

AIRPORTS CORPORATION OF VIETNAM

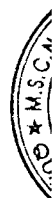
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED 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 “Parent Company”) presents this report together with the Parent Company’s consolidated financial statements and its subsidiary (collectively referred to as the “Corporation”) 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 1 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.

AUDITORS

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

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS (Continued)

BOARD OF EXECUTIVE OFFICERS' STATEMENT OF RESPONSIBILITY

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to 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 consolidated financial position of the Corporation and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Executive Officers is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

For and on behalf of the Board of Executive Officers, 



Le Manh Hung
Chief Executive Officer
31 March 2018

No.: 713 /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 consolidated financial statements of Airports Corporation of Vietnam (the "Parent Company") and its subsidiary (collectively referred to as the "Corporation"), prepared on 31 March 2018 as set out from page 5 to page 68, which comprise the consolidated balance sheet as at 31 December 2017, the consolidated statement of income and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Executive Officers' Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Auditors' Opinion

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

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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 consolidated financial statements which describes the matters as follows:

- The consolidated 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 to 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 consolidated 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 consolidated 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 consolidated financial statements prepared for the whole year ended 31 December 2017 may not be comparable.

We also draw attention to the Note 42 in the consolidated 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 45 in the consolidated 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 matters

The consolidated 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 5 June 2017 expressed an unmodified opinion with emphasis of matters.



Nguyen Quang Trung
Audit Partner
Audit Practising Registration Certificate
No. 0733-2018-001-1
BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED
31 March 2018
Ho Chi Minh City, S.R Vietnam

Bui Quoc Anh
Auditor
Audit Practising Registration Certificate
No. 2133-2018-001-1

CONSOLIDATED BALANCE SHEET*As at 31 December 2017*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance (Restated)
A. CURRENT ASSETS	100		26,343,133,239,147	22,303,747,214,566
I. Cash and cash equivalents	110	5	1,313,665,194,187	3,165,744,917,074
1. Cash	111		913,665,194,187	2,793,482,028,185
2. Cash equivalents	112		400,000,000,000	372,262,888,889
II. Short-term financial investments	120		17,563,000,000,000	13,640,000,000,000
1. Trading securities	121		-	28,644,000,000
2. Provision for impairment of trading securities	122		-	(28,644,000,000)
3. Held-to-maturity investments	123	6	17,563,000,000,000	13,640,000,000,000
III. Short-term receivables	130		6,957,603,601,735	4,487,737,276,046
1. Short-term trade receivables	131	7	2,043,091,247,627	1,708,798,135,264
2. Short-term advances to suppliers	132	8	1,373,464,764,854	907,474,123,574
3. Other short-term receivables	136	9	3,571,079,755,284	1,953,804,793,354
4. Provision for short-term doubtful debts	137	10	(30,032,166,030)	(82,339,776,146)
IV. Inventories	140		404,108,690,705	721,296,213,296
1. Inventories	141	11	404,108,690,705	721,296,213,296
V. Other short-term assets	150		104,755,752,520	288,968,808,150
1. Short-term prepayments	151	12	17,868,964,518	25,612,411,826
2. Value-added tax deductibles	152		53,728,777,815	232,586,883,004
3. Taxes and other receivables from State budget	153	20	33,158,010,187	30,769,513,320
B. NON-CURRENT ASSETS	200		22,819,792,141,215	24,310,558,282,571
I. Long-term receivables	210		352,941,856,676	516,697,614,994
1. Other long-term receivables	216	9	352,941,856,676	738,330,485,953
2. Provision for long-term doubtful debts	219	10	-	(221,632,870,959)
II. Fixed assets	220		18,989,231,356,738	21,425,504,594,190
1. Tangible fixed assets	221	13	18,987,853,462,199	21,391,662,012,735
- Cost	222		36,768,825,851,976	35,306,124,967,362
- Accumulated depreciation	223		(17,780,972,389,777)	(13,914,462,954,627)
2. Finance lease assets	224		-	4,065,636,360
- Cost	225		-	4,065,636,360
3. Intangible assets	227	14	1,377,894,539	29,776,945,095
- Cost	228		14,964,055,361	47,687,216,360
- Accumulated amortisation	229		(13,586,160,822)	(17,910,271,265)
III. Investment property	230		-	32,243,749,055
- Cost	231		-	37,252,913,794
- Accumulated depreciation	232		-	(5,009,164,739)
IV. Long-term assets in progress	240		635,700,153,017	738,370,016,000
1. Long-term construction in progress	242	15	635,700,153,017	738,370,016,000
V. Long-term financial investments	250		2,695,061,532,587	1,213,241,827,105
1. Investments in joint ventures, associate	252	16	2,511,561,532,587	931,107,182,564
2. Investments in other entities	253	17	184,800,000,000	298,334,934,259
3. Provision for impairment of long-term financial investments	254		(1,300,000,000)	(16,200,289,718)
VI. Other long-term assets	260		146,857,242,197	384,500,481,227
1. Long-term prepayments	261	12	57,906,125,494	105,457,002,016
2. Deferred tax assets	262	18	88,951,116,703	272,718,455,086
3. Long-term reserved spare parts	263		-	6,325,024,125
TOTAL ASSETS (270=100+200)	270		49,162,925,380,362	46,614,305,497,137

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

CONSOLIDATED BALANCE SHEET (Continued)*As at 31 December 2017*

Unit: VND

RESOURCES	Codes Notes	Closing balance	Opening balance (Restated)
C. LIABILITIES	300	21,778,430,131,363	22,250,979,766,180
I. Current liabilities	310	7,354,070,823,240	8,222,669,075,107
1. Short-term trade payables	311 19	1,124,603,708,409	1,308,984,674,898
2. Short-term advances from customers	312	20,708,930,580	5,561,591,468
3. Taxes and amounts payable to State budget	313 20	238,645,978,883	376,310,969,049
4. Payables to employees	314	1,080,988,614,740	1,134,698,482,583
5. Short-term accrued expenses	315 21	923,724,169,842	1,294,014,258,269
6. Short-term unearned revenue	318	19,356,201,136	21,352,975,301
7. Other current payables	319 22	3,538,730,693,897	3,123,530,526,143
8. Short-term loans	320 24	148,235,246,033	262,660,987,242
9. Short-term provisions	321	-	13,000,000,000
10. Bonus and welfare funds	322 23	259,077,279,720	682,554,610,154
II. Long-term liabilities	330	14,424,359,308,123	14,028,310,691,073
1. Other long-term payables	337 22	80,806,885,194	62,249,832,541
2. Long-term loans	338 24	14,327,552,422,929	13,964,208,272,299
3. Deferred tax liabilities	341	-	1,852,586,233
4. Long-term provisions	342	16,000,000,000	-
D. OWNERS' EQUITY	400	27,384,495,248,999	24,363,325,730,957
I. Owners' equity	410 25	27,384,495,248,999	24,363,325,730,957
1. Owners' contributed capital	411	21,771,732,360,000	21,771,732,360,000
- Ordinary shares carrying voting rights	411a	21,771,732,360,000	21,771,732,360,000
2. Share premium	412	14,602,790,587	14,602,790,587
3. Assets revaluation reserve	416	-	(953,183,743,327)
4. Investment and development fund	418	702,011,972,981	450,312,439,969
5. Retained earnings	421	4,848,782,554,857	2,307,621,685,964
- Retained earnings accumulated to the prior period	421a	748,281,525,219	411,174,860,185
- Retained earnings of the current year/prior period	421b	4,100,501,029,638	1,896,446,825,779
6. Non-controlling interests	429	47,365,570,574	772,240,197,764
TOTAL RESOURCES (440=300+400)	440	49,162,925,380,362	46,614,305,497,137



