

AIRPORTS CORPORATION OF VIETNAM

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
CONSOLIDATED BALANCE SHEET	5 - 6
CONSOLIDATED INCOME STATEMENT	7
CONSOLIDATED CASH FLOW STATEMENT	8 - 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	10 - 62



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 “Parent Company”) presents this report together with the Parent Company and its subsidiary’s (collectively referred to as the “Corporation”) consolidated financial statements for the year ended 31 December 2019.

THE BOARDS OF DIRECTORS, SUPERVISORS AND EXECUTIVE OFFICERS

The members of the Boards of Directors, Supervisors 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
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

Board of Executive Officers

Mr. Vu The Phiet	Chief Executive Officer
Mr. Do Tat Binh	Deputy Chief Executive Officer
Mr. Vo Anh Tu	Deputy Chief Executive Officer
Mr. Nguyen Duc Hung	Deputy Chief Executive Officer (appointed on 15 January 2020)
Mr. Nguyen Quoc Phuong	Deputy Chief Executive Officer (appointed on 15 January 2020)
Mr. Ho Minh Tien	Deputy Chief Executive Officer (retired from 1 May 2019)
Mr. Nguyen Dinh Duong	Deputy Chief Executive Officer (retired from 1 March 2020)
Ms. Le Thi Dieu Thuy	Deputy Chief Executive Officer (resigned on 1 September 2019)
Mr. Dao Viet Dung	Deputy Chief Executive Officer (resigned on 1 September 2019)
Mr. Le Xuan Tung	Deputy Chief Executive Officer (resigned on 1 September 2019)

Chief Accountant of the Corporation is Mr. Bui A Dong.

AUDITORS

The accompanying consolidated financial statements of the Corporation for the year ended 31 December 2019 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 consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2019, and its consolidated financial performance and its consolidated 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 consolidated 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 consolidated financial statements;
- Prepare the consolidated 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 consolidated 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 consolidated financial position of the Corporation and that the consolidated 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 consolidated financial statements.

For and on behalf of the Board of Executive Officers,



Vu The Phiet
Chief Executive Officer
30 March 2020

No.: 0739 /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Airports Corporation of Vietnam (the "Parent Company") and its subsidiary (collectively referred to as the "Corporation"), prepared on 30 March 2020 as set out from page 5 to page 62, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated statement of income and consolidated 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 Consolidated Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2019, and its consolidated financial performance and its consolidated 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

We would like to draw attention to Note 1 of the Notes to the consolidated financial statements which describes the matters as follows:

- At the date of the consolidated financial statements for the year ended 31 December 2019, 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 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 the Airfield's assets. In awaiting competent authorities' guidance on management, utilisation and accounting treatment on the Airfield's assets, the assets, costs, revenue generated from the Airfield's management and utilisation are separately recorded as other receivables and other payables in the consolidated balance sheet as at 31 December 2019. The adjustments in relation to these operating activities (if any) will be made in accordance with competent authorities' decision and guidance.

We draw attention to Notes 3 and 43 of the Notes to the consolidated financial statements, some figures of the consolidated financial statements for the year ended 31 December 2018 of the Corporation have been retrospectively adjusted according to the recommendations of the State Audit.

We also draw attention to Note 42 of the Notes to the consolidated financial statements, the amount of collection, payment, investment into Airfield's operation regarding assets of Airfield has not been finalised by competent authorities.

Our opinion is not modified in respect of these matters.



Nguyễn Quang Trung
Audit Partner
Audit Practising Registration Certificate
No. 0733-2018-001-1
**BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED**
30 March 2020
Ho Chi Minh City, Vietnam

Tran Kim Long Hai
Auditor
Audit Practising Registration Certificate
No. 1503-2018-001-1



CONSOLIDATED BALANCE SHEET

As at 31 December 2019

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance (Restated)
A. CURRENT ASSETS	100		37,291,466,594,427	31,280,728,951,579
I. Cash and cash equivalents	110	5	349,666,161,339	638,390,855,963
1. Cash	111		343,666,161,339	628,390,855,963
2. Cash equivalents	112		6,000,000,000	10,000,000,000
II. Short-term financial investments	120		30,921,500,000,000	23,730,400,000,000
1. Held-to-maturity investments	123	6	30,921,500,000,000	23,730,400,000,000
III. Short-term receivables	130		5,360,502,760,659	6,155,897,512,413
1. Short-term trade receivables	131	7	2,649,756,296,717	2,490,721,586,665
2. Short-term advances to suppliers	132	8	230,029,561,599	382,816,457,706
3. Other short-term receivables	136	9	2,510,610,761,252	3,312,270,750,951
4. Provision for short-term doubtful debts	137	10	(29,893,858,909)	(29,911,282,909)
IV. Inventories	140		493,477,521,187	469,441,554,267
1. Inventories	141	11	493,477,521,187	469,441,554,267
V. Other short-term assets	150		166,320,151,242	286,599,028,936
1. Short-term prepayments	151	12	25,094,700,547	32,501,705,783
2. Value-added tax deductibles	152		129,964,189,872	190,948,883,103
3. Taxes and other receivables from the State budget	153	20	11,261,260,823	63,148,440,050
B. NON-CURRENT ASSETS	200		20,884,728,742,227	22,344,125,091,033
I. Long-term receivables	210		304,526,717,164	321,162,713,296
1. Long-term trade receivables	211	7	6,300,000,200	6,300,000,200
2. Other long-term receivables	216	9	298,226,716,964	314,862,713,096
II. Fixed assets	220		16,345,334,397,848	18,447,261,180,067
1. Tangible fixed assets	221	13	16,340,489,929,357	18,443,956,413,054
- Cost	222		41,893,901,590,433	40,087,651,629,600
- Accumulated depreciation	223		(25,553,411,661,076)	(21,643,695,216,546)
2. Intangible assets	227	14	4,844,468,491	3,304,767,013
- Cost	228		21,353,986,282	18,575,451,988
- Accumulated amortisation	229		(16,509,517,791)	(15,270,684,975)
III. Long-term assets in progress	240		865,253,027,542	591,549,228,201
1. Long-term construction in progress	242	15	865,253,027,542	591,549,228,201
IV. Long-term financial investments	250		2,962,726,492,115	2,806,157,523,805
1. Investments in joint ventures, associates	252	16	2,777,926,492,115	2,622,657,523,805
2. Investments in other entities	253	17	184,800,000,000	184,800,000,000
3. Provision for impairment of long-term financial investments	254		-	(1,300,000,000)
V. Other long-term assets	260		406,888,107,558	177,994,445,664
1. Long-term prepayments	261	12	304,772,846,785	70,047,981,387
2. Deferred tax assets	262	18	102,115,260,773	107,946,464,277
TOTAL ASSETS (270=100+200)	270		58,176,195,336,654	53,624,854,042,612

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

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2019

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance (Restated)
C. LIABILITIES	300		21,418,960,995,248	22,838,548,658,743
I. Current liabilities	310		6,518,193,955,432	7,683,984,257,773
1. Short-term trade payables	311	19	1,257,864,950,530	1,142,847,500,946
2. Short-term advances from customers	312		41,996,337,870	28,198,297,405
3. Taxes and amounts payable to the State budget	313	20	609,153,725,061	141,397,521,391
4. Payables to employees	314		1,127,424,505,422	1,026,311,895,001
5. Short-term accrued expenses	315	21	795,664,672,685	884,038,488,376
6. Short-term unearned revenue	318		3,925,376,726	9,234,846,317
7. Other current payables	319	22	2,431,415,970,123	3,869,475,488,801
8. Short-term loans and obligations under finance leases	320	24	240,059,540,676	150,932,824,856
9. Bonus and welfare funds	322	23	10,688,876,339	431,547,394,680
II. Long-term liabilities	330		14,900,767,039,816	15,154,564,400,970
1. Other long-term payables	337	22	117,061,817,125	90,353,729,680
2. Long-term loans and obligations under finance leases	338	24	14,759,541,639,356	15,043,360,671,290
3. Long-term provisions	342		24,163,583,335	20,850,000,000
D. OWNERS' EQUITY	400		36,757,234,341,406	30,786,305,383,869
I. Owners' equity	410	25	36,757,234,341,406	30,786,305,383,869
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		(2,285,950,000)	(572,470,000)
4. Investment and development fund	418		6,034,593,641,645	2,550,573,946,105
5. Retained earnings	421		8,885,438,726,276	6,397,328,269,446
- Retained earnings accumulated to the prior year	421a		684,283,692,675	634,121,412,784
- Retained earnings of the current year	421b		8,201,155,033,601	5,763,206,856,662
6. Non-controlling interests	429		53,152,772,898	52,640,487,731
TOTAL RESOURCES (440=300+400)	440		58,176,195,336,654	53,624,854,042,612

