

AIRPORTS CORPORATION OF VIETNAM

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE FINANCIAL
STATEMENTS**

For the year ended 31 December 2018

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AIRPORTS CORPORATION OF VIETNAM

58 Truong Son, Ward 02, Tan Binh District
Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS

The Board of Executive Officers of Airports Corporation of Vietnam (the "Corporation") presents this report together with the Corporation's separate financial statements for the year ended 31 December 2018.

THE BOARDS OF DIRECTORS, SUPERVISORS AND EXECUTIVE OFFICERS

The members of the Boards of Directors and Executive Officers of the Corporation who held the Corporation during the year and to the date of this report are as follows:

Board of Directors

Mr. Lai Xuan Thanh	President
Mr. Vu The Phiet	Member (appointed on 24 July 2018)
Mr. Le Manh Hung	Member (resigned on 24 July 2018)
Mr. Dao Viet Dung	Member
Ms. Le Thi Dieu Thuy	Member

Board of Supervisors

Ms. Huynh Thi Dieu	Head of Board of Supervisors
Ms. Le Thi Huong Giang	Member
Mr. Nguyen Huu Phuc	Member (appointed on 4 May 2018)
Ms. Hoang Thi Thanh	Member (resigned on 4 May 2018)

Board of Executive Officers

Mr. Vu The Phiet	Chief Executive Officer (appointed on 10 August 2018)
Mr. Le Manh Hung	Chief Executive Officer (retired on 1 August 2018)
Mr. Dao Viet Dung	Deputy Chief Executive Officer
Mr. Do Tat Binh	Deputy Chief Executive Officer
Mr. Ho Minh Tien	Deputy Chief Executive Officer
Mr. Nguyen Dinh Duong	Deputy Chief Executive Officer
Mr. Le Xuan Tung	Deputy Chief Executive Officer
Mr. Vo Anh Tu	Deputy Chief Executive Officer
Ms. Le Thi Dieu Thuy	Deputy Chief Executive Officer

Mr. Lai Xuan Thanh - President of the Board of Directors is the temporary legal representative from 1 August 2018 to 9 August 2018. Chief Accountant of the Corporation is Mr. Bui A Dong.

AUDITORS

The accompanying separate financial statements of the Corporation for the year ended 31 December 2018 have been audited by Branch of Deloitte Vietnam Company Limited.

AIRPORTS CORPORATION OF VIETNAM

58 Truong Son, Ward 02, Tan Binh District
Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS (CONTINUED)

BOARD OF EXECUTIVE OFFICERS' STATEMENT OF RESPONSIBILITY

The Board of Executive Officers of the Corporation is responsible for preparing the separate financial statements, which give a true and fair view of the separate financial position of the Corporation as at 31 December 2018, and its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Executive Officers is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimise errors and frauds.

The Board of Executive Officers is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the separate financial position of the Corporation and that the separate financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Executive Officers is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Executive Officers confirms that the Corporation has complied with the above requirements in preparing these separate financial statements.

For and on behalf of the Board of Executive Officers, 



Vu The Phiet
Chief Executive Officer
30 March 2019



INDEPENDENT AUDITORS' REPORT

**To: The Shareholders, the Boards of Directors and Executive Officers
Airports Corporation of Vietnam**

We have audited the accompanying separate financial statements of Airports Corporation of Vietnam (the "Corporation"), prepared on 30 March 2019 as set out from page 5 to page 58 which comprise the separate balance sheet as at 31 December 2018, the separate statement of income and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Executive Officers' Responsibility for the Separate Financial Statements

The Board of Executive Officers is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Executive Officers determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation's preparation and fair presentation of the separate 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Executive Officers, as well as evaluating the overall presentation of the separate financial statements.

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

Auditors' Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Corporation as at 31 December 2018, and its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Emphasis of Matters

As stated in Note 1 of the Notes to the separate financial statements, we would like to draw attention to the matters as follows:

- At the date of the separate financial statements for the year ended 31 December 2018, the Corporation have not received the decision about finalisation of the Corporation's equitisation when the Corporation transformed into a joint stock company as at 31 March 2016 from the competent authorities.
- The Corporation continues to manage and utilise the assets of the Airfield and carry out the repair and maintenance as well as investment on these assets from the Airfield's operation. In awaiting authorities' guidance on management, utilisation and accounting treatment on the Airfield's assets, the assets, costs, revenues generated from the Airfield's management and utilisation are separately recorded as other receivables and other payables in the separate balance sheet as at 31 December 2018. The adjustments in relation to these operating activities (if any) will be made in accordance with competent authorities' decision and guidance.

We also draw attention to Notes 37 of the Notes to the separate financial statements, the amount of collection, payment, investment into Airfield operations regarding assets of Airfield has not been finalised by competent authorities.

Our opinion is not modified in respect of these matters.



Nguyen Quang Trung
Audit Partner

Audit Practising Registration Certificate
No. 0733-2018-001-1

**BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED**

30 March 2019

Ho Chi Minh City, S.R Vietnam

Bui Quoc Anh
Auditor

Audit Practising Registration Certificate
No. 2133-2018-001-1



SEPARATE BALANCE SHEET

As at 31 December 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		31,150,323,019,802	26,259,213,007,153
I. Cash and cash equivalents	110	4	627,594,542,751	1,307,839,261,177
1. Cash	111		627,594,542,751	907,839,261,177
2. Cash equivalents	112		-	400,000,000,000
II. Short-term financial investments	120		23,640,000,000,000	17,493,000,000,000
1. Held-to-maturity investments	123	5	23,640,000,000,000	17,493,000,000,000
III. Short-term receivables	130		6,122,192,634,770	6,955,664,440,518
1. Short-term trade receivables	131	6	2,487,477,198,541	2,042,889,342,472
2. Short-term advances to suppliers	132	7	382,641,519,206	1,373,464,764,854
3. Other short-term receivables	136	8	3,281,985,199,932	3,569,342,499,222
4. Provision for short-term doubtful debts	137	9	(29,911,282,909)	(30,032,166,030)
IV. Inventories	140	10	464,710,699,431	398,857,349,613
1. Inventories	141		464,710,699,431	398,857,349,613
V. Other short-term assets	150		295,825,142,850	103,851,955,845
1. Short-term prepayments	151	11	28,769,542,579	16,965,167,843
2. Value added tax deductibles	152		194,016,386,385	53,728,777,815
3. Taxes and other receivables from the State budget	153	18	73,039,213,886	33,158,010,187
B. NON-CURRENT ASSETS	200		21,853,024,354,468	22,501,704,748,131
I. Long-term receivables	210		321,162,713,296	352,941,856,676
1. Long-term trade receivables	211		6,300,000,200	-
2. Other long-term receivables	216	8	314,862,713,096	352,941,856,676
II. Fixed assets	220		18,334,076,626,047	18,936,237,846,799
1. Tangible fixed assets	221	12	18,330,907,616,614	18,934,891,770,444
- Cost	222		40,025,462,035,793	36,695,450,217,072
- Accumulated depreciation	223		(21,694,554,419,179)	(17,760,558,446,628)
2. Intangible assets	227	13	3,169,009,433	1,346,076,355
- Cost	228		18,380,451,988	14,894,055,361
- Accumulated amortisation	229		(15,211,442,555)	(13,547,979,006)
III. Long-term assets in progress	240		591,404,310,929	635,700,153,017
1. Long-term construction in progress	242	14	591,404,310,929	635,700,153,017
IV. Long-term financial investments	250	15	2,433,244,434,914	2,433,244,434,914
1. Investments in subsidiaries	251		60,000,000,000	60,000,000,000
2. Investments in joint-ventures, associates	252		2,189,744,434,914	2,189,744,434,914
3. Equity investments in other entities	253		184,800,000,000	184,800,000,000
4. Provision for impairment of long-term financial investments	254		(1,300,000,000)	(1,300,000,000)
V. Other long-term assets	260		173,136,269,282	143,580,456,725
1. Long-term prepayments	261	11	69,359,805,005	57,829,340,022
2. Deferred tax assets	262	16	103,776,464,277	85,751,116,703
TOTAL ASSETS (270=100+200)	270		53,003,347,374,270	48,760,917,755,284

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

SEPARATE BALANCE SHEET (CONTINUED)

As at 31 December 2018

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		22,744,641,739,617	21,757,282,510,059
I. Current liabilities	310		7,610,927,338,647	7,348,923,201,936
1. Short-term trade payables	311	17	1,150,871,885,677	1,133,590,882,595
2. Short-term advances from customers	312		28,198,297,405	20,708,930,580
3. Taxes and amounts payable to the State budget	313	18	70,673,936,832	236,922,284,580
4. Payables to employees	314		1,012,910,021,546	1,069,262,857,525
5. Short-term accrued expenses	315	19	887,673,729,621	923,589,545,663
6. Short-term unearned revenue	318		9,234,846,317	19,356,201,136
7. Other current payables	319	20	3,869,233,493,844	3,538,564,596,577
8. Short-term loans	320	22	150,932,824,856	148,235,246,033
9. Bonus and welfare funds	322	21	431,198,302,549	258,692,657,247
II. Long-term liabilities	330		15,133,714,400,970	14,408,359,308,123
1. Other long-term trade payables	337	20	90,353,729,680	80,806,885,194
2. Long-term loans	338	22	15,043,360,671,290	14,327,552,422,929
D. EQUITY	400		30,258,705,634,653	27,003,635,245,225
I. Owners' equity	410	23	30,258,705,634,653	27,003,635,245,225
1. Owners' contributed capital	411		21,771,732,360,000	21,771,732,360,000
- Ordinary shares carrying voting rights	411a		21,771,732,360,000	21,771,732,360,000
2. Share premium	412		14,602,790,587	14,602,790,587
3. Treasury shares	415		(572,470,000)	-
4. Investment and development fund	418		2,550,573,946,105	702,011,972,981
5. Retained earnings	421		5,922,369,007,961	4,515,288,121,657
- Retained earnings accumulated to the prior year end	421a		303,593,738,576	321,322,561,237
- Retained earnings of the current year	421b		5,618,775,269,385	4,193,965,560,420
TOTAL RESOURCES (440=300+400)	440		53,003,347,374,270	48,760,917,755,284



Pham Thi Phuong
Preparer



Bui A Dong
Chief Accountant



Vu The Phiet
Chief Executive Officer
30 March 2019

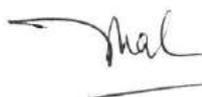
The accompanying notes are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	25	16,142,028,856,535	13,718,428,306,763
2. Deductions	02	25	48,925,751,234	43,196,600,601
3. Net revenue from goods sold and services rendered (10=01-02)	10	25	16,093,103,105,301	13,675,231,706,162
4. Cost of goods sold and services rendered	11	26	8,363,615,847,853	8,121,568,660,422
5. Gross profit from goods sold and services rendered (20=10-11)	20		7,729,487,257,448	5,553,663,045,740
6. Financial income	21	28	1,591,438,129,076	1,278,162,978,469
7. Financial expenses	22	29	755,865,128,377	596,386,421,080
- In which: Interest expense	23		95,084,582,355	96,059,178,215
8. Selling expenses	25	30	306,173,746,235	254,995,295,007
9. General and administration expenses	26	31	869,279,324,134	785,757,647,177
10. Operating profit (30=20+(21-22)-(25+26))	30		7,389,607,187,778	5,194,686,660,945
11. Other income	31	32	85,413,466,757	26,803,963,239
12. Other expenses	32	33	27,484,180,487	2,391,651,662
13. Profit from other activities (40=31-32)	40		57,929,286,270	24,412,311,577
14. Accounting profit before tax (50=30+40)	50		7,447,536,474,048	5,219,098,972,522
15. Current corporate income tax expense	51	34	1,437,260,802,237	1,043,367,898,874
16. Deferred corporate tax income	52	34	(18,025,347,574)	(18,234,486,772)
17. Net profit after tax (60=50-51-52)	60		6,028,301,019,385	4,193,965,560,420



