

AIRPORTS CORPORATION OF VIETNAM

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE FINANCIAL
STATEMENTS**

For the year ended 31 December 2017

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AIRPORTS CORPORATION OF VIETNAM

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

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS

The Board of Executive Officers of Airports Corporation of Vietnam (the "Corporation") presents this report together with the Corporation's separate financial statements for the year ended 31 December 2017.

THE BOARDS OF DIRECTORS, SUPERVISORS AND EXECUTIVE OFFICERS

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

Board of Directors

Mr. Lai Xuan Thanh	President (appointed on 28 June 2017)
Mr. Nguyen Nguyen Hung	President (resigned on 28 June 2017)
Mr. Le Manh Hung	Member
Mr. Dao Viet Dung	Member
Ms. Le Thi Dieu Thuy	Member

Board of Supervisors

Ms. Huynh Thi Dieu	Head of Board of Supervisors
Ms. Le Thi Huong Giang	Member
Ms. Hoang Thi Thanh	Member

Board of Executive Officers

Mr. Le Manh Hung	Chief Executive Officer
Mr. Dao Viet Dung	Deputy Chief Executive Officer
Mr. Do Tat Binh	Deputy Chief Executive Officer
Mr. Ho Minh Tien	Deputy Chief Executive Officer
Mr. Nguyen Dinh Duong	Deputy Chief Executive Officer
Mr. Le Xuan Tung	Deputy Chief Executive Officer
Mr. Vo Anh Tu	Deputy Chief Executive Officer
Ms. Le Thi Dieu Thuy	Deputy Chief Executive Officer
Mr. Vu The Phiet	Deputy Chief Executive Officer (appointed on 24 January 2017)
Mr. Tran Van Thang	Deputy Chief Executive Officer (resigned on 4 July 2017)

Acting Head of Finance and Accounting Department of the Corporation for the year ended 31 December 2017 is Mr. Bui A Dong pursuant to the appointment decision No. 499/QD-HDQT since 01 January 2017. Mr. Bui A Dong was appointed as Head of Finance and Accounting Department - Chief Accountant of the Corporation pursuant to appointment decision No. 26/QD-HDQT since 1 February 2018.

AUDITOR

The separate financial statements of the Corporation for the year ended 31 December 2017 have been audited by Branch of Deloitte Vietnam Company Limited.

AIRPORTS CORPORATION OF VIETNAM

58 Truong Son, Ward 02, Tan Binh District

Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS (Continued)

BOARD OF EXECUTIVE OFFICERS' STATEMENT OF RESPONSIBILITY

The Board of Executive Officers of the Corporation is responsible for preparing the separate financial statements, which give a true and fair view of the separate financial position of the Corporation as at 31 December 2017, and its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Executive Officers is required to:

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

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

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

For and on behalf of the Board of Executive Officers, 



Le Manh Hung
Chief Executive Officer
31 March 2018

No.: 714 /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying separate financial statements of Airports Corporation of Vietnam (the "Corporation"), prepared on 31 March 2018 as set out from page 5 to page 60 which comprise the separate balance sheet as at 31 December 2017, the separate statement of income and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Executive Officers' Responsibility for the Separate Financial Statements

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

Auditors' Responsibility

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

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

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

Auditors' Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Corporation as at 31 December 2017, and its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

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INDEPENDENT AUDITORS' REPORT (Continued)

Emphasis of Matters

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

- The separate financial statements for the year ended 31 December 2017 of the Corporation have not included the results of the finalization of the Corporation's equitization when the Corporation transformed into a joint stock company as at 31 March 2016 which is still pending for approval from the competent authorities.
- The Corporation continues to manage and utilize the assets of the Airfield and carry out the repair and maintenance as well as investment on these assets from the Airfield's operation. In awaiting authorities' guidance on management, utilization and accounting treatment on the Airfield's assets, the assets, costs, revenues generated from the Airfield's management and utilization are separately recorded as other receivables and other payables in the separate balance sheet as at 31 December 2017. The adjustments in relation to these operating activities (if any) will be made in accordance with competent authorities' decision and guidance.
- The prior period's separate financial statements were prepared for the period from 1 April 2016 to 31 December 2016 as the first accounting period of the Corporation after its official transformation into a joint stock company. Therefore, the separate financial statements prepared for the whole year ended 31 December 2017 may not be comparable.

We also draw attention to the Note 38 in the separate financial statements about the recommendations of Government Inspectorate in the Notice No. 27/TB-KLTT dated 5 January 2018 in which the Ministry of Finance is authorized and coordinated with Ministry of Transport to inspect and suggest solutions regarding depreciation of assets of the Airfield for the period from 1 July 2014 to 31 December 2015.

As presented in Notes 3 and 41 in the separate financial statements, some figures for the period from 1 April 2016 to 31 December 2016 have been retrospectively adjusted as the recommendations of the State Audit and Ministry of Transport.

Our opinion is not modified in respect of these matters.

Other matter

The separate financial statements of the Corporation for the period from 1 April 2016 to 31 December 2016 were audited by another independent auditing company whose auditors' report dated 6 June 2017 expressed an unmodified opinion with emphasis of matters.



Nguyễn Quang Trung
Audit Partner

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

**BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED**

31 March 2018

Hồ Chí Minh City, S.R Vietnam

Bùi Quốc Anh
Auditor

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

AIRPORTS CORPORATION OF VIETNAM58 Truong Son, Ward 02, Tan Binh
District, Ho Chi Minh City, Vietnam**FORM B 01-DN**Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**SEPARATE BALANCE SHEET***As at 31 December 2017*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance (Restated)
A. CURRENT ASSETS	100		26,259,213,007,153	21,068,823,593,552
I. Cash and cash equivalents	110	5	1,307,839,261,177	2,674,793,260,611
1. Cash	111		907,839,261,177	2,674,793,260,611
2. Cash equivalents	112		400,000,000,000	-
II. Short-term financial investments	120		17,493,000,000,000	13,508,000,000,000
1. Held-to-maturity investments	123	6	17,493,000,000,000	13,508,000,000,000
III. Short-term receivables	130		6,955,664,440,518	4,206,665,372,612
1. Short-term trade receivables	131	7	2,042,889,342,472	1,631,245,271,255
2. Short-term advances to suppliers	132	8	1,373,464,764,854	892,061,510,076
3. Other short-term receivables	136	9	3,569,342,499,222	1,714,234,576,790
4. Provision for short-term doubtful debts	137	10	(30,032,166,030)	(30,875,985,509)
IV. Inventories	140	11	398,857,349,613	426,396,172,353
1. Inventories	141		398,857,349,613	426,396,172,353
V. Other short-term assets	150		103,851,955,845	252,968,787,976
1. Short-term prepayments	151	12	16,965,167,843	16,435,848,139
2. Value added tax deductibles	152		53,728,777,815	219,523,173,437
3. Taxes and other receivables from the State budget	153	19	33,158,010,187	17,009,766,400
B. NON-CURRENT ASSETS	200		22,501,704,748,131	24,737,699,748,889
I. Long-term receivables	210		352,941,856,676	264,109,384,777
1. Other long-term receivables	216	9	352,941,856,676	264,109,384,777
II. Fixed assets	220		18,936,237,846,799	21,137,230,967,860
1. Tangible fixed assets	221	13	18,934,891,770,444	21,133,589,768,728
- Cost	222		36,695,450,217,072	34,738,176,005,487
- Accumulated depreciation	223		(17,760,558,446,628)	(13,604,586,236,759)
2. Intangible assets	227	14	1,346,076,355	3,641,199,132
- Cost	228		14,894,055,361	14,520,806,561
- Accumulated amortisation	229		(13,547,979,006)	(10,879,607,429)
III. Long-term assets in progress	240		635,700,153,017	700,748,493,413
1. Long-term construction in progress	242	15	635,700,153,017	700,748,493,413
IV. Long-term financial investments	250	16	2,433,244,434,914	2,497,233,873,627
1. Investments in subsidiaries	251		60,000,000,000	1,683,833,743,327
2. Investments in joint-ventures, associates	252		2,189,744,434,914	616,410,897,541
3. Equity investments in other entities	253		184,800,000,000	198,289,232,759
4. Provision for impairment of long-term financial investments	254		(1,300,000,000)	(1,300,000,000)
V. Other long-term assets	260		143,580,456,725	138,377,029,212
1. Long-term prepayments	261	12	57,829,340,022	70,860,399,281
2. Deferred tax assets	262	17	85,751,116,703	67,516,629,931
TOTAL ASSETS (270=100+200)	270		48,760,917,755,284	45,806,523,342,441

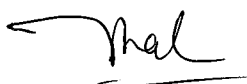
The accompanying notes are an integral part of these separate financial statements

SEPARATE BALANCE SHEET (Continued)

As at 31 December 2017

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance (Restated)
C. LIABILITIES	300		21,757,282,510,059	21,690,549,716,036
I. Current liabilities	310		7,348,923,201,936	7,667,046,135,196
1. Short-term trade payables	311	18	1,133,590,882,595	1,022,680,572,601
2. Short-term advances from customers	312		20,708,930,580	4,616,897,682
3. Taxes and amounts payable to the State budget	313	19	236,922,284,580	360,942,889,294
4. Payables to employees	314		1,069,262,857,525	1,065,843,031,056
5. Short-term accrued expenses	315	20	923,589,545,663	1,269,253,333,840
6. Short-term unearned revenue	318		19,356,201,136	17,389,468,433
7. Other current payables	319	21	3,538,564,596,577	3,125,762,855,639
8. Short-term loans	320	23	148,235,246,033	143,286,029,602
9. Bonus and welfare funds	322	22	258,692,657,247	657,271,057,049
II. Long-term liabilities	330		14,408,359,308,123	14,023,503,580,840
1. Long-term trade payables	337	21	80,806,885,194	61,892,108,541
2. Long-term loans	338	23	14,327,552,422,929	13,961,611,472,299
D. EQUITY	400		27,003,635,245,225	24,115,973,626,405
I. Owner's equity	410	24	27,003,635,245,225	24,115,973,626,405
1. Owner's contributed capital	411		21,771,732,360,000	21,771,732,360,000
- Ordinary shares carrying voting rights	411a		21,771,732,360,000	21,771,732,360,000
2. Share premium	412		14,602,790,587	14,602,790,587
3. Investment and development fund	418		702,011,972,981	450,015,282,490
4. Retained earnings	421		4,515,288,121,657	1,879,623,193,328
- Retained earnings accumulated to the prior period	421a		321,322,561,237	-
- Retained earnings of the current year/ period year	421b		4,193,965,560,420	1,879,623,193,328
TOTAL RESOURCES (440=300+400)	440		48,760,917,755,284	45,806,523,342,441