Anh
Bui Thi Phuong Anh
Preparer

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Bui A Dong
Chief Accountant

Vu
Vu The Phiet
Chief Executive Officer
30 March 2020

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


CONSOLIDATED INCOME STATEMENT*For the year ended 31 December 2019*

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year (Restated)
1. Gross revenue from goods sold and services rendered	01	27	18,364,352,880,477	16,141,224,773,371
2. Deductions	02	27	35,801,143,529	18,064,056,201
3. Net revenue from goods sold and services rendered (10=01-02)	10	27	18,328,551,736,948	16,123,160,717,170
4. Cost of goods sold and services rendered	11	28	8,994,924,115,637	8,295,605,070,971
5. Gross profit from goods sold and services rendered (20=10-11)	20		9,333,627,621,311	7,827,555,646,199
6. Financial income	21	30	1,919,789,862,817	1,363,440,280,033
7. Financial expenses	22	31	103,842,775,190	755,865,128,377
- In which: Interest expense	23		96,418,310,786	95,084,582,355
8. Income from investments in joint ventures associates	24	16	382,862,566,873	335,929,802,184
9. Selling expenses	25	32	379,134,439,315	340,121,610,771
10. General and administration expenses	26	33	1,006,436,658,672	878,228,923,176
11. Operating profit (30=20+(21-22)+24-(25+26))	30		10,146,866,177,824	7,552,710,066,092
12. Other income	31	34	9,838,649,076	86,011,587,184
13. Other expenses	32	35	917,405,921	20,546,032,891
14. Profit from other activities (40=31-32)	40		8,921,243,155	65,465,554,293
15. Accounting profit before tax (50=30+40)	50		10,155,787,420,979	7,618,175,620,385
16. Current corporate income tax expense	51	36	1,934,645,887,712	1,451,817,167,249
17. Deferred corporate tax expense/(income)	52		6,984,611,654	(18,995,347,574)
18. Net profit after corporate income tax (60=50-51-52)	60		8,214,156,921,613	6,185,353,800,710
Attributable to:				
- The Corporation's shareholders	61		8,201,155,033,601	6,172,732,606,662
- Non-controlling interests	62	25	13,001,888,012	12,621,194,048
19. Basic earnings per share	70	37	3,450	2,518


Bui Thi Phuong Anh
Preparer


Bui A Dong
Chief Accountant


Vu The Phiet
Chief Executive Officer
30 March 2020

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

CONSOLIDATED CASH FLOW STATEMENT*For the year ended 31 December 2019*

Unit: VND

ITEMS	Codes	Current year	Prior year (Restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	10,155,787,420,979	7,618,175,620,385
2. Adjustments for:			
Depreciation and amortisation	02	3,920,049,354,483	3,880,344,656,048
Provisions	03	1,996,159,335	4,729,116,879
Foreign exchange difference arising from translating foreign currency items	04	(37,379,003,567)	638,238,848,257
Gain from investing activities	05	(2,254,546,869,616)	(1,668,075,990,409)
Interest expense	06	96,418,310,786	95,084,582,355
Other adjustments	07	43,630,437	(1,547,343,655)
3. Operating profit before movements in working capital	08	11,882,369,002,837	10,566,949,489,860
Changes in receivables	09	976,096,441,250	(193,879,872,123)
Changes in inventories	10	(37,740,110,575)	(61,497,636,138)
Changes in payables	11	(1,016,786,174,225)	424,449,615,007
Changes in prepaid expenses	12	(227,317,860,162)	(26,774,597,158)
Interest paid	14	(96,685,906,431)	(95,942,288,441)
Corporate income tax paid	15	(1,710,830,775,334)	(2,027,663,134,944)
Other cash outflows	17	(702,717,770,454)	(649,944,053,902)
Net cash generated by operating activities	20	9,066,386,846,906	7,935,697,522,161
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(1,958,513,895,849)	(2,008,022,568,413)
2. Proceeds from sale, disposal of fixed assets	22	4,433,228,397	724,792,610
3. Cash outflow for buying debt instruments of other entities	23	(11,187,500,000,000)	(9,913,400,000,000)
4. Cash recovered from selling debt instruments of other entities	24	3,996,400,000,000	3,746,000,000,000
5. Interest earned, dividends and profits received	27	1,906,032,340,436	1,439,352,707,712
Net cash used in investing activities	30	(7,239,148,327,016)	(6,735,345,068,091)

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

CONSOLIDATE CASH FLOW STATEMENT (Continued)*For the year ended 31 December 2019*

Unit: VND

ITEMS	Codes	Current year	Prior year (Restated)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Buy-back of issued shares	32	(1,713,480,000)	(572,470,000)
2. Proceeds from borrowings	33	-	234,180,466,916
3. Repayment of borrowings	34	(154,993,814,113)	(149,492,654,048)
4. Dividends and profits paid	36	(1,959,254,858,400)	(1,959,379,265,070)
Net cash used in financing activities	40	(2,115,962,152,513)	(1,875,263,922,202)
Net decrease in cash during the year (50=20+30+40)	50	(288,723,632,623)	(674,911,468,132)
Cash and cash equivalents at the beginning of the year	60	638,390,855,963	1,313,665,194,187
Effects of changes in foreign exchange rates	61	(1,062,001)	(362,870,092)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	349,666,161,339	638,390,855,963



Bui Thi Phuong Anh
Preparer



Bui A Dong
Chief Accountant



Vu The Phiet
Chief Executive Officer
30 March 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

Airports Corporation of Vietnam (the “Parent Company”), 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-TTĐ 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 have 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/TTĐ 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, Vietnam

Shares of the Corporation have been traded on the Unlisted Public Company Market (UPCoM) since 21 November 2016, under the code of “ACV”.

The number of employees of the Parent Company as at 31 December 2019 was 9,830 (as at 31 December 2018: 9,748).

Operating industry and principal activities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 consolidated financial statements

The Corporation has officially operated as a joint stock company since 1 April 2016. However, at the date of the consolidated financial statements, the competent authorities has not verified and approved the finalisation of finance, finalisation of proceeds from equitisation, costs incurred in the equitisation process and the actual value of the State capital portion in the Corporation 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 consolidated financial statements for the year ended 31 December 2019 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-TTCT 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 repair, maintenance and investment of these Airfield's assets; 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 (presented in Note 9, 22 and 42). 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 Parent Company's branches, subsidiary, associates and joint ventures as at 31 December 2019:

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 Street, 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.
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Branch name (Continued)	Address (Continued)
15. Tuy Hoa Airport - Branch of Airports Corporation of Vietnam	Quarter 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	Hamlet 3, Hoa Thang Commune, Buon Ma Thuot City, Dak Lak Province.
19. Con Dao Airport - Branch of Airports Corporation of Vietnam	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 Street, Vinh Loi Ward, Rach Gia City, Kien Giang Province.
21. Ca Mau Airport - Branch of Airports Corporation of Vietnam	93 Ly Thuong Kiet Street, Ward 6, Ca Mau City.
22. Tho Xuan Airport - Branch of Airports Corporation of Vietnam	Sao Vang Airport, Sao Vang Town, Tho Xuan, Thanh Hoa Province.

Subsidiary:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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	48.03	48.03	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

Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2018 and adjusted according to minute of State Audit.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

The accompanying consolidated 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 consolidated 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 1 January and ends on 31 December.

3. RESTATEMENTS OF PRIOR YEAR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation for the year ended 31 December 2018 are restated in accordance with adjustments required by the State Audit in the audit minute No. 430/KTNN-TH dated 20 September 2019 relating to managing, using State capital, assets in 2018 of the Corporation. Details of the adjustments are presented in Note 43.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated 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 consolidated 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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to the balance sheet date of each period. 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.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the parent's ownership interests in them. Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in a deficit non-controlling interests balance.

Business combination

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the acquiring cost below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

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.

The net income, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associates.

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. The Corporation reports its interests in jointly controlled entities using the equity method of accounting.

Any goodwill arising on the acquisition of the Corporation's interest in a jointly controlled entity is accounted for in accordance with the Corporation's accounting policy for goodwill arising on the acquisition of a subsidiary.

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.

Trading securities

Trading securities are those the Corporation holds for trading purpose. Trading securities are recognised from the date the Corporation obtains the ownership of those securities and initially measured at the fair value of payments made at the transaction date plus directly attributable transaction costs.

In subsequent financial years, investments in trading securities are measured at cost less provision for impairment of such investments.

Provision for impairment of investments in trading securities is made in accordance with prevailing accounting regulations.

Held-to-maturity investments

Held-to-maturity investments comprise term deposits.

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

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.

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 of 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Costs incurred after initial recognition in respect of repairs, maintenance, upgrades and operations of tangible fixed assets recognised in the consolidated 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 their 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 consolidated 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.

Patents, copyright and computer software are measured initially at purchase cost and are amortised on the straight-line basis over their estimated useful lives from three to five 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 consolidated 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 and lease of equipment and assets revenue at airports. Revenues from operating leases are charged to the consolidated 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. These costs will be capitalized in fixed assets as temporarily debited (if no final settlement is approved) when the assets are handed over and put into 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 finalised shall be separate from 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 consolidated 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 sales of 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 subject to the 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, stay, security inspection and monitoring and other non-aviation services.

Other revenue

Interest income is accrued on a time 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 consolidated 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 consolidated 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 consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

5. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	1,461,777,955	4,062,189,508
Bank demand deposits	338,537,477,658	610,424,281,704
Cash in transit	3,666,905,726	13,904,384,751
Cash equivalents	6,000,000,000	10,000,000,000
	<u>349,666,161,339</u>	<u>638,390,855,963</u>

6. HELD-TO-MATURITY INVESTMENTS

Short-term held-to-maturity investments represent term deposits with remaining maturity term less than 12 months at local commercial banks. These deposits earn a fixed interest rate ranging from 6.8% to 7.6% per annum (as at 31 December 2018: from 5.3% to 7.2% per annum).

