

**AIRPORTS CORPORATION OF VIETNAM**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED FINANCIAL  
STATEMENTS**

**For the year ended 31 December 2018**

**AIRPORTS CORPORATION OF VIETNAM**

58 Truong Son, Ward 02, Tan Binh District

Ho Chi Minh City, Vietnam

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## **AIRPORTS CORPORATION OF VIETNAM**

58 Truong Son, Ward 02, Tan Binh District

Ho Chi Minh City, Vietnam

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### **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 2018.

### **THE BOARDS OF DIRECTORS, SUPERVISORS AND EXECUTIVE OFFICERS**

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

#### **Board of Directors**

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

#### **Board of Supervisors**

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

#### **Board of Executive Officers**

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

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

### **AUDITORS**

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



**AIRPORTS CORPORATION OF VIETNAM**

58 Truong Son, Ward 02, Tan Binh District

Ho Chi Minh City, Vietnam

**STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS (CONTINUED)**


**BOARD OF EXECUTIVE OFFICERS' STATEMENT OF RESPONSIBILITY**

The Board of Executive Officers of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2018, 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 2019

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## 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 2019 as set out from page 5 to page 62, which comprise the consolidated balance sheet as at 31 December 2018, 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 2018, 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 2018, the Corporation have not received the decision about finalisation of the Corporation's equitisation when the Corporation transformed into a joint stock company as at 31 March 2016 from the competent authorities.
- The Corporation continues to manage and utilise the assets of the Airfield and carry out the repair and maintenance as well as investment on these assets from the Airfield's operation. In awaiting authorities' guidance on management, utilisation and accounting treatment on the Airfield's assets, the assets, costs, revenues generated from the Airfield's management and utilisation are separately recorded as other receivables and other payables in the consolidated balance sheet as at 31 December 2018. The adjustments in relation to these operating activities (if any) will be made in accordance with competent authorities' decision and guidance.

We also draw attention to Notes 41 of the Notes to the consolidated financial statements, the amount of collection, payment, investment into Airfield operations regarding assets of Airfield has not been finalised by competent authorities.

Our opinion is not modified in respect of these matters.



**Nguyen Quang Trung**  
**Audit Partner**

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

**BRANCH OF DELOITTE VIETNAM  
COMPANY LIMITED**

30 March 2019

Ho Chi Minh City, Vietnam

**Bui Quoc Anh**  
**Auditor**

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

**CONSOLIDATED BALANCE SHEET***As at 31 December 2018*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>31,264,131,173,918</b>	<b>26,343,133,239,147</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>638,390,855,963</b>	<b>1,313,665,194,187</b>
1. Cash	111		628,390,855,963	913,665,194,187
2. Cash equivalents	112		10,000,000,000	400,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>		<b>23,730,400,000,000</b>	<b>17,563,000,000,000</b>
1. Held-to-maturity investments	123	5	23,730,400,000,000	17,563,000,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>6,126,277,165,362</b>	<b>6,957,603,601,735</b>
1. Short-term trade receivables	131	6	2,488,058,007,978	2,043,091,247,627
2. Short-term advances to suppliers	132	7	382,816,457,706	1,373,464,764,854
3. Other short-term receivables	136	8	3,285,313,982,587	3,571,079,755,284
4. Provision for short-term doubtful debts	137	9	(29,911,282,909)	(30,032,166,030)
<b>IV. Inventories</b>	<b>140</b>		<b>469,505,846,539</b>	<b>404,108,690,705</b>
1. Inventories	141	10	469,505,846,539	404,108,690,705
<b>V. Other short-term assets</b>	<b>150</b>		<b>299,557,306,054</b>	<b>104,755,752,520</b>
1. Short-term prepayments	151	11	32,501,705,783	17,868,964,518
2. Value-added tax deductibles	152		194,016,386,385	53,728,777,815
3. Taxes and other receivables from the State budget	153	19	73,039,213,886	33,158,010,187
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>22,259,856,917,460</b>	<b>22,819,792,141,215</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>321,162,713,296</b>	<b>352,941,856,676</b>
1. Long-term trade receivables	211	6	6,300,000,200	-
2. Other long-term receivables	216	8	314,862,713,096	352,941,856,676
<b>II. Fixed assets</b>	<b>220</b>		<b>18,378,605,420,364</b>	<b>18,989,231,356,738</b>
1. Tangible fixed assets	221	12	18,375,300,653,351	18,987,853,462,199
- Cost	222		40,099,569,582,515	36,768,825,851,976
- Accumulated depreciation	223		(21,724,268,929,164)	(17,780,972,389,777)
2. Intangible assets	227	13	3,304,767,013	1,377,894,539
- Cost	228		18,575,451,988	14,964,055,361
- Accumulated amortisation	229		(15,270,684,975)	(13,586,160,822)
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>591,404,310,929</b>	<b>635,700,153,017</b>
1. Long-term construction in progress	242	14	591,404,310,929	635,700,153,017
<b>IV. Long-term financial investments</b>	<b>250</b>		<b>2,791,368,801,651</b>	<b>2,695,061,532,587</b>
1. Investments in joint ventures, associates	252	15	2,607,868,801,651	2,511,561,532,587
2. Investments in other entities	253	16	184,800,000,000	184,800,000,000
3. Provision for impairment of long-term financial investments	254		(1,300,000,000)	(1,300,000,000)
<b>V. Other long-term assets</b>	<b>260</b>		<b>177,315,671,220</b>	<b>146,857,242,197</b>
1. Long-term prepayments	261	11	69,369,206,943	57,906,125,494
2. Deferred tax assets	262	17	107,946,464,277	88,951,116,703
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>53,523,988,091,378</b>	<b>49,162,925,380,362</b>

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

**CONSOLIDATED BALANCE SHEET (CONTINUED)***As at 31 December 2018*

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>22,775,182,346,994</b>	<b>21,778,430,131,363</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>7,620,617,946,024</b>	<b>7,354,070,823,240</b>
1. Short-term trade payables	311	18	1,142,847,500,946	1,124,603,708,409
2. Short-term advances from customers	312		28,198,297,405	20,708,930,580
3. Taxes and amounts payable to the State budget	313	19	73,947,811,538	238,645,978,883
4. Payables to employees	314		1,026,311,895,001	1,080,988,614,740
5. Short-term accrued expenses	315	20	888,121,886,480	923,724,169,842
6. Short-term unearned revenue	318		9,234,846,317	19,356,201,136
7. Other current payables	319	21	3,869,475,488,801	3,538,730,693,897
8. Short-term loans and obligations under finance leases	320	23	150,932,824,856	148,235,246,033
9. Bonus and welfare funds	322	22	431,547,394,680	259,077,279,720
<b>II. Long-term liabilities</b>	<b>330</b>		<b>15,154,564,400,970</b>	<b>14,424,359,308,123</b>
1. Other long-term payables	337	21	90,353,729,680	80,806,885,194
2. Long-term loans and obligations under finance leases	338	23	15,043,360,671,290	14,327,552,422,929
3. Long-term provisions	342		20,850,000,000	16,000,000,000
<b>D. OWNERS' EQUITY</b>	<b>400</b>		<b>30,748,805,744,384</b>	<b>27,384,495,248,999</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>24</b>	<b>30,748,805,744,384</b>	<b>27,384,495,248,999</b>
1. Owners' contributed capital	411		21,771,732,360,000	21,771,732,360,000
- Ordinary shares carrying voting rights	411a		21,771,732,360,000	21,771,732,360,000
2. Share premium	412		14,602,790,587	14,602,790,587
3. Treasury shares	415		(572,470,000)	-
4. Investment and development fund	418		2,550,573,946,105	702,011,972,981
5. Retained earnings	421		6,359,930,412,361	4,848,782,554,857
- Retained earnings accumulated to the prior year	421a		634,121,412,784	748,281,525,219
- Retained earnings of the current year	421b		5,725,808,999,577	4,100,501,029,638
6. Non-controlling interests	429		52,538,705,331	47,365,570,574
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>53,523,988,091,378</b>	<b>49,162,925,380,362</b>