Pham Thi Phuong
Preparer



Bui A Dong
Chief Accountant



Vu The Phiet
Chief Executive Officer
30 March 2019

SEPARATE CASH FLOW STATEMENT

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	7,447,536,474,048	5,219,098,972,522
2. Adjustments for:			
Depreciation and amortisation	02	3,951,596,741,226	4,156,318,017,690
Provisions	03	(120,883,121)	(843,819,479)
Foreign exchange difference arising from translating foreign currency items	04	638,238,848,257	489,588,948,149
Gain from investing activities	05	(1,574,931,917,324)	(1,278,733,180,181)
Interest expense	06	95,084,582,355	96,059,178,215
3. Operating profit before movements in working capital	08	10,557,403,845,441	8,681,488,116,916
Changes in receivables	09	(178,126,827,342)	(3,011,542,718,848)
Changes in inventories	10	(62,018,122,394)	31,083,391,489
Changes in payables	11	371,350,003,927	1,938,673,576,321
Changes in prepaid expenses	12	(23,334,839,719)	8,439,867,895
Interest paid	14	(95,942,288,441)	(95,306,541,848)
Corporate income tax paid	15	(2,020,000,000,000)	(1,306,185,984,483)
Other cash outflows	17	(647,542,831,332)	(2,047,682,329,355)
Net cash generated by operating activities	20	7,901,788,940,140	4,198,967,378,087
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(2,018,938,692,238)	(1,364,822,519,753)
2. Proceeds from sale, disposal of fixed assets	22	724,792,610	21,540,171,005
3. Cash outflow for lending, buying debt instruments of other entities	23	(9,800,000,000,000)	(12,408,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	3,653,000,000,000	8,423,000,000,000
5. Cash recovered from investments in other entities	26	-	42,771,360,000
6. Interest earned, dividends and profits received	27	1,458,807,033,356	1,140,226,846,693
Net cash used in investing activities	30	(6,706,406,866,272)	(4,145,284,142,055)

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

SEPARATE CASH FLOW STATEMENT (CONTINUED)*For the year ended 31 December 2018*

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Buying back issued shares	32	(572,470,000)	-
2. Proceeds from borrowings	33	234,180,466,916	31,402,837,049
3. Repayment of borrowings	34	(149,492,654,048)	(145,760,637,817)
4. Dividends and profits paid	36	(1,959,379,265,070)	(1,306,211,897,430)
<i>Net cash used in financing activities</i>	40	(1,875,263,922,202)	(1,420,569,698,198)
Net decrease in cash during the year (50=20+30+40)	50	(679,881,848,334)	(1,366,886,462,166)
Cash and cash equivalents at the beginning of the year	60	1,307,839,261,177	2,674,793,260,611
Effects of changes in foreign exchange rates	61	(362,870,092)	(67,537,268)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	627,594,542,751	1,307,839,261,177



Pham Thi Phuong
Preparer



Bui A Dong
Chief Accountant



Vu The Phiet
Chief Executive Officer
30 March 2019

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

1. GENERAL INFORMATION**Structure of ownership**

Airports Corporation of Vietnam (the "Corporation"), a joint stock company established on the basis of capitalisation of State-owned enterprise – Airports Corporation of Vietnam (One-member limited liability company), under Decision No. 1710/QĐ-TTg dated 6 October 2015 of Prime Minister, operates under the Business Registration Certificate No. 0311638525 dated 22 March 2012 and other amended certificates. The eighth amended Business Registration Certificate dated 15 August 2018 was issued by the Department of Planning and Investment of Ho Chi Minh City.

On 12 November 2018, the Ministry of Transport had transferred the representative right of State's ownership in the Corporation to the Committee for Management of State Capital at Enterprises under the Decree No. 131/2018/ND-CP on 29 September 2018 and Decision No. 1515/QĐ/TTG on 9 November 2018.

The full name of the Corporation in Vietnamese: Tổng Công ty Cảng Hàng không Việt Nam - CTCP.

The international business name: Airports Corporation of Vietnam.

The abbreviation name: ACV.

The head office: 58 Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City.

Shares of the Corporation have traded on the Unlisted Public Company Market (UPCOM) since 21 November 2016, under the code of "ACV".

The number of employees of the Corporation as at 31 December 2018 was 9,748 (as at 31 December 2017: 8,889).

Operating industry and principal activities

Pursuant to the amended Business Registration Certificate, the Corporation has registered its main business activities in the following areas:

- Direct support services to airfreight: Investment, management of capital investments, direct business and production activities at airports and aerodromes; investment, operation of infrastructures, facilities, equipment of airports and aerodromes; provision of services of aviation safety - security; supply of maintenance services for aircrafts, aeronautical equipment and devices, and other technical facilities; supply of technical services, science and technology services both domestic and offshore areas; supply of services for ground handling services; services at passenger terminals, cargo terminals; export, import, purchase and sale

of aeronautical materials, equipment, devices; agent services for carriers, tourism and transport companies, manufacturers and suppliers of aircraft materials, equipment, and aeronautical facilities; trading services, duty-free services; services at apron and other aeronautical services at airports, aerodromes; supply of aeronautical gasoline, lubricant (including fuel, lubricant, specialised liquid) and other types of gasoline at airports, aerodromes; other aviation services, public services at airports and aerodromes;

- Services of transportation of passengers, cargo, warehouse; delivery; restaurants, hotels, guesthouses;
- Construction, consulting, repair, maintenance and installation of construction works, electricity, electronics and specialised mechanical equipment, civil constructions.

Normal production and business cycle

The Corporation's normal production and business cycle are carried out for a year of 12 months or less.

Characteristics of the business activities which have impact on the separate financial statements

The Corporation has officially operated as a joint stock company since 1 April 2016. However, at the date of the separate financial statements, the competent authorities has not verify and approve the finalisation of finance, finalisation of receivables, costs incurred in the equitisation process and the actual value of the State capital portion in the Corporation when being at the time of becoming a joint stock company and the amount to be remitted to the Enterprise Restructuring and Development Fund. As such, the separate financial statements for the year ended 31 December 2018 and other reports from prior years of the Corporation may be modified subject to those decisions from the competent authorities.

According to the Decision No. 1710/QĐ-TTCP issued by the Prime Minister on 6 October 2015 on approval of scheme of equitisation plan of Parent Company - Airports Corporation of Vietnam and the official documents No. 11232/BGTVT-QLDN dated 25 August 2015, 5326/TTr-BGTVT dated 27 April 2015 and 5501/BGTVT-QLDN dated 24 May 2017 of the Ministry of Transport on the management and utilisation of Airfield's assets, the Corporation continues to manage and utilise the assets of the Airfield and carry out repairs, maintenance and investment of these assets from the Airfield's activities; ensure the continued operation of aviation airports, security and aviation safety. While waiting for authorities for guidance on management and utilisation and the regime of accounting for the Airfield's assets, the Corporation shall separately monitor the amounts related to the operation of the Airfield according to the current regulations. The adjustment of the amounts related to operation of Airfield (if any) will be followed in accordance with decision, regulation and guidance of competent authorities.

The Corporation's structure

Detailed information about the Corporation's branches, subsidiary, associates and joint ventures as at 31 December 2018:

Branches:

Branch name	Address
1. Noi Bai International Airport - Branch of Airports Corporation of Vietnam	Noi Bai International Airport, Phu Minh Commune, Soc Son District, Hanoi.
2. Da Nang International Airport - Branch of Airports Corporation of Vietnam	Hoa Thuan Tay Ward, Hai Chau District, Da Nang City.
3. Tan Son Nhat International Airport - Branch of Airports Corporation of Vietnam	58 Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City.
4. Phu Bai International Airport - Branch of Airports Corporation of Vietnam	Zone 8, Phu Bai Ward, Huong Thuy Town, Thua Thien Hue Province.
5. Chu Lai Airport - Branch of Airports Corporation of Vietnam	Tam Nghia Commune, Nui Thanh District, Quang Nam Province.
6. Cam Ranh International Airport - Branch of Airports Corporation of Vietnam	Cam Ranh International Airport, Cam Nghia Ward, Cam Ranh City, Khanh Hoa Province.
7. Can Tho International Airport - Branch of Airports Corporation of Vietnam	179B Le Hong Phong, Tra An Ward, Binh Thuy District, Can Tho City.
8. Phu Quoc International Airport - Branch of Airports Corporation of Vietnam	Group 2, Duong To Village, Duong To Commune, Phu Quoc District, Kien Giang Province.
9. Dien Bien Airport - Branch of Airports Corporation of Vietnam	Group 10, Thanh Truong Ward, Dien Bien Phu City, Dien Bien Province.
10. Na San Airport - Branch of Airports Corporation of Vietnam	Mai Son District, Son La Province.
11. Cat Bi Airport - Branch of Airports Corporation of Vietnam	Le Hong Phong Street, Thanh To Ward, Hai An District, Hai Phong City.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

Branch name (Continued)	Address (Continued)
12. Vinh International Airport - Branch of Airports Corporation of Vietnam	Nghi Lien Commune, Vinh City, Nghe An Province.
13. Dong Hoi Airport - Branch of Airports Corporation of Vietnam	Loc Ninh Commune, Dong Hoi City, Quang Binh Province.
14. Phu Cat Airport - Branch of Airports Corporation of Vietnam	1 Nguyen Tat Thanh, Ly Thuong Kiet Ward, Quy Nhon City, Binh Dinh Province.
15. Tuy Hoa Airport - Branch of Airports Corporation of Vietnam	Town 4, Phu Thanh Ward, Tuy Hoa City, Phu Yen Province.
16. Pleiku Airport - Branch of Airports Corporation of Vietnam	Street 17/3, Thong Nhat Ward, Pleiku City, Gia Lai Province.
17. Lien Khuong Airport - Branch of Airports Corporation of Vietnam	Highway 20, Lien Nghia Town, Duc Trong District, Lam Dong Province.
18. Buon Ma Thuot Airport - Branch of Airports Corporation of Vietnam	Village 3, Hoa Thang Commune, Buon Ma Thuot City, Dak Lak Province.
19. Con Dao Airport - Branch of Airports Corporation of Vietnam	Sub-zone 1, Con Dao Town, Con Dao District, Ba Ria - Vung Tau Province.
20. Rach Gia Airport - Branch of Airports Corporation of Vietnam	418 Cach Mang Thang Tam, Vinh Loi Ward, Rach Gia City, Kien Giang Province.
21. Ca Mau Airport - Branch of Airports Corporation of Vietnam	93 Ly Thuong Kiet, Ward 6, Ca Mau City.
22. Tho Xuan Airport - Branch of Airports Corporation of Vietnam	Sao Vang Airport, Sao Vang Town, Tho Xuan District, Thanh Hoa Province.