7. TRADE RECEIVABLES FROM CUSTOMERS

	Closing balance VND	Opening balance (Restated) VND
Short-term		
a. Receivables from third parties		
Vietnam Airlines Corporation	646,495,367,600	572,117,188,804
VietJet Aviation Joint Stock Company	621,885,666,258	550,884,657,897
Jetstar Pacific Airlines Aviation Joint Stock Company	138,952,713,004	152,163,811,441
Bamboo Airways	129,918,629,508	100,062,813
Da Nang International Terminal Investment and Operation Joint Stock Company	90,358,908,818	158,156,810,540
Korean Airlines	63,138,112,394	55,045,564,272
Cam Ranh International Terminal Joint Stock Company	57,726,239,517	74,018,009,998
Airasia Berhad	49,548,448,220	51,160,428,012
Asiana Airlines	41,728,656,060	45,650,360,974
Thai Airasia Co	34,441,176,414	31,991,880,109
China Southern Airlines	30,877,658,874	33,148,095,319
Mekong Aviation Joint Stock Company	25,907,942,217	25,907,942,217
Qatar Airways	24,001,555,672	35,371,680,930
China Airlines	23,914,298,075	23,308,515,857
Vietnam Air Petrol Company Limited	24,894,395,367	22,715,330,997
Thai Airways	22,492,030,745	32,557,782,282
Singapore Airlines	21,655,886,464	20,868,794,346
Emirates Airlines	15,499,395,145	30,471,462,289
Others	509,659,019,347	490,273,501,808
b. Receivables from related parties (Note 40)	76,660,197,018	84,809,705,760
	2,649,756,296,717	2,490,721,586,665
Long-term		
Hoang Long Yen Joint Stock Company	6,300,000,200	6,300,000,200
	6,300,000,200	6,300,000,200

8. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Avintech Joint Stock Company	45,152,862,903	8,171,659,318
Traffic Trade and Project Joint Stock Company	11,793,110,348	9,387,844,381
Air Traffic Technical Company Limited	10,938,801,115	7,372,741,623
BTK Technology Development Company Limited	8,593,352,775	820,619,000
Phu Quoc Land Development Center	8,075,921,665	8,075,921,665
Airport Design and Construction Constultancy Company Limited Liability Company (ADCC)	4,914,090,048	31,446,092,304
JFV (JAC-ADPi-NK-OCG) Joint Venture	-	69,203,888,183
VTG Equipment and Technology Joint Stock Company	-	61,002,980,045
Heerim Architects & Planners Co., Ltd	-	22,925,635,988
Others	140,561,422,745	164,409,075,199
	<u>230,029,561,599</u>	<u>382,816,457,706</u>

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

9. OTHER RECEIVABLES

	Closing balance	Opening balance
	VND	(Restated)
		VND
a. Current		
Receivables from the State on expense and corporate income tax paid on behalf of the State related to Airfield's operation (i)	-	1,204,277,523,381
Receivables from the State related to assets of Airfield (i)	1,202,274,161,409	1,156,084,384,094
Interest from term deposits	1,106,261,851,954	758,571,057,533
Receivable related to equitisation - Enterprise Restructuring and Development Fund (ii)	61,464,089,344	-
Receivable related to equitisation - Expenses (ii)	19,570,715,787	19,570,715,787
Receivable from Vietnam Air Traffic Management Corporation for meteorological assets	55,749,867,742	55,654,707,061
Deductible input VAT which has not been declared	14,563,216,984	29,473,482,496
Advances	9,410,329,444	9,073,285,903
Dividend received	652,500,000	26,250,000,000
Others	40,664,028,588	53,315,594,696
	2,510,610,761,252	3,312,270,750,951
In which:		
Current - Related parties (Note 40)	653,256,636	-
b. Non-current		
Receivable from clearance compensation expenses for the area not allocated to use in Phu Quoc Soc Son Land Development Center	184,565,128,906	184,565,128,906
Receivable from TCP Joint Stock Company related to assets on land and land rental	80,936,675,811	80,936,675,811
Deposits and mortgages	25,671,912,247	41,671,912,247
Others	7,053,000,000	5,715,000,000
	-	1,973,996,132
	298,226,716,964	314,862,713,096

(i) As presented in Note 1 about management and utilisation of the Airfield's assets, the Corporation splits and separately monitors 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 42). During the year, Corporation have performed net-off with the payable to the State in relation to Airfield's operation revenue received on behalf of the State (presented in Note 22) for the period from 1 January 2018 to 31 December 2019 with the amount of VND 2,591,599,049,486.

(ii) Receivables related to equitisation are costs incurred in the equitisation process of the Corporation. These receivables will be offset against the equitisation payables to the State (presented in Note 22) before refunded to the Enterprise Restructuring and Development Fund when the Corporation finalises the equitisation with competent authorities.

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

FORM B 09-DN/HN

10. 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)	643,860,058	(643,860,058)
<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>Dong Duong Advertisement Joint Stock Company (Tuy Hoa Airport)</i>	-	-	17,424,000	(17,424,000)
<i>Hiep Hoa Phat Joint Stock Company - 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)
	29,893,858,909	(29,893,858,909)	29,911,282,909	(29,911,282,909)

11. INVENTORIES

	Closing balance	Opening balance (Restated)
	VND	VND
Goods in transit	-	804,421,514
Raw materials	185,602,328,629	169,283,858,194
Tools and supplies	1,972,288,795	2,807,959,344
Work in progress	10,924,599,815	4,577,012,084
Merchandise	294,978,303,948	291,968,303,131
	493,477,521,187	469,441,554,267

As at 31 December 2019 and 31 December 2018, the Corporation has no inventories that need to make provisions.

12. PREPAYMENTS

	Closing balance	Opening balance
	VND	(Restated)
		VND
Current		
Tools and equipments	15,112,357,884	18,425,774,734
Insurance premium	6,545,547,550	4,263,149,035
Others	3,436,795,113	9,812,782,014
	25,094,700,547	32,501,705,783
Non-current		
Clearance compensation of the T2 airport apron project - Noi Bai International Airport	243,100,000,000	-
Clearance compensation of the Northern expansion project - Da Nang International Airport	20,447,231,836	20,447,231,836
Clearance compensation of the expansion project - Da Nang International Airport	12,258,823,680	12,258,823,680
Tools and equipments	22,804,563,171	23,707,519,857
Aircraft parking rental	816,444,444	8,164,444,444
Land rental and tax	170,000,000	170,000,000
Others	5,175,783,654	5,299,961,570
	304,772,846,785	70,047,981,387

13. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
COST					
Opening balance (Restated)	24,837,728,611,510	12,955,582,921,150	2,197,351,084,217	96,989,012,723	40,087,651,629,600
Additions	-	140,045,406,561	252,909,804,312	1,883,154,998	394,838,365,871
Transfer from construction in progress	1,274,794,506,957	177,372,549,357	-	129,400,908	1,452,296,457,222
Adjust from State's assets to the Corporation	15,363,187,391	6,189,310,158	18,028,432,726	-	39,580,930,275
Reclassification	(2,087,867,757)	2,087,867,757	-	-	-
Disposals	(4,840,021,772)	(56,788,449,358)	(18,041,099,573)	(796,221,832)	(80,465,792,535)
Closing balance	26,120,958,416,329	13,224,489,605,625	2,450,248,221,682	98,205,346,797	41,893,901,590,433
ACCUMULATED DEPRECIATION					
Opening balance (Restated)	10,671,964,796,848	9,456,478,815,718	1,424,465,571,662	90,786,032,318	21,643,695,216,546
Charge for the year	2,066,512,883,072	1,659,554,487,050	261,309,097,891	2,160,231,641	3,989,536,699,654
Reclassification	(111,565,512)	111,565,512	-	-	-
Disposals	(4,563,347,647)	(56,440,944,842)	(18,019,740,803)	(796,221,832)	(79,820,255,124)
Closing balance	12,733,802,766,761	11,059,703,923,438	1,667,754,928,750	92,150,042,127	25,553,411,661,076
NET BOOK VALUE					
Opening balance (Restated)	14,165,763,814,662	3,499,104,105,432	772,885,512,555	6,202,980,405	18,443,956,413,054
Closing balance	13,387,155,649,568	2,164,785,682,187	782,493,292,932	6,055,304,670	16,340,489,929,357

As presented in Note 24, 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 2019, the carrying value of pledged tangible fixed assets was VND 4,261,019,157,900 (as at 31 December 2018: VND 5,818,887,036,079).

As at 31 December 2019, the cost of the Corporation's tangible fixed assets includes VND 11,494,766,310,246 (as at 31 December 2018: VND 7,042,886,952,538) of assets which have been fully depreciated but are still in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2019, the cost of the tangible fixed assets temporarily increasing and awaiting settlement is reflected in the consolidated balance sheet with an amount of VND 20,754,490,052,028 (as at 31 December 2018: VND 21,617,634,400,961) (presented in Note 15). The value of these assets may vary depending on the audit result of completed construction work or the approved finalisation of the construction.

14. INTANGIBLE ASSETS

	Patent, copyrights VND	Computer software VND	Others VND	Total VND
COST				
Opening balance	2,661,339,000	15,744,112,988	170,000,000	18,575,451,988
Additions	-	2,978,534,294	-	2,978,534,294
Disposals	-	(200,000,000)	-	(200,000,000)
Closing balance	2,661,339,000	18,522,647,282	170,000,000	21,353,986,282
ACCUMULATED AMORTISATION				
Opening balance	2,649,147,028	12,451,537,947	170,000,000	15,270,684,975
Charge for the year	12,191,972	1,426,640,844	-	1,438,832,816
Disposals	-	(200,000,000)	-	(200,000,000)
Closing balance	2,661,339,000	13,678,178,791	170,000,000	16,509,517,791
NET BOOK VALUE				
Opening balance	12,191,972	3,292,575,041	-	3,304,767,013
Closing balance	-	4,844,468,491	-	4,844,468,491

As at 31 December 2019, the cost of the Corporation's intangible fixed assets includes VND 14,451,199,161 (as at 31 December 2018: VND 14,363,839,161) of assets which have been fully amortised but are still in use.

