

A wide-angle photograph of a modern automotive assembly plant. The scene is dominated by a complex network of metal beams, pipes, and machinery. In the foreground, a car chassis is suspended on a conveyor system. Further down the line, a white car is being assembled. The background shows a vast, brightly lit space with high ceilings and numerous structural elements. The overall color palette is a mix of metallic grays and warm, reddish-orange tones, likely from the lighting or a color grade.

***COMMITMENT TO
SERVICE QUALITY***

Toward modernization of maintenance and repair process.

CORPORATE INFORMATION

DECISION NO.	3448/QD-UB	9 July 2004
	3449/QD-UB	9 July 2004
	These decisions were issued by the Ho Chi Minh City People's Committee.	
BUSINESS LICENCE	4103002955	15 December 2004
	The Company's business licence has been amended several times, the most recent of which is by business licence No. 0301154821 dated 26 January 2015. The business licence was issued by Ho Chi Minh City Planning and Investment Department.	
BOARD OF MANAGEMENT	Mr. Nguyen Binh Minh	Chairman
	Mr. Mai Viet Ha	Member
	Ms. Nguyen Viet Hoa	Member
	Mr. Doan Van Quang	Member
	Mr. Nguyen Cong Binh	Member
	Mr. Nguyen Duc Trong	Member
	Mr. Luong Quang Hien	Member
	Mr. Lars Johan Gerard De Geer	Member (from 15 June 2018)
BOARD OF DIRECTORS	Mr. Mai Viet Ha	General Director
	Mr. Doan Van Quang	Deputy General Director
	Ms. Nguyen Thu Nga	Deputy General Director
	Mr. Nguyen Cong Binh	Deputy General Director
SUPERVISORY BOARD	Ms. Nguyen Nhu Anh	Head of the Board
	Mr. Nguyen Thai Hoa	Member
	Ms. Hoang Thi Thu Huong	Member (from 15 June 2018)
	Ms. Dinh Truc Phuong	Member (from 15 June 2018)
	Ms. Phan Phuong Nga	Member (until 15 June 2018)
REGISTERED OFFICE	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam	
AUDITORS	KPMG Limited Vietnam	

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Saigon General Service Corporation ("the Company") presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2018.

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

- (a) the separate financial statements set out on pages 103 to 107 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2018, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company for the six-month period then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company 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 separate financial statements for issue

On behalf of the Board of Directors



Mai Viet Ha
General Director

Ho Chi Minh City, 11 March 2019

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS SAIGON GENERAL SERVICE CORPORATION

We have audited the accompanying separate financial statements of Saigon General Service Corporation ("the Company"), which comprise the separate balance sheet as at 31 December 2018, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 11 March 2019, as set out on pages 103 to 107.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

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

AUDITOR'S OPINION

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Saigon General Service Corporation as at 31 December 2018 and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG LIMITED'S BRANCH IN HO CHI MINH CITY

Vietnam
Audit Report No.: 18-01-00411-19-1



Auvarin Phor

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

Ho Chi Minh City, 11 March 2019

Nguyen Thanh Nghi

Practicing Auditor Registration
Certificate No. 0304-2018-007-1

SEPARATE BALANCE SHEET

as at 31 December 2018

Form B 01 - DN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		203,971,935,923	218,668,950,758
Cash and cash equivalents	110	5	38,335,440,900	49,715,957,806
Cash	111		3,335,440,900	13,698,624,473
Cash equivalents	112		35,000,000,000	36,017,333,333
Short-term financial investments	120	6(a)	24,575,022,740	31,672,861,312
Trading securities	121		42,800,022,740	50,842,861,312
Allowance for diminution in the val-ue of trading securities	122		(18,225,000,000)	(19,170,000,000)
Accounts receivable - short-term	130		50,356,394,713	42,401,060,175
Accounts receivable from customers	131	7	9,914,567,599	13,815,420,637
Prepayments to suppliers	132		404,364,778	499,583,500
Loans receivable	135		17,000,000,000	14,000,000,000
Other receivables	136	8(a)	23,037,462,336	14,086,056,038
Inventories	140	9	89,513,035,886	92,708,707,771
Inventories	141		89,513,035,886	92,708,707,771
Other current assets	150		1,192,041,684	2,170,363,694
Short-term prepaid expenses	151		-	9,023,259
Deductible value added tax	152		1,192,041,684	2,161,340,435
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		1,076,870,244,584	1,047,566,995,519
Accounts receivable - long-term	210		147,173,013,550	143,276,418,915
Other long-term receivables	216	8(b)	147,173,013,550	143,276,418,915
Fixed assets	220		1,673,377,115	2,430,618,030
Tangible fixed assets	221	10	1,654,847,899	2,296,774,497
Cost	222		10,091,586,488	9,982,586,488
Accumulated depreciation	223		(8,436,738,589)	(7,685,811,991)
Intangible fixed assets	227	11	18,529,216	133,843,533
Cost	228		836,870,000	836,870,000
Accumulated amortisation	229		(818,340,784)	(703,026,467)
Investment property	230	12	121,744,850,694	125,229,716,599
Cost	231		164,521,792,920	164,521,792,920
Accumulated depreciation	232		(42,776,942,226)	(39,292,076,321)
Long-term work in progress	240		266,525,363,208	263,526,949,254
Construction in progress	242	13	266,525,363,208	263,526,949,254
Long-term financial investments	250	6(b)	534,598,373,046	510,668,084,082
Investments in subsidiaries	251		369,850,011,814	341,327,031,814
Investments in associates	252		193,894,178,945	192,251,178,945
Equity investments in other entities	253		2,250,000,000	-
Allowance for diminution in the value of long-term financial investments	254		(31,395,817,713)	(22,910,126,677)
Other long-term assets	260		5,155,266,971	2,435,208,639
Long-term prepaid expenses	261		1,765,771,861	-
Deferred tax assets	262	32(a)	3,389,495,110	2,435,208,639
TOTAL ASSETS (270 = 100 + 200)	270		1,280,842,180,507	1,266,235,946,277

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

SEPARATE BALANCE SHEET

as at 31 December 2018 (continued)

Form B 01 - DN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		563,766,845,090	556,649,920,835
Current liabilities	310		523,283,328,072	516,038,455,417
Accounts payable to suppliers	311	14	693,347,699	324,093,650
Advances from customers	312	15	44,774,673,790	17,147,958,448
Taxes and other payables to State Treasury	313	16	2,188,782,349	5,992,222,416
Payables to employees	314		6,796,650,436	6,290,279,314
Accrued expenses	315	17	11,026,588,583	16,996,190,905
Other payables - short-term	319	18(a)	418,037,709,902	432,160,646,871
Short-term borrowings	320	19	30,553,419,996	29,000,000,000
Bonus and welfare fund	322	20	9,212,155,317	8,127,063,813
Long-term liabilities	330		40,483,517,018	40,611,465,418
Other payables - long-term	337	18(b)	40,483,517,018	40,611,465,418
EQUITY (400 = 410)	400		717,075,335,417	709,586,025,442
Owners' equity	410	21	717,075,335,417	709,586,025,442
Share capital	411	22	249,955,730,000	249,955,730,000
Share premium	412		317,064,858,303	317,064,858,303
Treasury shares	415	22	(690,474,358)	(690,474,358)
Investment and development fund	418	24	24,938,303,806	24,938,303,806
Retained profits	421		125,806,917,666	118,317,607,691
TOTAL RESOURCES (440 = 300 + 400)	440		1,280,842,180,507	1,266,235,946,277

11 March 2019

Prepared by:

Approved by:



Ngô Văn Danh
Chief Accountant



Mai Việt Hà
General Director

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

SEPARATE STATEMENT OF INCOME

for the year ended 31 December 2018

Form B 02 - DN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2018 VND	2017 VND
Revenue from sales of goods and provision of services	01	26	82,886,544,985	154,196,983,367
Cost of goods sold and services provided	11	27	(35,834,872,615)	(74,127,499,128)
Gross profit (20 = 01 + 11)	20		47,051,672,370	80,069,484,239
Financial income	21	28	47,599,702,102	37,867,103,714
Financial expenses	22	29	(11,536,398,337)	(22,690,271,718)
<i>In which: Interest expense</i>	23		(3,978,136,124)	(3,628,791,313)
Selling expenses	25		(2,598,657,358)	(2,459,828,995)
General and administrative expenses	26	30	(35,028,484,098)	(36,134,028,544)
Net operating profit (30 = 20 + 21 + 22 + 25 + 26)	30		45,487,834,679	56,652,458,696
Other income	31		396,041,133	759,773,591
Other expenses	32		(79,370,955)	(5,846,008)
Results of other activities (40 = 31 + 32)	40		316,670,178	753,927,583
Accounting profit before tax (50 = 30 + 40)	50		45,804,504,857	57,406,386,279
Income tax expense - current	51	32(b)	(1,050,958,227)	(4,031,224,651)
Income tax benefit/(expense) - deferred	52	32(b)	954,286,471	(416,867,113)
Net profit after tax (60 = 50 + 51)	60		45,707,833,101	52,958,294,515

11 March 2019

Prepared by:

Approved by:



Ngô Văn Danh
Chief Accountant



Mai Việt Hà
General Director

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

SEPARATE STATEMENT OF CASH FLOWS

for the year ended 31 December 2018 (Indirect method)

Form B 03 - DN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2018 VND	2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		45,804,504,857	57,406,386,279
Adjustments for				
Depreciation and amortisation	02		4,351,106,820	4,668,108,103
Allowances and provisions	03		7,540,691,036	(11,316,214,256)
Losses on disposals of investments in subsidiaries and associates	05		-	8,400,000,000
Gains on disposals of fixed assets	05		-	(100,000,000)
Dividends and interest income	05		(46,856,952,174)	(37,832,103,714)
Interest expense	06		3,978,136,124	3,628,791,313
Operating profit before changes in working capital	08		14,817,486,663	24,854,967,725
Change in receivables	09		(7,885,547,089)	(24,222,631,847)
Change in inventories	10		3,195,671,885	58,283,728,524
Change in payables and other liabilities	11		12,525,330,644	224,701,945,918
Change in prepaid expenses	12		(1,756,748,602)	(9,023,259)
Change in trading securities	13		8,042,838,572	1,025,000,000
			28,939,032,073	284,633,987,061
Interest paid	14		(3,977,023,795)	(3,633,440,975)
Income tax paid	15		(2,704,053,465)	(9,089,549,940)
Other payments for operating activities	17		(3,562,823,222)	(5,941,205,485)
Net cash flows from operating activities	20		18,695,131,591	265,969,790,661

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

SEPARATE STATEMENT OF CASH FLOWS

for the year ended 31 December 2018 (Indirect method - cotinued)