*Anh*

**Bui Thi Phuong Anh**  
Preparer

*Mr*

**Bui A Dong**  
Chief Accountant



*Vu The Phiet*

**Vu The Phiet**  
Chief Executive Officer  
30 March 2019

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

**CONSOLIDATED INCOME STATEMENT***For the year ended 31 December 2018*

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	26	16,138,803,338,201	13,873,411,995,701
2. Deductions	02	26	48,925,751,234	43,196,975,646
3. Net revenue from goods sold and services rendered (10=01-02)	10	26	16,089,877,586,967	13,830,215,020,055
4. Cost of goods sold and services rendered	11	27	8,317,720,290,779	8,182,344,566,381
5. Gross profit from goods sold and services rendered (20=10-11)	20		7,772,157,296,188	5,647,870,453,674
6. Financial income	21	29	1,363,440,280,033	1,121,661,214,511
7. Financial expenses	22	30	755,865,128,377	606,234,236,094
- In which: Interest expense	23		95,084,582,355	96,165,565,685
8. Income from investments in joint ventures, associates	24	15	321,141,080,030	256,923,198,656
9. Selling expenses	25	31	306,173,746,235	293,254,169,925
10. General and administration expenses	26	32	878,228,923,176	808,621,588,698
11. Operating profit (30=20+(21-22)+24-(25+26))	30		7,516,470,858,463	5,318,344,872,124
12. Other income	31	33	86,011,587,184	27,520,800,657
13. Other expenses	32	34	27,484,194,080	2,391,829,786
14. Profit from other activities (40=31-32)	40		58,527,393,104	25,128,970,871
15. Accounting profit before tax (50=30+40)	50		7,574,998,251,567	5,343,473,842,995
16. Current corporate income tax expense	51	35	1,446,139,437,916	1,051,976,137,429
17. Deferred corporate tax (income)/expense	52	36	(18,995,347,574)	169,777,526,995
18. Net profit after corporate income tax (60=50-51-52)	60		6,147,854,161,225	4,121,720,178,571
Attributable to:				
- The Corporation's shareholders	61		6,135,334,749,577	4,100,501,029,638
- Non-controlling interests	62	24	12,519,411,648	21,219,148,933
19. Basic earnings per share	70	37	2,630	1,695

*Anh*  
Bui Thi Phuong Anh  
Preparer

*Minh*  
Bui A Dong  
Chief Accountant



*Vu The Phiet*  
Vu The Phiet  
Chief Executive Officer  
30 March 2019

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



**CONSOLIDATE CASH FLOW STATEMENT***For the year ended 31 December 2018*

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>1. Profit before tax</i>	<i>01</i>	<i>7,574,998,251,567</i>	<i>5,343,473,842,995</i>
<i>2. Adjustments for:</i>			
Depreciation and amortisation	02	3,960,918,368,666	4,165,022,645,340
Provisions	03	4,729,116,879	11,419,111,685
Foreign exchange difference arising from translating foreign currency items	04	638,238,848,257	489,588,948,149
Gain from investing activities	05	(1,668,075,990,409)	(1,193,909,733,693)
Interest expense	06	95,084,582,355	96,165,565,685
Other adjustments	07	(1,547,343,655)	-
<i>3. Operating profit before movements in working capital</i>	<i>08</i>	<i>10,604,345,833,660</i>	<i>8,911,760,380,161</i>
Changes in receivables	09	(177,217,802,190)	(3,219,196,781,385)
Changes in inventories	10	(61,561,928,410)	33,447,467,018
Changes in payables	11	366,761,032,591	2,116,471,318,158
Changes in prepaid expenses	12	(26,095,822,714)	10,695,751,329
Interest paid	14	(95,942,288,441)	(95,436,519,788)
Corporate income tax paid	15	(2,027,663,134,944)	(1,316,845,471,820)
Other cash inflows	16	-	2,227,810,220
Other cash outflows	17	(649,944,053,902)	(2,049,685,647,909)
<i>Net cash generated by operating activities</i>	<i>20</i>	<i>7,932,681,835,650</i>	<i>4,393,438,305,984</i>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets	21	(2,019,795,604,056)	(1,370,121,056,605)
2. Proceeds from sale, disposal of fixed assets	22	724,792,610	21,540,170,005
3. Cash outflow for buying debt instruments of other entities	23	(9,913,400,000,000)	(12,720,500,000,000)
4. Cash recovered from selling debt instruments of other entities	24	3,746,000,000,000	8,725,500,000,000
5. Net cash flows from divestments	26	-	(444,462,025,351)
6. Interest earned, dividends and profits received	27	1,454,141,429,866	963,162,118,546
<i>Net cash used in investing activities</i>	<i>30</i>	<i>(6,732,329,381,580)</i>	<i>(4,824,880,793,405)</i>

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

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

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Buy-back of issued shares	32	(572,470,000)	-
2. Proceeds from borrowings	33	234,180,466,916	31,402,837,049
3. Repayment of borrowings	34	(149,492,654,048)	(145,760,637,817)
4. Dividends and profits paid	36	(1,959,379,265,070)	(1,306,211,897,430)
<i>Net cash used in financing activities</i>	<b>40</b>	<b>(1,875,263,922,202)</b>	<b>(1,420,569,698,198)</b>
 Net decrease in cash during the year (50=20+30+40)	<b>50</b>	<b>(674,911,468,132)</b>	<b>(1,852,012,185,619)</b>
Cash and cash equivalents at the beginning of the year	<b>60</b>	<b>1,313,665,194,187</b>	<b>3,165,744,917,074</b>
Effects of changes in foreign exchange rates	61	(362,870,092)	(67,537,268)
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>638,390,855,963</b>	<b>1,313,665,194,187</b>



**Bui Thi Phuong Anh**  
Preparer



**Bui A Dong**  
Chief Accountant



**Vu The Phiet**  
Chief Executive Officer  
30 March 2019

**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-TTg dated 6 October 2015 of Prime Minister, operates under the Business Registration Certificate No. 0311638525 dated 22 March 2012 and other amended certificates. The eighth amended Business Registration Certificate dated 15 August 2018 was issued by the Department of Planning and Investment of Ho Chi Minh City.

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

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

The international business name: Airports Corporation of Vietnam.

The abbreviation name: ACV.

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

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

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

**Operating industry and principal activities**

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

equipment, and aeronautical facilities; trading services, duty-free services; services at apron and other aeronautical services at airports, aerodromes; supply of aeronautical gasoline, lubricant (including fuel, lubricant, specialised liquid) and other types of gasoline at airports, aerodromes; other aviation services, public services at airports and aerodromes;

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

**Normal production and business cycle**

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

**Characteristics of the business activities which have impact on the 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 verify and approve the finalisation of finance, finalisation of receivables, costs incurred in the equitisation process and the actual value of the State capital portion in the Corporation 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 2018 and other reports from prior years of the Corporation may be modified subject to those decisions from the competent authorities.

According to the Decision No. 1710/QĐ-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 repairs, maintenance and investment of these Airfield assets from the Airfield's activities; ensure the continued operation of aviation airports, security and aviation safety. While waiting for authorities for guidance on management and utilisation and the regime of accounting for the Airfield's assets, the Corporation shall separately monitor the amounts related to the operation of the Airfield according to the current regulations. The adjustment of the amounts related to operation of Airfield (if any) will be followed in accordance with decision, regulation and guidance of competent authorities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**The Corporation's structure**

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

*Branches:*

Branch name	Address
1. Noi Bai International Airport - Branch of Airports Corporation of Vietnam	Noi Bai International Airport, Phu Minh Commune, Soc Son District, Hanoi.
2. Da Nang International Airport - Branch of Airports Corporation of Vietnam	Hoa Thuan Tay Ward, Hai Chau District, Da Nang City.
3. Tan Son Nhat International Airport - Branch of Airports Corporation of Vietnam	58 Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City.
4. Phu Bai International Airport - Branch of Airports Corporation of Vietnam	Zone 8, Phu Bai Ward, Huong Thuy Town, Thua Thien Hue Province.
5. Chu Lai Airport - Branch of Airports Corporation of Vietnam	Tam Nghia Commune, Nui Thanh District, Quang Nam Province.
6. Cam Ranh International Airport - Branch of Airports Corporation of Vietnam	Cam Ranh International Airport, Cam Nghia Ward, Cam Ranh City, Khanh Hoa Province.
7. Can Tho International Airport - Branch of Airports Corporation of Vietnam	179B Le Hong Phong, Tra An Ward, Binh Thuy District, Can Tho City.
8. Phu Quoc International Airport - Branch of Airports Corporation of Vietnam	Group 2, Duong To Village, Duong To Commune, Phu Quoc District, Kien Giang Province.
9. Dien Bien Airport – Branch of Airports Corporation of Vietnam	Group 10, Thanh Truong Ward, Dien Bien Phu City, Dien Bien Province.
10. Na San Airport – Branch of Airports Corporation of Vietnam	Mai Son District, Son La Province.
11. Cat Bi Airport - Branch of Airports Corporation of Vietnam	Le Hong Phong Street, Thanh To Ward, Hai An District, Hai Phong City.
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	Town 4, Phu Thanh Ward, Tuy Hoa City, Phu Yen Province.
16. Pleiku Airport - Branch of Airports Corporation of Vietnam	Street 17/3, Thong Nhat Ward, Pleiku City, Gia Lai Province.
17. Lien Khuong Airport - Branch of Airports Corporation of Vietnam	Highway 20, Lien Nghia Town, Duc Trong District, Lam Dong Province.
18. Buon Ma Thuot Airport - Branch of Airports Corporation of Vietnam	Village 3, Hoa Thang Commune, Buon Ma Thuot City, Dak Lak Province.
19. Con Dao Airport - Branch of Airports Corporation of Vietnam	Sub-zone 1, Con Dao Town, Con Dao District, Ba Ria - Vung Tau Province.
20. Rach Gia Airport - Branch of Airports Corporation of Vietnam	418 Cach Mang Thang Tam, Vinh Loi Ward, Rach Gia City, Kien Giang Province.
21. Ca Mau Airport - Branch of Airports Corporation of Vietnam	93 Ly Thuong Kiet, Ward 6, Ca Mau City.
22. Tho Xuan Airport - Branch of Airports Corporation of Vietnam	Sao Vang Airport, Sao Vang Town, Tho Xuan, 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	48.01	48.01	Ground commercial services at airports
3. Southern Airports Aircraft Maintenance Services Company Limited	Ho Chi Minh City	51	50	Aircrafts maintenance and repair services
4. Southern Airports Trading Joint Stock Company	Ho Chi Minh City	29.53	29.53	Production of bottled purified water, bottled mineral water; trading in transport of cargo and passenger by car
5. Southern Airports Transportation Joint Stock Company	Ho Chi Minh City	30	30	Passenger transport by road
6. Hanoi Ground Services Joint Stock Company	Hanoi	20	20	Ground services at Noi Bai Airport
7. Air Cargo Services of Vietnam Joint Stock Company	Hanoi	20	20	Cargo warehouse services

