

**INVESTORS SHOULD CAREFULLY READ THIS PROSPECTUS AND THE AUCTION REGULATION IN ITS ENTIRETY BEFORE MAKING A DECISION TO PURCHASE**

# **PROSPECTUS**

## **INITIAL PUBLIC OFFERING**

### **AIRPORTS CORPORATION OF VIETNAM**

#### **THE AUCTIONEER**



##### **HO CHI MINH STOCK EXCHANGE**

Address: 16, Vo Van Kiet St, Dist. 1, Ho Chi Minh City

Tel: (84.8) 38217713 Fax: (84.8) 38217452

#### **THE ISSUER**



##### **AIRPORTS CORPORATION OF VIETNAM**

Address: 58, Truong Son St., Ward 2, Tan Binh Dist., Ho Chi Minh City.

Tel: (84.8) 38485383 Fax: (84.8) 38445127

#### **THE FINANCIAL ADVISOR**



##### **BIDV SECURITIES COMPANY**

Head office: 10 – 11 fl, BIDV Tower, 35 Hang Voi, Hoan Kiem Dist., Hanoi

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## **PART 1. FOREWORD**

This Prospectus, for the purposes of information disclosure, is a part of the equitization process and the initial public offering of shares of common stock ("IPO") of Airports Corporation of Vietnam ("ACV").

Prospective investors are advised to rely only on the information as presented in (i) the Prospectus, (ii) the Bidding Form, and (iii) the Auction Regulation, issued by the Auctioneer before deciding to invest in our common stocks. No person has been authorized, in connection with the offering, to give any information or to make any representation other than those contained in this Prospectus. Prospective investors should consult their own professional advisors regarding any potential misinterpretation of information presented herein.

We are a wholly State-owned enterprise, currently operating under the legal framework of Vietnam. Our equitization would combine the sale of the Government of Vietnam's existing ownership and an issuance of additional shares. We expect the Government of Vietnam to maintain a 75% ownership in our post-equitization company.

After our incorporation, we will operate as a joint-stock business entity. Any existing legal rights, obligations, and benefits as stated under the legal framework of Vietnam would be carried forward to the newly incorporated legal entity. Upon obtaining our certificate of business registration, we will have legal capacity as defined under Vietnam legislative system, together with our corporate seal and account(s). The newly incorporated entity will operate under the legal framework of the Government of Vietnam and our Corporate Charter.

Investors holding our shares will become our Shareholders and reserve all associated rights and obligation as stated under our Corporate Charter and Vietnam legislative system.

## PART 2. SUMMARY

### 1. THE INITIAL PUBLIC OFFERING

Number of shares offered in the public offering .....	77.804.122 shares
Class of shares .....	Common stock
Par value .....	10.000 VND/share
Starting price .....	11.800 VND/share
Minimum bidding volume .....	100 shares
Maximum bidding volume .....	77.804.122 shares
Allocation method .....	2-level auction at Ho Chi minh Stock Exchange
Eligible subscribers .....	Individual and institutional investors meeting the requirements as stated in The Auction Regulation of Airports Corporation of Vietnam
Prospectus distribution .....	Available at the agencies listed in the Auction Regulation, their websites and at <a href="http://www.hsx.vn">http://www.hsx.vn</a> ; <a href="http://bsc.com.vn">http://bsc.com.vn</a> ; <a href="http://vietnamairport.vn">http://vietnamairport.vn</a>
Subscription venue .....	At designated agencies as stated in the Auction Regulation of Airports Corporation of Vietnam
Deadlines for Subscription Form, Deposit, and Bidding Form submission: .....	As stated in the Auction Regulation of Airports Corporation of Vietnam
Deposit .....	10% of total subscription value, calculated at the starting price
Deadline for Bidding Form submission at the auction agents .....	As stated in the Auction Regulation of Airports Corporation of Vietnam
Auction location .....	Ho Chi Minh Stock Exchange, No. 16, Vo Van Kiet Str., 1 Dist., Ho Chi Minh City
Payment method, payment deadline, and deposit refund .....	As stated in the Auction Regulation of Airports Corporation of Vietnam

## 2. EXPECTED POST-IPO OWNERSHIP STRUCTURE

Ownership structure	Number of shares (in shares)	Par value (in VND)	Percent
The Government of Vietnam .....	1.682.323.878	16.823.238.780.000	75,00%
Shares offered to the company employees .....	31.347.800	313.478.000.000	1,40%
<i>Shares offered to employees at preferential rate     according to seniority .....</i>	<i>9.220.000</i>	<i>92.200.000.000</i>	<i>0,41%</i>
<i>Shares offered at preferential rate according to     working commitment with the Company .....</i>	<i>22.127.800</i>	<i>221.278.000.000</i>	<i>0,99%</i>
Shares offered to ACV's trade union .....	3.003.003	30.030.030.000	0,13%
Shares offered to strategic investor(s) .....	448.619.701	4.486.197.010.000	20,00%
Shares offered in the initial public offering .....	77.804.122	778.041.220.000	3,47%
<b>Total. ....</b>	<b>2.243.098.504</b>	<b>22.430.985.040.000</b>	<b>100%</b>

### **PART 3. THE PUBLIC OFFERING**

#### **1. LEGAL BASIS**

##### **1.1. Regulations relevant to the equitization of State Owned Enterprises**

- Decree No. 59/2011/ND-CP dated 18/7/2011 by the Government of Vietnam regarding the transformation of wholly State-owned enterprise into joint stock company;
- Decree No. 189/2013/ND-CP dated 20/11/2013 by the Government of Vietnam amending and supplementing a number of articles in Decree 59/2011/ND-CP;
- Circular No. 196/TT-BTC dated 26/12/2011 by the Vietnam Ministry of Finance on the initial public offering and use of proceeds of 100% state-owned enterprises;
- Circular No. 127/2014/TT-BTC dated 05/09/2014 by the Vietnam Ministry of Finance on setting guidelines for financial restructuring and settlement, the valuation in the transformation of wholly State-owned enterprises into joint-stock companies;
- Decree No. 91/2011/ND-CP dated 20/10/2010 by the Government of Vietnam on policies for redundancy payment and compensation in the restructuring of State-owned, single-member limited liability company;
- Circular No. 33/2012/TT-BLDTBXH dated 20/12/2012 by the Vietnam Ministry of Labour, Invalids and Social Affairs setting guideline for redundancy benefits stated in Decree 59/2011/ND-CP dated 18/07/2011 the Government of Vietnam regarding the transformation of wholly State-owned enterprise into joint stock company;
- Circular No. 26/2013/TT-BTNMG dated 26/09/2013 by the Vietnam Ministry of Natural Recourses and Environment providing guideline for the determination of land areas to be excluded from the value of enterprises under Article 31 of the Government of Vietnam's Decree No. 59/2011/ND-CP dated 18/07/2011, regarding the transformation of wholly State-owned enterprise into joint stock company;
- Circular No.138/2012/TT-BTC dated 20/8/2012 by the Ministry of Finance on the allocation of goodwill value to joint-stock companies transformed from State-owned companies;
- Circular No. 10/2013/TT-BTC dated 18/01/2013 by the Ministry of Finance on the management and use of enterprise restructuring fund in the parent company of State-owned conglomerate, corporation, and the parent company in the parent – subsidiaries company structure conglomerate;
- Other relevant regulations.



## **1.2. Legal basis for Airports Corporation of Vietnam's equitization**

- Dispatch No.3160/VPCP-DMDN dated 07/05/2014 by the Government Office on the equitization of Airports Corporation of Vietnam;
- Decision No.1827/QD-BGTVT dated 15/05/2014 by the Ministry of Transport ratifying the list of state-owned enterprises to be equitized;
- Decision No. 837/QD-BGTVT dated 24/03/2014 by the Vietnam Ministry of Transport on the establishment of Airports Corporation of Vietnam's equitization steering committee;
- Decision No.4839/QD-BGTVT dated 22/12/2014 by the Vietnam Ministry of Transport on changes to Airports Corporation of Vietnam's equitization steering committee members;
- Dispatch No.6757/BGTVT-QLDN dated 10/06/2014 by the Vietnam Ministry of Transport on Airports Corporation of Vietnam's valuation date for equitization;
- Dispatch No. 16839/BGTVT-QLDN dated 25/12/2014 by the Vietnam Ministry of Transport on the financial restructuring and settlement for the equitization of Airports Corporation of Vietnam;
- Decision No. 5114/QD-BGTVT dated 31/12/2014 by the Vietnam Ministry of Transport approving the valuation result of Airports Corporation of Vietnam;
- Decision No.1710/QD-TTg dated 06/10/2015 by the Prime Minister approving Airports Corporation of Vietnam's equitization plan.
- Dispatch No. 14222/BGTVT-QLDN dated 26/10/2015 by the Vietnam Ministry of Transport on updating and amending the equitization plan of Airports Corporation of Vietnam;
- Decision No.3787/QD-BGTVT dated 26/10/2015 by Vietnam Ministry of Transport approving the auction starting price of Airports Corporation of Vietnam;

## **2. AUCTIONEER, ISSUER AND FINANCIAL ADVISOR'S CONTACTS**

### **2.1. Auctioneer's contact**

Auctioneer: Ho Chi Minh Stock Exchange  
Head office: No. 16, Vo Van Kiet Str., 1 Dist., Ho Chi Minh City  
Telephone: (84.8) 38217713  
Fax: (84.8) 38217452  
Website: [www.hsx.vn](http://www.hsx.vn)

### **2.2. Issuer's contact**

Issuer: Airports Corporation of Vietnam  
Trading name: ACV  
Headquarter: 58 Truong Son, 2 Ward, Tan Binh Dist., Ho Chi Minh City  
Telephone: (84.8) 38485383  
Fax: (84.8) 38445127  
Website: <http://www.vietnamairport.vn/>

### **2.3. Financial Advisor's contact**

Financial Advisor: Bank for Investment & Development of Vietnam Security Joint-stock Company  
Headquarter: 10-11th floor BIDV Tower, 35 Hang Voi Str., Hoan Kiem Dist, Ha Noi  
HCMC Branch: 9th Floor – 146 Nguyen Cong Tru Str., District 1, Ho Chi Minh City  
Telephone: (84.4) 39352722  
Fax: (84.4) 22200669  
Website: [www.bsc.com.vn](http://www.bsc.com.vn)



### **3. THE RESPONSIBLES FOR INFORMATION RELATING TO AIRPORTS CORPORATION OF VIETNAM'S EQUITIZATION**

#### **3.1. Representative of Airports Corporation of Vietnam's Equitization Steering Committee**

Nguyen Nguyen Hung ..... Chairman of Airports Corporation of Vietnam and Head of the Committee

#### **3.2. Representative of the issuer**

Nguyen Nguyen Hung ..... Chairman of Airports Corporation of Vietnam

The aforementioned individuals are responsible for the accuracy, integrity, and legality of the information contained herein, in order for investors to make reasonable assessment regarding our assets, operation, financial performance, and prospect before subscribing for our common stocks.

#### **3.3. Representative of the Financial Advisor**

Do Huy Hoai ..... CEO of Bank for Investment and Development of Vietnam Securities JSC

The Financial Advisor, Bank for Investment and Development of Vietnam Securities Joint Stock Company (BSC), has prepared this prospectus, including the wording and assessment contained herein, on a reasonable and prudent basis using the information provided by Airports Corporation of Vietnam. BSC has followed the guidelines as required by applicable laws without providing any assurance to the value of the securities.

#### 4. ABBREVIATION AND GLOSSARY

The following is a list of abbreviation, terms, metrics and definitions relating to the operation of ACV

“ACV”, “The Company”	The parent company of Airports Corporation of Vietnam, and the issuer in the IPO
“Decision 1992”	Decision No.1992/QD-BTC dated 15/08/2014 by the Vietnam Ministry of Finance on charges applicable for aviation services at Vietnam airports
“Decree 189”	Decree No. 189/2013/ND-CP dated 11/20/2013 by the Government of Vietnam, amending and supplementing a number of articles of Decree 59/2011/ND-CP
“Decree 59”	Decree No. 59/2011/ND-CP dated 18/7/2011 by the Government of Vietnam regarding the transformation of wholly State-owned enterprise into joint stock company
ALC2	Asset Leasing Company No. 2
CAPA	Centre for Aviation
CLMV	Cambodia – Laos – Myanmar – Vietnam region
Equitization	A Vietnamese term that denotes the transformation of a state-owned enterprise in Vietnam into a public limited company.
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ILS	Instrument Landing System – a ground-based instrument approach system that provides precision lateral and vertical guidance to an aircraft approaching and landing on a runway.
Manoeuvring Area Assets	The collection of assets within an airport Manoeuvring Area as defined in Dispatch 595/HDTV dated 22/05/2014 by the Member’s Council of Airports Corporation of Vietnam, and were ratified by the Government of Vietnam in Dispatch No. 1100/VPCP-DMDN dated 11/02/2015.
SOE	State-Owned Enterprise
PBN	Performance Based Navigation
PCN	Pavement Classification Number, a measure of the load-carrying capacity of airport pavement
ROA	Return on Assets
ROE	Return on Equity

**ICAO airport codes of domestic airports**

BMV .....	Buon Ma Thuot Airport
CXR .....	Cam Ranh International Airport
DAD .....	Da Nang International Airport
HAN .....	Noi Bai International Airport
HPH .....	Cat Bi Airport
HUI .....	Phu Bai International Airport
PQC .....	Phu Quoc International Airport
SGN .....	Tan Son Nhat International Airport
UIH .....	Phu Cat Airport
VCA .....	Can Tho International Airport
VII .....	Vinh Airport

**ICAO airport codes of international airports**

BKK .....	Survarnabhumi International Airport – Thailand
CAN .....	Guangzhou Baiyun International Airport
HKG .....	Chek Lap Kok International Airport – Hong Kong
ICN .....	Incheon International Airport – Korea
KUL .....	Kuala Lumpur International Airport – Malaysia
PVG .....	Shanghai Pudong International Airport – Shanghai
SIN .....	Changi International Airport – Singapore
SZX .....	Shenzhen Bao'an International Airport
TPE .....	Taoyuan International Airport – Taiwan
VTE .....	Vientianne International Airport – Laos

**Abbreviation of airports' name**

TIA .....	Tan Son Nhat International Airport
NIA .....	Noi Bai International Airport

**Currency**

USD .....	US Dollar
JPY .....	Japanese Yen
VND .....	Vietnamese Dong



## 5. FORWARD-LOOKING STATEMENT

A number of sections in this Prospectus contain forward-looking statements, most notably in the “Post-IPO Strategic Direction”. These statements express the intent, belief, forecast or current expectations of the management with respect to our business, operating results and financial condition. Many important factors, in addition to those discussed elsewhere in this prospectus, could cause our actual results to differ substantially from those anticipated in our forward-looking statements.

Forward-looking statements reflect our current views with respect to, but not limited to:

- Our company structure after equitization;
- Changes in the operating and legal environment of Vietnam aviation industry;
- Our business strategy and its implementation;
- Our operating result forecast for the 2016-2020 period;
- Our relationship and collaboration with foreign strategic investors, and the potential support of such investors’ in our management and operation.

In addition, all statements regarding our financial performance, objectives, strategies, business model, organizational structure and operation, business plan and its implementation after equitization are forward-looking. In many cases, but not all, we use such words as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “probability,” “project,” “risk,” “seek,” “should,” “target,” “forecast” and similar expressions in relation to us or the Management to identify forward-looking statements. While we believed that such projections are reasonable, these statements are not necessarily accurate indications of future results.

Except for disclosure as required by law once we become a joint-stock company, we take no obligation to update, publish or revise any forward-looking statements in this Prospectus, whether as a result of new information, future events or other circumstances. Prospective investors are cautioned not to place undue reliance on forward-looking statements as presented in the Prospectus.

**6. PRESENTATION OF FINANCIAL AND OTHER RELATED INFORMATION**

All data and references in this Prospectus, except where stated otherwise, are compiled from internal sources. These include, but are not limited to, the Company's financial statements, periodic performance reports, among others. Certain figures included in this Prospectus have been subject to rounding or truncation adjustments and figures shown as totals in certain tables and statements may not be an arithmetic aggregation of the figures that precede them. This presentation is deemed not being able to materially affect potential investors' assessment of the value of the securities.

## PART 4. OUR BUSINESS PRIOR TO EQUITIZATION

### 1. INTRODUCTION

#### 1.1. General information

Vietnamese name.....	Tổng công ty Cảng hàng không Việt Nam
English name .....	Airports Corporation of Vietnam
Transaction name.....	Airports Corporation of Vietnam
Abbreviated name .....	ACV
Type of ownership .....	Single-member limited liability company
Headquarter .....	58 Truong Son, Ward 2, Tan Binh Dist., Ho Chi Minh city
Telephone .....	(84.8) 38485383
Website .....	<a href="http://www.vietnamairport.vn/">http://www.vietnamairport.vn/</a>
Tax identification number .....	0311638525
Logo .....	