Subsidiary:

<u>Company name</u>	<u>Place of incorporation</u>	<u>Proportion of ownership interest (%)</u>	<u>Proportion of voting power held (%)</u>	<u>Principle activities</u>
Noi Bai Aviation Fuel Service Joint Stock Company	Hanoi	60	60	Supply aviation fuel

AIRPORTS CORPORATION OF VIETNAM
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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Associates, joint ventures:

Company name	Place of incorporation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principle activities
1. Southern Airports Services Joint Stock Company	Ho Chi Minh City	49.07	49.07	Ground commercial services at airports
2. Saigon Ground Services Joint Stock Company	Ho Chi Minh City	48.01	48.01	Ground commercial services at airports
3. Southern Airports Aircraft Maintenance Services Company Limited	Ho Chi Minh City	51	50	Aircrafts maintenance and repair services
4. Southern Airports Trading Joint Stock Company	Ho Chi Minh City	29.53	29.53	Production of bottled purified water, bottled mineral water; trading in transport of cargo and passenger by car
5. Southern Airports Transportation Joint Stock Company	Ho Chi Minh City	30	30	Passenger transport by road
6. Hanoi Ground Services Joint Stock Company	Hanoi	20	20	Ground services at Noi Bai Airport
7. Air Cargo Services of Vietnam Joint Stock Company	Hanoi	20	20	Cargo warehouse services

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Disclosure of information comparability in the separate financial statements

Comparative figures are the figures of the audited separate financial statements for the year ended 31 December 2017.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate financial statements, expressed in Vietnam Dong (“VND”), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying separate financial statements are presented to reflect the separate financial position as at 31 December 2018, the separate financial performance and separate cash flows for the year ended 31 December 2018. The consolidation of investments in subsidiaries, associates and joint ventures will be presented in the consolidated financial statements prepared by the Corporation. The Corporation’s investments are recognised under the accounting policies presented in Note 3 below.

The accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Corporation’s financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Corporation in the preparation of these separate financial statements, are as follows:

Estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Executive Officers to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Executive Officers’ best knowledge, actual results may differ from those estimates.



Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise term deposits.

Interest income from term deposits is recognised in the separate income statement on a time basis.

Investments in subsidiaries

A subsidiary is an entity over which the Corporation has control. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Interests in joint ventures

A joint venture is a contractual arrangement whereby the Corporation and other parties undertake an economic activity that is subject to joint control, i.e., the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Corporation's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Corporation's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Corporation and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities.

Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.



Other long-term investments

Other long-term investments represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence. Other long-term investments are initially recognised at cost plus transaction costs that are directly attributable to the acquisition of this long-term investments.

Provision for impairment of long-term financial investments

The Corporation initially recognised investments in subsidiaries, joint ventures, associates and other long-term investments at cost. The Corporation's share of the net profit of the investee after acquisition is recognised in the separate income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries, joint ventures, associates and other long-term investments are carried in the separate balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries, joint ventures associates and other long-term investments are made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 ("Circular 228") issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 ("Circular 89") by the Ministry of Finance amending and supplementing Circular 228/2009/TT-BTC and prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for overdue debts as specified in the economic contracts, contract commitments or debt commitments that have been repeatedly requested for payment by the Corporation but not yet collected, or when the debtor is in bankruptcy, in dissolution, or is experiencing similar difficulties.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase prices, non-refundable taxes, transportation and stevedoring expenses, preservation expenses during purchase, wastage norm and other directly attributable expenses that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

The Corporation applies a perpetual method to record inventories. Inventories are accounted for under perpetual inventory method. The stock-out price of material is calculated using the first in - first out (FIFO) method, the stock-out price of inventories is calculated using the weighted average method, except the stock-out price off free-duty goods are calculated using the specific identification method.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of tangible fixed assets constructed by contractors comprise the finally accounted cost of the work and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Items which have been put into use but not yet approved by authorities will be temporarily added to the cost of tangible fixed assets and depreciated. Upon a final account of these tangible fixed assets, the cost will be accordingly adjusted while depreciation expenses remain intact for adjustment (up or down) to be made over the remaining depreciable time of the assets.

Costs incurred after initial recognition in respect of repairs, maintenance, upgrades and operations of tangible fixed assets recognised in the separate income statement. Unless these costs are certain to make tangible fixed assets generate economic benefits in the future higher than initially revaluated amount, they will be debited to cost of tangible fixed assets.

Tangible fixed assets are depreciated using the straight-line method over the estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	5 - 25
Machinery and equipment	3 - 8
Motor vehicles	6
Office equipment	3 - 5

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the separate income statement.

Intangible assets and amortisation

Intangible assets represent copy rights, computer software and cost of logo design that are stated at cost less accumulated amortisation.

Copyrights, computer software and cost of logo design are amortised using the straight-line method over their estimated useful lives from 3 - 5 years.

Leasing

The Corporation as lessee

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the separate income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

The Corporation as lessor

Revenue from operating leases represents premises rental revenue at airports. Revenues from operating leases are charged to the separate income statement on a straight-line basis over the lease term.

Construction in progress

Properties in the course of construction, purchasing for production, administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets comprises purchase prices, installation and construction costs, equipment, service fees and other directly attributable expenses in accordance with the Corporation's accounting policy. Those expenses shall be capitalised into historical cost based on temporary estimate (in case total expenses have not been finalised) when they are ready for their intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use and subject to approval by appropriate level of competent authorities. Assets of the Airfield after being finally finalised shall be separate from the Corporation's assets and record as other receivables from the State Budget.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments include tools and supplies issued for consumption, rental of aircraft parking, fuel costs and are expected to provide future economic benefit to the Corporation. These expenditures have been capitalised as prepayments, and are allocated to the separate income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Payable provisions

Payable provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the Board of Executive Officers' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Revenue recognition

Revenue from the sale goods

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with; ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods of the Corporation are mainly from duty-free sales in duty-free stores at Noi Bai International Airport.

Revenue from services rendered

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from services rendered of Corporation is subjected to regulations of the State on prices and price framework of some aviation services at Airports and Aerodromes of Vietnam. In which:

Aviation services revenue

- + Revenue of passenger services
- + Revenue of passenger and baggage security screening services
- + Revenue of cargo security screening services
- + Revenue of check-in counter rental
- + Revenue of package ground handling services
- + Revenue of franchise services for aviation services
- + Revenue of flight support services
- + Revenue of other aviation services

Revenue of non-aviation services

Revenue of non-aviation services include revenue of premises lease, ground services, lease of equipment and assets, advertising lease, transport, residence, security inspection and monitoring and other non-aviation services.

Other revenue

Interest income is accrued on a timely basis and determined by the outstanding balance of deposits and the applicable interest rate.

Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

Revenue deductions

Revenue deductions at the Corporation include rebate of service for carriers, which are prorated on the total value of aviation services in monthly invoices in which the price and charge frame are stipulated in Airports and Aerodromes by the State.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the separate income statement.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are applied in accordance with the prevailing tax laws in Vietnam.

Profit distribution, appropriation of funds from profit after tax

The Corporation distributes its profits and establishes funds in accordance with the organisation and operation charter of the shareholding company and the Resolution of the Annual General Meeting of Shareholders.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	4,047,039,085	2,670,803,830
Bank demand deposits	609,643,118,915	905,168,457,347
Cash in transit	13,904,384,751	-
Cash equivalent	-	400,000,000,000
	<u>627,594,542,751</u>	<u>1,307,839,261,177</u>

5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent term deposits with maturity term from more than 6 months to less than 12 months at local commercial banks. These deposits earn a fixed interest rate ranging from 5.3% to 7.2% per annum (as at 31 December 2017: from 5.8% to 7% per annum).

6. TRADE RECEIVABLES FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Receivables from third parties		
Vietnam Airlines Corporation	572,117,188,804	535,292,072,812
VietJet Aviation Joint Stock Company	550,884,657,897	520,713,859,446
Da Nang International Terminal Investment and Operation Joint Stock Company	158,156,810,540	19,901,636,288
Jetstar Pacific Airlines Aviation Joint Stock Company	152,163,811,441	123,997,971,504
Cam Ranh International Terminal Joint Stock Company	71,354,431,311	20,952,000
Korean Airlines	55,045,564,272	53,797,452,543
Airasia Berhad	51,160,428,012	51,660,566,591
Asiana Airlines	45,650,360,974	44,311,797,559
Qatar Airways	35,371,680,930	19,256,470,689
China Southern Airlines	33,148,095,319	27,924,935,181
Thai Airways	32,557,782,282	36,282,277,327
Thai Airasia Co., LTD	31,991,880,109	14,031,643,782
Emirates Airlines	30,471,462,289	31,590,339,356
Mekong Aviation Joint Stock Company	25,907,942,217	25,907,942,217
China Airlines	23,308,515,857	21,215,555,972
Vietnam Air Petrol Company Limited	22,715,330,997	16,672,815,783
Singapore Airlines	20,868,794,346	17,108,091,370
Others	489,788,335,098	412,289,111,861
b. Receivables from related parties (Note 36)	84,814,125,846	70,913,850,191
	<u>2,487,477,198,541</u>	<u>2,042,889,342,472</u>

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7. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
JFK (JAC-ADPi-NK-OCG) Joint Venture	69,203,888,183	-
VTG Technology and Equipment Joint Stock Company	61,002,980,045	106,237,910,318
Airport Design and Construction Consultancy Company Limited One Member	31,446,092,304	3,802,897,519
Thang Long Joint Stock Company	13,415,303,268	-
Heerim Architects & Planners Co., Ltd	22,925,635,988	-
Six Four Seven Aeronautics Project Construction Joint Stock Company	18,535,344,431	28,512,509,186
An Phu Construction and Investment Joint Stock Company	15,926,326,496	-
AT Technology Development and Investment Joint Stock Company	11,565,692,398	33,496,958,361
Construction and Trading Joint Stock Company	9,387,844,381	48,002,944,880
Air and Air Defence Force Command	7,211,365,000	107,790,050,000
CIENCO 4 Group	4,665,208,037	153,609,291,003
ACC Airport Construction Corporation	-	287,684,293,504
BTK Technology Development Company Limited	820,619,000	84,201,172,871
Luu Nguyen Construction Company Limited	-	94,429,325,163
HASKY Joint Stock Company	-	40,169,415,886
Others	116,535,219,675	385,527,996,163
	<u>382,641,519,206</u>	<u>1,373,464,764,854</u>

Advances to suppliers represent the advances for construction projects at the airports of the Corporation.



8. OTHER RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Current		
Receivables from the State on expense, corporate income tax in relation to Airfield's Operation paid on behalf of the State (i)	1,219,649,038,329	1,779,199,170,447
Receivable from the State related to fixed assets in Airfield (i)	1,144,794,049,473	976,778,430,984
Interest from term deposits	755,450,767,120	550,696,805,561
Receivable from Vietnam Air Traffic Management Corporation for Meteorological Assets	55,654,707,061	50,627,055,296
Dividend received	26,250,000,000	-
Receivable related to equitisation (ii)	19,570,715,787	19,570,715,787
Others	60,615,922,162	192,470,321,147
	<u>3,281,985,199,932</u>	<u>3,569,342,499,222</u>
b. Non-current		
Soc Son Land Development Center	80,936,675,811	104,921,205,123
Receivable from compensation expenses for site clearance for the area not delivered to use in Phu Quoc	184,565,128,906	194,172,915,311
Receivable from TCP Joint Stock Company related to assets on land and land rental	41,671,912,247	37,883,556,588
Receivable from Gia Lai Construction Department	-	9,008,179,654
Others	1,973,996,132	-
Deposits and mortgages	5,715,000,000	6,956,000,000
	<u>314,862,713,096</u>	<u>352,941,856,676</u>
In which:		
c. Other receivables from related parties (Note 36)	-	<u>1,500,000,000</u>

(i) As presented in Note 1 about management and utilisation of the Airfield's assets, the Corporation split and separately monitored the assets of the Airfield after equitisation, expenses and corporate income tax expenses paid in respect of the management and utilisation of the assets of the Airfield (presented in Note 39). During the year, the Corporation had performed net-off with the Payable to the State in relation to Airfield's operation received on behalf of the State (presented in Note 20) for the period from 1 April 2016 to 31 December 2017 with the amount of VND 1,779,199,170,447.