**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 2017.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**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 01 January and ends on 31 December.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Corporation in the preparation of these 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.





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 periods, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**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**

#### ***Land use rights***

Intangible assets represent land use rights that are stated at cost less accumulated amortisation. Land use rights are amortised using the straight-line method over the duration of the right to use the land.

#### ***Patents, copyright and computer software***

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 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. 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 sale 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 and Da Nang 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, by reference to the principal outstanding and at 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.

## 4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	4,062,189,508	2,671,866,367
Bank demand deposits	610,424,281,704	910,993,327,820
Cash in transit	13,904,384,751	-
Cash equivalents	10,000,000,000	400,000,000,000
	<u>638,390,855,963</u>	<u>1,313,665,194,187</u>

Cash equivalents represent deposits with maturity term less than 3 months at local commercial banks. These deposits earn a fixed interest rate at 5.1% per annum (as at 31 December 2017: 5% per annum).

## 5. HELD-TO-MATURITY INVESTMENTS

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 6. TRADE RECEIVABLES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
<i>Short-term</i>		
<b>a. Receivables from third parties</b>		
Vietnam Airlines Corporation	572,117,188,804	535,292,072,812
VietJet Aviation Joint Stock Company	550,884,657,897	520,713,859,446
Da Nang International Terminal Investment and Operation Joint Stock Company	158,156,810,540	19,901,636,288
Jetstar Pacific Airlines Aviation Joint Stock Company	152,163,811,441	123,997,971,504
Cam Ranh International Terminal Joint Stock Company	71,354,431,311	20,952,000
Korean Airlines	55,045,564,272	53,797,452,543
Airasia Berhad	51,160,428,012	51,660,566,591
Asiana Airlines, Inc.	45,650,360,974	44,311,797,559
Qatar Airways	35,371,680,930	19,256,470,689
China Southern Airlines Co.,Ltd	33,148,095,319	27,924,935,181
Thai Airways International Public Co.,Ltd	32,557,782,282	36,282,277,327
Thai AirAsia	31,991,880,109	14,031,643,782
Emirates Airlines	30,471,462,289	31,590,339,356
Others	583,174,148,038	493,402,043,917
<b>b. Receivables from related parties (Note 40)</b>	<b>84,809,705,760</b>	<b>70,907,228,632</b>
	<b><u>2,488,058,007,978</u></b>	<b><u>2,043,091,247,627</u></b>
<i>Long-term</i>		
<b>a. Receivables from third parties</b>		
Hoang Long Yen Joint Stock Company	6,300,000,200	-
	<b><u>6,300,000,200</u></b>	<b><u>-</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 7. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
JFK (JAC-ADPi-NK-OCG) Joint Venture	69,203,888,183	-
VTG Technology and Equipment Joint Stock Company	61,002,980,045	106,237,910,318
Airport Design and Construction Constultancy Company Limited One Member	31,446,092,304	3,802,897,519
Thang Long Joint Stock Company	13,415,303,268	-
Heerim Architects & Planners Co.,Ltd	22,925,635,988	-
Six Four Seven Aeronautics Project Construction Joint Stock Company	18,535,344,431	28,512,509,186
An Phu Construction and Investment Joint Stock Company	15,926,326,496	-
AT Technology Development and Investment Joint Stock Company	11,565,692,398	33,496,958,361
Construction and Trading Joint Stock Company	9,387,844,381	48,002,944,880
Air and Air Defence Force Command	7,211,365,000	107,790,050,000
CIENCO 4 Group	4,665,208,037	153,609,291,003
ACC Airport Construction Corporation	-	287,684,293,504
BTK Technology Development Company Limited	820,619,000	84,201,172,871
Luu Nguyen Construction Company Limited	-	94,429,325,163
HASKY Joint Stock Company	-	40,169,415,886
Others	116,710,158,175	385,527,996,163
	<u>382,816,457,706</u>	<u>1,373,464,764,854</u>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 8. OTHER RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>a. Current</b>		
Receivables from the State on expense and corporate income tax related to Airfield's Operation paid on behalf of the State (i)	1,219,649,038,329	1,779,199,170,447
Receivable from the State related to fixed assets in Airfield (i)	1,144,794,049,473	976,778,430,984
Interest from term deposits	758,571,057,533	552,315,530,561
Deductible input VAT which has not been declared	29,473,482,496	155,396,707,316
Receivable from Vietnam Air Traffic Managment Corporation for meteorological assets	55,654,707,061	50,627,055,296
Dividend received	26,250,000,000	-
Receivable related to equitisation (ii)	19,570,715,787	19,570,715,787
Others	31,350,931,908	37,192,144,893
	<u><b>3,285,313,982,587</b></u>	<u><b>3,571,079,755,284</b></u>
<b>b. Non-current</b>		
Soc Son Land Development Center	80,936,675,811	104,921,205,123
Receivable from compensation expenses for site clearance for the area not delivered to use in Phu Quoc	184,565,128,906	194,172,915,311
Receivable from TCP Joint Stock Company related to assets on land and land rental	41,671,912,247	37,883,556,588
Receivable from Gia Lai Construction Department	-	9,008,179,654
Deposits and mortgages	5,715,000,000	6,956,000,000
Others	1,973,996,132	-
	<u><b>314,862,713,096</b></u>	<u><b>352,941,856,676</b></u>
<b>In which:</b>		
<b>c. Other receivables from related parties (Note 40)</b>	-	<b>1,500,000,000</b>

(i) As presented in Note 1 about management and utilisation of the Airfield's assets, the Corporation split and separately monitored the assets of the Airfield after equitisation, expenses and corporate income tax expenses paid in respect of the management and utilisation of the assets of the Airfield (presented in Note 43). During the year, Corporation had performed net-off with the Payable to the State in relation to Airfield's operation received on behalf of the State (presented in Note 21) for the period from 1 April 2016 to 31 December 2017 with the amount of VND 1,779,199,170,447.

(ii) Equitisation receivables are costs incurred in the equitisation process of the Corporation. These receivables will be offset against the State's equitisation liabilities (presented in Note 21) before refunded to the Enterprise Restructuring and Development Fund when the Corporation finalizes the equitisation with competent authorities.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 9. BAD DEBTS

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

**10. INVENTORIES**

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>Cost</u>	<u>Cost</u>
	<u>VND</u>	<u>VND</u>
Goods in transit	804,421,514	-
Raw materials	169,203,233,194	175,718,713,119
Tools and supplies	2,807,959,344	1,331,704,955
Work in progress	4,721,929,356	7,096,872,101
Merchandise	291,968,303,131	219,961,400,530
	<u><b>469,505,846,539</b></u>	<u><b>404,108,690,705</b></u>

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

**11. PREPAYMENTS**

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
<b>Current</b>		
Tools and equipments	18,425,774,734	13,363,912,180
Insurance premium	7,969,467,668	2,515,750,325
Others	6,106,463,381	1,989,302,013
	<u><b>32,501,705,783</b></u>	<u><b>17,868,964,518</b></u>
<b>Non-current</b>		
Compensation for site clearance of the expansion project of Northern part of Da Nang International Airport	20,447,231,836	20,447,231,836
Compensation for site clearance of the expansion project of Da Nang International Airport	12,258,823,680	2,530,086,009
Tools and equipments	23,707,519,857	15,447,958,324
Aircraft packing rental	7,348,000,000	14,696,000,000
Land rental and tax	1,575,530,000	2,247,530,000
Others	4,032,101,570	2,537,319,325
	<u><b>69,369,206,943</b></u>	<u><b>57,906,125,494</b></u>

12. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>COST</b>					
Opening balance	22,502,586,181,184	12,175,709,772,592	1,996,993,561,960	93,536,336,240	36,768,825,851,976
Additions	-	56,608,194,915	204,428,180,021	3,703,243,600	264,739,618,536
Transfer from construction in progress	2,352,452,782,205	731,446,154,509	-	-	3,083,898,936,714
Disposals	(1,522,876,725)	(12,050,723,105)	(4,070,657,764)	(250,567,117)	(17,894,824,711)
<b>Closing balance</b>	<b>24,853,516,086,664</b>	<b>12,951,713,398,911</b>	<b>2,197,351,084,217</b>	<b>96,989,012,723</b>	<b>40,099,569,582,515</b>
<b>ACCUMULATED DEPRECIATION</b>					
Opening balance	8,663,101,595,096	7,871,516,562,720	1,158,763,456,888	87,590,775,073	17,780,972,389,777
Charge for the year	2,011,185,492,434	1,678,272,002,430	269,966,808,715	4,874,692,965	3,964,298,996,544
Disposals	(1,175,561,672)	(11,769,664,284)	(3,973,396,930)	(250,567,117)	(17,169,190,003)
Depreciation expense of prior year	6,237,240,290	6,157,709,517	-	-	12,394,949,807
Others	(4,650,089,568)	(9,857,961,779)	(291,297,011)	(1,428,868,603)	(16,228,216,961)
<b>Closing balance</b>	<b>10,674,698,676,580</b>	<b>9,534,318,648,604</b>	<b>1,424,465,571,662</b>	<b>90,786,032,318</b>	<b>21,724,268,929,164</b>
<b>NET BOOK VALUE</b>					
<b>Opening balance</b>	<b>13,839,484,586,088</b>	<b>4,304,193,209,872</b>	<b>838,230,105,072</b>	<b>5,945,561,167</b>	<b>18,987,853,462,199</b>
<b>Closing balance</b>	<b>14,178,817,410,084</b>	<b>3,417,394,750,307</b>	<b>772,885,512,555</b>	<b>6,202,980,405</b>	<b>18,375,300,653,351</b>

As presented in Note 23, the Corporation has pledged fully value of the construction work, machinery, equipment and other assets of T2 Passenger Terminal - Noi Bai International Airport to mortgage for the borrowings. As at 31 December 2018, the carrying value of pledged tangible fixed assets was VND 5,818,887,036,079 (as at 31 December 2017: VND 7,459,461,148,341).

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

**13. INTANGIBLE ASSETS**

	<b>Patent, Copyrights VND</b>	<b>Computer software VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>COST</b>				
Opening balance	2,661,339,000	12,102,705,361	200,011,000	14,964,055,361
Additions	-	3,611,396,627	-	3,611,396,627
Reclassify	-	30,011,000	(30,011,000)	-
<b>Closing balance</b>	<b>2,661,339,000</b>	<b>15,744,112,988</b>	<b>170,000,000</b>	<b>18,575,451,988</b>
<b>ACCUMULATED AMORTISATION</b>				
Opening balance	2,600,379,136	10,815,781,686	170,000,000	13,586,160,822
Charge for the year	48,767,892	1,635,756,261	-	1,684,524,153
<b>Closing balance</b>	<b>2,649,147,028</b>	<b>12,451,537,947</b>	<b>170,000,000</b>	<b>15,270,684,975</b>
<b>NET BOOK VALUE</b>				
Opening balance	60,959,864	1,286,923,675	30,011,000	1,377,894,539
<b>Closing balance</b>	<b>12,191,972</b>	<b>3,292,575,041</b>	<b>-</b>	<b>3,304,767,013</b>

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

**14. CONSTRUCTION IN PROGRESS****14.1 Construction in progress**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 14.1 Construction in progress (continued)

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



## 14.2 Constructions temporarily debited but not finalised

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

## 14.2 Constructions temporarily debited but not finalised (Continued)

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 14.2 Constructions temporarily debited but not finalised (Continued)

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

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

## 15. INVESTMENTS IN JOINT VENTURE, ASSOCIATES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Opening balance (ii)	2,511,561,532,587	931,107,182,564
Income from investments in joint ventures, associates Company	321,141,080,030	256,923,198,656
Disposal of investment	-	(176,473,200,771)
Transfer profit from Subsidiary to Associate due to divestment	-	754,268,410,160
Assets revaluation reserve	-	930,159,640,000
Profit and dividends received	(224,833,810,966)	(184,423,698,022)
Closing balance	<u>2,607,868,801,651</u>	<u>2,511,561,532,587</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Details of the Corporation's joint ventures, associates as at 31 December 2018 are as follows:

Company	Charter Capital	Percentage of ownership	Contribution Capital	Cost	
	VND	%	VND	Closing balance VND	Opening balance VND
Southern Airports Services Joint Stock Company	1,334,813,100,000	49.07	655,042,000,000	1,685,304,152,454	1,687,081,648,245
Saigon Ground Services Joint Stock Company	239,959,520,000	48.01	115,204,565,552	718,685,522,204	637,706,579,780
Aviation Cargo Services of Vietnam Joint Stock	250,000,000,000	20.00	50,000,000,000	99,366,861,117	82,245,230,023
Hanoi Ground Services Joint Stock Company	150,000,000,000	20.00	30,000,000,000	47,297,712,106	46,528,828,141
Southern Airports Aircraft Maintenance Services	30,000,000,000	51.00	15,300,000,000	34,114,042,532	35,373,669,695
Southern Airports Transportation Joint Stock	43,500,000,000	30.00	13,050,000,000	15,732,134,520	15,063,709,846
Southern Airports Trading Joint – Stock Company	16,694,600,000	29.53	4,930,000,000	7,368,376,718	7,561,866,857
				<b>2,607,868,801,651</b>	<b>2,511,561,532,587</b>

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

(ii) The opening balance includes all the remaining of the assets revaluation reserve of Southern Airports Services Joint Stock Company with the amount of VND 930,159,640,000 after divesting to associate into the cost of this investment in 2017.

## 16. INVESTMENT IN OTHER ENTITIES

	Closing balance VND	Opening balance VND
Saigon Cargo Service Joint Stock Company	75,000,000,000	75,000,000,000
Da Nang International Airport Investment and Exploitation 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 Passenger Joint Stock Company	60,000,000,000	60,000,000,000
	<b>184,800,000,000</b>	<b>184,800,000,000</b>

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

**FORM B 09-DN/HN**

**17. DEFERRED TAX ASSETS**

	Closing balance			Opening balance		
	Amount VND	Tax rate %	Deferred tax VND	Amount VND	Tax rate %	Deferred tax VND
<b>Deferred tax assets</b>						
Accrued land rental expenses (which have not had the announcement of Tax Authority yet)	77,681,326,505	20%	15,536,265,301	77,437,404,047	20%	15,487,480,809
Temporarily increased fixed assets depreciation (which have not had invoices yet)	391,291,302,014	20%	78,258,260,403	323,281,508,597	20%	64,656,301,719
Provision for impairment of financial investments	1,300,000,000	20%	260,000,000	1,300,000,000	20%	260,000,000
Provision for doubtful debts exceeding the threshold according to Circular No. 228/2009/TT-BTC dated 7 December 2009	-	20%	-	2,889,555,412	20%	577,911,082
Maintenance expenses (which have not had invoices yet)	44,309,006,185	20%	8,861,801,237	73,741,500,070	20%	14,748,300,014
Foreign exchange loss arising from revaluating cash and receivables in foreign currency	4,300,686,681	20%	860,137,336	2,105,615,396	20%	421,123,079
Asset overhaul expense of underground fuel refueling system for aircraft of Noi Bai Aviation Fuel Service Joint Stock Company	20,850,000,000	20%	4,170,000,000	16,000,000,000	20%	3,200,000,000
<b>Net-off with deferred tax liabilities</b>						
Decrease in revenue of Q4/2017 due to price adjustment	-	20%	-	(52,000,000,000)	20%	(10,400,000,000)
	<b>539,732,321,385</b>		<b>107,946,464,277</b>	<b>444,755,583,522</b>		<b>88,951,116,703</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 18. SHORT-TERM TRADE PAYABLES