15. CONSTRUCTION IN PROGRESS

15.1. Construction in progress

	Closing balance	Opening balance
	VND	(Restated)
	VND	VND
I. Projects belong to the Corporation		
a. Purchasing fixed assets	172,964,473,663	45,299,412,294
b. Constructions		
Construction of Long Thanh International Airport	370,005,116,630	18,488,357,001
Expansion of T2 International Terminal - Tan Son Nhat International Airport	14,507,472,911	-
Expansion of airport apron - Cat Bi International Airport	9,169,690,909	300,000
Investment in expanding the capacity of water treatment stations - Noi Bai International Airport	7,196,073,697	1,567,874,216
Passenger terminal - Tho Xuan International Airport	7,171,326,410	-
Construction of T2 terminal - Vinh International Airport	6,913,062,998	600,000
Construction of T2 terminal - Cat Bi International Airport	6,912,973,225	600,000
Construction of airport apron at the land plot No. 15 - Noi Bai International Airport	-	286,917,275,226
Expansion of the airport apron at the military area of 19.79 ha - Tan Son Nhat International Airport	-	74,440,618,927
Expansion of the North airport apron of parallel taxiways from NS to E6 - Tan Son Nhat International Airport	-	47,042,622,147
Expansion of the airport apron - Lien Khuong Airport	-	19,701,535,038
Renovation of conveyor belt system for international flights	-	16,664,326,363
Others	35,721,145,016	27,104,793,911
	457,596,861,796	491,928,902,829
	630,561,335,459	537,228,315,123

15.1 Construction in progress (Continued)

	Closing balance	Opening balance
	VND	(Restated)
	VND	VND
II. Projects belong to airfield		
a. Constructions		
Renovation of E6 taxiway from E1 to E4 - Da Nang International Airport	1,486,713,788	1,486,413,788
Signal light system and ILS landing system - Tuy Hoa Airport	-	36,662,427,172
Others	22,762,454	1,512,306,726
	1,509,476,242	39,661,147,686
b. Major overhaul of fixed assets		
Renovation of runway – Vinh International Airport - Stage 2	-	12,322,991,989
Renovation of runway - Buon Ma Thuot Airport	1,213,327,272	-
Others	417,465,069	1,213,327,272
	1,630,792,341	13,536,319,261
	3,140,268,583	53,197,466,947
III. Constructions conducted on behalf of Vietnam Air Traffic Management Corporation		
Doppler technology of weather radar system - Tan Son Nhat International Airport	81,657,920,955	413,185,453
Doppler technology of weather radar system - Noi Bai International Airport	81,607,919,136	371,610,908
Doppler technology of weather radar system - Da Nang International Airport	68,285,583,409	243,489,089
AWOS system - signal light project and ILS device - Tho Xuan Airport	-	95,160,681
	231,551,423,500	1,123,446,131
Total	865,253,027,542	591,549,228,201

15.2. Constructions temporarily debited and await for approval

	Closing balance VND	Opening balance (Restated) VND
Construction of T2 Passenger Terminal - Noi Bai International Airport	12,249,404,880,608	12,249,404,880,608
Expansion of International Passenger Terminal T2 - Tan Son Nhat International Airport	1,427,650,829,590	1,427,650,829,590
Passenger terminal - Cat Bi International Airport	998,742,107,822	998,742,107,822
Expansion of the airport apron at the military area of 19.79 ha - Tan Son Nhat International Airport	896,566,017,978	455,925,516,384
Expansion of passenger terminal - Phu Quoc International Airport	785,128,624,245	785,128,624,245
Construction of airport apron and T2 Passenger Terminal - Noi Bai International Airport	647,320,417,539	654,425,724,641
Renovation and expansion of airport apron north of parallel runways - Tan Son Nhat International Airport	573,105,697,717	573,105,697,717
Expansion of the airport apron north of parallel taxiways from NS to E6 - Tan Son Nhat International Airport	556,443,826,539	414,218,013,610
Passenger terminal - Phu Cat Airport	406,196,947,819	406,196,947,819
Renovation and expansion of domestic terminal - Tan Son Nhat International Airport	364,188,600,567	364,188,600,567
Construction of airport apron at plot No. 15 - Noi Bai International Airport	358,603,826,281	-
Expansion of airport apron - Can Tho Airport	297,877,651,895	305,341,484,871
Construction of taxiway system and airport apron, light system (airport apron)	274,393,952,913	274,393,952,913
Passenger terminal - Tho Xuan Airport	229,059,199,604	229,059,199,604
Renovation of T1 passenger terminal - Noi Bai International Airport	200,483,835,833	200,483,835,833
Expansion airport apron - Lien Khuong Airport	161,445,068,906	-
Renovation of airport apron in front of international terminal - Da Nang International Airport	156,612,255,208	156,612,255,208
Renovation and expansion parking No. 4 - Da Nang International Airport	150,276,555,710	-
Renovation and expansion terminal, car parking lot - Chu Lai Airport	130,398,695,184	130,398,695,184
Expansion of airport apron to the north and construction taxiway E7 - Da Nang International Airport	118,545,346,663	118,545,346,663

15.2. Constructions temporarily debited and await for approval (Continued)

	Closing balance	Opening balance
	VND	(Restated)
		VND
Passenger terminal - Da Nang International Airport	74,714,048,500	74,714,048,500
Expansion of parking area for cars and taxi - Can Tho Airport	60,142,614,762	-
Renovation and expansion of airport apron - Chu Lai Airport	59,424,964,060	59,424,964,060
Renovation and expansion technological line - Vinh International Airport	40,988,385,772	-
Investing for construction of restaurant, office and toilet for airlines - Cam Ranh International Airport	10,485,537,081	10,485,537,081
Passenger terminal - Phu Quoc Airport	-	1,479,819,936,748
Passenger terminal - Vinh International Airport	-	388,288,734,301
Roads and car parking lot - Vinh International Airport	-	119,578,626,442
Entrance to Phu Quoc International Airport	-	95,664,499,385
Renovation of passenger terminal, car parking lot - Phu Bai Airport	-	85,541,084,102
Expansion of airport apron - Phu Bai International Airport	-	49,171,581,949
Expansion, upgrade of passenger terminal - Pleiku Airport	-	46,222,069,135
Renovation of airport apron, No. 17 station, from No. 21 to 23 station - Tan Son Nhat International Airport	-	41,620,560,637
Expansion of airport apron - Dong Hoi Airport	-	36,076,158,965
Renovation of passenger terminal - Pleiku Airport	-	32,496,571,862
Outside garage - Phu Quoc International Airport	-	15,136,709,537
Operator office - Tho Xuan Airport	-	12,401,453,757
Others	22,611,307,086	43,152,406,801
	21,250,811,195,882	22,333,616,656,541

The temporarily debited constructions included the cost of fixed assets, which have been temporarily increased and await for approval, with the total amount of VND 20,754,490,052,028 (as at 31 December 2018: VND 21,617,634,400,961) (presented in Note 13) and other overhaul projects and tools, contingent supplies with the total amount of VND 496,321,143,854 (as at 31 December 2018: VND 715,982,255,580).

16. INVESTMENTS IN JOINT VENTURE, ASSOCIATES

	Closing balance	Opening balance
	VND	(Restated)
		VND
Opening balance	2,622,657,523,805	2,511,561,532,587
Income from investments in joint ventures, associates	382,862,566,873	335,929,802,184
Dividends received	(227,593,598,563)	(224,833,810,966)
Closing balance	2,777,926,492,115	2,622,657,523,805

Details of the Corporation's joint ventures, associates as at 31 December 2019 are as follows:

Company	Charter capital	Percentage of ownership	Contribution capital	Cost	
				Closing balance	Opening balance (Restated)
	VND	%	VND	VND	VND
Southern Airports Services Joint Stock Company	1,334,813,100,000	49.07	655,042,000,000	1,708,799,207,255	1,699,398,876,476
Saigon Ground Services Joint Stock Company (i)	239,959,520,000	48.03	115,252,557,456	838,911,687,936	719,127,480,634
Air Cargo Services of Vietnam Joint Stock Company	250,000,000,000	20.00	50,000,000,000	107,522,467,721	99,366,861,117
Hanoi Ground Services Joint Stock Company	150,000,000,000	20.00	30,000,000,000	61,692,260,968	47,578,546,210
Southern Airports Aircraft Maintenance Services Company Limited (ii)	30,000,000,000	51.00	15,300,000,000	37,928,486,230	34,085,248,130
Southern Airports Transportation Joint Stock Company	43,500,000,000	30.00	13,050,000,000	15,990,598,743	15,732,134,520
Southern Airports Trading Joint Stock Company	16,694,600,000	29.53	4,930,000,000	7,081,783,262	7,368,376,718
				2,777,926,492,115	2,622,657,523,805

(i) During the year, Saigon Ground Services Joint Stock Company paid the remaining dividend in 2018 in cash at 30% on par value of ordinary shares and dividend in shares. The number of shares paid to the Corporation are 4,608,014 shares at par value of VND10,000/share, whereby the ownership and voting power of the Corporation increased from 48.01% to 48.03%.