Bui Thi Phuong Anh
Preparer



Bui A Dong
Chief Accountant




Le Manh Hung
Chief Executive Officer
31 March 2018

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

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

Unit: VND

From 1/4/2016
to 31/12/2016

ITEMS	Codes	Notes	Current year	(Restated)
1. Gross revenue from goods sold and services rendered	01		13,873,411,995,701	10,719,217,656,068
2. Deductions	02		43,196,975,646	28,631,335,132
3. Net revenue from goods sold and services rendered (10=01-02)	10	27	13,830,215,020,055	10,690,586,320,936
4. Cost of goods sold and services rendered	11	28	8,182,344,566,381	6,590,038,902,562
5. Gross profit from goods sold and services rendered (20=10-11)	20		5,647,870,453,674	4,100,547,418,374
6. Financial income	21	30	1,121,661,214,511	1,142,348,966,984
7. Financial expenses	22	31	606,234,236,094	133,860,480,063
- In which: Interest expense	23		96,165,565,685	76,487,464,126
8. Income from investments in joint ventures, associates	24	16	256,923,198,656	51,423,677,168
9. Selling expenses	25	32	293,254,169,925	527,517,697,127
10. General and administration expenses	26	33	808,621,588,698	897,474,560,608
11. Operating profit (30=20+(21-22)+24-(25+26))	30		5,318,344,872,124	3,735,467,324,728
12. Other income	31	34	27,520,800,657	15,762,721,170
13. Other expenses	32	35	2,391,829,786	50,789,015,175
14. Profit/(loss) from other activities (40=31-32)	40		25,128,970,871	(35,026,294,005)
15. Accounting profit before tax (50=30+40)	50		5,343,473,842,995	3,700,441,030,723
16. Current corporate income tax expense	51	36	1,051,976,137,429	669,435,276,934
17. Deferred corporate tax expense	52	37	169,777,526,995	145,288,430,542
18. Net profit after corporate income tax (60=50-51-52)	60		4,121,720,178,571	2,885,717,323,247
Attributable to:				
- The Corporation's shareholders	61		4,100,501,029,638	2,726,637,170,501
- Non-controlling interests	62	25	21,219,148,933	159,080,152,746
19. Basic earnings per share	70	38	1,883	1,115

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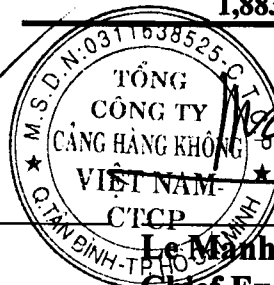
Bui Thi Phuong Anh
Preparer

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Bui A Dong
Chief Accountant

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Le Manh Hung
Chief Executive Officer
31 March 2018



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

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

Unit: VND

		From 1/4/2016 to 31/12/2016	
ITEMS	Codes	Current year	(Restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	5,343,473,842,995	3,700,441,030,723
2. Adjustments for:			
Depreciation and amortisation	02	4,165,022,645,340	3,293,756,660,119
Provisions	03	11,419,111,685	63,399,541,920
Foreign exchange difference arising from translating foreign currency items	04	489,588,948,149	(236,875,824,629)
Gain from investing activities	05	(1,193,909,733,693)	(864,905,979,512)
Interest expense	06	96,165,565,685	76,487,464,126
3. Operating profit before movements in working capital	08	8,911,760,380,161	6,032,302,892,747
Changes in receivables	09	(3,219,196,781,385)	(905,981,262,945)
Changes in inventories	10	33,447,467,018	(108,835,662,534)
Changes in payables	11	2,116,471,318,158	2,457,133,614,890
Changes in prepaid expenses	12	10,695,751,329	98,780,870,152
Change in trading securities	13	-	207,577,500
Interest paid	14	(95,436,519,788)	(58,527,742,129)
Corporate income tax paid	15	(1,316,845,471,820)	(1,351,626,804,438)
Other cash inflows	16	2,227,810,220	676,948,516
Other cash outflows	17	(2,049,685,647,909)	(576,317,846,002)
Net cash generated by operating activities	20	4,393,438,305,983	5,587,812,585,757
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(1,370,121,056,605)	(2,207,492,964,356)
2. Proceeds from sale, disposal of fixed assets	22	21,540,170,005	3,353,243,206
3. Cash outflow for buying debt instruments	23	(12,720,500,000,000)	(5,316,184,560,606)
4. Cash recovered from selling debt instruments of other entities	24	8,725,500,000,000	4,013,584,560,606
5. Equity investments in other entities	25	-	(29,842,731,196)
6. Net cash flows from divestments	26	(444,462,025,351)	187,510,407,514
7. Interest earned, dividends and profits received	27	963,162,118,546	793,148,071,323
Net cash used in investing activities	30	(4,824,880,793,405)	(2,555,923,973,509)

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

CONSOLIDATE 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	419,838,561,006
2. Repayment of borrowings	34	(145,760,637,817)	(503,137,400,112)
3. Repayment of obligations under finance leases	35	-	(1.176.000.000)
4. Dividends and profits paid	36	(1,306,211,897,430)	(2,732,612,778,871)
Net cash used in financing activities	40	(1,420,569,698,198)	(2,817,087,617,977)
Net (decrease)/increase in cash during the year/period (50=20+30+40)	50	(1,852,012,185,619)	214,800,994,271
Cash and cash equivalents at the beginning of the year/period	60	3,165,744,917,074	2,934,592,244,544
Effects of changes in foreign exchange rates	61	(67,537,268)	16,351,678,259
Cash and cash equivalents at the end of the year/period (70=50+60+61)	70	1,313,665,194,187	3,165,744,917,074


Bui Thi Phuong Anh
Preparer


Bui A Dong
Chief Accountant


Le Manh Hung
Chief Executive Officer
31 March 2018



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

Airports Corporation of Vietnam (the “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 of “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

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

FORM B 09-DN/HN

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 consolidated financial statements

The Corporation officially operates as a joint stock company since 1 April 2016. The consolidated 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 Airfield assets from the Airfield's activities; ensure the continued operation of aviation airports, security and aviation safety. While waiting for the 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 CONSOLIDATED
FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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 company since 24 January 2017.

The Corporation's structure

Detailed information about the Parent Company'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 City.
8. Phu Quoc International Airport - Branch of Airports Corporation of Vietnam	Group 2, Duong To Village, Duong To Commune, Phu Quoc District, Kien Giang Province.
9. Dien Bien Airport - Branch of Airports Corporation of Vietnam	Group 10, Thanh Truong Ward, Dien Bien Phu City, Dien Bien Province.
10. Na San Airport - Branch of Airports Corporation of Vietnam	Mai Son District, Son La Province.

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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 consolidated financial statements

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

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

3. RESTATEMENTS OF PRIOR YEAR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation for the period from 1 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 45.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to the balance sheet date of each period. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

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

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

Intragroup transactions and balances are eliminated in full on consolidation.

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

Business combination

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

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

Investments in associates

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

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

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

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

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

Cash and cash equivalents

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

Trading securities

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

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

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

Held-to-maturity investments

Held-to-maturity investments comprise term deposits.

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

Receivables

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

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

Inventories

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

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

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 consolidated income statement. Unless these costs are certain to make tangible fixed assets generate economic benefits in the future higher than initially revaluated amount, they will be debited to cost of tangible fixed assets.

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

	<u>Years</u>
Buildings and structures	5 – 25
Machinery and equipment	3 – 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 consolidated income statement.

Intangible assets and amortization

Land use rights

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

Patents, copyright and computer software

Patents, copyright and computer software are measured initially at purchase cost and are amortised on the straight-line basis over their estimated useful lives from three to five years.

Investment properties

Investment properties are land-use rights held for purpose of rising price. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs.

Costs relating to investment properties arisen upon initial recognition must be recognized as operating cost in the year. Unless there is certain evidence that investment properties can be revaluated higher than the initial value, cost of investment properties will be debited.

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 consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

The Company as lessor

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

Construction in progress

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

Prepayments

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

Payable provisions

Payable provisions are 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 recognition

Revenue from the sale goods

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

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



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- (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 subject to the regulations of the State on prices and price framework of some aviation services at Airports and Aerodromes of Vietnam. In which:

Aviation services revenue

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

Revenue of non-aviation services

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

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Other revenue

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is 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 consolidated 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 consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally 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.