Form B 03 - DN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2018 VND	2017 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(13,107,413,954)	(313,612,662,884)
Proceeds from disposals of fixed assets	22		-	100,000,000
Payments for granting loans	23		(35,000,000,000)	(50,577,878,732)
Receipts from collecting loans	24		22,500,000,000	34,577,878,732
Payments for investments in other entities	25		(21,917,695,333)	(44,296,729,945)
Collections of investments in subsidiary	26		-	74,600,000,000
Receipts of dividends and interest income	27		45,861,584,174	37,988,212,324
Net cash flows from investing activities	30		(1,663,525,113)	(261,221,180,505)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		30,553,419,996	30,689,432,822
Payments to settle loan principals	34		(29,000,000,000)	(38,596,628,592)
Payments of dividends	36		(29,965,543,380)	(29,968,251,980)
Net cash flows from financing activities	40		(28,412,123,384)	(37,875,447,750)
Net cash flows during the year (50 = 20 + 30 + 40)	50		(11,380,516,906)	(33,126,837,594)
Cash and cash equivalents at the beginning of the year	60		49,715,957,806	82,842,795,400
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	38,335,440,900	49,715,957,806

11 March 2019

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

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

CORPORATE INFORMATION

DECISION NO.	3448/QD-UB	9 July 2004
	3449/QD-UB	9 July 2004
	These decisions were issued by the Ho Chi Minh City People's Committee.	
BUSINESS LICENCE	4103002955	15 December 2004
	The Company's business licence has been amended several times, the most recent of which is by business licence No. 0301154821 dated 26 January 2015. The business licence was issued by Ho Chi Minh City Planning and Investment Department.	
BOARD OF MANAGEMENT	Mr. Nguyen Binh Minh	Chairman
	Mr. Mai Viet Ha	Member
	Ms. Nguyen Viet Hoa	Member
	Mr. Doan Van Quang	Member
	Mr. Nguyen Cong Binh	Member
	Mr. Nguyen Duc Trong	Member
	Mr. Luong Quang Hien	Member
	Mr. Lars Johan Gerard De Geer	Member (from 15 June 2018)
BOARD OF DIRECTORS	Mr. Mai Viet Ha	General Director
	Mr. Doan Van Quang	Deputy General Director
	Ms. Nguyen Thu Nga	Deputy General Director
	Mr. Nguyen Cong Binh	Deputy General Director
SUPERVISORY BOARD	Ms. Nguyen Nhu Anh	Head of the Board
	Mr. Nguyen Thai Hoa	Member
	Mr. Hoang Thi Thu Huong	Member (from 15 June 2018)
	Mr. Dinh Truc Phuong	Member (from 15 June 2018)
	Mr. Phan Phuong Nga	Member (until 15 June 2018)
REGISTERED OFFICE	68 Nam Ky Khoi Nghia Street District 1, Ho Chi Minh City Vietnam	
AUDITORS	KPMG Limited Vietnam	

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Saigon General Service Corporation ("the Company") and its subsidiaries (together referred to as "the Group") presents this statement and the accompanying consolidated financial statements of the Group for the year ended 31 December 2018.

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

- (a) the consolidated financial statements set out on pages 111 to 159 give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of the consolidated results of operations and the consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors



Mai Viet Ha
General Director

Ho Chi Minh City, 11 March 2019

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS SAIGON GENERAL SERVICE CORPORATION

We have audited the accompanying consolidated financial statements of Saigon General Service Corporation ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2018, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 11 March 2019, as set out on pages 111 to 159.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

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

AUDITOR'S OPINION

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Saigon General Service Corporation and its subsidiaries as at 31 December 2018 and of its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG LIMITED'S BRANCH IN HO CHI MINH CITY VIETNAM

Audit Report No.: 18-01-00410-19-2



Auvarin Phor

Practicing Auditor Registration
Certificate No. 2252-2018-007-1
Deputy General Director
Ho Chi Minh City, 11 March 2019

Nguyen Thanh Nghi

Practicing Auditor Registration
Certificate No. 0304-2018-007-1

CONSOLIDATED BALANCE SHEET

as at 31 December 2018

Form B 01 - DN/HN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		2,196,052,230,291	1,624,916,635,283
Cash and cash equivalents	110	5	268,045,104,754	222,746,938,508
Cash	111		210,007,572,879	177,619,605,175
Cash equivalents	112		58,037,531,875	45,127,333,333
Short-term financial investments	120		39,488,075,283	40,224,913,855
Trading securities	121	6(a)	42,802,075,283	50,844,913,855
Allowance for diminution in the value of trading securities	122	6(a)	(18,225,000,000)	(19,170,000,000)
Held-to-maturity investments	123	6(b)	14,911,000,000	8,550,000,000
Accounts receivable - short-term	130		695,256,990,400	599,221,889,186
Accounts receivable from customers	131	7	517,312,887,580	442,964,578,992
Prepayments to suppliers	132		85,880,071,038	69,392,710,498
Loans receivable	135		12,000,000,000	-
Other receivables	136	8(a)	80,720,767,210	87,519,799,696
Allowance for doubtful debts	137		(656,735,428)	(655,200,000)
Inventories	140	9	1,134,474,506,423	719,577,703,847
Inventories	141		1,138,523,608,918	721,918,012,039
Allowance for inventories	149		(4,049,102,495)	(2,340,308,192)
Other current assets	150		58,787,553,431	43,145,189,887
Short-term prepaid expenses	151	14(a)	11,734,520,242	11,679,648,079
Deductible value added tax	152		46,780,713,489	30,667,250,737
Taxes receivable from State Treasury	153	16(b)	272,319,700	798,291,071

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

CONSOLIDATED BALANCE SHEET

as at 31 December 2018 (continued)

Form B 01 - DN/HN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2018 VND	1/1/2018 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		2,159,597,103,287	1,992,120,506,699
Accounts receivable - long-term	210		182,178,610,222	166,556,058,346
Other long-term receivables	216	8(b)	183,178,610,222	170,706,058,346
Allowance for doubtful long-term debts	219		(1,000,000,000)	(4,150,000,000)
Fixed assets	220		457,816,965,914	394,434,367,478
Tangible fixed assets	221	10	386,374,719,139	315,443,140,263
Cost	222		597,281,457,583	483,714,814,057
Accumulated depreciation	223		(210,906,738,444)	(168,271,673,794)
Intangible fixed assets	227	11	71,442,246,775	78,991,227,215
Cost	228		81,186,312,256	87,329,292,256
Accumulated amortisation	229		(9,744,065,481)	(8,338,065,041)
Investment property	230	12	726,184,526,348	711,548,558,061
Cost	231		921,828,708,866	883,410,133,098
Accumulated depreciation	232		(195,644,182,518)	(171,861,575,037)
Long-term work in progress	240		367,635,726,677	383,146,360,661
Construction in progress	242	13	367,635,726,677	383,146,360,661
Long-term financial investments	250		384,210,488,328	314,004,776,667
Investments in associates	252	6(c)	378,850,224,328	305,315,512,667
Equity investments in other entities	253	6(c)	5,360,264,000	8,689,264,000
Other long-term assets	260		41,570,785,798	22,430,385,486
Long-term prepaid expenses	261	14(b)	38,061,909,597	19,845,795,757
Deferred tax assets	262	36(a)	3,508,876,201	2,584,589,729
TOTAL ASSETS (270 = 100 + 200)	270		4,355,649,333,578	3,617,037,141,982

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

CONSOLIDATED BALANCE SHEET

as at 31 December 2018 (continued)

Form B 01 - DN/HN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		2,820,503,318,544	2,339,689,615,983
Current liabilities	310		2,266,260,565,058	1,790,696,348,139
Accounts payable to suppliers	311	15	184,846,499,376	207,578,160,576
Advances from customers	312		164,874,327,197	117,747,178,292
Taxes and other payables to State Treasury	313	16(a)	39,422,262,288	31,021,208,093
Payables to employees	314		100,659,106,107	58,474,046,547
Accrued expenses	315	17	53,055,205,113	46,957,684,139
Unearned revenue - short-term	318	18(a)	6,773,857,186	9,807,732,225
Other payables - short-term	319	19(a)	438,146,116,890	449,369,812,625
Short-term borrowings	320	20(a)	1,262,171,559,942	855,817,418,887
Bonus and welfare fund	322	21	16,311,630,959	13,923,106,755
Long-term liabilities	330		554,242,753,486	548,993,267,844
Unearned revenue - long-term	336	18(b)	95,941,611,058	83,845,600,000
Other payables - long-term	337	19(b)	87,253,926,927	92,192,896,656
Long-term borrowings	338	20(b)	371,047,215,501	372,954,771,188
EQUITY (400 = 410)	400		1,535,146,015,034	1,277,347,525,999
Owners' equity	410	22	1,535,146,015,034	1,277,347,525,999
Share capital	411	23	249,955,730,000	249,955,730,000
Share premium	412		317,064,858,303	317,064,858,303
Other capital	414		20,242,000,000	14,850,000,000
Treasury shares	415	23	(690,474,358)	(690,474,358)
Investment and development fund	418	25	43,033,201,299	47,539,169,112
Retained profits	421		424,537,839,749	297,796,407,469
Non-controlling interest	429		481,002,860,041	350,831,835,473
TOTAL RESOURCES (440 = 300 + 400)	440		4,355,649,333,578	3,617,037,141,982

11 March 2019

Prepared by:



Ngo Van Danh
Chief Accountant

Approved by:



Mai Viet Ha
General Director

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

CONSOLIDATED STATEMENT OF INCOME

Form B 02 - DN/HN

(Issued under Circular No. 200/2014/TT - BTC dated 22 December 2014 of the Ministry of Finance)

for the year ended 31 December 2018

	Code	Note	2018 VND	2017 VND
Revenue from sales of goods and provision of services	01	27	14,881,843,305,842	13,794,724,864,291
Revenue deductions	02	27	(10,188,383,538)	(13,418,108,557)
Net revenue (10 = 01 + 02)	10	27	14,871,654,922,304	13,781,306,755,734
Cost of goods sold and services provided	11	28	(13,851,910,777,563)	(13,060,916,977,057)
Gross profit (20 = 10 + 11)	20		1,019,744,144,741	720,389,778,677
Financial income	21	29	17,898,325,134	21,270,975,508
Financial expenses	22	30	(87,738,744,569)	(107,874,217,499)
<i>In which: Interest expense</i>	23		(84,957,422,562)	(90,915,434,287)
Share of profit in associates	24	6(c)	57,903,674,161	14,315,723,152
Selling expenses	25	31	(458,726,538,431)	(415,117,754,690)
General and administrative expenses	26	32	(289,673,785,247)	(242,352,462,253)
Net operating profit/(loss) (30 = 20 + 21 + 22 + 24 + 25 + 26)	30		259,407,075,789	(9,367,957,105)
Other income	31	33	106,523,258,417	186,202,902,608
Other expenses	32	34	(3,618,577,716)	(2,848,330,374)
Results of other activities (40 = 31 + 32)	40		102,904,680,701	183,354,572,234
Accounting profit before tax (50 = 30 + 40)	50		362,311,756,490	173,986,615,129
Income tax expense - current	51	36(b)	(62,969,194,590)	(34,353,137,775)
Income tax benefit/(expense) - deferred	52	36(b)	924,286,472	(577,850,556)
Net profit after tax (60 = 50 + 51 + 52)	60		300,266,848,372	139,055,626,798
Attributable to:				
Equity holders of the Company	61		173,002,896,673	81,633,249,712
Non-controlling interest	62		127,263,951,699	57,422,377,086
Basic earnings per share	70	37	6,425	3,183