(ii) Equitisation receivables are costs incurred in the equitisation process of the Corporation. These receivables will be offset against the State's equitisation liabilities (presented in Note 20) before refunded to the Enterprise Restructuring and Development Fund when the Corporation finalizes the equitisation with competent authorities.

9. BAD DEBTS

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Total amount of receivables past due or not past due but impaired.				
<i>In which:</i>				
<i>Mekong Aviation Joint Stock Company</i>	25,907,942,217	(25,907,942,217)	25,907,942,217	(25,907,942,217)
<i>SW Italia S.P.A (Noi Bai International Airport)</i>	643,860,058	(643,860,058)	634,633,579	(634,633,579)
<i>Noi Bai Development Services Joint Stock Company (Noi Bai International Airport)</i>	37,343,224	(37,343,224)	37,343,224	(37,343,224)
<i>Transaero Airlines</i>	2,645,440,325	(2,645,440,325)	2,645,440,325	(2,645,440,325)
<i>Viet Nguon Travel Information Joint Stock Company (Da Nang International Airport)</i>	79,265,085	(79,265,085)	79,265,085	(79,265,085)
<i>Sen Viet Co., Ltd (Cam Ranh International Airport)</i>	-	-	59,040,000	(59,040,000)
<i>Cali Hotel Co., Ltd (Phu Cat Airport)</i>	-	-	4,200,000	(4,200,000)
<i>Hung Viet Real Estate Trading Co., Ltd - Quang Ngai Branch (Chu Lai Airport)</i>	-	-	16,869,600	(16,869,600)
<i>Dong Duong Advertisement Joint Stock Company (Tuy Hoa Airport)</i>	17,424,000	(17,424,000)	17,424,000	(17,424,000)
<i>Hiep Hoa Phat Joint Stock Comapny - Phu Yen Branch (Tuy Hoa Airport)</i>	297,000,000	(297,000,000)	297,000,000	(297,000,000)
<i>Interbrand Co., Ltd (Lien Khuong Airport)</i>	283,008,000	(283,008,000)	283,008,000	(283,008,000)
<i>Trung Nam Construction Investment Joint Stock Company (Lien Khuong Airport)</i>	-	-	50,000,000	(50,000,000)
	29,911,282,909	(29,911,282,909)	30,032,166,030	(30,032,166,030)

10. INVENTORIES

	Closing balance VND	Opening balance VND
Goods in transit	804,421,514	-
Raw materials	164,419,557,255	170,476,313,981
Tools and supplies	2,796,488,175	1,322,763,001
Work in progress	4,721,929,356	7,096,872,101
Merchandise	291,968,303,131	219,961,400,530
	464,710,699,431	398,857,349,613

As at 31 December 2018 and 31 December 2017, the Corporation has no inventories that need to make provisions.

11. PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Current		
Tools and office supplies	18,425,774,734	13,363,912,180
Repair and renovation electricity system at Terminal T1	2,502,247,500	-
Insurance premium cost	4,263,149,035	1,646,367,944
Bill printing expense	1,227,994,424	139,093,335
Others	2,350,376,886	1,815,794,384
	<u>28,769,542,579</u>	<u>16,965,167,843</u>
b. Non-current		
Compensation for site clearance of the expansion project of Northern part of Da Nang International Airport	20,447,231,836	20,447,231,836
Compensation for site clearance of the expansion project of Da Nang International Airport	12,258,823,680	2,530,086,009
Tools and office supplies	23,707,519,857	15,447,958,324
Aircraft packing rental	7,348,000,000	14,696,000,000
Land rental fee and tax	1,575,530,000	2,247,530,000
Kaspersky software	1,434,400,000	209,059,710
Others	2,588,299,632	2,251,474,143
	<u>69,359,805,005</u>	<u>57,829,340,022</u>

AIRPORTS CORPORATION OF VIETNAM
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

12. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	22,500,554,351,194	12,170,535,239,710	1,931,651,047,838	92,709,578,330	36,695,450,217,072
Additions	-	56,498,649,460	203,805,813,658	3,703,243,600	264,007,706,718
Transfer from construction in progress	2,352,452,782,205	731,446,154,509	-	-	3,083,898,936,714
Disposals	(1,522,876,725)	(12,050,723,105)	(4,070,657,764)	(250,567,117)	(17,894,824,711)
Closing balance	<u>24,851,484,256,674</u>	<u>12,946,429,320,574</u>	<u>2,131,386,203,732</u>	<u>96,162,254,813</u>	<u>40,025,462,035,793</u>
ACCUMULATED DEPRECIATION					
Opening balance	8,662,724,043,437	7,870,742,915,135	1,139,688,197,405	87,403,290,651	17,760,558,446,628
Charge for the year	2,010,985,561,094	1,677,603,655,675	261,766,738,670	4,642,474,269	3,954,998,429,708
Depreciation expense of prior year	6,237,240,290	6,157,709,517	-	-	12,394,949,807
Disposals	(1,175,561,672)	(11,769,664,284)	(3,973,396,930)	(250,567,117)	(17,169,190,003)
Others	(4,650,089,568)	(9,857,961,779)	(291,297,011)	(1,428,868,603)	(16,228,216,961)
Closing balance	<u>10,674,121,193,581</u>	<u>9,532,876,654,264</u>	<u>1,397,190,242,134</u>	<u>90,366,329,200</u>	<u>21,694,554,419,179</u>
NET BOOK VALUE					
Opening balance	<u>13,837,830,307,757</u>	<u>4,299,792,324,575</u>	<u>791,962,850,433</u>	<u>5,306,287,679</u>	<u>18,934,891,770,444</u>
Closing balance	<u>14,177,363,063,093</u>	<u>3,413,552,666,310</u>	<u>734,195,961,598</u>	<u>5,795,925,613</u>	<u>18,330,907,616,614</u>

As presented in Note 22, the Corporation has pledged fully value of the construction work, machinery, equipment and other assets of T2 Passenger Terminal - Noi Bai International Airport to mortgage for the borrowings. As at 31 December 2018, the carrying value of pledged tangible fixed assets was VND 5,818,887,036,079 (as at 31 December 2017: VND 7,459,461,148,341).

As at 31 December 2018, the cost of the Corporation's tangible fixed assets includes VND 7,042,886,952,538 (as at 31 December 2017: VND 4,636,695,882,059) of assets which have been fully depreciated but are still in use.

As at 31 December 2018, the cost of the tangible fixed assets temporarily increasing and awaiting settlement is reflected in the balance sheet an amount of VND 21,635,218,581,772 (as at 31 December 2017: VND 20,281,536,401,722) (presented in Note 14). The value of these assets may vary depending on the result of construction projects completed or the approved finalisation of the construction.

13. INTANGIBLE ASSETS

	Copyrights	Computer software	Others	Total
	VND	VND	VND	VND
COST				
Opening balance	2,661,339,000	12,032,705,361	200,011,000	14,894,055,361
Additions	-	3,486,396,627	-	3,486,396,627
Reclassify	-	30,011,000	(30,011,000)	-
Closing balance	2,661,339,000	15,549,112,988	170,000,000	18,380,451,988
ACCUMULATED AMORTISATION				
Opening balance	2,600,379,136	10,777,599,870	170,000,000	13,547,979,006
Charge for the year	48,767,892	1,614,695,657	-	1,663,463,549
Reclassify	-	-	-	-
Closing balance	2,649,147,028	12,392,295,527	170,000,000	15,211,442,555
NET BOOK VALUE				
Opening balance	60,959,864	1,255,105,491	30,011,000	1,346,076,355
Closing balance	12,191,972	3,156,817,461	-	3,169,009,433

As at 31 December 2018, the cost of the Corporation's intangible fixed assets includes VND 14,363,839,161 (as at 31 December 2017: VND 8,920,650,400) of assets which have been fully amortised but are still in use.



14. CONSTRUCTION IN PROGRESS

14.1. Construction in progress

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
I. Projects belong to the Corporation		
a. Purchasing fixed assets	45,299,412,294	1,228,801,172
b. Constructions		
Construction of airport apron at the land plot No. 15 - Noi Bai International Airport	286,917,275,226	7,162,134,648
Expansion of the airport apron at the military area of 19.79 ha - Tan Son Nhat International Airport	74,440,618,927	12,258,463,631
Expansion of the north airport apron from NS to E6 - Tan Son Nhat International Airport	47,042,622,147	45,176,568,850
Expansion of the airport apron - Lien Khuong Airport	19,701,535,038	-
Construction of Long Thanh International Airport	18,488,357,001	12,114,686,681
Renovation of conveyor belt system for international flight	16,664,326,363	-
Expansion of passenger terminal - Phu Quoc International Airport	-	298,261,871,714
Construction of passenger terminal - Phu Cat Airport	-	101,183,442,836
Expansion of T2 International terminal - Tan Son Nhat International Airport	-	54,049,550,001
Others	28,529,250,855	25,590,091,874
	<u>491,783,985,557</u>	<u>555,796,810,235</u>
c. Major overhaul of fixed assets		
Renovation of passenger Terminal T1 built in 2016 - Noi Bai International Airport	-	6,830,819,230
	-	<u>6,830,819,230</u>
	<u>537,083,397,851</u>	<u>563,856,430,637</u>

14.1. Construction in progress (continued)

	Closing balance VND	Opening balance VND
II. Projects belong to airfield		
a. Constructions		
Construction of security fence at airfield - Can Tho International Airport	-	5,458,632,338
Renovation of 1A runway - Noi Bai International Airport	-	6,724,526,003
Fence and services road system - Phu Quoc International Airport	-	4,252,432,713
Renovation of E6 taxiway from E1 to E4 - Da Nang International Airport	1,486,413,788	1,495,504,698
Signal light system and ILS landing system - Tuy Hoa Airport	36,662,427,172	444,932,090
ILS landing gear system - Chu Lai Airport	-	26,487,812,844
Others	1,512,306,726	5,249,662,005
	39,661,147,686	50,113,502,691
b. Major overhaul of fixed assets		
Renovation of runway - Vinh Airport - Stage 2	12,322,991,989	-
Renovation of runway - Buon Ma Thuot Airport	-	1,554,445,454
Renovation of E1, E3, E4 taxiway project - Phu Cat Airport	-	9,421,243,636
Renovation of runway (Stage 3) - Can Tho International Airport	-	7,237,633,303
Renovation of 25R runway - Tan Son Nhat International Airport	-	2,341,414,892
Others	1,213,327,272	300,000
	13,536,319,261	20,555,037,285
	53,197,466,947	70,668,539,976
III. Constructions conducted on behalf of other entities		
a. Purchasing fixed assets		
Doppler technology of weather radar system - Tan Son Nhat International Airport	413,185,453	417,512,727
Doppler technology of weather radar system - Noi Bai International Airport	371,610,908	374,120,000
Doppler technology of weather radar system - Da Nang International Airport	243,489,089	245,752,727
AWOS system - signal light project and ILS device - Tho Xuan Airport	95,160,681	137,796,950
	1,123,446,131	1,175,182,404
Total	591,404,310,929	635,700,153,017



