/> |
| Amount to be realised after 12 months | 82,093,272,631 | 85,418,863,717 |
| | <hr/> | <hr/> |

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22. Other payables

(a) Other payables – short-term

| | 30/6/2020 | 1/1/2020 |
|--|------------------|-----------------|
| | VND | VND |
| Contribution received from a counterparty in relation to 104 Pho Quang Project (i) | 341,375,463,555 | 341,319,476,227 |
| Payable to a counterparty in relation to 91 Pasteur Project | 18,755,483,552 | 23,755,483,552 |
| Instalments received from customers in relation to Tam Binh Residential Project | 52,984,688,200 | 48,425,579,600 |
| Dividends payable | 26,430,252,570 | 1,379,329,095 |
| Insurance premiums collected on behalf of insurance companies | 3,586,515,972 | 5,496,217,172 |
| Others | 23,940,822,088 | 28,289,195,877 |
| | <hr/> | <hr/> |
| | 467,073,225,937 | 448,665,281,523 |
| | <hr/> <hr/> | <hr/> <hr/> |

- (i) At the reporting date, the conditions to complete the business cooperation contract have not been fulfilled. As such, the Group records the contribution received from the counterparty relating to this project as other payables. The balances are unsecured and interest free.

(b) Other payables – long-term

| | 30/6/2020 | 1/1/2020 |
|--|------------------|-----------------|
| | VND | VND |
| Long-term deposits received for rental contracts | 62,198,952,376 | 63,301,619,458 |
| Contribution refund received from the counterparty of business cooperation contract in relation to Binh An Project | 24,239,513,834 | 24,239,513,834 |
| Contribution received from individuals for business cooperation contract used cars trading | 2,000,000,000 | - |
| | <hr/> | <hr/> |
| | 88,438,466,210 | 87,541,133,292 |
| | <hr/> <hr/> | <hr/> <hr/> |

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23. Borrowings

(a) Short-term borrowings

| | 1/1/2020 Carrying amount VND | Movements during the period | | 30/6/2020 Carrying amount VND |
|--|---------------------------------------|-----------------------------|---------------------|--|
| | | Increase VND | (Decrease) VND | |
| Short-term borrowings | 1,579,556,723,134 | 3,947,439,286,316 | (4,345,362,703,179) | 1,181,633,306,271 |
| Current portion of long-term borrowings | 31,807,850,824 | 20,017,580,610 | (21,686,231,146) | 30,139,200,288 |
| | 1,611,364,573,958 | 3,967,456,866,926 | (4,367,048,934,325) | 1,211,772,506,559 |
| Amount within payment capacity | 1,611,364,573,958 | | | 1,211,772,506,559 |

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

| Lenders | Annual interest rate | 30/6/2020 VND | 1/1/2020 VND |
|--|-------------------------|-------------------|-------------------|
| ▪ Vietnam Joint Stock Commercial Bank for Industry and Trade | 5.5% - 7.0% | 577,194,488,266 | 658,375,406,732 |
| ▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam | 5.5% - 7.0% | 355,853,225,503 | 680,267,787,227 |
| ▪ HSBC Bank (Vietnam) Ltd. | 5.8% - 6.0% | 20,000,000,000 | 68,752,051,000 |
| ▪ Military Commercial Joint Stock Bank | 6.6% - 8.6% | 90,730,560,952 | 40,806,497,100 |
| ▪ CIMB Bank Vietnam Limited | 5.2% | - | 25,700,000,000 |
| ▪ Bank for Investment and Development of Vietnam | 5.5% - 6.5% | 99,196,319,550 | 72,089,375,900 |
| ▪ Vietnam Prosperity Joint Stock Commercial Bank | 6.5% | - | 1,225,895,000 |
| ▪ Standard Chartered Bank (Vietnam) Limited | 5.8 - 6.5% | 29,660,427,000 | 29,232,498,750 |
| ▪ Vietnam Technological and Commercial Joint Stock Bank | 6.7% | 5,622,474,600 | 3,107,211,425 |
| ▪ Tien Phong Commercial Joint Stock Bank | 7.5% | 3,375,810,400 | - |
| | | 1,181,633,306,271 | 1,579,556,723,134 |