	Closing balance VND	Opening balance VND
<b>a. Trade payables to third parties</b>		
New Asia Wave International (S) Pte Ltd.	288,685,081,912	242,090,867,464
International Joint Venture of Vinaconex - Taisei Company Limited	-	128,668,690,193
REE Mechanical and Electrical Engineering Joint Stock Company	122,679,172,596	30,991,746,544
NPT Joint Stock Company	68,623,698,466	-
Hoa Binh Construction and Real Estate Joint Stock Company	65,452,098,236	50,512,338,144
Duy Anh Trading Company Limited	67,648,883,537	23,492,646,362
Luu Nguyen Construction Company Limited	52,251,177,629	
Petro IMICO Construction Investment Joint Stock Company	34,998,542,151	11,414,429,689
VIC Joint Venture Construction Company Limited	21,260,347,811	28,287,532,447
Autogrill VFS F&B Company Limited	19,906,487,518	17,860,735,698
Dong A International Corporation Joint Stock Company	18,388,125,646	18,388,125,646
JRP International Pte Ltd	15,799,936,581	15,977,948,316
Construction No. 9 Joint Stock Company	14,775,114,956	-
HASKY Joint Stock Company	14,370,467,574	-
Song Hong Corporation	11,502,373,219	12,214,193,422
Civil Engineering Construcion Joint Stock Corporation 8	10,146,617,244	10,210,001,560
Others	313,082,667,523	530,846,080,831
<b>b. Trade payables to related parties (Note 40)</b>	<b>3,276,708,347</b>	<b>3,648,372,093</b>
	<b>1,142,847,500,946</b>	<b>1,124,603,708,409</b>

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

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

**FORM B 09-DN/HN**

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

	<u>Opening balance</u>	<u>Receivable/Payable</u>	<u>Received/Paid</u>	<u>Closing balance</u>
	<u>VND</u>	<u>during the period</u>	<u>during the period</u>	<u>VND</u>
<b>Tax payables to the State budget</b>				
Value added tax	12,260,329,277	301,057,770,628	266,290,010,264	47,028,089,641
Business license tax	-	30,000,000	30,000,000	-
Import-export duties	-	402,379,265	402,379,265	-
Corporate income tax (*)	202,658,103,149	1,767,719,007,381	1,968,144,136,280	2,232,974,250
Personal income tax	992,428,169	287,338,808,779	264,279,498,736	24,051,738,212
Natural resources tax	161,248,924	2,166,018,132	2,160,128,511	167,138,545
Land tax and land rental	22,305,227,741	80,433,147,919	102,738,375,660	-
Foreign contractor withholding tax	233,670,559	7,118,106,865	6,978,622,495	373,154,929
Other taxes	34,971,064	774,773,284	715,028,387	94,715,961
	<b>238,645,978,883</b>	<b>2,447,040,012,253</b>	<b>2,611,738,179,598</b>	<b>73,947,811,538</b>
<b>Tax receivables from the State budget</b>				
Value added tax	213,729,817	478,085,965	213,729,817	478,085,965
Corporate income tax	-	59,518,998,664	-	59,518,998,664
Personal income tax	16,735,666,785	16,186,792,611	30,430,368,255	2,492,091,141
Land tax and land rental	1,031,136,174	2,641,783,214	3,006,019,853	666,899,535
Foreign contractor withholding tax	6,898,881,166	46,714	6,898,881,166	46,714
Profit paid to the State Budget	8,278,596,245	11,473,501,150	9,869,005,528	9,883,091,867
	<b>33,158,010,187</b>	<b>90,299,208,318</b>	<b>50,418,004,619</b>	<b>73,039,213,886</b>

(\*) Corporate income tax during the year includes corporate income tax that the Corporation paid on behalf related to management and utilisation activities of the Airfield's assets (presented in Note 8 and Note 43).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 20. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Temporarily increased cost of fixed assets amount	670,376,715,835	707,282,096,908
Temporarily increased of overhaul expenses	70,848,345,464	82,934,812,588
Land tax, land rental	86,036,288,872	77,428,404,047
Interest expense	28,604,061,808	29,461,767,894
Flight calibration cost	7,015,872,276	11,064,228,840
Assets repairing expenses	5,572,385,484	8,110,869,184
Others	19,668,216,741	7,441,990,381
	<u><b>888,121,886,480</b></u>	<u><b>923,724,169,842</b></u>

## 21. OTHER PAYABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>a. Current</b>		
Payable related to equitisation (i)	43,894,499,381	16,394,098,274
Payable to the State in relation to Airfield's operation received on behalf of the State (ii)	3,631,231,189,483	3,291,475,771,281
Dividend payable	129,361,500	92,044,170
Investing expense for Tho Xuan Airport	75,132,858,000	75,132,858,000
Short-term deposits and mortgages	46,655,089,760	42,602,146,796
Airport franchise expense	17,936,905,000	17,141,950,000
Business cooperation contract expense	-	6,007,826,410
Payable related to personal income tax for employees	39,297,075,979	80,773,478,067
Union fees	8,305,810,793	1,818,949,021
Others	6,892,698,905	7,291,571,878
	<u><b>3,869,475,488,801</b></u>	<u><b>3,538,730,693,897</b></u>
<b>b. Non-current</b>		
Long-term deposit	<u><b>90,353,729,680</b></u>	<u><b>80,806,885,194</b></u>

(i) This is the amount to be remitted to the Enterprise Restructuring and Development Fund (according to Clause 3, Article 21 of Decree 59/2011), the difference between the actual value of the State capital portion in the Corporation when being equitised and the value of the State capital remained for investment in the Corporation when becoming a joint stock company. As at 31 December 2018, the Corporation has temporarily paid an amount of VND 3,194,868,068,494 (as at 31 December 2017: VND 3,194,868,068,494) to the State Budget based on the proceeds from equitisation. Therefore, the remaining amount of equitisation will be finalised and offset against the State's equitisation receivables (presented in Note 8) before refunding the finalisation of the Corporation's equitisation.

## 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 43). During the year, according to Document No. 1147/TCT-DNL, the Corporation performed net-off with the Receivables to the State expenses, corporate income tax paid on behalf of the State in relation to Airfield's operation (presented in Note 8) with the amount of VND 1,779,199,170,447. Besides, the Corporation had temporarily paid to the State Budget the difference between collection and payment amount in respect of the management and utilisation of the assets of the Airfield for the period from 1 July 2014 to 31 December 2017 with the amount of VND 376,739,160,018.

## 22. BONUS AND WELFARE FUNDS

	Bonus fund VND	Welfare fund VND	Management bonus fund VND	Total VND
Opening balance	257,460,004,908	292,943,560	1,324,331,252	259,077,279,720
Increase from retained earnings	804,536,653,898	11,305,038,330	5,575,500,000	821,417,192,228
Other increase	996,976,634	-	-	996,976,634
Fund usage	(634,233,990,736)	(11,597,981,890)	(4,112,081,276)	(649,944,053,902)
Closing balance	<u>428,759,644,704</u>	<u>-</u>	<u>2,787,749,976</u>	<u>431,547,394,680</u>

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

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

According to the Resolution of Annual General Meeting of Shareholders No. 320/NQ-DHDCD dated 20 April 2018, Noi Bai Aviation Fuel Services Joint Stock Company - a subsidiary company - distributed funds from profit not yet distributed in 2017, including: bonus and welfare funds with the amount of VND 2,365,692,228.

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

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

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**23. LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