Pham Thi Phuong
Preparer

Bui A Dong
Chief AccountantLe Manh Hung
Chief Executive Officer
31 March 2018

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

SEPARATE INCOME STATEMENT*For the year ended 31 December 2017*

Unit: VND

ITEMS	Codes Notes		From 1/4/2016 to 31/12/2016	
			Current year	(Restated)
1. Gross revenue from goods sold and services rendered	01	26	13,718,428,306,763	8,872,307,142,106
2. Deductions	02	26	43,196,600,601	28,590,672,977
3. Net revenue from goods sold and services rendered (10=01-02)	10	26	13,675,231,706,162	8,843,716,469,129
4. Cost of goods sold and services rendered	11	27	8,121,568,660,422	5,642,553,745,644
5. Gross profit from goods sold and services rendered (20=10-11)	20		5,553,663,045,740	3,201,162,723,485
6. Financial income	21	29	1,278,162,978,469	1,000,979,724,564
7. Financial expenses	22	30	596,386,421,080	87,543,245,608
- In which: Interest expense	23		96,059,178,215	75,244,790,879
8. Selling expenses	25	31	254,995,295,007	178,950,509,932
9. General and administration expenses	26	32	785,757,647,177	677,206,242,278
10. Operating profit (30=20+(21-22)-(25+26))	30		5,194,686,660,945	3,258,442,450,231
11. Other income	31	33	26,803,963,239	5,639,678,092
12. Other expenses	32	34	2,391,651,662	3,428,889,725
13. Profit from other activities (40=31-32)	40		24,412,311,577	2,210,788,367
14. Accounting profit before tax (50=30+40)	50		5,219,098,972,522	3,260,653,238,598
15. Current corporate income tax expense	51	35	1,043,367,898,874	580,539,829,664
16. Deferred corporate tax (income)/expense	52	35	(18,234,486,772)	61,970,332,370
17. Net profit after Corporate income tax (60=50-51-52)	60		4,193,965,560,420	2,618,143,076,564


Pham Thi Phuong
Preparer

Bui A Dong
Chief AccountantLe Manh Hung
Chief Executive Officer
31 March 2018*The accompanying notes are an integral part of these separate financial statements*

SEPARATE CASH FLOW STATEMENT*For the year ended 31 December 2017*

Unit: VND

ITEMS	Codes	From 1/4/2016 to 31/12/2016	
		Current year	(Restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	5,219,098,972,522	3,260,653,238,598
2. Adjustments for:			
Depreciation and amortisation	02	4,156,318,017,690	3,230,888,201,650
Provisions	03	(843,819,479)	32,175,985,509
Foreign exchange difference arising from translating foreign currency items	04	489,588,948,149	(248,100,747,890)
Gain from investing activities	05	(1,278,733,180,181)	(729,155,768,835)
Interest expense	06	96,059,178,215	75,244,790,879
3. Operating profit before movements in working capital	08	8,681,488,116,916	5,621,705,699,911
Changes in receivables	09	(3,011,542,718,848)	(473,991,453,437)
Changes in inventories	10	31,083,391,489	(49,410,789,783)
Changes in payables	11	1,938,673,576,321	2,042,068,221,371
Changes in prepaid expenses	12	8,439,867,895	81,319,458,302
Interest paid	14	(95,306,541,848)	(57,308,659,352)
Corporate income tax paid	15	(1,306,185,984,483)	(1,269,355,923,181)
Other cash inflows	16	-	676,948,516
Other cash outflows	17	(2,047,682,329,355)	(504,876,869,520)
Net cash generated by operating activities	20	4,198,967,378,087	5,390,826,632,827
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(1,364,822,519,753)	(2,050,115,191,567)
2. Proceeds from sale, disposal of fixed assets	22	21,540,171,005	109,084,584
3. Cash outflow for buying debt instruments of other entities	23	(12,408,000,000,000)	(5,100,000,000,000)
4. Cash recovered from selling debt instruments of other entities	24	8,423,000,000,000	3,774,900,000,000
5. Investments in other entities	25	-	(30,500,646,407)
6. Cash recovered from investments in other entities	26	42,771,360,000	146,472,194,028
7. Interest earned, dividends and profits received	27	1,140,226,846,693	787,013,504,779
Net cash used in investing activities	30	(4,145,284,142,055)	(2,472,121,054,583)

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

SEPARATE CASH FLOW STATEMENT (Continued)*For the year ended 31 December 2017*

Unit: VND

		From 1/4/2016 to 31/12/2016	
ITEMS	Codes	Current year	(Restated)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	31,402,837,049	8,205,652,246
2. Repayment of borrowings	34	(145,760,637,817)	(78,807,316,282)
3. Dividends and profits paid	36	(1,306,211,897,430)	(2,602,319,905,854)
Net cash used in financing activities	40	(1,420,569,698,198)	(2,672,921,569,890)
Net (decrease)/increase in cash during the year/period (50=20+30+40)	50	(1,366,886,462,166)	245,784,008,354
Cash and cash equivalents at the beginning of the year/period	60	2,674,793,260,611	2,413,453,826,323
Effects of changes in foreign exchange rates	61	(67,537,268)	15,555,425,934
Cash and cash equivalents at the end of the year/period (70=50+60+61)	70	1,307,839,261,177	2,674,793,260,611



Pham Thi Phuong
Preparer



Bui A Dong
Chief Accountant



Le Manh Hung
Chief Executive Officer
31 March 2018

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

Airports Corporation of Vietnam (the "Corporation"), a joint stock company, is established on the basis of capitalization of State-owned enterprise – Airports Corporation of Vietnam (One-member limited liability company) under Decision No. 1710/QĐ-TTg dated 6 October 2015 of Prime Minister, operates under the Business Registration Certificate No. 0311638525 dated 22 March 2012 and the seventh amended Business Registration Certificate dated 12 September 2016 issued by the Department of Planning and Investment of Ho Chi Minh City.

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

The international business name: Airports Corporation of Vietnam.

The abbreviation name: ACV.

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

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

The number of employees of the Corporation as at 31 December 2017 was 8,889 (as at 31 December 2016: 8,633).

Operating industry and principal activities

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

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

companies, manufacturers and suppliers of aircraft materials, equipment, and aeronautical facilities; trading services, duty-free services; services at apron and other aeronautical services at airports, aerodromes; supply of aeronautical gasoline, lubricant (including fuel, lubricant, specialized 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 specialized mechanical equipment, civil constructions.

Normal production and business cycle

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

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

The Corporation officially operates as a joint stock company since 1 April 2016. The separate financial statements as at 31 December 2017 of the Corporation did not include possible adjustments related to finalization of the Corporation's equitization as at 31 March 2016 as there has been no official approval for the finalization by authorities.

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

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

FORM B 09-DN

According to Decision No. 462/QĐ-HĐQT dated 21 November 2016 of the Board of Directors, the Corporation divested 1,560,800 shares of Southern Airports Services Joint Stock Company. As a result, the ownership interest and voting right of the Corporation reduced from 51% to 49.81%. Accordingly, Southern Airports Services Joint Stock Company becomes an associate since 24 January 2017.

The Corporation's structure

Detailed information about the Corporation's branches, subsidiary, associates and joint ventures as at 31 December 2017:

Branches:

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



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

FORM B 09-DN

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

Subsidiary:

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

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Associates, joint ventures:

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

Disclosure of information comparability in the separate financial statements

The separate financial statements of the previous period, which was prepared from 1 April 2016 to 31 December 2016, was the first financial year of the Corporation after officially transforming as a joint stock company. Therefore, the separate financial statements prepared for the year ended 31 December 2017 are not comparable with the figures in the separate financial statements of previous period.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

The accompanying separate financial statements are presented to reflect the separate financial position as at 31 December 2017, the separate financial performance and separate cash flows for the year ended 31 December 2017. The consolidation of investments in subsidiaries, associates and joint ventures will be presented in the consolidated financial statements prepared by the Corporation. The Corporation's investments are recognized under the accounting policies presented in Note 4 below.

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

Financial year

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

3. RESTATEMENTS OF PREVIOUS YEAR'S SEPARATE FINANCIAL STATEMENTS

The separate financial statements of the Corporation for the period from 01 April 2016 to 31 December 2016 are restated in accordance with adjustments required by the State Audit in the State Audit Report dated 30 August 2017 for the period of the State-owned company from 1 January 2016 to 31 March 2016 and the period of the joint stock company from 1 April 2016 to 31 December 2016; and Decision No. 14752/BGTVT-QLDN dated 29 December 2017 of the Ministry of Transport related to the cost of compensation for ground clearance for the implementation of the T2 passenger terminal construction project in Noi Bai International Airport. Details of the adjustments are presented in Note 41.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Cash and cash equivalents

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

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise term deposits.

Interest income from term deposits is recognized in the separate income statement on an time basis.

Investments in subsidiaries

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

Interests in joint ventures

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



Where a group entity undertakes its activities under joint venture arrangements directly, the Corporation's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognized 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 recognized when it is probable that the economic benefits associated with the transactions will flow to/from the Corporation and their amount can be measured reliably.

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

Investments in associates

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

Other long-term investments

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

Provision for impairment of long-term financial investments

The Corporation initially recognized 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 recognized in the separate income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

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

Receivables

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

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

Inventories

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

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

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

Tangible fixed assets and depreciation

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

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

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

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

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

	<u>Years</u>
Buildings and structures	5 - 25
Machinery and equipment	3 - 7
Motor vehicles	6 - 10
Office equipment	3 - 5

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

Intangible assets and amortization

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

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

Leasing

The Company as lessee

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

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

Properties in the course of construction, purchasing for production, administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets comprises purchase prices, installation and construction costs, equipment, service fees and other directly attributable expenses in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

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

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

Revenue from the sale goods

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with; ownership nor effective control over the goods sold;

- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Revenue from services rendered

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

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

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

Aviation services revenue

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

Revenue of non-aviation services

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

Other revenues

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

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

Revenue deductions

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

Foreign currencies

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

Borrowing costs

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

Taxation

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

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

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

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

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

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

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

Profit distribution, appropriation of funds from profit after tax

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

5. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	2,670,803,830	4,473,499,600
Bank demand deposits	905,168,457,347	2,670,319,761,011
Cash equivalent	400,000,000,000	-
	<u>1,307,839,261,177</u>	<u>2,674,793,260,611</u>

Cash equivalents represent deposits with maturity term less than 3 months at local commercial banks. These deposits earn a fixed interest rate at 5% per annum.

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6. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent term deposits with maturity term from more than 6 months to less than 12 months at local commercial banks. These deposits earn a fixed interest rate ranging from 5.8% to 7% per annum (as at 31 December 2016: from 6% to 6.8% per annum).

7. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
a. Receivables from third parties		
VietJet Aviation Joint Stock Company	520,713,859,446	288,554,582,377
Vietnam Airlines Corporation	535,292,072,812	459,444,726,615
Jetstar Pacific Airlines Aviation Joint Stock Company	123,997,971,504	106,139,893,922
Korean Airlines Co., Ltd	53,797,452,543	45,335,928,496
Airasia Berhad	51,660,566,591	35,416,054,826
Asiana Airlines, Inc.	44,311,797,559	29,672,676,658
Thai Airways International Public Co.,Ltd.	36,282,277,327	18,969,850,854
Emirates Airlines	31,590,339,356	31,170,189,436
China Southern Airlines Company Limited	27,924,935,181	20,083,397,574
China Airlines Limited	21,215,555,972	20,480,423,419
Mekong Aviation Joint Stock Company	25,907,942,217	25,907,942,217
DHT Aviation Inc.	25,017,154,029	15,704,875,084
Others	474,263,567,744	465,423,925,375
b. Receivables from related parties (Note 37)	70,913,850,191	68,940,804,402
	<u>2,042,889,342,472</u>	<u>1,631,245,271,255</u>

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8. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>(Restated)</u>
		<u>VND</u>
ACC Airport Construction Corporation	287,684,293,504	209,708,460,699
CIENCO 4 Group	153,609,291,003	-
Air and Air Defence Force Command	107,790,050,000	100,578,685,000
VTG Technology and Equipment Joint Stock Company	106,237,910,318	-
Luu Nguyen Construction Company	94,429,325,163	92,555,830,786
BTK Technology Development Company Limited	84,201,172,871	84,201,172,871
Viet Global Technologies Corporation	55,741,664,034	-
Construction and Trading Joint Stock Company	48,002,944,880	48,002,944,880
HASKY Joint Stock Company	40,169,415,886	4,064,901,368
Construction Joint Stock Company	36,173,303,174	-
AT Technology Development and Investment Joint Stock Company	33,496,958,361	4,775,934,610
647 Aeronautics Project Construction Joint Stock Company	28,512,509,186	19,283,485,870
Avintech Joint Stock Company	21,287,632,721	-
Ha Noi Investment Trading and Traffic Construction Joint Stock Company	20,923,228,528	19,232,620,287
Others	255,205,065,225	309,657,473,705
	<u>1,373,464,764,854</u>	<u>892,061,510,076</u>

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

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9. OTHER RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
a. Current		
Receivables from the State on expense and corporate income tax in related to Airfield's Operation paid on behalf of the State (i)	1,779,199,170,447	699,535,375,530
Receivable from the State related to fixed assets in Airfield (i)	976,778,430,984	326,717,251,366
Interest from term deposits	550,696,805,561	390,269,777,790
Receivable from Vietnam Air Traffic Managment Corporation for meteorological assets	50,627,055,296	-
Receivable from compensation expenses for site clearance for the area not delivered to use in Phu Quoc	-	194,172,915,311
Receivable related to equitization (ii)	19,570,715,787	15,445,855,839
Others	192,470,321,147	88,093,400,954
	<u>3,569,342,499,222</u>	<u>1,714,234,576,790</u>
b. Non-current		
Soc Son Land Development Center	104,921,205,123	239,921,205,123
Receivable from compensation expenses for site clearance for the area not delivered to use in Phu Quoc	194,172,915,311	-
Receivable from TCP Joint Stock Company related to assets on land and rental land	37,883,556,588	-
Receivable from Construction Department of Gia Lai province	9,008,179,654	18,108,179,654
Deposits and mortgages	6,956,000,000	6,080,000,000
	<u>352,941,856,676</u>	<u>264,109,384,777</u>
In which:		
c. Other receivables from related parties (Note 37)	<u>1,500,000,000</u>	<u>21,325,024,125</u>

(i) As presented in Note 1 about management and utilization of the Airfield's assets, the Corporation split and separately monitored the assets of the Airfield after equitization, expenses and corporate income tax expenses paid in respect of the management and utilization of the assets of the Airfield.

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(ii) Receivables relating to equitization are costs incurred in the equitization process of the Corporation. These receivables will be offset against the State's equitization liabilities (presented in Note 21) before refunded to the Enterprise Restructuring and Development Fund after finalization of the Corporation's equitization by competent authorities.

10. BAD DEBTS

	<u>Closing balance</u>		<u>Opening balance</u>	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Total amount of receivables over due or not over due but impaired.				
<i>In which:</i>				
<i>Mekong Aviation Joint Stock Company</i>	25,907,942,217	(25,907,942,217)	25,907,942,217	(25,907,942,217)
<i>Others</i>	<u>4,124,223,813</u>	<u>(4,124,223,813)</u>	<u>4,968,043,292</u>	<u>(4,968,043,292)</u>
	<u>30,032,166,030</u>	<u>(30,032,166,030)</u>	<u>30,875,985,509</u>	<u>(30,875,985,509)</u>

11. INVENTORIES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
Raw materials	170,476,313,981	180,694,224,285
Tools and supplies	1,322,763,001	1,501,888,924
Work in progress	7,096,872,101	367,661,178
Merchandise	<u>219,961,400,530</u>	<u>243,832,397,966</u>
	<u>398,857,349,613</u>	<u>426,396,172,353</u>

As at 31 December 2017 and 31 December 2016, the Corporation has no inventories that need to make provisions.

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12. PREPAYMENTS

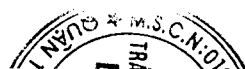
	Closing balance	Opening balance
	(Restated)	
	VND	VND
a. Current		
Tools and equipments	13,363,912,180	12,173,065,935
Insurance premium	1,646,367,944	1,432,466,849
Fuel	274,241,145	252,866,270
Advertising banner (Phu Quoc)	543,652,061	635,795,982
Telecommunication and radio frequency	222,424,168	270,384,358
Transportation toll and vehicle registration	198,614,495	152,311,955
Bill and invoice printed	139,093,335	100,182,284
Duty free goods received fee (Noi Bai, Da Nang)	-	1,046,964,979
Firewall to protect Internet and, Megawan	223,480,000	-
Fortimail software and license cost	162,500,000	-
Others	190,882,515	371,809,527
	16,965,167,843	16,435,848,139
b. Non-current		
Compensation for site clearance of the expansion project of Northern part of Da Nang International Airport	22,977,317,845	31,649,156,804
Tools and equipments	15,447,958,324	10,971,424,649
Aircraft packing rental	14,696,000,000	22,044,000,000
Land rental and tax	2,247,530,000	2,247,530,000
Telecommunication and radio frequency	683,055,903	607,075,426
Kiosk decoration (Da Nang International Airport)	551,720,013	-
Insurance premium	295,700,264	74,936,824
Kaspersky software	209,059,710	665,332,668
Accreditation fee	208,176,242	228,217,650
Fuel	-	1,725,766,432
Others	512,821,721	646,958,828
	57,829,340,022	70,860,399,281

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13. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Vehicles VND	Office VND	Total VND
COST					
Opening balance (Restated)	21,156,794,488,504	11,873,785,537,726	1,616,730,110,436	90,865,868,821	34,738,176,005,487
Additions	-	8,047,666,329	350,171,402,481	2,464,480,364	360,683,549,174
Reclassify	(1,324,573,188)	1,125,308,688	(72,100,500)	271,365,000	-
Transfer from construction in progress	1,353,009,296,908	268,639,769,829	-	-	1,621,649,066,737
Other addition	5,833,871,660	2,260,179,984	-	-	8,094,051,644
Transfer from Airfield	6,107,109,833	27,634,310,356	-	-	33,741,420,189
Disposals	(15,012,420,862)	(9,983,341,314)	(35,178,364,579)	(133,665,048)	(60,307,791,803)
Transfer to Vietnam Air Traffic Management Corporation	-	(345,126,250)	-	(758,470,807)	(1,103,597,057)
Transfer to Airfield	(3,139,384,484)	(629,065,638)	-	-	(3,768,450,122)
Other disposal	(1,714,037,177)	-	-	-	(1,714,037,177)
Closing balance	22,500,554,351,194	12,170,535,239,710	1,931,651,047,838	92,709,578,330	36,695,450,217,072
ACCUMULATED DEPRECIATION					
Opening balance (Restated)	6,664,395,329,196	5,964,254,215,209	902,870,454,925	73,066,237,429	13,604,586,236,759
Charge for the year	2,003,035,294,545	1,888,866,655,379	269,243,775,602	15,046,768,825	4,176,192,494,351
Reclassify	191,279,807	(193,538,109)	2,258,302	-	-
Transfer from Airfield	6,107,109,833	27,631,888,525	-	-	33,738,998,358
Disposals	(9,934,343,381)	(8,982,616,570)	(32,192,306,142)	(122,973,289)	(51,232,239,382)
Transfer to Vietnam Air Traffic Management Corporation	-	(326,105,230)	-	(584,514,564)	(910,619,794)
Transfer to Airfield	(1,070,626,563)	(413,031,255)	-	-	(1,483,657,818)
Other disposal	-	(94,552,814)	(235,985,282)	(2,227,750)	(332,765,846)
Closing balance	8,662,724,043,437	7,870,742,915,135	1,139,688,197,405	87,403,290,651	17,760,558,446,628
NET BOOK VALUE					
Opening balance	14,492,399,159,308	5,909,531,322,517	713,859,655,511	17,799,631,392	21,133,589,768,728
Closing balance	13,837,830,307,757	4,299,792,324,575	791,962,850,433	5,306,287,679	18,934,891,770,444



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As presented in Note 23, the Corporation has pledged fully value of the construction work, machinery, equipment and other assets of T2 Passenger Terminal - Noi Bai International Airport to mortgage for the borrowings. As at 31 December 2017, the carrying value of pledged tangible fixed assets was VND 7,459,461,148,341 (as at 31 December 2016: VND 9,656,577,441,584).

As at 31 December 2017, the cost of the Corporation's tangible fixed assets includes VND 4,636,695,882,059 (as at 31 December 2016: VND 312,928,875,803) of assets which have been fully depreciated but are still in use.

As at 31 December 2017, the cost of the tangible fixed assets temporarily increasing and awaiting settlement is reflected in the balance sheet an amount of VND 20,281,536,401,722 (as at 31 December 2016: VND 21,244,447,465,263). The value of these assets may vary depending on the approval of the competent authorities.

14. INTANGIBLE ASSETS

	<u>Copyrights</u>	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
COST				
Opening balance	2,661,339,000	11,689,467,561	170,000,000	14,520,806,561
Additions	-	343,237,800	30,011,000	373,248,800
Closing balance	2,661,339,000	12,032,705,361	200,011,000	14,894,055,361
ACCUMULATED AMORTISATION				
Opening balance	1,782,767,714	8,926,839,715	170,000,000	10,879,607,429
Charge for the year	817,611,422	1,850,760,155	-	2,668,371,577
Closing balance	2,600,379,136	10,777,599,870	170,000,000	13,547,979,006
NET BOOK VALUE				
Opening balance	878,571,286	2,762,627,846	-	3,641,199,132
Closing balance	60,959,864	1,255,105,491	30,011,000	1,346,076,355

As at 31 December 2017, the cost of the Corporation's intangible fixed assets includes VND 8,920,650,400 (as at 31 December 2016: VND 6,353,532,964) of assets which have been fully amortized but are still in use.