14.2. Constructions temporarily debited but not finalised

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Construction of T2 passenger terminal - Noi Bai International Airport	12,249,404,880,608	12,249,404,880,608
Passenger terminal - Phu Quoc Airport	1,479,819,936,748	1,479,819,936,748
Passenger terminal - Cat Bi International Airport	998,742,107,822	998,742,107,822
Expansion of International passenger terminal T2 - Tan Son Nhat International Airport	1,427,650,829,590	995,908,081,559
Construction of airport apron and passenger terminal T2 - Noi Bai International Airport	654,425,724,641	654,425,724,641
Renovation and expansion of airport apron - Tan Son Nhat International Airport	573,105,697,717	559,904,270,229
Expansion of T1 passenger terminal - Noi Bai International Airport	-	459,831,423,452
Passenger terminal - Phu Cat Airport	407,575,948,174	-
Passenger terminal - Vinh Airport	388,288,734,301	388,288,734,301
Renovation and expansion of domestic terminal - Tan Son Nhat International Airport	364,188,600,567	364,188,600,567
Construction of taxiway system and airport apron, light system (airport apron)	274,393,952,913	274,393,952,913
Construction of passenger terminal - Noi Bai International Airport	-	235,830,514,808
Passenger terminal - Tho Xuan Airport	229,059,199,604	229,059,199,604
Expansion of airport apron - Can Tho Airport	318,729,882,923	-
Construction of passenger terminal - Tuy Hoa Airport	-	204,100,713,319
Expansion of the north airport apron from NS to E6- Tan Son Nhat International Airport	414,218,013,610	175,251,664,509
Renovation of airport apron in front of international terminal - Da Nang International Airport	156,612,255,208	156,612,255,208
Expansion of airport apron to the north and construct taxiway E7 - Da Nang International Airport	118,545,346,663	135,708,500,294
Elevated roads and car parking - Vinh Airport	119,578,626,442	119,578,626,442

14.2. Constructions temporarily debited but not finalised (continued)

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Construction of airport apron - Tho Xuan Airport	-	96,897,533,229
Entrance to Phu Quoc International Airport	95,664,499,385	95,664,499,385
Renovation of passenger terminal, car park - Phu Bai Airport	85,541,084,102	85,541,084,102
Construction of taxiway and airport apron - Tuy Hoa Airport (airport apron)	-	85,437,641,390
Construction of runway, taxiway and airport apron - Phu Quoc International Airport (airport apron)	-	77,410,272,396
Passenger terminal - Da Nang International Airport	74,825,064,014	74,825,064,014
Renovation and expansion of passenger terminal - Cam Ranh International Airport	-	71,073,321,265
Expansion of airport apron - Pleiku International Airport	-	58,550,082,438
Expansion of airport apron - Phu Bai International Airport	49,171,581,949	49,171,581,949
Renovation of T1 passenger terminal - Noi Bai International Airport	200,872,285,978	46,674,943,554
Renovation and expansion of passenger terminal - Pleiku Airport	46,222,069,135	46,222,069,135
Expansion and renovation of runway, taxiway and airport apron - Pleiku Airport (airport apron)	-	42,206,179,536
Construction of airport apron, No. 17 station, from No. 21 to 23 station - Tan Son Nhat International Airport	41,620,560,637	41,620,560,637
Construction of and expanding airport apron - Vinh Airport	-	40,061,006,532
Cargo terminal and office - Phu Quoc International Airport	-	37,840,994,261
Renovation and expansion terminal, car parking - Chu Lai Airport	130,398,695,184	864,545,455
Expansion of airport apron - Dong Hoi Airport	36,076,158,965	36,076,158,965
Construction of additional No. 1 passenger road - Airport terminal - Da Nang International Airport	-	29,936,891,328
Expansion of passenger terminal - Phu Quoc International Airport	787,445,940,990	21,910,245,057
Source station system for Vinh Airport	-	21,241,953,637

14.2. Constructions temporarily debited but not finalised (continued)

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Medium voltage power supply system for Cat Bi International Airport	-	15,682,267,227
Outside garage - Phu Quoc International Airport	15,136,709,537	15,136,709,537
Operator Terminal - Tho Xuan Airport	12,401,453,757	-
Renovation and expansion of airport apron - Chu Lai Airport	59,424,964,060	-
Expansion of the airport apron at the military area of 19.79 ha - Tan Son Nhat International Airport	455,925,516,384	-
Renovation of passenger terminal, office - Con Dao Airport	-	11,521,752,266
Renovation of passenger terminal - Pleiku Airport	32,496,571,862	32,496,571,862
Construction of drainage, lighting system, garage, other - Tho Xuan Airport	-	11,356,077,273
Investing for Construction of restaurant, office and toilet for airlines - Cam Ranh International Airport	10,485,537,081	10,485,537,081
Others	43,152,406,801	57,957,048,321
	<u>22,351,200,837,352</u>	<u>20,894,911,778,856</u>

The temporarily debited constructions included the cost of fixed assets, which have been provisionally increased but not finalised, with the total amount of VND 21,635,218,581,772 (as at 31 December 2017: VND 20,281,536,401,722) (presented in Note 12) and other overhaul projects with the total amount of VND 715,982,255,580 (as at 31 December 2017: VND 613,375,377,134).

15. LONG-TERM FINANCIAL INVESTMENTS

Details of the Corporation's subsidiaries, joint ventures, associates and other long-term investments are as follows:

	Closing balance			Opening balance		
	Cost VND	Provision	Percentage of ownership VND	Cost VND	Provision VND	Percentage of ownership
a. Investment in subsidiaries	60,000,000,000	-		60,000,000,000	-	
Noi Bai Aviation Fuel Service Joint Stock Company	60,000,000,000	-	60.00%	60,000,000,000	-	60.00%
b. Investment in joint-ventures and associates	2,189,744,434,914	-		2,189,744,434,914	-	
Southern Airports Services Joint Stock Company	1,585,201,640,000	-	49.07%	1,585,201,640,000	-	49.07%
Saigon Ground Services Joint Stock Company	486,859,102,200	-	48.01%	486,859,102,200	-	48.01%
Southern Airports Aircraft Maintenance Services Company Limited (i)	15,300,000,000	-	51.00%	15,300,000,000	-	51.00%
Southern Trading and Aviation Services Joint Stock Company	7,532,433,978	-	29.53%	7,532,433,978	-	29.53%
Southern Airport Transportation Joint Stock Company	14,851,258,736	-	30.00%	14,851,258,736	-	30.00%
Hanoi Ground Services Joint Stock Company	30,000,000,000	-	20.00%	30,000,000,000	-	20.00%
Aviation Cargo Services Joint Stock Company	50,000,000,000	-	20.00%	50,000,000,000	-	20.00%
c. Other long-term investment	184,800,000,000	1,300,000,000		184,800,000,000	1,300,000,000	
Saigon Cargo Service Joint Stock Company	75,000,000,000	-	13.12%	75,000,000,000	-	13.12%
Da Nang International Airport Investment and Exploitation Joint Stock Company	30,000,000,000	-	10.00%	30,000,000,000	-	10.00%
TCP Investment Joint Stock Company	19,800,000,000	1,300,000,000	18.00%	19,800,000,000	1,300,000,000	18.00%
Cam Ranh International Passenger Joint Stock Company	60,000,000,000	-	10.00%	60,000,000,000	-	10.00%
	<u>2,434,544,434,914</u>	<u>1,300,000,000</u>		<u>2,434,544,434,914</u>	<u>1,300,000,000</u>	

(i) Southern Airports Aircraft Maintenance Services Company Limited is a joint venture company established by the Corporation and Singapore SIA Engineering Company Limited in 2009 to jointly provide aircraft maintenance services in Vietnam.

17. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Trade payables to third parties		
New Asia Wave International (S) Pte. Ltd	288,685,081,912	242,090,867,464
International Joint Venture of Vinaconex - Taisei Company Limited	-	128,668,690,193
REE Mechanical And Electrical Engineering Joint Stock Company	122,679,172,596	30,991,746,544
ACC Airport Construction Corporation	68,623,698,466	-
Hoa Binh Construction and Real Estate Corporation	65,452,098,236	50,512,338,144
Duy Anh Trading Company Limited	67,648,883,537	23,492,646,362
Luu Nguyen Construction Company Limited	52,251,177,629	-
Petro IMICO Construction Investment Joint Stock Company	34,998,542,151	11,414,429,689
VIC Joint Venture Construction Joint Stock Company	21,260,347,811	28,287,532,447
Autogrill VFS F&B Company Limited	19,906,487,518	17,860,735,698
Dong A International Corporation Joint Stock Company	18,388,125,646	18,388,125,646
JRP International Pte. Ltd	15,799,936,581	15,977,948,316
Construction No. 9 Joint Stock Company	14,775,114,956	-
HASKY Joint Stock Company	14,370,467,574	-
Song Hong Corporation	11,502,373,219	12,214,193,422
Civil Engineering Construction Joint Stock Corporation 8	10,146,617,244	10,210,001,560
Others	310,386,765,523	530,766,510,831
b. Trade payables to related parties (Note 36)	13,996,995,078	12,715,116,279
	<u>1,150,871,885,677</u>	<u>1,133,590,882,595</u>

The Corporation is capable of paying all short-term payables.

18. TAXES AND OTHER PAYABLES TO/ RECEIVABLES FROM THE STATE BUDGET

	<u>Opening balance</u> VND	<u>Payable/ Receivable during the year</u> VND	<u>Paid/Received during the year</u> VND	<u>Closing balance</u> VND
Taxes and payables to the State Budget				
Value added tax	11,597,462,680	292,350,417,379	257,400,707,826	46,547,172,233
License tax	-	27,000,000	27,000,000	-
Import and export tax	-	402,379,265	402,379,265	-
Corporate income tax (*)	201,640,629,634	1,758,840,371,702	1,960,481,001,336	-
Personal income tax	949,073,978	285,789,064,564	263,246,383,378	23,491,755,164
Natural resource tax	161,248,924	2,166,018,132	2,160,128,511	167,138,545
Land, housing tax, land rental charges	22,305,227,741	80,433,147,919	102,738,375,660	-
Foreign contractor tax	233,670,559	7,118,106,865	6,978,622,495	373,154,929
Profit to State budget	-	-	-	-
Other payable	34,971,064	774,773,284	715,028,387	94,715,961
	<u>236,922,284,580</u>	<u>2,427,901,279,110</u>	<u>2,594,149,626,858</u>	<u>70,673,936,832</u>
Taxes and receivables from the State Budget				
Value added tax	213,729,817	478,085,965	213,729,817	478,085,965
Corporate income tax	-	59,518,998,664	-	59,518,998,664
Personal income tax	16,735,666,785	16,186,792,611	30,430,368,255	2,492,091,141
Land, housing tax, land rental charges	1,031,136,174	2,641,783,214	3,006,019,853	666,899,535
Foreign contractor tax	6,898,881,166	46,714	6,898,881,166	46,714
Profit paid to the State budget	8,278,596,245	11,473,501,150	9,869,005,528	9,883,091,867
	<u>33,158,010,187</u>	<u>90,299,208,318</u>	<u>50,418,004,619</u>	<u>73,039,213,886</u>

(*) Corporate income tax during the year includes corporate income tax that the Corporation paid on behalf related to management and utilisation activities of the Airfield's assets (presented in Note 8 and Note 39).

19. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Temporarily increased cost of fixed assets amount	670,376,715,835	707,282,096,908
Temporarily increased overhaul expense	70,848,345,464	82,934,812,588
Land tax, land rental	86,036,288,872	77,428,404,047
Interest expense	28,604,061,808	29,461,767,894
Flight calibration cost	7,015,872,276	11,064,228,840
Repairing expense	5,254,315,484	8,110,869,184
Water expense	1,367,495,683	1,572,048,590
Electricity expense	1,784,134,621	1,501,931,834
Cleaning service	3,043,982,214	1,083,377,182
Dangerous and harmful environment allowance	1,773,651,181	841,973,796
Land survey fees for 21 airports	2,409,446,127	-
Communications	910,078,810	594,140,564
Others	8,249,341,246	1,713,894,236
	<u>887,673,729,621</u>	<u>923,589,545,663</u>

20. OTHER PAYABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Current		
Payable related to equitisation (i)	43,894,499,381	16,394,098,274
Payable to the State in relation to Airfield's operation received on behalf of the State (ii)	3,631,231,189,483	3,291,475,771,281
Dividend payment	129,361,500	92,044,170
Investing expense for Tho Xuan Airport payable to Thanh Hoa Department of Transportation	75,132,858,000	75,132,858,000
Short-term deposit	46,655,089,760	42,602,146,796
Airport franchise expense	17,936,905,000	17,141,950,000
Business cooperation expense	-	6,007,826,410
Income tax payable for the employees	39,242,506,017	80,664,695,747
Union fees	8,122,674,798	1,818,949,021
Social, health, unemployed insurance	36,193,080	29,157,879
Others	6,852,216,825	7,205,098,999
	<u>3,869,233,493,844</u>	<u>3,538,564,596,577</u>
b. Non-current		
Long-term deposit	<u>90,353,729,680</u>	<u>80,806,885,194</u>

(i) This is the amount to be remitted to the Enterprise Restructuring and Development Fund (according to Clause 3, Article 21 of Decree 59/2011), the difference between the actual value of the State capital portion in the Corporation when being equitised and the value of the State capital remained for investment in the Corporation when becoming a joint stock company. As at 31 December 2018, the Corporation has temporarily paid an amount of VND 3,194,868,068,494 (as at 31 December 2017:



VND 3,194,868,068,494) to the State Budget based on the proceeds from equitisation. Therefore, the remaining amount of equitisation will be finalised and offset against the State's equitisation receivables (presented in Note 8) before refunding finalisation of the Corporation's equitisation.

(ii) As presented in Note 1 relating to management and utilisation of the Airfield's assets, the Corporation split and separately monitored all revenue related to the operation of the Airfield on the other payables, corresponding to the Airfield's assets that the Corporation is managing and operating (presented in Note 39). During the year, according to Document No. 1147/TCT-DNL, the Corporation performed net-off with the Receivables to the State expenses, corporate income tax paid on behalf of the State in relation to Airfield's operation (presented in Note 8) with the amount of VND 1,779,199,170,447. Besides, the Corporation had temporarily paid to the State Budget the difference between collection and payment amount in respect of the management and utilisation of the assets of the Airfield for the period from 1 July 2014 to 31 December 2017 with the amount of VND 376,739,160,018.

21. BONUS AND WELFARE FUNDS

	<u>Bonus fund</u>	<u>Welfare fund</u>	<u>Management bonus fund</u>	<u>Total</u>
	VND	VND	VND	VND
Opening balance	257,075,382,435	292,943,560	1,324,331,252	258,692,657,247
Fund distribution	802,170,961,670	11,305,038,330	5,575,500,000	819,051,500,000
Other increase	996,976,634	-	-	996,976,634
Fund usage	<u>(631,832,768,166)</u>	<u>(11,597,981,890)</u>	<u>(4,112,081,276)</u>	<u>(647,542,831,332)</u>
Closing balance	<u>428,410,552,573</u>	-	<u>2,787,749,976</u>	<u>431,198,302,549</u>

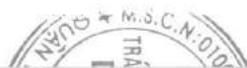
Bonus and welfare funds are distributed from retained earnings in accordance with the Resolution of Annual General Meeting of Shareholders of the Corporation. These funds are used in accordance with the Board of Directors' Decision No. 22/QD-HDQT dated 31 January 2018 about the use of bonus and welfare funds.

Pursuant to the Resolution of Annual General Meeting of Shareholders No. 02/NQ-DHDCD dated 04 May 2018, the Corporation approved the appropriation from retained earnings for the year 2017 to Investment and development fund with the amounts of VND 1,848,561,973,124; Bonus and welfare funds with the amount of VND 406,738,000,000 and Management fund with the amount of VND 2,787,750,000.

During the year, the Corporation distributed to funds from the retained earnings of 2017 according to the Resolution of Annual General Meeting of Shareholders No. 02/NQ-DHDCD dated 04 May 2018 and temporarily distributed the retained earnings of 2018 similar to those of 2017, including: Bonus and welfare funds with the amount of VND 406,738,000,000 and Management funds with the amounts of VND 2,787,750,000.

22. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		During the year			Closing balance	
	Amount	Amount to be paid	Increase	Decrease	Foreign exchange revaluation at the year end	Amount	Amount to be paid
	VND	VND	VND	VND	VND	VND	VND
Current portion of long-term loans							
Japan International Cooperation Agency (JICA) (1)	148,235,246,033	148,235,246,033	154,668,496,342	149,492,654,048	(2,478,263,471)	150,932,824,856	150,932,824,856
	148,235,246,033	148,235,246,033	154,668,496,342	149,492,654,048	(2,478,263,471)	150,932,824,856	150,932,824,856
Long-term loans							
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNIX-2 Project of construction of Tan Son Nhat International Airport Passenger Terminal by ODA fund (1)	3,409,410,658,716	3,409,410,658,716	-	154,668,496,342	151,824,707,283	3,406,566,869,657	3,406,566,869,657
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNXVII-6 on Project of construction of Noi Bai T2 International Airport by ODA fund (2)	2,507,457,259,789	2,507,457,259,789	-	-	111,788,793,355	2,619,246,053,144	2,619,246,053,144
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNI1-P6 on Project of construction of Noi Bai T2 International Airport by ODA fund (3)	4,147,254,810,000	4,147,254,810,000	-	-	184,895,120,000	4,332,149,930,000	4,332,149,930,000
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNI3-P3 on Project of construction of Noi Bai T2 International Airport by ODA fund (4)	4,263,429,694,424	4,263,429,694,424	234,180,466,916	-	187,787,657,149	4,685,397,818,489	4,685,397,818,489
	14,327,552,422,929	14,327,552,422,929	234,180,466,916	154,668,496,342	636,296,277,787	15,043,360,671,290	15,043,360,671,290



(1) The loan facility for Tan Son Nhat International Passenger Terminal Project funded by ODA fund with the Loan Agreement No. VNIX-2 dated 29 March 2002 between the Ministry of Finance and the Japan Bank for International Cooperation (now is Japan International Cooperation Agency - JICA). The loan was implemented via the Development Assistance Fund (the "DAF") – HCMC Branch (now is Development Bank of Vietnam (the "DBV") – HCMC Branch) under ODA Credit Agreement No. 038/TDNN-TDTW1 dated 15 August 2002 and the Authorised JBIC Fund Re-lending Contract No. 06/2002/UQ/BTC-TCDN of 17 July 2001 between the DAF and Ministry of Finance (represented by the External Finance Department). The purpose of the loan is to build an international passenger terminal at Tan Son Nhat International Airport. The total loan amount under the contract is JPY 22,768,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The loan is unsecured and bears interest at the rate of 1.6% per annum over the loan balance. The loan balance as at 31 December 2018 is VND 3,557,499,694,513 equivalent to JPY 16,814,176,942.92 (as at 31 December 2017: VND 3,557,645,904,749 equivalent to JPY 17,545,228,114.08).

(2) This loan facility for T2 Noi Bai International Terminal Project funded by ODA with Loan Agreement No. VNXVII-6 dated 18 March 2010 between the Japan Government and the Vietnam Government. The total loan amount under the contract is JPY 12,607,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The disbursement period is 7 years from the agreement's effective date. The purpose of the loan is to build T2 Passenger Terminal – Noi Bai International Airport. The Corporation used the assets of T2 Passenger Terminal – Noi Bai International Airport to mortgage this loan. The lending interest rate is 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2018 is VND 2,619,246,053,144 equivalent to JPY 12,366,016,964 (as at 31 December 2017: VND 2,507,457,259,789 equivalent to JPY 12,366,016,964).

(3) This loan facility for T2 Noi Bai International Terminal Project funded by ODA with Loan Agreement No. VN11-P6 dated 30 March 2012 between the Japan Government and the Vietnam Government. The total loan amount under the contract is JPY 20,584,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The disbursement period is 5 years from the agreement's effective date. The purpose of the loan is to build T2 Passenger Terminal – Noi Bai International Airport. The Corporation used the assets of T2 Passenger Terminal – Noi Bai International Airport to mortgage this loan. The lending interest rate is 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2018 is VND 4,332,149,930,000 equivalent to JPY 20,453,000,000 (as at 31 December 2017: VND 4,147,254,810,000 equivalent to JPY 20,453,000,000).

(4) This loan facility for T2 Noi Bai International Terminal Project funded by ODA with Loan Agreement No. VN13-P3 dated 24 December 2013 between the Japan Government and the Vietnam Government. The total loan amount under the contract is JPY 26,062,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The disbursement period is 7 years from the agreement's effective date. The purpose of the loan is to build T2 Passenger Terminal - Noi Bai International Airport. The Corporation used the assets of T2 Passenger Terminal - Noi Bai International Airport to mortgage this loan. The lending interest rate is 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2018 is VND 4,685,397,818,489 equivalent to JPY 22,120,758,314 (as at 31 December 2017: VND 4,263,429,694,424 equivalent to JPY 21,025,939,214).