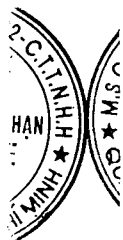
Profit distribution, appropriation of funds from profit after tax

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	2,671,866,367	16,869,136,450
Bank demand deposits	910,993,327,820	2,775,362,965,095
Cash in transit	-	1,249,926,640
Cash equivalents	400,000,000,000	372,262,888,889
	<u>1,313,665,194,187</u>	<u>3,165,744,917,074</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.



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

	Closing balance	Opening balance
	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	478,193,773,821
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
Asiana Airlines, Inc.	44,311,797,559	29,672,676,658
Airasia Berhad	51,660,566,591	35,416,054,826
Thai Airways International Public Co., Ltd.	36,282,277,327	18,969,850,854
Emirates Airlines	31,590,339,356	31,170,189,436
Others	574,537,681,857	590,160,995,329
b. Receivables from related parties (Note 41)	70,907,228,632	85,184,189,545
	<u>2,043,091,247,627</u>	<u>1,708,798,135,264</u>

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8. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
ACC Airport Construction	287,684,293,504	209,708,460,699
CIENCO 4 Group Joint Stock Company	153,609,291,003	-
High Command of Air and Air Defence Force	107,790,050,000	100,578,685,000
VTG Equipment and Technology Joint Stock Company	106,237,910,318	-
Luu Nguyen Construction Co., Ltd.	94,429,325,163	92,555,830,786
BTK Technology Development Co., Ltd.	84,201,172,871	84,201,172,871
Viet Global Technologies Corporation	55,741,664,034	-
Transport Engineering 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 No. 9	36,173,303,174	-
AT Technology Development and Investment Joint Stock Company	33,496,958,361	4,775,934,610
Six Four Seven Aeronautics Project Construction Joint Stock Company	28,512,509,186	19,283,485,870
Avintech Joint Stock Company	21,287,632,721	-
Hanoi Trading Investment and Traffic Construction Joint Stock Company	20,923,228,528	19,232,620,287
Others	255,205,065,225	325,070,087,203
	<u>1,373,464,764,854</u>	<u>907,474,123,574</u>

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

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9. OTHER RECEIVABLES

	Closing balance VND	Opening balance (Restated) VND
a. Current		
Receivables from the State on expense and corporate income tax 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	552,315,530,561	395,378,997,306
Deductible input VAT which has not been declared	155,396,707,316	11,061,668,036
Receivable from Vietnam Air Traffic Managament Corporation for meteorological assets	50,627,055,296	-
Receivable related to equitization (ii)	19,570,715,787	15,445,855,839
The cost of land clearance of 1.3 ha land in Noi Bai	9,996,053,500	9,996,053,500
Advance	8,241,638,410	2,523,358,832
Receivables for dividends and profits (ACSV)	1,500,000,000	15,000,000,000
Receivable from TCP Investment Corporation related to the value of assets on land	-	37,968,352,085
Receivable from compensation expenses for site clearance for the area not delivered to use in Phu Quoc	-	194,172,915,311
Payment on behalf of Nha Viet Joint Stock Company	-	43,230,431,455
Van An Real Estate Investment Limited Company - receivables from capital transfer in Nova Saco Limited Liability Company	-	149,125,000,000
Others	17,454,452,983	53,649,534,094
	<u>3,571,079,755,284</u>	<u>1,953,804,793,354</u>

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	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
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
Payment on behalf of Nha Viet GMBH	-	221,632,870,959
Capital contribution under a business co-operation contract	-	47,018,876,950
Advance for compensation of project clearing and site clearance	-	170,000,938,662
Advance payment for use right certificates	-	13,000,000,000
Deposits and mortgages	6,956,000,000	28,406,934,605
Others	-	241,480,000
	<u>352,941,856,676</u>	<u>738,330,485,953</u>
In which:		
c. Other receivables from related parties (Note 41)	<u>1,500,000,000</u>	<u>34,049,824,884</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 e utilization of the assets of the Airfield.

(ii) Receivable 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 22) before refunded to the Enterprise Restructuring and Development Fund after finalization of the Corporation's equitization by competent authorities.

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10. BAD DEBTS

	Closing balance		Opening balance	
	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>Me Kong Aviation JSC</i>	25,907,942,217	(25,907,942,217)	25,907,942,217	(25,907,942,217)
<i>Viet Home GMBH</i>	-	-	264,863,302,414	(264,863,302,414)
<i>Others</i>	4,124,223,813	(4,124,223,813)	17,812,715,199	(13,201,402,474)
	30,032,166,030	(30,032,166,030)	308,583,959,830	(303,972,647,105)
<i>In which</i>				
Short term		(30,032,166,030)		(82,339,776,146)
Long term		-		(221,632,870,959)

11. INVENTORIES

	Closing balance	Opening balance
	VND	VND
Raw materials	175,718,713,119	187,072,634,462
Tools and supplies	1,331,704,955	2,762,385,245
Work in progress	7,096,872,101	367,661,178
Finished goods	-	397,391,664
Merchandise	219,961,400,530	530,652,686,777
Goods on consignment	-	43,453,970
	404,108,690,705	721,296,213,296

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

12. PREPAYMENTS

	Closing balance	Opening balance
	VND	(Restated) VND
Current		
Tools and equipments	13,363,912,180	14,066,153,925
Insurance premium	2,515,750,325	5,498,643,632
Others	1,989,302,013	6,047,614,269
	17,868,964,518	25,612,411,826
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
Aircraft packing rental	14,696,000,000	22,044,000,000
Tools and equipments	15,447,958,324	21,272,162,219
Land rental and tax	2,247,530,000	10,188,622,012
Others	2,537,319,325	20,303,060,981
	57,906,125,494	105,457,002,016

AIRPORTS CORPORATION OF VIETNAM
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13. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
COST						
Opening balance (Restated)	21,296,069,110,894	11,908,154,512,261	1,966,277,674,928	97,412,245,039	38,211,424,240	35,306,124,967,362
Additions	-	8,729,831,592	354,107,020,663	2,981,657,364	-	365,818,509,619
Transfer from construction in progress	1,353,172,873,315	268,639,769,829	-	-	-	1,621,812,643,144
Transfer to Airfield	6,107,109,833	27,634,310,356	-	-	-	33,741,420,189
Other additions	5,833,871,660	2,260,179,984	-	-	-	8,094,051,644
Disposals	(15,012,420,862)	(9,983,341,314)	(35,178,364,579)	(133,665,048)	-	(60,307,791,803)
Transfer to Airfield	-	(345,126,250)	-	(758,470,807)	-	(1,103,597,057)
Decrease due to transferring to Vietnam Air Traffic Management	(3,139,384,484)	(629,065,638)	-	-	-	(3,768,450,122)
Other disposals	(1,714,037,177)	-	-	-	-	(1,714,037,177)
Reclassification	(1,324,573,188)	1,125,308,688	(72,100,500)	271,365,000	-	-
Decrease due to loss of control right in Southern Airports Services Joint Stock Company	(137,406,368,807)	(29,876,606,916)	(288,140,668,552)	(6,236,795,308)	(38,211,424,240)	(499,871,863,823)
Closing balance	22,502,586,181,184	12,175,709,772,592	1,996,993,561,960	93,536,336,240	-	36,768,825,851,976
ACCUMULATED DEPRECIATION						
Opening balance (Restated)	6,709,480,621,985	5,987,299,954,253	1,107,427,782,253	77,372,553,953	32,882,042,183	13,914,462,954,627
Charge for the year	2,003,217,699,843	1,889,489,243,043	277,048,842,571	15,128,609,272	-	4,184,884,394,729
Disposals	(9,934,343,381)	(8,982,616,570)	(32,192,306,142)	(122,973,289)	-	(51,232,239,382)
Transfer from Airfield	6,107,109,833	27,631,888,525	-	-	-	33,738,998,358
Disposals	-	(326,105,230)	-	(584,514,564)	-	(910,619,794)
Transfer to Airfield	(1,070,626,563)	(413,031,255)	-	-	-	(1,483,657,818)
Other disposals	-	(94,552,814)	(235,985,282)	(2,227,750)	-	(332,765,846)
Reclassification	(191,279,807)	193,538,109	(2,258,302)	-	-	-
Decrease due to loss of control right in Southern Airports Services Joint Stock Company	(44,890,146,428)	(22,894,679,123)	(193,287,134,814)	(4,200,672,549)	(32,882,042,183)	(298,154,675,097)
Closing balance	8,662,719,035,482	7,871,903,638,938	1,158,758,940,284	87,590,775,073	-	17,780,972,389,777
NET BOOK VALUE						
Opening balance	14,586,588,488,909	5,920,854,558,008	858,849,892,675	20,039,691,086	5,329,382,057	21,391,662,012,735
Closing balance	13,839,867,145,702	4,303,806,133,654	838,234,621,676	5,945,561,167	-	18,987,853,462,199

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As presented in Note 24, the Corporation has pledged fully value of the construction work, machinery, equipment and other assets of T2 Passenger Terminal - Noi Bai International Airport to mortgage for the borrowings. As at 31 December 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 453,408,887,087) 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.