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15. CONSTRUCTION IN PROGRESS

15.1. Construction in progress

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
I. Projects belong to the Corporation		
a. Purchasing fixed assets	1,228,801,172	-
b. Constructions		
Expansion of passenger terminal - Phu Quoc International Airport	298,261,871,714	20,949,941,942
Construction of Long Thanh International Airport	12,114,686,681	11,093,411,681
Construction of passenger terminal - Phu Cat Airport	101,183,442,836	1,718,686,884
Construction of passenger terminal - Tuy Hoa Airport	6,480,455,694	8,066,851,803
Expansion of the north airport apron from NS to N6 - Tan Son Nhat International Airport	45,176,568,850	4,910,770,265
Cargo terminal and office - Phu Quoc International Airport	2,375,642,107	2,219,814,639
Administration and management headquarter - Da Nang International Airport	-	64,304,457,118
Construction and expansion of airport apron - Phu Quoc International Airport	-	121,421,089,732
Expansion of T2 International terminal - Tan Son Nhat International Airport	54,049,550,001	109,187,029,667
Renovation of air conditioner system of terminal - Da Nang International Airport	-	5,692,261,672
Expansion of the airport apron - Dong Hoi Airport	-	1,341,164,545
Expansion of the airport apron at the military area of 19,79 ha - Tan Son Nhat International Airport	12,258,463,631	-
Others	<u>23,896,128,721</u>	<u>5,248,077,442</u>
	555,796,810,235	356,153,557,390
c. Major overhaul of fixed assets		
Renovation of airport apron, No. 17 station, from No. 21 to 23 station - Tan Son Nhat International Airport	-	14,427,330,594
Renovation of passenger Terminal T1 built in 2016 - Noi Bai International Airport	6,830,819,230	231,182,615
Others	<u>-</u>	<u>224,801,818</u>
	6,830,819,230	14,883,315,027
	<u>563,856,430,637</u>	<u>371,036,872,417</u>

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15.1. Construction in progress (Continued)

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
II. Projects belong to airfield		
a. Constructions		
Construction of security fence at airfield - Can Tho International Airport	5,458,632,338	5,458,632,338
Renovation of 1A runway - Noi Bai International Airport	6,724,526,003	8,964,555,957
Fence and services road system - Phu Quoc International Airport	4,252,432,713	24,231,624,987
Renovation of E6 taxiway from E1 to E4 - Da Nang International Airport	1,495,504,698	1,495,504,698
Construction of taxiway system - Phu Quoc International Airport	-	251,415,397,354
Expansion and renovation of runway and taxiway - Pleiku Airport	-	11,048,833,611
ILS landing gear system - Chu Lai Airport	26,487,812,844	-
Reinforce sloop roof - End 10 of runway - Phu Quoc International Airport	-	16,196,448,244
Expansion of runway - Can Tho International Airport	1,817,783,702	-
Construction of security fence - Chu Lai Airport	1,030,015,894	-
Others	2,846,794,499	2,538,208,605
	<u>50,113,502,691</u>	<u>321,349,205,794</u>
b. Major overhaul of fixed assets		
Repairing for drainage system of the northern of Airfield - Noi Bai International Airport	-	5,038,379,182
Renovation of E1, E2, E3 taxiway project - Phu Cat Airport	9,421,243,636	-
Renovation of runway (State 3) - Can Tho International Airport	7,237,633,303	-
Renovation of 25R runway - Tan Son Nhat International Airport	2,341,414,892	3,186,239,070
Others	1,554,745,454	-
	<u>20,555,037,285</u>	<u>8,224,618,252</u>
	<u>70,668,539,976</u>	<u>329,573,824,046</u>

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15.1. Construction in progress (Continued)

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
III. Constructions conducted on behalf of other entities		
a. Purchasing fixed assets		
Doppler technology of weather radar system - Tan Son Nhat International Airport	417,512,727	-
Doppler technology of weather radar system - Noi Bai International Airport	374,120,000	-
Doppler technology of weather radar system - Da Nang International Airport	245,752,727	-
AWOS system - signal light project and ILS device - Tho Xuan Airport	137,796,950	137,796,950
	<u>1,175,182,404</u>	<u>137,796,950</u>
Total	<u>635,700,153,017</u>	<u>700,748,493,413</u>

15.2. Constructions temporarily debited but not finalized

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Construction of T2 passenger terminal - Noi Bai International Airport	12,249,404,880,608	12,882,094,791,240
Passenger terminal - Phu Quoc Airport	1,479,819,936,748	1,479,819,936,748
Passenger terminal - Cat Bi International Airport	998,742,107,822	998,742,107,822
Passenger terminal - Can Tho International Airport	-	962,930,388,445
Expansion of International passenger terminal T2 - Tan Son Nhat International	995,908,081,559	558,126,241,128
Construction of airport apron and passenger terminal T2 - Noi Bai International Airport	654,425,724,641	654,425,724,641
Renovation and expansion of airport apron - Tan Son Nhat International Airport	559,904,270,229	559,904,270,229
Expansion of T1 passenger terminal - Noi Bai International Airport	459,831,423,452	459,831,423,452
Passenger terminal - Vinh Airport	388,288,734,301	388,288,734,301
Renovation and expansion of domestic terminal - Tan Son Nhat International Airport	364,188,600,567	364,188,600,567
Construction of taxiway system and airport apron, light system (airport apron)	274,393,952,913	-
Construction of passenger terminal - Noi Bai International Airport	235,830,514,808	235,830,514,808

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15.2. Constructions temporarily debited but not finalized (Continued)

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Passenger terminal - Tho Xuan Airport	229,059,199,604	229,059,199,604
Construction of passenger terminal - Lien Khuong Airport	-	252,807,118,943
Construction of passenger terminal - Buon Me Thuot Airport	-	245,905,940,778
Compensation and clearance for expansion project - Da Nang International Airport	-	67,612,872,236
Construction of passenger terminal - Tuy Hoa Airport	204,100,713,319	204,100,713,319
Expansion of the north airport apron from NS to N6- Tan Son Nhat International Airport	175,251,664,509	-
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 construct taxiway E7 - Da Nang International Airport	135,708,500,294	-
Roads and car parking - Vinh Airport	119,578,626,442	119,578,626,442
Construction of airport apron - Tho Xuan Airport	96,897,533,229	96,897,533,229
The road to Phu Quoc International Airport	95,664,499,385	95,664,499,385
Renovation of passenger terminal, car parking - Phu Bai Airport	85,541,084,102	85,541,084,102
Construction of taxiway and airport apron - Tuy Hoa Airport (airport apron)	85,437,641,390	85,437,641,390
Construction of runway, taxiway and airport apron - Phu Quoc International Airport	77,410,272,396	77,410,272,396
Passenger terminal - Da Nang International Airport	74,825,064,014	-
Renovation and expansion of passenger terminal - Cam Ranh International Airport	71,073,321,265	71,073,321,265
Expansion of airport apron - Pleiku Airport	58,550,082,438	-
Expansion of airport apron - Phu Bai Airport	49,171,581,949	49,171,581,949
Renovation of T1 passenger terminal - Noi Bai International Airport	46,674,943,554	-
Expansion, upgrade of runway, taxiway, airbase and airport apron - Pleiku Airport (apron area)	46,222,069,135	46,222,069,135

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15.2. Constructions temporarily debited but not finalized (Continued)

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Expansion and renovation of runway, taxiway and airport apron - Pleiku Airport (airport apron)	42,206,179,536	41,843,099,808
Construction of airport apron, No. 17 station, from No. 21 to 23 station - Tan Son Nhat International Airport	41,620,560,637	-
Construction of and expanding airport apron - Vinh Airport	40,061,006,532	40,061,006,532
Cargo terminal and office - Phu Quoc International Airport	37,840,994,261	37,840,994,261
Removing water supply system - Noi Bai International Airport, serving for clearance of Nhat Tan - Noi Bai	-	32,537,969,604
Expansion of airport apron - Dong Hoi Airport	36,076,158,965	-
Construction of additional No. 1 passenger road - Airport terminal - Da Nang International Airport	29,936,891,328	29,936,891,328
Expansion of passenger terminal - Phu Quoc International Airport	21,910,245,057	-
Source station system for Vinh Airport	21,241,953,637	21,241,953,637
Medium voltage power supply system for Cat Bi Airport	15,682,267,227	15,682,267,227
Outside garage - Phu Quoc International Airport	15,136,709,537	-
Network system and terminal equipment - Vinh Airport	-	14,034,374,627
Medium voltage power supply system - Tho Xuan Airport	-	13,638,266,004
Construction of parking facilities - Noi Bai International Airport	-	11,461,870,122
Renovation of passenger terminal, office - Con Dao Airport	11,521,752,266	11,521,752,266
Renovation of passenger terminal - Pleiku Airport	32,496,571,862	32,496,571,862
Construction of drainage, lighting system, garage, other - Tho Xuan Airport	11,356,077,273	11,356,077,273
Investing for Construction of restaurant, office and toilet for airlines - Cam Ranh International Airport	10,485,537,081	10,485,537,081
Others	58,821,593,776	54,887,940,466
	<u>20,894,911,778,856</u>	<u>21,649,691,779,652</u>

The temporarily debited constructions included the cost of fixed assets, which have been provisionally increased but not finalized, with the total amount of VND 20,281,536,401,722 as at 31 December 2017 (as at 31 December 2016: VND 21,244,447,465,263) and other overhaul projects.