#### 1.2. Scope of business

According to Business Registration No. 0311638525, issued by Ho Chi Minh Department of Planning and Investment, amended for the 5<sup>th</sup> time on 27/05/2015, our scope of business can be summarized as follows:

##### Auxiliary Aviation Services

- Airport investment; financial management the investment of airport;
- Management and operation of airport, including its facilities and equipment;
- Security and safety management at airport;
- Aircraft and aircraft technical equipment maintenance; ground handling; passenger terminal and cargo terminal services; export, import, purchase and sale of aeronautical materials, equipment and devices;
- Agency, including acting as agent for airlines, transportation and tourism companies, manufacturers and suppliers of aircrafts, and suppliers of aeronautical equipment and facilities;
- Commercial services and duty-free shop management;
- Supply of jet fuel, aviation grease (including fuel, lubricant, specialized liquid) and other types of gasoline at airports;



#### **Other miscellaneous services**

- Transportation of passengers and cargo;
- Warehouse, delivery, restaurants, and hospitality;
- Construction, construction consultancy, maintenance and installation of construction projects, equipment, electronics, specialized mechanics and civil projects.

### **1.3. Company history**

#### **1.3.1 From 1975 to March, 1993**

The predecessor of ACV was founded in 1976, when economic recovery had taken over as a new priority in post-war Vietnam. On February 11, 1976, the Prime Minister issued Decree No.28/CP on the formation of Civil Aviation Administration of Vietnam (formerly known as Civil Aviation Administration established under the Decree No. 666/Ttg dated 15/11/1956 of the Prime Minister). To accommodate the need for further socio-economic growth, significant overhaul were made to Noi Bai, Da Nang and Tan Son Nhat Airport to expand their capacity to serve international flights. At this time, airports in Vietnam were under direct management and operation of the Civil Aviation Administration of Vietnam.

#### **1.3.2 From April 1993 to June, 1998**

The Government of Vietnam's "Doi Moi" policy has gradually transformed the country's economy into a vibrant, market-driven system and vastly improve the standard of living. Rising demand for air transport urges for a more centralized and unified airports management, especially at civil airports. This led to the establishment of the Northern, Central and Southern Regional Airport Authority in Decision No. 202/CAAV, No. 203/CAAV and No. 204/CAAV dated 02/04/1993. These organizations operated as revenue-generating entities under the management of Civil Aviation Administration of Vietnam, while also had executive function in airport administration.

#### **1.3.3 From July 1998 to 2006**

On 31/12/1998, the Prime Minister issued Decision No.113/1998/QD-Ttg changing the status of the Northern, Central and Southern Regional Airport Authority into State-owned, public-utility enterprises. The new entities were respectively renamed as the Northern, Central and Southern Airport Authorities, and continued to maintain their previous functions as public-utility businesses and administrative authorities for airports in Vietnam.

#### **1.3.4 From 2007 to 2012**

Vietnam's further integration in the global economy is marked by its status as a member of World Trade Organization (WTO). Notable advancement was made in the legal environment when the Law on

Civil Aviation of 2006 (effective from 01/01/2007) enacted significant changes in the management and operation of the Vietnam Aviation industry and airports. In 2007, the Northern, Central and Southern Airports Corporation were established by the Ministry of Transportation. The Government of Vietnam's airport administrative function was transferred to the Northern, Central and Southern Airport Authorities.

#### **1.3.5 2012 onwards**

We were incorporated following a merger of the Northern, Central and Southern Airports Corporation under Decision No. 238/QD-BGTVT dated 08/02/2012 by the Minister of Transport, in an effort to centralize Vietnam resources for airport development. Since then, we have been presenting our image as a safe, secure airport operator with commitment to service quality, national security and the development of Vietnam transportation infrastructure.

We are operating under a parent-subsidiary model, and are the sole manager and operator of all 22 civil airports in Vietnam. Our past strategy has successfully capitalized on external opportunities to achieve sustainable revenues growth, stable increase in traffic and operational safety. We have committed significant investment to remodel and overhaul Vietnam aviation infrastructure, building up an airports network meeting the quality and requirements of domestic and international regulating bodies. Central to our culture is a customer-centric, adaptive approach anticipation of the diversifying demands of passengers and an increasingly interconnected operating environment.

## 2. BUSINESS OPERATION

### 2.1. Operation of the ACV three years prior to the equitization

#### 2.1.1 Overview

We are the sole developer and operator of all 22 airports in Vietnam (both domestic and international ones) located throughout the country. As the operator of these airports, we derive our revenues from three principal sources: Aeronautical (charges to airlines, passengers and other users for the use of the airports' facilities), Non-Aeronautical (rental and other income from commercial activities conducted at our airports, such as the leasing of space to restaurants and retailers), and Retail (direct sale of goods to terminal passengers). The following table sets forth our revenue structure for the periods indicated:

	Fiscal year ended December 31st					
	2012		2013		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
	(in billion VND)					
<b>Revenues<sup>1</sup></b> .....	6.203,01	100,00%	7.525,99	100,00%	7.998,75	100,00%
Aeronautical .....	5.045,44	81,34%	6.062,22	80,55%	6.409,23	80,13%
Non-aeronautical .....	752,74	12,14%	828,36	11,01%	924,23	11,55%
Retail .....	404,83	6,53%	635,40	8,44%	665,29	8,32%

Source: ACV's audited financial statements, 2012 - 2014

Aeronautical revenues are our most significant source of income. In 2012, 2013 and 2014, aeronautical services revenues represented approximately 81,34%, 80,55% and 80,13%, respectively, of our total revenues. Our aeronautical operations are principally dependent on passenger traffic volume, cargo traffic volume, and air traffic movements in our airports.

As is the case with other airport operators, our aeronautical revenues are subject to price regulation. The current price regulation (Decision No. 1992/QĐ-BTC, dated 15/08/2014 by the Ministry of Finance) establishes maximum rates<sup>2</sup> and fee range<sup>3</sup> for our aeronautical services.

Revenues from non-aeronautical services represented are the second largest proportion of total revenues in comparison with aeronautical services (accounting for 12,14%, 11,01% and 11,55% of total revenue in the 3-year period from 2012 to 2014). These are primarily derived from the use of commercial area available within the terminals, such as leasing of space for retailers and offices, advertising and from

<sup>1</sup> Total (operational) revenues equal the sum of aeronautical, non-aeronautical and retail revenues

<sup>2</sup> Maximum rate is the maximum amount of fee applicable to services as stated on the Decision No.1992/QĐ-BTC dated 15/08/2014

<sup>3</sup> Price range is the minimum and maximum amount of fee applicable to services as stated on Decision No.1992/QĐ-BTC dated 15/08/2014



parking charges. None of the revenues from non-aeronautical services are regulated by the Ministry of Finance. Non-Aeronautical revenues are primarily dependent on passenger traffic volume, the amount of commercial space available within our terminals, and the mix of tenants renting these commercial spaces.

Retail constitutes the smallest portion of our total revenues. These are revenues derived from the direct sale of goods in our duty-free shops, souvenir shops, restaurants and vendor of utilities (water and electricity) principally at Noi Bai, Da Nang, and Phu Quoc Airports.

### 2.1.2 Terminal traffic

The following table sets forth certain operating data relating to our traffic volume for the years indicated.

<b>Traffic volume</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Passengers (million) .....	37,62	44,16	50,82
<i>International</i> .....	13,51	15,30	16,14
<i>Domestic</i> .....	24,11	28,86	34,68
Cargos and Parcels (thousand tons) .....	654,31	760,64	869,65
<i>International</i> .....	402,77	489,14	548,47
<i>Domestic</i> .....	251,54	271,50	321,18
Scheduled flight traffic (movement) .....	307.248	328.323	371.256
<i>International</i> .....	99.312	110.311	119.829
<i>Domestic</i> .....	207.936	218.012	251.427
<b>Year-on-Year Growth Rate</b>		<b>2013</b>	<b>2014</b>
Passengers .....		17,38%	15,08%
<i>International</i> .....		13,25%	5,49%
<i>Domestic</i> .....		19,70%	20,17%
Cargos & Parcels .....		16,25%	14,33%
<i>International</i> .....		21,44%	12,13%
<i>Domestic</i> .....		7,94%	18,30%
Scheduled flight traffic .....		6,86%	13,08%
<i>International</i> .....		11,08%	8,63%
<i>Domestic</i> .....		4,85%	15,33%

Domestic passengers comprise the majority of our passenger traffic volume. However, international passengers still contribute a larger portion of total revenues due to higher fees earned on international flights and international terminal passengers.

Domestic traffic during 2012 – 2014 has grown by 20%, which we believe is due to the growth of the domestic civil aviation industry and development in aeronautical infrastructures. In 2012, the launch of VietJet Air – the first low-cost airline in Vietnam – has allowed for more affordable air travel and

altered Vietnam transportation consumption pattern. Simultaneously, a range of airports overhaul projects were completed and went into operation, including the terminal and runway improvement project at Da Nang International Airport, Phu Quoc International Airport, and the expansion and overhaul of Tuy Hoa Airport and Tho Xuan Airport. In 2014, domestic passenger traffic volume increased by 20,17% compared to that of 2013. This is the result of increased flight frequency and the launch of new domestic routes by three domestic airlines (Vietnam Airlines, VietJet, Jetstar Pacific), such as SGN – HUI (Jetstar), SGN – THD (VietJet), SGN – UIH (VietJet), DAD – VCA (VietJet).

International passenger growth rate in 2014 was 5,49%, lower than that of 2013 due to tension between Vietnam and China, the South China Sea conflict and the Russian economic depression.

### 2.1.3 Aeronautical Services

Our aeronautical revenues were mainly derived from (i) Passenger charges, (ii) Landing charges, (iii) Ground handling charges, and (iv) Airport security charges. These segments accounted for 85,85% of aeronautical revenues in 2014. The following table sets forth our aeronautical revenue structure for the periods indicated:

	Fiscal year ended December 31st					
	2012		2013		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
	(in billion VND)					
<b>Total</b> .....	5.045,44	100,00%	6.062,22	100,00%	6.409,23	100,00%
Passenger charges .....	2.553,33	50,61%	3.343,96	55,16%	3.733,32	58,25%
Landing charges .....	917,60	18,19%	1.023,68	16,89%	1.038,70	16,21%
Ground handling charges .....	678,90	13,46%	764,76	12,62%	471,52	7,36%
Class A Airports .....	598,17	11,86%	714,69	11,79%	414,66	6,47%
Class B Airports .....	80,73	1,60%	50,07	0,83%	56,86	0,89%
Airport security charges .....	163,79	3,25%	191,14	3,15%	258,93	4,04%
Other .....	731,82	14,50%	738,68	12,18%	906,76	14,15%
<b>Year-on-Year Growth Rate</b>			<b>2013</b>		<b>2014</b>	
<b>Aeronautical revenues</b> .....			20,15%		5,72%	
Passenger charges .....			30,96%		11,64%	
Landing charges .....			11,56%		1,47%	
Ground handling charges .....			12,65%		-38,34%	
Class A Airports .....			19,48%		-41,98%	
Class B Airports .....			-37,98%		13,56%	
Airport security charges .....			16,70%		35,47%	
Other .....			0,94%		22,75%	

In 2014, due to the territorial dispute in the South China Sea and rising regional political tension, we had offered a number of landing charge incentives for carriers to stimulate demand and maintain flight

frequency on several key routes. Landing charges in 2014 correspondingly grew by 1,47%, lower than that of 2013.

In 2014, the business status of Saigon Aviation Ground Service Company (SAGS) was changed from a branch of our Company to a single-member limited liability company. Ground-handling revenue generated by SAGS would no longer be recognized on the financial statement of our company starting from 2014. This has led to a decrease of 38,34% in Ground Handling revenues.

**a. Passenger charge**

We earn a passenger charge for each passenger departing from our airports, excluding diplomats, infants and transfer, and passengers landing due to technical/force majeure incidents. Passenger charges are automatically included in the cost of a passenger's ticket, and we record receivable for the invoice corresponding to actual traffic corresponding to the actual month of the flight.

In 2013 and 2014, passenger charges represented approximately 55,16% and 58,25%, respectively, of aeronautical revenues and 44,43% and 46,67%, respectively, of total revenues. In 2014, revenues from passenger charges totalled 3,733.32 billion VND, corresponding to a year-on-year growth rate of 11,64% compared to 2013.

There have been changes to the pricing mechanism of passenger charges, as approved by the Ministry of Finance in accordance with our fee proposal. The following table summarizes changes in passenger charges for the period indicated:



	Decision No. 3031/QD-BTC, dated 27/11/2012	Decision No.1992/QD-BTC dated 15/08/2014,	
	Fixed charge	Minimum	Maximum
<b>International flight (USD/passenger)</b>			
Tan Son Nhat .....	20	10	20
Phu Quoc. ....	18	9	18
Da Nang, Can Tho .....	16	8	16
Noi Bai .....			
<i>Domestic terminal (T1)</i> .....	16	8	16
<i>International terminal (T2)</i> .....		13	25
Lien Khuong, Cam Ranh .....	14	7	14
Other airports .....	8	4	8
<b>Domestic flight (VND/passenger)</b>			
Class A Airport .....	54.545	31.818	63.636
Class B Airport .....	45.455	27.272	54.545

**b. Landing charge**

We collect landing charge from airlines for their use of airports' infrastructures and facilities including runways, taxiways, illumination systems, and other facilities such as meteorological station, Instrument Landing Systems (ILS)... Landing charges are calculated based on the aircraft's Maximum Take Off Weight (MTOW), and flight origin (international or domestic)

In 2013 and 2014, these charges constituted 16,89% and 16,21%, respectively, of aeronautical services revenues, equivalent to 13,60% and 12,99%, respectively, of total revenues. In 2014, revenues from landing charges totalled 1.038,70 billion VND, up 1,47% compared to that of 2013.

In the last three years, landing charges levied on international flights have increased by approximately 5%, depending on the take-off weight. The following table sets forth landing charges schedule in Class A airports for the period indicated:

	Decision No.426/QD-BTC, dated 25/02/2010		Decision No.1992/QD-BTC, dated 15/08/2014	
	Initial charge (USD/landing)	Charge per ton afterward (USD/ton)	Initial charge (USD/landing)	Charge per ton afterward (USD/ton)
<b>International flights</b>				
Up to 20 tonnes .....	80		84	
20 – (not exceeding) 50 tonnes ...	80	3,5	84	3,7
50 – (not exceeding) 150 tonnes ..	185	5,0	195	5,3
150 – (not exceeding) 250 tonnes .	685	5,5	725	5,7
Over 250 tonnes .....	1.235	6,0	1.295	6,3

	Decision No.2604/QD-BTC, dated 31/10/2011		Decision 1992/QD-BTC, dated 15/08/2014	
	Initial charge (VND/landing)	Charge per ton afterward (VND /ton)	Initial charge (VND /landing)	Charge per ton afterward (VND /ton)
<b>Domestic flights</b>				
Up to 20 tonnes .....	665.000		665.000	
20 – (not exceeding) 50 tonnes ...	665.000	28.000	665.000	28.000
50 – (not exceeding) 150 tonnes ..	1.520.000	41.000	1.520.000	41.000
150 – (not exceeding) 250 tonnes .	5.620.000	45.000	5.620.000	45.000
Over 250 tonnes .....	10.170.000	51.000	10.170.000	51.000

**c. Ground handling revenues**

As at the date of our valuation, we offer ground handling service based on IATA's Standard Ground Handling Agreement primarily via Sai Gon Ground Services ("SAGS") and Hanoi Ground Services ("HSG"<sup>6</sup>). Class A and Class B airports' ground handling revenues represent 12,62% and 7,36% of our aeronautical revenues, or 10,16% and 5,89% of total revenues, respectively, in 2013 and 2014.

As SAGS changed its status from a branch of ACV to a single member limited liability company since 06/01/2014, its ground handling revenues (totalling 472,86 billion VND in 2014) no longer contribute to our operating result. This would be included in our consolidated financial statements, in combination with the parent company's ground handling revenues of 471,52 billion VND.

Ground handling service is conducted based on IATA's Standard Ground Handling Agreement, which is further specified in the Airport Handling Manual. Ground handling is an umbrella term for a broad category of services, the most material of which are described below:

- **Ramp service:** including services on the ramp or apron, such as loading or unloading and carrying baggage, cargo, parcels from an aircraft to the passenger/cargo terminals or vice

<sup>6</sup> Since 02/04/2015, HGS has changed its business entity to a joint-stock limited company, in which we hold 20% ownership

versa with specialized facilities and equipment; aircraft marshalling; weight and balance control; loading; transferring passengers and flight crew from a customer aircraft to passenger terminals, etc.

- **Passenger service:** including services inside the airport terminals such as providing counter services for arriving, departing and transit passengers; and providing staffing services for such counters; fee-collection service for excess baggage and last-minute ticket sale, etc.
- **Luggage service:** including handling luggage for arriving, departing and transit passengers, and tracking of missing luggage...
- Request and recharge services...