Long-term loans are repayable following the bellow schedule using JPY/VND exchange rates as at 31 December 2018 and 31 December 2017 were 211.81 and 202.77 respectively:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Within one year	150,932,824,856	148,235,246,033
Within second year	248,644,534,998	148,235,246,033
In the third to fifth years inclusive	1,238,478,897,074	833,013,735,189
After five years	13,556,237,239,218	13,346,303,441,707
	15,194,293,496,146	14,475,787,668,962
Less: Payables within 12 months (presented in short-term loan)	150,932,824,856	148,235,246,033
Amount due for settlement after 12 months	<u>15,043,360,671,290</u>	<u>14,327,552,422,929</u>



23. OWNER'S EQUITY

Movement in owner's equity

	Owner's contributed capital	Share premium	Treasury shares	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Prior year's opening balance as previously reported	21,771,732,360,000	14,602,790,587	-	450,015,282,490	1,879,623,193,328	24,115,973,626,405
Profit for the year	-	-	-	-	4,193,965,560,420	4,193,965,560,420
Investment and development funds distribution	-	-	-	251,996,690,491	(251,996,690,491)	-
Dividend distributed	-	-	-	-	(1,306,303,941,600)	(1,306,303,941,600)
Current year's opening balance	21,771,732,360,000	14,602,790,587	-	702,011,972,981	4,515,288,121,657	27,003,635,245,225
Profit for the year	-	-	-	-	6,028,301,019,385	6,028,301,019,385
Treasury shares repurchase	-	-	(572,470,000)	-	-	(572,470,000)
Investment and development funds distribution	-	-	-	1,848,561,973,124	(1,848,561,973,124)	-
Profit distribution to bonus and welfare fund	-	-	-	-	(813,476,000,000)	(813,476,000,000)
Board of Management funds	-	-	-	-	(5,575,500,000)	(5,575,500,000)
Dividend distributed	-	-	-	-	(1,959,416,582,400)	(1,959,416,582,400)
Other (*)	-	-	-	-	5,809,922,443	5,809,922,443
Current year's closing balance	21,771,732,360,000	14,602,790,587	(572,470,000)	2,550,573,946,105	5,922,369,007,961	30,258,705,634,653

Pursuant to the Resolution of Annual General Shareholders' Meeting No. 02/NQ-DHDCD dated 4 May 2018, the Corporation approved the appropriation from retained earnings for the year 2017 to Investment and development funds with the amounts of VND 1,848,561,973,124, Bonus and welfare funds with the amounts of VND 406,738,000,000 and Board of Management funds with the amounts of VND 2,787,750,000.

During the year, the Corporation had temporarily appropriated from retained earnings for the year 2018, including: to Bonus and welfare funds with the amount of VND 406,738,000,000 and Management funds with the amounts of VND 2,787,750,000.

According to the Resolution of Annual General Shareholders' Meeting No. 02/NQ-DHDCD dated 4 May 2018, the Corporation has declared dividend in 2017 to shareholders from retained earnings for the year 2017 at the rate of 9% (1 share received VND 900), with the amount of VND 1,959,416,582,400. During the year, the Corporation has paid the dividend to shareholders with total amount of VND 1,959,379,265,070.

According to the Board Resolution No. 412/NQ-HĐQT dated 24 October 2017, during the year the Corporation has repurchased 43,700 treasury shares with total amount of VND 572,470,000.

(*) During the year, the Corporation has adjusted according to the Inspection Conclusions No. 22/KL-TTr of Ministry of Finance dated 22 January 2019.

Shares:

	Closing balance	Opening balance
- Number of issued shares	2,177,173,236	2,177,173,236
+ <i>Ordinary shares</i>	2,177,173,236	2,177,173,236
- Number of treasury shares	43,700	-
+ <i>Ordinary shares</i>	43,700	-
- Number of outstanding shares in circulation	2,177,129,536	2,177,173,236
+ <i>Ordinary shares</i>	2,177,129,536	2,177,173,236
- Par value of outstanding shares (VND/share)	10,000	10,000

The Corporation has only one common stock with a par value of VND 10,000 per share. Shareholders owning shares are entitled to receive dividends when they are announced and have the right to vote at the rate of one voting right per share held at the shareholders' meetings of the Corporation. All shares have the same inheritance rights to the net assets of the Corporation.

Charter capital:

According to the eighth amended Business Registration Certificate dated 15 August 2018, the Corporation's charter capital is VND 21,771,732,360,000. As at 31 December 2018, the charter capital had been fully contributed by shareholders as follows:

	Closing balance			Opening balance		
	Shares	%	VND	Shares	%	VND
Committee for Management of State Capital at Enterprises (*)	2,076,943,011	95.396	20,769,430,110,000	2,076,943,011	95.396	20,769,430,110,000
Other shareholders	100,186,525	4.602	1,001,865,250,000	100,230,225	4.604	1,002,302,250,000
Treasury shares	43,700	0.002	437,000,000	-	-	-
	<u>2,177,173,236</u>	<u>100</u>	<u>21,771,732,360,000</u>	<u>2,177,173,236</u>	<u>100</u>	<u>21,771,732,360,000</u>

25. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	<u>Current year</u> VND	<u>Prior year</u> VND
Sales of goods and services		
In which:		
1. Sales of service		
a. Sales of aviation service:		
Sales of basic ground / all-in-one service	346,879,640,415	287,472,582,644
Passenger services charges	9,021,482,272,927	7,912,759,326,961
Sales of security scanning of passenger and luggage	1,324,090,520,094	777,532,704,780
Sales of other aviation services	2,190,652,811,632	1,826,358,489,228
	<u>12,883,105,245,068</u>	<u>10,804,123,103,613</u>
b. Sales of non-aviation service:		
Sales of premises lease	736,626,408,898	594,233,944,244
Sales of advertising service	265,387,966,305	211,442,948,228
Sales of internal yard service	539,366,030,270	472,204,790,649
Sales of utility service	107,721,429,295	91,078,076,394
Sales of services for VIP, F, C passengers,...	111,403,042,864	100,539,033,192
Sales of other non-aviation services	129,792,290,806	138,233,159,715
	<u>1,890,297,168,438</u>	<u>1,607,731,952,422</u>
2. Sales of goods	<u>1,368,626,443,029</u>	<u>1,306,573,250,728</u>
	<u>16,142,028,856,535</u>	<u>13,718,428,306,763</u>
Sales deduction		
Sales rebate	(48,925,751,234)	(43,196,600,601)
Net Revenue		
Sales of services	14,724,476,662,272	12,368,658,455,434
Sales of goods	1,368,626,443,029	1,306,573,250,728
	<u>16,093,103,105,301</u>	<u>13,675,231,706,162</u>
In which		
Sales from related parties (Note 36)	651,101,022,891	575,264,735,787



26. COST OF SALES

	<u>Current year</u> VND	<u>Prior year</u> VND
Cost of service rendered	7,530,738,732,228	7,293,535,768,247
Cost of goods sold	832,877,115,625	828,032,892,175
	<u>8,363,615,847,853</u>	<u>8,121,568,660,422</u>

27. PRODUCTION COST BY NATURE

	<u>Current year</u> VND	<u>Prior year</u> VND
Salary expenses	2,546,437,851,142	2,254,031,899,836
Materials, tools and office supplies	98,732,818,611	82,247,399,967
Depreciation and amortisation	3,939,201,791,419	4,154,909,734,795
Taxes, fees and charges	84,681,478,567	75,724,219,303
Repair of fixed assets	377,574,507,046	335,031,118,849
Operations cost and commercial right	174,635,222,139	135,838,347,827
Aviation, non-aviation insurance	21,111,239,457	23,637,859,682
Electricity, water, telecommunication	411,556,018,308	374,655,421,733
Outsourced services	360,511,093,842	295,869,097,941
Commissions, brokers expenses	144,642,175,442	119,224,240,756
Welfare expense for employees	147,324,851,235	110,792,048,540
Franchise fee	188,498,510,545	174,417,617,139
Other monetary expenses	190,821,444,135	167,195,316,061
Reversal for doubtful debts	(120,883,121)	(843,819,479)
	<u>8,685,608,118,767</u>	<u>8,302,730,502,950</u>

28. FINANCIAL INCOME

	<u>Current year</u> VND	<u>Prior year</u> VND
Interest income	1,270,796,292,111	1,061,477,046,442
Foreign exchange gain during year	16,505,369,654	12,227,182,718
Dividends	304,136,467,311	201,755,619,309
Income from divestment	-	2,703,130,000
	<u>1,591,438,129,076</u>	<u>1,278,162,978,469</u>

29. FINANCIAL EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Interest expense	95,084,582,355	96,059,178,215
Foreign exchange loss during year	22,541,697,765	10,738,294,716
Foreign exchange loss arising from translating foreign currency items	638,238,848,257	489,588,948,149
	<u>755,865,128,377</u>	<u>596,386,421,080</u>

30. SELLING EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Labor cost	99,743,838,257	84,296,328,371
Materials, packaging cost	1,148,993,469	886,199,532
Tools, stationery cost	2,857,912,884	2,216,472,139
Depreciation and amortisation	1,297,244,306	683,577,261
Operations cost and Commercial Rights	174,635,222,139	135,838,347,827
Repair cost	1,886,890,525	1,525,107,524
Outsourced service	12,223,391,660	17,622,508,976
Other costs	12,380,252,995	11,926,753,377
	<u>306,173,746,235</u>	<u>254,995,295,007</u>

31. GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Management staff cost	532,004,693,487	491,474,399,700
Materials, stationery cost	10,541,127,694	9,431,121,823
Depreciation and amortisation	40,203,408,086	53,006,738,341
Taxes, fees and charges	19,022,834,948	13,578,883,813
Repair of fixed assets	6,958,586,582	7,894,044,849
Electricity, water and communications	16,328,533,354	14,770,563,865
Other outsourced services	15,352,001,048	10,383,981,511
Benefits for employees	147,324,851,235	110,792,048,540
Per diem	26,745,186,805	21,414,866,966
Other monetary expenses	54,918,984,016	53,854,817,248
Reversal of doubtful debts	(120,883,121)	(843,819,479)
	<u>869,279,324,134</u>	<u>785,757,647,177</u>

32. OTHER INCOME

	<u>Current year</u> VND	<u>Prior year</u> VND
Disposal of fixed assets	-	12,797,383,430
Penalty, compensation	1,988,553,094	3,010,096,919
Insurance compensation	2,440,730,593	7,957,859,826
Revenue of services from prior year	76,491,350,284	-
Income from relocating IT system and G5 warehouse (Nhat Tan - Noi Bai) project	2,485,621,129	470,767,952
Others	2,007,211,657	2,567,855,112
	<u>85,413,466,757</u>	<u>26,803,963,239</u>

33. OTHER EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Penalties	1,127,123,989	406,629,810
Assets liquidation expense	842,098	337,469,274
Depreciation of assets not used for productions	-	1,070,813,628
Land rental expense of previous years	3,136,130,882	-
Electricity expense of previous years	1,733,183,272	-
Depreciation expenses of previous years	12,394,949,807	-
Clearance at Phu Quoc International Airport	8,465,876,857	-
Others	626,073,582	576,738,950
	<u>27,484,180,487</u>	<u>2,391,651,662</u>

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34. CORPORATE INCOME TAX EXPENSE

The current corporate income tax expense for the year was computed as follows:

	<u>Current year</u> VND	<u>Prior year</u> VND
Profit before tax	7,447,536,474,048	5,219,098,972,522
Adjustments for assessable income		
Adjustments to increase assessable income	522,443,401,721	535,839,290,818
- Temporarily increased fixed assets depreciation due to inadequately supported document	391,291,302,014	323,281,508,597
- Accrued land rental	77,681,326,505	77,437,404,047
- Maintenance expenses (which have not had invoices yet)	44,309,006,185	73,741,500,070
- The decrease of Quarter 4 sales due to price adjustment	-	52,000,000,000
- Deductive expense	4,861,080,336	3,396,311,204
- Provision for doubtful debts exceeding the threshold according to Circular No. 228/2009/TT-BTC dated 7 December 2009	-	3,876,951,504
- Foreign exchange loss arising from revaluating cash and receivables in foreign currency	4,300,686,681	2,105,615,396
Adjustments to decrease assessable income	(479,455,583,522)	(336,283,149,662)
- Reimbursement deductive expense of previous year:	(479,455,583,522)	(336,283,149,662)
+ <i>Temporary increased fixed assets depreciation inadequately supported</i>	(323,281,508,597)	(235,527,077,189)
+ <i>Land rental</i>	(77,437,404,047)	(63,346,974,235)
+ <i>Maintenance expenses (which have not had invoices yet)</i>	(73,741,500,070)	(47,709,950,986)
+ <i>Reimbursement provision for bad debt</i>	(2,889,555,412)	(4,108,480,796)
+ <i>Foreign exchange loss arising from revaluating cash and receivables in foreign currency</i>	(2,105,615,396)	14,409,333,544
Non-assessable income	(304,136,467,311)	(201,755,619,309)
Taxable income	7,186,387,824,936	5,216,899,494,369
Normal tax rate	20%	20%
Corporate income tax payable	1,437,277,564,987	1,043,379,898,874
Adjustments for corporate income tax expenses	(16,762,750)	(12,000,000)
Current corporate income tax expense	1,437,260,802,237	1,043,367,898,874

The Corporation is obliged to pay corporate income tax at the rate of 20% of its taxable income.

36. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Corporation include: key management members, relevant individuals with key management members and other related parties.

Transactions and balances with key management members and their related individuals

Key management members include: members of the Boards of Directors, Supervisors and Executive Officers. Their related individuals are those who have closed relationship in their family.

Transactions with key management members and their related individuals

The Corporation did not generate any transactions of sales of goods, rendering of services and other transactions with key management members and their related individuals.

Balances with key management members and their related individuals

The Corporation did not have balances with key management members and their related individuals.

Salary of key management

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Salary of Board of Directors and Board of Executive Officers	11.274.277.000	9,933,280,000
Salary of Supervisory Board	1.965.274.500	1,395,466,784
	<u>13.239.551.500</u>	<u>11,328,746,784</u>

Transactions and balances with other related parties

Relationship with related parties

Related party	Relationship
Noi Bai Aviation Fuel Services Joint Stock Company	Subsidiary
Southern Airports Services Joint Stock Company	Associate
Saigon Ground Services Joint Stock Company	Associate
Hanoi Ground Services Joint Stock Company	Associate
Southern Airports Trading Joint Stock Company	Associate
Southern Airports Transportation Joint Stock Company	Associate
Aviation Cargo Services of Vietnam Joint Stock Company	Associate
Southern Airports Aircraft Maintenance Services Company Limited	Joint venture



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During the year, the Corporation entered into the following transactions with its related parties:

	<u>Current year</u> VND	<u>Prior year</u> VND
Revenue to related parties		
Southern Airports Services Joint Stock Company	339,960,758,528	269,850,090,893
Noi Bai Aviation Fuel Services Joint Stock Company	3,235,698,334	3,188,675,164
Saigon Ground Services Joint Stock Company	171,879,016,191	180,637,709,272
Hanoi Ground Services Joint Stock Company	110,919,397,898	101,312,999,514
Southern Airports Aircraft Maintenance Services Company Limited	6,326,729,687	6,257,959,262
Southern Airports Transportation Joint Stock Company	10,724,962,987	7,884,384,646
Aviation Cargo Services of Vietnam Joint Stock Company	8,038,095,634	6,113,280,671
Southern Airports Trading Joint Stock Company	16,363,632	19,636,365
	<u>651,101,022,891</u>	<u>575,264,735,787</u>
Purchasings with related parties		
Southern Airports Services Joint Stock Company	20,317,655,120	15,186,121,715
Noi Bai Aviation Fuel Services Joint Stock Company	107,579,944,710	82,868,885,400
Saigon Ground Services Joint Stock Company	8,720,082,239	9,235,841,184
Hanoi Ground Services Joint Stock Company	1,319,568,640	1,928,172,004
Southern Airports Transportation Joint Stock Company	464,941,034	559,257,935
Aviation Cargo Services of Vietnam Joint Stock Company	124,275,200	116,528,510
Southern Airports Trading Joint Stock Company	801,230,874	713,738,170
	<u>139,327,697,817</u>	<u>110,608,544,918</u>

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	<u>Current year</u> VND	<u>Prior year</u> VND
Financial income with related parties		
Southern Airports Services Joint Stock Company	151,969,744,000	110,309,072,800
Noi Bai Aviation Fuel Services Joint Stock Company	9,600,000,000	4,800,000,000
Saigon Ground Services Joint Stock Company	34,560,111,000	37,440,120,500
Hanoi Ground Services Joint Stock Company	11,671,512,311	11,474,504,722
Aviation Cargo Services of Vietnam Joint Stock Company	12,500,000,000	15,000,000,000
Southern Airports Aircraft Maintenance Services Company Limited	12,240,000,000	10,200,000,000
Southern Airports Trading Joint Stock Company	345,100,000	-
	<u>232,886,467,311</u>	<u>189,223,698,022</u>

Significant related party balances as at the balance sheet date were as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Trade receivables		
Saigon Ground Services Joint Stock Company	34,168,655,548	30,719,632,109
Hanoi Ground Services Joint Stock Company	13,403,062,750	9,697,664,628
Southern Airports Services Joint Stock Company	32,647,650,609	26,666,373,404
Aviation Cargo Services of Vietnam Joint Stock Company	8,467,162	602,173,074
Southern Airports Aircraft Maintenance Services Company Limited	170,140,084	245,738,355
Southern Airports Transportation Joint Stock Company	4,411,729,607	2,975,647,062
Noi Bai Aviation Fuel Services Joint Stock Company	4,420,086	6,621,559
	<u>84,814,125,846</u>	<u>70,913,850,191</u>
Trade payables		
Southern Airports Services Joint Stock Company	2,490,032,950	2,591,189,680
Noi Bai Aviation Fuel Services Joint Stock Company	10,720,286,731	9,066,744,186
Saigon Ground Services Joint Stock Company	200,261,100	-
Hanoi Ground Services Joint Stock Company	443,387,340	1,022,325,700
Southern Airports Transportation Joint Stock Company	42,422,870	6,192,848
Aviation Cargo Services of Vietnam Joint Stock Company	20,493,088	12,876,864
Southern Airports Trading Joint Stock Company	80,110,999	15,787,001
	<u>13,996,995,078</u>	<u>12,715,116,279</u>



	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Other payables		
Southern Airports Services Joint Stock Company	64,982,500	-
	<u>64,982,500</u>	<u>-</u>
Other receivables		
Hanoi Ground Services Joint Stock Company	-	1,500,000,000
	<u>-</u>	<u>1,500,000,000</u>

37. OTHER MATTERS

Notice of Conclusion of the Government Inspectorate No. 27/TB-KLTT dated 5 January 2018 for the period from 2012 to 2015 proposed continuous resolution relating to accounting treatments and depreciation of fixed assets for the period from 1 July 2014 to 31 December 2015 and other matters, and also assigned the Ministry of Finance to preside and coordinate with the Ministry of Transport for checking and proposing solutions.

According to the Document No. 104/BC-BTC dated 15 December 2017 of the Ministry of Finance, the Ministry of Finance reported to the Prime Minister to resolve the depreciation of the Airfield's assets for the period from 1 July 2014 to 31 December 2015 as well as revenue and expenses relating to the operation from 1 July 2014 to 31 December 2017, whereby revenues and expenses relating to the operation of the Airfield are separately accounted and simultaneously solved with build-up and approval of solutions for management and use of Airfield's assets from the Ministry of Transport.

According to the Document No. 4107/BTC-TCDN dated 10 April 2018 of the Ministry of Finance, Document No. 4068/BGTVT-QLDN dated 18 April 2018 of the Ministry of Transport and Minute dated 10 April 2018 with General Department of Taxation, the Corporation had temporarily paid to the State Budget the difference for the period from 1 July 2014 to 31 December 2017 with the amount of VND 376,739,160,018.

At the reporting date, the amount in relation to collection, payment, investment into Airfield operations has not been approved by competent authorities.

38. SUPPLEMENTAL DISCLOSURES OF SEPARATE CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash outflows for interest expenses in the year ended 31 December 2018 exclude an amount of VND 28,604,061,808 (2017: VND 29,461,767,894), representing the accrued interest expense as at 31 December 2018. Consequently, changes in payables have been adjusted by the same amount.

Interest earned in the year ended 31 December 2018 exclude an amount of VND 755,450,767,120 (2017: VND 550,696,805,561), representing the interest income earned as at 31 December 2018. Consequently, changes in receivables have been adjusted by the same amount.

Cash outflows for purchases, construction of fixed assets in the year ended 31 December 2018 exclude an amount of VND 1,312,316,724,116 (2017: VND 1,439,962,981,860), representing the purchasing and construction of fixed assets incurred during the year that has not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

39. INFORMATION RELATE TO AIRFIELD'S OPERATION

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
I. Revenue	2,495,693,748,667	1,991,771,397,246
1. <i>Sale of take-off and landing service</i>	2,435,561,626,750	2,082,314,426,436
Deductions	54,746,113,576	90,543,029,190
Gross profit	2,380,815,513,174	1,991,771,397,246
2. <i>Interest income</i>	114,878,235,493	-
3. <i>Other income</i>	-	174,818,511
II. Expenses	1,219,649,038,329	1,079,663,794,917
1. <i>Operating expense</i>	900,637,860,745	851,593,189,707
Salary expense	451,866,121,126	421,695,164,104
Material and stationery expense	7,897,328,615	6,848,914,811
Depreciation expense	17,460,101,838	22,542,848,238
Taxes, fees and charges	2,993,201,585	2,098,088,991
Repair of fixed asset	272,657,811,917	263,038,141,790
Electricity, water, and communication expense	15,409,713,569	15,720,747,908
Outsource service	34,930,765,884	31,456,871,966
Employees' benefit	38,216,794,575	30,545,894,648
Others	59,206,021,636	57,646,517,251
2. <i>Corporation income tax</i>	319,011,177,584	228,070,605,210
III. Difference in revenue-expenses	1,276,044,710,338	912,107,602,329
IV. Other related information		
1. Investment projects (construction) for the State's assets which the Corporation has advanced for the payment	156,517,405,557	271,456,286,744
2. Addition of fixed assets in year	128,746,993,798	709,649,937,864
3. Depreciation of fixed assets - temporary figures, in which:		
- According to the Circular 45/2013/TT-BTC on 25 April 2013: for fixed assets which was purchased before 1 April 2016, useful life was determined as minimum useful life level, for fixed assets which was purchased since 1 April 2016, useful life was determined as average basis	-	769,340,562,794
- According to the Circular 45/2018/TT-BTC on 07 May 2018 (effective from 02 July 2018, apply for year ended 31 December 2018)	190,547,212,704	-



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

According to the Resolution of the Board of Directors No. 371/NQ-HDQT dated 14 September 2017, the revenue of the Airfield is mainly the revenue of take-off and landing service, the operating cost of the airfield includes maintenance costs, direct staffing costs for take-off and landing services, salaries of supervisors and fixed asset depreciation costs. In which, depreciation expense is the allocation of shared assets between the Corporation and the Airfield (excluding assets belonging to the Airfield presented in Note 24).

40. APPROVAL OF SEPARATE FINANCIAL STATEMENTS ISSUANCE

The separate financial statements for the year ended 31 December 2018 have been approved for issuance by the Corporation's Board of Directors on 29 March 2019.



Pham Thi Phuong
Preparer



Bui A Dong
Chief Accountant



Vu The Phiet
Chief Executive Officer
30 March 2019