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AIRPORTS CORPORATION OF VIETNAM
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14. INTANGIBLE ASSETS

	<u>Land use rights</u>	<u>Patent, Copyrights</u>	<u>Labels</u>	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
COST						
Opening balance (Restated)	30,944,738,761	2,661,339,000	100,555,555	13,810,583,044	170,000,000	47,687,216,360
Additions	-	-	-	343,237,800	30,011,000	373,248,800
Decrease due to loss of control right in Southern Airports Services Joint Stock Company	(30,944,738,761)	-	(100,555,555)	(2,051,115,483)	-	(33,096,409,799)
Closing balance	-	2,661,339,000	-	12,102,705,361	200,011,000	14,964,055,361
ACCUMULATED AMORTISATION						
Opening balance (Restated)	5,117,879,064	1,782,767,714	100,555,555	10,739,068,932	170,000,000	17,910,271,265
Charge for the year	-	817,611,422	-	1,863,487,427	-	2,681,098,849
Decrease due to loss of control right in Southern Airports Services Joint Stock Company	(5,117,879,064)	-	(100,555,555)	(1,786,774,673)	-	(7,005,209,292)
Closing balance	-	2,600,379,136	-	10,815,781,686	170,000,000	13,586,160,822
NET BOOK VALUE						
Opening balance	25,826,859,697	878,571,286	-	3,071,514,112	-	29,776,945,095
Closing balance	-	60,959,864	-	1,286,923,675	30,011,000	1,377,894,539

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 8,184,883,002) 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>	<u>Opening balance</u>
	VND	(Restated) 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 passenger terminal - Phu Cat Airport	101,183,442,836	1,718,686,884
Expansion of passenger terminal T2 - Tan Son Nhat International Airport	54,049,550,001	109,187,029,667
Expansion of the north airport apron from NS to N6 - Tan Son Nhat International Airport	45,176,568,850	4,910,770,265
Expansion of 19.79 ha military landing area handed over at Tan Son Nhat International Airport	12,258,463,631	-
Construction of Long Thanh International Airport	12,114,686,681	11,093,411,681
Head Office of Administration and Management in Da Nang International Airport	-	64,304,457,118
Construction and expansion of the airport apron - Phu Quoc International Airport	-	-
Construction of passenger terminal - Tuy Hoa Airport	6,480,455,694	8,066,851,803
Upgrade of air conditioning system of Da Nang International Airport Terminal	-	-
Construction of and Expansion of the airport apron - Phu Quoc International Airport	-	121,421,089,732
Renovation of air conditioner system of terminal - Da Nang International Airport	-	5,692,261,672
Suoi Nhung Farm Project (Binh Phuoc)	-	25,094,293,718
Others	26,271,770,828	21,336,285,495
	555,796,810,235	393,775,079,977
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	-	224,801,818
	6,830,819,230	14,883,315,027
	563,856,430,637	408,658,395,004

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15.1 Construction in process (Continued)

	Closing balance	Opening balance
	VND	(Restated) VND
II. Projects belong to Airfield		
a. Constructions		
ILS Landing System - Chu Lai Airport	26,487,812,844	-
Construction of the security fence of the airport - Can Tho International Airport	5,458,632,338	5,458,632,338
Improving for runway 1A - Noi Bai International Airport	6,724,526,003	8,964,555,957
Fence system and business line of Phu Quoc International Airport	4,252,432,713	24,231,624,987
Improving for E6 airbase - Da Nang International Airport	1,495,504,698	1,495,504,698
Reinforce roof of 10 runways and taxiways - Phu Quoc Airport	-	16,196,448,244
Construction of taxiway - Phu Quoc International Airport	-	251,415,397,354
Expansion of and improve runway, taxiway - Pleiku Airport	-	11,048,833,611
Expansion of runway, taxiway - 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
	50,113,502,691	321,349,205,794
b. Major overhaul of fixed assets		
Renovation of E1, E2, E3 taxiway project - Phu Cat Airport	9,421,243,636	-
Repairing for drainage system of northern of Airfield - Noi Bai International Airport	-	5,038,379,182
Maintenance and repairing for taxiway - Can Tho International Airport- Phase 3	7,237,633,303	-
Repairing for taxiway 25R - Tan Son Nhat Internaltional Airport	2,341,414,892	3,186,239,070
Others	1,554,745,454	-
	20,555,037,285	8,224,618,252
	70,668,539,976	329,573,824,046

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15.1 Construction in process (Continued)

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) 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>738,370,016,000</u>

15.2 Constructions temporarily debited but not finalized

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Construction of T2 passenger terminal - Noi Bai International Airport	12,249,404,880,608	12,882,094,791,240
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 Airport	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	-

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15.2 Constructions temporarily debited but not finalized (Continued)

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Construction of passenger terminal - Noi Bai International Airport	235,830,514,808	235,830,514,808
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 the new E7 taxiway - 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 International Airport	49,171,581,949	49,171,581,949
Renovation of T1 passenger terminal - Noi Bai International Airport	46,674,943,554	-

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15.2 Constructions temporarily debited but not finalized (Continued)

	Closing balance	Opening balance
	VND	VND
Expansion, upgrade of runway, taxiway, airbase and airport apron - Pleiku Airport	46,222,069,135	46,222,069,135
Expansion and renovation of runway, taxiway and airport apron - Pleiku Airport (airport apron)	42,206,179,536	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
	20,894,911,778,856	21,649,691,779,652

AIRPORTS CORPORATION OF VIETNAM
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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.

16. INVESTMENTS IN JOINT VENTURE, ASSOCIATES

	Closing balance	Opening balance
	VND	(Restated) VND
Opening balance	931,107,182,564	435,686,176,162
Income from investments in joint ventures, associates Company	256,923,198,656	51,423,677,168
Disposal of investment	(176,473,200,771)	(115,550,000,000)
Transfer profit from Subsidiary to Associate due to disposal investment	754,268,410,160	194,046,517,441
Assets revaluation reserve	930,159,640,000	418,287,072,661
Profit and dividends received	(184,423,698,022)	(52,786,260,868)
	<u>2,511,561,532,587</u>	<u>931,107,182,564</u>

Details of the Corporation's joint ventures, associates as at 31 December 2017 are as follows:

Company	Charter Capital VND	Percentage of ownership %	Contribution Capital VND	Closing balance VND	Opening balance (Restated) VND
Southern Airports Services Joint Stock Company (i) (ii)	1,334,813,100,000	49.07	655,042,000,000	1,687,081,648,245	-
Saigon Ground Services Joint Stock Company (ii) (iii)	239,959,520,000	48.01	115,204,565,552	637,706,579,780	586,379,112,553
Aviation Cargo Services of Vietnam Joint Stock Company	250,000,000,000	20.00	50,000,000,000	82,245,230,023	70,587,474,656
Hanoi Ground Services Joint Stock Company	150,000,000,000	20.00	30,000,000,000	46,528,828,141	44,778,063,284
Southern Airports Aircraft Maintenance Services Company Limited (iv)	30,000,000,000	51.00	15,300,000,000	35,373,669,695	33,069,363,793
Southern Airports Transportation Joint Stock Company	43,500,000,000	30.00	13,050,000,000	15,063,709,846	14,553,375,767
Southern Airports Trading Joint – Stock Company	16,694,600,000	29.53	4,930,000,000	7,561,866,857	7,340,037,588

(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. According to the Circular 202/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance, the revaluation of subsidiaries was recognized and represented as the assets revaluation reserve. In 2016 and 2017, the Corporation has divested these two investments from subsidiaries to associates, the remaining

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ownership interests in Southern Airports Services Joint Stock Company and Saigon Ground Services Joint Stock Company are 49.81% and 48%, respectively. As at 31 December 2017, the Corporation has recognized and represented the respective revaluation differences to cost of investment with amount of VND 930,159,640,000 and VND 418,287,072,661, respectively.