As stated in Decision No.1992/QD-BTC, the service charge applicable for ground handling services varies according to the airport class. Airlines operating at Class A airports would be able to contract with service providers on a competitive basis, including those under our management such as Sai Gon Ground Service (SAGS) at Tan Son Nhat International Airport or Hanoi Ground Services (HGS) at Noi Bai International Airport. Ground handling service revenue at Class A airports is not subject to regulation under the current price schedule of the Ministry of Finance.

At Class B airports, ground handling charges are regulated under Decision No.1992/QD-BTC. During the last 3 years, the maximum charge had increased by 20%. The following table details changes in ground handling charges at Class B airports for the period indicated:

	Decision No.426/QD-BTC dated 25/02/2010		Decision No.1992/QD-BTC dated 15/08/2014	
	Minimum (VND)	Maximum (VND)	Minimum (VND)	Maximum (VND)
<b>Maximum Take-Off Weight (MTOW)</b>				
Up to 20 tonnes .....	1.400.000	2.000.000	1.400.000	2.400.000
20 – (not exceeding) 50 tonnes .....	2.100.000	3.000.000	2.100.000	3.600.000
50 – (not exceeding) 100 tonnes .....	2.800.000	4.000.000	2.800.000	4.800.000
Over 100 tonnes .....	3.500.000	5.000.000	3.500.000	6.000.000

Ground handling charges at Class B Airport is inclusive of:

- Landing charge and aircraft marshalling (if applicable);
- Ground handling services to meet the minimal requirements of operational flight, based on the capacity of each airport;
- Fees on the usage of vehicles to directly support aeronautical operation, and charges relating to the leasing of space to airlines agents (excluding parking areas);



- Baggage and passenger security charge;
- Aircraft parking charges for the first three hours.

**d. Airport Security Charges**

From 1/10/2014, we have collected security charges from airlines for the use of our X-ray equipment, metal detectors and other security equipment. This charge is calculated based on the number of departing terminal passengers or cargo volume. Infants aged 2 to 12 are waived 50% of security charge. Prior to 1/10/2014, we collect airport security charge based on aircraft class, classified by the number of seating on the aircraft.

In 2013 and 2014, airport security charges represented 3,15% and 4,04% of aeronautical revenues, equivalent to 2,54% and 3,24%, respectively, of total revenues. In 2014, revenue from security charges increased to 258,93 billion VND, 35,47% higher than that of 2013, primarily due to changes in fee structure.

The following table summarizes historical airport security charges for the period indicated:

	Decision No.426/QD-BTC dated 25/02/2010, effective 1/4/2010 (per aircraft)	Decision No.1992/QD-BTC dated 15/08/2014, effective 1/10/2014 (per passenger)		
<b>Passengers</b>				
International (USD) . . . . .				
≤ 100 seats	30	1,5 USD		
101 – 200 seats	50			
201 – 300 seats	90			
301 – 400 seats	110			
≥ 400 seats	170			
Domestic (VND) . . . . .				
≤ 100 seats	240.000	9.090 VND		
101 – 200 seats	400.000			
201 – 300 seats	720.000			
301 – 400 seats	880.000			
≥ 400 seats	1.360.000			
	<b>Class A Airport</b>	<b>Class B Airport</b>	<b>Class A Airport</b>	<b>Class B Airport</b>
<b>Cargo</b>				
International (USD/ton)	17,0	10,2	17,0	10,2
Domestic (VND/ton)	140.000	84.000	140.000	84.000

Our security and safety procedures must comply with the guidelines issued by the International Civil Aviation Organization, the Ministry of Transport, and the Civil Aviation Administration of Vietnam. We also are involved in a comprehensive cooperation program with public security departments

at the local, regional and national level. We frequently took measures to reinforce security and safety at our airports by:

- Updating and amending our emergency security and contingency plans and the responsibilities of security personnel relating thereto, especially at international airports or airports with significant traffic;
- Improving our security screening technology by increasing the sensitivity of x-ray equipment and metal detectors;
- Enhancing security process and the training of security personnel;
- Segregating flows of arriving and departing passengers;
- Closely coordinating with local, national and international security agencies.

**e. Other aeronautical revenues**

We also derive our revenues from other services. These include, but are not limited to, aircraft parking charges, aircraft marshalling, leasing of check-in counters and aerobridge, aircraft guarding and patrolling, the use of towing vehicle... These services represent approximately 14% of our aeronautical services revenue.

**2.1.4 Non-Aeronautical Services**

Our revenues from non-aeronautical services are principally derived from the leasing of space available within our airports. The following table sets forth the result of non-aeronautical services for the period indicated:

	Fiscal year ended December, 31					
	2012		2013		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
	(in billion VND)					
<b>Total</b> .....	752,74	100,00%	828,36	100,00%	924,23	100,00%
Leasing of space.....	282,23	37,49%	285,40	34,45%	316,54	34,25%
Parking charges .....	151,08	20,07%	197,62	23,86%	235,96	25,53%
Advertising .....	78,92	10,48%	93,04	11,23%	87,37	9,45%
Office rentals .....	62,01	8,24%	64,81	7,82%	76,85	8,32%
VIP, First-Class and CIP lounges .....	35,43	4,71%	47,55	5,74%	56,55	6,12%
Other .....	143,07	19,01%	139,94	16,89%	150,96	16,33%
<b>Year-on-year growth rate</b>			<b>2013</b>		<b>2014</b>	
<b>Total</b> .....			10,05%		11,57%	
Leasing of space.....			1,12%		10,91%	

Parking charges .....	30,80%	19,40%
Advertising .....	17,90%	-6,09%
Office rentals .....	4,52%	18,58%
VIP, F, C lounges .....	34,22%	18,94%
Other .....	-2,19%	7,87%

Despite contributing a higher proportion of our revenue mix in 2014 compared to 2013 (up from 11,01% to 11,55%), non-aeronautical revenues have historically constituted small part of our total revenues compared to its aeronautical counterpart. We have a strong priority to increase the commercialization of space within the airport and improve our non-aeronautical revenue earned per terminal square meter ratio. Our strategy to increase non-aeronautical revenue has led to the substantial remodelling of space in our terminals. Such strategy is similar to the business model applied by airports corporations worldwide.

Our non-aeronautical services revenue were primarily dependent on passenger traffic, the amount of passengers' exposure to commercial services, our terminal design, the mix of commercial tenants and fees charged to businesses operating in the commercial area of the airports. A summary of significant commercial activities in our airports is as follows:

*Leasing of space* – Revenues generated from the leasing of available space in passenger terminals to terminal service providers such as restaurants, souvenir retailers or luxury goods retailers. We have expanded and reconfigured the layout of commercial space within our airport terminals to increase the amount of area available and improve our retail penetration. Currently, luxury brand presence at major airports under our management include Hermes, Mont Blanc, Swatch, Christian Dior, Lancôme, L'Oréal, Swarovski, Lacoste, among others.

*Parking facilities* – Revenues generated from fee imposed on vehicles such as cars or motorbikes for the use of space in our parking lot.

*Advertising* – Revenues generated from the leasing of space for advertising at our strategically located billboard and electronic screen. This service is actively promoted to potential client through a dedicated Commercial Department at each airport.

*Office rentals* – Revenues generated from the leasing of office space to airlines and service providers for the administration and management of their operation within our terminals.

#### **2.1.5 Retails**

Retail revenues represented the smallest proportion (8,44% and 8,32% in 2013 and 2014, respectively) of our total revenues. Retails revenues originate from the sale of local commodities, souvenirs, restaurants and duty-free goods at designated locations such as Noi Bai, Da Nang and Phu Quoc international airports. The following table sets forth the revenues structure of retail activities for the period indicated:



Fiscal year ended December, 31						
	2012		2013		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
(in billion VND)						
Souvenir, restaurant . . . . .	163,48	40,38%	142,21	22,38%	161,17	24,23%
Retail agent . . . . .	0,68	0,17%	—	—	—	—
Duty-free . . . . .	213,22	52,67%	462,63	72,81%	470,05	70,65%
Electricity vendor . . . . .	23,78	5,87%	25,87	4,07%	26,80	4,03%
Water vendor . . . . .	3,67	0,91%	4,68	0,74%	7,28	1,09%
<b>Total . . . . .</b>	<b>404,83</b>	<b>100,00%</b>	<b>635,40</b>	<b>100,00%</b>	<b>665,29</b>	<b>100,00%</b>
			<b>2013</b>		<b>2014</b>	
<b>Year-on-year growth rate</b>						
Souvenir, restaurant . . . . .			-13,01%		13,33%	
Duty-free . . . . .			116,97%		1,60%	
Electricity retail . . . . .			8,80%		3,57%	
Water retail . . . . .			27,54%		55,43%	
<b>Total . . . . .</b>			<b>56,95%</b>		<b>4,70%</b>	

We have actively implemented new business model in an initiative to increase the occupation rate of recently inaugurated terminals. In these partnerships, we would provide staffing and locations for the tenants and receive royalties based on the revenues generated by the outlet. The tenants would contribute to our product offerings and outlet design. The model is being applied at our Noi Bai, Da Nang and Phu Quoc international airport.

**a. Local products retail**

We manage retail outlets for local products and souvenirs targeting at departing and transit passengers. The product range in these outlets mostly consists of branded consumer goods produced by recognized local or international brands. These include:

- Vietnamese handicrafts, made from precious metals (gold/silver) or natural materials (wood, precious stones, bamboo, porcelain, etc.), in the form of sculpture, carving, and embroidery;
- Vietnamese traditional textile products;
- Cosmetics and perfumes;
- Accessories products including watches, eyewear, leather and artificial leather products;
- Locally produced or imported delicacies;

**b. Duty-free shop retail**

We manage duty-free shops at designated international airports such as Noi Bai and Da Nang, catering to arriving, departing and transit passengers. At Tan Son Nhat International Airport, duty free shops are managed by one of our subsidiaries.

Like other reputable duty-free stores, our shops have a wide range of consumer goods from internationally recognized brands, including:

- Alcohol such as Cognac, Whisky, Vodka, Gin, Rum imported from France, Italia, Scotland, Canada, produced by Remy Martin, Hennessy, Martell, Camus, Chivas, Ballantines, Johnnie Walker, Smirnoff, and Malibu, ...
- French/Italian high-end cosmetics and perfumes from Dior, Armani, Kenzo, Lancôme, Moschino, Estee Lauder, Lacoste,...
- Souvenirs and accessories such as watches, leather and artificial-leather products from Pierre Cardin, Kahuna, Lacoste, Swiss, Tommy Hilfiger, Adidas, Cross, Dunhill.
- Locally produced or imported delicacies.

All duty-free products in our duty-free shops comply with the law of Vietnam and international regulation in terms of quality and origin. The payment of duty-free products can be made in foreign currencies (USD, EUR, etc.) or in Vietnamese currency.

**2.1.6 Financial income**

Financial income is primarily attributable to interest from our investment in depository instruments and unrealized foreign exchange gains. Dividends, profit distribution and realized foreign exchange gains from ODA loans constitute a minor portion of our financial income. The following table sets forth details regarding our financial income for the period indicated:

**Fiscal year ended December, 31**

	2012		2013		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
	(in billion VND)					
Interest incomes .....	947,13	56,28%	885,45	33,05%	855,05	34,09%
Dividends, profit distribution .....	37,43	2,22%	36,04	1,35%	121,45	4,84%
Realized foreign exchange gains .....	39,93	2,37%	92,33	3,45%	47,51	1,89%
Unrealized foreign exchange gains .....	658,25	39,12%	1.665,45	62,16%	1.482,60	59,10%
Other .....	—	—	—	—	1,85	0,07%
<b>Total .....</b>	<b>1.682,74</b>	<b>100,00%</b>	<b>2.679,26</b>	<b>100,00%</b>	<b>2.508,46</b>	<b>100,00%</b>

<b>Year-on-year growth</b>	<b>2013</b>	<b>2014</b>
Interest incomes .....	-6,51%	-3,43%
Dividends, shared profit incomes .....	-3,71%	236,99%
Realized foreign exchange gains .....	131,24%	-48,54%
Unrealized foreign exchange gains .....	153,01%	-10,98%
Other .....	59,22%	-6,37%

Our interest income is primarily derived from our investment in short-term depository instruments at commercial banks and credit institutions as a part of our revenue optimization strategy.

During 2012 – 2014, we enjoyed unrealized foreign exchange gains from Yen-denominated ODA loans as a result of the depreciation of the Yen to our local currency. We have excluded foreign exchange gain from the calculation of our goodwill in the valuation result to better reflect the performance of our core business.

## **2.2. Operating expenses**

### **a. Cost structure**

We record over 7.000 billion VND in expenses for each of the fiscal year 2012, 2013 and 2014. Total expense over total revenues and income ratio averaged 70% the period. Total cost in 2012 (5.948 billion VND) only covered the period from 22/03/2013 (the incorporation date of the Airports Corporation of Vietnam after the merger of the Northern, Central and Southern Airports Corporations).

The following table sets forth our cost structure for the period indicated:



**Fiscal year ended December, 31**

	2012		2013		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
	(in billion VND)					
Wages, salaries and benefits . . .	1.478	24,85%	1.704	23,88%	1.918	25,94%
Depreciation . . . . .	1.870	31,44%	2.037	28,54%	2.073	28,04%
Maintenance and repair . . . . .	1.352	22,72%	1.570	21,99%	1.102	14,90%
Outsourced services . . . . .	463	7,78%	563	7,89%	602	8,15%
Retail COGS . . . . .	277	4,66%	462	6,47%	483	6,53%
Taxes, fees and charges . . . . .	24	0,41%	375	5,26%	431	5,82%
Financial expense . . . . .	103	1,72%	90	1,26%	463	6,26%
Material and tools in production . . . . .	76	1,28%	126	1,77%	104	1,41%
Others . . . . .	305	5,13%	210	2,95%	218	2,95%
<b>Total . . . . .</b>	<b>5.948</b>	<b>100,00%</b>	<b>7.138</b>	<b>100,00%</b>	<b>7.395</b>	<b>100,00%</b>

Wages, salaries and benefits, depreciation and repair & maintenance expenses constitute 69% to 79% of our operating costs. These are the most major expenses in our cost structure, similar to other airport managers and operators.

**b. Wages, salaries and benefits**

Compensation expenses include wage and salary, health insurance, social security, unemployment insurance, Trade Union fees and other deductibles according to applicable laws. We utilize a large and stable workforce at our 22 operational airports, making employees compensation consistently representing a significant proportion (24% to 26%) of our annual cost structure.

**c. Depreciation**

Our principal fixed assets include properties (airport terminals and its facilities) and specialized machinery for airports operations. Most of our machinery and facilities are depreciated at a rate twice as fast compared to currently applicable depreciation schedule. We also apply a depreciation schedule of 25 to 30 years to our properties, shorter than the time frame of 25 to 50 years as prescribed in Circular 45/2013/TT-BTC dated 25/04/2013 of the Ministry of Finance. The following table details the depreciation schedule of our fixed assets:

<b>Asset class</b>	<b>Year</b>
Factory, structures . . . . .	05 – 30
Machinery . . . . .	05 – 10
Vehicles . . . . .	04 – 08
Equipment and management tools . . . . .	04 – 06

**d. Repair and maintenance expenses**

Incurred maintenance and repair expenses would cause significant fluctuation in our operating result due to the specialized and technical nature of our assets. To better reflect the nature of our business and stabilize our COGS, we made provision for periodic overhauls.

Post-equitization, we expect to lease assets within the Manoeuvring Area from the Ministry of Transport (the representative entity of the Government of Vietnam's ownership of assets in the Manoeuvring Area). The terms of reference for the leasing contract would be drafted subsequent the discussion and agreement between the Ministry of Transportation and the Ministry of Finance.

**2.3. Technological application**

To improve the effectiveness of our internal management system and ensure convenient communication between our headquarter and the branches, we have recently deployed the following IT solutions:

- A MegaWAN to unify our IT infrastructure in our 22 airports. This is the basis for all future IT deployment programs.
- SMIS production management software
- An Internal Documentation System has contributed to the reform of our administrative procedures, especially in documentation and receiving communication. The system has facilitated the communication between our departments and improve working efficiency;
- A Personnel and Compensation management software to provide significant time saving in managing human resources records, timekeeping and payroll;
- Online Conferencing Software to use in briefings, seminars, and conferences between ACV and its branches, while cutting down on travel expenses, ...
- BRAVO Accounting and Financial Management software to unify the accounting and financial management system at the head office and our branches
- An AMHS communication system to facilitate the exchange of communications with Vietnam Air Traffic Management (VATM)
- Connecting BRAVO (online) financial and revenue management system to the output management software SMIS.

## **2.4. Quality assurance**

Our first priority is the safety of our terminal passengers and employees. We maintain and operate our airports in strict accordance with our internal quality assurance system and prevailing regulations and standards for aeronautical and non-aeronautical services. This is to ensure our compliance with the international, domestic and self-imposed safety and quality assurance regulations. Our Quality Management System is based on the standards and regulations set by:

- International Civil Aviation Organization standards (ICAO);
- Civil aviation regulations on airport operation safety;
- Vietnam Civil Aviation Administration's requirements on safety management system;
- ISO 9000 quality assurance.