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16. LONG-TERM FINANCIAL INVESTMENTS

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

	Closing balance			Opening balance (Restated)		
	Cost	Provision	Percentage	Cost	Provision	Percentage
	VND	VND	of ownership	VND	VND	of ownership
Investment in subsidiaries	60,000,000,000	-		1,683,833,743,327	-	
Noi Bai Aviation Fuel Service Joint Stock Company	60,000,000,000	-	60.00%	60,860,743,327	-	60.00%
Southern Airports Services Joint Stock Company (i)(ii)	-	-	0.00%	1,622,973,000,000	-	51.00%
Investment in joint-ventures and associates	2,189,744,434,914	-		616,410,897,541	-	
Southern Airports Services Joint Stock Company (i)(ii)	1,585,201,640,000	-	49.07%	-	-	0.00%
Sai Gon Ground Services Joint Stock Company (i)(iii)	486,859,102,200	-	48.01%	486,859,102,200	-	48.00%
Southern Airports Aircraft Maintenance Services Company Limited (iv)	15,300,000,000	-	51.00%	17,839,600,705	-	51.00%
Southern Trading and Aviation Services Joint Stock Company	7,532,433,978	-	29.53%	7,532,433,978	-	29.53%
Southern Airport Transportation Joint Stock Company	14,851,258,736	-	30.00%	14,851,258,736	-	30.00%
Hanoi Ground Services Joint Stock Company	30,000,000,000	-	20.00%	31,404,612,698	-	20.00%
Aviation Cargo Services Joint Stock Company	50,000,000,000	-	20.00%	57,923,889,224	-	20.00%
Other long-term investment	184,800,000,000	1,300,000,000		198,289,232,759	1,300,000,000	
Saigon Cargo Service Joint Stock Company (v)	75,000,000,000	-	13.12%	83,489,232,759	-	14.05%
Da Nang International Airport Investment and Exploitation Joint Stock Company	30,000,000,000	-	10.00%	30,000,000,000	-	10.00%
TCP Investment Joint Stock Company	19,800,000,000	1,300,000,000	18.00%	19,800,000,000	1,300,000,000	18.00%
Cam Ranh International Passenger Joint Stock Company	60,000,000,000	-	10.00%	60,000,000,000	-	10.00%
Viet Xuan Moi Aviation Services Joint Stock Company (vi)	-	-	0.00%	5,000,000,000	-	10.00%
	2,434,544,434,914	1,300,000,000		2,498,533,873,627	1,300,000,000	



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(i) According to guidance of Circular 127/2014-TT-BTC issued by the Ministry of Finance on 5 September 2014 about "Instructions on financial settlement and business valuation in transformation of wholly state-owned enterprises into joint-stock companies", the Corporation re-evaluated its investments in its subsidiaries including Southern Airports Services Joint Stock Company and Saigon Ground Services Joint Stock Company with revaluation surplus amounting to VND 952,323,000,000 and VND 475,888,288,000 respectively, when the Corporation transformed into a joint stock company as of 1 April 2016. In 2016 and 2017, the Corporation has divested these two investments from subsidiaries to associates, the remaining ownership interests in Southern Airports Services Joint Stock Company and Saigon Ground Services Joint Stock Company was 49.81% and 48%, respectively. Accordingly, the remaining revaluation differences were VND 930,159,640,000 and VND 418,287,072,661 respectively as at 31 December 2017.

(ii) According to Decision No. 462/QĐ-HĐQT dated 21 November 2016 of the Board of Directors, the Corporation divested 1,560,800 shares of Southern Airports Services Joint Stock Company. As a result, the ownership interest and voting right of the Corporation reduced from 51% to 49.81%. During the year, the ownership of the Corporation decreased from 49.81% to 49.07% as Southern Airports Services Joint Stock Company increased its chartered capital.

(iii) During the year, Saigon Ground Services Joint Stock Company paid the remaining dividend in 2016 in cash at 15% on par value of ordinary shares and dividend in shares of 1,920,006 shares at par value of VND10,000/share, whereby the ownership and voting power of the Corporation increased from 48% to 48.01%.

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

(v) During the year, the ownership of the Corporation decreased from 14.05% to 13.12% as the Saigon Cargo Service Corporation increased its capital.

(vi) Viet Xuan Moi Aviation Services Joint Stock Company was established to implement the project of construction and operation of Parking lot and Complex at T2 Terminal, Noi Bai International Airport. However, until now the project has not been approved by the Ministry of Transport. Therefore, Viet Xuan Moi Aviation Services Joint Stock Company has paid back the investment of the Corporation in 2017.



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17. DEFERRED TAX ASSETS

	Closing balance			Opening balance (Restated)		
	Amount VND	Tax rate %	Deferred tax VND	Amount VND	Tax rate %	Deferred tax VND
Deferred tax assets						
Accrued land rental expenses	77,437,404,047	20%	15,487,480,809	63,346,974,235	20%	12,669,394,847
Temporary increased fixed assets depreciation inadequately supported	323,281,508,597	20%	64,656,301,719	235,527,077,189	20%	47,105,415,437
Expenses inadequately supported	73,741,500,070	20%	14,748,300,014	47,709,950,986	20%	9,541,990,197
Provision for impairment of financial investments in TCP Investment Joint Stock Company	1,300,000,000	20%	260,000,000	1,300,000,000	20%	260,000,000
Provision for doubtful debts exceeding the threshold according to Circular No. 228/2009/TT-BTC dated 7 December 2009	2,889,555,412	20%	577,911,082	4,108,480,796	20%	821,696,159
Foreign exchange loss arising from revaluating cash and receivables in foreign currency	2,105,615,396	20%	421,123,079	-		-
Net-off with deferred tax liabilities						
Foreign exchange gain arising from revaluating cash and receivables in foreign currency	-		-	(14,409,333,544)	20%	(2,881,866,709)
Decrease in revenue of Q4 2017 due to price adjustment	(52,000,000,000)	20%	(10,400,000,000)	-		-
	428,755,583,522		85,751,116,703	337,583,149,662		67,516,629,931

18. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance (Restated)
	VND	VND
a. Trade payables to third parties		
New Asia Wave International (S) Pte	242,090,867,464	199,087,892,002
International Joint Venture of	128,668,690,193	118,417,732,992
Vinaconex - Taisei Company Limited		
Hoa Binh Contruction and Real Estate Corporation	50,512,338,144	45,756,314,554
REE Mechanical And Electrical Engineering Joint Stock Company	30,991,746,544	-
VIC Joint Venture Contruction Joint Stock Company	28,287,532,447	5,625,601,195
Duy Anh Trading Company Limited	23,492,646,362	23,742,531,718
Gia Doan Trading Construction Company Limited	18,742,157,068	298,419,345
Dong A International Corporation Joint Stock Company	18,388,125,646	18,388,125,646
Autgrill VFS F&B Company Limited	17,860,735,698	15,554,587,004
JRP International Pte Ltd	15,977,948,316	14,659,466,205

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18. SHORT-TERM TRADE PAYABLES (Continued)

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
Thang Long Joint Stock Company	13,425,924,001	-
General Aviation Import Export Joint Stock Company	13,120,988,958	15,997,661,900
Song Hong Corporation	12,214,193,422	12,214,193,422
Petrol IMICO Construction	11,414,429,689	12,285,082,848
The Executive Board of T2 Noi Bai station project for 6A, 9A contract	10,210,001,560	18,319,593,454
Others	485,477,440,804	511,763,148,630
b. Trade payables to related parties (Note 37)	12,715,116,279	10,570,221,686
	<u>1,133,590,882,595</u>	<u>1,022,680,572,601</u>

All short-term payables are able to be fully paid off.

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

	<u>Opening balance</u>	<u>Payable/</u>	<u>Paid/Received</u>	<u>Closing balance</u>
	(Restated) VND	Receivable during the year VND	during the year VND	VND
Taxes and payables to State Budget				
Value added tax	16,067,997,246	227,060,750,684	231,531,285,250	11,597,462,680
License tax	-	25,000,000	25,000,000	-
Import and export tax	-	826,458,499	826,458,499	-
Corporation income tax	236,738,636,398	1,271,087,977,719	1,306,185,984,483	201,640,629,634
Personal income tax	39,719,995,525	174,351,303,495	213,122,225,042	949,073,978
Natural resource tax	144,021,537	1,971,356,401	1,954,129,014	161,248,924
Land, housing tax, land rental charges	5,138,573,671	61,460,165,404	44,293,511,334	22,305,227,741
Foreign contractor tax	255,516,820	11,046,079,391	11,067,925,652	233,670,559
Profit to State budget	62,068,723,516	-	62,068,723,516	-
Other payable	809,424,581	481,857,418	1,256,310,935	34,971,064
	<u>360,942,889,294</u>	<u>1,748,310,949,011</u>	<u>1,872,331,553,725</u>	<u>236,922,284,580</u>
Taxes and receivables from State Budget				
Value added tax	2,293,402,638	213,729,817	2,293,402,638	213,729,817
Personal income tax	13,420,456,980	16,735,666,785	13,420,456,980	16,735,666,785
Land, housing tax, land rental charges	1,295,906,782	1,031,136,174	1,295,906,782	1,031,136,174
Foreign contractor tax	-	6,898,881,166	-	6,898,881,166
Profit to State budget	-	8,278,596,245	-	8,278,596,245
	<u>17,009,766,400</u>	<u>33,158,010,187</u>	<u>17,009,766,400</u>	<u>33,158,010,187</u>

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20. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
Temporarily increased in cost of fixed assets amount	707,282,096,908	732,882,529,412
Temporarily increased of overhaul of fixed assets	82,934,812,588	44,160,831,514
Land tax, Land rental	77,428,404,047	438,891,076,975
Interest expense	29,461,767,894	28,709,131,527
Flight calibration cost	11,064,228,840	9,849,721,871
Assets repairing expenses	8,110,869,184	7,179,838,493
Water expense	1,572,048,590	1,916,295,624
Power expense	1,501,931,834	1,362,574,677
Dangerous and harmful environment allowances	841,973,796	177,022,000
Signal line expenses	749,700,000	907,010,890
Telecommunications	594,140,564	836,795,968
Health check fee	379,030,500	256,765,500
Others	1,668,540,918	2,123,739,389
	<u>923,589,545,663</u>	<u>1,269,253,333,840</u>

21. OTHER PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
Current		
Payable related to equititation (i)	16,394,098,274	1,665,498,027,827
Payable to the State in relation to Airfield's operation received on behalf of the state (ii)	3,291,475,771,281	1,299,529,555,524
Divident payment	92,044,170	-
Investing expense for Tho Xuan	75,132,858,000	65,788,245,000
Short term deposit	42,602,146,796	10,699,650,775
Airport franchised expense	17,141,950,000	19,109,740,000
Business cooperation expense	6,007,826,410	12,098,861,610
Income tax payable for the employees	80,664,695,747	45,710,248,225
Union fees	1,818,949,021	594,831,999
Social, health, unemployed insurance	29,157,879	19,764,713
Others	7,205,098,999	6,713,929,966
	<u>3,538,564,596,577</u>	<u>3,125,762,855,639</u>
Non-current		
Long term deposit	<u>80,806,885,194</u>	<u>61,892,108,541</u>



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(i) This is the amount to be remitted to the Enterprise Restructuring and Development Fund (according to Clause 3, Article 21 of Decree 59/2011), the difference between the actual value of the State capital portion in the Corporation when being equitized and the value of the State capital remained for investment in the Corporation when becoming a joint stock company. As at 31 December 2017, the Corporation has temporarily paid an amount of VND 3,194,868,068,494 (as at 31 December 2016: VND 1,530,003,891,120) to the State Budget based on the proceeds from equitization. Therefore, the remaining amount of equitization will be finalized and offset against the State's equitization receivables (presented in Note 9)" before refunding finalization of the Corporation's equitization.

(ii) As presented in Note 1 relating to management and utilization of the Airfield's assets, the Corporation split and separately monitored all revenue related to the operation of the Airfield on the other payables, corresponding to the Airfield's assets that the Corporation is managing and operating.

22. BONUS AND WELFARE FUNDS

	Bonus fund VND	Welfare fund VND	Management bonus fund VND	Total VND
Opening balance	526,902,301,440	127,984,843,109	2,383,912,500	657,271,057,049
Used in year	<u>(269,826,919,005)</u>	<u>(127,691,899,549)</u>	<u>(1,059,581,248)</u>	<u>(398,578,399,802)</u>
Closing balance	<u>257,075,382,435</u>	<u>292,943,560</u>	<u>1,324,331,252</u>	<u>258,692,657,247</u>

Bonus and welfare funds are distributed from retained earnings in accordance with the Resolution of Annual General Shareholders of the Corporation. This fund is used accordance with the Board of Directors' Decision No. 247/QD-HDQT dated 20 June 2016 of management and use of bonus and welfare funds.