(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.



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17. INVESTMENT IN OTHER ENTITIES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
Saigon Cargo Service Joint Stock Company (i)	75,000,000,000	83,489,232,759
Da Nang International Airport Investment and Exploitation Joint Stock Company	30,000,000,000	30,000,000,000
TCP Investment Joint Stock Company	19,800,000,000	19,800,000,000
Cam Ranh International Passenger Joint Stock Company	60,000,000,000	60,000,000,000
Thao Dien Real Estate Joint Stock Company	-	44,732,290,000
Tan Son Nhat Cargo Service Limited	-	15,464,785,500
Noi Bai Catering Service Joint Stock Company	-	11,810,450,000
Thanh Thanh Cong Lam Dong Tourism Joint Stock Company	-	11,542,176,000
Noi Bai Aviation Service Joint Stock Company	-	8,696,000,000
Industrial Construction Joint Stock Company	-	4,930,000,000
Phu Quoc Infrastructure Development Investment Joint Stock Company	-	2,800,000,000
Sabeco Center Trading Joint Stock Company	-	70,000,000
Viet Xuan Moi Aviation Services Joint Stock Company (ii)	-	5,000,000,000
	<u>184,800,000,000</u>	<u>298,334,934,259</u>

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

(ii) 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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18. DEFERRED TAX ASSETS

	Closing balance		Deferred tax	Opening balance (Restated)		
	Amount	Tax		Amount	Tax	Deferred tax
	<u>VND</u>	%	<u>VND</u>	<u>VND</u>	%	<u>VND</u>
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
Temporarily increased fixed assets depreciation	323,281,508,597	20%	64,656,301,719	235,527,077,189	20%	47,105,415,437
Reversal of difference from revaluation of investment in subsidiaries at the time of official transformation of Parent company into Joint Stock	-	20%	-	952,323,000,000	20%	190,464,600,000
Inadequately supported accrual expenses related to overhauls fixed assets	16,000,000,000	20%	3,200,000,000	60,709,950,986	20%	12,141,990,197
Provision for impairment of financial investments	1,300,000,000	20%	260,000,000	1,300,000,000	20%	260,000,000
Provision for diminution in value of short-term securities investment	-	20%	-	28,644,000,000	20%	5,728,800,000
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	7,253,379,127	20%	1,450,675,825
Expenses inadequately supported	73,741,500,070	20%	14,748,300,014	24,376,919,330	20%	4,875,383,866
Depreciation of investment property held for rising price	-	20%	-	4,520,308,115	20%	904,061,623
Foreign exchange (gain)/loss arising from revaluating cash and receivables in foreign	2,105,615,396	20%	421,123,079	-	0%	-
Net-off with deferred tax liabilities						
Decrease in revenue of Q4/2017 due to price adjustment	(52,000,000,000)	20%	(10,400,000,000)	-	0%	-
Foreign exchange gain arising from revaluating cash and receivables in foreign currency	-		-	(14,409,333,544)	20%	(2,881,866,709)
	444,755,583,522		88,951,116,703	1,363,592,275,438		272,718,455,086



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19. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
a. Trade payables to third parties		
New Asia Wave International (S) Pte Ltd.	242,090,867,464	199,087,892,002
International Joint Venture of Vinaconex-Taise Company Limited	128,668,690,193	118,417,732,992
Hoa Binh Construction and Real Estate Joint Stock Company	50,512,338,144	45,756,314,554
REE Mechanical and Electrical Engineering Joint Stock Company	30,991,746,544	-
VIC Joint Venture Construction Company Limited	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 Group Joint Stock Company	18,388,125,646	18,388,125,646
Autogrill 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
Thang Long Joint Stock Company	13,425,924,001	-
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
Petro IMICO Construction Investment Joint Stock Company	11,414,429,689	12,285,082,848
The Executive Board of T2 Noi Bai railway station project- package 6A, 9A	10,210,001,560	18,319,593,454
Others	485,557,010,804	804,871,226,567
b. Trade payables to related parties	3,648,372,093	3,766,246,046
(Note 41)		
	<u>1,124,603,708,409</u>	<u>1,308,984,674,898</u>

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

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

	Opening balance (Restated) VND	Payable/ Receivable during the year VND	Paid/Received during the year VND	Decrease due to loss of control right in Southern Airports VND	Closing balance VND
Tax receivables from the State budget					
Value added tax	16,510,568,252	232,863,483,963	236,820,893,870	292,829,068	12,260,329,277
Business license tax	-	28,000,000	28,000,000	-	-
Import-export duties	-	826,458,499	826,458,499	-	-
Corporate income tax	251,658,297,722	1,279,696,216,274	1,316,845,471,820	11,850,939,027	202,658,103,149
Personal income tax	39,721,858,208	174,755,137,528	213,482,704,884	1,862,683	992,428,169
Natural resources tax	144,021,537	1,971,356,401	1,954,129,014	-	161,248,924
Land tax and land rental	5,138,573,671	61,460,165,404	44,293,511,334	-	22,305,227,741
Foreign contractor	255,516,820	11,046,079,391	11,067,925,652	-	233,670,559
Profit paid to the State	62,068,723,516	-	62,068,723,516	-	-
Other taxes	813,409,323	481,857,418	1,256,310,935	3,984,742	34,971,064
	376,310,969,049	1,763,128,754,878	1,888,644,129,524	12,149,615,520	238,645,978,883
Tax payables to the State budget					
Value added tax	2,293,402,638	213,729,817	2,293,402,638	-	213,729,817
Personal income tax	14,754,057,161	16,735,666,785	13,534,161,646	1,219,895,515	16,735,666,785
Land tax and land rental	1,295,906,782	1,031,136,174	1,295,906,782	-	1,031,136,174
Foreign contractor	-	6,898,881,166	-	-	6,898,881,166
Others	12,426,146,739	-	-	12,426,146,739	-
Profit paid to the State	-	8,278,596,245	-	-	8,278,596,245
	30,769,513,320	33,158,010,187	17,123,471,066	13,646,042,254	33,158,010,187

21. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance (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	463,267,996,307
Interest expense	29,461,767,894	28,732,721,997
Flight calibration cost	11,064,228,840	9,849,721,871
Assets repairing expenses	8,110,869,184	7,179,838,493
Others	7,441,990,381	7,940,618,675
	923,724,169,842	1,294,014,258,269

22. OTHER PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
a. Current		
Payable related to equitization (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
Payable related to personal income tax for employees	80,773,478,067	45,879,837,058
Investment cost in Tho Xuan Airport	75,132,858,000	65,788,245,000
Short-term deposits and mortgages	42,602,146,796	11,910,192,907
Airport franchised expense	17,141,950,000	19,109,740,000
Business cooperation contract	6,007,826,410	12,098,861,610
Union fees	1,818,949,021	1,090,316,326
Others	7,383,616,048	2,625,749,891
	<u>3,538,730,693,897</u>	<u>3,123,530,526,143</u>
b. Non-current		
Long-term deposits and mortgages	<u>80,806,885,194</u>	<u>62,249,832,541</u>

(i) This is the amount to be remitted to the Enterprise Restructuring and Development Fund (according to Clause 3, Article 21 of Decree 59/2011), the difference between the actual value of the State capital portion in the Corporation when being 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 the 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.