### **2.4.1 Safety and security process**

Safety and security department was established with that mission by Decision No.41/QĐ-HĐTV dated 28/03/2012 of Members' Council and operated under comprehensive inspection and supervision of the Board of Management.

Functions of the Department of Safety and Security are as follows:

- To advise and assist the CEO in aviation security and safety assurance; emergency cases, fire and flood fighting or prevention;
- To inspect and monitor the implementation of duty-related tasks;
- To initiatively coordinate with agencies within and outside the Corporation to assure the aviation security and safety, implement emergency plan and fire and flood fighting plan;

During previous years, the department has updated, studied and stored all duty-related documents and regulations promulgated by ICAO, IATA, the Ministry of Transport, the Civil Aviation Administration of Vietnam and other State agencies for advisory and consultancy purposes. It has not only inspected and monitored the safety management system (SMS) and airport clearance regulations by ICAO, IATA, the Ministry of Transport, the Ministry of Defence and the Civil Aviation Administration of Vietnam; but also collaborated with other agencies in the assessment of quality, inspection, safety and security at airports.

In addition to the issuance of detailed regulations on CAAV-ratified security plan, the Department in collaboration with security agency at each particular airport also customize these regulations on safety, security and emergency plan, equipment, personnel, vehicles and communication systems to deal with terrorism, sabotage and emergency cases.



#### 2.4.2 Safety and security management

We utilize two dedicated divisions for our security and safety management:

- *The security division*, which includes security officials, screening officials and emergency response teams). This division is responsible for (i) the protection of zones and targets in the airport i.e. aircraft, entrance, terminal, apron, power stations, signal station, and air traffic control tower..., and (ii) security screening of carry-on and checked luggage, cargo and passenger and
- The safety division, which monitors the facilities' compliance to occupational safety, fire safety and security process.

Our offices at Noi Bai Security and Safety training centre and Da Nang Security and Safety training were officially granted licenses for security and safety training. As of now, we are currently operating three security and safety training centres at Noi Bai, Da Nang and Tan Son Nhat.

We have committed significant capital expenditure and maintenance to our airport security equipment system. These include, but not limited to X-ray scanners, video surveillance, explosive detector, etc. Several check points were installed with additional new equipment to shorten securities procedures while maintaining accuracy. We have also been finishing several construction projects of security fencing surrounding our airports. All lethal and non-lethal weapons such as guns, rifles (including tear gas and rubber shot), and Tasers under our management are registered at local police departments.

#### 2.5. Intellectual property and trademark

	Trademark	Registration
Logo	 <b>ACV</b>   AIRPORTS CORPORATION OF VIETNAM	Protected in Vietnam under Trademark Register No. 234271, issued on 06/11/2012.

## 2.6. Material effective contracts and concessions

T	Contract	Effective date	Project/Contract detail	Contractor/Partner	Contract value (VND)
<b>Construction</b>					
1	126/15/ACV-LD	12/06/2015 - 01/08/2016	Construction Project 3.1 Expansion of international terminal ("T2") - TIA	Refrigeration Electrical Engineering Corporation; Luu Nguyen Construction Co; Doan Nhat M&E Co.; Hoa Binh Construction Design Consultancy Co.	1,048,694,741,158
2	07-4/HDXD/ACV-ACC&EAI	10/04/2015 - 10/02/2016	Construction Project No. 5 - "Maintenance, Overhaul and expansion of apron" TIA	Aviation Construction Co; East Asia International	503,055,679,000
3	90/2015/ACV-LD	06/04/2015 - 25/03/2016	Construction Project No. 7 "Design, Consultancy and Construction of the terminal at Cat Bi International Airport	Petro IMICO Construction Investment Joint Stock Company; Asia Industrial Construction Co; ATAD Steel Structure Corporation; Bridge Construction Company No. 12 - CIENCO1; HIDIC; Luu Nguyen Construction Co; Loc Phuc Construction Co;	662,271,676,000
4	055/2015/ACV-LD-TX	05/05/2015 - 31/01/2016	Construction package No. 7: Construction of the terminal and auxiliary facilities, construction planning consultancy at Tho Xuan airport	Aviation Construction Co HIDIC; Tuan Long Construction Material Co.; Luu Nguyen Construction Co.; Nam Thanh Do Construction Consultancy Co.	148,474,156,000
5	225/2015/ACV-VIC-LP	22/05/2015 - 13/04/2016	Construction package No. 8 "Supply & Installation of M&E system; construction planning and design" within the "Construction	Venture Company for Construction Co.; Loc Phuc Co	149,978,794,711

T	Contract	Effective date	Project/Contract detail	Contractor/Partner	Contract value (VND)
			of International Terminal – Cat Bi Airport” Project		
6	29-15/ACV-TEC-VJT	30/09/2015 - 30/05/2016	Construction package No.4: ILS system Supply & Installation at Pleiku airport	Technical Import Export Co.	36.614.695.484
7	8C-15/ACV-NPT	12/08/2015 - 23/01/2016	Construction package No. 8C: Supply and installation of security scanning equipment at Cat Bi International Airport	New Commercial Development of Production Technology Co.	18.767.100.000
8	28-15/ACV-VTD	20/07/2015 - 20/11/2015	Construction Package No.4 "Runway lightning supply" at Chu Lai airport	Vietnam Technology Development Co.	14.328.662.075
9	08-4/HDTVXD/ACV-ITSTS-4/2015	08/04/2015 - 10/02/2016	Construction Package No. 7 "Construction Supervisory in the "Maintenance, Renovation and Expansion of the apron area at TIA"	Institute of Transport Science and Technology – South Vietnam Department	4.167.869.204
10	20/5-2015/HDKT-TVGS	20/05/2015 - 03/11/2015	Construction Package No.6, "Construction Supervisory for the construction and installation of lighting system" at Chu Lai airport	Institute of Transport Science and Technology – Central Vietnam Department	835.152.000
<b>Concession</b>					
1	HD522/2015/CHKNB-KD dated 28/07/2015	Effective to 30/11/2017	Granting commercial concession at NIA	HAGS	This is a principle contract with invoice based on actual monthly operation and the concession. The contract generates approximately 212.344.978 VND/month.
2	HD232/2013/CHKNB-	Effective to	Granting cargo and baggage handling	NTCS	This is a principle contract with invoice based on actual monthly operation and the concession. The



T	Contract	Effective date	Project/Contract detail	Contractor/Partner	Contract value (VND)
	KTG dated 29/03/2013	31/12/2015	concession at NIA		contract generates approximately 313.012.342 VND/month.
3	HD107/2013/CHKNB-KTG dated 06/02/2013	Effective to 31/12/2015	Granting concession of jet fuel supply at NIA	Vietnam Aviation Petroleum Co. – Northern Vietnam Branch	This is a principle contract with invoice based on actual monthly operation and the concession. The contract generates approximately 178.994.421 VND/month.
4	HD217/2012/CHKNB-KTG dated 25/09/2012	Effective to 31/12/2016	Granting concession of ground handling services at NIA	Noi Bai International Airport Ground Service Company - NIAGS (a subsidiary of Vietnam Airlines)	This is a principle contract with invoice based on actual monthly operation and the concession. The contract generates approximately 372.578.347 VND/month.
5	HD229/2013/CHKNB-PA dated 29/03/2013	Effective to 31/12/2017	Granting concession of jet fuel supply at NIA	Petrolimex Aviation Fuel JSC	This is a principle contract with invoice based on actual monthly operation and the concession. The contract generates approximately 156.195.463 VND/month
6	09-13/TIA-TIAGS	Non-definitive	Granting concession of ground handling services at TIA	Tan Son Nhat Ground Service Co. (TIAGS)	This is a principle contract with invoice based on actual monthly operation and the concession. The contract generates approximately 650.000.000 VND/month
7	02-14/TIA-SAGS	Non-definitive	Granting concession of ground handling services at TIA	Saigon Ground Service Co.	This is a principle contract with invoice based on actual monthly operation and the concession. The contract generates approximately 600.000.000 VND/month
8	1436/TCTCHKMN	Non-definitive	Granting concession of jet fuel supply at TIA	Vietnam Aviation Petroleum Co. – Southern Branch	This is a principle contract with invoice based on actual monthly operation and the concession. The contract generates approximately 430.000.000 VND/month
9	2147/TCTCHKMN-PJF		Granting concession of jet fuel supply at TIA	Petrolimex Aviation Fuel JSC	This is a principle contract with invoice based on actual monthly operation and the concession. The contract generates approximately 420.000.000 VND/month
10	3513/HDKT/TIA-VACS		Granting concession of in-flight catering at NIA	Vietnam Air Caterers Co.	This is a principle contract with invoice based on actual monthly operation and the concession. The contract generates approximately 70.000.000 VND/month

T	Contract	Effective date	Project/Contract detail	Contractor/Partner	Contract value (VND)
<b>Aviation service contract</b>					
1	1538/2012/ACV-VNA dated 27/08/2012; 1537/2012/ACV-VNA dated 27/08/2012; 1536/2012/ACV-VNA dated 27/08/2012	Effective from 01/07/2012	Airport service: 1. Passenger charge collection 2. Landing & take-off 3. Parking 4. Security 5. Aircraft towing 6. Aircraft marshalling 7. Aerobridge 8. Basic Ground Handling 9. Other service if requested	Vietnam Airlines	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 218 billion VND/month.
2	1852/2012/ACV-VJC dated 25/09/2012; 1851/2012/ACV-VJC dated 25/09/2012; 1853/2012/ACV-VJC dated 25/09/2012; 1854/2012/ACV-VJC dated 25/09/2012	Effective from 01/07/2012	Airport service: 1. Passensenger charge collection 2. Landing & take-off 3. Parking 4. Security 5. Aircraft towing 6. Aircraft marshalling 7. Aerobridge 8. Basic Ground Handling 9. Other service if requested	VietJet Air	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 80 billion VND/month.
3	HD30/2013/CHKNB dated 02/01/2013	Effective to 31/12/2015	Standard Ground Handling Agreement at NIA	Asiana Airlines	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 10 billion VND/month.
4	HD375/2013/CHKNB dated 21/05/2013	Effective to 31/12/2015	Standard Ground Handling Agreement at NIA	Korean Air	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 10,7 billion VND/month.



T	Contract	Effective date	Project/Contract detail	Contractor/Partner	Contract value (VND)
5	HD687/2013/CHKNB dated 23/09/2013	Effective to 31/12/2015	Standard Ground Handling Agreement at N/A	Qatar Airways	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 7,4 billion VND/month.
6	HD24/2013/CHKNB dated 02/01/2013	Effective to 31/12/2015	Standard Ground Handling Agreement at N/A	Thai Airways	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 7 billion VND/month.
7	307/2013/CHKNB dated 23/04/2013	Effective to 31/12/2015	Standard Ground Handling Agreement at N/A	Aeroflot	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 3,7 billion VND/month.
8	126/2014/CHKNB dated 13/03/2014	Effective to 31/12/2015	Standard Ground Handling Agreement at N/A	All Nippon Airways	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 4,3 billion VND/month.
9	678/2014/CHKNB dated 26/11/2014	Effective to 31/12/2017	Standard Ground Handling Agreement at N/A	Jeju Air	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 3,2 billion/month.
10	01/2014/CHKNB dated 02/01/2014	Effective to 31/12/2015	Standard Ground Handling Agreement at N/A	Japan Airlines	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 4 billion VND/month.
11	26/2013/CHKNB dated 02/01/2013	Effective to 31/12/2015	Standard Ground Handling Agreement at N/A	China Airlines	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 7,5 billion VND/month.
12	429/2013/CHKNB dated 14/06/2013	Effective to 31/12/2015	Standard Ground Handling Agreement at N/A	Singapore Airlines	This is a principle contract with invoice based on actual monthly operation and pricing schedule.
13	521/2013/CHKNB dated 15/07/2013	Effective to 31/12/2015	Standard Ground Handling Agreement at N/A		The contract generates approximately 5 billion VND/month.
14	4014/TIA-AK dated 01/10/2014	Non-definitive	Standard Ground Handling Agreement at TIA	Air Asia	This is a principle contract with invoice based on actual monthly operation and pricing schedule.



T	Contract	Effective date	Project/Contract detail	Contractor/Partner	Contract value (VND)
					The contract generates approximately 10 billion VND/month
15	1014/TIA-BR dated 01/10/2014	Non-definitive	Standard Ground Handling Agreement at TIA	Eva Air	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 10 billion VND/month
16	1414/TIA-CX dated 01/10/2014	Non-definitive	Standard Ground Handling Agreement at TIA	Cathay Pacific Airways	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 9 billion VND/month
17	3814/TIA-SQ dated 01/10/2014	Non-definitive	Standard Ground Handling Agreement at TIA	Singapore Airlines	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 9 billion VND/month
18	3214/TIA-CI dated 01/10/2014	Non-definitive	Standard Ground Handling Agreement at TIA	China Airlines	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 9 billion VND/month
19	42/DIA-HKE	Effective to 31/03/2017	Passenger service	Airways Limited	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 70.916 USD/month
20	43/DIA-HKE	Effective to 31/03/2017	Aviation service	Hongkong Express Airways Limited	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 22.755 USD/month
21	108/DIA-AIRBUSAN	Effective to 30/04/2017	Passenger service	Air Busan	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 23.676 USD/month
22	198/ACV-DHT dated 24/01/2013	Effective to 31/12/2015	Standard Ground Handling Agreement at Cam Ranh International Airport	DHT Brunei (representing KateKavia, Utair, and Sichuan Airlines).	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 7 billion VND/month

T	Contract	Effective date	Project/Contract detail	Contractor/Partner	Contract value (VND)
23	Contract dated 05/11/2013 between ACV and IKAR	Non-definitive	Standard Ground Handling Agreement at Cam Ranh International Airport	IKAR	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 7 billion VND/month
24	3400/ACV-KE dated 25/10/2013	Effective to 31/12/2016	Standard Ground Handling Agreement at Cam Ranh International Airport	Korean Air	This is a principle contract with invoice based on actual monthly operation and pricing schedule. The contract generates approximately 2 billion VND/month
<b>Other contract</b>					
1	AV2015/ACV/HD01	From 01/01/2015 to 01/01/2016	Liability insurance for airport management and operation	Bao Viet Insurance Corp.	4.026.000.000
2	TCT.D06.F114.HD791	From 01/10/2014 to 01/12/2015	Asset insurance	Joint contract with Bao Viet Insurance Co. and PVI Sai Gon	13.052.811.369
3	AM0069/15/PA08045	From 01/06/2015 to 01/06/2016	Civil liability insurance for specialized vehicle on the Manoeuvring Area	Bao Minh Insurance Co.	514.956.200

## 2.7. Summary of Historical Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods indicated.

	For the fiscal year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
<b>Operating result (in billion VND)</b>				
<b>Selected balance sheet data</b>				
Total assets .....	29.421	33.770	41.808	42.557
Current assets .....	16.697	17.720	17.784	18.578
<i>Bad debts</i> <sup>8</sup> .....	377	354	299	299 <sup>9</sup>
Non-current assets .....	12.724	16.050	24.024	23.979
Equity .....	14.777	16.938	19.827	20.257
Total liabilities .....	14.644	16.832	21.981	22.301
Current liabilities .....	7.141	8.269	9.954	5.379 <sup>10</sup>
<i>Overdue debts</i> .....	—	—	—	—
Non-current liabilities .....	7.503	8.563	12.027	16.922
<i>Overdue debts</i> .....	—	—	—	—
Receivables .....	5.835	5.292	3.288	3.900
Short-term receivables .....	5.835	5.292	3.288	3.900
Long-term receivables .....	—	—	—	0
<b>Selected income statement data</b>				
Total revenues and other income .....	7.880	10.163	10.569	5.918
<i>Net revenues</i> .....	6.158	7.470	7.973	5.173
<i>Financial income</i> .....	1.683	2.679	2.508	569
<i>Other income</i> .....	39	14	87	175
Total expense .....	5.948	7.138	7.395	5.233
Profit before tax .....	1.932	3.026	3.174	685

<sup>8</sup> We made provision for 100% of our bad debt as at the valuation date (30/06/2014). As stated in our Valuation Result Report, besides bad debt at ALC2, all bad debts are recognized in our asset valuation.

