

# **Airports Corporation of Vietnam**

Consolidated financial statements  
For the year ended 31 December 2020



# Airports Corporation of Vietnam

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# Airports Corporation of Vietnam

## GENERAL INFORMATION

### THE COMPANY

Airports Corporation of Vietnam (“the Company”) is a joint stock company established on the basis of capitalisation of State-owned enterprise - Airports Corporation of Vietnam (One-member limited liability company) under Decision No. 1710/QĐ-TTĐ dated 6 October 2015 of Prime Minister, operates under the Business Registration Certificate No. 0311638525 dated 22 March 2012, as amended.

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Lai Xuan Thanh	Chairman
Mr Vu The Phiet	Member
Mr Dao Viet Dung	Member
Ms Le Thi Dieu Thuy	Member

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Ms Huynh Thi Dieu	Head of Board of Supervision
Ms Le Thi Huong Giang	Member
Mr Nguyen Huu Phuc	Member

### MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Vu The Phiet	General Director	
Mr Do Tat Binh	Deputy General Director	
Mr Nguyen Duc Hung	Deputy General Director	appointed from 15 January 2020
Mr Nguyen Quoc Phuong	Deputy General Director	appointed from 15 January 2020
Mr Nguyen Dinh Duong	Deputy General Director	retired from 1 March 2020
Mr Vo Anh Tu	Deputy General Director	retired from 1 July 2020
Mr Bui A Dong	Chief Accountant	

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Vu The Phiet.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

# Airports Corporation of Vietnam

## REPORT OF MANAGEMENT

Management of the Company is pleased to present this report and the consolidated financial statements of the Company and its subsidiary (collectively referred to as “the Group”) for the year ended 31 December 2020.

### **MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Management is responsible for the consolidated financial statements for the year ended 31 December 2020 which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management 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 standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

# Airports Corporation of Vietnam

## REPORT OF MANAGEMENT (continued)

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements. *mmk*

For and on behalf of management:



Vu The Phiet  
General Director

30 March 2021

Reference: 61609234/22111543-HN

## **INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders of Airports Corporation of Vietnam**

We have audited the accompanying consolidated financial statements of Airports Corporation of Vietnam ("the Company") and its subsidiary ("the Group"), as prepared on 30 March 2021 and set out on pages 6 to 60 which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### ***Management's responsibility***

The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the 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 Group'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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

### **Emphasis of matters**

We draw attention to Note 1 of the consolidated financial statements which describes these matters:

- i. As at the date of these consolidated financial statements, the Group has not yet obtained the decision about finalisation of the Group's equitisation since its transformation into a joint-stock company on 31 March 2016 from competent authorities; and
- ii. The Group is managing, utilising and exploiting the airport infrastructure assets invested and managed by the State which are not included in the enterprise value at the time of enterprise valuation for equitisation and airport infrastructure assets generated subsequently are handed over to the State for management of which Ministry of Transport is assigned as owner representative. Consequently, the Group accounted for the financial information in relation to the exploitation the airport infrastructure assets into other receivable and payable accounts on its consolidated balance sheet as at 31 December 2020. The recognition of those items would be changed subject to the official decision and guidance of competent authorities.

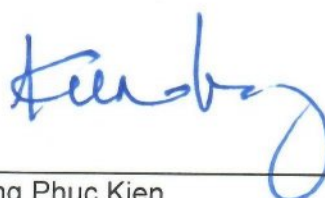
Our opinion on the consolidated financial statements is not modified in respect of those matters.

### **Other matter**

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another audit firm which expressed an unmodified opinion with emphasis of matters on those consolidated financial statements on 30 March 2020.



Tran Nam Dung  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 3021-2019-004-1



Duong Phuc Kien  
Auditor  
Audit Practicing Registration Certificate  
No. 4613-2018-004-1

Ho Chi Minh City, Vietnam

30 March 2021

CONSOLIDATED BALANCE SHEET  
as at 31 December 2020

ASSETS	Code	Notes	Ending balance VND	Beginning balance VND
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>37,974,177,859,901</b>	<b>37,291,466,594,427</b>
<i>I. Cash and cash equivalents</i>	<i>110</i>	<i>4</i>	<i>498,768,321,787</i>	<i>349,666,161,339</i>
1. Cash	111		498,768,321,787	343,666,161,339
2. Cash equivalents	112		-	6,000,000,000
<i>II. Short-term investments</i>	<i>120</i>		<i>33,185,000,000,000</i>	<i>30,921,500,000,000</i>
1. Held-to-maturity investments	123	5	33,185,000,000,000	30,921,500,000,000
<i>III. Short-term receivables</i>	<i>130</i>		<i>3,810,895,583,006</i>	<i>5,360,502,760,659</i>
1. Short-term trade receivables	131	6	2,317,849,912,901	2,649,756,296,717
2. Short-term advances to suppliers	132	7	261,069,199,176	230,029,561,599
3. Other short-term receivables	136	8	1,290,932,411,325	2,510,610,761,252
4. Provision for doubtful short-term receivables	137	9	(58,955,940,396)	(29,893,858,909)
<i>IV. Inventories</i>	<i>140</i>	<i>10</i>	<i>356,975,953,720</i>	<i>493,477,521,187</i>
1. Inventories	141		356,975,953,720	493,477,521,187
<i>V. Other short-term assets</i>	<i>150</i>		<i>122,538,001,388</i>	<i>166,320,151,242</i>
1. Short-term prepaid expenses	151	11	23,383,556,523	25,094,700,547
2. Value-added tax deductible	152		23,159,245,366	129,964,189,872
3. Tax and other receivables from the State	153	18	75,995,199,499	11,261,260,823
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>18,928,112,953,631</b>	<b>20,884,728,742,227</b>
<i>I. Long-term receivables</i>	<i>210</i>		<i>277,516,804,917</i>	<i>304,526,717,164</i>
1. Long-term trade receivables	211	6	6,300,000,200	6,300,000,200
2. Other long-term receivables	216	8	271,216,804,717	298,226,716,964
<i>II. Fixed assets</i>	<i>220</i>		<i>14,336,420,190,238</i>	<i>16,345,334,397,848</i>
1. Tangible fixed assets	221	12	14,333,364,467,464	16,340,489,929,357
Cost	222		42,891,304,952,017	41,893,901,590,433
Accumulated depreciation	223		(28,557,940,484,553)	(25,553,411,661,076)
2. Intangible fixed assets	227	13	3,055,722,774	4,844,468,491
Cost	228		21,823,536,282	21,353,986,282
Accumulated amortisation	229		(18,767,813,508)	(16,509,517,791)
<i>IV. Long-term assets in progress</i>	<i>240</i>		<i>1,064,574,052,577</i>	<i>865,253,027,542</i>
1. Construction in progress	242	15	1,064,574,052,577	865,253,027,542
<i>V. Long-term investments</i>	<i>250</i>		<i>2,890,880,282,869</i>	<i>2,962,726,492,115</i>
1. Investments in associates, jointly controlled entities	252	16.1	2,723,868,213,739	2,777,926,492,115
2. Investments in other entities	253	16.2	184,800,000,000	184,800,000,000
3. Provision for long-term investments	254	16.2	(17,787,930,870)	-
<i>VI. Other long-term assets</i>	<i>260</i>		<i>358,721,623,030</i>	<i>406,888,107,558</i>
1. Long-term prepaid expenses	261	11	302,263,683,566	304,772,846,785
2. Deferred tax assets	262	30.3	56,457,939,464	102,115,260,773
<b>TOTAL ASSETS</b>	<b>270</b>		<b>56,902,290,813,532</b>	<b>58,176,195,336,654</b>



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

RESOURCES	Code	Notes	Ending balance VND	Beginning balance VND
<b>C. LIABILITIES</b>	<b>300</b>		<b>19,337,072,333,645</b>	<b>21,418,960,995,248</b>
<i>I. Current liabilities</i>	<i>310</i>		<i>3,892,509,191,498</i>	<i>6,518,193,955,432</i>
1. Short-term trade payables	311	17	823,447,129,546	1,257,864,950,530
2. Short-term advances from customers	312		12,927,966,240	41,996,337,870
3. Statutory obligations	313	18	91,583,743,313	609,153,725,061
4. Payables to employees	314		781,357,537,174	1,127,424,505,422
5. Short-term accrued expenses	315	19	191,160,023,921	795,664,672,685
6. Short-term unearned revenues	318		4,205,161,877	3,925,376,726
7. Short-term other payables	319	20	1,172,275,047,674	2,431,415,970,123
8. Short-term loan and finance lease obligations	320	22	247,880,046,877	240,059,540,676
9. Bonus and welfare fund	322		567,672,534,876	10,688,876,339
<i>II. Non-current liabilities</i>	<i>330</i>		<i>15,444,563,142,147</i>	<i>14,900,767,039,816</i>
1. Long-term trade payables	337	20	77,852,184,940	117,061,817,125
2. Long-term loans and finance lease obligations	338	22	15,345,303,220,047	14,759,541,639,356
3. Deferred tax liabilities	341	30.3	296,762,715	-
4. Long-term provisions	342	21	21,110,974,445	24,163,583,335
<b>D. OWNERS' EQUITY</b>	<b>400</b>		<b>37,565,218,479,887</b>	<b>36,757,234,341,406</b>
<i>I. Owners' equity</i>	<i>410</i>	<i>23</i>	<i>37,565,218,479,887</i>	<i>36,757,234,341,406</i>
1. Owners' contributed capital	411		21,771,732,360,000	21,771,732,360,000
- Shares with voting rights	411a		21,771,732,360,000	21,771,732,360,000
2. Share premium	412		14,602,790,587	14,602,790,587
3. Treasury shares	415		(2,918,680,000)	(2,285,950,000)
4. Investment and development fund	418		6,034,593,641,645	6,034,593,641,645
5. Undistributed earnings	421		9,705,052,958,099	8,885,438,726,276
- Undistributed earnings by the end of prior year	421a		8,057,576,690,601	684,283,692,675
- Undistributed earnings of current year	421b		1,647,476,267,498	8,201,155,033,601
6. Non-controlling interests	429		42,155,409,556	53,152,772,898
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>440</b>		<b>56,902,290,813,532</b>	<b>58,176,195,336,654</b>