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Included in short-term borrowings were VND289,013 million (1 January 2020: VND758,573 million) unsecured and VND829,620 million (1 January 2019: VND820,983 million) secured by the following assets:

| | Note | 30/6/2020 VND | 1/1/2020 VND |
|---|------|------------------|-----------------|
| Cash equivalents | 8 | 1,950,000,000 | 1,950,000,000 |
| Accounts receivable from customers | 10 | 20,112,883,316 | 82,324,913,683 |
| Inventories | 12 | 519,053,635,337 | 641,557,617,602 |
| Tangible fixed assets | 13 | 63,288,255,152 | 9,698,316,051 |
| Held-to-maturity investments – short-term | 9(b) | 16,650,000,000 | 16,650,000,000 |
| Held-to-maturity investments – long-term | 9(b) | 2,000,000,000 | 2,000,000,000 |
| | | 623,054,773,805 | 754,180,847,336 |

(b) Long-term borrowings

| | 30/6/2020 VND | 1/1/2020 VND |
|--------------------------------|------------------|------------------|
| Long-term borrowings | 332,674,395,872 | 354,920,347,018 |
| Repayable within twelve months | (30,139,200,288) | (31,807,850,824) |
| | 302,535,195,584 | 323,112,496,194 |

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

| Lenders | Annual interest rate | Year of maturity | 30/6/2020 VND | 1/1/2020 VND |
|--|-------------------------|---------------------|------------------|-----------------|
| ▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam | 8.2% - 11.5% | 2029 | 276,375,524,317 | 295,064,055,785 |
| ▪ Vietnam Joint Stock Commercial Bank for Industry and Trade | 8.5% - 10.5% | 2025 | 31,400,000,000 | 31,947,000,000 |
| ▪ Orient Commercial Joint Stock Bank | 10.6% - 11.8% | 2028 | 10,097,761,835 | 11,348,233,667 |
| ▪ Tien Phong Commercial Joint Stock Bank | 10.0% | 2026 | 14,258,525,536 | 15,758,262,886 |
| ▪ Military Commercial Joint Stock Bank | 9.2% - 10.7% | 2021 | 235,684,184 | 377,094,680 |
| ▪ Vietnam Prosperity Joint Stock Commercial Bank | 7.8% | 2023 | 306,900,000 | 425,700,000 |
| | | | 332,674,395,872 | 354,920,347,018 |

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

| | Note | 30/6/2020 VND | 1/1/2020 VND |
|-------------------------|-------------|--------------------------------|-------------------------------|
| Tangible fixed assets | 13 | 55,395,934,561 | 80,512,002,697 |
| Intangible fixed assets | 14 | 65,697,299,091 | 65,697,299,091 |
| Investment property | 15 | 533,651,115,091 | 543,485,149,807 |
| | | 654,744,348,743 | 689,694,451,595 |
| | | 654,744,348,743 | 689,694,451,595 |

24. Bonus and welfare fund

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

| | Six-month period ended | |
|---|--------------------------------|--------------------------------|
| | 30/6/2020 VND | 30/6/2019 VND |
| Opening balance | 17,928,300,604 | 16,311,630,959 |
| Appropriation from retained profits (Note 25) | 1,207,168,315 | 3,213,324,835 |
| Utilisation during the period | (4,664,935,546) | (6,306,101,902) |
| | 14,470,533,373 | 13,218,853,892 |
| Closing balance | 14,470,533,373 | 13,218,853,892 |

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25. Changes in owners' equity