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23. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		During the year			Closing balance	
	Amount	Amount to be paid	Increase	Decrease	Foreign exchange revaluation at the year end VND	Amount	Amount to be paid
	VND	VND	VND	VND	VND	VND	VND
Short-term borrowings							
Japan International Cooperation Agency (JICA)	143,286,029,602	143,286,029,602	148,783,534,411	145,760,637,817	1,926,319,837	148,235,246,033	148,235,246,033
	143,286,029,602	143,286,029,602	148,783,534,411	145,760,637,817	1,926,319,837	148,235,246,033	148,235,246,033
Long-term borrowings							
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNIX-Z Project of construction of Tan Son Nhat International Airport Passenger Terminal by ODA fund (1)	3,438,864,710,415	3,438,864,710,415	-	148,783,534,411	119,329,482,712	3,409,410,658,716	3,409,410,658,716
Japan International Cooperation Agency (JICA) - Loan Agreement No. VNXVII-6 on Project of construction of Noi Bai T2 Interational Airport by ODA fund (2)	2,423,739,324,943	2,423,739,324,943	-	-	83,717,934,846	2,507,457,259,789	2,507,457,259,789
Japan International Cooperation Agency (JICA) - Loan Agreement No. VN11-P6 on Project of construction of Noi Bai T2 Interational Airport by ODA fund (3)	4,008,788,000,000	4,008,788,000,000	-	-	138,466,810,000	4,147,254,810,000	4,147,254,810,000
Japan International Cooperation Agency (JICA) - Loan Agreement No. VN13-P3 on Project of construction of Noi Bai T2 Interational Airport by ODA fund (4)	4,090,219,436,941	4,090,219,436,941	31,402,837,049	-	141,807,420,434	4,263,429,694,424	4,263,429,694,424
	13,961,611,472,299	13,961,611,472,299	31,402,837,049	148,783,534,411	483,321,647,992	14,327,552,422,929	14,327,552,422,929

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(1) The loan facility for Tan Son Nhat International Passenger Terminal Project funded by ODA fund with the Loan Agreement No. VNIX-2 dated 29 March 2002 between the Ministry of Finance and the Japan Bank for International Cooperation (now is Japan International Cooperation Agency - JICA). The loan was implemented via the Development Assistance Fund (the "DAF") – HCMC Branch (now is Development Bank of Vietnam (the "DBV") – HCMC Branch) under ODA Credit Agreement No. 038/TDNN-TDTW1 dated 15 August 2002 and the Authorized JBIC Fund Re-lending Contract No. 06/2002/UQ/BTC-TCDN of 17 July 2001 between the DAF and Ministry of Finance (represented by the External Finance Department). The purpose of the loan is to build an international passenger terminal at Tan Son Nhat International Airport. The total loan amount under the contract is JPY 22,768,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The loan is unsecured and bears interest at the rate of 1.6% per annum over the loan balance. The loan balance as at 31 December 2017 is VND 3,557,645,904,749 equivalent to JPY 17,545,228,114.08 (as at 31 December 2016: VND 3,582,150,740,017 equivalent to JPY 18,276,279,286.8).

(2) This loan facility for T2 Noi Bai International Terminal Project funded by ODA with Loan Agreement No. VNXVII-6 dated 18 March 2010 between the Japan Government and the Vietnam Government. The total loan amount under the contract is JPY 12,607,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The disbursement period is 7 years from the agreement's effective date. The purpose of the loan is to build T2 Passenger Terminal – Noi Bai International Airport. The Corporation used the assets of T2 Passenger Terminal – Noi Bai International Airport to mortgage this loan. The lending interest rate is 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2017 is VND 2,507,457,259,789 equivalent to JPY 12,366,016,964 (as at 31 December 2016: VND 2,423,739,324,943 equivalent to JPY 12,366,016,964).

(3) This loan facility for T2 Noi Bai International Terminal Project funded by ODA with Loan Agreement No. VN11-P6 dated 30 March 2012 between the Japan Government and the Vietnam Government. The total loan amount under the contract is JPY 20,584,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The disbursement period is 5 years from the agreement's effective date. The purpose of the loan is to build T2 Passenger Terminal – Noi Bai International Airport. The Corporation used the assets of T2 Passenger Terminal – Noi Bai International Airport to mortgage this loan. The lending interest rate is 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2017 is VND 4,147,254,810,000 equivalent to JPY 20,453,000,000 (as at 31 December 2016: VND 4,008,788,000,000 equivalent to JPY 20,453,000,000).

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(4) This loan facility for T2 Noi Bai International Terminal Project funded by ODA with Loan Agreement No. VN13-P3 dated 24 December 2013 between the Japan Government and the Vietnam Government. The total loan amount under the contract is JPY 26,062,000,000 with 40 years of repayment and a grace period of 10 years from the agreement's effective date. The disbursement period is 7 years from the agreement's effective date. The purpose of the loan is to build T2 Passenger Terminal - Noi Bai International Airport. The Corporation used the assets of T2 Passenger Terminal - Noi Bai International Airport to mortgage this loan. The lending interest rate is 0.4% per annum for construction costs and 0.21% per annum for consultancy costs. The loan balance as at 31 December 2017 is VND 4,263,429,694,424 equivalent to JPY 21,025,939,214 (as at 31 December 2016: VND 4,090,219,436,941 equivalent to JPY 20,868,466,515).

Long-term loans are repayable as following schedule according to JPY/VND exchange rates as at 31 December 2017 and 31 December 2016 was 202.77 and 196, respectively:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Within one year	148,235,246,033	143,286,029,602
Within second year	148,235,246,033	143,286,029,602
In the third to fifth years inclusive	833,013,735,189	429,858,088,806
After five years	<u>13,346,303,441,707</u>	<u>13,388,467,353,891</u>
	14,475,787,668,962	14,104,897,501,901
Less: Payables within 12 months (presented in short-term loan)	148,235,246,033	143,286,029,602
Amount due for settlement after 12 months	<u>14,327,552,422,929</u>	<u>13,961,611,472,299</u>



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24. OWNER'S EQUITY

Movement in owner's equity

	Owner's contributed capital VND	Share premium VND	Investment and development fund VND	Retained earnings VND	Total VND
Prior year's opening balance	21,771,732,360,000	14,602,790,587	-	-	21,786,335,150,587
Profit for the year	-	-	-	2,618,143,076,564	2,618,143,076,564
Profit distribution to investment and development fund	-	-	450,015,282,490	(450,015,282,490)	-
Profit distribution to management bonus fund	-	-	-	(2,119,162,500)	(2,119,162,500)
Profit distribution to bonus and welfare fund	-	-	-	(286,382,296,200)	(286,382,296,200)
Other decrease	-	-	-	(3,142,046)	(3,142,046)
Prior year's closing balance (Restated)	21,771,732,360,000	14,602,790,587	450,015,282,490	1,879,623,193,328	24,115,973,626,405
Current period's opening balance	21,771,732,360,000	14,602,790,587	450,015,282,490	1,879,623,193,328	24,115,973,626,405
Profit for the year	-	-	-	4,193,965,560,420	4,193,965,560,420
Profit distribution to investment and development fund	-	-	251,996,690,491	(251,996,690,491)	-
Dividends declared	-	-	-	(1,306,303,941,600)	(1,306,303,941,600)
Current year's closing balance	21,771,732,360,000	14,602,790,587	702,011,972,981	4,515,288,121,657	27,003,635,245,225

Pursuant to the Resolution of Annual General Shareholders' Meeting No. 01/NQ-DHDCD dated 28 June 2017, the Corporation approved the appropriation from retained earnings for the period from 1 April 2016 to 31 December 2016 to Investment and development fund; Bonus and welfare fund; and Management funds with the amounts of VND 702,011,972,981 (in which, VND 450,015,282,490 and VND 251,996,690,491 for the period from 1 April 2016 to 31 December 2016 and the year ended 2017, respectively); VND 286,382,296,200; and VND 2,119,162,500, respectively.

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According to the Resolution of Annual General Shareholders' Meeting No. 01/NQ-DHDCD dated 28 June 2017, the Corporation has declared dividend in 2016 to shareholders from retained earnings for the period from 1 April 2016 to 31 December 2016 at the rate of 6% (1 share received VND 600), with the amount of VND 1,306,303,941,600. Dividends amount paid in the year was VND 1,306,211,897,430 (of which, dividends amounting to VND 1,246,165,806,600 was paid to the Ministry of Transport - the major shareholder).

Shares:

	<u>Closing balance</u>	<u>Opening balance</u>
- Number of issued shares	2,177,173,236	2,177,173,236
+ <i>Ordinary shares</i>	2,177,173,236	2,177,173,236
- Par value of outstanding shares (VND/share)	10,000	10,000

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

Charter capital:

According to the seventh amended Business Registration Certificate dated 12 September 2016, the Corporation's charter capital is VND 21,771,732,360,000. As at 31 December 2017, the charter capital had been fully contributed by shareholders as follows:

	<u>Closing balance</u>			<u>Opening balance</u>		
	Shares	%	VND	Shares	%	VND
Ministry of Transport	2,076,943,011	95.396	20,769,430,110,000	2,076,943,011	95.396	20,769,430,110,000
Other shareholders	100,230,225	4.604	1,002,302,250,000	100,230,225	4.604	1,002,302,250,000
	<u>2,177,173,236</u>	<u>100</u>	<u>21,771,732,360,000</u>	<u>2,177,173,236</u>	<u>100</u>	<u>21,771,732,360,000</u>

25. OFF BALANCE SHEET ITEMS

Foreign currencies

	<u>Closing balance</u>	<u>Opening balance</u>
- United States Dollar ("USD")	6,579,341.29	49,313,232.17
- Euro ("EUR")	201.15	442.78

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	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Net book value of assets held under trust		
- Assets belong to the State using by the Corporation	3,146,749,763,546	2,509,461,746,333
- Assets handed over to Debt and Asset Trading Corporation	-	348,121,363
	<u>3,146,749,763,546</u>	<u>2,509,809,867,696</u>
Bad debts written off	<u>44,517,571,868</u>	<u>44,517,571,868</u>
Goods held under trust	<u>618,127,481</u>	<u>600,103,549</u>

26. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

		From 1/4/2016 to 31/12/2016 (Restated)
	<u>Current year</u>	<u>(Restated)</u>
	VND	VND
Sales of merchandise and services		
In which:		
1. Sales of service		
a. Sales of aviation service		
Sales of basic ground / all-in-one service	287,472,582,644	238,998,467,211
Passenger services charges	7,912,759,326,961	5,080,246,456,992
Sales of security scanning of passenger and luggage	777,532,704,780	469,289,177,401
Sales of other aviation services	<u>1,826,358,489,228</u>	<u>1,211,006,921,673</u>
	<u>10,804,123,103,613</u>	<u>6,999,541,023,277</u>
b. Sales of non-aviation service		
Sales of premises lease	594,233,944,244	316,201,765,388
Sales of advertising service	211,442,948,228	124,560,634,806
Sales of yard service	472,204,790,649	311,492,828,178
Sales of utility service	91,078,076,394	60,237,296,186
Sales of services for VIP, F, C passengers,..	100,539,033,192	66,496,051,952
Sales of other non-aviation services	<u>138,233,159,715</u>	<u>92,650,352,151</u>
	<u>1,607,731,952,422</u>	<u>971,638,928,661</u>
2. Sales of goods	<u>1,306,573,250,728</u>	<u>901,127,190,168</u>
	<u>13,718,428,306,763</u>	<u>8,872,307,142,106</u>
Sales deduction		
Sales rebate	(43,196,600,601)	(28,590,672,977)
Net Sale		
Sales of service	12,368,658,455,434	7,942,589,278,961
Sales of goods	<u>1,306,573,250,728</u>	<u>901,127,190,168</u>
	<u>13,675,231,706,162</u>	<u>8,843,716,469,129</u>

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27. COST OF SALES

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Cost of service rendered	7,261,977,560,766	5,037,365,636,218
Cost of merchandise sold	859,591,099,656	605,188,109,426
	8,121,568,660,422	5,642,553,745,644

28. PRODUCTION COST BY NATURE

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Salary expenses	2,254,031,899,836	1,344,814,648,897
Materials, tools and office supplies	82,247,399,967	93,670,163,611
Depreciation and amortisation	4,154,909,734,795	3,268,377,607,092
Taxes, fees and charges	75,724,219,303	50,800,484,097
Repair of fixed assets	335,031,118,849	163,948,114,803
Operating, commercial right	135,838,347,827	80,790,374,339
Aviation, non-aviation insurance	23,637,859,682	15,744,164,955
Electricity, water, telecommunication	374,655,421,733	297,408,256,013
Out-sourced services	295,869,097,941	157,924,524,955
Commissions, brokers expenses	119,224,240,756	76,318,703,835
Welfare expense for employees	110,792,048,540	26,374,224,356
Franchise fee	174,417,617,139	142,345,520,000
Other expenses	167,195,316,061	182,644,451,331
(Reversal)/Provision for doubtful debts	(843,819,479)	30,875,985,509
	8,302,730,502,950	5,932,037,223,793

29. FINANCIAL INCOME

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Interest income	1,061,477,046,442	603,510,519,028
Realized foreign exchange gain	12,227,182,718	11,036,365,818
Unrealized foreign exchange gain	-	248,100,747,890
Dividends	201,755,619,309	62,557,546,500
Income from divestment	2,703,130,000	75,774,545,328
	1,278,162,978,469	1,000,979,724,564

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30. FINANCIAL EXPENSES

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Interest expense	96,059,178,215	75,244,790,879
Realized foreign exchange loss	10,738,294,716	14,671,110,356
Unrealized foreign exchange loss	489,588,948,149	-
Investment provision	-	1,300,000,000
Others	-	97,727,273
Adjustment of divestment value	-	(3,770,382,900)
	<u>596,386,421,080</u>	<u>87,543,245,608</u>

31. SELLING EXPENSES

	Current year	From 1/4/2016 to 31/12/2016
	VND	VND
Labor cost	84,296,328,371	67,569,964,492
Materials, packaging cost	886,199,532	530,942,695
Tools, stationery cost	2,216,472,139	1,201,056,342
Depreciation and amortization	683,577,261	3,017,693,778
Administration cost of business cooperation	135,838,347,827	80,790,374,339
Repair cost	1,525,107,524	937,453,867
Outsource service	17,622,508,976	16,396,722,229
Other expense	11,926,753,377	8,506,302,190
	<u>254,995,295,007</u>	<u>178,950,509,932</u>

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32. GENERAL AND ADMINISTRATION EXPENSES

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Management staff cost	491,474,399,700	360,389,011,966
Materials, stationery cost	9,431,121,823	45,911,636,370
Depreciation and amortization	53,006,738,341	46,597,779,919
Taxes, fees and charges	13,578,883,813	50,800,484,097
Repair of fixed assets	7,894,044,849	5,071,471,248
Electricity, water and communications	14,770,563,865	8,649,137,217
Other outsource services	10,383,981,511	16,808,732,207
Benefits for employees	110,792,048,540	26,374,224,356
Per diem	21,414,866,966	15,801,297,312
Other expenses	53,854,817,248	69,926,482,077
(Reversal)/Provision for doubtful debts	(843,819,479)	30,875,985,509
	785,757,647,177	677,206,242,278

33. OTHER INCOME

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Disposal of fixed assets	12,797,383,430	-
Penalty, compensation	3,010,096,919	551,512,752
Insurance compensation	7,957,859,826	1,730,106,229
Bidding invitation variance	176,520,627	114,572,705
Others	2,862,102,437	3,243,486,406
	26,803,963,239	5,639,678,092

34. OTHER EXPENSES

	Current year	From 1/4/2016 to 31/12/2016
	VND	VND
Penalty	406,629,810	219,472,232
Disposal of fixed assets	-	605,978,123
Depreciation of asset pending liquidation	337,469,274	1,025,429,923
Depreciation of asset not used for business activity	1,070,813,628	-
Others	576,738,950	1,578,009,447
	2,391,651,662	3,428,889,725

35. CORPORATE INCOME TAX EXPENSE

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

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Profit before tax	5,219,098,972,522	3,260,653,238,598
Adjustments for assessable income		
Adjustments to increase assessable income	535,839,290,818	310,766,183,943
- Temporarily increased fixed assets depreciation due to inadequately supported document	323,281,508,597	235,527,077,189
- Accrued land rental	77,437,404,047	7,609,000,000
- Expenses with inadequately supported document	73,741,500,070	47,709,950,986
- The decrease of Quarter 4 sales due to price adjustment	52,000,000,000	-
- Deductive expense	3,396,311,204	3,232,387,331
- Provision for doubtful debts exceeding the threshold according to Circular No. 228/2009/TT-BTC dated 7 December 2009	3,876,951,504	4,871,579,292
- Foreign exchange loss arising from revaluating cash and receivables in foreign	2,105,615,396	-
- Provision for impairment of financial investments	-	1,300,000,000
- Refueling system depreciation at Tan Son Nhat International Airport while it was not in use for business activity	-	10,516,189,145
Adjustments to decrease assessable income	(336,283,149,662)	(606,106,170,817)
- Foreign exchange gain arising from revaluating cash and receivables in foreign	-	(14,409,333,544)
- Reimbursement deductive expense of previous year:	(336,283,149,662)	(591,696,837,273)
+ <i>Temporary increased fixed assets depreciation inadequately supported</i>	(235,527,077,189)	(147,701,114,969)
+ <i>Land rental</i>	(63,346,974,235)	(380,359,337,780)
+ <i>Expenses inadequately supported</i>	(47,709,950,986)	(60,759,678,786)
+ <i>Reimbursement provision for bad debt</i>	(4,108,480,796)	-
+ <i>Foreign exchange gain/loss arising from revaluating cash and receivables in foreign currency</i>	14,409,333,544	(2,876,705,738)

35. CORPORATE INCOME TAX EXPENSE (Continued)

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Non-assessable income	(201,755,619,309)	(62,557,546,500)
Taxable income	5,216,899,494,369	2,902,755,705,224
Normal tax rate	20%	20%
Corporate income tax payable	1,043,379,898,874	580,551,141,044
Adjustments for corporate income tax expenses	(12,000,000)	(11,311,380)
Current corporate income tax expense	1,043,367,898,874	580,539,829,664

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Deferred corporate income tax (income)/expense (Details at Note 17)		
- Reversal of deferred tax assets	67,516,629,931	129,486,962,301
- Deferred corporate income tax income arising from deductible temporary differences	(85,751,116,703)	(67,516,629,931)
	(18,234,486,772)	61,970,332,370

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

36. COMMITMENTS

Operating lease commitments

	Current year
	VND
Minimum lease payments under operating leases recognised in income statement for the year	68,604,136,645

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

	<u>Closing balance</u>
	VND
Within one year	6,260,514,742
In the second to fifth years inclusive	24,616,969,688
After five years	<u>234,051,788,359</u>
	<u>264,929,272,789</u>

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

Capital commitment

As of 31 December 2017, the total value of the contracts for capital construction projects which are still processing is VND 2,351,957,847,712; of which the value of completed amount is VND 175,573,982,507 and the unrealized value is VND 2,176,383,865,205.

37. RELATED PARTY TRANSACTIONS AND BALANCES

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

Transactions and balances with key management members and their related individuals

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

Transactions with key management members and their related individuals

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

Balances with key management members and their related individuals

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

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Salary of key management

	Current year	From 1/4/2016 to 31/12/2016
	VND	VND
Salary of Board of Directors and Board of Executive Officers	9,933,280,000	4,554,000,000
Salary of Supervisory Board	1,395,466,784	621,082,992
	<u>11,328,746,784</u>	<u>5,175,082,992</u>

Transactions and balances with other related parties

Relationship with related parties:

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

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

	Current year	From 1/4/2016 to 31/12/2016
	VND	VND
Revenues to related parties		
Southern Airports Services Joint Stock	269,850,090,893	156,063,152,099
Noi Bai Aviation Fuel Services Joint Stock	3,188,675,164	2,213,386,985
Saigon Ground Services Joint Stock Company	180,637,709,272	162,833,489,070
Hanoi Ground Services Joint Stock Company	101,312,999,514	68,880,570,595
Southern Airports Aircraft Maintenance Services Company Limited	6,257,959,262	3,838,495,406
Southern Airports Transportation Joint Stock Company	7,884,384,646	5,055,262,290
Aviation Cargo Services of Vietnam Joint Stock Company	6,113,280,671	2,619,618,139
Southern Airports Trading Joint Stock Company	19,636,365	3,151,512
	<u>575,264,735,787</u>	<u>401,507,126,096</u>