Vu Thi Van Anh  
Preparer



Bui A Dong  
Chief Accountant



Vu The Phiet  
General Director

30 March 2021

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2020

ITEMS	Code	Notes	Current year VND	Previous year VND
1. Revenue from sale of goods and rendering of services	01	24.1	7,790,879,637,901	18,347,639,417,532
2. Deductions	02	24.1	23,410,228,228	19,087,680,584
3. Net revenue from sale of goods and rendering of services	10	24.1	7,767,469,409,673	18,328,551,736,948
4. Cost of goods sold and services rendered	11	25	6,378,052,818,692	8,994,924,115,637
5. Gross profit from sale of goods and rendering of services	20		1,389,416,590,981	9,333,627,621,311
6. Finance income	21	24.2	2,231,498,423,569	1,919,789,862,817
7. Finance expenses	22	26	968,296,437,082	103,842,775,190
- In which: Interest expenses	23		96,219,749,004	96,418,310,786
8. Shares of profit of associates, joint ventures	24		146,910,225,624	382,862,566,873
9. Selling expenses	25	27	146,210,582,200	379,134,439,315
10. General and administrative expenses	26	28	666,030,319,372	1,006,436,658,672
11. Operating profit	30		1,987,287,901,520	10,146,866,177,824
12. Other income	31		13,347,273,067	9,838,649,076
13. Other expenses	32		374,890,887	917,405,921
14. Other profit	40		12,972,382,180	8,921,243,155
15. Accounting profit before tax	50		2,000,260,283,700	10,155,787,420,979
16. Current corporate income tax expense	51	30.1	313,256,437,116	1,934,645,887,712
17. Deferred tax income	52	30.3	45,457,318,644	6,984,611,654
18. Net profit after tax	60		1,641,546,527,940	8,214,156,921,613
19. Net profit after tax attributable to shareholders of the parent	61		1,647,476,267,498	8,201,155,033,601
20. Net profit after tax attributable to non-controlling interests	62		(5,929,739,558)	13,001,888,012
21. Basic earnings per share	70			3,450

*Vu Thi Van Anh*

Vu Thi Van Anh  
Preparer

*Bui A Dong*

Bui A Dong  
Chief Accountant



Vu The Phiet  
General Director

30 March 2021

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2020

ITEMS	Code	Notes	Current year VND	Previous year VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>01</b>		<b>2,000,260,283,700</b>	<b>10,155,787,420,979</b>
<i>Adjustments for:</i>				
Depreciation	02		2,992,133,649,464	3,920,049,354,483
Provisions	03		41,292,434,289	1,996,159,335
Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency	04		842,181,613,960	(37,379,003,567)
Profits from investing activities	05		(2,370,090,785,185)	(2,254,546,869,616)
Interest expenses	06		96,219,749,004	96,418,310,786
Other adjustments	07		-	43,630,437
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>3,601,996,945,232</b>	<b>11,882,369,002,837</b>
Decrease in receivables	09		1,702,598,876,652	976,096,441,250
Decrease (increase) in inventories	10		134,714,210,749	(37,740,110,575)
Decrease in payables	11		(1,509,549,458,913)	(1,016,786,174,225)
Decrease (increase) in prepaid expenses	12		4,220,307,243	(227,317,860,162)
Interest paid	14		(96,319,215,167)	(96,685,906,431)
Corporate income tax paid	15	18	(902,424,443,138)	(1,710,830,775,334)
Other cash outflows for operating activities	17		(272,746,000,922)	(702,717,770,454)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>2,662,491,221,736</b>	<b>9,066,386,846,906</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase and construction of fixed assets	21		(2,414,386,094,866)	(1,958,513,895,849)
Proceeds from disposals of fixed assets and other long-term assets	22		303,881,097	4,433,228,397
Cash outflow for bank deposit	23		(3,886,000,000,000)	(11,187,500,000,000)
Cash inflow from bank deposit	24		1,622,500,000,000	3,996,400,000,000
Interest and dividends received	27		2,416,146,374,395	1,906,032,340,436
<b>Net cash flows used in investing activities</b>	<b>30</b>		<b>(2,261,435,839,374)</b>	<b>(7,239,148,327,016)</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2020

<i>ITEMS</i>	<i>Code</i>	<i>Notes</i>	<i>Current year VND</i>	<i>Previous year VND</i>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Capital redemption	32		(632,730,000)	(1,713,480,000)
Repayment of borrowings	34	22	(245,558,622,676)	(154,993,814,113)
Dividend paid	36		(3,223,085,000)	(1,959,254,858,400)
<b>Net cash flows used in financing activities</b>	<b>40</b>		<b>(249,414,437,676)</b>	<b>(2,115,962,152,513)</b>
<b>Net increase in cash for the year</b>	<b>50</b>		<b>151,640,944,686</b>	<b>(288,723,632,623)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>349,666,161,339</b>	<b>638,390,855,963</b>
Impact of exchange rate fluctuation	61		(2,538,784,238)	(1,062,001)
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	<b>4</b>	<b>498,768,321,787</b>	<b>349,666,161,339</b>



Vu Thi Van Anh  
Preparer



Bui A Dong  
Chief Accountant



Vu The Phiet  
General Director

30 March 2021

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2020 and for the year then ended

## 1. GENERAL INFORMATION

Airports Corporation of Vietnam (“the Company”) is a joint stock company established on the basis of equitisation of State-owned enterprise – Airports Corporation of Vietnam (One-member limited liability company) under Decision No. 1710/QĐ-TTĐ dated 6 October 2015 of Prime Minister by Ministry of Transport as representative of State’s capital owner, operates under the Business Registration Certificate No. 0311638525 dated 22 March 2012, as amended.

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

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

Pursuant to the amended Business Registration Certificate, the Group has registered its main business activities in following areas: direct support services to airfreight: Investment, management of capital investments, direct business and production activities at airports and aerodromes; investment, operation of infrastructures, facilities, equipment of airports and aerodromes; provide aviation security services; 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 overseas areas; supply of services for ground handling services; services at passenger terminals, cargo terminals; export, import, purchase and sale of aeronautical materials, equipment, devices; agent services for carriers, tourism and transport companies, manufacturers and suppliers of aircraft materials, equipment, and aeronautical facilities; trading services, duty-free services; services at apron and other aeronautical services at airports, aerodromes; supply of aeronautical gasoline, lubricant (including fuel, lubricant, specialised liquid) and other types of gasoline at airports, aerodromes; other aviation services, public services at airports and aerodromes; services of transportation of passengers, cargo, warehouse; delivery; restaurants, hotels, guesthouses; construction, consulting, repair, maintenance and installation of construction works, electricity, electronics and specialised mechanical equipment, civil constructions.

The Group’s registered head office is located at No. 58 Truong Son Street, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.

The number of employees of the Group as at 31 December 2020 was 9,774 (31 December 2019: 9,830).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**1. GENERAL INFORMATION (continued)**

*Characteristics of the business activities which have impact on the consolidated financial statements*

The Company and its subsidiary (“the Group”) has officially operated as a joint stock company since 1 April 2016. However, at the date of the consolidated financial statements, the Group has not yet obtained the decision about the finalisation of the Company’s equitisation since its transformation into joint-stock company.

According to official document No. 268/TB-VPCP dated 15 June 2017 of Government Department, official documents No. 5501/BGTVT-QLDN dated 24 May 2017 of Ministry of Transport on the management and exploitation of Airport infrastructures assets (the airport infrastructure assets invested and managed by the State which are not included in the enterprise value at the time of enterprise valuation for equitisation and airport infrastructure assets generated subsequently are handed over to the State for management and Ministry of Transport is owner representative), the Company continues to manage and exploit the airport infrastructures assets and carry out repair, maintenance and investment of these assets; ensure the utilisation condition, security and aviation safety as well as separately monitor the amounts related to operation of Airfield according to the current regulations.

The Group issued the Resolution No. 371/NQ-HDQT dated 14 September 2017 of separately recording, monitoring revenue, cost related to operation of Airfield into other receivables and payables accounts on its consolidated balance sheet. Details presented in Note 32.

According to Decision No. 2007/QĐ-TTg dated 7 December 2020 of the Prime Minister approving the scheme on assignment, management and exploitation of airport infrastructure assets invested, managed by the State. The Company is assigned to manage and use them without including the State capital at the enterprise since the date of promulgation of the Decision to 31 December 2025; the Company directly organise the exploitation of assets for the right purposes and functions of the assets. The Prime Minister assigned the Ministry of Transport to decide on the list of airport infrastructure assets to be handed over to the Company for management, use and exploitation since this decision enforcement date. On the date of the consolidated financial statements, the Ministry of Transport has not decided on the list of assets to be handed over to the Company for management, use and exploitation. Accordingly, the Company still separately monitor accounts related to the exploitation operation of the airport infrastructure assets as presented in Note 8, 20 and 32. The adjustment of these accounts related to operation of airport infrastructure assets exploitation would be complied with the official decision and guidance of competent authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 1. GENERAL INFORMATION (continued)

### *The Group's structure*

Detailed information about the branches, subsidiary, associates and a joint venture of the Group at 31 December 2020 as follows:

#### *Branches*

<u>Branch name</u>	<u>Address</u>
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	No 58 Truong Son Street, Ward 2, Tan Binh District, Ho Chi Minh City.
4. Cat Bi Airport - Branch of Airports Corporation of Vietnam	Le Hong Phong Street Thanh To Ward, Hai An District, Hai Phong City.
5. Vinh International Airport - Branch of Airports Corporation of Vietnam	Nghi Lien Commune, Vinh City, Nghe An Province.
6. Phu Bai International Airport - Branch of Airports Corporation of Vietnam	Zone 8, Phu Bai Ward, Huong Thuy Town, Thua Thien Hue Province.
7. Cam Ranh International Airport - Branch of Airports Corporation of Vietnam	Cam Ranh International Airport, Cam Nghia Ward, Cam Ranh City, Khanh Hoa Province.
8. Buon Ma Thuot Airport - Branch of Airports Corporation of Vietnam	Hamlet 3, Hoa Thang Commune, Buon Ma Thuot City, Dak Lak Province.
9. Lien Khuong Airport - Branch of Airports Corporation of Vietnam	Highway 20, Lien Nghia Town, Duc Trong District, Lam Dong Province.
10. Can Tho International Airport - Branch of Airports Corporation of Vietnam	No 179B Le Hong Phong Street, Tra An Ward, Binh Thuy District, Can Tho City.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

1. GENERAL INFORMATION (continued)

*Branches* (continued)

<u>Branch name</u>	<u>Address</u>
11. Phu Quoc International Airport - Branch of Airports Corporation of Vietnam	Group 2, Duong To Village, Duong To Commune, Phu Quoc District, Kien Giang Province.
12. Tho Xuan Airport - Branch of Airports Corporation of Vietnam	Sao Vang Airport, Sao Vang Town, Tho Xuan, Thanh Hoa Province.
13. Dong Hoi Airport - Branch of Airports Corporation of Vietnam	Loc Ninh Commune, Dong Hoi City, Quang Binh Province.
14. Chu Lai Airport - Branch of Airports Corporation of Vietnam	Tam Nghia Commune, Nui Thanh District, Quang Nam Province.
15. Pleiku Airport - Branch of Airports Corporation of Vietnam	Street 17/3, Thong Nhat Ward, Pleiku City, Gia Lai Province.
16. Phu Cat Airport - Branch of Airports Corporation of Vietnam	No 1 Nguyen Tat Thanh Street, Ly Thuong Kiet Ward, Quy Nhon City, Binh Dinh Province.
17. Tuy Hoa Airport - Branch of Airports Corporation of Vietnam	Quarter 4, Phu Thanh Ward, Tuy Hoa City, Phu Yen Province.
18. Dien Bien Airport - Branch of Airports Corporation of Vietnam	Group 10, Thanh Truong Ward, Dien Bien Phu City, Dien Bien Province.
19. Na San Airport - Branch of Airports Corporation of Vietnam	Mai Son District, Son La Province.
20. Con Dao Airport - Branch of Airports Corporation of Vietnam	Zone 1, Con Dao Town, Con Dao District, Ba Ria - Vung Tau Province.
21. Rach Gia Airport - Branch of Airports Corporation of Vietnam	No 418 Cach Mang Thang Tam Street, Vinh Loi Ward, Rach Gia City, Kien Giang Province.
22. Ca Mau Airport - Branch of Airports Corporation of Vietnam	No 93 Ly Thuong Kiet Street, Ward 6, Ca Mau City.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**1. GENERAL INFORMATION** (continued)

*Subsidiary*

Noi Bai Aviation Fuel Service Joint Stock Company (“NAFSC”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Enterprise Registration Certificate (“ERC”) No. 0106542965 issued by the Department of Planning and Investment of Ho Chi Minh City on 16 May 2014, as amended. As at 31 December 2020, the company owns 60% equity and voting rights in NAFSC.