| | Share capital VND | Share premium VND | Other capital VND | Treasury shares VND | Investment and development fund VND | Retained profits VND | Non-controlling interest VND | Total VND |
|---|----------------------|----------------------|----------------------|------------------------|--|-------------------------|---------------------------------|-------------------|
| Balance at 1 January 2020 | 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 |
| Net profit for the period | - | - | - | - | - | 21,697,084,237 | 2,444,376,380 | 24,141,460,617 |
| Capital contribution by non-controlling interest | - | - | - | - | - | - | 800,000,000 | 800,000,000 |
| Appropriation to bonus and welfare fund | - | - | - | - | - | (711,185,710) | (495,982,605) | (1,207,168,315) |
| Appropriation to Board of Management and Supervisory Board fee fund | - | - | - | - | - | (2,459,008,696) | (1,875,276,367) | (4,334,285,063) |
| Dividends (Note 27) | - | - | - | - | - | (24,975,507,000) | (30,570,720,000) | (55,546,227,000) |
| Appropriation to investment and development fund | - | - | - | - | 1,049,529,678 | (1,049,529,678) | - | - |
| Balance at 30 June 2020 | 249,955,730,000 | 317,064,858,303 | 91,895,000,000 | (690,474,358) | 37,299,135,379 | 452,992,604,383 | 455,147,518,537 | 1,603,664,372,244 |
| Balance at 1 January 2019 | 249,955,730,000 | 317,064,858,303 | 20,242,000,000 | (690,474,358) | 43,033,201,299 | 424,537,839,749 | 481,002,860,041 | 1,535,146,015,034 |
| Net profit for the period | - | - | - | - | - | 68,645,159,102 | 46,833,277,883 | 115,478,436,985 |
| Appropriation to bonus and welfare fund | - | - | - | - | - | (2,318,379,189) | (894,945,646) | (3,213,324,835) |
| Appropriation to Board of Management and Supervisory Board fee fund | - | - | - | - | - | (4,546,338,210) | (1,119,853,943) | (5,666,192,153) |
| Dividends (Note 27) | - | - | - | - | - | (37,463,260,500) | (63,109,755,752) | (100,573,016,252) |
| Share dividends received from subsidiaries | - | - | 2,550,000,000 | - | - | (2,550,000,000) | - | - |
| Additional acquisition of equity interest in subsidiaries | - | - | - | - | - | - | (9,680,000,000) | (9,680,000,000) |
| Balance at 30 June 2019 | 249,955,730,000 | 317,064,858,303 | 22,792,000,000 | (690,474,358) | 43,033,201,299 | 446,305,020,952 | 453,031,582,583 | 1,531,491,918,779 |

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26. Share capital

The Company's authorised and issued share capital are:

| | 30/6/2020 | | 1/1/2020 | |
|--------------------------------|------------------|-----------------|------------------|-----------------|
| | Number of shares | VND | Number of shares | VND |
| Authorised share capital | 24,995,573 | 249,955,730,000 | 24,995,573 | 249,955,730,000 |
| Issued ordinary shares | 24,995,573 | 249,955,730,000 | 24,995,573 | 249,955,730,000 |
| Treasury ordinary shares | (20,066) | (690,474,358) | (20,066) | (690,474,358) |
| Ordinary shares in circulation | 24,975,507 | 249,265,255,642 | 24,975,507 | 249,265,255,642 |

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

There were no movements in share capital during the six-month periods ended 30 June 2020 and 30 June 2019.

27. Dividends

The Annual General Meeting of Shareholders of the Company on 29 May 2020 resolved to distribute dividends amounting to VND24,976 million, which is equal to 10% of par value of shares in circulation at that time (six-month period ended 30 June 2019: VND37,463 million, which was equal to 15% of par value of shares in circulation at that time).

28. Investment and development fund

Investment and development fund was appropriated from retained profits in accordance with the resolution of General Meeting of Shareholders. This fund is established for the purpose of future business expansion.

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29. Off balance sheet items

(a) Lease commitments

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

| | 30/6/2020 | 1/1/2020 |
|------------------------|-------------------|-------------------|
| | VND | VND |
| Within one year | 101,831,639,822 | 106,595,608,500 |
| From two to five years | 333,424,204,537 | 352,533,619,340 |
| Over five years | 693,507,474,705 | 796,936,961,785 |
| | <hr/> | <hr/> |
| | 1,128,763,319,064 | 1,256,066,189,625 |
| | <hr/> | <hr/> |

(b) Goods held for third parties

| | 30/6/2020 | 1/1/2020 |
|-----------------------------|------------------|-----------------|
| | VND | VND |
| Cars held for third parties | 225,193,280,428 | 280,117,108,654 |
| | <hr/> | <hr/> |

30. 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.