	Opening balance		During the year				Closing balance
	Amount VND	Amount able to be paid off VND	Increases VND	Decreases VND	Foreign exchange differences VND	Amount VND	Amount able to be paid off VND
<b>Current portion of long-term loans</b>							
Japan International Cooperation Agency (JICA) (1)	148,235,246,033	148,235,246,033	154,668,496,342	149,492,654,048	(2,478,263,471)	150,932,824,856	150,932,824,856
	<u>148,235,246,033</u>	<u>148,235,246,033</u>	<u>154,668,496,342</u>	<u>149,492,654,048</u>	<u>(2,478,263,471)</u>	<u>150,932,824,856</u>	<u>150,932,824,856</u>
<b>Long-term loan</b>							
Japan International Cooperation Agency (JICA) - Loan agreement No. VNIX-2 Project of construction of Tan Son Nhat International Airport Passenger Terminal by ODA fund (1)	3,409,410,658,716	3,409,410,658,716	-	154,668,496,342	151,824,707,283	3,406,566,869,657	3,406,566,869,657
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNXVII-6 on Project of construction of Noi Bai T2 International Airport by ODA fund (2)	2,507,457,259,789	2,507,457,259,789	-	-	111,788,793,355	2,619,246,053,144	2,619,246,053,144
Japan International Cooperation Agency (JICA) - Loan Agreement No. VN11-P6 on Project of construction of Noi Bai T2 International Airport by ODA fund (3)	4,147,254,810,000	4,147,254,810,000	-	-	184,895,120,000	4,332,149,930,000	4,332,149,930,000
Japan International Cooperation Agency (JICA) - Loan Agreement No. VN11-P6 VN13-P3 on Project of construction of Noi Bai T2 International Airport by ODA fund (4)	4,263,429,694,424	4,263,429,694,424	234,180,466,916	-	187,787,657,149	4,685,397,818,489	4,685,397,818,489
	<u>14,327,552,422,929</u>	<u>14,327,552,422,929</u>	<u>234,180,466,916</u>	<u>154,668,496,342</u>	<u>636,296,277,787</u>	<u>15,043,360,671,290</u>	<u>15,043,360,671,290</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- (1) The loan facility for Tan Son Nhat International Passenger Terminal Project funded by ODA fund with the Loan Agreement No. VNIX-2 dated 29 March 2002 between the Ministry of Finance and the Japan Bank for International Cooperation (now is Japan International Cooperation Agency - JICA). The loan was implemented via the Development Assistance Fund (the "DAF") – HCMC Branch (now is Development Bank of Vietnam (the "DBV") – HCMC Branch) under ODA Credit Agreement No. 038/TDNN-TDTW1 dated 15 August 2002 and the Authorised JBIC Fund Re-lending Contract No. 06/2002/UQ/BTC-TCDN of 17 July 2001 between the DAF and Ministry of Finance (represented by the External Finance Department). The purpose of the loan is to build an international passenger terminal at Tan Son Nhat International Airport. The total loan amount under the contract is JPY 22,768,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The loan is unsecured and bears interest at the rate of 1.6% per annum over the loan balance. The loan balance as at 31 December 2018 is VND 3,557,499,694,513 equivalent to JPY 16,814,176,942.92 (as at 31 December 2017 VND 3,557,645,904,749 equivalent to JPY 17,545,228,114.08).
- (2) This loan facility for T2 Noi Bai International Terminal Project funded by ODA with Loan Agreement No. VNXVII-6 dated 18 March 2010 between the Japan Government and the Vietnam Government. The total loan amount under the contract is JPY 12,607,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The disbursement period is 7 years from the agreement's effective date. The purpose of the loan is to build T2 Passenger Terminal – Noi Bai International Airport. The Corporation used the assets of T2 Passenger Terminal – Noi Bai International Airport to mortgage this loan. The lending interest rate is 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2018 is VND 2,619,246,053,144 equivalent to JPY 12,366,016,964 (as at 31 December 2017: VND 2,507,457,259,789 equivalent to JPY 12,366,016,964).
- (3) This loan facility for T2 Noi Bai International Terminal Project funded by ODA with Loan Agreement No. VN11-P6 dated 30 March 2012 between the Japan Government and the Vietnam Government. The total loan amount under the contract is JPY 20,584,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The disbursement period is 5 years from the agreement's effective date. The purpose of the loan is to build T2 Passenger Terminal – Noi Bai International Airport. The Corporation used the assets of T2 Passenger Terminal – Noi Bai International Airport to mortgage this loan. The lending interest rate is 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2018 is VND 4,332,149,930,000 equivalent to JPY 20,453,000,000 (as at 31 December 2017: VND 4,147,254,810,000 equivalent to JPY 20,453,000,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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**24. OWNER'S EQUITY**

**Movement in owner's equity**

	Owners' contributed capital	Share premium	Assets revaluation reserve	Treasury shares	Investment and development fund	Retained earnings	Non-controlling interests	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Prior year's opening balance	21,771,732,360,000	14,602,790,587	(953,183,743,327)	-	450,312,439,969	2,307,621,685,964	772,240,197,764	24,363,325,730,957
Profit for the year	-	-	-	-	-	4,100,501,029,638	21,219,148,933	4,121,720,178,571
Investment and development Funds distribution	-	-	-	-	251,996,690,491	(251,996,690,491)	(891,124,088)	(891,124,088)
Others Funds distribution	-	-	-	-	-	(1,336,686,132)	-	(1,336,686,132)
Dividend distributed	-	-	-	-	-	(1,306,303,941,600)	(3,200,000,000)	(1,309,503,941,600)
Decrease due to loss of control right in Southern Airports Services Joint Stock Company (**)	-	-	952,323,000,000	-	(297,157,479)	297,157,478	(742,002,652,035)	210,320,347,964
Others	-	-	860,743,327	-	-	-	-	860,743,327
<b>Current year's opening balance</b>	<b>21,771,732,360,000</b>	<b>14,602,790,587</b>	<b>-</b>	<b>-</b>	<b>702,011,972,981</b>	<b>4,848,782,554,857</b>	<b>47,365,570,574</b>	<b>27,384,495,248,999</b>
Profit for the year	-	-	-	-	-	6,135,334,749,577	12,519,411,648	6,147,854,161,225
Treasury shares repurchase	-	-	-	(572,470,000)	-	-	-	(572,470,000)
Investment and development Funds distribution	-	-	-	-	1,848,561,973,124	(1,848,561,973,124)	-	-
Profit distribution to bonus and welfare fund	-	-	-	-	-	(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
<b>Current year's closing balance</b>	<b>21,771,732,360,000</b>	<b>14,602,790,587</b>	<b>-</b>	<b>(572,470,000)</b>	<b>2,550,573,946,105</b>	<b>6,359,930,412,361</b>	<b>52,538,705,331</b>	<b>30,748,805,744,384</b>

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

During the year, the Corporation had temporarily appropriated from retained earnings for the year 2018 similar to those of 2017, including: to Bonus and welfare funds with the amount of VND 406,738,000,000 and Management fund with the amount of VND 2,787,750,000.

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

During the year, Noi Bai Aviation Fuel Services Joint Stock Company - a subsidiary company - distributed funds from profit not yet distributed in 2017 including: bonus and welfare funds and dividend payment with the amount of VND 2,365,692,228 and VND 16,000,000,000, respectively.

(\*) Others are mainly the amount that the Corporation has adjusted according to the Inspection Conclusions No. 22/KL-TTr of Ministry of Finance dated 22 January 2019.

(\*\*) According to guidance of Circular 127/2014-TT-BTC issued by the Ministry of Finance on 5 September 2014 about "Instructions on financial settlement and business valuation in transformation of wholly state-owned enterprises into joint-stock companies", the Corporation re-evaluated its investments in its subsidiaries including Southern Airports Services Joint Stock Company and Saigon Ground Services Joint Stock Company with revaluation surplus amounting to VND 952,323,000,000 and VND 475,888,288,000 respectively, when the Corporation transformed into a joint stock company as of 1 April 2016. According to the Circular 202/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance, the revaluation of subsidiaries was recognized and represented as the assets revaluation reserve. The Corporation has divested a part of the investment in Saigon Ground Services Joint Stock Company in 2016 and Southern Airports Services Joint Stock Company in 2017. Therefore, the assets revaluation reserve was adjusted to reduce accordingly.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

**Charter capital**

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

	Closing balance			Opening balance		
	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	100,186,525	4.602	1,001,865,250,000	100,230,225	4.604	1,002,302,250,000
Treasury shares	43,700	0.002	437,000,000	-	-	-
	<b>2,177,173,236</b>	<b>100</b>	<b>21,771,732,360,000</b>	<b>2,177,173,236</b>	<b>100</b>	<b>21,771,732,360,000</b>

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

**25. OFF BALANCE SHEET ITEMS****Foreign currencies**

	Closing balance	Opening balance
- United States Dollar ("USD")	6,155,698.34	6,579,341.29
- Euro ("EUR")	-	201.15
	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
<b>Net book value of assets held under trust</b>		
- Assets belong to the State used by the Corporation	3,277,965,103,664	3,146,749,763,546
	<b>3,277,965,103,664</b>	<b>3,146,749,763,546</b>
<b>Bad debts written off</b>	<b>44,517,571,868</b>	<b>44,517,571,868</b>
<b>Goods held under trust</b>	<b>719,480,983</b>	<b>618,127,481</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 26. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current year VND	Prior year VND
<b>Sales of goods and services</b>		
In which:		
1. Sales of service		
a. Sales of aviation service:		
Sales of basic ground / all-in-one service	346,879,640,415	287,472,582,644
Passenger services charges	9,021,482,272,927	7,912,759,326,961
Sales of security scanning of passenger and luggage	1,324,090,520,094	777,532,704,780
Sales of other aviation services	2,187,417,163,298	1,826,358,489,228
	<u>12,879,869,596,734</u>	<u>10,804,123,103,613</u>
b. Sales of non-aviation service:		
Sales of premises lease	736,626,408,898	594,233,944,244
Sales of advertising service	265,387,966,305	211,442,948,228
Sales of yard service	539,366,030,270	472,204,790,649
Sales of utility service	107,721,429,295	91,078,076,394
Sales of services for VIP, F, C passengers,..	111,403,042,864	100,539,033,192
Sales of other non-aviation services	129,792,290,806	138,233,159,715
	<u>1,890,297,168,438</u>	<u>1,607,731,952,422</u>
2. Sales of goods	<u>1,368,636,573,029</u>	<u>1,404,403,177,442</u>
3. Others	<u>-</u>	<u>57,153,762,224</u>
	<u><b>16,138,803,338,201</b></u>	<u><b>13,873,411,995,701</b></u>
<b>Sales deduction</b>		
Sales rebate	(48,925,751,234)	(43,196,975,646)
<b>Net Revenue</b>		
Sales of services	14,721,241,013,938	12,368,658,080,389
Sales of goods	1,368,636,573,029	1,404,403,177,442
Others	-	57,153,762,224
	<u><b>16,089,877,586,967</b></u>	<u><b>13,830,215,020,055</b></u>
<b>In which</b>		
Sales from related parties (Note 40)	647,865,324,557	572,076,060,623