The current principal activities of NAFSC is to provide storage services and fueling services. The Company’s head office is located at is located at Noi Bai International Airport, Phu Minh Commune, Soc Son District, Hanoi City, Vietnam.

*Associates, joint ventures*

<i>Name</i>	<i>Location</i>	<i>Principle activities</i>	<i>Percentage of ownership of the Company</i>	<i>Voting rights of the Company</i>
			<i>(%)</i>	<i>(%)</i>
1. Southern Airports Services Joint Stock Company	Ho Chi Minh City	Commercial business services at airports	49.07	49.07
2. Saigon Ground Services Joint Stock Company	Ho Chi Minh City	Ground commercial services at airports	48.03	48.03
3. Southern Airports Aircraft Maintenance Services Company Limited	Ho Chi Minh City	Aircrafts maintenance and repair services	51	50
4. Southern Airports Trading Joint Stock Company	Ho Chi Minh City	Production of bottled purified water, bottled mineral water; cargo, passenger transport by car	29.53	29.53
5. Southern Airports Transportation Joint Stock Company	Ho Chi Minh City	Passenger transport by road	30	30
6. Hanoi Ground Services Joint Stock Company	Hanoi	Ground services at Noi Bai Airport	20	20
7. Air Cargo Services of Vietnam Joint Stock Company	Hanoi	Cargo warehouse services	20	20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## **2. BASIS OF PREPARATION**

### **2.1 *Accounting standards and system***

The consolidated financial statements of the Group and its subsidiaries expressed in Vietnam Dong (“VND”), are prepared in accordance with the Vietnamese Enterprise Accounting System and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### **2.2 *Applied accounting documentation system***

The Group’s applied accounting documentation system is the Voucher Journal system.

### **2.3 *Fiscal year***

The Group’s fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

### **2.4 *Accounting currency***

The consolidated financial statements are prepared in VND which is also the Group’s accounting currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 2. BASIS OF PREPARATION (continued)

### 2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the parent Company and its subsidiary (“the Group”) for the year ended 31 December 2020.

Subsidiary are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiary are prepared for the same reporting period as the parent Company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Parent Company’s shareholders and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *Cash*

Cash comprise cash on hand, bank demand deposits and cash in transit.

### 3.2 *Financial Investments*

#### *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.

#### *Investment in a subsidiary*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.2 *Financial Investments* (continued)

##### *Investments in jointly controlled entities*

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

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

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

##### *Investments in associates*

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

##### *Investments in other entities*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.2 *Financial Investments* (continued)

##### *Provision for diminution in value of investments*

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

Investments in subsidiaries, joint ventures, associates and other long-term investments are carried in the consolidated balance sheet at cost less provision for impairment of such investments (if any).

#### 3.3 *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.

#### 3.4 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories. The stock-out price of material is calculated using the first in – first out 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.

##### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

#### 3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

#### 3.7 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structure	5 - 25 years
Machinery and equipment	3 - 10 years
Means of transportation	6 years
Office equipment	3 - 5 years
Copyright and computer software	3 years
Other intangible fixed assets	3 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.8 *Leased assets***

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

*Where the Group is the lessee*

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

#### **3.9 *Construction in progress***

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

#### **3.10 *Prepaid expenses***

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.

#### **3.11 *Borrowing costs***

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.12 Payables and accruals**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

#### **3.13 Foreign currency transactions**

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV") designated for collection; and
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of BIDV designated for payment.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of BIDV where the Group conducts transactions regularly;
- ▶ Monetary liabilities are translated at selling exchange rate of BIDV where the Group conducts transactions regularly; and
- ▶ The account loans are translated at the cross rate between VND against JPY calculated by the State Bank of Vietnam or the accounting rate of the Ministry of Finance (applied for each loan agreement).

All foreign exchange differences incurred are taken to the consolidated income statement.

#### **3.14 Treasury shares**

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, re-issue or cancellation of the Group's own equity instruments.

#### **3.15 Appropriation of net profits**

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Rendering of services*

Revenue from rendering of services is recognised when the transaction can be reliably determined. In case a service provision involves multiple periods, revenue is recognised in the period according to the result of work completed at the end of the accounting period.

Revenue from rendering services is recognised when the following conditions are satisfied:

- (a) The revenue can be reliably measured;
- (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.

The Group's revenue from rendering of services are complied with the regulations of the State about the price list and charge frames of some aviation services at Vietnamese airports. In which:

##### *Aviation services:*

- Revenue of passenger services;
- Revenue of passenger and baggage security 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; and
- Revenue of other aviation services.

##### *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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.16 Revenues (continued)**

***Sales of goods***

Sales of goods are recognised when the following conditions are satisfied:

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

***Interest***

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

***Dividends***

Revenue is recognised when the Group is entitled to receive dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.17 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for separate financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.17 *Taxation* (continued)

##### *Deferred tax* (continued)

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are reassessed at each consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.18 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

#### 3.19 *Segment information*

A segment is a component determined separately by the Group which is engaged in providing related products or services (business segment) or providing products or services in a particular economic environment (geographical segment). Each segment is subjected different risks and returns compared other segments.

#### 3.20 *Related parties*

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

## 4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>VND</i>	<i>VND</i>
Cash on hand	942,127,020	1,461,777,955
Bank demand deposits	496,891,775,160	338,537,477,658
Cash in transit	934,419,607	3,666,905,726
Cash equivalents	-	6,000,000,000
<b>TOTAL</b>	<b><u>498,768,321,787</u></b>	<b><u>349,666,161,339</u></b>

## 5. HELD-TO-MATURITY INVESTMENTS

Short-term held-to-maturity investments represent the term-bank deposits with original maturity term above three (3) months and remaining maturity period less than one (1) year and earn the interests rate ranging from 4.9% - 7.3% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 6. SHORT TERM TRADE RECEIVABLES

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>VND</i>	<i>VND</i>
<b>Short-term</b>	<b>2,317,849,912,901</b>	<b>2,649,756,296,717</b>
Related parties ( <i>Note 31</i> )	24,286,094,563	76,660,197,018
Receivables from third parties	2,293,563,818,338	2,573,096,099,699
- VietJet Aviation Joint Stock Company	735,574,727,829	621,885,666,258
- Vietnam Airlines Corporation	663,672,980,183	646,495,367,600
- Bamboo Airways Joint Stock Company	326,410,951,274	129,918,629,508
- Pacific Airlines Aviation Joint Stock Company	279,368,092,340	138,953,932,369
- Other customers	288,537,066,712	1,035,842,503,964
<b>Long-term</b>	<b>6,300,000,200</b>	<b>6,300,000,200</b>
- Hoang Long Yen Joint Stock Company	6,300,000,200	6,300,000,200
<b>TOTAL</b>	<b>2,324,149,913,101</b>	<b>2,656,056,296,917</b>
Provision for doubtful receivables	(58,955,940,396)	(29,893,858,909)
<b>NET</b>	<b>2,265,193,972,705</b>	<b>2,626,162,438,008</b>

## 7. SHORT TERM ADVANCES TO SUPPLIERS

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>VND</i>	<i>VND</i>
New Production Technology and Trading Development Joint Stock Company	60,714,885,000	8,050,000,000
CIENCO 4 Group Joint Stock Company	27,607,350,108	-
Avintech Joint Stock Company	22,938,258,082	45,152,862,903
General Aviation Import Export Joint Stock Company	20,373,236,400	8,067,312,000
An Tam Imex Company Limited	19,667,932,900	7,311,424,200
Khanh Thien Commercial Company Limited	15,221,633,101	384,206,790
Thi Son Production and Construction Company Limited	13,728,000,000	-
Traffic Trade and Project Joint Stock Company	11,793,110,348	11,793,110,348
Other suppliers	69,024,793,237	149,270,645,358
<b>TOTAL</b>	<b>261,069,199,176</b>	<b>230,029,561,599</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 8. OTHER RECEIVABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
<b>Short-term</b>	<b>1,290,932,411,325</b>	<b>2,510,610,761,252</b>
Interest from term deposits	1,103,368,856,161	1,106,261,851,954
Receivable from Vietnam Air Traffic Management Corporation for meteorological assets according to Decision No. 3976/QD-BGTVT	55,749,867,742	55,749,867,742
Receivable related to equitisation - Enterprise Restructuring and Development Fund	50,305,077,395	61,464,089,344
Receivable related to equitisation – Expenses	19,570,715,787	19,570,715,787
Receivables from TCP Joint Stock Company related to compensation for assets on land	15,671,912,247	-
Dividend received	11,250,000,000	652,500,000
Deductible input VAT which has not been declared	8,070,802,322	14,563,216,984
Advance	4,775,667,463	9,410,329,444
Receivables from the State related to assets of Aviation Infrastructure invested from 1 April 2016 to 31 December 2020 (*)	-	1,202,274,161,409
Others	22,169,512,208	40,664,028,588
<b>Long-term</b>	<b>271,216,804,717</b>	<b>298,226,716,964</b>
Receivable from Soc Son Land Development Center for T2 Noi Bai's site clearance	184,565,128,906	184,565,128,906
Receivable from clearance compensation expenses for the area not allocated to use in Phu Quoc	80,936,675,811	80,936,675,811
Deposits and mortgages	5,715,000,000	7,053,000,000
Receivable from TCP Joint Stock Company related to compensation for assets on land	-	25,671,912,247
<b>TOTAL</b>	<b>1,562,149,216,042</b>	<b>2,808,837,478,216</b>
<i>In which:</i>		
<i>Third parties</i>	<i>1,562,149,216,042</i>	<i>2,808,184,221,580</i>
<i>Related parties (Note 31)</i>	<i>-</i>	<i>653,256,636</i>

(\*) This amount was offset with the income generated from the exploiting the airport infrastructure assets as presented in Note 20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

#### 9. PROVISION FOR DOUBTFUL SHORT-TERM RECEIVABLES

Total amount of loans and receivables overdue or not yet overdue but appeared to be irrecoverable. Details are as follows:

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost VND</i>	<i>Provision VND</i>	<i>Cost VND</i>	<i>Provision VND</i>
Mekong Aviation Joint Stock Company	25,907,942,217	(25,907,942,217)	25,907,942,217	(25,907,942,217)
Pacific Airlines Aviation Joint Stock Company	74,341,730,681	(22,302,519,204)	-	-
Other customers	24,684,050,444	(10,745,478,975)	3,985,916,692	(3,985,916,692)
<b>TOTAL</b>	<b>124,933,723,342</b>	<b>(58,955,940,396)</b>	<b>29,893,858,909</b>	<b>(29,893,858,909)</b>

#### 10. INVENTORIES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Raw materials	214,641,251,000	185,602,328,629
Merchandise	126,631,169,833	294,978,303,948
Tools and supplies	2,489,618,842	1,972,288,795
Work in process	13,213,914,045	10,924,599,815
<b>TOTAL</b>	<b>356,975,953,720</b>	<b>493,477,521,187</b>

#### 11. PREPAID EXPENSES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
<b>Short-term</b>	<b>23,383,556,523</b>	<b>25,094,700,547</b>
Tools and supplies	12,411,127,818	15,112,357,884
Insurances	7,242,839,919	6,545,547,550
Others	3,729,588,786	3,436,795,113
<b>Long-term</b>	<b>302,263,683,566</b>	<b>304,772,846,785</b>
Clearance compensation of the T2 airport apron project - Noi Bai International Airport	184,756,000,000	243,100,000,000
License of computer software	44,842,079,641	1,270,632,435
Tools and supplies	35,476,057,936	22,804,563,171
Clearance compensation of the Northern expansion project - Da Nang International Airport	19,057,490,278	20,447,231,836
Clearance compensation of the expansion project - Da Nang International Airport	12,258,823,680	12,258,823,680
Others	5,873,232,031	4,891,595,663
<b>TOTAL</b>	<b>325,647,240,089</b>	<b>329,867,547,332</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 12. TANGIBLE FIXED ASSETS

	<i>Buildings and structures VND</i>	<i>Machinery and equipment VND</i>	<i>Means of transportation VND</i>	<i>Office equipment VND</i>	<i>Total</i>
<b>Cost:</b>					
Beginning balance	26,120,958,416,329	13,224,489,605,625	2,450,248,221,682	98,205,346,797	41,893,901,590,433
New purchases	787,480,666	315,186,318,777	344,185,787,930	21,157,629,923	681,317,217,296
Transfer from construction in progress	65,763,032,144	277,924,121,510	-	-	343,687,153,654
Disposal	(4,763,963,637)	(21,724,403,650)	(1,078,500,262)	(34,141,817)	(27,601,009,366)
Reclassification	(7,573,191,560)	7,940,376,179	(367,184,619)	-	-
Ending balance	<u>26,175,171,773,942</u>	<u>13,803,816,018,441</u>	<u>2,792,988,324,731</u>	<u>119,328,834,903</u>	<u>42,891,304,952,017</u>
<b>Accumulated depreciation:</b>					
Beginning balance	12,733,802,766,761	11,059,703,923,438	1,667,754,928,750	92,150,042,127	25,553,411,661,076
Depreciation for the year	1,985,530,746,880	768,049,893,889	274,610,059,147	3,933,532,274	3,032,124,232,190
Disposal	(4,759,010,546)	(21,723,756,087)	(1,078,500,262)	(34,141,818)	(27,595,408,713)
Reclassification	(3,417,106,082)	3,342,672,883	74,433,199	-	-
Ending balance	<u>14,711,157,397,013</u>	<u>11,809,372,734,123</u>	<u>1,941,360,920,834</u>	<u>96,049,432,583</u>	<u>28,557,940,484,553</u>
<b>Net carrying amount:</b>					
Beginning balance	<u>13,387,155,649,568</u>	<u>2,164,785,682,187</u>	<u>782,493,292,932</u>	<u>6,055,304,670</u>	<u>16,340,489,929,357</u>
Ending balance	<u>11,464,014,376,929</u>	<u>1,994,443,284,318</u>	<u>851,627,403,897</u>	<u>23,279,402,320</u>	<u>14,333,364,467,464</u>

As at 31 December 2020, the fully depreciated fixed assets still in use amounting to VND 17,228,864,352,808.

The Group has used the entire value of construction works, machineries, equipment and other assets of passenger terminal T2 - Noi Bai International Airport as collateral for loans ii, iii, iv as presented in Note 22. As at 31 December 2020, the net book value of those collateral assets was VND 3,460,589,666,538 (as at 31 December 2019: VND 4,261,019,157,900).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**12. TANGIBLE FIXED ASSETS** (continued)

Constructions temporarily debited and wait for approval of finalisation:

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Construction of T2 Passenger Terminal - Noi Bai International Airport	12,020,730,385,315	12,249,404,880,608
Construction of airport apron at T2 Passenger Terminal - Noi Bai International Airport	647,320,417,539	647,320,417,539
Expansion of the airport apron North of parallel taxiways from NS to E6 - Tan Son Nhat International Airport	556,443,826,539	556,443,826,539
Expansion of International Passenger Terminal T2 - Tan Son Nhat International Airport	460,898,726,113	1,427,650,829,590
Passenger Terminal - Phu Cat Airport	406,196,947,819	406,196,947,819
Expansion of airport apron - Can Tho Airport	297,877,651,895	297,877,651,895
Construction of taxiway system and airport apron, light system (airport apron) - Phu Quoc International Airport	270,261,565,053	274,393,952,913
Passenger Terminal - Tho Xuan Airport	237,498,707,832	229,059,199,604
Renovation and expansion airport apron No, 4 - Da Nang International Airport	181,793,194,151	150,276,555,710
Renovation and expansion terminal, car parking lot - Chu Lai Airport	130,398,695,184	130,398,695,184
Renovation and expansion of airport apron - Tan Son Nhat International Airport	100,578,685,000	573,105,697,717
Renovation and expansion of airport apron and W2 taxiway - Cat Bi International Airport	97,377,318,671	-
Construction and renovation of passenger boarding bridges - Vinh International Airport	21,391,580,412	-
Renovation of airport apron and taxiway - Cam Ranh International Airport	19,568,832,679	-
Renovation of drainage system for Civil Aviation area - Cam Ranh International Airport	17,080,490,546	-
Construction of Car park - Phu Quoc International Airport	11,126,588,181	-
Construction of Toll station - Cam Ranh International Airport	3,692,953,830	-
Renovation of electrical connection systems 22KV in put 471 - 473; 472 - 474	2,351,748,288	-
Construction of Toll station - Dong Hoi Airport	2,291,973,364	-
Renovation of airfield's warehouse - Da Nang International Airport	1,323,787,576	-
Renovation of car parking for aviation technology area - Da Nang International Airport	212,673,436	-
Passenger Terminal - Cat Bi International Airport	-	998,742,107,822
Expansion of the airport apron at the military area of 19.79 ha - Tan Son Nhat International Airport	-	896,566,017,978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**12. TANGIBLE FIXED ASSETS (continued)**

Constructions temporarily debited and wait for approval of finalisation: (continued)

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Expansion of Passenger Terminal - Phu Quoc International Airport	-	785,128,624,245
Renovation and expansion of domestic Terminal - Tan Son Nhat International Airport	-	364,188,600,567
Construction of airport apron at plot No, 15- Noi Bai International Airport	-	358,603,826,281
Renovation of T1 Passenger Terminal - Noi Bai International Airport in 2016	-	200,483,835,833
Expansion of airport apron - Lien Khuong Airport	-	161,445,068,906
Renovation of airport apron in front of International Terminal - Da Nang International Airport	-	156,612,255,208
Expansion of airport apron to the North and construction taxiway E7 - Da Nang International Airport	-	118,545,346,663
Passenger terminal - Da Nang International Airport	-	74,714,048,500
Expansion of parking area for cars and taxi - Can Tho International Airport	-	60,142,614,762
Renovation and expansion of airport apron - Chu Lai Airport	-	59,424,964,060
Others	-	74,085,229,939
<b>TOTAL</b>	<b><u>15,486,416,749,423</u></b>	<b><u>21,250,811,195,882</u></b>

**13. INTANGIBLE FIXED ASSETS**

	<i>Copyright</i> VND	<i>Computer software</i> VND	<i>Others</i> VND	<i>Total</i> VND
<b>Cost:</b>				
Beginning balance	2,661,339,000	18,522,647,282	170,000,000	21,353,986,282
New purchases	-	469,550,000	-	469,550,000
Ending balance	<u>2,661,339,000</u>	<u>18,992,197,282</u>	<u>170,000,000</u>	<u>21,823,536,282</u>
<b>Accumulated amortisation:</b>				
Beginning balance	2,661,339,000	13,678,178,791	170,000,000	16,509,517,791
Amortisation for the year	-	2,258,295,717	-	2,258,295,717
Ending balance	<u>2,661,339,000</u>	<u>15,936,474,508</u>	<u>170,000,000</u>	<u>18,767,813,508</u>
<b>Net carrying amount:</b>				
Beginning balance	<u>-</u>	<u>4,844,468,491</u>	<u>-</u>	<u>4,844,468,491</u>
Ending balance	<u>-</u>	<u>3,055,722,774</u>	<u>-</u>	<u>3,055,722,774</u>

As at 31 December 2020, the fully amortised intangible fixed assets still in use amounting to VND 14,506,397,961 (As at 31 December 2019: VND 14,451,199,161).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**15. CONSTRUCTION IN PROGRESS**

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
<b>I. Projects belong to the Company</b>	<b>1,063,360,725,305</b>	<b>862,112,758,959</b>
<b>Purchasing fixed assets</b>	<b>97,035,832,952</b>	<b>172,964,473,663</b>
<b>Constructions</b>	<b>966,324,892,353</b>	<b>688,424,182,636</b>
- <i>Construction of Long Thanh International Airport</i>	501,660,625,986	370,005,116,630
- <i>Construction of T2 terminal – Phu Bai International Airport</i>	124,168,799,801	6,884,827,904
- <i>Doppler technology of weather radar system – Noi Bai International Airport</i>	90,885,266,382	81,607,919,136
- <i>Doppler technology of weather radar system – Tan Son Nhat International Airport</i>	81,680,193,682	81,657,920,955
- <i>Doppler technology of weather radar system - Da Nang International Airport</i>	73,897,141,501	68,285,583,409
- <i>Renovating and expanding lobby A in domestic departure procedures area - Tan Son Nhat International Airport</i>	10,957,225,974	409,492,323
- <i>Expansion of airport apron - Cat Bi International Airport - phase I</i>	9,565,136,362	9,169,690,909
- <i>Expansion of ditches oxidation for wastewater treatment system - Tan Son Nhat International Airport</i>	9,466,008,458	383,445,834
- <i>Construction of T3 terminal - Tan Son Nhat International Airport</i>	8,963,826,208	-
- <i>Construction of T2 terminal - Vinh International Airport</i>	8,714,252,603	6,913,062,998
- <i>Expansion of airport apron in the north - phase 2 – Da nang International Airport</i>	8,052,681,817	892,327,272
- <i>Expansion of airport apron - phase 1 -Phu Bai International Airport</i>	7,923,959,090	-
- <i>Construction of T2 terminal - Cat Bi International Airport</i>	7,357,454,863	6,912,973,225
- <i>Installation of Fire Protection System – Noi Bai International Airport</i>	6,650,519,436	306,407,086
- <i>Others</i>	16,381,800,190	54,995,414,955
<b>Major overhaul of fixed assets</b>	-	<b>724,102,660</b>
<b>II. Projects belong to Airport infrastructures</b>	<b>1,213,327,272</b>	<b>3,140,268,583</b>
<b>Constructions</b>	<b>1,213,327,272</b>	<b>2,722,803,514</b>
- <i>Renovation of runway - Buon Ma Thuot Airport</i>	1,213,327,272	1,213,327,272
- <i>Renovation of E6 taxiway from E1 to E4 - Da Nang International Airport</i>	-	1,486,713,788
- <i>Others</i>	-	22,762,454
<b>Major overhaul of fixed assets</b>	-	<b>417,465,069</b>
<b>TOTAL</b>	<b>1,064,574,052,577</b>	<b>865,253,027,542</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 16. LONG TERM FINANCIAL INVESTMENTS