Net revenue comprised of:

| | Six-month period ended | |
|------------------------------|-------------------------------|-------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Total revenue | | |
| ▪ Sales of merchandise goods | 5,787,313,073,055 | 8,047,645,175,642 |
| ▪ Services rendered | 390,601,800,282 | 432,790,340,436 |
| ▪ Rental income | 75,458,338,335 | 102,603,923,671 |
| | <hr/> | <hr/> |
| | 6,253,373,211,672 | 8,583,039,439,749 |
| Less revenue deductions | (613,983,884) | (6,168,454,552) |
| | <hr/> | <hr/> |
| Net revenue | 6,252,759,227,788 | 8,576,870,985,197 |
| | <hr/> | <hr/> |

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31. Cost of goods sold and services provided

| | Six-month period ended | |
|--|-------------------------------|-------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Total cost of goods sold and services provided | | |
| ▪ Merchandise goods sold | 5,550,729,130,948 | 7,659,841,443,657 |
| ▪ Services rendered | 315,392,845,172 | 368,573,365,773 |
| ▪ Operating costs of investment property held to earn rental | 19,990,323,226 | 20,802,512,879 |
| ▪ Reversal of allowance for inventories | - | (2,078,149,677) |
| | 5,886,112,299,346 | 8,047,139,172,632 |
| | 5,886,112,299,346 | 8,047,139,172,632 |

32. Financial income

| | Six-month period ended | |
|------------------------|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Interest income | 3,835,041,463 | 2,507,589,581 |
| Dividend income | 2,871,751,500 | 1,071,000,000 |
| Other financial income | 1,521,527,746 | 2,185,537,139 |
| | 8,228,320,709 | 5,764,126,720 |
| | 8,228,320,709 | 5,764,126,720 |

33. Financial expenses

| | Six-month period ended | |
|--|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Interest expense | 59,019,159,193 | 60,059,216,030 |
| Allowance (reversed)/made for diminution in value of financial investments | (270,000,000) | 1,350,000,000 |
| Loss on liquidation of investments in an associate | - | 253,696,953 |
| Goodwill on acquisition of a subsidiary | - | 2,500,000,000 |
| Other financial expenses | 1,307,944,517 | 963,169,310 |
| | 60,057,103,710 | 65,126,082,293 |
| | 60,057,103,710 | 65,126,082,293 |

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34. Selling expenses

| | Six-month period ended | |
|-------------------------------|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Staff costs | 96,746,182,143 | 132,999,561,200 |
| Outside service expenses | 25,833,830,307 | 27,937,628,529 |
| Commission and insurance | 19,412,822,392 | 19,587,496,097 |
| Depreciation and amortisation | 13,679,091,506 | 14,714,130,641 |
| Tools and supplies | 4,899,928,500 | 5,354,540,676 |
| Others | 66,126,141,923 | 62,195,773,191 |
| | <hr/> | <hr/> |
| | 226,697,996,771 | 262,789,130,334 |
| | <hr/> | <hr/> |

35. General and administration expenses

| | Six-month period ended | |
|-------------------------------|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Staff costs | 68,408,541,318 | 85,127,968,191 |
| Outside service expenses | 23,217,546,521 | 34,062,870,002 |
| Depreciation and amortisation | 9,883,744,411 | 8,895,420,234 |
| Others | 37,427,269,997 | 34,774,983,869 |
| | <hr/> | <hr/> |
| | 138,937,102,247 | 162,861,242,296 |
| | <hr/> | <hr/> |

36. Other income

| | Six-month period ended | |
|---|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Gains on disposals of fixed assets | 568,298,270 | 3,578,762,908 |
| Incentive received from suppliers | 51,593,626,204 | 42,936,171,216 |
| Commission received from insurance agencies | 1,723,110,327 | 3,774,192,875 |
| Others | 11,827,087,276 | 7,543,698,709 |
| | <hr/> | <hr/> |
| | 65,712,122,077 | 57,832,825,708 |
| | <hr/> | <hr/> |

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37. Trading and business costs by elements

| | Six-month period ended | |
|--------------------------------|-------------------------------|-------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Cost of merchandise goods sold | 5,712,883,915,040 | 7,859,324,177,628 |
| Labour costs and staff costs | 219,937,592,302 | 278,782,075,238 |
| Depreciation and amortisation | 44,506,615,631 | 42,358,615,550 |
| Outside services | 142,616,059,635 | 140,013,434,597 |
| Other expenses | 131,803,215,756 | 152,311,242,249 |