11 March 2019

Prepared by:

Approved by:



Ngo Van Danh
Chief Accountant



Mai Viet Ha
General Director

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Form B 03 - DN/HN

(Issued under Circular No. 200/2014/TT - BTC dated 22 December 2014 of the Ministry of Finance)

for the year ended 31 December 2018 (Indirect method)

	Code	Note	2018 VND	2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		362,311,756,490	173,986,615,129
Adjustments for				
Depreciation and amortisation	02		73,393,593,028	71,556,453,025
Allowances and provisions	03		(2,384,670,269)	(18,751,567,398)
Gains on disposals of fixed assets	05		(2,282,130,956)	(1,694,002,773)
Loss on partial disposals of investments in subsidiary	05		-	8,385,122,777
Dividends and interest income	05		(9,201,722,200)	(7,789,660,449)
Income from associates	05		(57,903,674,161)	(14,315,723,152)
Interest expense	06		84,957,422,562	90,915,434,287
Operating profit before changes in working capital	08		448,890,574,494	302,292,671,446
Change in receivables and other current assets	09		(99,624,128,023)	(31,513,617,449)
Change in inventories	10		(416,605,596,879)	206,215,254,847
Change in payables and other liabilities	11		70,037,650,435	251,830,132,885
Change in prepaid expenses	12		(18,270,986,003)	2,999,382,929
Change in trading securities	13		8,042,838,572	1,025,000,000
			(7,529,647,404)	732,848,824,658
Interest paid	14		(84,392,802,785)	(90,702,877,746)
Corporate income tax paid	15		(46,268,936,833)	(40,155,148,919)
Other payments for operating activities	17		(14,305,735,593)	(12,734,264,532)
Net cash flows from operating activities	20		(152,497,122,615)	589,256,533,461

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2018 (Indirect method - contined)

Form B 03 - DN/HN
(Issued under Circular No. 200/2014/TT - BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2018 VND	2017 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(173,193,772,239)	(484,978,979,817)
Proceeds from disposals of tangible fixed assets	22		29,574,377,428	32,717,320,527
Proceeds from disposals of investments in subsidiary, net of cash disposed	22		-	53,382,313,983
Payments for granting loans	23		(13,000,000,000)	(25,000,000,000)
Collections of loans	23		1,000,000,000	18,000,000,000
Placement of held-to-maturity investments	23		(7,886,000,000)	(8,550,000,000)
Collection of held-to-maturity investments	23		1,525,000,000	11,750,000,000
Payments for investments in other entities	25		(26,293,000,000)	(67,381,469,945)
Receipts of dividends and interest income	27		19,863,684,700	19,159,434,749
Net payments in other non-current assets			(12,472,551,876)	(28,901,220,126)
Net cash flows from investing activities	30		(180,882,261,987)	(479,802,600,629)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		8,871,125,408,105	8,479,051,742,167
Payments to settle loan principals	34		(8,466,678,822,737)	(8,567,848,311,678)
Proceeds from equity issued by subsidiaries to non-controlling interest			35,531,430,000	30,128,740,000
Payments of dividends to equity holders of the Company	36		(29,965,543,380)	(29,968,251,980)
Payments of dividends by subsidiaries to non-controlling interest	36		(31,334,921,140)	(29,262,352,512)
Net cash flows from financing activities	40		378,677,550,848	(117,898,434,003)
Net cash flows during the year (50 = 20 + 30 + 40)	50		45,298,166,246	(8,444,501,171)
Cash and cash equivalents at the beginning of the year	60		222,746,938,508	231,191,439,679
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	268,045,104,754	222,746,938,508

11 March 2019

Prepared by:

Approved by:



Ngô Văn Danh
Chief Accountant



Mai Việt Hà
General Director

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2018

Form B 09 - DN/HN
(Issued under Circular No. 200/2014/TT - BTC dated 22 December 2014 of the Ministry of Finance)

1. REPORTING ENTITY

(a) Ownership structure

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

The consolidated financial statements of the Company for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interest in associates.

(b) Principals activities

The principal activities of the Group are:

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

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

(c) Normal operating cycle

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

(d) Group structure

As at 31 December 2018, the Group had 2,744 employees (1 January 2018: 2,629 employees).

As at 31 December 2018, the Group had 14 subsidiaries and 16 associates (1 January 2018: 13 subsidiaries and 12 associates) as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2018 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 200/2014/TT - BTC dated 22 December 2014 of the Ministry of Finance)

1. REPORTING ENTITY (CONTINUED)

(d) Group structure (continued)

Subsidiaries

No.	Name	Principal activity	Address	Percentage of economic interest at	
				31/12/2018	1/1/2018
1	Saigon Automobile Service Joint Stock Company (SAIGON FORD)	Trading FORD cars and spare parts, providing maintenance services.	61A Cao Thang Street, Ward 3, District 3, Ho Chi Minh City, Vietnam	52.05%	52.05%
2	Toyota Giai Phong Joint Venture Company (TGP)	Trading TOYOTA cars and spare parts, providing maintenance services.	807 Giai Phong Street, Giap Bat Ward, Hoang Mai District, Hanoi City, Vietnam	51%	51%
3	Saigon Service Trading Limited Company (YAMAHA Can Tho)	Trading YAMAHA motorcycles and spare parts, providing maintenance services.	164 - 166C, 3/2 Street, Hung Loi Ward, Ninh Kieu District, Can Tho City, Vietnam	88.12%	88.12%
4	Saigon Star Corporation	Trading SUZUKI, HONDA and VEAM automobile and motorcycles and spare parts, providing maintenance services.	510 National Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam	56.80%	59.62%
5	Savico Hanoi Corporation	Operating business centre, providing hotel services; civil construction, industrial projects; agents and consignment; import and export activities; trading and maintaining automobile; providing engine rental, transportation and car parking services.	7 - 9 Nguyen Van Linh Street, Long Bien Ward, Ha Noi City, Vietnam	70%	70%
6	Toyota Can Tho Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services.	K2-0, Vo Nguyen Giap Street, Thanh Thuan Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51%	51%
7	Savico Da Nang Corporation	Trading real estate; providing workshops and office rental services; providing consulting and real estate brokerage services; trading automobile and spare parts; providing maintenance and repairing service; providing transportation services.	66 Vo Van Tan Street, Chinh Gian Ward, Thanh Khe District, Da Nang City, Vietnam	70%	70%
8	OtoS Joint Stock Company (otos.vn)	Providing e-commerce services; advertising services; trading cars and spare parts; providing maintenance and repairing services; providing software 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%	80.33%

1. REPORTING ENTITY (CONTINUED)

(d) Group structure (continued)

Subsidiaries (continued)

No.	Name	Principal activity	Address	Percentage of economic interest at	
				31/12/2018	1/1/2018
9	Da Nang Son Tra Corporation	Trading real estate; providing hotel and travel services; operating restaurant; providing foods and beverages; providing transportation and civil construction services.	Bai Trem, Hoang Sa Street, Tho Quang Ward, Son Tra District, Da Nang City, Vietnam	98%	98%
10	Saigon Cuu Long Automobile Corporation	Trading GM cars and spare parts; providing maintenance and transportation services.	274 30/4 Street, Hung Loi Ward, Ninh Kieu District, Can Tho City, Vietnam	84.17%	84.17%
11	Saigon North West Automobile Joint Stock Company	Trading trucks and spare parts; providing maintenance, repairing and transportation services.	43/7A Xuan Thoi Dong 2 Area, Xuan Thoi Dong Ward, Hoc Mon District, Ho Chi Minh City, Vietnam	80%	80%
12	Vinh Thinh Automobile Joint Stock Company	Trading HINO truck and spare parts; providing maintenance, repairing and transportation services.	5/5 Binh Giao Area, Thuan Giao Ward, Thuan An Town, Binh Duong Province, Vietnam	90%	90%
13	Nam Song Hau Automobile Joint Stock Company	Trading HONDA cars and spare parts; providing maintenance, repairing and transportation services.	Block E1-1, Vo Nguyen Giap Street, Thanh Loi Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam	51%	51%
14	Vinh Thinh Vehicle And Specialized Equipment Company Limited	Trading HYUNDAI truck, bus and spare parts; providing maintenance, repairing and transportation services.	Hamlet 1, Dong Tien Commune, Dong Phu District, Binh Phuoc Province, Vietnam	55%	-

for the year ended 31 December 2018 (continued)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 - DN/HN

(Issued under Circular No. 200/2014/TT - BTC dated 22 December 2014 of the Ministry of Finance)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2018 (continued)

Form B 09 - DN/HN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

1. REPORTING ENTITY (CONTINUED)

(d) Group structure (continued)

Associates

No.	Name	Principal activity	Address	Percentage of economic interest at	
				31/12/2018	1/1/2018
1	ComfortDelgro Savico Taxi Company Limited	Providing the transportation and maintenance services.	6 th floor, 555 Tran Hung Dao Street, Cau Kho Ward, District 1, Ho Chi Minh City, Vietnam	40.03%	40.03%
2	Toyota East Saigon Joint Stock Company (TESC)	Trading TOYOTA cars and spare parts, providing maintenance services.	507 Ha Noi Highway, District 2, Ho Chi Minh City, Vietnam	30.30%	30.30%
3	Binh Duong New City Automobile Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot C13, Hung Vuong Street, Lien Hop Area, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	38.51%	35.41%
4	Dana Joint Stock Company (DANA FORD)	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%
5	South West Star Automobile Joint Stock Company	Trading HYUNDAI cars and spare parts; providing maintenance, repairing and transportation services.	91 Cach Mang Thang Tam Street, An Thoi Ward, Binh Thuy District, Can Tho City, Vietnam	43.80%	43.80%
6	Toyota Ly Thuong Kiet Company Limited	Trading TOYOTA cars and spare parts, providing maintenance services, non-life insurance agency.	188 Le Trong Tan, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	35%	35%
7	Bac Au Automobile Joint Stock Company	Trading VOLVO cars and spare parts, providing maintenance services.	340A Nguyen Van Linh, Binh Thuan Ward, District 7, Ho Chi Minh City, Vietnam	39.81%	39.81%
8	South Saigon Automobile Service Commercial Investment Joint Stock	Trading GM cars and spare parts, providing maintenance services.	1489 Nguyen Van Linh, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam	30%	30%