<sup>9</sup> Material accounts in our bad debts are as follows:

	Amount (VND)
ALC2 .....	272.400.000.000
Air Mekong .....	25.907.942.217
Other .....	725.761.596
<b>Total</b> .....	<b>299.033.703.813</b>

<sup>10</sup> Some accounts are reclassified from current liabilities to non-current liabilities as per the guideline of Circular No. 200/2014/TT-BTC dated 22/12/2014



	For the fiscal year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
Profit before tax, excluding unrealized gain from foreign exchange .....	1.273	1.361	1.693	506
Profit after tax .....	1.451	2.229	2.437	533
Income tax .....	656	883	779	151
<b>Operational metrics</b>				
Number of employees .....	7.627	8.100	8007	8.126
Wages and benefits fund (in billion VND) .....	1.207	1.378	1.593	n/a
Average monthly earnings per employee (in million VND) .....	16,86	17,88	20,72	n/a
<b>Operating ratios</b>				
<b>Financing</b>				
Total liabilities / Total assets .....	0,50	0,50	0,53	0,52
Total liabilities / Equity .....	0,99	0,99	1,11	1,10
Equity/Assets .....	0,50	0,50	0,47	0,48
Debt/Equity .....	0,52	0,51	0,61	0,62
Total assets/Equity .....	1,99	1,99	2,11	2,10
<b>Asset structure</b>				
Current assets/Total assets .....	0,57	0,52	0,43	0,44
Non-current assets/ Total assets .....	0,43	0,48	0,57	0,56
<b>Liquidity</b>				
Quick ratio .....	2,30	2,11	1,76	3,40
Current ratio .....	2,34	2,14	1,79	3,45
<b>Efficiency</b>				
Working capital turnover .....	0,64	0,79	1,02	0,39
Days Payable Outstanding .....	230	135	88	78,75
Days Sales Outstanding .....	341	255	148	271
Days Sales of Inventories .....	17	15	18	23
<b>Profitability</b>				
Gross profit margin .....	17,04%	19,56%	27,88%	11,26%
Net profit margin .....	23,56%	29,84%	30,56%	10,30%
ROE .....	9,82%	13,16%	12,29%	2,63% <sup>11</sup>
ROA .....	4,93%	6,60%	5,83%	1,25% <sup>12</sup>

Source: Audited financial statements for 2012 – 2014 and 1H2015

<sup>11</sup> Calculated as at 30/06/2015 and not project for the whole fiscal year

<sup>12</sup> Calculated as at 30/06/2015 and not project for the whole fiscal year

Total assets as of the end of fiscal year 2013 were 33.770 billion VND and at the end of fiscal year 2014 was 41.808 billion VND. During 2012-2014, our total assets grow at an average rate of 19,21% per year, primarily due to our focus on fixed assets investment, as we improved our runways and taxiways, and remodelled many of the terminal in our airports. Financially, this is primarily reflected in the relatively little increase of our current assets, while non-current assets increased 26,14% in 2013 and 49,68% in 2014. Construction in progress increased in from 1.104 billion in 2012 to 4.452 billion in 2013, and is partly transferred to fixed assets in 2014, leading to the value of tangible fixed assets increased from 9.414 in 2013 to 20.590 billion in 2014. This is attributable primarily to the accounting recognition of the T2 International Terminal T2 at Noi Bai airport by late 2014.

The proportion of non-current assets increased in our asset structure during 2012-2014. At the end of fiscal year 2012, non-current assets and current assets respectively represented 43,25% and 56,75% of total assets. By the end of fiscal year 2014, these figures are respectively 57,46% and 42,54%. This change primarily reflected our investments in fixed assets (runways, taxiways, apron and terminals), increasing our operating leverage and capacity.

We maintained a relatively balanced capital structure. Debt to equity ratio was 49,77% in 2012 and 52,58% in 2014.

To partly finance our fixed asset investment program, we received additional funds from the Government budget in addition to our retained earnings (represented under our Development and Investment account in our Equity). Growth rates of total equity for the period 2012 – 2014 averaged 15,83%/year. Equity to total assets ratio for the period 2012 – 2014 averaged 49,27% per year.

Under the Government of Vietnam's Master Airports Development Program, 2012 – 2014 was our peak capital expenditure period. In order to finance our airport overhaul and expansion strategy, besides equity financing, we have entered into Japanese ODA loans, guaranteed by the Government of Vietnam. Total outstanding ODA loan as at 31/12/2014 is ¥67,918,826,037; these loans are primarily used to finance the International Passenger Terminal at Tan Son Nhat International Airport and the T2 International Terminal at Noi Bai International Airport. A summary of the material ODA agreements we have entered include:

*ODA loan to finance Tan Son Nhat International Airport according to Credit Agreement No. VNIX-2 dated 29/3/2002 between the Vietnam Ministry of Finance and Japan Bank For International Cooperation (JIBC):*

The administrator of the loan is the Fund for Vietnam Development Assistance Fund – Ho Chi Minh Branch (currently Regional Headquarter No. 2 – Vietnam Development Bank), under ODA Credit Agreement No. 038/TDNN-TDTW1 dated 15/8/2002 and JBIC Trustee Agreement No. 06/2002/UQ/BTC-TCDN dated 17/7/2001 between the Vietnam Development Assistance Fund and the Ministry of Finance.

#### Credit terms

Total loan amount . . . . .	22.768.000.000 JPY
Lending period . . . . .	40 years from the effective date of the Agreement
Grace period . . . . .	10 years from the effective date of the Agreement
Principal repayment period	30 years
Interest rate . . . . .	1,6%/year on outstanding loan (agent interest rate of 0,2%/year based on the amount of interest bearing outstanding loan)
Outstanding loan as at 31/12/2014 . . .	19.738.381.629 JPY

*T2 International Terminal Construction Project, financed by ODA loan according to Credit Agreement No. VNXVII-6 dated 18/3/2010 between the Government of Japan and the Government of Vietnam :*

#### Credit terms

Total loan amount . . . . .	12.607.000.000 JPY
Lending period . . . . .	40 years from the effective date of the Agreement
Grace period . . . . .	10 years from the effective date of the Agreement
Principal repayment period	30 years
Interest rate . . . . .	0,4%/year for the funding of construction cost; 0,21%/year for the funding of consultancy cost (agent interest rate of 0,2%/year based on the amount of interest bearing outstanding loan)
Outstanding loan as at 31/12/2014 . . .	12.366.016.964 JPY

*Credit Agreement no. VN11-P6 dated 30/3/2012 between the Government of Japan and the Government of Vietnam on Noi Bai T2 International Terminal project:*

#### Credit terms

Total loan amount . . . . .	20.584.000.000 JPY
Lending period . . . . .	40 years from the effective date of the Agreement
Grace period . . . . .	10 years from the effective date of the Agreement
Principal repayment period . . . . .	30 years
Disbursement . . . . .	5 from the effective date of the Agreement
Interest rate . . . . .	0,4%/year for the funding of construction cost; 0,21%/year for the funding of consultancy cost (agent interest rate of 0,2%/year based on the amount of interest bearing outstanding loan)
Outstanding loan as at 31/12/2014 . . .	20.453.000.000 JPY

*Credit Agreement No. VN13-P3 dated 24/12/2013 between the Government of Japan and the Government of Vietnam on the T2 International Terminal at Noi Bai International Airport*



#### Credit terms

Total loan amount . . . . .	26.062.000.000 JPY
Lending period . . . . .	40 years from the effective date of the Agreement
Grace period . . . . .	10 years from the effective date of the Agreement
Principal repayment period . . . . .	30 years
Disbursement . . . . .	5 from the effective date of the Agreement
Interest rate . . . . .	0,3%/year for the funding of construction cost; 0,21%/ year for the funding of consultancy cost (agent interest rate of 0,2%/year based on the amount of interest bearing outstanding loan)
Outstanding loan 31/12/2014 . . . . .	15.361.427.444 JPY

Our current and quick ratio for the period 2012 – 2014 was approximately 2. We have placed strong focus on periodical forecast of revenues and expenses to maintain a firm and responsive cash management. This allows us to timely meet our obligations without incurring overdue.

Our after tax profit was 2.229<sup>13</sup> billion VND in 2013 and 2.437 billion VND in 2014, +9,30%yoy. ROE was 12,29% and ROA was 5,83 % in 2014, decreasing yoy principally due to our expanding capacity and changes in the macroeconomic environment as described above.

## 2.8. Discussion of material factors affecting business environment in 2012 – 2015

### 2.8.1 Advantages

#### Supportive policies from the Government of Vietnam and the Ministry of Transport

Since our inception from the merger of 03 the Northern, Central and Southern Airport Corporations in 2012, we have been acting as the sole manager and operator of civil airports and airport infrastructures in Vietnam. Corresponding to our pivotal role in the regional transportation network and economic development policy, we received numerous incentives from the Ministry of Transport and other related organizations through the granted investment funds and the special guarantee for large scale ODAs. Such incentives allow our business to flourish after the merger, creating a foundation for our effective performance and current position.

#### Synergy created from the merger of Northern, Central and Southern Airport Corporations

The consolidation of Vietnam's three airport operators created significant synergy in terms of pooled resources for the implementation of our business strategy and investment program. The centralization of financial resources of the Northern and Southern airport corporations, in particular, allows higher efficiency in capital allocation for airports development.

<sup>13</sup> Including unrealized foreign exchange gains

### **Economic recovery and the domestic tourism industry**

Vietnam GDP grew by 5,98% in 2014, exceeding the 5,8% target of the National Assembly and local and international analysts' consensus. Quarterly GDP growth has been trending upward. 1Q, 2Q, 3Q and 4Q GDP was 5,06%, 5,34%, 6,07%, 6,96% respectively.

2014 was a successful year for Vietnam in attracting foreign investment. Total FDI disbursement in 2014 was 12,4 billion USD (+7,4%), and was 2,9% higher than planned. Total FDI invested was estimated at 20,23 billion USD in 2014, 93,5% of total FDI in 2013, and 19% higher than planned (17 billion USD). Pledged FDI was 15,6 billion USD (+9,6%yoy) and additional FDI was 4,5 billion USD.

Except in 2009 due to the economic downturn, tourism revenues and number of tourist have continually increased over the period from 2008 to 2014 at a rate of 22% and 10,57%, respectively. Air transport has become increasingly popular option for tourist for its speed, convenience, and competitive cost when compared to rail and car.

Economic and tourism recovery has been the main driver behind our terminal passenger growth. Domestic terminal passengers grew by 20% in 2014 while international terminal passengers grew by 5,5% in 2014 and 13,2% compared with 2012.

### **The rapid growth of the low-cost carrier**

As reported by CAPA, South East Asia low-cost airlines' seat capacity increased eightfold in 10 years, from about 25 million seats in 2004 to nearly 200 million seats in 2014. Seat capacity of the legacy airlines in the same period increased only area approximately 45%, from 180 million seats in 2004 to 260 million seats in 2014.

In domestic market, VietJet Air became the seventh largest low-cost carrier in Southeast Asia (ranking higher than Jetstar Asia and Tiger Air) within three years of operation. According to CAPA, the airline is also likely to surpass Indonesia AirAsia and Nok Air in terms of seat capacity by the end of 2015. It should be noted that Nok, Indonesia AirAsia, Jetstar Asia and Tigerair are all founded in 2004 - eight years before VietJet commenced its operation.

The development of low-cost carrier service will stimulate the aviation market, and hence is expected to boost our revenue growth in the future.

### **Changes in fee structure applicable to aeronautical services**

Under the regulation 1992/QĐ-BTC (dated 08/15/2014) effective since 01 October 2014, the service unit charge of aviation security screening has changed from per aircraft and route to per passenger. Therefore, the revenue from aviation security screening increased by 35% in 2014, reaching 259 billion VND. Besides, the passenger service fee has gradually been revised to match regional level.



## 2.8.2 Difficulties

### Adverse geo-political environment

Due to rising political tension events in the South China Sea, the air transport market between Vietnam and China, Hong Kong, Taiwan has plummeted. The number of flights between Vietnam and such countries fell by 34%. The number of passengers traveling to the three countries fell by 38% in 2014. Several airlines such as China Southern Airlines, Hong Kong Airlines, China Airlines, etc. and Vietnam Airlines have cancelled or reduced the frequency of flights from Vietnam to China, Hong Kong, Taiwan. New airlines such as Transasia Airlines, Lucky Air, Xiamen Airlines, etc. also suspended the opening of new routes to Vietnam. Besides, the ruble devaluation and economic recession in Russia also made significant impact on the growth of tourists from this market (currently accounting for approximately 6% of international tourists to Vietnam).

The geopolitical events mentioned above in 2014 had an impact on our business, leading to considerable decline in the growth rate of international terminal passenger volume, terminal cargo volume and international air traffic movement in 2014. Terminal passenger volume grew by 5.49% (which was 13.25% in 2013); while terminal cargo volume rose by 12.13% (which was 21.44% in 2013) and landing charge went up by 8.63% (which was 11.08% in 2013).

## 2.9. Evaluation of our position in the industry

### 2.9.1 Our competitive position

We are the sole airport operator and aviation infrastructure construction manager in Vietnam. Our multi-sector operations are supported by a network of 09 subsidiaries, associated companies and joint ventures. We operate 22 airports, including 07 international and 15 domestic ones.

The merger of 03 Airport Corporations enables us to reallocate resources for higher operating performance and more effective investments, playing the crucial role in the expansion, renovation and new construction of our airports system during the period 2012 - 2015. The key projects that we invested in, implemented and successfully put into operation during such period are as follows:

Project	Operational date
Cat Bi International Airport, 2015 - 2025 .....	2015
T2 International Terminal – Noi Bai International Airport .....	2014
Renovation & Expansion plan for the Apron, International and Domestic Terminals – Tan Son Nhat International Airport .....	2013 - 2015
Expansion plan for Phu Bai International Airport .....	2013
Renovation & Expansion plan for Pleiku Airport .....	2015
Infrastructure for civil use, Tuy Hoa Airport .....	2015
Expansion plan for Vinh Airport .....	2015



Expansion plan for Phu Quoc International Airport. ....	2012
Expansion plan for T1 International Terminal - Noi Bai International Airport .....	2013

## 2.9.2 Industry prospect

### a. Global aviation market

In the period 2016 - 2020, the globalization continues to advance and hence larger global airline alliances. Members of such alliances will focus on developing routes and sales system, to enhance competitiveness and profitability in increasingly fierce competition.

According to Airbus, the number of air travellers will double every 15 years, and particularly during the period 2011-2020, the average growth rate will reach 5.1%/year. Besides, 30% of passengers traveling by air is the middle class (calculation is based on daily expenditure of 10-100 USD/person) and they will increasingly account for a larger proportion in the future. The number of population in the middle class will be around 3 billion by 2021 (around 40% of the population), which is 1.5 times higher after 10 years and the Asia - Pacific region will see the highest growth rate (growth rate in 2031 will be 5 times higher than that in 2011). In addition, Airbus projected that Asian-Pacific airlines will gradually occupy the leading position in the world shipping industry with an average growth rate of about 5,4%/year.

The International Air Transport Association (IATA) estimated that total number of air passengers will reach about 3,6 billion in 2016, while that in 2011 was 2,8 billion.

### b. Regional aviation market

In Asia, especially in North Asia and South East Asia - Asia Pacific, traditional airlines continued their strategy of enhancing service quality to create competitive advantage on both domestic and international routes. LCC model saw strong growth in recent years, and fleet growth is forecast at 13%<sup>16</sup> in 2015 despite the fierce competition. Several traditional airlines established subsidiaries and associated companies operating in the low-cost segment such as Qantas and Jetstar, Singapore Airlines and Silk Air - Scoot, Thai Airways and Nok Air.

Regional hubs for international flights are becoming overloaded, making slot arrangements (landing/taking off) increasingly challenging, particularly in major global hubs (Paris, Tokyo and London) and at regional hub (Singapore). Along with this trend, international air transport market will gradually shifted to emerging economies like China and Vietnam, fuelling rapid growth in these markets.

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<sup>16</sup> CAPA, 2015

**c. Domestic aviation market**

According to IATA, Vietnam will see fast growth in the industry during 2015-2034 for the following reasons:

- Vietnam's economy has recovered and income per capita increased rapidly. In September 2015, Vietnam GDP increased by 6.5%ytd - the highest rate since 2010. ADB also raised its growth forecast for Vietnam to 6.5% in 2015 and to 6.6% in 2016.
- Membership at ASEAN, APEC, WTO and TPP will foster the liberalization process in the air transport policy of Vietnam.
- The development of the low-cost carriers in Vietnam plays a key role in promoting the growth of the aviation industry by expanding audience.

**2.9.3 The alignment of our strategy with industry trending, the Government's policy and world market prospect**

Pursuant to Decision No. 21/QĐ-TTg dated 08/01/2009 of the Prime Minister approving the Master Development Plan of Vietnam aviation transportation services and infrastructure towards 2020 ("Decision 21"), Vietnam aviation infrastructure would be develop according to a hub-spoke model, in which Hanoi, Da Nang and Ho Chi Minh City are three passengers and merchandises hubs connecting domestic and international flights. The Master plan of airports network also takes into account the need for airports along with inter-regional and international flights in the specific areas to promote economic development and national defence.

In light of Decision 21, the Ministry of Transport has issued Decision No. 2985 / QĐ-BGTVT 30/09/2013 on improving the efficiency and quality of management and exploitation of aviation infrastructure, setting out a number of objectives and specific measures of development-oriented airports in Vietnam. Adhered to the regional and provincial airport development master plan, we have completed the majority of these objectives.