38. Income tax

(a) Recognised in the consolidated balance sheet

| | 30/6/2020 | 1/1/2020 |
|----------------------------|------------------|-----------------|
| | VND | VND |
| Deferred tax assets | | |
| Accrued expenses | 2,539,789,730 | 2,539,789,730 |
| Tax losses carry-forwards | 4,914,977,287 | 3,624,212,909 |
| | 7,454,767,017 | 6,164,002,639 |

(b) Recognised in the consolidated statement of income

| | Six-month period ended | |
|----------------------------------|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Current tax expense | | |
| Current period | 5,760,262,643 | 23,702,811,981 |
| Under provision in prior years | 173,089,999 | 246,103,517 |
| | 5,933,352,642 | 23,948,915,498 |
| Deferred tax benefit | | |
| Benefit of tax losses recognised | (1,290,764,378) | - |
| | 4,642,588,264 | 23,948,915,498 |

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(c) Reconciliation of effective tax rate

| | Six-month period ended | |
|---|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Accounting profit before tax | 28,784,048,881 | 139,427,352,483 |
| Tax at the Company's tax rate | 5,756,809,776 | 27,885,470,497 |
| Non-deductible expenses | 190,841,012 | 1,164,524,452 |
| Non-taxable income | (574,350,300) | (214,200,000) |
| Effect of share of profit in associates | (3,140,743,017) | (7,885,035,780) |
| Deferred tax assets not recognised | 2,236,940,794 | 2,752,052,812 |
| Under provision in prior years | 173,089,999 | 246,103,517 |
| | 4,642,588,264 | 23,948,915,498 |

(d) Applicable tax rates

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

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39. Basic earnings per share

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

(i) Net profit attributable to ordinary shareholders

| | Six-month period ended | |
|---|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Net profit for the period | 21,697,084,237 | 68,645,159,102 |
| Appropriation to bonus and welfare fund | (711,185,710) | (2,318,379,189) |
| Appropriation to Board of Management and Supervisory Board fee fund | (2,459,008,696) | (4,546,338,210) |
| | | |
| Net profit attributable to ordinary shareholders | 18,526,889,831 | 61,780,441,703 |
| | | |

(ii) Weighted average number of ordinary shares

| | Six-month period ended | |
|--|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | Shares | Shares |
| Weighted average number of ordinary shares | 24,975,507 | 24,975,507 |
| | | |
| | | |

(iii) Basic earnings per share

| | Six-month period ended | |
|--------------------------|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Basic earnings per share | 742 | 2,474 |
| | | |
| | | |

As at 30 June 2020 and 30 June 2019, the Company had no potential ordinary shares and therefore diluted earnings per share is not applicable.

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40. 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:

| | Six-month period ended | |
|---|-------------------------------|------------------|
| | 30/6/2020 | 30/6/2019 |
| | VND | VND |
| Members of Board of Management and Board of Directors | 1,783,400,000 | 1,722,000,000 |
| Members of Supervisory Board | 361,450,000 | 375,000,000 |
| | 2,144,850,000 | 2,097,000,000 |

Transactions with other related parties

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

| Related party | Relationship | Nature of transaction | Six-month period ended | |
|--|----------------------|-----------------------------------|-------------------------------|------------------|
| | | | 30/6/2020 | 30/6/2019 |
| | | | VND | VND |
| Ben Thanh Group – One Member Limited | Major shareholder | Dividend paid/payable | 13,176,593,000 | 15,289,234,500 |
| | | Sales of goods | 21,632,895,900 | 7,362,982,158 |
| | | Purchases of goods | 17,037,713,426 | 15,290,326,353 |
| ComfortDelgro Savico Taxi Company Limited | Associate | Received cash from liquidation | - | 31,496,303,047 |
| Toyota East Saigon Joint Stock Company | Associate | Sales of goods | - | 3,724,204,918 |
| | | Dividend income | 2,465,865,000 | - |
| | | Other income | 23,170,000 | - |
| South West Star Automobile Joint Stock Company | Associate | Loans granted to associate | - | 2,000,000,000 |
| | | Interest income | - | 32,465,754 |
| | | Other income | 5,290,000 | 5,676,000 |
| Toyota Ly Thuong Kiet Company Limited | Associate | Sales of goods | 1,521,783,301 | 4,323,805,519 |
| | | Purchases of goods | 14,655,454,923 | 3,348,510,000 |
| | | Dividend income | 2,100,000,000 | 399,688,967 |
| Bac Au Automobile Joint Stock Company | Associate | Dividend income | 11,942,250,000 | 9,870,000,000 |
| | | Other income | 2,870,000 | - |