1. REPORTING ENTITY (CONTINUED)

(d) Group structure (continued)

Associates (continued)

No.	Name	Principal activity	Address	Percentage of economic interest at	
				31/12/2018	1/1/2018
9	Savico Investment Joint Stock Company	Trading real estate; providing property consultancy, brokerage, auction; providing services on market study, surveys of public opinion; providing architecture and related technology consultancy; providing specialised design and construction services; trading automobile and spare parts; providing maintenance and repairing services; providing kindergarten education.	66-68 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	40%	40%
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%	25%
11	Binh Thuan Automotive Service Joint Stock Company	Trading FORD cars and spare parts, providing maintenance services.	Lot 4/3, Street No.4, Phan Thiet 1 Industrial Zone, Phong Nam Commune, Phan Thiet City, Binh Thuan Province	50%	50%
12	Ben Thanh Tay Ninh Automobile Corporation	Trading FORD cars and spare parts, providing maintenance services.	Highway 22B, Hiep Truong Hamlet, Hiep Tan Commune, Hoa Thanh District, Tay Ninh Province	50%	50%
13	Da Nang Automobile Company Limited	Trading cars, motorbikes and spare parts, providing maintenance, transportation and car rental services.	No.2 Nguyen Huu Tho Street, Hoa Thuan Tay Ward, Hai Chau District, Da Nang City	50%	-
14	Savico Quang Nam Company Limited	Trading cars, motorbikes and spare parts, providing maintenance, transportation and car rental services.	1A Highway, Van Long Hamlet, Tam Dan Commune, Phu Ninh District, Quang Nam Province	50%	-
15	Sai Gon Auto Gia Dinh Service Company Limited	Trading cars, motorbikes and spare parts, providing maintenance, transportation and car rental services.	1A Highway, Thanh Xuan Ward, District 12, Ho Chi Minh City	35%	-
16	Star Hyundai Automobile Joint Stock Company	Trading Hyundai cars and spare parts, providing maintenance services.	184C/1, 1A Town, An Phu Ward, Thuan An District, Binh Duong Province	49%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2018 (continued)

Form B 09 - DN/HN
(Issued under Circular No. 200/2014/TT - BTC
dated 22 December 2014 of the Ministry of Finance)

for the year ended 31 December 2018 (continued)

2. BASIS OF PREPARATION**(a) Statement of compliance**

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation**(i) Subsidiaries**

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

(ii) Non-controlling interests

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

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

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investments in the consolidated 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.

for the year ended 31 December 2018 (continued)

(iv) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

(v) Transactions eliminated on consolidation

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

(b) Foreign currency transactions

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

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

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

(c) Cash and cash equivalents

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

(d) Investments**(i) Trading securities**

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

(ii) Held-to-maturity investments

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

for the year ended 31 December 2018 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investments (continued)

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

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

(e) Accounts receivable

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

(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

for the year ended 31 December 2018 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible fixed assets

(i) *Land use rights*

Land use rights comprise:

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

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

(ii) *Software*

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

(i) Investment property

Investment property held to earn rental

Cost

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

Depreciation

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

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

for the year ended 31 December 2018 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Construction in progress**

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

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

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

(k) Long-term prepaid expenses**(i) Prepaid land costs**

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

(ii) Tools and supplies

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

(iii) Others

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

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

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

for the year ended 31 December 2018 (continued)

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

(o) Equity funds

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

(p) Taxation

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

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

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

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

(q) Revenue**(i) Sales of real estate**

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

for the year ended 31 December 2018 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(q) Revenue (continued)****(ii) Sales of merchandise goods**

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

(iii) Services rendered

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

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

(iv) Rental income

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

(r) Financial income**(i) Interest income**

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

(ii) Revenue from security trading

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

(iii) Dividend income

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

for the year ended 31 December 2018 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(s) Operating lease payments**

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

(t) Borrowing costs

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

(u) Earnings per share

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

(v) Segment reporting

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

(w) Related parties

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

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for the year ended 31 December 2018 (continued)

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4. SEGMENT REPORTING

For the year:

	Services and trading		Investment property services		Financial services		Total	
	2018 VND	2017 VND	2018 VND	2017 VND	2018 VND	2017 VND	2018 VND	2017 VND
Segment revenue	14,674,708,467,915	13,598,271,887,416	196,946,454,389	183,034,868,318	-	-	14,871,654,922,304	13,781,306,755,734
Segment other income	154,585,003,358	195,023,642,390	6,273,827,248	884,664,367	2,390,251,428	3,660,929,300	163,249,082,034	199,569,236,057
Direct and attributable cost of sales to segments	(13,774,533,290,859)	(12,995,607,600,797)	(77,377,486,704)	(65,309,376,260)	-	-	(13,851,910,777,563)	(13,060,916,977,057)
Direct and attributable other expenses to segments	(757,057,372,525)	(689,106,343,658)	(78,442,010,940)	(73,650,399,404)	(816,307,976)	(1,430,073,930)	(836,315,691,441)	(764,186,816,991)
Segment profit	297,702,807,889	108,581,585,351	47,400,783,993	44,959,757,021	1,573,943,452	2,230,855,370	346,677,535,334	155,772,197,743
Un-allocated income							19,272,372,603	22,220,365,211
Un-allocated expenses							(3,638,151,447)	(4,005,947,825)
Income tax							(62,044,908,118)	(34,930,988,331)
							300,266,848,372	139,055,626,798

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4. SEGMENT REPORTING (CONTINUED)

	Services and trading		Investment property services		Financial services		Total	
	31/12/2018 VND	1/1/2018 VND	31/12/2018 VND	1/1/2018 VND	31/12/2018 VND	1/1/2018 VND	31/12/2018 VND	1/1/2018 VND
Assets								
Current assets	1,989,572,301,235	1,408,612,853,747	180,711,121,765	184,573,839,659	25,768,807,291	31,729,941,877	2,196,052,230,291	1,624,916,635,283
Non-current assets	740,142,423,044	582,596,738,921	1,414,980,820,760	1,405,754,308,024	964,983,282	1,184,870,025	2,156,088,227,086	1,989,535,916,970
Un-allocated assets	-	-	-	-	-	-	3,508,876,201	2,584,589,729
	2,729,714,724,279	1,991,209,592,668	1,595,691,942,525	1,590,328,147,683	26,733,790,573	32,914,811,902	4,355,649,333,578	3,617,037,141,982
Liabilities								
Current liabilities	1,714,913,366,102	1,253,074,343,258	549,973,929,541	536,341,023,774	1,373,269,415	1,280,981,107	2,266,260,565,058	1,790,696,348,139
Non-current liabilities	106,885,854,951	101,169,212,863	447,016,953,436	447,393,472,653	339,945,099	430,582,328	554,242,753,486	548,993,267,844
	1,821,799,221,053	1,354,243,556,121	996,990,882,977	983,734,496,427	1,713,214,514	1,711,563,435	2,820,503,318,544	2,339,689,615,983
Services and trading								
2018 VND								
2017 VND								
Depreciation and amortisation	49,610,985,547	48,340,563,875	23,782,607,481	23,215,889,150	-	-	73,393,593,028	71,556,453,025
Allowances and provisions	(1,439,670,269)	(770,524,737)	-	(21,975,574,661)	(945,000,000)	3,994,532,000	(2,384,670,269)	(18,751,567,398)
Capital expenditure	122,568,147,677	106,396,937,313	70,461,484,517	422,337,526,056	-	-	193,029,632,194	528,734,463,369

For the year:

5. CASH AND CASH EQUIVALENTS

	31/12/2018 VND	1/1/2018 VND
Cash on hand	36,785,258,007	28,498,281,539
Cash in banks	173,222,314,872	149,121,323,636
Cash equivalents	58,037,531,875	45,127,333,333
	268,045,104,754	222,746,938,508

Cash equivalents at 31 December 2018 included VND11,340 million (1 January 2018: VND9,415 million) pledged with banks as security for loans granted to the Group.

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	31/12/2018				1/1/2018			
	Quantity	Carrying amount	Fair value	Allowance for diminution in value	Quantity	Carrying amount	Fair value	Allowance for diminution in value
		VND	VND	VND		VND	VND	VND
Short-term financial investments in:								
Listed shares								
» Ho Chi Minh City Electric Power Trading Investment Corporation	1,350,000	13,500,000,000	9,315,000,000	(4,185,000,000)	1,350,000	13,500,000,000	(*)	(5,130,000,000)
» Tien Len Steel Corporation Joint Stock Company	3	22,740	22,740	-	3	22,740	22,740	-
» Ben Thanh Trading and Service Joint Stock Company	-	-	-	-	9	162,572	162,572	-
» Viet Thai Joint Stock Company	-	-	-	-	650,760	8,042,676,000	8,042,676,000	-
Non-listed shares								
» Pacific Construction Investment and Commercial Joint Stock Company	500,000	14,000,000,000	(*)	(9,000,000,000)	500,000	14,000,000,000	(*)	(9,000,000,000)
» Ben Thanh Non Nuoc Joint Stock Company	900,000	9,000,000,000	(*)	-	900,000	9,000,000,000	(*)	-
» Toan Cau Insurance Company	180,000	6,300,000,000	(*)	(5,040,000,000)	180,000	6,300,000,000	(*)	(5,040,000,000)
» Hai Phong Securities Joint Stock Company	812	2,052,543	(*)	-	812	2,052,543	(*)	-
		42,802,075,283		(18,225,000,000)		50,844,913,855		(19,170,000,000)

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

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6. INVESTMENTS (CONTINUED)

(a) Trading securities (continued)

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

	2018 VND	2017 VND
Opening balance	19,170,000,000	15,175,468,000
Increase in allowance during the year	-	3,994,532,000
Written back	(945,000,000)	-
Closing balance	18,225,000,000	19,170,000,000

(b) Held-to-maturity investments

	31/12/2018		1/1/2018	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Short-term deposits	14,911,000,000	14,911,000,000	8,550,000,000	8,550,000,000

Short-term deposit at 31 December 2018 included VND11,650 million (1 January 2018: VND6,500 million) pledged with banks as security for loans granted to the Group.