### **3. OVERVIEW OF OPERATING RESULT PRIOR TO EQUITIZATION**

#### **3.1. Overview of group operation**

We are the manager of aviation infrastructure within the group and contribute significantly to the revenues of the group (75,58%). Our subsidiaries provide supplementary ground services and commercial services inside the airports, completing our integrated value chain and utilizing locational advantages. Revenue structure of the group in the fiscal year 2014 is as follows:



Fiscal year ended December 31, 2014

	ACV	SASCO	SAGS	CRAC (in billion VND)	TAPETCO	SATSCO	Intra-group transactions	Total
Aeronautical and Non-Aeronautical revenues ..	7,333	3	473	6	—	69	(16)	7,868
Retails .....	665	2,036	—	86	4	64	(186)	2,669
Others .....	—	4	—	42	—	—	—	46
<b>Total revenues .....</b>	<b>7,999</b>	<b>2,044</b>	<b>473</b>	<b>134</b>	<b>4</b>	<b>133</b>	<b>(202)</b>	<b>10,584</b>
				Percentage (%)				
Aeronautical and Non-Aeronautical revenues	93,20%	0,04%	6,01%	0,07%	—	0,88%	(0,20%)	100,00%
Retails .....	24,93%	76,28%	—	3,23%	0,15%	2,40%	(6,98%)	100,00%
Others .....	—	9,32%	—	90,68%	—	—	—	100,00%
<b>Total revenues .....</b>	<b>75,58%</b>	<b>19,31%</b>	<b>4,47%</b>	<b>1,26%</b>	<b>0,04%</b>	<b>1,19%</b>	<b>(1,84%)</b>	<b>100,00%</b>

### 3.2. Summary of the Group's operating result, 2012 – 2014

	Fiscal year ended December 31,		
	2012	2013	2014
	(in billion VND)		
<b>Balance sheet</b>			
Total assets . . . . .	30.189	34.661	43.692
Current assets . . . . .	17.843	18.885	18.945
Non-current assets . . . . .	12.346	15.777	24.747
Equity . . . . .	14.805	16.977	19.833
Liabilities . . . . .	15.311	17.593	23.030
Short-term liabilities . . . . .	7.803	8.906	10.742
Long-term liabilities . . . . .	7.508	8.687	12.288
Receivables . . . . .	6.047	5.408	3.711
Short-term receivables . . . . .	5.968	5.408	3.315
Long-term receivables . . . . .	79	–	396
<b>Income statement</b>			
Total revenues . . . . .	9.844	12.363	13.172
Operational revenues . . . . .	8.011	9.548	10.555
Financial revenues . . . . .	1.765	2.767	2.481
Other . . . . .	68	47	136
Total expenses . . . . .	7.829	9.238	9.866
Cost of goods sold . . . . .	6.394	7.452	7.546
Financial expenses . . . . .	73	117	505
Selling expenses . . . . .	328	401	418
Administration expenses . . . . .	1.027	1.219	1.294
Other expenses . . . . .	7	47	103
Gains/Losses from investment in associates . . . . .	10	5	2
Profits before tax . . . . .	2.024	3.130	3.308
Profits before tax (excluding foreign exchange gains) . . .	1.358	1.449	1.861
Profits after tax . . . . .	1.530	2.301	2.511
ROE . . . . .	10,3%	13,5%	12,7%
ROA . . . . .	5,0%	6,6%	5,7%

Source: Audited consolidated financial statements, Airports Corporation of Vietnam, 2012 – 2014

#### **4. OPERATIONAL STATUS AT THE TIME OF VALUATION**

##### **4.1. Principal assets of our business**

###### **4.1.1 Our airports**

We currently operate a considerably diverse and specialized asset base, being the sole manager and developer of all civil airports in Vietnam. Among these, terminals, runways, taxiways, apron and their supporting facilities are most critical to our operation.

7 of our airports are designated as international airport as per our registration with the Civil Aviation Authority of Vietnam. These 7 airports are properly equipped to receive international flights and maintain customs and immigration facilities operated by the Vietnam Department of Immigration.

Our internal classification categorizes airports into Class 1, Class 2 and Class 3 based on the airport size, traffic and capacity.

The fee structure of the Ministry of Finance categorizes our airports into Class A and Class B.

All of our airports are also classified under ICAO's system according to the airports' ability to receive aircrafts.

A summary of the categorization for all 22 airports under our management is as follows<sup>23</sup>:

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<sup>23</sup> Na San and Dien Bien airport share the same business registration certificate. Na San Airport has ceased receiving traffic.



	Internal classification	Ministry of Finance classification	Domestic/ international	ICAO
Tan Son Nhat International Airport ..	1	A	International	4E
Noi Bai International Airport .....	1	A	International	4E
Da Nang International Airport .....	1	A	International	4E
Cam Ranh International Airport .....	2	A	International	4D
Phu Quoc International Airport .....	2	A	International	4E
Cat Bi Airport .....	2	A	Domestic <sup>25</sup>	4C
Vinh Airport .....	2	A	Domestic <sup>26</sup>	4C
Lien Khuong Airport .....	2	A	Domestic <sup>27</sup>	4D
Buon Me Thuot Airport .....	2	A	Domestic	4C
Phu Bai International Airport .....	2	A	International	4C
Can Tho International Airport .....	2	A	International	4E
Phu Cat International Airport .....	3	B	Domestic	4D
Pleiku Airport .....	3	B	Domestic	4C
Dong Hoi Airport .....	3	B	Domestic	4C
Dien Bien Airport .....	3	B	Domestic	3C
Con Dao Airport .....	3	B	Domestic	3C
Tuy Hoa Airport .....	3	B	Domestic	4C
Chu Lai Airport .....	3	B	Domestic	4C
Rach Gia Airport .....	3	B	Domestic	3C
Tho Xuan Airport .....	3	B	Domestic	4C
Ca Mau Airport .....	3	B	Domestic	3C
Na San Airport .....	3	B	Domestic	3C

Traffic at the 22 airports under our management mainly concentrates in three regional Class 1 hub located at the North, Central and South Vietnam, i.e. Noi Bai International, Airport Da Nang International Airport and Tan Son Nhat International Airport, respectively. Total number of terminal passengers at these three in 2014 represents 81,33% of our terminal passenger traffic. The three Class 1 airports are also the destinations for the majority of international passengers, accounting for 96,23% of international terminal passenger traffic in Vietnam. A number of airports at key tourist destinations has been remodelled in our expansion program (Cam Ranh, Phu Quoc, Phu Bai and Vinh Airport in particular). These have seen significant traffic growth in recent years, and are expected to further contribute to our revenue growth.

As a part of our corporate strategy, Noi Bai, Da Nang and Tan Son Nhat all hold central roles in the Northern, Central and South operational centre. They serve as the main supporting hub for their

<sup>25</sup> Have permit to serve limited international flights

<sup>26</sup> Have permit to serve limited international flights

<sup>27</sup> Have permit to serve limited international flights

satellites in equipment and facilities maintenance, technical assistance and training. We have objectively spent out development efforts on service quality and capacity of airports with strong potentials and traffic demand, especially international ones. In 2014, our 7 international airports contributes more than 90% of our operating revenues.

The following table sets forth the designed and actual capacity of our airport as of 31/12/2014:

	<b>Designed capacity (passengers)</b>	<b>Actual traffic (passengers)</b>	<b>Utilization rate</b>
Tan Son Nhat International Airport .....	20.000.000	22.153.349	110,77%
Noi Bai International Airport .....	25.000.000	14.190.675	56,76%
Da Nang International Airport .....	6.000.000	4.989.687	83,16%
Cam Ranh International Airport .....	1.500.000	2.062.494	137,50%
Phu Quoc International Airport .....	2.650.000	1.002.750	37,84%
Vinh Airport .....	2.000.000	1.222.698	61,13%
Phu Bai International Airport .....	1.500.000	1.159.499	77,30%
Cat Bi Airport .....	1.200.000	927.001	77,25%
Buon Me Thuot Airport .....	1.000.000	695.149	69,51%
Lien Khuong Airport .....	2.000.000	675.607	33,78%
Phu Cat International Airport .....	750.000	420.520	56,07%
Can Tho International Airport .....	2.000.000	305.015	15,25%
Pleiku Airport .....	600.000	300.471	50,08%
Con Dao Airport .....	400.000	188.549	47,14%
Tho Xuan Airport .....	600.000	163.270	27,21%
Dong Hoi Airport .....	500.000	117.656	23,53%
Dien Bien Airport .....	250.000	81.564	32,63%
Tuy Hoa Airport .....	550.000	64.037	11,64%
Chu Lai Airport .....	500.000	40.198	8,04%
Rach Gia Airport .....	200.000	33.544	16,77%
Ca Mau Airport .....	200.000	30.698	15,35%
Na San Airport (ceased receiving flight since 2004) .....	—	—	—

**a. Traffic volume**

The following tables set forth the passenger traffic volume and number of aircraft movement for each of our airports during the periods indicated:

[illegible]



Fiscal year ended December 31,											
2012			2013			2014					
Domestic		International	Total	Domestic		International	Total	Domestic		International	Total
Terminal departing passenger											
Tan Son Nhat-SGN		4,607,892	4,220,624	8,828,516	5,500,148	4,587,100	10,087,248	6,497,002	4,647,525	11,144,527	
Noi Bai-HAN		3,245,581	2,373,476	5,619,057	3,706,529	2,633,002	6,339,531	4,326,693	2,727,337	7,054,030	
Da Nang-DAD		1,458,088	121,585	1,579,673	1,953,536	275,170	2,228,706	2,087,135	452,759	2,539,894	
Cam Ranh-CXR		467,967	78,893	546,860	577,431	181,671	759,102	746,860	295,276	1,042,136	
Vinh-VII		311,697	-	311,697	443,519	-	443,519	597,751	4,330	602,081	
Phu Bai-HUI		332,793	-	332,793	208,856	-	208,856	569,704	-	569,704	
Phu Quoc-PQC		251,721	-	251,721	347,604	-	347,604	498,582	7,197	505,779	
Cat Bi-HPH		315,034	-	315,034	429,046	-	429,046	456,737	12	456,749	
Buon Ma Thuot-BMV		208,039	-	208,039	270,333	-	270,333	351,688	-	351,688	
Lien Khuong-DLI		202,693	-	202,693	247,729	-	247,729	347,423	-	347,423	
Phu Cat-UIH		117,676	-	117,676	144,430	-	144,430	209,089	-	209,089	
Can Tho-VCA		101,894	650	102,544	123,209	-	123,209	153,959	-	153,959	
Pleiku-PXU		161,754	-	161,754	160,373	-	160,373	149,943	-	149,943	
Con Dao-VCS		96,262	-	96,262	88,233	-	88,233	94,637	-	94,637	
Tho Xuan-THD		-	-	-	43,873	-	43,873	79,749	-	79,749	
Dong Hoi-VDH		41,174	-	41,174	51,702	-	51,702	58,568	-	58,568	
Dien Bien-DIN		37,364	-	37,364	37,713	-	37,713	40,918	-	40,918	
Tuy Hoa-TBB		31,833	-	31,833	31,565	-	31,565	31,565	-	31,565	
Chu Lai-VCL		26,471	-	26,471	24,522	-	24,522	19,119	-	19,119	
Rach Gia-VKG		30,186	-	30,186	26,282	-	26,282	16,675	-	16,675	
Ca Mau-CAH		18,823	45	18,868	17,013	-	17,013	14,987	-	14,987	
Na San-SQH		-	-	-	-	-	-	-	-	-	
Total		12,064,942	6,795,273	18,860,215	14,433,646	7,676,943	22,110,589	17,348,784	8,134,436	25,483,220	

Fiscal year ended December 31,

	2012			2013			2014		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
<b>Terminal arriving passenger</b>									
Tan Son Nhat-SGN .....	4.660.980	4.048.857	8.709.837	5.509.758	4.438.146	9.947.904	6.525.909	4.482.913	11.008.822
Noi Bai-HAN .....	3.266.659	2.455.323	5.721.982	3.762.261	2.723.992	6.486.253	4.347.088	2.789.557	7.136.645
Da Nang-DAD .....	1.388.216	122.988	1.511.204	1.871.569	276.500	2.148.069	2.014.304	435.489	2.449.793
Cam Ranh-CXR .....	459.136	89.780	548.916	565.584	184.526	750.110	730.452	289.906	1.020.358
Vinh-VII .....	323.580	-	323.580	474.119	-	474.119	616.628	3.989	620.617
Phu Bai-HUI .....	340.251	-	340.251	218.726	-	218.726	589.795	-	589.795
Phu Quoc-PQC .....	241.713	-	241.713	337.432	-	337.432	489.115	7.856	496.971
Cat Bi-HPH .....	323.468	72	323.540	443.716	-	443.716	470.246	6	470.252
Buon Ma Thuot-BMV .....	202.685	-	202.685	264.751	-	264.751	343.461	-	343.461
Lien Khuong-DLI .....	185.232	-	185.232	228.709	-	228.709	328.184	-	328.184
Phu Cat-UIH .....	118.578	-	118.578	146.402	-	146.402	211.431	-	211.431
Can Tho-VCA .....	97.109	1.098	98.207	118.098	-	118.098	151.056	-	151.056
Pleiku-PXU .....	158.079	-	158.079	159.621	-	159.621	150.528	-	150.528
Con Dao-VCS .....	94.777	-	94.777	87.341	-	87.341	93.912	-	93.912
Tho Xuan-THD .....	-	-	-	47.056	-	47.056	83.521	-	83.521
Dong Hoi-VDH .....	40.590	-	40.590	53.884	-	53.884	59.088	-	59.088
Dien Bien-DIN .....	36.008	-	36.008	36.559	-	36.559	40.646	-	40.646
Tuy Hoa-TBB .....	30.992	-	30.992	31.538	-	31.538	32.472	-	32.472
Chu Lai-VCL .....	27.282	-	27.282	26.452	-	26.452	21.079	-	21.079
Rach Gia-VKG .....	29.994	-	29.994	26.127	-	26.127	16.867	-	16.867
Ca Mau-CAH .....	19.082	45	19.127	17.387	-	17.387	15.711	-	15.711
Na San-SQH .....	-	-	-	-	-	-	-	-	-
<b>Total .....</b>	<b>12.044.411</b>	<b>6.718.163</b>	<b>18.762.574</b>	<b>14.427.090</b>	<b>7.623.164</b>	<b>22.050.254</b>	<b>17.331.493</b>	<b>8.009.716</b>	<b>25.341.209</b>

Fiscal year ended December 31,

	2012			2013			2014		
	Domestic		Total	Domestic		Total	Domestic		Total
	Domestic	International		Domestic	International		Domestic	International	
<b>Air traffic movements</b>									
Tan Son Nhat-SGN .....	73.778	57.932	131.710	77.713	62.043	139.756	89.482	64.457	153.939
Noi Bai-HAN .....	46.799	37.505	84.304	49.199	40.636	89.835	56.633	44.231	100.864
Da Nang-DAD .....	23.392	2.902	26.294	29.013	5.986	34.999	30.686	7.932	38.618
Cam Ranh-CXR .....	7.550	954	8.504	8.632	1.646	10.278	10.378	2.740	13.118
Vinh-VII .....	5.526	-	5.526	6.996	-	6.996	8.490	266	8.756
Phu Bai-HUI .....	5.306	-	5.306	3.180	-	3.180	7.976	-	7.976
Phu Quoc-PQC .....	8.350	-	8.350	6.914	-	6.914	8.298	188	8.486
Cat Bi-HPH .....	5.392	-	5.392	6.488	-	6.488	6.734	4	6.738
Buon Ma Thuot-BMV .....	6.106	-	6.106	5.275	-	5.275	6.043	-	6.043
Lien Khuong-DLI .....	4.918	-	4.918	4.044	-	4.044	5.157	-	5.157
Phu Cat-UJH .....	2.852	-	2.852	2.494	-	2.494	2.948	-	2.948
Can Tho-VCA .....	2.323	11	2.334	2.296	-	2.296	2.620	11	2.631
Pleiku-PXU .....	5.198	-	5.198	5.330	-	5.330	5.214	-	5.214
Con Dao-VCS .....	3.562	-	3.562	3.210	-	3.210	3.395	-	3.395
Tho Xuan-THD .....	-	-	-	608	-	608	1.062	-	1.062
Dong Hoi-VDH .....	1.034	-	1.034	1.174	-	1.174	1.354	-	1.354
Dien Bien-DIN .....	1.386	-	1.386	1.388	-	1.388	1.532	-	1.532
Tuy Hoa-TBB .....	1.264	-	1.264	1.178	-	1.178	1.217	-	1.217
Chu Lai-VCL .....	1.082	-	1.082	1.004	-	1.004	838	-	838
Rach Gia-VKG .....	1.320	-	1.320	1.142	-	1.142	680	-	680
Ca Mau-CAH .....	798	8	806	734	-	734	690	-	690
Na San-SQH .....	-	-	-	-	-	-	-	-	-
<b>Total .....</b>	<b>207.936</b>	<b>99.312</b>	<b>307.248</b>	<b>218.012</b>	<b>110.311</b>	<b>328.323</b>	<b>251.427</b>	<b>119.829</b>	<b>371.256</b>



**b. Class 1 Airports**

**Tan Son Nhat International Airport**

Tan Son Nhat International Airport is our most important airport in terms of passenger traffic, air traffic movements and contribute 3.576 billion VND in revenues. The airport accounted for 44,71% of our operating revenue in 2014. The airport is a central hub in the civil aviation route network of Vietnam, serving primarily travellers for business, tourism and family visit.