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

17. INVESTMENT IN OTHER ENTITIES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Saigon Cargo Service Corporation	75,000,000,000	75,000,000,000
Da Nang International Terminal Investment and Operation Joint Stock Company	30,000,000,000	30,000,000,000
TCP Investment Joint Stock Company	19,800,000,000	19,800,000,000
Cam Ranh International Terminal Joint Stock Company	60,000,000,000	60,000,000,000
	<u>184,800,000,000</u>	<u>184,800,000,000</u>



18. DEFERRED TAX ASSETS

	Closing balance			Opening balance		
	Amount VND	Tax rate %	Deferred tax VND	Amount VND	Tax rate %	Deferred tax VND
Accrued land rental expenses (awaiting for Tax authority's announcement)	76,784,406,419	20%	15,356,881,284	77,681,326,505	20%	15,536,265,301
Temporarily increased fixed assets depreciation (awaiting for invoice)	379,908,140,920	20%	75,981,628,184	391,291,302,014	20%	78,258,260,403
Provision for impairment of financial investments	-	20%	-	1,300,000,000	20%	260,000,000
Maintenance expense (awaiting for invoice)	26,591,808,176	20%	5,318,361,635	44,309,006,185	20%	8,861,801,237
Foreign exchange loss arising from revaluating cash and receivables in foreign currency	3,128,365,016	20%	625,673,003	4,300,686,681	20%	860,137,336
Asset overhaul expense of underground fuel refueling system for aircraft of Noi Bai Aviation Fuel Service Joint Stock Company	24,163,583,335	20%	4,832,716,667	20,850,000,000	20%	4,170,000,000
	510,576,303,866		102,115,260,773	539,732,321,385		107,946,464,277

19. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance
	VND	VND
a. Trade payables to third parties		
New Asia Wave International (S) Pte Ltd.	297,889,453,143	288,685,081,912
ACC Airport Construction Corporation	162,599,124,290	68,623,698,466
New Production Technology and Trading Development Joint Stock Company	108,129,960,600	3,974,505,000
Duy Anh Trading Company Limited	44,037,655,212	67,648,883,537
CIENCO4 Group	36,143,621,584	-
Luu Nguyen Construction Company Limited	31,318,873,478	52,251,177,629
REE Mechanical and Electrical Engineering Joint Stock Company	29,405,483,367	122,679,172,596
Autogrill VFS F&B Company Limited	26,500,945,107	19,906,487,518
Petro IMICO Construction Investment Joint Stock Company	22,721,629,341	34,998,542,151
Hoa Binh Construction and Real Estate Corporation	22,278,384,641	65,452,098,236
VIC Joint Venture Construction Company Limited	21,242,748,929	21,260,347,811
Others	451,845,481,757	394,090,797,743
b. Trade payables to related parties (Note 40)	3,751,589,081	3,276,708,347
	<u>1,257,864,950,530</u>	<u>1,142,847,500,946</u>

The Corporation is able to repay all payables.

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

	Opening balance (Restated) VND	Payable/Receivable during the year VND	Paid/Received during the year VND	Closing balance VND
Tax payables to the State budget				
Value added tax	50,528,955,569	402,749,204,748	436,644,584,385	16,633,575,932
Business license tax	-	32,000,000	32,000,000	-
Import-export duties	-	584,675,835	584,675,835	-
Corporate income tax (*)	2,296,588,250	2,238,687,378,322	1,710,830,775,334	530,153,191,238
Personal income tax	24,051,738,212	363,641,825,175	327,949,550,100	59,744,013,287
Natural resources tax	167,138,545	2,366,623,173	2,134,160,631	399,601,087
Land tax and land rental	63,885,229,925	95,655,958,645	157,809,138,299	1,732,050,271
Foreign contractor withholding tax	373,154,929	27,056,013,956	26,937,875,639	491,293,246
Difference between in payment and receipt in airfield	-	1,678,983,319,154	1,678,983,319,154	-
Other taxes	94,715,961	168,840,161,728	168,934,877,689	-
	141,397,521,391	4,978,597,160,736	4,510,840,957,066	609,153,725,061
Tax receivables from the State budget				
Value added tax	44,306,200	-	44,306,200	-
Corporate income tax	50,062,004,593	-	50,062,004,593	-
Personal income tax	2,492,091,141	5,745,729,707	2,492,091,141	5,745,729,707
Land tax and land rental	666,899,535	-	79,395,368	587,504,167
Foreign contractor withholding tax	46,714	-	46,714	-
Profit paid to the State Budget	9,883,091,867	51,714,915	5,006,779,833	4,928,026,949
	63,148,440,050	5,797,444,622	57,684,623,849	11,261,260,823

(*) 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 9 and Note 42).

21. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	(Restated)
		VND
Temporarily increased in cost of fixed assets	579,121,633,173	670,376,715,835
Temporarily increased of overhaul expenses	80,047,316,295	70,848,345,464
Land tax, land rental	76,784,406,419	82,270,960,768
Interest expense	28,336,466,163	28,604,061,808
Acquisition of assets	10,623,536,000	-
Assets repairing expenses	7,016,464,960	5,254,315,484
Flight calibration cost	3,318,505,500	7,015,872,276
Others	10,416,344,175	19,668,216,741
	795,664,672,685	884,038,488,376

22. OTHER PAYABLES

	Closing balance	Opening balance
	VND	VND
a. Current		
Payable related to equitisation (i)	-	43,894,499,381
Payable to the State in relation to Airfield's operation revenue received on behalf of the State (ii)	2,201,248,914,368	3,631,231,189,483
Expense for investment in car parking lot for Tho Xuan Airport	75,132,858,000	75,132,858,000
Payable related to personal income tax for employees	65,996,423,092	39,297,075,979
Short-term deposits and mortgages	51,794,047,078	46,655,089,760
Airport franchised expense	22,717,690,000	17,936,905,000
Union fees	2,277,677,141	8,305,810,793
Dividend payable	173,365,500	129,361,500
Others	12,074,994,944	6,827,716,405
Other payables to related parties (Note 40)	-	64,982,500
	2,431,415,970,123	3,869,475,488,801
b. Non-current		
Long-term deposits	117,061,817,125	90,353,729,680

(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 2019, the Corporation has temporarily paid an amount of VND 3,214,119,787,296 (as at 31 December 2018: VND 3,194,868,068,494) to the State Budget based on the proceeds from equitisation. Therefore, the remaining amount of equitisation will be finalized by competent authorities and offset against the equitisation expenses (presented in Note 9) before refunding to the State budget. During the year, the Corporation adjusted the payables amount of equitisation after finalised some projects and according to finalization minute of Tax authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(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 42). During the year, 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 with an amount of VND 1,678,983,319,154.

23. BONUS AND WELFARE FUNDS

	Bonus and welfare funds	Management bonus fund	Total
	VND	VND	VND
Opening balance	428,759,644,704	2,787,749,976	431,547,394,680
Increase from retained earnings	281,710,572,113	148,680,000	281,859,252,113
Fund usage	(699,781,340,478)	(2,936,429,976)	(702,717,770,454)
Closing balance	10,688,876,339	-	10,688,876,339

Pursuant to the Resolution of Annual General Meeting of Shareholders No. 02/NQ-DHDCD dated 22 June 2019, the Corporation approved the appropriation from retained earnings for the year 2018 to Investment and development fund with the amount of VND 3,484,019,695,540; Bonus and welfare funds with the amount of VND 684,224,565,000 and Management bonus fund with the amount of VND 2,936,430,000. In 2018, 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 bonus fund with the amount of VND 2,787,750,000.

Pursuant to the Resolution of Annual General Meeting of Shareholders No. 392/NQ-DHDCD dated 18 April 2019, Noi Bai Aviation Fuel Services Joint Stock Company - a subsidiary company - distributed funds from profit not yet distributed in 2018 including: bonus and welfare funds with the amount of VND 4,224,007,113.

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

FORM B 09-DN/HN

24. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

		Opening balance			During the year		Closing balance
	Amount	Amount able			Foreign exchange	Amount	Amount able to be
	VND	to be paid off	Increases	Decreases	differences	VND	paid off
		VND	VND	VND	VND		VND
Current portion of long-term loans							
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNIX-2 Project of construction of International Passenger Terminal of Tan Son Nhat International Airport by ODA fund (1)	150,932,824,856	150,932,824,856	156,200,048,546	154,993,814,113	1,966,527,651	154,105,586,940	154,105,586,940
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNXVII-6 on Project of construction of Noi Bai T2 International Airport by ODA fund (2)	-	-	87,951,153,663	-	(1,997,199,927)	85,953,953,736	85,953,953,736
	150,932,824,856	150,932,824,856	244,151,202,209	154,993,814,113	(30,672,276)	240,059,540,676	240,059,540,676
Long-term loans							
Japan International Cooperation Agency (JICA) - Loan agreement No. VNIX-2 Project of construction of International Passenger Terminal of Tan Son Nhat International Airport by ODA fund (1)	3,406,566,869,657	3,406,566,869,657	-	156,200,048,546	2,430,745,145	3,252,797,566,256	3,252,797,566,256
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNXVII-6 on Project of construction of T2 Passesnger Terminal of Noi Bai International Airport by ODA fund (2)	2,619,246,053,144	2,619,246,053,144	-	87,951,153,663	(7,613,830,636)	2,523,681,068,845	2,523,681,068,845
Japan International Cooperation Agency (JICA) - Loan Agreement No. VN11-P6 on Project of construction of T2 Passesnger Terminal of Noi Bai International Airport by ODA fund (3)	4,332,149,930,000	4,332,149,930,000	-	-	(16,566,930,000)	4,315,583,000,000	4,315,583,000,000
Japan International Cooperation Agency (JICA) - Loan Agreement No. VN13-P3 on Project of construction of T2 Passesnger Terminal of Noi Bai International Airport by ODA fund (4)	4,685,397,818,489	4,685,397,818,489	-	-	(17,917,814,234)	4,667,480,004,255	4,667,480,004,255
	15,043,360,671,290	15,043,360,671,290	-	244,151,202,209	(39,667,829,725)	14,759,541,639,356	14,759,541,639,356



- (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 2019 is VND 3,406,903,153,196 equivalent to JPY 16,083,125,771.48 (as at 31 December 2018: VND 3,557,499,694,513 equivalent to JPY 16,814,176,942.92).
- (2) This loan facility for Noi Bai T2 International Passenger 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 and on-lending charge are 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2019 is VND 2,609,635,022,581 equivalent to JPY 12,366,016,964 (as at 31 December 2018: VND 2,619,246,053,144 equivalent to JPY 12,366,016,964).
- (3) This loan facility for Noi Bai T2 International Passenger 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 and on-lending charge are 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2019 is VND 4,315,583,000,000 equivalent to JPY 20,453,000,000 (as at 31 December 2018: VND 4,332,149,930,000 equivalent to JPY 20,453,000,000).