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31 December 2018	% of equity owned and voting rights		Carrying amount		Fair value	
	31/12/2018	1/1/2018	31/12/2018 VND	1/1/2018 VND	31/12/2018 VND	1/1/2018 VND
Equity investments in other entities						
Equity investments in:						
Associates						
» ComfortDelgro Savico Taxi Company Limited	40.03%	40.03%	31,500,211,961	34,860,332,594	(*)	(*)
» Toyota East Saigon Joint Stock Company (TESC)	30.30%	30.30%	76,941,744,016	72,435,469,630	(*)	(*)
» Binh Duong New City Automobile Service Joint Stock Company (a)	38.51%	35.41%	30,247,244,680	25,527,962,512	(*)	(*)
» Dana Joint Stock Company (DANA FORD)	40.27%	40.27%	25,367,918,284	16,429,828,085	(*)	(*)
» South West Star Automobile Joint Stock Company	43.80%	43.80%	23,037,113,380	21,436,333,643	(*)	(*)
» Toyota Ly Thuong Kiet Company Limited	35%	35%	24,886,360,146	15,834,973,826	(*)	(*)
» Bac Au Automobile Joint Stock Company	39.81%	39.81%	44,321,822,751	28,192,701,551	(*)	(*)
» South Saigon Automobile Service Commercial Investment Joint Stock Company	30%	30%	4,461,801,529	3,885,529,321	(*)	(*)
» Savico Investment Joint Stock Company	40%	40%	63,998,852,094	63,929,820,396	(*)	(*)
» Bac Au Hanoi Automobile Limited Company	25%	25%	8,410,522,331	5,266,668,731	(*)	(*)
» Binh Thuan Automotive Service Joint Stock Company	50%	50%	10,739,054,358	10,045,138,517	(*)	(*)
» Ben Thanh Tay Ninh Automobile Corporation	50%	50%	8,072,940,135	7,470,753,861	(*)	(*)
» Da Nang Automobile Company Limited (b)	50%	-	8,154,804,483	-	(*)	(*)
» Sai Gon Auto Gia Dinh Service Company Limited (c)	35%	-	9,098,729,517	-	(*)	(*)
» Star Hyundai Automobile Joint Stock Company (d)	49%	-	8,514,597,430	-	(*)	(*)
» Savico Quang Nam Company Limited (e)	50%	-	1,096,507,233	-	(*)	(*)
			378,850,224,328	305,315,512,667		
Others						
» Other long-term investments			5,360,264,000	8,689,264,000		
			384,210,488,328	314,004,776,667		

6. INVESTMENTS (CONTINUED)

(c) Equity investments in other entities

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6. INVESTMENTS (CONTINUED)

(c) Equity investments in other entities (continued)

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

(a) On 12 February 2018, the Group acquired additionally 3.1% of shares of Binh Duong New City Automobile Service Joint Stock Company amounting to VND1,643 million and increased the percentage of economic interest from 35.41% to 38.51%.

(b) On 4 January 2018, the Group contributed 50% capital to form Da Nang Automobile Company Limited.

(c) On 19 June 2018, the Group contributed 35% capital to form Sai Gon Auto Gia Dinh Service Company Limited.

(d) On 17 June 2018, the Group contributed 49% capital to form Star Hyundai Automobile Joint Stock Company.

(e) On 7 June 2018, the Group contributed 50% capital to form Savico Quang Nam Company Limited.

Movements of investments in associates were as follows:

	2018 VND	2017 VND
Balance at the beginning of the year	305,315,512,667	191,844,327,217
New investments	26,293,000,000	68,402,469,945
Transfer from investment in subsidiaries and other long-term investments	-	60,400,000,000
Share of net profit in associates (net of income tax)	57,903,674,161	14,315,723,152
Dividends from associates	(10,661,962,500)	(11,047,007,647)
Partial disposal of an associate	-	(18,600,000,000)
Balance at the end of the year	378,850,224,328	305,315,512,667

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6. INVESTMENTS (CONTINUED)

(c) Equity investments in other entities (continued)

Summary of financial position and performance of associates were as follows::

	Total assets as of 31/12/2018 VND	Total liabilities as of 31/12/2018 VND	Owner's equity as of 31/12/2018 VND	Net profit/(loss) after tax 2018 VND
ComfortDelgro Savico Taxi Company Limited	78,685,215,764	-	78,685,215,764	(2,400,301,583)
Toyota East Saigon Joint Stock Company (TESC)	625,066,596,234	370,663,026,873	254,403,569,361	36,372,438,831
Binh Duong New City Automobile Service Joint Stock Company	153,802,832,820	92,650,129,100	61,152,703,720	12,486,126,158
Dana Joint Stock Company (DANA FORD)	141,084,737,978	78,990,124,469	62,094,613,509	23,338,916,230
South West Star Automobile Joint Stock Company	164,069,139,373	105,058,155,757	59,010,983,616	9,654,748,258
Toyota Ly Thuong Kiet Company Limited	274,472,936,226	188,590,212,077	85,882,724,149	25,861,103,773
Bac Au Automobile Joint Stock Company	333,288,269,912	231,752,598,914	101,535,670,998	41,016,569,646
South Saigon Automobile Service Commercial Investment Joint Stock Company	90,716,135,894	76,054,736,720	14,661,399,174	2,640,907,362
Savico Investment Joint Stock Company	209,763,426,550	49,779,946,112	159,983,480,438	162,458,826
Bac Au Hanoi Automobile Limited Company	78,326,742,048	45,359,364,248	32,967,377,800	12,906,481,040
Binh Thuan Automotive Service Joint Stock Company	100,787,192,590	79,427,389,862	21,359,802,728	1,387,831,678
Ben Thanh Tay Ninh Automobile Corporation	88,590,689,010	72,505,027,367	16,085,661,643	1,204,372,549
Da Nang Automobile Limited Company	49,880,819,771	33,571,210,806	16,309,608,965	6,641,693,647
Sai Gon Auto Gia Dinh Service Company Limited	76,573,919,481	50,577,549,433	25,996,370,048	996,370,048
Star Hyundai Automobile Joint Stock Company	37,359,042,046	22,932,312,596	14,426,729,450	(2,623,270,550)
Savico Quang Nam Company Limited	2,227,428,467	34,414,000	2,193,014,467	(6,985,533)

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6. INVESTMENTS (CONTINUED)

(c) Equity investments in other entities (continued)

	Total assets as of 1/1/2018 VND	Total liabilities as of 1/1/2018 VND	Owner's equity as of 1/1/2018 VND	Net profit/(loss) after tax 2017 VND
ComfortDelgro Savico Taxi Company Limited	92,606,460,284	5,520,942,938	87,085,517,346	235,064,305
Toyota East Saigon Joint Stock Company (TESC)	457,361,898,701	222,519,337,247	234,842,561,454	16,313,238,600
Binh Duong New City Automobile Service Joint Stock Company	90,547,690,235	56,657,916,272	33,889,773,963	4,416,432,199
Dana Joint Stock Company (DANA FORD)	72,261,811,694	32,339,168,604	39,922,643,090	14,402,194,362
South West Star Automobile Joint Stock Company	67,216,699,873	17,860,464,515	49,356,235,358	3,468,350,996
Toyota Ly Thuong Kiet Company Limited	213,487,391,553	153,465,771,177	60,021,620,376	21,618,133
Bac Au Automobile Joint Stock Company	193,778,149,891	133,259,048,539	60,519,101,352	5,962,544,045
South Saigon Automobile Service Commercial Investment Joint Stock Company	71,246,309,415	58,294,545,014	12,951,764,401	1,000,593,205
Savico Investment Joint Stock Company	166,214,492,012	6,393,470,400	159,821,021,612	(164,026,405)
Bac Au Hanoi Automobile Limited Company	70,225,878,633	50,164,981,873	20,060,896,760	287,441,803
Binh Thuan Automotive Service Joint Stock Company	60,183,018,277	40,112,804,227	20,070,214,050	90,277,035
Ben Thanh Tay Ninh Automobile Corporation	24,107,499,276	9,165,991,555	14,941,507,721	(58,492,279)

7. ACCOUNTS RECEIVABLE FROM CUSTOMERS

Accounts receivable from customers detailed by significant customers

	31/12/2018 VND	1/1/2018 VND
Customers in relation to sales of merchandise goods	499,704,587,120	421,818,347,701
Customers in relation to rental income	1,414,782,755	4,057,261,443
Customers in relation to sales of real estate	8,289,485,711	11,392,744,882
Other customers	7,904,031,994	5,696,224,966
	517,312,887,580	442,964,578,992

8. OTHER RECEIVABLES

(a) Other short-term receivables

	31/12/2018 VND	1/1/2018 VND
Deposits for trading used cars on behalf of customers	36,330,600,000	15,678,169,967
Advances to employees	12,410,570,532	23,299,322,087
Short-term deposits	1,112,700,000	3,703,090,000
Others	30,866,896,678	44,839,217,642
	80,720,767,210	87,519,799,696

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8. OTHER RECEIVABLES (CONTINUED)

(b) Other long-term receivables

	31/12/2018 VND	1/1/2018 VND
Receivables in business cooperation contracts (*)	110,328,536,203	106,431,941,568
Long-term deposits	60,563,953,009	52,395,615,531
Others	12,286,121,010	11,878,501,247
	183,178,610,222	170,706,058,346

(*) These receivables related to a real estate investment cooperation agreement with other partners.

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

	2018 VND	2017 VND
Opening balance	4,150,000,000	4,150,000,000
Written back	(3,150,000,000)	-
Closing balance	1,000,000,000	4,150,000,000

9. INVENTORIES

	31/12/2018		1/1/2018	
	Carrying amount VND	Allowance VND	Carrying amount VND	Allowance VND
Goods in transit	304,335,682	-	1,707,995,686	-
Materials and spare parts	11,928,292,687	-	9,263,015,115	-
Work in progress	104,078,195,400	-	100,735,006,129	-
Finished goods	1,332,902,688	-	3,199,863,453	-
Merchandise inventories (cars and motorbikes)	1,019,333,833,616	(4,049,102,495)	606,554,957,529	(2,340,308,192)
Goods on consignment	1,546,048,845	-	457,174,127	-
	1,138,523,608,918	(4,049,102,495)	721,918,012,039	(2,340,308,192)

Work in progress represented residential real estate projects.

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

	2018 VND	2017 VND
Opening balance	2,340,308,192	25,086,407,590
Increase in allowance during the year	1,708,794,303	1,551,889,252
Written back	-	(24,297,988,650)
Closing balance	4,049,102,495	2,340,308,192

At 31 December 2018 inventories with carrying value of VND407,441 million (1 January 2018: VND355,069 million) were pledged with banks as security for loans granted to the Group.