## 27. COST OF SALES

	Current year VND	Prior year VND
Cost of aviation and non-aviation services	7,484,843,175,154	7,263,588,655,511
Cost of goods sold	832,877,115,625	902,722,436,786
Cost of other activities	-	16,033,474,084
	<u><b>8,317,720,290,779</b></u>	<u><b>8,182,344,566,381</b></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 28. PRODUCTION COST BY NATURE

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Salary expenses	2,584,675,216,899	2,302,686,057,422
Materials, tools and office supplies	101,507,665,596	94,663,111,146
Depreciation and amortisation	3,948,523,418,859	4,163,614,362,445
Taxes, fees and charges	84,681,478,567	75,724,219,303
Repair of fixed assets	382,424,507,046	335,031,118,849
Operations cost and commercial rights	174,635,222,139	135,838,347,827
Aviation, non-aviation insurance	21,111,239,457	23,637,859,682
Electricity, water, telecommunication	411,556,018,308	374,655,421,733
Outsourced services	265,390,176,948	248,537,343,890
Commissions, brokers expenses	144,642,175,442	119,224,240,756
Welfare expense for employees	147,324,851,235	110,792,048,540
Franchise fee	188,498,510,545	174,417,617,139
Other monetary expenses	193,812,562,815	184,140,431,096
(Reversal)/provision of doubtful debts	(120,883,121)	2,156,180,521
	<u><b>8,648,662,160,735</b></u>	<u><b>8,345,118,360,349</b></u>

## 29. FINANCIAL INCOME

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Interest income	1,275,684,910,379	1,065,834,991,523
Foreign exchange gain during the year	16,505,369,654	12,967,415,901
Dividends	71,250,000,000	40,763,660,278
Income from divestment	-	2,095,146,809
	<u><b>1,363,440,280,033</b></u>	<u><b>1,121,661,214,511</b></u>

## 30. FINANCIAL EXPENSES

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Interest expense	95,084,582,355	96,165,565,685
Foreign exchange loss during the year	22,541,697,765	10,948,406,306
Foreign exchange loss arising from translating foreign currency items	638,238,848,257	489,588,948,149
Provision for impairment of investments	-	9,262,931,164
Others	-	268,384,790
	<u><b>755,865,128,377</b></u>	<u><b>606,234,236,094</b></u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 31. SELLING EXPENSES

	Current year VND	Prior year VND
Labor cost	99,743,838,257	84,296,328,371
Materials, packaging cost	1,148,993,469	886,199,532
Tools, stationery cost	2,857,912,884	2,216,472,139
Depreciation and amortisation	1,297,244,306	683,577,261
Operations cost and commercial rights	174,635,222,139	135,838,347,827
Repair cost	1,886,890,525	1,525,107,524
Outsourced service	12,223,391,660	17,622,508,976
Others	12,380,252,995	50,185,628,295
	<b>306,173,746,235</b>	<b>293,254,169,925</b>

## 32. GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Prior year VND
Management staff cost	537,963,023,396	506,389,446,161
Materials, stationery cost	10,936,569,782	9,786,426,242
Depreciation and amortisation	40,498,114,498	53,879,882,664
Taxes, fees and charges	19,046,620,202	14,138,192,541
Repair of fixed assets	6,958,586,582	7,894,044,849
Electricity, water and communications	16,328,533,354	14,770,563,865
Other outsourced services	16,799,001,736	14,288,441,618
Benefits for employees	147,324,851,235	110,792,048,540
Per diem	26,745,186,805	21,414,866,966
Other monetary expenses	55,749,318,707	56,111,494,731
Reversal of doubtful debts	(120,883,121)	(843,819,479)
	<b>878,228,923,176</b>	<b>808,621,588,698</b>

## 33. OTHER INCOME

	Current year VND	Prior year VND
Disposal of fixed assets	-	12,797,383,430
Penalties	1,988,553,094	3,010,096,919
Insurance compensation	2,440,730,593	7,957,859,826
Revenue of services from prior year	76,491,350,284	-
Income from relocating IT system and G5 warehouse (Nhat Tan - Noi Bai) project	2,485,621,129	470,767,952
Others	2,605,332,084	3,284,692,530
	<b>86,011,587,184</b>	<b>27,520,800,657</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 34. OTHER EXPENSES

	Current year VND	Prior year VND
Penalties	1,127,123,989	406,629,810
Assets liquidation expense	842,098	337,469,274
Depreciation of assets not used for productions	-	1,070,813,628
Depreciation expenses of previous years	12,394,949,807	-
Land rental expense of previous years	3,136,130,882	-
Clearance at Phu Quoc International Airport	8,465,876,857	-
Others	2,359,270,447	576,917,074
	<b>27,484,194,080</b>	<b>2,391,829,786</b>

## 35. CORPORATE INCOME TAX EXPENSE

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

	Current year VND	Prior year VND
Profit before tax	7,574,998,251,567	5,343,473,842,995
<b>Adjustments for assessable income</b>		
Adjustments to increase assessable income	527,629,415,314	540,339,110,394
Adjustments to decrease assessable income	(479,455,583,522)	(583,335,433,963)
Non-assessable income	(392,391,080,030)	(40,763,660,278)
<b>Taxable income</b>	<b>7,230,781,003,329</b>	<b>5,259,713,859,148</b>
Normal tax rate	20%	20%
Corporate income tax payable	1,446,156,200,666	1,051,942,771,830
Adjustments for corporate income tax expenses	(16,762,750)	33,365,599
<b>Current corporate income tax expense</b>	<b>1,446,139,437,916</b>	<b>1,051,976,137,429</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 36. DEFERRED CORPORATION INCOME TAX (INCOME)/EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
<b>Deferred corporate income tax (income)/expenses</b>		
(Details in Note 17)		
- Reversal of deferred tax assets	577,911,082	190,464,600,000
- Reversal of deferred tax liabilities	(10,400,000,000)	(1,852,586,233)
- Deductible temporary differences	(15,059,757,433)	(29,478,271,849)
- Taxable temporary differences	5,886,498,777	10,643,785,077
	<u>(18,995,347,574)</u>	<u>169,777,526,995</u>

## 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	6,135,334,749,577	4,100,501,029,638
Appropriation to Bonus and Welfare fund	(409,525,750,000)	(409,525,750,000)
Earnings for the purpose of calculating basic earnings per share	5,725,808,999,577	3,690,975,279,638
Weighted average number of ordinary shares	2,177,129,536	2,177,173,236
<b>Basic earnings per share</b>	<u>2,630</u>	<u>1,695</u>

Basic earnings per share for the year ended 31 December 2017 was restated under the effect of actual Bonus and welfare fund distribution approved in accordance with Resolution of Annual General Meeting of Shareholders of the Corporation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 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>66,162,514,674</u>	<u>68,604,136,645</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	4,335,632,542	6,260,514,742
In the second to fifth years inclusive	17,354,408,609	24,616,969,688
After five years	<u>157,583,773,641</u>	<u>234,051,788,359</u>
	<u><b>179,273,814,792</b></u>	<u><b>264,929,272,789</b></u>

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

## Capital commitment

As of 31 December 2018, the total value of the contracts for capital construction projects which are still processing is VND 1,688,312,711,176 (as at 31 December 2017: VND 2,351,957,847,712) of which the value of completed amount is VND 391,061,691,164 (as at 31 December 2017: VND 175,573,982,507) and the unrealised value is VND 1,297,251,020,012 (as at 31 December 2017: VND 2,176,383,865,205).