In terms of passenger traffic, 45,37% and 43,59% of terminal passengers in Vietnam were served by Tan Son Nhat international airport in 2013 and 2014, respectively. The airport also represents 58,99% and 56,66% of our international terminal passenger in Vietnam in the same period. In addition to its operational function, the airport also supports other regional peers (from Tuy Hoa to Ca Mau) in periodical and on-site training. In off-peak season, Tan Son Nhat assists those in the South in facilities maintenance and repair, and flight calibration.

Tan Son Nhat International Airport is located within Ho Chi Minh City, which has a population of 7,9 million<sup>28</sup>. Besides being the most populated city in Vietnam, Ho Chi Minh City is a municipality ("City Under Direct Governmental Administration"), and therefore holds a central role in the economic, political and cultural landscape of Vietnam. The expanding middle class, increasing transportation demand, stable political environment, a remarkable contribution to domestic economy<sup>29</sup>, and an established route schedule (serving flights to Cambodia-Laos-Myanmar-Vietnam, Oceania and North Asia region) will be the main growth drivers for the airport.

In 2012, 2013 and 2014, a total of 17,53, 20,04 and 22,15 million terminal passengers, respectively, were served by Tan Son Nhat International Airport. This correspond to a compound annual growth rate of 12,38%. Of the terminal passengers, in 2014, 41,21% were international and 58,79% were domestic. Compared to 2013, the proportion of international passenger in 2014 has slightly decreased – 47,15% of the terminal passengers in 2013 were international, and 52,85% were domestic.

A total of 46 airlines operate at the airport. Besides the two principal domestic airlines in terms of operating scope and market share (Vietnam Airlines and VietJet Air), we are serving other established international carriers such as Singapore Airlines, Emirates, All Nippon Airways, Eva Airways, Korean Air, Asiana Airlines on route originating from and to Ho Chi Minh city. Among 14 operational routes currently served by Tan Son Nhat, the ones with high-frequency routes are SGN-HAN, SGN-DAD and routes connecting metropolitan areas such as SGN-HUI, SGN-PQC, SGN-HPH.

<sup>28</sup> A survey on population and household on 1/4/2014 in Vietnam: A summary of significant findings, Government Statistical Office, 2014. Retrieved at <http://www.gso.gov.vn/default.aspx?tabid=507&ItemID=16141>

<sup>29</sup> Ho Chi Minh City currently contributing 21,3% of Vietnam national GDP in 2014, according to Ho Chi Minh City's Statistical Office

The following table sets forth the most frequent domestic and international routes originating from the airport in 2014:

<b>International route</b>	<b>Number of air traffic movements per year</b>	<b>Domestic route</b>	<b>Number of air traffic movements per year</b>
SGN-SIN .....	4.616	SGN-HAN .....	13.398
SGN-KUL .....	3.472	SGN-DAD .....	7.608
SGN-BKK .....	2.552	SGN-HUI .....	2.757
SGN-TPE .....	1.885	SGN-PQC .....	3.056
SGN-HKG .....	2.253	SGN-HPH .....	2.815

Tan Son Nhat International Airport operates 24 hours daily. The airport has two operating parallel runways: A 25R/07L runway (3048m long and 45,72m wide), PCN 85, and A 25L/07R runway (3800m long and 45,72m wide), PCN 63, all of which are constructed from polymer concrete and allow for the operation of wide-body aircraft such as the Boeing 747-400. The distance between these runways is 365m. These runways are both equipped with Instrument Landing Systems used primarily to assist landing in bad weather.

#### **Noi Bai International Airport**

Founded in 1977, Noi Bai International Airport was initially under the management of the Civil Aviation Authority of Vietnam, a department of the Ministry of Defence. The airport was converted for civil use in 1983.

Noi Bai International Airport is the second most important airport under our management in terms of traffic. It served 29,04% and 27,92% of our terminal passengers in 2013 and 2014, respectively. Noi Bai International Airport assists its satellites airports in the region in terms of equipment and facilities, personnel and training as the central airport of Northern Vietnam.

While Tan Son Nhat International Airport only accommodates occasionally military helicopters as supported by the nearby Bien Hoa – a military airport, Noi Bai International Airport is partially a military airfield. We anticipate that military use will not materially affect the future operation of the Noi Bai International Airport, due to it being gradually converted from a joint-use airport to a dedicated civil airport.

Noi Bai International Airport is located in Soc Son Ward, northward of Hanoi center. The geographic location emphasizes Noi Bai's role as the sole airport serving the capital of Vietnam – the economic, political and cultural center of the country. Hanoi is the second largest city in Vietnam in terms of population (6,9 million), with significantly higher than average annual income (75-77 million VND). The Government has committed significant investment to the infrastructure around Noi Bai to increase the number of options for international and domestic travellers, the most recent being highways connecting Hanoi - Lao Cai, Hanoi - Thai Nguyen and Hanoi - Hai Phong. This is a part of the initiative



to strengthen the connectivity between Hanoi and the provinces in its neighbourhood, making Noi Bai a crucial hub in the regional transportation network.

In 2012, 2013 and 2014, the airport respectively served 11,34, 12,82 and 14,19 million terminal passengers, corresponding to an average annual growth rate of 11,86%. In 2014, international visitors accounted for 38, 88% (5,5 million) of total terminal passengers and domestic visitors accounted for 61.12% (8,7 million). Compared with that in 2013, the proportion of international visitors decreased slightly due world political and economic environment. The airport serves a diverse range of business travellers, tourists and visitors of relatives.

Currently, Vietnam Airlines, Jetstar Pacific and VietJet Air are the three operators of domestic flights to and from Hanoi, mainly through trunk routes connecting Hanoi – Saigon and Hanoi - Da Nang. On international routes to and from Hanoi, Vietnam Airlines is also the one with the highest flight frequency, mainly focus on routes such as Hanoi - Bangkok, Hanoi - Incheon, Hanoi - Pusan and Hanoi - Siem Reap. The following table sets forth the most frequent domestic and international routes departing from the airport in 2014:

<b>International route</b>	<b>Number of air traffic movements per year</b>	<b>Domestic route</b>	<b>Number of air traffic movements per year</b>
HAN-ICN .....	2.422	HAN-SGN .....	13.600
HAN-HKG .....	2.115	HAN-DAD .....	5.151
HAN-SIN .....	1.721	HAN-CXR .....	1.934
HAN-TPE .....	1.425	HAN-HUI .....	1.233
HAN-REP .....	1.402	HAN-DLI .....	971

Noi Bai International Airport operates 24 hours daily. The airport utilizes two runways:

- Runway 1A (3.200m long and 45m wide), constructed from cement concrete. The runway was renovated in 2014 to add an asphalt concrete.
- Runway 1B (3.800m long and 45m wide), constructed from cement concrete. The runway has an Instrument Landing System for landing support.

At peak hours (14:00 to 15:00), these runways serve 21 flights per hour (8 domestic and 13 international flights. 14 taxiways (coded S1, S1A, S2, S3, S4, S5, S6A, S7, S1B, S1C, S7A, S1D and 02 high-speed taxiways are to be built in January 4/2015) with a load factor of PCN 54 to 65 transfer the aircraft to the apron. The airport support landing of ATR72, A320/321/330 and equivalent, A380 and Boeing 747 freighter. The airport has 56 parking slots and plan to expand an additional six during 2015-2020.

The airport occupies an area of 257.316 m<sup>2</sup>. This consists of two passenger terminals (T1 and T2). Of which, T1 terminal has an area totalling 115,000 m<sup>2</sup> and holds a capacity of 15 million passengers/year; T2 passenger terminal has an area of 139 216 m<sup>2</sup> and holds a capacity of 10 million



passengers/year (further expansion can serve 15 million passengers/year). The designated area for VIPs occupies an area of 3100 m<sup>2</sup>. This is also the cargo hub for the Northern areas of Vietnam.

In a new expansion program, we have invested \$900 million (equivalent to 18,000 billion VND) in the construction of a second terminal at Noi Bai International Airport ("T2"), began on 12/04/2011 and completed on 31/12/2014. The terminal capacity is 10 million passengers per year. The terminal's facilities include 96 check-in and baggage counters, and can serve 09 flights during peak hours. We will continue to invest a total of 763 billion VND in the construction of the aircraft parking slots. The construction of the second terminal has also lead to a significant expansion of capacity and of the commercial area within the airport. Applicable aeronautical charges at the airport was also adjusted to reflect the investment cost. The expected additional exposure to international travellers from this terminal is expected to further increase in our revenue.

### **Da Nang International Airport**

Da Nang International Airport was first constructed in the 1940s and was used as an air base of the US Army before 1975. After 1975, the port was handed over and transferred to use for civil purposes in the early 90s. An extensive construction and renovation started in 2008, bringing the international terminal into operation in 2011. Da Nang International Airport is the aviation hub for Central Vietnam. Similar to Tan Son Nhat International Airport and Noi Bai International Airport, it supports airports in the Central region in technical assistance, human resources and training.

Da Nang International Airport is the third most important airport in our portfolio in terms of passenger traffic and revenues. The airport contributed to 9,91% and 9,82% of our total terminal passenger of ACV in 2013 and 2014 respectively. Of the 4,37 million passengers served by the airport in 2013, 87,39% were domestic and 12,61% were international. This has shifted to reflect Da Nang's growth as an international airport: among 4,99 million passengers in 2014, 17,80% were international, and 82.20% were domestic.

Da Nang International Airport is located in Da Nang, Hai Chau District, 3 km to the southeast of the centre of Da Nang. The city is among 15 Class I cities in the country, and 1 of the 5 Municipalities of Vietnam. The city plays a critical role in the economy, social landscape, and national defence of Vietnam. An integral part of Da Nang public investment policy, the city's infrastructure has received significant support from the government during 2009 – 2014. This has resulted in the city being regarded as the most favourable environment for investment, ranking first on the Competitiveness Index (PCI) in 2013. The city is a well-known tourist destination, and beach tourism will be a strong growth driver for international traffic. We expected the amount of tourists will increase by 1-3 million passengers in 2015 and will operate at their maximum capacity of 6-7 million passengers from 2016 to 2020.

15 airlines are operating at the airport. On domestic routes, Vietnam Airlines and VietJet mainly operate on trunk routes such as DAD-HAN, DAD-SGN, and other local routes. The international routes are currently operated by 11 airlines on routes connecting Da Nang and other major hubs such as DAD-

ICN, DAD-HKG, SIN-DAD. In 2015, Hong Kong Express Airways is expected to offer 3 flights/week connecting HKG-DAD, and Air Busan is expected to open PUS-DAD service with 2 flights/week.

The following table sets forth the most frequent domestic and international routes originating from the airport in 2014:

International route	Number of air traffic movements per year	Domestic route	Number of air traffic movements per year
DAD – ICN .....	543	DAD – SGN.....	9080
DAD – China .....	695	DAD – HAN .....	5375
DAD – SIN.....	183	DAD – CXR .....	733
DAD – HKG.....	157	DAD – BMV .....	682
DAD – MFM .....	662	DAD – DLI .....	1152
DAD – NRT .....	102	DAD – VCA.....	150
DAD – REP .....	364		

Da Nang International Airport operates 24 hours daily. The airport has two runways: Runway 35R (3500m long, 45m wide) and Runway 35L (3048m long, 45m wide). Other aeronautical facilities include 18 taxiways and 16 parking slots (including 2 emergency parking slots). The runways, taxiways and apron allows for regular operation of A321, Boeing 777 and their equivalent. The international terminal occupies an area of 14 338 m<sup>2</sup>, that of the domestic terminal is 7,730 m<sup>2</sup>. The airport is also a centre of aviation cargo transportation, with a volume of 15.731 tons in 2014.

### c. Major Class 2 airports

#### Cam Ranh International Airports

Cam Ranh International Airport is located in the center of Cam Ranh peninsula, at the outskirts of Cam Ranh city, Khanh Hoa province. After being used for military purposes during 1975-2002, it was converted to a civil airport in 2004 to replace Nha Trang Airport.

Cam Ranh International Airport ranked 4th in our airport portfolio in terms of revenues and passenger traffic. Number of terminal passengers in 2013 and 2014 accounted for 3,42% and 4,06% of our total terminal traffic volume.

The airport mainly serves domestic passengers. The number of terminal passengers reached 1,50 million in 2013, of which 24,26% were international and 75,74% domestic. In 2014, the airport showed strong growth coming from international tourists. Number terminal passenger reached 2,06 million, a 36,67% increase compared to 2013, of which in international passenger growth was 59,80%, and domestic passenger growth was 29,25 %.

Cam Ranh International Airport is located 35km North of Nha Trang, and 10km South of Cam Ranh. The airport mainly serves Khanh Hoa province and the Southern area of Central Vietnam.



Nha Trang is a tourist destination with long beaches, bays and islands, varied marine diversity, and sight-seeing spots. This makes Nha Trang one of the most popular tourist destinations in Vietnam, and we expect this will be a major driver of growth for the airport, especially during tourist season.

The airport is serving 10 airlines, three of which are domestic (Vietnam Airlines, Jetstar Pacific and Vietjet Air). The domestic routes mainly connect Nha Trang and other metropolitan area in Vietnam. 7 international airlines operate at the airport (Air IKAR, Nordwind Airlines, Pegas Airlines, Azu Air, UTair, Tranaero Airlines, and Korean Air), offering services on routes connecting Cam Ranh and Russia, China and Korea.

The following table sets forth the most frequent domestic and international routes originating from the airport in 2014:

<u>International route</u>	<u>Number of air traffic movements per year</u>	<u>Domestic route</u>	<u>Number of air traffic movements per year</u>
CXR - Russia .....	1.169	CXR – HAN .....	1.940
CXR - ICN .....	149	CXR – SGN .....	2.714
		CXR – DAD .....	503

Cam Ranh International Airport operates 24 hours daily. Instrumental to the airport operation is the 02/20 runway (3.048m long and 45m wide), PCN 47/R/B/X/T, capable of serving Boeing 767/777, Airbus-330 or equivalent. The airport currently has 10 aircraft parking slots. The terminal's maximum capacity is 1,5 million passengers/year, with peak time capacity of 800 passengers/hour.

#### **Phu Quoc International Airport**

Phu Quoc International Airport is the aviation gateway of Phu Quoc island, Kien Giang province and the border of southern islands of Vietnam. Phu Quoc International Airport has an integral relationship with the socio-economic development and national security of Kien Giang province and southern territorial waters the country. After a period of military usage, Phu Quoc International Airport, together with new facilities, was constructed in 1994-1995, serving as a commercial airport.

Phu Quoc International Airport is the fifth largest among the ones under our management. The airport contributed 0,7% and 1,21% of our operational revenues in 2013 and 2014, respectively. Phu Quoc is one of the fastest growing international airports in Vietnam. The airport recorded a revenue of 99 billion VND in 2014, which is 1,5 times higher yoy.

Phu Quoc is located in the Gulf of Thailand, 120km from Rach Gia city, 45km from Ha Tien town, and is the largest island in Vietnam. The District of Phu Quoc consists of the Phu Quoc Island and 22 other surrounding islands under the administration of Kien Giang province, covering an area of approximately 593 km<sup>2</sup>. The district is the largest in terms of population among the 12 island peers in Vietnam, and has strong potential to develop land and marine ecological tourism. Local authorities in



Kien Giang have implemented a number of measures and policies to attract investment to the island by supporting investment procedures and the construction of essential infrastructure projects.

Phu Quoc International Airport is serving flights connecting the island with Ho Chi Minh City, Hanoi, Can Tho and Rach Gia City on domestic routes operated by VASCO, Vietnam Airlines, Jetstar Pacific and VietJet Air. Some regular international routes to Phu Quoc include Phu Quoc - Siem Reap and Phu Quoc - Singapore.

The following table sets forth the most frequent domestic and international routes originating from the airport in 2014:

<b>International route</b>	<b>Number of air traffic movements per year</b>	<b>Domestic route</b>	<b>Number of air traffic movements per year</b>
PQC-REP .....	12	PQC-SGN .....	6.091
PQC-SIN .....	34	PQC-HAN .....	1.344
		PQC-VCA .....	733
		PQC-VKG .....	63

Phu Quoc International Airport operates 24 hours daily. The airport has a single runway, coded 10-28, measured 3.000m x 45m. The runway is covered by a 7 cm-thick polymer concrete layer, having a PCN index of 69, allowing for the operation of B747-400 aircraft and equivalent. The apron consists of 8 parking slots for A320 - A321 aircraft, occupying an area of 39.400 m<sup>2</sup>. The passenger terminal occupies an area of 24 325 m<sup>2</sup>, with capacity for 2,65 million passengers per year.