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10. TANGIBLE FIXED ASSETS

	Buildings and equipment		Machinery and equipment		Office equipment		Motor vehicles		Others		Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Cost												
Opening balance	315,818,961,753	80,707,178,578	9,538,614,429	67,463,816,194	10,186,243,103	483,714,814,057						
Additions	4,457,929,073	16,417,403,301	6,295,862,964	27,295,174,280	74,909,941	54,541,279,559						
Transfer from construction in progress	69,896,132,506	8,106,733,947	1,048,131,787	5,750,578,111	595,954,545	85,397,530,896						
Disposals	(311,937,000)	(1,161,343,000)	(277,890,633)	(24,436,927,306)	-	(26,188,097,939)						
Written off	-	(184,068,990)	-	-	-	(184,068,990)						
Closing balance	389,861,086,332	103,885,903,836	16,604,718,547	76,072,641,279	10,857,107,589	597,281,457,583						
Accumulated depreciation												
Opening balance	95,189,167,169	41,394,279,410	7,483,178,217	17,240,746,033	6,964,302,965	168,271,673,794						
Charge for the year	23,667,442,623	11,964,472,933	835,089,372	11,158,679,096	549,301,083	48,174,985,107						
Disposals	(291,141,200)	(229,035,175)	(183,301,710)	(4,652,373,382)	-	(5,355,851,467)						
Written off	-	(184,068,990)	-	-	-	(184,068,990)						
Closing balance	118,565,468,592	52,945,648,178	8,134,965,879	23,747,051,747	7,513,604,048	210,906,738,444						
Net book value												
Opening balance	220,629,794,584	39,312,899,168	2,055,436,212	50,223,070,161	3,221,940,138	315,443,140,263						
Closing balance	271,295,617,740	50,940,255,658	8,469,752,668	52,325,589,532	3,343,503,541	386,374,719,139						

Included in the cost of tangible fixed assets were assets costing VND59,104 million which were fully depreciated as of 31 December 2018 (1 January 2018: VND29,241 million), but which are still in active use.

At 31 December 2018 tangible fixed assets with carrying value of VND87,071 million (1 January 2018: VND90,996 million) were pledged with banks as security for loans granted to the Group.

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11. INTANGIBLE FIXED ASSETS

	Indefinite lived land use rights VND	Definite lived land use rights VND	Software VND	Total VND
Cost				
Opening balance	20,697,299,091	62,143,988,140	4,488,005,025	87,329,292,256
Additions	-	-	86,020,000	86,020,000
Transfer from construction in progress	-	-	261,000,000	261,000,000
Disposals	-	(6,460,000,000)	(30,000,000)	(6,490,000,000)
Closing balance	20,697,299,091	55,683,988,140	4,805,025,025	81,186,312,256
Accumulated amortisation				
Opening balance	-	4,413,583,582	3,924,481,459	8,338,065,041
Charge for the year	-	1,084,747,796	351,252,644	1,436,000,440
Disposals	-	-	(30,000,000)	(30,000,000)
Closing balance	-	5,498,331,378	4,245,734,103	9,744,065,481
Net book value				
Opening balance	20,697,299,091	57,730,404,558	563,523,566	78,991,227,215
Closing balance	20,697,299,091	50,185,656,762	559,290,922	71,442,246,775

Included in the cost of intangible fixed assets were assets costing VND3,244 million which were fully depreciated as of 31 December 2018 (1 January 2018: VND1,915 million), but which are still in active use.

At 31 December 2018 intangible fixed assets with carrying value of VND20,697 million (1 January 2018: VND20,697 million) were pledged with banks as security for loans granted to the Group.

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12. INVESTMENT PROPERTY

Investment property held to earn rental

	Land use rights VND	Buildings VND	Total VND
Cost			
Opening balance	68,707,047,550	814,703,085,548	883,410,133,098
Transfer from construction in progress	-	38,418,575,768	38,418,575,768
Closing balance	68,707,047,550	853,121,661,316	921,828,708,866
Accumulated depreciation			
Opening balance	10,570,473,702	161,291,101,335	171,861,575,037
Charge for the year	-	23,782,607,481	23,782,607,481
Closing balance	10,570,473,702	185,073,708,816	195,644,182,518
Net book value			
Opening balance	58,136,573,848	653,411,984,213	711,548,558,061
Closing balance	58,136,573,848	668,047,952,500	726,184,526,348

Included in the cost of investment properties held to earn rental were assets costing VND9,176 million which were fully depreciated as of 31 December 2018 (1 January 2018: VND8,748 million), but which are still in active use.

At 31 December 2018 investment properties held to earn rental with carrying value of VND546,214 million (1 January 2018: VND526,286 million) were pledged with banks as security for loans granted to the Group.

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

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13. CONSTRUCTION IN PROGRESS

	2018 VND	2017 VND
Opening balance	383,146,360,661	334,830,529,720
Additions during the year	108,566,472,680	344,533,978,169
Transfer to inventories	-	(57,543,338,423)
Transfer to tangible fixed assets	(85,397,530,896)	(118,592,835,130)
Transfer to intangible fixed assets	(261,000,000)	(345,093,675)
Transfer to investment property	(38,418,575,768)	-
Decrease through partial disposal of a subsidiary	-	(119,736,880,000)
Closing balance	367,635,726,677	383,146,360,661

Major constructions in progress were as follows:

	31/12/2018 VND	1/1/2018 VND
104 Pho Quang Project	266,134,935,670	263,154,634,444
Mecure Son Tra, Da Nang Project	84,351,999,406	84,351,999,406
Huynhdai Vinh Thinh's showroom construction	6,041,818,182	-
Project Savico Mall of Savico Da Nang	2,028,815,191	-
Hyundai Hung Thinh's showroom construction	1,954,725,498	-
Showroom of Tay Bac Saigon	1,399,200,000	-
Showroom of Toyota Nam Dinh, Branch of Toyota Giai Phong Joint Venture Company	-	15,580,216,010
Show room Hyundai Song Han	-	90,272,728
Auto Mall Project	-	155,027,000
Showroom of Savico Ha Noi	2,087,726,050	18,611,153,039
Ho Tram, Xuyen Moc Project	243,853,083	243,853,083
Showroom of Toyota Can Tho Company Limited	2,968,127,273	676,615,951
Others	424,526,324	282,589,000
	367,635,726,677	383,146,360,661

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14. PREPAID EXPENSES

(a) Short-term prepaid expenses

	31/12/2018 VND	1/1/2018 VND
Office and house rental	1,572,250,669	827,806,770
Tools and supplies	2,163,071,012	2,901,392,174
Prepaid land cost	-	283,500,000
Others	7,999,198,561	7,666,949,135
	11,734,520,242	11,679,648,079

(b) Long-term prepaid expenses

	31/12/2018 VND	1/1/2018 VND
Tools and supplies	8,442,784,938	10,242,179,982
Prepaid land costs	13,001,075,924	2,108,990,485
Renovation expenses	9,694,608,585	1,187,170,471
Others	6,923,440,150	6,307,454,819
	38,061,909,597	19,845,795,757

15. ACCOUNTS PAYABLE TO SUPPLIERS

Accounts payable to suppliers detailed by significant suppliers

	31/12/2018		1/1/2018	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Hyundai Thanh Cong Auto Viet Nam Joint Stock Company	42,479,885,050	42,479,885,050	34,450,439,189	34,450,439,189
Hino Motor Vietnam Limited	28,355,092,547	28,355,092,547	52,784,432,553	52,784,432,553
Suppliers in relation to Ford Brand	21,771,280,302	21,771,280,302	10,769,868,725	10,769,868,725
Isuzu Vietnam Co., Ltd (IVC)	21,544,993,996	21,544,993,996	-	-
Suppliers in relation to Toyota Brand	4,577,186,792	4,577,186,792	10,957,339,007	10,957,339,007
Veam Motor Vietnam Limited	-	-	39,926,097,872	39,926,097,872
Other suppliers	66,118,060,689	66,118,060,689	58,689,983,230	58,689,983,230
	184,846,499,376	184,846,499,376	207,578,160,576	207,578,160,576

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16. TAXES AND OTHER PAYABLES TO STATE TREASURY

(a) Taxes and other payables to State Treasury

	1/1/2018 VND	Incurred VND	Net-off/ Reclassification VND	Paid VND	31/12/2018 VND
Taxes					
Value added tax	16,138,115,891	1,633,675,552,985	(1,439,155,126,027)	(206,741,414,866)	3,917,127,983
Corporate income tax	11,425,374,583	62,969,194,590	(527,717,241)	(46,268,936,833)	27,597,915,099
Personal income tax	3,118,392,963	21,829,167,168	1,745,870	(20,518,667,883)	4,430,638,118
Other obligations					
Land rental	-	20,490,274,831	-	(17,272,617,701)	3,217,657,130
Other obligations	339,324,656	77,915,878	-	(158,316,576)	258,923,958
	31,021,208,093	1,739,042,105,452	(1,439,681,097,398)	(290,959,953,859)	39,422,262,288

(b) Taxes receivable from State Treasury

	1/1/2018 VND	Net off/ Reclassification VND	31/12/2018 VND
Corporate income tax	700,487,440	(527,717,241)	172,770,199
Personal income tax	97,803,631	1,745,870	99,549,501
	798,291,071	(525,971,371)	272,319,700

17. ACCRUED EXPENSES

	31/12/2018 VND	1/1/2018 VND
Interest on borrowings	1,625,027,988	1,060,408,211
Rental fees	354,250,910	326,454,546
Salary and related expenses	18,616,907,553	8,951,134,473
Professional service fees	9,401,125,791	9,391,282,377
Accrued expenses for operating expenses	8,474,171,601	6,832,410,408
Others	14,583,721,270	20,395,994,124
	53,055,205,113	46,957,684,139

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18. UNEARNED REVENUE

(a) Unearned revenue - short-term

	31/12/2018 VND	1/1/2018 VND
Warranty and customer care services	-	2,669,058,100
Buildings rental revenue received in advance	212,939,141	235,299,577
Portion of long-term unearned revenue to be realised within 12 months	6,552,650,000	6,622,065,152
Others	8,268,045	281,309,396
	6,773,857,186	9,807,732,225

(b) Unearned revenue - long-term

	31/12/2018 VND	1/1/2018 VND
Buildings rental revenue received in advance	102,494,261,058	90,467,665,152
Amount to be realised within 12 months	(6,552,650,000)	(6,622,065,152)
Amount to be realised after 12 months	95,941,611,058	83,845,600,000

19. OTHER PAYABLES

(a) Other payables - short-term

	31/12/2018 VND	1/1/2018 VND
Payable to a third party in a real estate project (*)	343,819,476,227	338,409,629,546
Instalment contribution received from customers in relation to Tam Binh Residential Project	27,567,765,400	36,686,014,014
Payable to a third party in relation to land rental paid on behalf of the Company	33,755,483,552	43,755,483,552
Dividends payable	1,367,304,945	1,362,239,925
Payables to customers	2,444,029,943	3,613,219,302
Insurance premium collected on behalf of insurance agencies	4,995,336,593	1,459,504,445
Others	24,196,720,230	24,083,721,841
	438,146,116,890	449,369,812,625

(*) Payable to a party of a real estate project represented advance from this party under the Cooperation Agreement dated 10 July 2014 on a project at 104 Pho Quang.