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| Related party | Relationship | Nature of transaction | Six-month period ended | |
|--|--------------|----------------------------|------------------------|------------------|
| | | | 30/6/2020 VND | 30/6/2019 VND |
| Binh Duong New City Automobile Service Joint Stock Company | Associate | Sales of goods | 8,471,861,614 | 20,259,569,239 |
| | | Purchase of goods | 4,753,083,911 | 12,719,142,005 |
| | | Interest income | - | 310,931,507 |
| Ben Thanh Tay Ninh Automobile Corporation | Associate | Capital contribution | - | 2,500,000,000 |
| | | Sales of goods | 21,019,951,944 | 15,788,083,864 |
| | | Purchase of goods | 19,707,833,859 | 23,255,443,329 |
| Dana Joint Stock Company | Associate | Sales of goods | - | 1,533,823,480 |
| | | Dividend income | 3,020,250,000 | 1,812,150,000 |
| South Saigon Automobile Service Commercial Investment Joint Stock Company | Associate | Sales of goods | 2,000,000 | - |
| Binh Thuan Automotive Service Joint Stock Company | Associate | Sales of goods | 14,657,946,539 | 44,404,789,778 |
| | | Purchase of goods | 13,657,397,929 | 19,376,999,999 |
| | | Dividend income | 500,000,000 | 500,000,000 |
| | | Capital contribution | 5,000,000,000 | - |
| Da Nang Automobile Company Limited | Associate | Purchases of fixed assets | 1,000,000,000 | - |
| | | Sales of goods | 2,143,461,121 | 2,952,289,049 |
| | | Rental income | 1,200,000,000 | 1,424,720,000 |
| | | Purchase of goods | 83,450,200 | 1,219,550,000 |
| | | Interest income | - | 5,021,370 |
| | | Dividend income | 1,875,000,000 | 750,000,000 |
| | | Other expense | 2,396,000 | - |
| | | Other income | 16,636,364 | - |
| Bac Au Ha Noi Automobile Limited Company | Associate | Dividend income | 2,500,000,000 | 1,500,000,000 |
| | | Rental income | 1,330,033,650 | 382,695,000 |
| | | Purchase of goods | - | 93,215,753 |
| | | Sales of goods | 563,636,364 | - |
| | | Other income | 1,390,000 | - |
| Star Hyundai Automobile Joint Stock Company | Associate | Loans granted to associate | 8,200,000,000 | 8,220,000,000 |
| | | Sales of goods | 4,238,608,688 | - |
| | | Purchase of goods | 5,215,298,305 | - |
| | | Interest income | 274,499,184 | - |
| | | Other expense | 114,090,909 | - |
| Sai Gon Phu Lam Automobile Investment Trading Service Joint Stock Company | Associate | Capital contribution | - | 10,000,000,000 |
| | | Sales of goods | 27,355,477,266 | - |
| | | Purchase of goods | 15,793,054,555 | - |

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| Related party | Relationship | Nature of transaction | Six-month period ended | |
|---|--------------|---------------------------|------------------------|------------------|
| | | | 30/6/2020 VND | 30/6/2019 VND |
| Sai Gon Auto Gia Dinh Service Company Limited | Associate | Sales of goods | 101,968,789,205 | - |
| | | Purchase of goods | 103,097,345,352 | - |
| | | Dividend income | 875,000,000 | - |
| | | Other income | 936,653,636 | - |
| Savico Investment Joint Stock Company | Associate | Deposit for office rental | - | 1,722,336,000 |
| | | Rental expense | 2,075,760,646 | - |

41. Comparative information

The comparative information in the consolidated balance sheet as at 1 January 2020 were derived from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2019.

14 August 2020

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Phan Duong Cuu Long
General Director