- (4) This loan facility for Noi Bai T2 International Passenger 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 and on-lending charge are 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2019 is VND 4,667,480,004,255 equivalent to JPY 22,120,758,314 (as at 31 December 2018: VND 4,685,397,818,489 equivalent to JPY 22,120,758,314).

Long-term loans are repayable following the bellow schedule:

	Closing balance	Opening balance
	VND	VND
Within one year	240,059,540,676	150,932,824,856
In the second year	240,443,632,763	248,644,534,998
In the third to fifth year inclusive	1,375,362,667,640	1,238,478,897,074
After five years	13,143,735,338,953	13,556,237,239,218
	14,999,601,180,032	15,194,293,496,146
Less: Amount due for settlement within 12 months (presented in short-term loan)	240,059,540,676	150,932,824,856
Amount due for settlement after 12 months	14,759,541,639,356	15,043,360,671,290



25. OWNER'S EQUITY

Movement in owner's equity

	Owners' contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings (Restated) VND	Non-controlling interests (Restated) VND	Total VND
Prior year's opening balance	21,771,732,360,000	14,602,790,587	-	702,011,972,981	4,848,782,554,857	47,365,570,574	27,384,495,248,999
Profit for the year	-	-	-	-	6,172,732,606,662	12,621,194,048	6,185,353,800,710
Treasury shares repurchase	-	-	(572,470,000)	-	-	-	(572,470,000)
Profit distribution to investment and development fund	-	-	-	1,848,561,973,124	(1,848,561,973,124)	-	-
Profit distribution to bonus and welfare fund	-	-	-	-	(814,895,415,337)	(946,276,891)	(815,841,692,228)
Profit distribution to management bonus fund	-	-	-	-	(5,575,500,000)	-	(5,575,500,000)
Dividend distributed	-	-	-	-	(1,959,416,582,400)	(6,400,000,000)	(1,965,816,582,400)
Others	-	-	-	-	4,262,578,788	-	4,262,578,788
Opening balance	21,771,732,360,000	14,602,790,587	(572,470,000)	2,550,573,946,105	6,397,328,269,446	52,640,487,731	30,786,305,383,869
Profit for the year	-	-	-	-	8,201,155,033,601	13,001,888,012	8,214,156,921,613
Treasury shares repurchase	-	-	(1,713,480,000)	-	-	-	(1,713,480,000)
Profit distribution to investment and development fund	-	-	-	3,484,019,695,540	(3,484,019,695,540)	-	-
Profit distribution to bonus and welfare fund	-	-	-	-	(280,020,969,268)	(1,689,602,845)	(281,710,572,113)
Profit distribution to management bonus fund	-	-	-	-	(148,680,000)	-	(148,680,000)
Dividend distributed	-	-	-	-	(1,959,298,862,400)	(10,800,000,000)	(1,970,098,862,400)
Others (*)	-	-	-	-	10,443,630,437	-	10,443,630,437
Closing balance	21,771,732,360,000	14,602,790,587	(2,285,950,000)	6,034,593,641,645	8,885,438,726,276	53,152,772,898	36,757,234,341,406

Pursuant to the Resolution of Annual General Shareholders' Meeting No. 02/NQ-DHDCD dated 22 June 2019, the Corporation approved the appropriation from retained earnings for the year 2018 to Investment and development fund with the amount of VND 3,484,019,695,540, Bonus and welfare fund with the amount of VND 684,224,565,000 and Management bonus fund with the amount of VND 2,936,430,000. In 2018, the Corporation had temporarily appropriated from retained earnings for the year 2018, including: to Bonus and welfare fund with the amount of VND 406,738,000,000 and Management bonus fund with the amount of VND 2,787,750,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

According to the Resolution of Annual General Shareholders' Meeting No. 02/NQ-DHDCD dated 22 June 2019, the Corporation has declared dividend in 2018 to shareholders from retained earnings for the year 2018 at the rate of 9% (1 share received VND 900), with the amount of VND 1,959,298,862,400. During the year, the Corporation has paid the dividend to shareholders with amount of VND 1,959,254,858,400.

According to the Board of Directors' Resolution No. 391/NQ-HĐQT dated 22 November 2018, during the year, the Corporation has repurchased 72,200 treasury shares with total amount of VND 945,820,000.

According to the Board of Directors' Resolution No. 194/NQ-HĐQT dated 20 August 2019, during the year, the Corporation has repurchased 58,600 treasury shares with total amount of VND 767,660,000.

Pursuant to the Resolution of Annual General Meeting of Shareholders No. 392/NQ-DHDCD dated 18 April 2019, Noi Bai Aviation Fuel Services Joint Stock Company - a subsidiary company - distributed funds from profit not yet distributed in 2018 including: bonus and welfare funds with the amount of VND 4,224,007,113 and dividend payment with the amount of VND 27,000,000,000.

(*) During the year, other mainly is the adjustment of the Corporation for the amount of Corporation Income Tax of 2018.

Shares:

	<u>Closing balance</u>	<u>Opening balance</u>
- 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	174,500	43,700
+ <i>Ordinary shares</i>	174,500	43,700
- Number of outstanding shares in circulation	2,176,998,736	2,177,129,536
+ <i>Ordinary shares</i>	2,176,998,736	2,177,129,536
- 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 2019, the charter capital had been fully contributed by shareholders as follows:

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

FORM B 09-DN/HN

	Closing balance			Opening balance		
	Share	%	VND	Share	%	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	100,055,725	4.596	1,000,557,250,000	100,186,525	4.602	1,001,865,250,000
Treasury shares	174,500	0.008	1,745,000,000	43,700	0.002	437,000,000
	2,177,173,236	100	21,771,732,360,000	2,177,173,236	100	21,771,732,360,000

26. OFF BALANCE SHEET ITEMS

Foreign currencies

	Closing balance	Opening balance
- US Dollar ("USD")	5,295,244.18	6,155,698.34
	Closing balance VND	Opening balance VND
Net book value of assets held under trust		
- Assets belong to the Airfield of the State used by the Corporation	3,335,414,128,257	3,289,255,438,285
	3,335,414,128,257	3,289,255,438,285
Bad debts written off	44,517,571,868	44,517,571,868
Goods held under trust	731,493,536	719,480,983

27. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current year VND	Prior year (Restated) VND
Sales of merchandise and services		
In which:		
1. Sales of services		
a. Sales of aviation service:		
Sales of basic ground / all-in-one service	502,021,205,780	346,879,640,415
Passenger services charges	9,866,020,076,859	9,021,482,272,927
Sales of security scanning of passenger and luggage	1,557,477,228,469	1,324,090,520,094
Sales of other aviation services	2,780,412,397,486	2,189,838,598,468
	14,705,930,908,594	12,882,291,031,904
b. Sales of non-aviation service:		
Sales of premises lease	888,335,668,961	736,626,408,898
Sales of advertising service	302,058,682,219	265,387,966,305
Sales of yard service	563,273,281,725	539,366,030,270
Sales of utility service	123,988,640,580	107,721,429,295
Sales of services for VIP, F, C passengers,...	139,062,278,451	111,403,042,864
Sales of other non-aviation services	135,382,834,264	129,792,290,806
	2,152,101,386,200	1,890,297,168,438
2. Sales of goods	1,506,320,585,683	1,368,636,573,029
	18,364,352,880,477	16,141,224,773,371
Sales deduction		
Sales rebate	(35,801,143,529)	(18,064,056,201)
Net sales		
Sales of services	16,822,231,151,265	14,754,524,144,141
Sales of goods	1,506,320,585,683	1,368,636,573,029
	18,328,551,736,948	16,123,160,717,170
In which		
Sales from related parties (Note 40)	713,084,673,734	647,865,324,557

28. COST OF SALES

	Current year VND	Prior year (Restated) VND
Cost of service rendered	8,092,630,620,217	7,462,727,955,346
Cost of merchandise sold	902,293,495,420	832,877,115,625
	8,994,924,115,637	8,295,605,070,971

29. PRODUCTION COST BY NATURE

	Current year	Prior year
	VND	(Restated)
		VND
Salary expenses	3,074,424,965,877	2,584,675,216,899
Materials, tools and office supplies	107,753,064,132	101,507,665,596
Depreciation and amortisation	3,920,049,354,483	3,913,503,836,142
Taxes, fees and charges	101,870,668,985	106,027,743,676
Repair of fixed assets	400,642,511,014	375,197,744,290
Operations, commercial rights	233,002,093,890	174,635,222,139
Aviation, non-aviation insurance	21,749,388,955	21,111,239,457
Electricity, water, telecommunication	466,729,890,777	411,556,018,308
Other out-sourced services	308,887,202,530	264,255,662,504
Commissions, brokers expenses	162,290,859,539	144,642,175,442
Welfare expense for employees	181,298,316,295	147,324,851,235
Franchise fee	216,674,765,776	188,498,510,545
Other monetary expenses	282,846,059,951	227,679,802,351
Reversal of provision of doubtful debts	(17,424,000)	(120,883,121)
	9,478,201,718,204	8,660,494,805,463

30. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Interest income	1,801,089,611,757	1,275,684,910,379
Dividends received	66,807,000,000	71,250,000,000
Foreign exchange gain arising from translating foreign currency items	37,379,003,567	-
Foreign exchange gain during the year	14,514,247,493	16,505,369,654
	1,919,789,862,817	1,363,440,280,033

31. FINANCIAL EXPENSES

	Current year	Prior year
	VND	VND
Interest expense	96,418,310,786	95,084,582,355
Foreign exchange loss during the year	8,724,464,404	22,541,697,765
Foreign exchange loss arising from translating foreign currency items	-	638,238,848,257
Reversal of provision for investments	(1,300,000,000)	-
	103,842,775,190	755,865,128,377

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. SELLING EXPENSES

	Current year VND	Prior year (Restated) VND
Labor cost	109,811,070,663	99,743,838,257
Materials, packaging cost	1,135,370,947	1,148,993,469
Tools, stationery cost	2,089,493,494	2,857,912,884
Depreciation and amortisation	1,259,834,999	1,297,244,306
Operations, commercial rights	233,002,093,890	174,635,222,139
Repair cost	1,781,226,715	1,886,890,525
Outsourced service	15,468,816,394	12,223,391,660
Others	14,586,532,213	46,328,117,531
	379,134,439,315	340,121,610,771

33. GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Management staff cost	608,902,947,819	537,963,023,396
Materials, stationery cost	12,075,296,146	10,936,569,782
Depreciation and amortisation	35,796,797,065	40,498,114,498
Taxes, fees and charges	21,002,628,744	19,046,620,202
Repair of fixed assets	12,330,820,838	6,958,586,582
Electricity, water and communications	18,510,580,838	16,328,533,354
Other outsource services	19,208,514,193	16,799,001,736
Benefits for employees	181,298,316,295	147,324,851,235
Per diem	26,389,799,763	26,745,186,805
Other monetary expenses	70,938,380,971	55,749,318,707
Reversal of provision of doubtful debts	(17,424,000)	(120,883,121)
	1,006,436,658,672	878,228,923,176

34. OTHER INCOME

	Current year VND	Prior year VND
Disposal of fixed assets	3,787,690,986	-
Penalties of contract violation	1,648,844,272	1,988,553,094
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
Others	4,402,113,818	5,046,062,677
	9,838,649,076	86,011,587,184

35. OTHER EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	(Restated) VND
Penalties	706,015,547	1,127,123,989
Depreciation expenses of previous years	-	(33,159,180,094)
Land rental expense of previous years	-	41,752,099,594
Site clearance expenses at Phu Quoc International Airport	-	8,465,876,857
Others	211,390,374	2,360,112,545
	<u>917,405,921</u>	<u>20,546,032,891</u>

36. CORPORATE INCOME TAX EXPENSE

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

	<u>Current year</u>	<u>Prior year</u>
	VND	(Restated) VND
Profit before tax	10,155,787,420,979	7,618,175,620,385
Adjustments for assessable income		
Adjustments to increase assessable income	487,530,322,504	512,756,879,414
Adjustments to decrease assessable income	(520,418,738,050)	(479,455,583,522)
Non-assessable income	(449,669,566,873)	(392,391,080,030)
Taxable income	9,673,229,438,560	7,259,085,836,247
Normal tax rate	20%	20%
Current corporate income tax expense	<u>1,934,645,887,712</u>	<u>1,451,817,167,249</u>

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

37. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Parent Company is based on the following data:

	<u>Current year</u>	<u>Prior year</u>
	VND	(Restated) VND
Profits attributable to the Parent Company's shareholders	8,201,155,033,601	6,172,732,606,662
Appropriation to Bonus and Welfare fund	(691,385,002,113)	(691,385,002,113)
Earnings for the purpose of calculating basic earnings per share	7,509,770,031,488	5,481,347,604,549
Weighted average number of ordinary shares	2,176,998,736	2,177,173,236
Basic earnings per share	<u>3,450</u>	<u>2,518</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Basic earnings per share for the year ended 31 December 2018 was restated due to the effect of actual Bonus and welfare fund distribution approved in accordance with Resolution of Annual General Meeting of Shareholders of the Corporation.

Basic earnings per share for the year ended 31 December 2019 is calculated based on an estimate corresponding to the approved Bonus and welfare fund of the year 2018. The calculation with this basis is for the purpose of comparing information between the two periods as the Corporation has not yet distributed the Bonus and Welfare Fund for the year 2019.

38. COMMITMENTS**Operating lease commitments**

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Minimum lease payments under operating leases recognised in income statement for the year	<u>89,696,386,599</u>	<u>66,162,514,674</u>

At the balance sheet date, the Corporation had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Within one year	4,393,407,133	4,335,632,542
In the second to fifth years inclusive	16,874,381,839	17,354,408,609
After five years	149,870,575,533	157,583,773,641
	<u>171,138,364,505</u>	<u>179,273,814,792</u>

Operating leases represent land rental for the local airports. For airports that have not signed official land rental agreements with local authorities, the land rental are calculated according to the notice issued by the Provincial People's Committees.

Capital commitment

As of 31 December 2019, the total value of the contracts for capital construction projects which are still processing is VND 1,661,926,773,584 (as at 31 December 2018: VND 1,688,312,711,176); of which the value of completed amount is VND 797,934,670,679 (as at 31 December 2018: VND 391,061,691,164) and the unrealised value is VND 863,992,102,905 (as at 31 December 2018: VND 1,297,251,020,012).

39. BUSINESS AND GEOGRAPHICAL SEGMENTS**Business segment**

A business segment is a distinguishable component of an enterprise that is engaged in manufacturing or providing an individual product, service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. The Corporation's business activities include aviation and non-aviation services, selling, passenger room, processing activities and other activities.

Geographical area-based segment is a distinguishable component of the Corporation. It engages in the course of manufacturing or supplying products and services in a specific economic environment on which the segment has risks and economic benefits different from that of other components. The operations of the Corporation are implemented in Vietnam, therefore, the Corporation decided not to present the geographical segments.

This segment report includes items which are directly attributed to a segment as well as each segment on a reasonable basis. The unallocated items consist of assets, liabilities, financial income, financial expense, selling expense, general and administrative expense, other gains or losses and Corporate Income Tax.

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

FORM B 09-DN/HN

Segment information for the year ended 31 December 2019 on the Corporation's business is presented below:

Items	Services VND	Selling goods VND	Total VND
OPERATING RESULTS			
Net revenue from goods sold and services rendered	16,822,231,151,265	1,506,320,585,683	18,328,551,736,948
Revenue from goods sold and services rendered	16,822,231,151,265	1,506,320,585,683	18,328,551,736,948
Segment expense			
- Cost of goods sold	8,092,630,620,217	902,293,495,420	8,994,924,115,637
- Selling expenses	-	379,134,439,315	379,134,439,315
Segment-based operating results	8,729,600,531,048	224,892,650,948	8,954,493,181,996
Expenses unallocated as per segments			
General and administration expenses			1,006,436,658,672
Financial income			1,919,789,862,817
Financial expenses			103,842,775,190
Other income			9,838,649,076
Other expenses			917,405,921
Income from investments in joint ventures			382,862,566,873
Current corporate income tax expense			1,934,645,887,712
Deferred corporate income tax expense			6,984,611,654
Net profit after corporate income tax			8,214,156,921,613
Assets unallocated as per segments			58,176,195,336,654
Liabilities unallocated as per segments			21,418,960,995,248

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

FORM B 09-DN/HN

Segment information for the year ended 31 December 2018 on the Corporation's business is presented below:

Items	Services VND	Selling goods VND	Total VND
OPERATING RESULTS			
Net revenue from goods sold and services rendered	14,754,524,144,141	1,368,636,573,029	16,123,160,717,170
Revenue from goods sold and services rendered	14,754,524,144,141	1,368,636,573,029	16,123,160,717,170
Segment expense			
- Cost of goods sold	7,462,727,955,346	832,877,115,625	8,295,605,070,971
- Selling expenses	-	340,121,610,771	340,121,610,771
Segment-based operating results	7,291,796,188,795	195,637,846,633	7,487,434,035,428
Expenses unallocated as per segments			
General and administration expenses			878,228,923,176
Financial income			1,363,440,280,033
Financial expenses			755,865,128,377
Other income			86,011,587,184
Other expenses			20,546,032,891
Income from investments in joint ventures			335,929,802,184
Current corporate income tax expense			1,451,817,167,249
Deferred corporate income tax income			(18,995,347,574)
Net profit after corporate income tax			6,185,353,800,710
Assets unallocated as per segments			53,624,854,042,612
Liabilities unallocated as per segments			22,838,548,658,743

40. 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

	Current year	Prior year
	VND	VND
Salary of Board of Directors and Board of Executive Officers	10,094,551,200	11,274,277,000
Salary of Supervisory Board	2,231,229,600	1,965,274,500
	12,325,780,800	13,239,551,500

Transactions and balances with other related parties

Relationship with related parties:

<u>Related party</u>	<u>Relationship</u>
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
Air Cargo Services of Vietnam Joint Stock Company	Associate
Southern Airports Aircraft Maintenance Services Company Limited	Joint venture