## 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 year ended 31 December 2018 about the Corporation's business is presented below:

Items	Services VND	Selling goods VND	Total VND
<b>OPERATING RESULTS</b>			
Net revenue from goods sold and services rendered	14,721,241,013,938	1,368,636,573,029	16,089,877,586,967
<b>Revenue from goods sold and services rendered</b>	<b>14,721,241,013,938</b>	<b>1,368,636,573,029</b>	<b>16,089,877,586,967</b>
Segment expense			
- Cost of goods sold	7,484,843,175,154	832,877,115,625	8,317,720,290,779
- Selling expenses	-	306,173,746,235	306,173,746,235
<b>Segment-based operating results</b>	<b>7,236,397,838,784</b>	<b>229,585,711,169</b>	<b>7,465,983,549,953</b>
<b>Expenses unallocated as per segments</b>			
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			27,484,194,080
Income from investments in joint ventures			321,141,080,030
Current corporate income tax expense			1,446,139,437,916
Deferred corporate income tax expense			(18,995,347,574)
<b>Net profit after corporate income tax</b>			<b>6,147,854,161,225</b>
Assets unallocated as per segments			53,523,988,091,378
Liabilities unallocated as per segments			22,775,182,346,994

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

**FORM B 09-DN/HN**

Segment information for year ended 31 December 2017 about the Corporation's business is presented below:

Items	Services VND	Selling goods VND	Others VND	Total VND
<b>OPERATING RESULTS</b>				
Net revenue from goods sold and services rendered	12,368,658,080,389	1,404,403,177,442	57,153,762,224	13,830,215,020,055
<b>Revenue from goods sold and services rendered</b>	<b>12,368,658,080,389</b>	<b>1,404,403,177,442</b>	<b>57,153,762,224</b>	<b>13,830,215,020,055</b>
Segment expense				
- Cost of goods sold	7,232,030,448,030	934,280,644,267	16,033,474,084	8,182,344,566,381
- Selling expenses	-	293,254,169,925	-	293,254,169,925
<b>Segment-based operating results</b>	<b>5,136,627,632,359</b>	<b>176,868,363,250</b>	<b>41,120,288,140</b>	<b>5,354,616,283,749</b>
<b>Expenses unallocated as per segments</b>				
General and administration expenses				808,621,588,698
Financial income				1,121,661,214,511
Financial expenses				606,234,236,094
Other income				27,520,800,657
Other expenses				2,391,829,786
Income from investments in joint ventures				256,923,198,656
Current corporate income tax expense				1,051,976,137,429
Deferred corporate income tax expense				169,777,526,995
<b>Net profit after corporate income tax</b>				<b>4,121,720,178,571</b>
Assets unallocated as per segments				49,162,925,380,362
Liabilities unallocated as per segments				21,778,430,131,363

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**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*

	<b>Current year</b>	<b>Prior year</b>
	<b>VND</b>	<b>VND</b>
Salary of Board of Directors and Board of Executive Officers	11,274,277,000	9,933,280,000
Salary of Supervisory Board	1,965,274,500	1,395,466,784
	<b>13,239,551,500</b>	<b>11,328,746,784</b>

**Transactions and balances with other related parties**

Relationship with related parties:

<b><u>Related party</u></b>	<b><u>Relationship</u></b>
Southern Airports Services Joint Stock Company	Associate
Saigon Ground Services Joint Stock Company	Associate
Hanoi Ground Services Joint Stock Company	Associate
Southern Airports Trading Joint – Stock Company	Associate
Southern Airports Transportation Joint Stock Company	Associate
Aviation Cargo Services of Vietnam Joint Stock Company	Associate
Southern Airports Aircraft Maintenance Services Company Limited	Joint venture

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	<u>Current year</u> VND	<u>Prior year</u> VND
<b>Revenue to related parties</b>		
Southern Airports Services Joint Stock Company	339,960,758,528	269,850,090,893
Saigon Ground Services Joint Stock Company	171,879,016,191	180,637,709,272
Hanoi Ground Services Joint Stock Company	110,919,397,898	101,312,999,514
Southern Airports Aircraft Maintenance Services Company Limited	6,326,729,687	6,257,959,262
Southern Airports Transportation Joint Stock Company	10,724,962,987	7,884,384,646
Aviation Cargo Services of Vietnam Joint Stock Company	8,038,095,634	6,113,280,671
Southern Airports Trading Joint Stock Company	16,363,632	19,636,365
	<u>647,865,324,557</u>	<u>572,076,060,623</u>
<b>Purchasings with related parties</b>		
Southern Airports Services Joint Stock Company	20,317,655,120	15,186,121,715
Saigon Ground Services Joint Stock Company	8,720,082,239	9,235,841,184
Hanoi Ground Services Joint Stock Company	1,319,568,640	1,928,172,004
Southern Airports Transportation Joint Stock Company	464,941,034	559,257,935
Aviation Cargo Services of Vietnam Joint Stock Company	124,275,200	116,528,510
Southern Airports Trading Joint Stock Company	801,230,874	713,738,170
	<u>31,747,753,107</u>	<u>27,739,659,518</u>

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

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>Trade receivables</b>		
Saigon Ground Services Joint Stock Company	34,168,655,548	30,719,632,109
Hanoi Ground Services Joint Stock Company	13,403,062,750	9,697,664,628
Southern Airports Services Joint Stock Company	32,647,650,609	26,666,373,404
Aviation Cargo Services of Vietnam Joint Stock Company	8,467,162	602,173,074
Southern Airports Aircraft Maintenance Services Company Limited	170,140,084	245,738,355
Southern Airports Transportation Joint Stock Company	4,411,729,607	2,975,647,062

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	<u>84,809,705,760</u>	<u>70,907,228,632</u>
	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
<b>Trade payables</b>		
Southern Airports Services Joint Stock Company	2,490,032,950	2,591,189,680
Saigon Ground Services Joint Stock Company	200,261,100	-
Hanoi Ground Services Joint Stock Company	443,387,340	1,022,325,700
Southern Airports Transportation Joint Stock Company	42,422,870	6,192,848
Aviation Cargo Services of Vietnam Joint Stock Company	20,493,088	12,876,864
Southern Airports Trading Joint Stock Company	80,110,999	15,787,001
	<u>3,276,708,347</u>	<u>3,648,372,093</u>
<b>Other payables</b>		
Southern Airports Services Joint Stock Company	64,982,500	-
	<u>64,982,500</u>	<u>-</u>
<b>Other receivables</b>		
Hanoi Ground Services Joint Stock Company	-	1,500,000,000
	<u>-</u>	<u>1,500,000,000</u>

**41. OTHER MATTERS**

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

According to the Document No. 4107/BTC-TCDN dated 10 April 2018 of The Ministry of Finance, Document No. 4068/BGTVT-QLDN dated 18 April 2018 of The Ministry of Transport and Minute dated 10 April 2018 with General Department of Taxation, the Corporation temporarily paid to the State Budget the difference for the period from 01 July 2014 to 31 December 2017 with the amount of VND 376,739,160,018.

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

**42. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION****Supplemental non-cash disclosures**

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

Interest earned in 2018 exclude an amount of VND 758,571,057,533 (2017: VND 552,315,530,561), representing the interest income earned as at 31 December 2018. Consequently, changes in receivables have been adjusted by the same amount.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 43. INFORMATION RELATE TO AIRFIELD'S OPERATION

	Current year VND	Prior year VND
<b>I. Revenue</b>	<b>2,495,693,748,667</b>	<b>1,991,946,215,757</b>
1. Sale of take-off and landing service	2,435,561,626,750	2,082,314,426,436
Deductions	54,746,113,576	90,543,029,190
Gross profit	2,380,815,513,174	1,991,771,397,246
2. Interest income	114,878,235,493	-
3. Other income	-	174,818,511
<b>II. Expenses</b>	<b>1,219,649,038,329</b>	<b>1,079,663,794,917</b>
1. Operating expense	900,637,860,745	851,593,189,707
Salary expense	451,866,121,126	421,695,164,104
Material and stationery expense	7,897,328,615	6,848,914,811
Depreciation expense	17,460,101,838	22,542,848,238
Taxes, fees and charges	2,993,201,585	2,098,088,991
Repair of fixed asset	272,657,811,917	263,038,141,790
Electricity, water, and communication expense	15,409,713,569	15,720,747,908
Outsource service	34,930,765,884	31,456,871,966
Employees' benefit	38,216,794,575	30,545,894,648
Others	59,206,021,636	57,646,517,251
2. Corporation income tax	319,011,177,584	228,070,605,210
<b>III. Difference in revenue-expenses</b>	<b>1,276,044,710,338</b>	<b>912,282,420,840</b>
<b>IV. Other related information</b>		
1. Investment projects (construction) for the State's assets which the Corporation has advanced for the payment	156,517,405,557	271,456,286,744
2. Addition of fixed assets in year	128,746,993,798	709,649,937,864
Depreciation of fixed assets - temporary		
3. figures, in which:	190,547,212,704	769,340,562,794
- According to the Circular 45/2013/TT-BTC on 25 April 2013: for fixed assets which was purchased before 1 April 2016, useful life was determined as minimum useful life level, for fixed assets which was purchased since 1 April 2016, useful life was determined as average basis	-	769,340,562,794
- According to the Circular 45/2018/TT-BTC on 07 May 2018 (effective from 02 July 2018, apply for year ended 31 December 2018)	190,547,212,704	-

According to the Resolution of the Board of Directors No. 371/NQ-HDQT on 14 September 2017, the revenue of the Airfield is mainly the revenue of take-off and landing service, the operating cost of the airfield includes maintenance costs, direct staffing costs for take-off and landing services, salaries of supervisors and fixed asset depreciation costs. In which, depreciation expense is the allocation of shared assets between the Corporation and the Airfield (excluding assets belonging to the Airfield presented in Note 25).

**44. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS ISSUANCE**

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



**Bui Thi Phuong Anh**  
Preparer



**Bui A Dong**  
Chief Accountant



**Vũ The Phiet**  
Chief Executive Officer  
30 March 2019