### 16.1 *Investment in joint-venture and associates*

The details of the investment in the joint venture and associate are as follows:

VND

#### **Cost of investment:**

Beginning balance and ending balance	<u>2,189,744,434,914</u>
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#### **Accumulated share in post-acquisition profit of the associates:**

Beginning balance	588,182,057,201
Share in post-acquisition profit of the associates for the year	146,910,225,624
Dividends received	<u>(200,968,504,000)</u>
Ending balance	<u>534,123,778,825</u>

#### **Net carrying amount:**

Beginning balance	<u>2,777,926,492,115</u>
Ending balance	<u>2,723,868,213,739</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 16. LONG TERM FINANCIAL INVESTMENTS (continued)

### 16.1 Investment in joint-venture and associates (continued)

The details of the investment in the joint venture and associate are as follows:

Name	Principal activities	Ending balance			Beginning balance		
		Number of shares	Costs VND	Owner ship (%)	Number of shares	Costs VND	Owner ship (%)
Southern Airports Services Joint Stock Company	Commercial business services at airports	65,504,200	1,672,000,969,167	49.07	65,504,200	1,708,799,207,255	49.07
Saigon Ground Services Joint Stock Company	Commercial business services at airports	16,128,051	807,709,715,468	48.03	16,128,051	838,911,687,936	48.03
Air Cargo Services of Vietnam Joint Stock Company	Cargo warehouse services	5,000,000	118,622,311,067	20.00	5,000,000	107,522,467,721	20.00
Hanoi Ground Services Joint Stock Company	Ground services at Noi Bai Airport	3,800,000	68,212,845,945	20.00	3,800,000	61,692,260,968	20.00
Southern Airports Aircraft Maintenance Services Company Limited (*)	Aircrafts maintenance and repair services	-	38,690,595,211	51.00	-	37,928,486,230	51.00
Southern Airports Transportation Joint Stock Company	Passengers transport by road	1,305,000	11,763,890,335	30.00	1,305,000	15,990,598,743	30.00
Southern Airports Trading Joint Stock Company	Production of bottled purified water, bottled mineral water	493,000	6,867,886,546	29.53	493,000	7,081,783,262	29.53
<b>TOTAL</b>			<b>2,723,868,213,739</b>			<b>2,777,926,492,115</b>	

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**16. LONG TERM FINANCIAL INVESTMENTS** (continued)

**16.2 Investment in other entities**

Details of these investments in other entities are as follows:

Name	Principal activities	Ending balance			Beginning balance		
		Number of shares	Owner ship (%)	Costs VND	Number of shares	Owner ship (%)	Costs VND
Saigon Cargo Service Corporation	Delivery and cargo handling services	7,500,000	12.95	75,000,000,000	7,500,000	13.03	75,000,000,000
Cam Ranh International Terminal Joint Stock Company	Rendering services support directly to Airport	7,500,000	10.00	60,000,000,000	7,500,000	10.00	60,000,000,000
Da Nang International Terminal Investment and Operation Joint Stock Company	Investment in exploitation and services rendering	7,650,000	10.00	30,000,000,000	4,500,000	10.00	30,000,000,000
TCP Investment Joint Stock Company	Parking area, office and warehouse rental services	1,980,000	18.00	19,800,000,000	1,980,000	18.00	19,800,000,000
<b>TOTAL</b>				<b>184,800,000,000</b>			<b>184,800,000,000</b>
Provision for long term financial investments				(17,787,930,870)			-
<b>NET VALUE</b>				<b>167,012,069,130</b>			<b>184,800,000,000</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 17. SHORT-TERM TRADE PAYABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Related parties ( <i>Note 31</i> )	4,266,768,447	3,751,589,081
Payable to third parties	819,180,361,099	1,254,113,361,449
<i>VTG Equipment and Technology Joint Stock Company</i>	97,915,490,267	42,798,180,342
<i>New Asia Wave International Pte.Ltd</i>	71,514,577,275	297,889,453,143
<i>ACC Airport Construction Corporation</i>	59,519,024,314	167,835,745,290
<i>Vinaconex 9 Joint Stock Company</i>	40,110,740,748	19,363,622,329
<i>Tien Phong Technology Joint Stock Company</i>	39,362,311,710	322,489,201
<i>VIC Joint Venture Construction Company Limited</i>	29,064,587,198	21,242,748,929
<i>Duy Anh Joint Stock Company</i>	28,835,691,862	44,037,655,212
<i>Hai Phuong Trading Development Company Limited</i>	24,530,022,000	-
<i>Luu Nguyen Construction Company Limited</i>	23,534,910,869	32,827,432,680
<i>Tri Nam Group Joint Stock Company</i>	22,930,902,890	-
<i>Autogrill VFS F&amp;B Company Limited</i>	22,183,436,223	26,500,945,107
<i>DFS Vietnam(s) Pte.Ltd</i>	17,716,096,275	10,850,730,845
<i>Petro IMICO Construction Investment Joint Stock Company</i>	16,955,945,425	22,721,629,341
<i>Thang Long Installation and Investment Consultancy Joint Stock Company</i>	16,924,066,807	7,194,499,567
<i>JRP International Pte.Ltd - Singapore</i>	14,434,094,515	14,434,094,515
<i>Au Chau Fashion and Cosmetics Company Limited</i>	13,897,149,484	-
<i>REE Mechanical and Electrical Engineering Joint Stock Company</i>	12,919,861,740	29,405,483,367
<i>ATAD Steel Structure Corporation</i>	10,437,571,342	11,720,866,649
<i>Others</i>	256,393,880,155	504,967,784,932
<b>TOTAL</b>	<b>823,447,129,546</b>	<b>1,257,864,950,530</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 18. TAXES AND OTHER PAYABLES TO/ RECEIVABLES FROM THE STATE BUDGET

	<i>Beginning balance</i> VND	<i>Increase in the year</i> VND	<i>Decrease in the year</i> VND	<i>Ending balance</i> VND
<b>Payables</b>				
Value added tax	16,633,575,932	203,239,167,371	214,752,226,308	5,120,516,995
Corporate income tax (*)	530,153,191,238	455,521,759,111	902,424,443,138	83,250,507,211
Personal income tax	59,744,013,287	193,147,352,913	252,498,187,268	393,178,932
Natural resources tax	399,601,087	350,233,796	720,246,323	29,588,560
Land tax and land rental	1,732,050,271	83,957,707,272	83,106,116,970	2,583,640,573
Foreign contractor withholding tax	491,293,246	13,529,499,459	13,913,690,361	107,102,344
Environment protection tax	-	1,531,843,623	1,432,634,925	99,208,698
Profit paid to the State Budget	-	23,168,245,656	23,168,245,656	-
Others	-	722,260,449,223	722,260,449,223	-
<b>TOTAL</b>	<b>609,153,725,061</b>	<b>1,696,706,258,424</b>	<b>2,214,276,240,172</b>	<b>91,583,743,313</b>
<b>Receivables</b>				
Personal income tax	5,745,729,707	68,947,650,332	259,813,886	74,433,566,153
Land tax and land rental	587,504,167	981,581,889	18,000,000	1,551,086,056
Profit paid to the State Budget	4,928,026,949	-	4,928,026,949	-
Other taxes	-	10,547,290	-	10,547,290
<b>TOTAL</b>	<b>11,261,260,823</b>	<b>69,939,779,511</b>	<b>5,205,840,835</b>	<b>75,995,199,499</b>

(\*) Corporate income tax incurred in the year included corporate income tax paid by the Company related to exploiting the airport infrastructure asset (Note 8 and Note 32).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**19. SHORT-TERM ACCRUED EXPENSES**

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Temporarily increased cost of construction in progress	112,457,785,144	659,168,949,468
Land tax, land rental	34,255,236,794	76,784,406,419
Interest expense	28,237,000,000	28,336,466,163
Health check service	5,856,610,924	-
Assets repairing and maintenance	2,966,154,983	7,016,464,960
Temporarily increased in cost of the fire truck	-	10,623,536,000
Flight calibration cost	-	3,318,505,500
Others	7,387,236,076	10,416,344,175
<b>TOTAL</b>	<b><u>191,160,023,921</u></b>	<b><u>795,664,672,685</u></b>

**20. OTHER PAYABLES**

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
<b>Short-term</b>	<b>1,172,275,047,674</b>	<b>2,431,415,970,123</b>
Payable related to revenue received on behalf of the State from airport infrastructure asset exploitation (*)	899,714,573,846	2,201,248,914,368
Payable of personal income tax for employees	91,242,042,260	65,996,423,092
Expense for investment in car parking lot for Tho Xuan Airport	75,132,858,000	75,132,858,000
Short-term deposits and mortgages	66,774,379,775	51,794,047,078
Union fees	20,160,337,459	2,277,677,141
Airport franchised expense	13,149,621,000	22,717,690,000
Dividend payable	150,280,500	173,365,500
Others	5,950,954,834	12,074,994,944
<b>Long-term</b>	<b>77,852,184,940</b>	<b>117,061,817,125</b>
Long-term deposits	77,852,184,940	117,061,817,125
<b>TOTAL</b>	<b><u>1,250,127,232,614</u></b>	<b><u>2,548,477,787,248</u></b>

(\*) This amount was offset with the invested value of the airport infrastructure assets as presented in *Note 8*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 21. LONG TERM PROVISIONS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Provision for overhaul expenses of FHS system	<u>21,110,974,445</u>	<u>24,163,583,335</u>

## 22. LOANS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
<b>Short-term</b>	<b>247,880,046,877</b>	<b>240,059,540,676</b>
Current portion of long-term loans	247,880,046,877	240,059,540,676
<b>Long-term</b>	<b>15,345,303,220,047</b>	<b>14,759,541,639,356</b>
Long-term loans	<u>15,345,303,220,047</u>	<u>14,759,541,639,356</u>
<b>TOTAL</b>	<b><u>15,593,183,266,924</u></b>	<b><u>14,999,601,180,032</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