(b) Other payables - long-term

	31/12/2018 VND	1/1/2018 VND
Long-term deposits received	63,014,413,093	67,953,382,822
Other long-term payables (*)	24,239,513,834	24,239,513,834
Amount due after 12 months	87,253,926,927	92,192,896,656

(*) Other long-term payables, which were interest free, represented amounts contributed by business cooperation contract partners for participation in the Group's property project at Binh An project.

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20. BORROWINGS

(a) Short-term borrowings

	1/1/2018		Movements during the year		31/12/2018	
	Carrying amount VND	Amount within repayment capacity VND	Increase VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	830,803,284,329	830,803,284,329	8,806,261,778,025	(8,402,394,275,073)	1,234,670,787,281	1,234,670,787,281
Current portion of long-term borrowings	25,014,134,558	25,014,134,558	27,500,772,661	(25,014,134,558)	27,500,772,661	27,500,772,661
	855,817,418,887	855,817,418,887	8,833,762,550,686	(8,427,408,409,631)	1,262,171,559,942	1,262,171,559,942

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

	Currency	Annual interest rate	31/12/2018 VND	1/1/2018 VND
» Vietnam Joint Stock Commercial Bank For Industry and Trade (Vietinbank)	VND	5% - 7.20%	739,391,831,241	350,571,411,328
» Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	VND	5.20% - 6.50%	279,580,555,697	94,222,007,053
» HSBC Bank (Vietnam) Ltd.	VND	4.60% - 6.90%	97,522,244,600	91,869,420,900
» ANZ Bank Vietnam Limited	VND	4.50% - 5.50%	78,469,822,200	46,119,997,200
» Military Commercial Joint Stock Bank (MB Bank)	VND	6.80%	21,240,590,000	13,467,336,261
» CIMB Bank Vietnam Limited	VND	5.20%	6,000,000,000	-
» Bank for Investment and Development of Vietnam (BIDV)	VND	6.70% - 6.80%	5,664,334,625	10,429,238,354
» Vietnam Prosperity Joint Stock Commercial Bank (VP Bank)	VND	7.20% - 9%	4,301,408,918	3,544,062,500
» Loan from an individual	VND	5.80%	2,500,000,000	1,300,000,000
» Vietnam Thuong Tin Commercial Joint Stock Bank (Vietbank)	VND	4.90% - 7%	-	211,047,850,904
» Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	VND	6%	-	8,231,959,829
			1,234,670,787,281	830,803,284,329

Included in short-term borrowings were VND357,561 million (1 January 2018: VND174,011 million) unsecured and VND877,110 million (1 January 2018: VND656,792 million) secured by the following assets:

	31/12/2018 VND	1/1/2018 VND
Cash equivalents	11,340,080,431	9,414,870,000
Inventories	370,944,563,474	382,141,735,049
Tangible fixed assets	8,639,949,095	8,424,427,947
Short-term investments	11,650,000,000	6,500,000,000
	402,574,593,000	406,481,032,996

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20. BORROWINGS (CONTINUED)

(b) Long-term borrowings

	31/12/2018 VND	1/1/2018 VND
Long-term borrowings	398,547,988,162	397,968,905,746
Repayable within twelve months	(27,500,772,661)	(25,014,134,558)
Repayable after twelve months	371,047,215,501	372,954,771,188

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

	Currency	Annual interest rate	Year of maturity	31/12/2018 VND	1/1/2018 VND
» Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	VND	8% - 11.50%	2029	351,818,024,832	333,985,585,900
» Vietnam Joint Stock Commercial Bank For Industry and Trade (Vietinbank)	VND	9.50%	2023	21,869,003,334	20,400,000,000
» Orient Commercial Joint Stock Bank (OCB)	VND	10.60% - 11%	2028	13,849,177,331	8,900,000,000
» Vietnam Public Joint Stock Commercial Bank (Pvcom Bank)	VND	11% - 12%	2024	9,807,366,993	11,565,010,993
» Military Commercial Joint Stock Bank (MB Bank)	VND	10%	2019	659,915,672	867,514,158
» Vietnam Prosperity Joint Stock Commercial Bank (VPBank)	VND	11% - 12%	2020	544,500,000	-
» Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	VND	11.50%	2021	-	14,325,811,468
» Vietnam Joint Stock Commercial Bank For Industry and Trade (Vietinbank)	VND	9%	2019	-	6,200,000,000
» Vietnam Joint Stock Commercial Bank For Industry and Trade (Vietinbank)	VND	10.50%	2021	-	670,015,334
» Vietnam International Commercial Bank (Vietbank)	VND	7.20% - 7.60%	2019	-	1,054,967,893
				398,547,988,162	397,968,905,746

Included in long-term borrowings were VND19,388 million of unsecured borrowings (1 January 2018: VND8,900 million) and VND379,160 million of borrowings (1 January 2018: VND389,069 million) secured by the following assets:

	31/12/2018 VND	1/1/2018 VND
Inventories	36,495,951,129	-
Tangible fixed assets	78,431,263,619	82,572,007,348
Intangible fixed assets	20,697,299,091	20,697,299,091
Investment properties	546,213,846,398	526,286,191,862
	681,838,360,237	629,555,498,301

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21. BONUS AND WELFARE FUND

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

	2018 VND	2017 VND
Opening balance	13,923,106,755	22,168,124,301
Appropriation from retained profits (Note 22)	9,688,951,880	3,700,978,148
Re-appropriation to retained profits (Note 22)	-	(3,000,000,000)
Utilisation during the year	(7,300,427,676)	(8,945,995,694)
Closing balance	16,311,630,959	13,923,106,755

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22. 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 2017	249,955,730,000	317,064,858,303	2,550,000,000	(690,474,358)	46,657,038,976	261,454,985,027	1,172,485,292,339	1,172,485,292,339
Net profit for the year	-	-	-	-	-	81,633,249,712	57,422,377,086	139,055,626,798
Capital contribution by non-controlling interest	-	-	-	-	-	-	30,128,740,000	30,128,740,000
Appropriation to equity funds	-	-	-	-	1,870,782,882	(1,870,782,882)	-	-
Appropriation to bonus and welfare fund (Note 21)	-	-	-	-	-	(2,049,094,694)	(1,651,883,454)	(3,700,978,148)
Re-Appropriation to bonus and welfare fund (Note 21)	-	-	-	-	-	3,000,000,000	-	3,000,000,000
Dividends (Note 24)	-	-	-	-	-	(29,970,608,400)	(29,262,352,512)	(59,232,960,912)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(3,089,994,040)	(698,274,798)	(3,788,268,838)
Share dividends received from a subsidiary	-	-	12,300,000,000	-	(988,652,746)	(11,311,347,254)	-	-
Decreased through partial disposal of subsidiary	-	-	-	-	-	-	(599,925,240)	(599,925,240)
Balance at 1 January 2018	249,955,730,000	317,064,858,303	14,850,000,000	(690,474,358)	47,539,169,112	297,796,407,469	350,831,835,473	1,277,347,525,999
Net profit for the year	-	-	-	-	-	173,002,896,673	127,263,951,699	300,266,848,372
Capital contribution by non-controlling interest	-	-	-	-	-	-	35,531,430,000	35,531,430,000
Appropriation to bonus and welfare fund (Note 21)	-	-	-	-	-	(7,113,224,696)	(2,575,727,184)	(9,688,951,880)
Dividends (Note 24)	-	-	-	-	-	(29,970,608,400)	(31,334,921,140)	(61,305,529,540)
Appropriation to Board of Management and Supervisory Board fee fund	-	-	-	-	-	(5,411,599,110)	(1,593,708,807)	(7,005,307,917)
Share dividends received from a subsidiary	-	-	5,392,000,000	-	(3,988,710,430)	(4,283,289,570)	2,880,000,000	-
Others	-	-	-	-	(517,257,383)	517,257,383	-	-
Balance at 1 December 2018	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

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23. SHARE CAPITAL

The Company's authorised and issued share capital are:

	31/12/2018		1/1/2018	
	Number of shares	VND	Number of shares	VND
Authorised share capital	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Issued ordinary shares	24,995,573	249,955,730,000	24,995,573	249,955,730,000
Treasury ordinary shares	(20,066)	(690,474,358)	(20,066)	(690,474,358)
Ordinary shares currently in circulation	24,975,507	249,265,255,642	24,975,507	249,265,255,642

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

There were no movements in share capital during the year.

24. DIVIDENDS

The General Meeting of Shareholders of the Company on 15 June 2018 resolved to distribute dividends amounting to VND29,971 million (2017: VND29,971 million), which is equal to 12% of par value of shares in circulation at that time.