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23. BONUS AND WELFARE FUNDS

	Bonus fund <u>VND</u>	Welfare Fund <u>VND</u>	Management <u>VND</u>	Total <u>VND</u>
Opening balance	540,417,489,600	139,596,648,419	2,540,472,135	682,554,610,154
Fund distribution	2,227,810,220	-	-	2,227,810,220
Fund usage	(271,830,237,559)	(127,691,899,549)	(1,059,581,248)	(400,581,718,356)
Decrease due to loss of control right in Southern Airports Services Joint Stock Company	(13,355,057,353)	(11,611,805,310)	(156,559,635)	(25,123,422,298)
Closing balance	<u>257,460,004,908</u>	<u>292,943,560</u>	<u>1,324,331,252</u>	<u>259,077,279,720</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 in accordance with the policy of management and use of bonus and welfare funds.



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24. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		During the year				Closing balance	
	Amount VND	Amount able to be VND	Increases VND	Decreases VND	Foreign exchange VND	Adjustment due to loss of VND	Amount VND	Amount able to be VND
Short-term loan								
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank") - Ho Chi Minh Branch	59,079,991,285	59,079,991,285	-	-	-	59,079,991,285	-	-
Vietnam Maritime Joint Stock Commercial Bank - Ho Chi Minh Branch	59,645,766,355	59,645,766,355	-	-	-	59,645,766,355	-	-
Current portion of long-term loans								
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
Current portion of finance lease	649,200,000	649,200,000	-	-	-	649,200,000	-	-
	262,660,987,242	262,660,987,242	148,783,534,411	145,760,637,817	1,926,319,837	119,374,957,640	148,235,246,033	148,235,246,033
Long-term loan								
Japan International Cooperation Agency (JICA) - Loan agreement No. VNIX-2 Project of construction of Tan Son Nhat International Airport Passenger Terminal by ODA fund (1)	3,438,864,710,415	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 Project of construction of Tan Son Nhat International Airport Passenger Terminal 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 Project of construction of Tan Son Nhat International Airport Passenger Terminal 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. VN11-P6 VN13-P3 Project of construction of Tan Son Nhat International Airport Passenger Terminal 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
Finance lease at ACB Leasing One Member Co., Ltd	2,596,800,000	2,596,800,000	-	-	-	2,596,800,000	-	-
	13,964,208,272,299	13,964,208,272,299	31,402,837,049	148,783,534,411	483,321,647,992	2,596,800,000	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	143,935,229,602
In the second year	148,235,246,033	143,935,229,602
In the third to fifth year inclusive	833,013,735,189	431,805,688,806
After five years	13,346,303,441,707	13,388,467,353,891
	14,475,787,668,962	14,108,143,501,901
Less: Amount due for settlement within 12 months	148,235,246,033	143,935,229,602
Amount due for settlement after 12 months	14,327,552,422,929	13,964,208,272,299



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25. OWNER'S EQUITY

Movement in owner's equity

	Owners' contributed capital	Share premium	Assets revaluation reserve	Investment and development fund	Retained earnings	Non-controlling interests	Total
	VND	VND	VND	VND	VND	VND	VND
Prior year's Opening balance	21,771,732,360,000	14,602,790,587	-	3,963,396,520	380,362,991,893	819,657,138,113	22,990,318,677,113
Profit for the year	-	-	-	-	2,726,637,170,501	159,080,152,746	2,885,717,323,247
Funds distribution	-	-	-	450,312,439,969	(753,038,595,350)	(13,663,846,611)	(316,390,001,992)
Dividend distributed	-	-	-	-	-	(36,596,866,891)	(36,596,866,891)
Shared profit for the period before 31 March 2016 to the State	-	-	-	-	(12,941,241,557)	-	(12,941,241,557)
Assets revaluation reserve	-	-	(953,183,743,327)	-	-	-	(953,183,743,327)
Bonus and welfare fund deducted from the profit of prior year of associates	-	-	-	-	(336,729,933)	-	(336,729,933)
Decrease due to loss of control right in Southern Airports Services Joint Stock Company	-	-	-	(3,963,396,520)	(33,061,909,590)	(156,236,379,593)	(193,261,685,703)
Prior year's Closing balance (Restated)	21,771,732,360,000	14,602,790,587	(953,183,743,327)	450,312,439,969	2,307,621,685,964	772,240,197,764	24,363,325,730,957
Profit for the year	-	-	-	-	4,100,501,029,638	21,219,148,933	4,121,720,178,571
Investment and development Funds distribution	-	-	-	251,996,690,491	(251,996,690,491)	(891,124,088)	(891,124,088)
Others Funds distribution	-	-	-	-	(1,336,686,132)	-	(1,336,686,132)
Dividend distributed	-	-	-	-	(1,306,303,941,600)	(3,200,000,000)	(1,309,503,941,600)
Adjustment due to loss of control right in Southern Airports Services Joint Stock Company	-	-	952,323,000,000	(297,157,479)	297,157,478	(742,002,652,035)	210,320,347,964
Others	-	-	860,743,327	-	-	-	860,743,327
Current year's Closing balance	21,771,732,360,000	14,602,790,587	-	702,011,972,981	4,848,782,554,857	47,365,570,574	27,384,495,248,999

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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 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); Bonus and welfare fund and Management funds with the amounts of VND 286,382,296,200; and VND 2,119,162,500, respectively.

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).

During the year, Noi Bai Aviation Fuel Services Joint Stock Company - a subsidiary company - distributed funds from profit not yet distributed in 2016 including: bonus and welfare fund and dividend payment with the amount of VND 2,227,810,121 and VND 8,000,000,000, respectively.

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.

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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:

	Closing balance			Opening balance		
	Share	%	VND	Share	%	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
	2,177,173,236	100	21,771,732,360,000	2,177,173,236	100	21,771,732,360,000

26. OFF BALANCE SHEET ITEMS

Foreign currencies

	Closing balance	Opening balance
- United States Dollar ("USD")	6,579,341.29	49,313,232.17
- Euro ("EUR")	201.15	442.78
- Australian Dollar ("AUD")	-	12,960.01
- British Pound ("GBP")	-	1,640.01
- Singapore Dollar ("SGD")	-	16,601.00
- Thai Baht ("THB")	-	35,810.00
- Canadian Dollar ("CAD")	-	1,700.00
- Swiss Franc ("CHF")	-	1,850.00
- Hong Kong Dollar ("HKD")	-	26,660.00
- Japanese Yen ("JPY")	-	899,000.00
- New Zealand Dollar ("NZD")	-	110.00

	Closing balance	Opening balance
	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
	3,146,749,763,546	2,509,809,867,696
Bad debts written off	44,517,571,868	44,517,571,868
Goods held under trust	618,127,481	600,103,549

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27. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Sales of merchandise and services		
In which:		
Sales of aviation and non-aviation service	12,411,855,056,035	8,238,740,963,600
Sales of goods	1,404,403,177,442	1,849,888,789,535
Sales of guest room	-	304,323,821,866
Others	57,153,762,224	326,264,081,067
	<u>13,873,411,995,701</u>	<u>10,719,217,656,068</u>
Deductions		
Sales return	-	(40,662,155)
Sales rebate	(43,196,975,646)	(28,590,672,977)
	<u>(43,196,975,646)</u>	<u>(28,631,335,132)</u>
Net sales of merchandise and services	<u>13,830,215,020,055</u>	<u>10,690,586,320,936</u>

28. COST OF SALES

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Cost of aviation and non-aviation service	7,232,030,448,030	5,117,045,971,946
Cost of goods sold	934,280,644,267	1,291,137,477,171
Cost of guest room	-	44,531,615,899
Cost of other activities	16,033,474,084	137,323,837,546
	<u>8,182,344,566,381</u>	<u>6,590,038,902,562</u>

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29. PRODUCTION COST BY NATURE

	Curent year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Salary expenses	2,302,686,057,422	1,776,418,795,882
Materials, tools and office supplies	94,663,111,146	165,774,016,149
Depreciation and amortisation	4,163,614,362,445	3,330,133,039,872
Taxes, fees and charges	75,724,219,303	51,122,451,399
Repair of fixed assets	335,031,118,849	166,160,353,376
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	248,537,343,890	480,518,554,754
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	150,066,348,430
Other monetary expenses	184,140,431,096	132,019,476,618
Reversal of doubtful debts	2,156,180,521	38,764,157,093
	<u>8,345,118,360,349</u>	<u>6,787,612,917,071</u>