22. LOANS (continued)

Details of loan movements are as follows:

	Beginning balance	Current portion of long-term loans	Payment in period	Foreign exchange revaluation	Ending balance
	VND	VND	VND	VND	VND
<b>Current portion of long-term loans</b>	<b>240,059,540,676</b>	<b>240,443,632,762</b>	<b>(240,059,540,676)</b>	<b>7,436,414,115</b>	<b>247,880,046,877</b>
Japan Bank for International Cooperation (JBIC) - Loan agreement No. VNIX-2 on international terminal construction project at Tan Son Nhat international airport by ODA fund (i)	154,105,586,940	154,895,122,204	(154,105,586,940)	4,598,311,869	159,493,434,073
Loan Agreement No. VNXVII-6 on Project of construction of Noi Bai T2 International Airport by ODA fund (ii)	85,953,953,736	85,548,510,558	(85,953,953,736)	2,838,102,246	88,386,612,804
<b>Long-term loans</b>	<b>14,759,541,639,356</b>	<b>(240,443,632,762)</b>	<b>(5,499,082,000)</b>	<b>831,704,295,453</b>	<b>15,345,303,220,047</b>
Japan Bank for International Cooperation (JBIC) - Loan agreement No. VNIX-2 on international terminal construction project at Tan Son Nhat international airport by ODA fund (i)	3,252,797,566,256	(154,895,122,204)	-	182,470,372,389	3,280,372,816,441
Loan Agreement No. VNXVII-6 on T2 passenger terminal construction project at Noi Bai international airport by ODA fund (ii)	2,523,681,068,845	(85,548,510,558)	-	138,661,567,297	2,576,794,125,584
Loan Agreement No. VN11-P6 on T2 passenger terminal construction project at Noi Bai international airport by ODA fund (iii)	4,315,583,000,000	-	-	245,436,000,000	4,561,019,000,000
Loan Agreement No. VN13-P3 on project T2 passenger terminal at Noi Bai International airport by ODA fund(iv)	4,667,480,004,255	-	(5,499,082,000)	265,136,355,767	4,927,117,278,022
<b>TOTAL</b>	<b>14,999,601,180,032</b>	<b>-</b>	<b>(245,558,622,676)</b>	<b>839,140,709,568</b>	<b>15,593,183,266,924</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 22. LOANS (continued)

*Details of current portion and long-term loans are as follows:*

- (i) Credit loan for Tan Son Nhat airport international passenger terminal construction project funded by ODA capital under the Loan Agreement No. VNIX-2 dated 29 March 2002 between the Ministry of Finance and the Japan Bank for International Cooperation (JBIC). This loan is made through the Ho Chi Minh City Development Fund Branch (now the Ho Chi Minh City Development Bank Branch) under the ODA Loan Credit Contract No.038/TDNN-TDTW1 dated 15 August 2002 and the JBIC On-lending authorisation Contract No.06/2002/UQ/BTC-TCĐN dated 17 July 2001 between the Development Assistance Fund and the Ministry of Finance (represented by the External Finance Department).
- Total loan amount: JPY 22,768,000,000 according to loan contract;
  - Loan term and debt repayment: 40 years from the effective date of the Loan Agreement;
  - Grace period: 10 years (120 months) from the effective date of the Loan Agreement;
  - Principal repayment term: 30 years;
  - Loan interest rate: 1.6% per year on the loan balance (on-lending fee of 0.2% per annum on the loan outstanding balance), and
  - Loan balance at as 31 December 2020 is JPY 15,352,074,600.04. In which, due loan balance: JPY 731,051,171.44.
- (ii) Credit loan for Noi Bai T2 International Terminal Construction Project funded by ODA capital under the Loan Agreement No. VNXVII-6 dated 18 March 2010 between the Government of Japan and the Government of Vietnam.
- Total loan amount: JPY 12,607,000,000 according to loan contract;
  - Loan term and debt repayment: 40 years from the effective date of the Loan Agreement;
  - Grace period: 10 years (120 months) from the effective date of the Loan Agreement;
  - Principal repayment period: 30 years;
  - Drawdown term: 7 years from the effective date of the Loan Agreement;
  - Loan interest rate: 0.4% applied to construction cost; 0.21% applied to consulting costs (on-lending fee of 0.2% per annum on the outstanding balance);
  - Loan balance at as 31 December 2020 is JPY 11,960,573,786. In which, due loan balance: JPY 405,443,178.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 22. LOANS (continued)

*Details of current portion and long-term loans are as follows: (continued)*

(iii) Agreement No. VN11-P6 dated 30 March 2012 between the Government of Japan and the Government of Vietnam on the project “Construction of Noi Bai International Terminal T2”

- Total loan value according to the Agreement is JPY 20,584,000,000;
- Loan term and debt repayment: 40 years from the effective date of the Loan Agreement;
- Grace period: 10 years from the effective date of the Loan Agreement;
- Principal repayment period: 30 years;
- The loan is drawn down in 5 years;
- Loan interest rate: 0.4% applied to construction cost; 0.21% applied to consulting costs (on-lending fee of 0.2% per annum on the outstanding balance);
- Loan balance at as 31 December 2020: JPY 20,453,000,000.

(iv) Agreement No. VN13-P3 dated 24 December 2013 between the Government of Japan and the Government of Vietnam on the project “Construction of Noi Bai International Terminal T2”.

- Total loan value according to the Agreement is JPY 26,062,000,000;
- Loan term and debt repayment: 40 years from the effective date of the Loan Agreement;
- Grace period: 10 years from the effective date of the Loan Agreement;
- Principal repayment period: 30 years;
- The loan is drawn down in 7 years;
- Loan interest rate: 0.3% applied to construction cost; 0.21% applied to consulting costs (on-lending fee of 0.2% per annum on the outstanding balance);
- Loan balance at as 31 December 2020: JPY 22,094,696,314.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

23. OWNERS' EQUITY

23.1 Increase and decrease in owners' equity

	<i>Owners' contributed capital VND</i>	<i>Share premium VND</i>	<i>Treasury shares VND</i>	<i>Investment and development fund VND</i>	<i>Undistributed earnings VND</i>	<i>Non-controlling interest VND</i>	<i>Total VND</i>
<b>Previous year</b>							
Beginning balance <i>(restated)</i>	21,771,732,360,000	14,602,790,587	(572,470,000)	2,550,573,946,105	6,397,328,269,446	52,640,487,731	30,786,305,383,869
Net profit for the year	-	-	-	-	8,201,155,033,601	13,001,888,012	8,214,156,921,613
Purchase treasury shares	-	-	(1,713,480,000)	-	-	-	(1,713,480,000)
Fund appropriation	-	-	-	3,484,019,695,540	(3,484,019,695,540)	-	-
Bonus and welfare funds appropriation	-	-	-	-	(280,020,969,268)	(1,689,602,845)	(281,710,572,113)
Management bonus fund appropriation	-	-	-	-	(148,680,000)	-	(148,680,000)
Dividend distributed	-	-	-	-	(1,959,298,862,400)	(10,800,000,000)	(1,970,098,862,400)
Others	-	-	-	-	10,443,630,437	-	10,443,630,437
Ending balance	<u>21,771,732,360,000</u>	<u>14,602,790,587</u>	<u>(2,285,950,000)</u>	<u>6,034,593,641,645</u>	<u>8,885,438,726,276</u>	<u>53,152,772,898</u>	<u>36,757,234,341,406</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

23. OWNERS' EQUITY (continued)

23.1 Increase and decrease in owners' equity (continued)

	Owners' contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Non-controlling interest VND	Total VND
<b>Current year</b>							
Beginning balance	21,771,732,360,000	14,602,790,587	(2,285,950,000)	6,034,593,641,645	8,885,438,726,276	53,152,772,898	36,757,234,341,406
Net profit for the year	-	-	-	-	1,647,476,267,498	(5,929,739,558)	1,641,546,527,940
Purchase treasury shares	-	-	(632,730,000)	-	-	-	(632,730,000)
Bonus and welfare funds appropriation	-	-	-	-	(825,140,435,675)	(1,867,623,784)	(827,008,059,459)
Management bonus fund appropriation	-	-	-	-	(2,721,600,000)	-	(2,721,600,000)
Dividend distributed	-	-	-	-	-	(3,200,000,000)	(3,200,000,000)
Ending balance	<u>21,771,732,360,000</u>	<u>14,602,790,587</u>	<u>(2,918,680,000)</u>	<u>6,034,593,641,645</u>	<u>9,705,052,958,099</u>	<u>42,155,409,556</u>	<u>37,565,218,479,887</u>

23.2 Contributed charter capital

	Ending balance		Beginning balance	
	Ownership (%)	Amount VND	Ownership (%)	Amount VND
Committee for Management of State Capital at Enterprises	95.396	20,769,430,110,000	95.396	20,769,430,110,000
Other shareholders	4.594	1,000,074,250,000	4.596	1,000,557,250,000
Treasury shares	0.010	2,228,000,000	0.008	1,745,000,000
<b>TOTAL</b>	<b>100</b>	<b><u>21,771,732,360,000</u></b>	<b>100</b>	<b><u>21,771,732,360,000</u></b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**23. OWNERS' EQUITY** (continued)

**23.3 Capital transactions with owners and distribution of dividends, profits**

	<i>Current period</i> VND	<i>Previous period</i> VND
<b>Contributed capital</b>		
Beginning balance and ending balance	21,771,732,360,000	21,771,732,360,000
<b>Dividends</b>		
Dividends declared	-	1,959,305,612,400

**23.4 Shares**

	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Number of issued shares</b>		
<i>Ordinary shares</i>	2,177,173,236	2,177,173,236
<b>Number of treasury shares</b>		
<i>Ordinary shares</i>	222,800	174,500
<b>Number of outstanding shares in circulation</b>		
<i>Ordinary shares</i>	2,176,950,436	2,176,998,736

Par value per issued ordinary share is VND 10,000 and it is one vote without limit per share. The parent company's shareholders are entitled to receive dividends when they are announced.

**23.5 Earnings Per Share**

The following reflects the income and share data used in the basic earnings per share computations:

	<i>Current period</i> VND	<i>Previous period</i> (Revised) VND
Net profit after tax attributable to ordinary shareholders (VND)	1,647,476,267,498	8,201,155,033,601
<i>Decrease: Bonus and welfare fund (VND) (i)</i>	<u>(392,129,040,000)</u>	<u>(829,729,659,459)</u>
Earnings for the purpose of calculating basic earnings per share (VND)	1,255,347,227,498	7,371,425,374,142
Weighted average number of ordinary shares	2,176,950,436	2,176,998,736
Basic earnings per share (VND/share)	577	3,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

23. OWNERS' EQUITY (continued)

23.5 Earnings Per Share (continued)

(i) Net profit used to compute earnings per share for the year ended 31 December 2019 was restated following the actual allocation to bonus and welfare funds from 2019 retained earnings as approved in the Annual General Meeting Resolution No. 02/NQ-DHĐCĐ dated 26 June 2020.