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	Current year VND	Prior year VND
Revenue to related parties		
Southern Airports Services Joint Stock Company	379,601,869,626	339,960,758,528
Saigon Ground Services Joint Stock Company	179,512,729,679	171,879,016,191
Hanoi Ground Services Joint Stock Company	127,562,962,537	110,919,397,898
Southern Airports Aircraft Maintenance Services Company Limited	6,766,201,957	6,326,729,687
Southern Airports Transportation Joint Stock Company	10,506,999,580	10,724,962,987
Air Cargo Services of Vietnam Joint Stock Company	9,106,092,178	8,038,095,634
Southern Airports Trading Joint Stock Company	27,818,177	16,363,632
	713,084,673,734	647,865,324,557
Purchasings with related parties		
Southern Airports Services Joint Stock Company	19,924,184,233	20,317,655,120
Saigon Ground Services Joint Stock Company	8,005,501,957	8,720,082,239
Hanoi Ground Services Joint Stock Company	1,002,742,567	1,319,568,640
Southern Airports Transportation Joint Stock Company	458,379,625	464,941,034
Air Cargo Services of Vietnam Joint Stock Company	220,601,000	124,275,200
Southern Airports Trading Joint Stock Company	1,032,492,723	801,230,874
	30,643,902,105	31,747,753,107

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

	Closing balance VND	Opening balance VND
Trade receivables		
Southern Airports Services Joint Stock Company	37,641,233,318	32,647,650,609
Saigon Ground Services Joint Stock Company	23,979,029,890	34,168,655,548
Hanoi Ground Services Joint Stock Company	13,632,131,868	13,403,062,750
Air Cargo Services of Vietnam Joint Stock Company	1,004,782,550	8,467,162
Southern Airports Aircraft Maintenance Services Company Limited	221,001,265	170,140,084
Southern Airports Transportation Joint Stock Company	182,018,127	4,411,729,607
	76,660,197,018	84,809,705,760

	Closing balance VND	Opening balance VND
Other receivables		
Southern Airports Transportation Joint Stock Company	756,636	-
Southern Airports Services Joint Stock Company	652,500,000	-
	653,256,636	-
Trade payables		
Southern Airports Services Joint Stock Company	2,907,133,300	2,490,032,950
Saigon Ground Services Joint Stock Company	-	200,261,100
Hanoi Ground Services Joint Stock Company	657,882,225	443,387,340
Southern Airports Transportation Joint Stock Company	73,606,506	42,422,870
Air Cargo Services of Vietnam Joint Stock Company	32,643,050	20,493,088
Southern Airports Trading Joint Stock Company	80,324,000	80,110,999
	3,751,589,081	3,276,708,347
Other payables		
Southern Airports Services Joint Stock Company	-	64,982,500
	-	64,982,500

41. SUPPLEMENTAL DISCLOSURES OF CONSOLIDATED CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash outflows for interest expenses in the year exclude an amount of VND 28,336,466,163 (2018: VND 28,604,061,808), representing the accrued interest expense as at 31 December 2019. Consequently, changes in payables have been adjusted by the same amount.

Interest earned in the year exclude an amount of VND 1,106,261,851,954 (2018: VND 758,571,057,533), representing the interest income earned as at 31 December 2019. Consequently, changes in receivables have been adjusted by the same amount.

Cash outflows for purchases, construction of fixed assets in the year exclude an amount of VND 1,306,038,455,774 (2018: VND 1,312,316,724,116), 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.

42. INFORMATION RELATED TO AIRFIELD'S OPERATION

Items	Current year VND	Prior year (Restated) VND
I. Revenue	2,840,600,093,525	2,495,693,748,667
1. Sales of take-off and landing service	2,776,995,498,777	2,435,561,626,750
Deductions	69,222,323,211	54,746,113,576
Gross profit	2,707,773,175,566	2,380,815,513,174
2. Interest income	132,635,898,959	114,878,235,493
3. Other income (Insurance claim)	191,019,000	-
II. Expenses	1,387,321,526,105	1,204,277,523,381
1. Operating expense	1,023,971,884,250	881,423,467,059
Salary expense	533,754,414,901	451,866,121,126
Material and stationery expense	9,537,514,710	7,897,328,615
Depreciation expense	70,926,177,987	17,460,101,838
Taxes, fees and charges	(1,711,730,442)	2,993,201,585
Repair of fixed asset	227,616,214,737	253,443,418,231
Electricity, water, and communication expense	20,718,600,536	15,409,713,569
Outsource service	44,024,723,083	34,930,765,884
Employees' benefit	50,107,871,325	38,216,794,575
Other monetary expenses	65,842,983,317	59,206,021,636
Foreign exchange loss	3,155,114,096	-
2. Corporation income tax	364,503,050,005	322,854,056,322
3. Deferred income tax expenses	(1,153,408,150)	-
III. Difference in revenue-expenses	1,453,278,567,420	1,291,416,225,286
IV. Other related information		
1. The Corporation advanced capital expenditure for capital construction of State's assets (excluding payments for assets formed from 1 July 2014 to 31 March 2016).		
During the period	55,571,395,182	173,318,987,206
Adjustments of previous periods due to the classification of the State's assets into Corporation assets	(89,984,192,246)	-
2. Addition of fixed assets and reserve supplies during the year	46,158,689,972	179,305,953,110
3. Depreciation of fixed assets	196,792,828,636	190,547,212,704

According to the Resolution of the Board of Directors No. 371/NQ-HDQT on 14 September 2017 and 125/NQ-HDQT dated 14 May 2019, the revenue of the Airfield is mainly the revenue from take-off and landing services, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. RETROSPECTIVE ADJUSTMENTS OF PRIOR YEAR FIGURES

Retrospective adjustments are made in accordance with the State Audit minutes No. 430/KTNN-TH dated 20 September 2019 for the year ended 31 December 2018, details are as follows:

Consolidated balance sheet as at 31 December 2018				
ITEM	Codes	As previously reported VND	Restatement VND	Changes VND
Short-term trade receivables	131	2,488,058,007,978	2,490,721,586,665	2,663,578,687
Other short-term receivables	136	3,285,313,982,587	3,312,270,750,951	26,956,768,364
Inventories	141	469,505,846,539	469,441,554,267	(64,292,272)
Value-added tax deductibles	152	194,016,386,385	190,948,883,103	(3,067,503,282)
Taxes and other receivables from the State budget	153	73,039,213,886	63,148,440,050	(9,890,773,836)
Tangible fixed assets	221	18,375,300,653,351	18,443,956,413,054	68,655,759,703
- Cost	222	40,099,569,582,515	40,087,651,629,600	(11,917,952,915)
- Accumulated depreciation	223	(21,724,268,929,164)	(21,643,695,216,546)	80,573,712,618
Long-term construction in progress	242	591,404,310,929	591,549,228,201	144,917,272
Investments in joint ventures, associates	252	2,607,868,801,651	2,622,657,523,805	14,788,722,154
Long-term prepayments	261	69,369,206,943	70,047,981,387	678,774,444
Taxes and amounts payable to the State budget	313	73,947,811,538	141,397,521,391	67,449,709,853
Short-term accrued expenses	315	888,121,886,480	884,038,488,376	(4,083,398,104)
Retained earnings	421	6,359,930,412,361	6,397,328,269,446	37,397,857,085
- Retained earnings of the current year	421b	5,725,808,999,577	5,763,206,856,662	37,397,857,085
Non-controlling interests	429	52,538,705,331	52,640,487,731	101,782,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Consolidated income statement
For the year ended 31 December 2018

ITEM	Codes	As previously reported VND	Restatement VND	Changes VND
Gross revenue from goods sold and services rendered	01	16,138,803,338,201	16,141,224,773,371	2,421,435,170
Deductions	02	48,925,751,234	18,064,056,201	(30,861,695,033)
Cost of goods sold and services rendered	11	8,317,720,290,779	8,295,605,070,971	(22,115,219,808)
Income from investments in joint ventures associates	24	321,141,080,030	335,929,802,184	14,788,722,154
Selling expenses	25	306,173,746,235	340,121,610,771	33,947,864,536
Other expenses	32	27,484,194,080	20,546,032,891	(6,938,161,189)
Accounting profit before tax	50	7,574,998,251,567	7,618,175,620,385	43,177,368,818
Current corporate income tax expense	51	1,446,139,437,916	1,451,817,167,249	5,677,729,333
Net profit after corporate income tax	60	6,147,854,161,225	6,185,353,800,710	37,499,639,485

Consolidated cash flow statement
For the year ended 31 December 2018

ITEM	Codes	As previously reported VND	Restatement VND	Changes VND
Profit before tax	01	7,574,998,251,567	7,618,175,620,385	43,177,368,818
Depreciation and amortisation	02	3,960,918,368,666	3,880,344,656,048	(80,573,712,618)
Operating profit before movements in working capital	08	10,604,345,833,660	10,566,949,489,860	(37,396,343,800)
Changes in receivables	09	(177,217,802,190)	(193,879,872,123)	(16,662,069,933)
Changes in inventories	10	(61,561,928,410)	(61,497,636,138)	64,292,272
Changes in payables	11	366,761,032,591	424,449,615,007	57,688,582,416
Changes in prepaid expenses	12	(26,095,822,714)	(26,774,597,158)	(678,774,444)
Net cash generated by operating activities	20	7,932,681,835,650	7,935,697,522,161	3,015,686,511
Acquisition and construction of fixed assets	21	(2,019,795,604,056)	(2,008,022,568,413)	11,773,035,643
Interest earned, dividends and profits received	27	1,454,141,429,866	1,439,352,707,712	(14,788,722,154)
Net cash used in investing activities	30	(6,732,329,381,580)	(6,735,345,068,091)	(3,015,686,511)



44. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS ISSUANCE

The consolidated financial statements for the year ended 31 December 2019 have been approved for issuance by the Corporation's Board of Directors according to Resolution No. 73/NQ-HDQT on 26 March 2020.



Bui Thi Phuong Anh
Preparer



Bui A Dong
Chief Accountant

Vu The Phiet
Chief Executive Officer
30 March 2020