30. FINANCIAL INCOME

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Interest income	1,065,834,991,523	626,631,954,747
Foreign exchange gain during year/ period	12,967,415,901	20,069,045,974
Foreign exchange gain arising from translating foreign currency items	-	247,502,879,139
Dividends	40,763,660,278	52,864,250,820
Income from divestment	2,095,146,809	195,467,169,889
Others	-	(186,333,585)
	<u>1,121,661,214,511</u>	<u>1,142,348,966,984</u>

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31. FINANCIAL EXPENSES

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Interest expense	96,165,565,685	76,487,464,126
Foreign exchange loss during year/ period	10,948,406,306	20,401,611,027
Foreign exchange loss arising from translating foreign currency items	489,588,948,149	10,627,054,510
Provision for impairment of investments in TCP Investment Joint	-	29,944,000,000
Provision for impairment of investments	9,262,931,164	-
Others	268,384,790	(3,599,649,600)
	606,234,236,094	133,860,480,063

32. SELLING EXPENSES

	Current year	From 1/4/2016 to 31/12/2016
	VND	VND
Labor cost	84,296,328,371	147,647,275,290
Materials, packaging cost	886,199,532	2,452,842,583
Tools, stationery cost	2,216,472,139	9,837,720,820
Fixed assets depreciation and amortization	683,577,261	7,246,368,981
Administration cost of business cooperation	135,838,347,827	184,588,520,615
Repair cost	1,525,107,524	-
Outsource service	17,622,508,976	88,363,393,928
Franchising cost	-	33,302,000,362
Others	50,185,628,295	54,079,574,548
	293,254,169,925	527,517,697,127

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33. GENERAL AND ADMINISTRATION EXPENSES

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Management staff cost	506,389,446,161	501,025,622,465
Materials, stationery cost	9,786,426,242	49,945,768,048
Fixed assets depreciation and amortization	53,879,882,664	53,452,186,056
Taxes, fees and charges	14,138,192,541	57,244,906,509
Repair of fixed assets	7,894,044,849	5,112,192,576
Property rental fee	-	-
Electricity, water and communications	14,770,563,865	8,649,137,217
Other outsource services	14,288,441,618	36,418,831,189
Benefits for employees	110,792,048,540	26,374,224,356
Per diem	21,414,866,966	15,801,297,312
Franchising cost	-	8,459,550,495
Other monetary expenses	56,111,494,731	99,869,788,853
Provision for doubtful debts	-	25,433,415,104
Reversal of provision for doubtful debts	(843,819,479)	-
Goodwill allocation cost	-	9,687,640,428
	808,621,588,698	897,474,560,608

34. OTHER INCOME

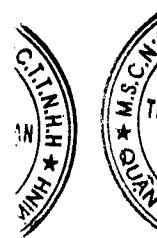
	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Disposal of fixed assets	12,797,383,430	2,594,515,155
Penalties	3,010,096,919	805,224,940
Insurance compensation	7,957,859,826	2,379,166,142
Proceeds from selling support, promotion	-	6,224,149,629
Others	3,755,460,482	3,759,665,304
	27,520,800,657	15,762,721,170

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35. OTHER EXPENSES

	<u>Current year</u>	<u>From 1/4/2016</u>
	VND	to 31/12/2016
		VND
Depreciation of asset pending for liquidation	337,469,274	2,138,455,612
Depreciation of assets not used for productions	1,070,813,628	-
Disposals of fixed assets	-	566,233,187
Penalties	406,629,810	219,472,232
Cost of revaluation of fixed assets which have been fully depreciated but are still in use	-	18,324,957,955
Land rental in Hong Ha Street	-	24,376,919,332
Fuel and materials handed over to Saigon Ground Services Joint Stock	-	1,133,377,947
Others	576,917,074	4,029,598,910
	<u>2,391,829,786</u>	<u>50,789,015,175</u>



36. CORPORATE INCOME TAX EXPENSE

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

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Profit before tax	5,343,473,842,995	3,700,441,030,723
Adjustments for assessable income		
Adjustments to increase assessable income	540,339,110,394	380,377,038,050
Adjustments to decrease assessable income	(583,335,433,963)	(612,569,056,384)
+ Other adjustments to decrease assessable income	-	(27,181,306,225)
<i>Eliminate provision for investment in Aviation Petro Commercial Joint Stock Company</i>	-	(9,262,931,164)
<i>Adjust divestment interest in Saigon Ground Services Joint Stock Company</i>	-	(17,918,375,061)
+ Non-assessable income	(40,763,660,278)	(92,101,963,247)
Taxable income	5,259,713,859,148	3,348,965,742,917
Normal tax rate	20%	20%
Corporate income tax payable	1,051,942,771,830	669,793,148,583
Adjustments for corporate income tax expenses	33,365,599	(357,871,649)
Current corporate income tax expense	1,051,976,137,429	669,435,276,934

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

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37. DEFERRED CORPORATION INCOME TAX EXPENSES

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Deferred corporate income tax expenses (details in Note 18)		
- Reversal of deferred tax assets	190,464,600,000	172,086,754,427
- Reversal of deferred tax liabilities	(1,852,586,233)	-
- Deductible temporary differences	(29,478,271,849)	(28,650,910,118)
- Taxable temporary differences	10,643,785,077	1,852,586,233
	<u>169,777,526,995</u>	<u>145,288,430,542</u>

38. BASIC EARNINGS PER SHARE

	Current year	From 1/4/2016 to 31/12/2016 (Restated)
	VND	VND
Profits attributable to the Company's shareholders	4,100,501,029,638	2,726,637,170,501
Appropriation to Bonus and Welfare fund	(1,336,686,132)	(298,351,718,028)
Earnings for the purpose of calculating basic earnings per share	4,099,164,343,506	2,428,285,452,473
Weighted average number of ordinary shares	2,177,173,236	2,177,173,236
Basic earnings per share	<u>1,883</u>	<u>1,115</u>

39. COMMITMENTS

Operating lease commitments

	Current year
Minimum lease payments under operating leases recognised in income statement for the year	<u>68,604,136,645</u>

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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>
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.

40. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segment

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

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

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



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

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

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Segment information from 1 April 2016 to 31 December 2016 about the Corporation's business is presented below:

Items	Services VND	Selling goods VND	Room services VND	Others VND	Total VND
OPERATING RESULTS					
Net revenue from goods sold	8,210,150,290,623	1,849,848,127,380	304,323,821,866	326,264,081,067	10,690,586,320,936
Revenue from goods sold and services	8,210,150,290,623	1,849,848,127,380	304,323,821,866	326,264,081,067	10,690,586,320,936
Segment expense					
- <i>Cost of goods sold</i>	5,117,045,971,946	1,291,137,477,171	44,531,615,899	137,323,837,546	6,590,038,902,562
- <i>Selling expenses</i>	-	527,517,697,127	-	-	527,517,697,127
Segment-based operating result	3,093,104,318,677	31,192,953,082	259,792,205,967	188,940,243,521	3,573,029,721,247
Expenses unallocated as per segment					
General and administration expenses					897,474,560,608
Financial income					1,142,348,966,984
Financial expenses					133,860,480,063
Other income					15,762,721,170
Other expenses					50,789,015,175
Income from investments in joint ventures					51,423,677,168
Current corporate income tax expense					669,435,276,934
Deferred corporate income tax expense					145,288,430,542
Net profit after corporate income tax					2,885,717,323,247
Assets unallocated as per segment					46,614,305,497,137
Liabilities unallocated as per segment					22,250,979,766,180



41. 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.