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	Current year	From 1/4/2016 to 31/12/2016
	VND	VND
Purchase from related parties		
Southern Airports Services Joint Stock Company	15,186,121,715	5,235,332,916
Noi Bai Aviation Fuel Services Joint Stock Company	82,868,885,400	48,938,611,500
Saigon Ground Services Joint Stock Company	9,235,841,184	4,067,244,540
Hanoi Ground Services Joint Stock Company	1,928,172,004	739,741,666
Southern Airports Transportation Joint Stock Company	559,257,935	395,632,652
Aviation Cargo Services of Vietnam Joint Stock Company	116,528,510	100,150,375
Southern Airports Trading Joint Stock Company	713,738,170	271,289,010
	110,608,544,918	59,748,002,659
Financial income		
Southern Airports Services Joint Stock Company	110,309,072,800	25,149,375,000
Noi Bai Aviation Fuel Services Joint Stock Company	4,800,000,000	-
Saigon Ground Services Joint Stock Company	37,440,120,500	10,800,034,875
Hanoi Ground Services Joint Stock Company	11,474,504,722	3,375,000,000
Aviation Cargo Services of Vietnam Joint Stock Company	15,000,000,000	11,250,000,000
Southern Airports Aircraft Maintenance Services Company Limited	10,200,000,000	-
	189,223,698,022	50,574,409,875
Significant related party balances as at the balance sheet date were as follows:		
	Closing balance	Opening balance
	VND	VND
Receivables		
Saigon Ground Services Joint Stock Company	30,719,632,109	39,877,567,116
Hanoi Ground Services Joint Stock Company	9,697,664,628	8,443,557,734
Southern Airports Services Joint Stock Company	26,666,373,404	20,338,122,916
Aviation Cargo Services of Vietnam Joint Stock Company	602,173,074	5,414,328
Southern Airports Aircraft Maintenance Services Company Limited	245,738,355	152,129,779
Southern Airports Transportation Joint Stock Company	2,975,647,062	121,307,194
Noi Bai Aviation Fuel Services Joint Stock Company	6,621,559	2,705,335
	70,913,850,191	68,940,804,402

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	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Trade payable		
Southern Airports Services Joint Stock Company	2,591,189,680	2,578,908,200
Noi Bai Aviation Fuel Services Joint Stock Company	9,066,744,186	6,803,975,640
Hanoi Ground Services Joint Stock Company	1,022,325,700	1,097,962,799
Southern Airports Transportation Joint Stock Company	6,192,848	52,136,971
Aviation Cargo Services of Vietnam Joint Stock Company	12,876,864	22,097,075
Southern Airports Trading Joint Stock Company	15,787,001	15,141,001
	<u>12,715,116,279</u>	<u>10,570,221,686</u>
Other receivables		
Hanoi Ground Services Joint Stock Company	1,500,000,000	-
Noi Bai Aviation Fuel Services Joint Stock Company	-	6,325,024,125
Aviation Cargo Services of Vietnam Joint Stock Company	-	15,000,000,000
	<u>1,500,000,000</u>	<u>21,325,024,125</u>

38. OTHER MATTERS

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

The Ministry of Finance reported to the Prime Minister to resolve the depreciation of the Airfield's assets for the period from 1 July 2014 to 31 December 2015 as well as revenue and expenses relating to the operation from 1 July 2014 to 31 December 2017, whereby revenues and expenses relating to the operation of the Airfield are separately accounted and simultaneously solved with build-up and approval of solutions for management and use of Airfield's assets from the Ministry of Transport.

Currently, the Corporation is waiting for detailed guidance from the authorities on these matters stated in the Notice.

39. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash outflows for interest expenses in the year exclude an amount of VND 29,461,767,894 (for the period from 1 April 2016 to 31 December 2016: VND 28,709,131,527), representing the accrued interest expense as at 31 December 2017. Consequently, change in accounts payable have been adjusted by the same amount.

Interest earned exclude an amount of VND 550,696,805,561 (for the period from 1 April 2016 to 31 December 2016: VND 390,269,777,790), representing the interest income earned as at 31 December 2017. Consequently, change in the accounts receivable have been adjusted by the same amount.

Cash outflows for purchases, construction of fixed assets in the year exclude an amount of VND 1,439,962,981,860 (for the period from 1 April 2016 to 31 December 2016: VND 1,375,434,502,831), representing the purchasing and construction of fixed assets incurred during the year that has not yet been paid. Consequently, change in accounts payable have been adjusted by the same amount.

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40. INFORMATION RELATE TO AIRFIELD'S OPERATION

Content	Current year	From 01/4/2016 to 31/12/2016 (Restated)
	VND	VND
Revenue	1,991,946,215,757	1,299,529,555,524
<i>Sale of take-off and landing service</i>	<i>2,082,314,426,436</i>	<i>1,371,262,389,222</i>
Deductions	90,543,029,190	71,732,833,698
Gross profit	1,991,771,397,246	1,299,529,555,524
<i>Other income</i>	<i>174,818,511</i>	-
Expenses	1,079,663,794,917	699,535,375,530
<i>Operating expense</i>	<i>851,593,189,707</i>	<i>549,536,830,531</i>
Salary expense	421,695,164,104	385,203,448,371
Material and stationery expense	6,848,914,811	10,699,349,611
Depreciation expense	22,542,848,238	7,226,488,611
Taxes, fees and charges	2,098,088,991	3,128,146,345
Repair of fixed asset	263,038,141,790	69,961,418,894
Electricity, water, and communication expense	15,720,747,908	11,782,148,025
Outsource service	31,456,871,966	7,558,198,687
Employees' benefit	30,545,894,648	5,724,727,984
Others	57,646,517,251	48,252,904,003
<i>Corporation income tax</i>	<i>228,070,605,210</i>	<i>149,998,544,999</i>
Difference in revenue-expenses	912,282,420,840	599,994,179,994
Other relevant information:		
Addition of fixed assets in year/period	709,649,937,864	267,128,493,120
Depreciation of fixed assets - temporary figures, in which:	769,340,562,794	581,642,756,282
<i>- For fixed assets which was purchased before 1 April 2016, useful life was determined as minimum useful life level of Circular 45/2013/TT-BTC</i>		
<i>- For fixed assets which was purchased after 1 April 2016, useful life was determined as average useful life level of Circular 45/2013/TT-BTC</i>		
Investment projects (construction) for the State's assets which the Corporation has advanced for the payment	330,745,210,172	529,328,209,305

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41. RETROSPECTIVE ADJUSTMENTS PREVIOUS YEAR FIGURES

Retrospective adjustments are made in accordance with the State Auditing Minutes for the period from 01 April 2016 to 31 December 2016 and Decision No. 14752/BGTVT-QLDN dated 29 December 2017 of the Ministry of Transport relating to the cost of site clearance compensation for the implementation of the project of T2 Passenger Terminal - Noi Bai International Airport. Details are as follows:

Balance sheet as at 31 December 2016				
Codes	As previously reported	Restatement	Changes	
	VND	VND	VND	
Short-term trade receivables	131	1,622,100,827,912	1,631,245,271,255	9,144,443,343
Short-term advance to suppliers	132	903,175,790,057	892,061,510,076	(11,114,279,981)
Other short-term receivables	136	1,514,571,123,563	1,714,234,576,790	199,663,453,227
Taxes and other receivables to the State budget	153	104,087,612,152	17,009,766,400	(87,077,845,752)
Other long-term receivables	216	6,080,000,000	264,109,384,777	258,029,384,777
Tangible fixed assets	221	21,415,803,855,114	21,133,589,768,728	(282,214,086,386)
- Cost	222	35,385,006,229,478	34,738,176,005,487	(646,830,223,991)
- Accumulated depreciation	223	(13,969,202,374,364)	(13,604,586,236,759)	364,616,137,605
Investments in subsidiaries	251	1,682,973,000,000	1,683,833,743,327	860,743,327
Investments in joint-ventures, associates	252	642,992,463,558	616,410,897,541	(26,581,566,017)
Equity investments in other entities	253	199,007,763,662	198,289,232,759	(718,530,903)
Long-term prepayments	261	57,498,919,072	70,860,399,281	13,361,480,209
Deferred tax assets	262	66,964,220,204	67,516,629,931	552,409,727
Short-term trade payables	311	1,021,692,186,338	1,022,680,572,601	988,386,263
Taxes and amounts payable to the State budget	313	186,475,509,377	360,942,889,294	174,467,379,917
Short-term accrued expenses	315	1,287,018,127,664	1,269,253,333,840	(17,764,793,824)
Other current payables	319	3,329,508,318,640	3,125,762,855,639	(203,745,463,001)
Retained earnings	421	1,759,663,097,112	1,879,623,193,328	119,960,096,216

Separate Income Statement				
From 01/4/2016 to 31/12/2016				
Codes	As previously reported	Restatement	Changes	
	VND	VND	VND	
Gross revenue from goods sold and services rendered	01	8,869,780,355,916	8,872,307,142,106	2,526,786,190
Net revenue from goods sold and services rendered	10	8,841,189,682,939	8,843,716,469,129	2,526,786,190
Cost of sales	11	5,779,465,943,851	5,642,553,745,644	(136,912,198,207)
Gross profit	20	3,061,723,739,088	3,201,162,723,485	139,438,984,397
Financial income	21	988,996,587,939	1,000,979,724,564	11,983,136,625
Financial expenses	22	91,313,628,508	87,543,245,608	(3,770,382,900)
General and administration expenses	26	670,948,061,842	677,206,242,278	6,258,180,436
Operating profit	30	3,109,508,126,745	3,258,442,450,231	148,934,323,486
Other income	31	4,990,618,179	5,639,678,092	649,059,913
Profit from other activities	40	1,561,728,454	2,210,788,367	649,059,913
Accounting profit before tax	50	3,111,069,855,199	3,260,653,238,598	149,583,383,399
Current corporate income tax expense	51	550,364,132,754	580,539,829,664	30,175,696,910
Deferred corporate tax expense	52	62,522,742,097	61,970,332,370	(552,409,727)
Net profit after tax	60	2,498,182,980,348	2,618,143,076,564	119,960,096,216

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Separate Cash Flow Statement
From 01/4/2016 to 31/12/2016

	Codes	As previously reported	Restatement	Changes
		VND	VND	VND
Profit before tax	01	3,111,069,855,199	3,260,653,238,598	149,583,383,399
Depreciation and amortisation	02	3,377,659,475,811	3,230,888,201,650	(146,771,274,161)
Operating profit before movements in working capital	08	5,618,893,590,673	5,629,751,398,130	10,857,807,457
Changes in receivables	09	(342,198,921,184)	(473,991,453,437)	(131,792,532,253)
Changes in accounts payable	11	1,933,061,155,904	2,042,068,221,371	109,007,065,467
Changes in prepaid expenses	12	101,925,767,706	81,319,458,302	(20,606,309,404)
Net cash used in operating activities	20	5,431,406,299,779	5,390,826,632,827	(40,579,666,952)
Acquisition and construction of fixed assets and other long-term assets	21	(2,064,255,504,926)	(2,050,115,191,567)	14,140,313,359
Investments in other entities	25	(56,940,000,000)	(30,500,646,407)	26,439,353,593
Net cash used in investing activities	30	(2,512,700,721,535)	(2,472,121,054,583)	40,579,666,952

42. APPROVAL OF SEPARATE FINANCIAL STATEMENTS ISSUANCE

The separate financial statements for the year ended 31 December 2017 have been approved for issuance by the Corporation's Board of Directors on 30 March 2018.

Pham Thi Phuong

Bui A Dong



Pham Thi Phuong
Preparer

Bui A Dong
Chief Accountant

Le Manh Hung
Chief Executive Officer
31 March 2018