25. INVESTMENT AND DEVELOPMENT FUND

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

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26. OFF BALANCE SHEET ITEMS

(a) Leases

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

	31/12/2018 VND	1/1/2018 VND
Within one year	89,424,866,461	68,304,685,125
From two to five years	279,874,996,131	279,568,218,919
Over five years	580,204,669,368	197,293,850,095
	949,504,531,960	545,166,754,139

(b) Goods held for third parties

	31/12/2018 VND	1/1/2018 VND
Goods held for third parties	300,607,628,183	216,346,324,401

27. REVENUE FROM SALES OF GOODS AND PROVISION OF SERVICES

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

Net revenue comprised of:

	2018 VND	2017 VND
Total revenue		
» Sales of real estate	12,035,142,799	16,340,873,687
» Sales of merchandise goods	13,536,291,359,353	12,702,430,569,632
» Services rendered	1,163,177,136,820	910,629,033,908
» Rental income	170,339,666,870	165,324,387,064
	14,881,843,305,842	13,794,724,864,291
Less revenue deductions	(10,188,383,538)	(13,418,108,557)
Net revenue	14,871,654,922,304	13,781,306,755,734

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28. COST OF GOODS SOLD AND SERVICES PROVIDED

	2018 VND	2017 VND
Cost of real estate sold	6,598,472,399	9,705,017,756
Merchandise goods sold	12,926,947,136,251	12,461,214,310,341
Services rendered	859,588,516,685	555,539,249,896
Investment property rental services	57,067,857,925	57,204,498,462
Allowance/(reversal of allowance) for inventories	1,708,794,303	(22,746,099,398)
	13,851,910,777,563	13,060,916,977,057

29. FINANCIAL INCOME

	2018 VND	2017 VND
Interest income from deposits	4,763,620,700	3,833,731,149
Income from security trading	742,749,928	35,000,000
Dividends	4,438,101,500	3,955,929,300
Foreign exchange gains	84,648,344	711,323
Other financial income	7,869,204,662	13,445,603,736
	17,898,325,134	21,270,975,508

30. FINANCIAL EXPENSES

	2018 VND	2017 VND
Interest expense	84,957,422,562	90,915,434,287
Loss on partial disposal of investment in a subsidiary	-	8,385,122,777
Security trading expenses	17,571,177	2,120,000
Foreign exchange losses	-	1,352,400
(Reversal of allowance)/Allowance for diminution in the value of trading securities	(945,000,000)	3,994,532,000
Other financial expenses	3,708,750,830	4,575,656,035
	87,738,744,569	107,874,217,499

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31. SELLING EXPENSES

	2018 VND	2017 VND
Labour costs and staff costs	272,018,372,916	196,515,118,670
Outside service expenses	76,128,164,770	82,804,219,761
Depreciation expenses	25,401,956,131	22,709,174,148
Support and commission expenses for distributors	15,456,424,562	25,135,449,251
Tools and supplies	11,248,934,526	12,354,760,403
Others	58,472,685,526	75,599,032,457
	458,726,538,431	415,117,754,690

32. GENERAL AND ADMINISTRATION EXPENSES

	2018 VND	2017 VND
Labour costs and staff costs	140,780,044,644	108,046,674,768
Outside service expenses	75,515,375,303	56,881,146,008
Depreciation expenses	19,542,544,577	14,367,120,609
Others	53,835,820,723	63,057,520,868
	289,673,785,247	242,352,462,253

33. OTHER INCOME

	2018 VND	2017 VND
Gains on disposals of fixed assets	2,282,130,956	1,694,002,773
Deductions in payables granted by suppliers	65,001,999,045	126,965,249,954
Commission received from other parties	20,132,449,994	38,213,006,884
Compensation received from a party for cancellation of agreement	792,284,000	396,605,869
Others	18,314,394,422	18,934,037,128
	106,523,258,417	186,202,902,608

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34. OTHER EXPENSES

	2018 VND	2017 VND
Compensation paid to customers for cancellation of agreements	176,623,194	369,120,000
Tax penalties for late payments	153,858,242	662,585,057
Others	3,288,096,280	1,816,625,317
	3,618,577,716	2,848,330,374

35. TRADING AND BUSINESS COSTS BY ELEMENT

	2018 VND	2017 VND
Cost of real estate sold	6,598,472,399	9,705,017,756
Cost of merchandise goods	13,400,521,128,812	12,734,292,664,568
Labour costs and staff costs	537,149,723,089	416,988,804,987
Depreciation and amortisation	73,393,593,028	71,556,453,025
Outside services	296,989,941,660	260,003,119,736
Other expenses	285,658,242,253	225,841,133,928

36. INCOME TAX

(a) Recognised in the balance sheet

	31/12/2018 VND	1/1/2018 VND
Deferred tax assets		
Accrued expenses	2,554,589,730	2,584,589,729
Tax losses carry-forwards	954,286,471	-
	3,508,876,201	2,584,589,729

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36. INCOME TAX (CONTINUED)

(b) Recognised in the statement of income

	2018 VND	2017 VND
Current tax expense		
Current year	62,294,176,765	33,459,518,503
Under provision in prior years	675,017,825	893,619,272
	62,969,194,590	34,353,137,775
Deferred tax (benefit)/expenses		
Origination and reversal of temporary differences	29,999,999	(370,235,197)
Benefit of tax losses (recognised)/utilised	(954,286,471)	948,085,753
	(924,286,472)	577,850,556
Income tax expense	62,044,908,118	34,930,988,331

(c) Reconciliation of effective tax rate

	2018 VND	2017 VND
Profit before tax	362,311,756,490	173,986,615,129
Tax at income rate applicable to the Company	72,462,351,298	34,797,323,026
Non-deductible expenses	1,027,211,031	1,296,958,299
Non-taxable income	(1,760,621,784)	(725,185,860)
Effect of share of profit in associates	(11,580,734,832)	(2,863,144,630)
Deferred tax assets not recognised	3,718,395,665	3,320,062,361
Deferred tax liabilities not recognised on reversal of allowance for diminution in the value of investments in subsidiaries and associates	(1,951,441,016)	(1,788,644,137)
Tax losses utilised	(545,270,069)	-
Under provision in prior years	675,017,825	893,619,272
	62,044,908,118	34,930,988,331

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

(d) Applicable tax rates

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

for the year ended 31 December 2018 (continued)

37. BASIC EARNINGS PER SHARE

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

(i) *Net profit attributable to ordinary shareholders*

	2018 VND	2017 VND
Net profit attributable to ordinary shareholders of Saigon General Service Corporation	173,002,896,673	81,633,249,712
Appropriation to bonus and welfare fund	(7,113,224,696)	(2,049,094,694)
Re-appropriation to retained profits	-	3,000,000,000
Appropriation to Board of Management and Supervisory Board fee fund	(5,411,599,110)	(3,089,994,040)
	160,478,072,867	79,494,160,978

(ii) *Weighted average number of ordinary shares*

	2018 Number of shares	2017 Number of shares
Weighted average number of ordinary shares	24,975,507	24,975,507

As of 31 December 2018, the Group did not have potentially dilutive ordinary shares.

for the year ended 31 December 2018 (continued)

38. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Identity of related parties

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

Transactions with key management personnel

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

	2018 VND	2017 VND
Board of Management and Board of Directors	3,381,000,000	2,622,680,000
Supervisory Board	820,600,000	613,200,000
	4,201,600,000	3,235,880,000

Other related party transactions

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

Related party	Relationship	Nature of transaction	2018 VND	2017 VND
Toyota East Saigon Joint Stock Company (TESC)	Associate	Capital contribution	-	12,307,350,000
		Purchases of cars	-	3,170,909,089
		Purchases of fixed assets	-	5,346,478,180
		Dividends	4,316,362,500	4,114,170,000
		Other income	27,721,000	-
South West Start Automobile Joint Stock Company	Associate	Capital contribution	-	6,570,000,000
		Loan granted to associate	3,000,000,000	-
		Dividends	2,628,000,000	-
		Other financial income	12,096,000	40,833,333
Toyota Ly Thuong Kiet Company Limited	Associate	Capital contribution	-	4,925,119,945
		Sales of cars	11,690,875,592	31,759,830,942
		Purchases of cars	10,441,223,858	29,786,267,735
		Dividends	-	11,900,691,000
		Loan granted to associate	-	15,000,000,000
		Other financial income	-	92,083,333
Savico Investment Joint Stock Company	Associate	Capital contribution	-	16,600,000,000
		Loan granted to associate	-	10,000,000,000
		Purchases of service	-	1,188,927,266
		Other financial income	-	92,083,333
		Sales of services	120,000,000	-

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38. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Related party	Relationship	Nature of transaction	2018 VND	2017 VND
Binh Duong New City Automobile Service Joint Stock Company	Associate	Capital contribution	1,643,000,000	5,500,000,000
		Dividends	1,101,600,000	453,750,000
		Loan granted to associate	9,000,000,000	-
		Sales of cars	20,340,009,115	-
		Purchase of cars	19,359,503,810	-
		Other income	4,704,000	-
		ComfortDelgro Savico Taxi Company	Associate	Dividends
		Sales of rental	122,727,276	-
Bac Au Hanoi Automobile Limited Company	Associate	Capital contribution	-	5,000,000,000
		Sales of services	2,623,760,274	2,547,601,405
Binh Thuan Automotive Service Joint Stock Company	Associate	Capital contribution	-	10,000,000,000
		Sales of cars	24,423,959,881	-
		Purchases of cars	120,661,590,365	-
Ben Thanh Tay Ninh Automobile Corporation	Associate	Capital contribution	-	7,500,000,000
		Sales of land use rights	7,700,000,000	-
		Sales of cars	21,484,487,333	-
		Purchases of cars	82,023,171,336	-
Sai Gon Auto Gia Dinh Service Company Limited	Associate	Capital contribution	8,750,000,000	-
		Sales of cars	5,150,463,996	-
		Rental income	184,240,000	-
South Saigon Automobile Service Commercial Investment Joint Stock Company	Associate	Dividends	216,000,000	-
		Sales of goods	218,127,269	-
Dana Joint Stock Company (DANA FORD)	Associate	Sales of cars	3,066,373,590	3,461,567,301
		Purchases of cars	1,463,636,364	-
		Dividends	-	1,812,150,000
		Other income	3,272,727	82,233,668
Savico Quang Nam Company Limited	Associate	Capital contribution	1,100,000,000	-

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38. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Related party	Relationship	Nature of transaction	2018 VND	2017 VND
Da Nang Automobile Limited Company	Associate	Capital contribution	5,000,000,000	-
		Sales of cars	21,787,135,157	-
		Sales of rental	2,746,904,343	-
		Purchases of cars	3,028,547,908	-
		Sales of fixed assets	4,092,642,092	-
		Loan granted to associate	1,000,000,000	-
		Other income	12,783,680	-
		Interest income	60,716,485	-
		Interest expenses	89,873,972	-
		Others expenses	24,750,000	-
Bac Au Automobile Joint Stock Company	Associate	Sales of services	2,623,760,274	-
Star Hyundai Automobile Joint Stock Company	Associate	Capital contribution	9,800,000,000	-

39. NON-CASH INVESTING ACTIVITIES

	2018 VND	2017 VND
Investment property acquired but not yet paid	33,755,483,552	43,755,483,552
Net off receivables from disposal of investments in associate against long-term other payables	-	18,600,000,000
Net-off receivables from disposal of investments in subsidiary against advances from customers	-	10,000,000,000
Investments in associate acquired by netting-off against short-term loan receivables	-	9,800,000,000
Investment in associates acquired by netting off against short-term other receivables	-	800,000,000
Netting off account receivable from customers against short-term loan receivables	-	200,000,000

40. CORRESPONDING FIGURES

The corresponding figures as at 1 January 2018 were brought forward from the Group's audited figures as at and for the year ended 31 December 2017.

11 March 2019

Prepared by:

Approved by:



Ngo Van Danh
Chief Accountant



Mai Viet Ha
General Director