Salary of key management

	<u>Current year</u>	<u>From 1/4/2016</u>
	VND	to 31/12/2016
		VND
Salary of Board of Directors and Executive Officers	9,933,280,000	4,554,000,000
Salary of Board of Supervisors	<u>1,395,466,784</u>	<u>621,082,992</u>
	<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
Southern Airports Services Joint Stock Company	Associate
Saigon Ground Services Joint Stock Company	Associate
Hanoi Ground Services Joint Stock Company	Associate
Southern Airports Trading Joint – Stock Company	Associate
Southern Airports Transportation Joint Stock Company	Associate
Aviation Cargo Services of Vietnam Joint Stock Company	Associate
Southern Airports Aircraft Maintenance Services Company Limited	Joint venture

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During the year/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 Company	269,850,090,893	156,063,152,099
Saigon Ground Services Joint Stock Company	180,637,709,272	162,833,489,070
Hanoi Ground Services Joint Stock Company	101,312,999,514	69,048,164,595
Southern Airports Aircraft Maintenance Services Company Limited	6,257,959,262	3,892,495,406
Southern Airports Transportation Joint Stock Company	7,884,384,646	6,309,378,336
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>572,076,060,623</u>	<u>400,769,449,157</u>
Purchase from related parties		
Southern Airports Services Joint Stock Company	15,186,121,715	5,235,332,916
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
	<u>27,739,659,518</u>	<u>10,809,391,159</u>

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

	Closing balance VND	Opening balance VND
Trade receivables		
Southern Airports Services Joint Stock Company	26,666,373,404	20,338,122,916
Saigon Ground Services Joint Stock Company	30,719,632,109	40,721,056,216
Hanoi Ground Services Joint Stock Company	9,697,664,628	8,481,417,734
Southern Airports Aircraft Maintenance Services Company Limited	245,738,355	152,129,779
Southern Airports Transportation Joint Aviation Cargo Services of Vietnam Joint Stock Company	2,975,647,062 602,173,074	952,381,472 5,414,328
Southern Airports Trading Joint Stock Company	-	14,533,667,100
	70,907,228,632	85,184,189,545
Payables to suppliers		
Southern Airports Services Joint Stock Company	2,591,189,680	2,578,908,200
Hanoi Ground Services Joint Stock Company	1,022,325,700	1,097,962,799
Saigon Ground Services Joint Stock Company	-	-
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
	3,648,372,093	3,766,246,046
Other receivables		
Saigon Ground Services Joint Stock Company	-	8,400,027,125
Southern Airports Services Joint Stock Company	-	10,649,797,759
Aviation Cargo Services of Vietnam Joint Stock Company	-	15,000,000,000
Hanoi Ground Services Joint Stock Company	1,500,000,000	-
	1,500,000,000	34,049,824,884

42. 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.

43. 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 28,732,721,997), 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 552,315,530,561 (for the period from 1 April 2016 to 31 December 2016: VND 395,378,997,306), 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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44. INFORMATION RELATE TO AIRFIELD'S OPERATION

Content	From 1/4/2016 to 31/12/2016	
	Current year VND	(Restated) VND
I. Revenue	1,991,946,215,757	1,299,529,555,524
1. <i>Sales of take-off and landing service</i>	2,082,314,426,436	1,371,262,389,222
Deductions	90,543,029,190	71,732,833,698
Gross Profit	1,991,771,397,246	1,299,529,555,524
2. <i>Other income</i>	174,818,511	-
II. Expenses	1,079,663,794,917	699,535,375,530
1. <i>Operating expense</i>	851,593,189,707	549,536,830,531
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
2. <i>Corporation income tax</i>	228,070,605,210	149,998,544,999
III. Difference in revenue-expenses	912,282,420,840	599,994,179,994
IV. Other relevant information:		
1. Addition of fixed assets in year/period	709,649,937,864	267,128,493,120
2. 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>		
3. 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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45. RETROSPECTIVE ADJUSTMENTS OF PRIOR YEAR FIGURES

Retrospective adjustments are made in accordance with the State Audit Minutes for the period from 1 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:

Consolidated Balance sheet as at 31 December 2016				
	Codes	As previously reported VND	Restatement VND	Changes VND
Short-term trade receivables	131	1,699,653,691,921	1,708,798,135,264	9,144,443,343
Short-term advances to suppliers	132	918,588,403,555	907,474,123,574	(11,114,279,981)
Other short-term receivables	136	1,712,502,140,127	1,953,804,793,354	241,302,653,227
Taxes and other receivables to the State budget	153	117,847,359,072	30,769,513,320	(87,077,845,752)
Other long-term receivables	216	480,301,101,176	738,330,485,953	258,029,384,777
Tangible fixed assets	221	21,673,876,099,121	21,391,662,012,735	(282,214,086,386)
- Cost	222	35,952,955,191,353	35,306,124,967,362	(646,830,223,991)
- Accumulated depreciation	223	(14,279,079,092,232)	(13,914,462,954,627)	364,616,137,605
Intangible assets	227	29,650,278,225	29,776,945,095	126,666,870
- Cost	228	47,687,216,360	47,687,216,360	-
- Accumulated depreciation	229	(18,036,938,135)	(17,910,271,265)	126,666,870
Long-term construction in progress	242	738,376,356,617	738,370,016,000	(6,340,617)
Investments in joint-ventures, associates	252	957,485,920,465	931,107,182,564	(26,378,737,901)
Equity investments in other entities	253	299,053,465,162	298,334,934,259	(718,530,903)
Long-term prepayments	261	92,095,521,807	105,457,002,016	13,361,480,209
Deferred tax assets	262	252,490,605,693	272,718,455,086	20,227,849,393
Goodwill	269	857,090,700,000	-	(857,090,700,000)
Short-term trade payables	311	1,307,996,288,635	1,308,984,674,898	988,386,263
Taxes and amounts payable to the State budget	313	193,602,430,215	376,310,969,049	182,708,538,834
Payables to employees	314	1,128,932,612,583	1,134,698,482,583	5,765,870,000
Short-term accrued expenses	315	1,311,779,052,093	1,294,014,258,269	(17,764,793,824)
Other current payables	319	3,327,275,989,144	3,123,530,526,143	(203,745,463,001)
Assets revaluation reserve	416	-	(953,183,743,327)	(953,183,743,327)
Retained earnings	421	2,058,397,248,325	2,307,621,685,964	249,224,437,639
- Retained earnings accumulated to the prior period end	421a	248,888,044,845	411,174,860,185	162,286,815,340
- Retained earnings of the current period	421b	1,809,509,203,480	1,896,446,825,779	86,937,622,299
Non-controlling interests	429	758,641,474,069	772,240,197,764	13,598,723,695

Consolidated Income Statement from 1/4/2016 to 31/12/2016				
	Codes	As previously reported VND	Restatement VND	Changes VND
Gross revenue from goods sold and services rendered	01	10,675,051,669,878	10,719,217,656,068	44,165,986,190
Cost of sales	11	6,726,951,100,769	6,590,038,902,562	(136,912,198,207)
Financial income	21	1,130,365,830,359	1,142,348,966,984	11,983,136,625
Financial expenses	22	137,630,862,963	133,860,480,063	(3,770,382,900)
Income from investments in joint ventures	24	51,220,849,052	51,423,677,168	202,828,116
General and administration expenses	26	980,761,270,324	897,474,560,608	(83,286,709,716)
Other income	31	15,071,795,156	15,762,721,170	690,926,014
Accounting profit before tax	50	3,419,428,862,955	3,700,441,030,723	281,012,167,768
Current corporate income tax expense	51	631,018,421,107	669,435,276,934	38,416,855,827
Deferred corporate tax expense	52	70,382,538,604	145,288,430,542	74,905,891,938
Net profit after tax	60	2,718,027,903,244	2,885,717,323,247	167,689,420,003

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Codes	As previously reported	Restatement	Changes
	VND	VND	VND
01	3,419,428,862,955	3,700,441,030,723	281,012,167,768
02	3,440,648,260,534	3,293,756,660,119	(146,891,600,415)
08	5,898,182,325,394	6,032,302,892,747	134,120,567,353
09	(732,549,530,693)	(905,981,262,945)	(173,431,732,252)
11	2,438,453,722,750	2,457,133,614,890	18,679,892,140
12	119,387,179,556	98,780,870,152	(20,606,309,404)
20	5,629,050,167,920	5,587,812,585,757	(41,237,582,163)
21	(2,221,633,277,715)	(2,207,492,964,356)	14,140,313,359
25	(56,940,000,000)	(29,842,731,196)	27,097,268,804
30	(2,597,161,555,672)	(2,555,923,973,509)	41,237,582,163

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

Le Manh Hung
Chief Executive Officer
31 March 2018