Net profit used to compute earnings per share for the year ended 31 December 2020 was adjusted reflect the estimated bonus and welfare funds amounting to VND 392,129,040,000 in accordance with the Board of Directors 's Resolution No. 46/NQ-HDQT dated 18 March 2021.

There was no transactions of ordinary shares or potential ordinary shares transactions occurred after balance sheet date up to the date of these consolidated financial statements.

24. REVENUES

24.1 Revenue from sale of goods and rendering of services

	Current period VND	Previous period (Reclassified) VND
<b>Gross revenue</b>	<b>7,790,879,637,901</b>	<b>18,347,639,417,532</b>
<b>Revenue of aviation services</b>	<b>5,969,489,929,639</b>	<b>14,705,930,908,594</b>
- Passenger services charges (PSC)	3,715,086,955,312	9,866,020,076,859
- Passenger and baggage security services	662,534,928,393	1,557,477,228,469
- Basic ground / all-in-one service	382,642,235,120	502,021,205,780
- Other aviation services	1,209,225,810,814	2,780,412,397,486
<b>Revenue of non-aviation services</b>	<b>1,318,268,340,414</b>	<b>2,152,101,386,200</b>
- Premises lease	550,370,024,332	888,335,668,961
- Internal yard services	307,656,508,521	563,273,281,725
- Advertising services	236,234,072,769	302,058,682,219
- Utility services	77,199,309,283	123,988,640,580
- VIP, F, C passengers services	56,628,795,578	139,062,278,451
- Other non-aviation services	90,179,629,931	135,382,834,264
<b>Revenue from sales of goods (*)</b>	<b>503,121,367,848</b>	<b>1,489,607,122,738</b>
<b>Deduction</b>		
- Trade discount (*)	(23,410,228,228)	(19,087,680,584)
<b>NET REVENUE</b>	<b>7,767,469,409,673</b>	<b>18,328,551,736,948</b>
<i>In which:</i>		
Revenue from other parties	7,464,351,724,603	17,615,467,063,214
Revenue from related parties	303,117,685,070	713,084,673,734

(\*) The Group has reclassified revenue from sale of goods and trade discount item for the year ended 31 December 2019 with the same amount of VND 16,713,462,945.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**24. REVENUES (continued)**

**24.2 Finance income**

	<i>Current year</i> VND	<i>Previous year</i> VND
Interest income	2,146,888,357,602	1,801,089,611,757
Dividends entitled	75,994,017,000	66,807,000,000
Foreign exchange gains	8,616,048,967	51,893,251,060
<b>TOTAL</b>	<b><u>2,231,498,423,569</u></b>	<b><u>1,919,789,862,817</u></b>

**25. COST OF GOODS SOLD AND SERVICES RENDERED**

	<i>Current year</i> VND	<i>Previous year</i> VND
Cost of service rendered	6,116,819,270,331	8,092,630,620,217
Cost of merchandise sold	261,233,548,361	902,293,495,420
<b>TOTAL</b>	<b><u>6,378,052,818,692</u></b>	<b><u>8,994,924,115,637</u></b>

**26. FINANCE EXPENSES**

	<i>Current year</i> VND	<i>Previous year</i> VND
Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency	842,181,613,960	-
Interest expense	96,219,749,004	96,418,310,786
Foreign exchange losses during the year	12,107,143,248	8,724,464,404
Provisions (reversal) of long-term financial investments	17,787,930,870	(1,300,000,000)
<b>TOTAL</b>	<b><u>968,296,437,082</u></b>	<b><u>103,842,775,190</u></b>

**27. SELLING EXPENSES**

	<i>Current year</i> VND	<i>Previous year</i> VND
Labor cost	66,070,852,735	109,811,070,663
Operating costs, franchise	59,159,782,397	233,002,093,890
Outsourcing expenses	8,372,421,453	15,468,816,394
Tools and stationery	1,253,105,526	2,089,493,494
Depreciation and amortisation	1,111,668,186	1,259,834,999
Repair and maintenance cost	1,011,177,573	1,781,226,715
Materials and packaging	643,256,174	1,135,370,947
Other expenses	8,588,318,156	14,586,532,213
<b>TOTAL</b>	<b><u>146,210,582,200</u></b>	<b><u>379,134,439,315</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 28. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Labor cost	423,923,036,843	608,902,947,819
Depreciation and amortisation	35,694,074,237	35,796,797,065
Provision (reversal) of doubtful debts	26,557,112,309	(17,424,000)
Benefits in kinds for employees	26,103,401,348	181,298,316,295
Other outsource services	26,410,545,117	19,208,514,193
Assets repairing cost	19,987,891,509	12,330,820,838
Electricity, water and communications	16,835,785,278	18,510,580,838
Taxes, fees and charges	13,823,500,505	21,002,628,744
Per diem	13,094,396,128	26,389,799,763
Materials, stationery cost	8,843,826,111	12,075,296,146
Other monetary expenses	54,756,749,987	70,938,380,971
<b>TOTAL</b>	<b><u>666,030,319,372</u></b>	<b><u>1,006,436,658,672</u></b>

## 29. PRODUCTION AND OPERATING COSTS

	<i>Current period</i> <i>VND</i>	<i>Previous period</i> <i>VND</i>
Labor cost	2,240,566,969,583	3,074,424,965,877
Tools, materials, and supplies	88,819,342,998	107,753,064,132
Depreciation and amortisation	2,992,133,649,464	3,920,049,354,483
Taxes, fees, and charges	99,284,566,322	101,870,668,985
Assets repairing cost	361,423,375,481	400,642,511,014
Operating costs, franchise	59,159,782,397	233,002,093,890
Aviation insurance	27,476,270,759	21,749,388,955
Electricity, water, and communications	305,266,068,576	466,729,890,777
Other outsourcing services	205,585,995,742	308,887,202,530
Commission	63,679,073,221	162,290,859,539
Benefits in kind for employees	121,131,942,813	181,298,316,295
Franchising of aviation operations	125,298,467,177	216,674,765,776
Other monetary expense	212,677,555,061	282,846,059,951
Provision (reversal) of doubtful debts	26,557,112,309	(17,424,000)
<b>TOTAL</b>	<b><u>6,929,060,171,903</u></b>	<b><u>9,478,201,718,204</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**30. CORPORATE INCOME TAX**

The Group has the obligation to pay corporate income tax (“CIT”) at the rate of 20% of taxable profits.

The tax returns filed by Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

**30.1 CIT expenses**

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Current tax expense	313,256,437,116	1,934,645,887,712
Deferred tax income	45,457,318,644	6,984,611,654
<b>TOTAL</b>	<b><u>358,713,755,760</u></b>	<b><u>1,941,630,499,366</u></b>

**30.2 Current tax**

The current CIT payable is based on taxable income for the current year. The taxable income of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 30. CORPORATE INCOME TAX (continued)

#### 30.2 Current tax (continued)

The reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	<i>Current year</i> VND	<i>Previous year</i> VND
<b>Accounting profit before tax</b>	<b>2,000,260,283,700</b>	<b>10,155,787,420,979</b>
<b>Adjustments to increase</b>	<b>274,108,246,751</b>	<b>487,530,322,505</b>
Depreciation and amortisation for temporarily increased fixed assets	210,770,330,525	379,908,140,920
Accrued land rental	34,255,236,794	76,784,406,419
Losses from subsidiary	17,675,165,636	-
Repairing expenses (without invoice)	5,341,198,531	21,419,965,899
Foreign exchange losses arising from revaluation of cash and receivables denominated in foreign currency	3,366,312,108	2,533,166,542
Non-deductible expense	1,590,180,981	2,034,642,725
Provisions for doubtful debts	1,109,822,176	-
Provision for assets maintenance	-	4,850,000,000
<b>Adjustments to decrease</b>	<b>(485,182,102,245)</b>	<b>(520,418,738,050)</b>
Depreciation and amortisation for temporarily increased fixed assets (without invoice)	(379,908,140,920)	(391,291,302,014)
Accrued land rental	(76,784,406,419)	(77,681,326,505)
Repairing expenses (without invoice)	(21,419,965,899)	(44,309,006,185)
Foreign exchange losses arising from revaluation of cash and receivables denominated in foreign currency	(2,533,166,542)	(4,300,686,681)
Provisions for major repair of fixed assets	(3,052,608,890)	(1,536,416,665)
Provisions for financial investments	(1,483,813,575)	(1,300,000,000)
<b>Non-assessable income</b>	<b>(222,904,242,624)</b>	<b>(449,669,566,873)</b>
Share in post-acquisition profit of the associates for the year	(146,910,225,624)	(382,862,566,873)
Dividend income	(75,994,017,000)	(66,807,000,000)
<b>Current assessable income</b>	<b>1,566,282,185,582</b>	<b>9,673,229,438,561</b>
Normal tax rate	20%	20%
<b>Current tax expense</b>	<b>313,256,437,116</b>	<b>1,934,645,887,712</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 30. CORPORATE INCOME TAX (continued)

#### 30.3 Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Group, and the movements thereon, during the current and previous period:

	<i>Consolidated balance sheet</i>	
	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
<b><i>Deferred tax assets</i></b>	<b>56,457,939,464</b>	<b>102,115,260,773</b>
Depreciation and amortisation for temporarily increased fixed assets (without invoice)	42,154,066,105	75,981,628,184
Accrued land rental without notice from Tax authorities	6,851,047,359	15,356,881,284
Repairing expense (without invoice)	6,182,021,904	10,151,078,302
Foreign exchange losses arising from revaluation of cash and receivables denominated in foreign currency	804,283,386	625,673,003
Provisions for doubtful debts	466,520,710	-
<b><i>Deferred tax liabilities</i></b>	<b>296,762,715</b>	<b>-</b>
Provision for investments	296,762,715	-
<b><i>Net deferred tax assets</i></b>	<b>56,161,176,749</b>	<b>102,115,260,773</b>
	<i>Consolidated income statement</i>	
	<i>Current year VND</i>	<i>Previous year VND</i>
Depreciation and amortisation for temporarily increased fixed assets (without invoice)	(33,827,562,079)	(2,276,632,219)
Accrued land rental without notice from Tax authorities	(8,505,833,925)	(179,384,017)
Repairing expense (without invoice)	(3,215,753,474)	(3,915,091,390)
Foreign exchange (gains) losses arising from revaluation of cash and receivables denominated in foreign currency	166,629,114	(353,504,028)
Provisions for doubtful debts	221,964,435	-
Provisions for financial investments	(296,762,715)	(260,000,000)
<b><i>Deferred tax income</i></b>	<b>(45,457,318,644)</b>	<b>(6,984,611,654)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 31. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties in current year and prior year were as follows:

<i>Related parties</i>	<i>Current year VND</i>	<i>Previous year VND</i>
<b><i>Revenue to related parties</i></b>		
Southern Airports Services Joint Stock Company	144,028,017,934	379,601,869,626
Saigon Ground Services Joint Stock Company	75,800,426,133	179,512,729,679
Hanoi Ground Services Joint Stock Company	59,853,094,365	127,562,962,537
Air Cargo Services of Vietnam Joint Stock Company	10,081,305,882	9,106,092,178
Southern Airports Transportation Joint Stock Company	7,387,591,916	10,506,999,580
Southern Airports Aircraft Maintenance Services Company Limited	5,938,021,568	6,766,201,957
Southern Airport Trading Joint Stock Company	29,227,272	27,818,177
<b><i>Purchasing with related parties</i></b>		
Southern Airports Services Joint Stock Company	11,476,438,984	19,924,184,233
Saigon Ground Services Joint Stock Company	6,638,353,579	8,005,501,957
Hanoi Ground Services Joint Stock Company	1,000,035,549	1,002,742,567
Southern Airports Trading Joint Stock Company	724,389,084	1,032,492,723
Southern Airports Transportation Joint Stock Company	505,484,256	458,379,625
Air Cargo Services of Vietnam Joint Stock Company	31,450,500	220,601,000
<b><i>Finance income with related parties</i></b>		
Southern Airports Services Joint Stock Company	98,256,300,000	150,004,618,000
Saigon Ground Services Joint Stock Company	64,512,204,000	34,560,111,000
Air Cargo Services of Vietnam Joint Stock Company	32,500,000,000	22,500,000,000
Hanoi Ground Services Joint Stock Company	5,700,000,000	8,700,000,000
Southern Airports Transportation Joint Stock Company	-	652,500,000
Southern Airports Aircraft Maintenance Services Company Limited	-	11,220,000,000

Amounts due to and due from related parties at the balance sheet dates were as follows:

<i>Related party</i>	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
<b><i>Trade receivables</i></b>		
Saigon Ground Services Joint Stock Company	9,788,110,444	23,979,029,890
Southern Airports Services Joint Stock Company	7,831,198,536	37,641,233,318
Hanoi Ground Services Joint Stock Company	4,217,816,745	13,632,131,868
Air Cargo Services of Vietnam Joint Stock Company	1,599,902,943	1,004,782,550
Southern Airports Transportation Joint Stock Company	849,065,895	182,018,127
Southern Airports Aircraft Maintenance Services Company Limited	-	221,001,265
	<b>24,286,094,563</b>	<b>76,660,197,018</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

<i>Related parties</i>	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
<b><i>Other receivables</i></b>		
Southern Airports Transportation Joint Stock Company	-	652,500,000
Southern Airports Services Joint Stock Company	-	756,636
	<u>-</u>	<u>653,256,636</u>
<b><i>Trade payables</i></b>		
Saigon Ground Services Joint Stock Company	2,329,114,601	-
Southern Airports Services Joint Stock Company	1,269,009,884	2,907,133,300
Hanoi Ground Services Joint Stock Company	634,790,648	657,882,225
Southern Airports Trading Joint Stock Company	25,714,000	80,324,000
Southern Airports Transportation Joint Stock Company	8,139,314	73,606,506
Air Cargo Services of Vietnam Joint Stock Company	-	32,643,050
	<u>4,266,768,447</u>	<u>3,751,589,081</u>
<b><i>Advance from customer</i></b>		
Southern Airports Aircraft Maintenance Services Company Limited	282,478,864	-

Remuneration paid to members of the Board of Directors, the Board of Supervision, Management and Chief Accountant in the year were as follows:

	<i>Current year VND</i>	<i>Previous year VND</i>
Income of Board of Directors, Board of Management and Chief Accountant	8,039,220,247	10,094,551,200
Income of Board of Supervision	1,874,348,805	2,231,229,600
<b>TOTAL</b>	<u>9,913,569,052</u>	<u>12,325,780,800</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 32. INFORMATION RELATED TO AIRPORT INFRASTRUCTURE ASSET EXPLOITATION INVESTED AND MANAGED BY THE STATE

Information about revenues, expenses and profit are presented below:

	<i>Current year</i>	<i>Previous year</i>
	<i>VND</i>	<i>VND</i>
<b>I. Revenue</b>	<b>1,465,178,844,103</b>	<b>2,840,600,093,525</b>
1. Revenue of aero plane take-off and landing services	1,456,190,339,126	2,776,995,498,777
<i>Deduction</i>	<i>29,798,676,437</i>	<i>69,222,323,211</i>
<i>Net revenue</i>	<i>1,426,391,662,689</i>	<i>2,707,773,175,566</i>
2. Interest from deposits	38,560,599,414	132,635,898,959
3. Other income	226,582,000	191,019,000
<b>II. Cost</b>	<b>894,130,494,603</b>	<b>1,387,321,526,105</b>
1. Operating cost	751,368,407,228	1,023,971,884,250
<i>Labor cost</i>	<i>401,066,232,604</i>	<i>533,754,414,901</i>
<i>Tools, materials, and supplies cost</i>	<i>6,359,769,493</i>	<i>9,537,514,710</i>
<i>Allocated depreciation and amortisation cost</i>	<i>42,248,878,443</i>	<i>70,926,177,987</i>
<i>Taxes, fees, and charges</i>	<i>1,595,435,460</i>	<i>(1,711,730,442)</i>
<i>Asset repairing cost</i>	<i>170,335,272,210</i>	<i>227,616,214,737</i>
<i>Electricity, water, and communications</i>	<i>19,310,062,238</i>	<i>20,718,600,536</i>
<i>Other outsourcing services</i>	<i>40,920,075,079</i>	<i>44,024,723,083</i>
<i>Benefits for employees</i>	<i>20,581,214,967</i>	<i>50,107,871,325</i>
<i>Others monetary expenses</i>	<i>44,904,146,306</i>	<i>65,842,983,317</i>
<i>Provision expense</i>	<i>2,504,969,178</i>	<i>-</i>
<i>Unrealised losses on changes in foreign exchange rates</i>	<i>655,104,821</i>	<i>595,198,474</i>
<i>Realised losses on changes in foreign exchange rates</i>	<i>887,246,429</i>	<i>2,559,915,622</i>
2. Corporate income tax expense	142,265,321,995	364,503,050,005
3. Deferred income tax expense	496,765,380	(1,153,408,150)
<b>III. Net</b>	<b><u>571,048,349,500</u></b>	<b><u>1,453,278,567,420</u></b>
<b>IV. Other information</b>		
1. Depreciation	190,384,679,768	196,792,828,636

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 33. SEGMENT INFORMATION

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 Group's business activities include aviation and non-aviation services, selling, passenger room, processing activities and other activities.

Geographical area-based segment is a distinguishable component of the Group. 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 Group are implemented in Vietnam, therefore, the Group 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, finance income, finance expense, selling expense, general and administrative expense, other gains or losses and corporate income tax

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**33. SEGMENT INFORMATION (continued)**

**Business segment**

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment for the year ended 31 December 2020:

	<i>Services</i> VND	<i>Selling goods</i> VND	<i>Total</i> VND
<b>For the year ended 31 December 2020</b>			
<b>Net revenue</b>			
<i>Revenue from goods sold and services rendered</i>	7,264,348,041,825	503,121,367,848	7,767,469,409,673
<b>Segment expense</b>			
<i>Cost of goods sold</i>	6,116,819,270,331	261,233,548,361	6,378,052,818,692
<i>Selling expenses</i>	-	146,210,582,200	146,210,582,200
<b>Segment-based operating results</b>	<b><u>1,147,528,771,494</u></b>	<b><u>95,677,237,287</u></b>	<b><u>1,243,206,008,781</u></b>
<b>Expenses unallocated as per segments</b>			
<i>General and administration expenses</i>			666,030,319,372
<i>Finance income</i>			2,231,498,423,569
<i>Finance expenses</i>			968,296,437,082
<i>Other income</i>			13,347,273,067
<i>Other expenses</i>			374,890,887
<i>Share in post-acquisition profit of the associates for the year</i>			146,910,225,624
<i>Current corporate income tax expense</i>			313,256,437,116
<i>Deferred corporate income tax expense</i>			45,457,318,644
<b>Net profit after corporate income tax</b>			<b><u>1,641,546,527,940</u></b>
<i>Assets unallocated as per segments</i>			56,902,290,813,532
<i>Liabilities unallocated as per segments</i>			19,337,072,333,645
<b>For the year ended 31 December 2019</b>			
<b>Net revenue</b>			
<i>Revenue from goods sold and services rendered</i>	16,838,944,614,210	1,489,607,122,738	18,328,551,736,948
<b>Segment expense</b>			
<i>Cost of goods sold</i>	8,092,630,620,217	902,293,495,420	8,994,924,115,637
<i>Selling expenses</i>	-	379,134,439,315	379,134,439,315
<b>Segment-based operating results</b>	<b><u>8,746,313,993,993</u></b>	<b><u>208,179,188,003</u></b>	<b><u>8,954,493,181,996</u></b>
<b>Expenses unallocated as per segments</b>			
<i>General and administration expenses</i>			1,006,436,658,672
<i>Finance income</i>			1,919,789,862,817
<i>Finance expenses</i>			103,842,775,190
<i>Other income</i>			9,838,649,076
<i>Other expenses</i>			917,405,921
<i>Share in post-acquisition profit of the associates for the year</i>			382,862,566,873
<i>Current corporate income tax expense</i>			1,934,645,887,712
<i>Deferred corporate income tax expense</i>			6,984,611,654
<b>Net profit after corporate income tax</b>			<b><u>8,214,156,921,613</u></b>
<i>Assets unallocated as per segments</i>			58,176,195,336,654
<i>Liabilities unallocated as per segments</i>			21,418,960,995,248

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 34. OPERATING LEASE COMMITMENT

#### *Commitments related to operating costs*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Land rental under operating leases recognised in consolidated income statement for the year	<u>93,696,926,786</u>	<u>89,696,386,599</u>

#### *Commitment to lease operations*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Less than 1 year	4,863,984,994	4,393,407,133
From 1 to 5 years	19,455,939,978	16,874,381,839
More than 5 years	<u>149,245,555,223</u>	<u>149,870,575,533</u>
<b>TOTAL</b>	<b><u>173,565,480,195</u></b>	<b><u>171,138,364,505</u></b>

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

#### *Commitments related to large investment costs*

	<i>Current year</i> VND	<i>Previous year</i> VND
The total value of main construction project contract that are still in progress	<u>2,289,922,806,240</u>	<u>1,661,926,773,584</u>
<i>In which:</i>		
<i>The value of completed volume</i>	965,971,629,470	797,934,670,679

### 35. COVID-19 PANDEMIC

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**36. OFF BALANCE SHEET ITEMS**

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
US Dollar (USD)	15,065,905	5,295,244
Doubtful receivables written off	44,517,571,868	44,517,571,868
Net carrying amount of airport infrastructure assets exploited by the Group which belong to the State	3,308,460,679,520	3,335,414,128,257
Goods held by the Group on consignment	607,171,006	731,493,536

**37. EVENT AFTER THE BALANCE SHEET DATE**

There is no matter or circumstance that has arisen since the balance date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Vu Thi Van Anh  
Preparer



Bui A Dong  
Chief Accountant



Vu The Phiet  
General Director

30 March 2021