#### **Phu Bai International Airport**

Phu Bai International Airport is pivotal to the economic development of Thua Thien Hue Province. The airport connects Northern Central Vietnam with the regional and international transportation network. The port was constructed during the French colonial era in 1940. After being jointly a civil and military airfield from 1970s to 1980s, the airport was renovated following Decision No.191/TTg by the Prime Minister dated 25/04/1994. Phu Bai became the fourth International Airport of Vietnam.

The airport went through transformative growth in 2014. After 6 months of temporary closure for an expansion, Phu Bai Airport rose to number six in terms of contribution to our revenue structure, with total revenue of 86,14 billion VND.

Phu Bai International Airport is located on the 1A National Highway, within the administrative boundaries of Huong Thuy town in Thua Thien – Hue province, on the opposite of Phu Bai Rail Station, 13 km to the southeast of Hue centre (approximately 20 minutes by car). Hue is a Class I city. The former capital of Vietnam is the cultural, political, educational and tourism centre of Central Vietnam. Thuan Hoa - Phu Xuan - Hue has a seven centuries history. The city possesses complex and unique architecture,

art, music, cuisine, religion and heritage, recognized by UNESCO. These make the Hue an exemplary city of cultural tourism.

Currently, Phu Bai International Airport is serving Vietnam Airlines, Jetstar Pacific and Vietjet Air on an approximately 26 flights a day schedule, with popular routes including HAN-HUI and SGN-HUI. The following table sets forth the most frequent domestic and international routes originating from the airport in 2014:

<b>Domestic route</b>	<b>Number of air traffic movements per year</b>
HUI-HAN .....	1.230
HUI-SGN .....	2.755

Phu Bai International Airport operates 24 hours a day using a single runway, coded E-W 27/09 measuring 2700 m x 45 m. The runway is covered by a layer of polymer concrete structure of 12,57 cm thick (having a PCN index of 55) and is capable of serving A321, A320, ATR 72, F70 or their equivalents. The airport has 4 aircraft parking slots, serving a maximum of three flights at peak hour. The terminal occupies an area of 4563 m<sup>2</sup>, operating at a maximum capacity of 800 passengers at peak hour and 1,5 million passengers per year.

After the overhaul project in 2013, Phu Bai International Airport has been expanded in anticipation of economic and tourism growth of the destination, and in accordance with the Master Development Program of the city<sup>32</sup>. Capacity of the airport was nearly doubled (originally from 800,000 passengers/year); we have also committed significant investment to other facilities such as the check-in counters, scanners, security check points, boarding gates, taxi waiting area, terminal internal road, runway lighting system, among others. Shops and service counters are reconfigured to ensure greater exposure to passengers.

#### **Vinh Airport**

Vinh Airport was initially constructed by the colonial French in 1937. The airport first clay runway measured 1400 m x 30 m. In 1940, the Japanese army during the occupation of Indochina renovated the airport and extended the runway by 400 m. After the liberation of Northern Vietnam in 1954, Vinh became a makeshift airfield for Vietnam Air Force and was managed by the Ministry of Defence. After undergoing renovation in 1978, 1993, 2003 and 2013, the airport was classified 4C by ICAO. Vinh Airport contributed 52,5 billion VND in revenue, equivalent to 0,44% of our operational revenue, making it our 7th largest airport under our management.

Vinh Airport is located within the administrative boundaries of the city of Nghi Lien ward in Vinh city, Nghe An Province, close to national highway 1A and the North – South Vietnam Cross country

<sup>32</sup> Decision 86/2009/QĐ-TTg, dated 17 June 2009.



railway, 14km away from Cua Lo beach. Vinh is the economic hub at the Northern region of Central Vietnam, close to Kim Lien historical landmark and Pu-Mat National Park.

Vinh Airport is offering services to Vietnam Airlines, Jetstar Pacific and Vietjet Air, serving 26 flights per day on 05 domestic routes and 01 international route. Of which, Vietnam Airlines is offering services on Hanoi-Vinh, Hanoi, Ho Chi Minh City-Vinh-Ho Chi Minh City, Da Nang-Vinh-Da Nang and Vinh-Vientiane (Laos) – Vinh routes, Vietjet Air is offering services on Ho Chi Minh City-Vinh-Ho Chi Minh and Vinh-Dalat-Vinh routes; Jetstar Pacific offering flights connecting Ho Chi Minh City-Vinh-Ho Chi Minh and Ban Me Thuot-Vinh-Buon Ma Thuot.

The following table sets forth the most frequent domestic and international routes originating from the airport in 2014:

<u>International route</u>	<u>Number of air traffic movements per year</u>	<u>Domestic route</u>	<u>Number of air traffic movements per year</u>
VII-VTE .....	129	VII-SGN .....	2,911
		VII-HAN .....	594
		VII-DAD .....	344
		VII-DLI .....	204
		VII-BMV .....	177

The airport is using a 17/35, 2400m x 45m asphalt runway with a PCN index of 47. The runway can serve A320, A321, B737-400 aircrafts and their equivalent. The apron occupies an area of 35.567 m<sup>2</sup>, including 7 aircraft parking slots with maximum capacity of 3 to 4 flights/peak hour. After the expansion of projects in 2013, a new passenger terminal at the Port was inaugurated and put into operation from 31/01/2015. The terminal occupies a total floor area of 11.706 m<sup>2</sup>, being able to serve 1000 passenger at peak hours, and 2 million passengers per year. Facilities in the terminal include 28 check-in counters, 04 boarding gates, 04 baggage carousels and a commercial area.

#### 4.1.2 Book value of assets as at the valuation date (30/06/2014)

	<u>Amount</u> <u>(in VND)</u>
<b>Total assets</b> .....	35.562.158.701.996
Noncurrent assets .....	19.587.989.108.878
Fixed assets <sup>34</sup> .....	17.635.861.738.476
Tangible .....	8.011.242.731.064
Non-tangible .....	53.276.838.136
Construction in progress .....	9.571.342.169.276
Other noncurrent assets .....	333.669.989.309

<sup>34</sup> Including assets in the Maneuver Area, which was not included in our valuation



	<b>Amount</b> <b>(in VND)</b>
Long-term investment . . . . .	1.618.457.381.093
Current assets . . . . .	15.974.169.593.118
Cash and cash equivalent . . . . .	1.675.540.014.431
<i>Cash at hand</i> . . . . .	7.923.501.980
<i>Cash equivalent.</i> . . . . .	1.667.616.512.451
Short-term investment . . . . .	10.043.556.407.511
Current receivables . . . . .	3.539.260.791.407
Inventories . . . . .	260.291.082.146
Other current assets . . . . .	455.521.297.623

*Source: 1H2014 audited financial statement*

As at the valuation date, our fixed assets are classified into two categories: Manoeuvring Area Assets and Non-Manoeuvring Area Assets, and all Manoeuvring Area Assets are excluded from the assets used in valuation for the equitization. After the classification, the book value of Manoeuvring Area Assets is 1,914 billion VND and the book value of Non-Manoeuvring Area Assets is 6.147 billion.

## **4.2. Company valuation result**

### **4.2.1 Valuation date**

According to Official Dispatch No. 6757/BGTVT-QLDN dated 06/10/2014 of the Ministry of Transport, the valuation date for ACV's equitization is 24h00, 30/06/2014.

### **4.2.2 Methodology**

As stipulated in Decree No. 59/2011/ND-CP, the valuation methodology applicable to 100% State-owned enterprises are: the Asset-based Method (or Net Asset Value method), Discounted Cash Flow Method and other methods applicable. The consultant in this case has adopted the asset-based method to assess the value of our assets and equity.

### **4.2.3 Valuation result**

On December 31, 2014, the Ministry of Transport has issued Decision No.5114/QD-BGTVT on the valuation result of ACV for equitization. The result is as follows:

The total assets value of the Company for equitization is 37,919,024,900,322 VND (thirty seven thousand, nine hundred and nineteen billion, twenty four million, nine hundred thousand, three hundred and twenty two VND). The value of State's Equity in the Company is VND 20,769,430,102,226 (twenty thousand, seven hundred and sixty-nine billion, four hundred and thirty million, one hundred and two thousand, two hundred and twenty six VND).

The above result of total assets and equity valuation excluded the value of Manoeuvring Area Assets, totalling 1.914.500.092.169 VND.

	Book value	Valuation result	Increase/ Decrease
	(in billion VND)		
<b>A. In-use assets (I+II+III+IV)<sup>35</sup></b>	<b>35.284</b>	<b>39.834</b>	<b>4.549</b>
I. Non-current assets	19.583	23.793	4.211
1. Fixed assets	8.059	12.338	4.279
a. Tangible	8.008	12.288	4.279
b. Non-tangible (not including prepayment of land use right)	51	51	—
2. Long-term investment	1.618	1.640	21
3. Construction in progress	9.571	9.571	—
4. Long-term prepayment (not including goodwill)	43	91	47
5. Other non-current asset	290	153	(137)
II. Current assets	15.700	15.999	299
1. Cash and marketable securities	1.676	1.676	—
a. Cash at hand	8	8	—
b. Cash equivalent	1.668	1.668	—
2. Short-term investment	10.044	10.044	—
3. Receivables	3.267	3.566	299
4. Inventories	258	258	—
5. Other current assets	456	456	—
III. Goodwill	—	42	42
IV. Prepayment of land use right	2	—	(2)
<b>B. Non-utilized assets</b>	<b>272</b>	<b>272</b>	<b>—</b>
I Current assets	272	272	—
1. Bad debts	272	272	—
<b>C. Assets under liquidation and handover</b>	<b>3</b>	<b>3</b>	<b>—</b>
1. Liquidating fixed assets	1	1	—
2. Handover fixed assets	—	—	—
3. Inventories	2	2	—
<b>D. Assets originating from employees' benefits fund (not used in ACV's operation)</b>	<b>2</b>	<b>2</b>	<b>—</b>
<b>Total assets (A+ B+ C+ D)</b>	<b>35.562</b>	<b>40.111</b>	<b>4.549</b>
<i>Actual assets under the company possession prior to the equitization</i>	<i>35.284</i>	<i>39.834</i>	<i>4.549</i>
E1. Liabilities (Not including employees benefits fund origination from fixed assets)	18.027	17.150	(877)
<i>Fee for newly obtained land use right payable to the government</i>	<i>—</i>	<i>—</i>	<i>—</i>
E2. Non-profit grant by the Government of Vietnam	1	—	(1)
<b>Valuation result of the Government of Vietnam's equity at ACV {A-</b>	<b>17.257</b>	<b>22.684</b>	<b>5.427</b>

<sup>35</sup> Including Maneuvering Area and Non-Maneuvering Area Assets

	Book value	Valuation result	Increase/ Decrease
(E1+E2)} .....			
Exclude Manoeuvring Area Assets (not equitized) .....	1.915	1.915	–
<b>Valuation result of the Government of Vietnam's equity at ACV in the equitization .....</b>	<b>15.342</b>	<b>20.769</b>	<b>5.427</b>

#### 4.2.4 Assets excluded from the valuation:

According to the Valuation Report No. 192/2014/DV.DG-AASC.KT7 dated 23/12/2014, assets (as recorded by book value) are excluded from the valuation result amount to 275.521.499.215 VND. The details are as follows:

Category	Valuation result
Receivable at ALC2. ....	272.400.000.000 VND
Liquidating assets .....	3.121.499.215 VND
Handover assets <sup>36</sup> .....	–

#### 4.3. Land use right

We own the right to use 59 land plots occupying a total area of 3.104,68 hectares. The details are as follows<sup>37</sup>:

*Land outside airports:* 35 land plots occupying a total area of 13,67 hectares, of which:

- 21 are used and managed under the annual land use levy scheme of the Government of Vietnam (*Aviation Transaction Centre, hotels, ticket office, workshop, training centre, etc.*), occupying a total area of 5,39 hectares.
- 14 land plots handed over to our management and usage by the State without any levy (located outside the airport perimeter but within the airport zone master plan. This include terminal radar approach control tower K1 and K2, and runway lighting system used for take-off and landing), occupying a total area of 8,28 hectares.

*Land inside airports:* 24 land plots occupying a total area of 3.091,02 hectares, of which:

<sup>36</sup> Including maintenance workshop, office and housing for technical team, pilot canteen to be handed over to Khanh Hoa Public Security Department.

<sup>37</sup> Since the submission date of our Equitization plan, we has transferred 01 plots in CHK Lien Khuong an area of 8836.1 m2 at: Plot 258, 333, 350, map No. 26 (2007), Lien Nghia Town, Duc Trong district Duc Trong district People's Committee Decision No. 491 managed under / QD-Committee dated 14/02/2015 of People's Committee of Lam Dong Province.



- Land under the annual levy scheme of the Government of Vietnam (*airport terminals, parking slot, etc.*): 196,54 hectares.
- Land under our authorized management and usage without levy (within the Manoeuvring Area): 2.892,47 ha
- Land to be handed over to local government: (Nha Trang airport, located within Nha Trang city): 2,01 ha

The majority of land under our usage currently are annually leased from the Government of Vietnam on a long-term contractual basis of 50 years, the rest are public utility land used for aviation purpose. The latter are under our authorized management without levy.

Rights to lands of our operational areas (passenger terminal, ancillary buildings and properties, aircraft parking slot, etc.) and our ground service facilities (parking space, storage area for ground service equipment) will be leased in contracts reviewable annually by the regional airport authorities. The Ministry of Transportation reserves the usage rights to public utility lands and structures in the airport (including power stations, water stations, meteorology observations, illumination system, landing and take-off facilities, fire truck, etc.).

The handover and leasing of land within the airport would be conducted in pursuant to Decree No. 83/2007/ ND-CP dated 25/5/2007 of the Government and Circular 16/2010/TT-BGTVT dated 30/06/2010 of the Ministry of Transport on the management of airports.

## PART 5. POST-IPO STRATEGIC DIRECTION

### 1. INTRODUCTION

#### 1.1. General information

Vietnamese name .....	Tổng công ty Cảng hàng không Việt Nam – CTCP
Form of business entity .....	Joint-Stock Company
English name .....	Airports Corporation of Vietnam
Trading name .....	ACV
Headquarter .....	58 Truong Son, Ward 2, Tan Binh Dist., Ho Chi Minh city
Phone number .....	(84.8) 38485383
Website .....	<a href="http://www.vietnamairport.vn/">http://www.vietnamairport.vn/</a>
Tax identification number .....	0311638525
Logo .....	



#### 1.2. Scope of business

- Infrastructure investment and management of funding for infrastructure investment;
- Direct operation of infrastructures, facilities and equipment at airports;
- Security and safety management at airports;
- Aircraft and technical equipment maintenance; ground handling; passenger terminal and cargo terminal services; export, import, purchase and sale of aeronautical materials, equipment and devices;
- Agent, including being agent for airlines, transport and tourism companies, manufacturers and suppliers of aircrafts, and supplier of aeronautical equipment and facilities;
- Supply of aeronautical gasoline, lubricant (including fuel, lubricant, specialized liquid) and other types of gasoline at airports;
- Transport of passengers and cargo;
- Warehouse, delivery, restaurants, and hospitality;
- Construction, construction advisory, maintenance and installation of construction projects, equipment, electronics, specialized mechanics and civil projects.

### 1.3. Charter capital

Pursuant to the prevailing laws and regulations, business plans and investment plans 2016-2020 period, based on a needs assessment of capital investment to expand and upgrade projects and existing airport capacity self-financing capacity from operating activities of the Corporation after conversion into a joint stock company, the Corporation is expected to release more to mobilize about 1,662 billion to meet investor demand.

#### 1.3.1 Initial charter capital

	Par value
Par value of the Government of Vietnam's equity prior to equitization . . . .	20.769.430.102.226 VND
Par value of the Government of Vietnam's equity prior to equitization (rounded up) . . . . .	20.769.430.110.000 VND
Additional issuance . . . . .	1.661.554.930.000 VND
Initial charter capital . . . . .	22.430.985.040.000 VND
Par value per share . . . . .	10.000 VND/shares
Number of shares . . . . .	2.243.098.504 shares

Source: Airports Corporation of Vietnam's Equitization Plan

#### 1.3.2 Ownership structure

The following table sets forth our expected post-equitization ownership structure:

Shareholder	Number of shares (in shares)	Par value (in VND)	%
The Government of Vietnam . . . . .	1.682.323.878	16.823.238.780.000	75,00%
Employees . . . . .	31.347.800	313.478.000.000	1,40%
<i>Shares offered to employees at preferential rate according to seniority . . . . .</i>	<i>9.220.000</i>	<i>92.200.000.000</i>	<i>0,41%</i>
<i>Shares offered at preferential rate according to commitment with the Company . . . . .</i>	<i>22.127.800</i>	<i>221.278.000.000</i>	<i>0,99%</i>
ACV's Union . . . . .	3.003.003	30.030.030.000	0,13%
Strategic investor(s) . . . . .	448.619.701	4.486.197.010.000	20,00%
Public investors in the IPO . . . . .	77.804.122	778.041.220.000	3,47%
<b>Total . . . . .</b>	<b>2.243.098.504</b>	<b>22.430.985.040.000</b>	<b>100,00%</b>

Source: Airports Corporation of Vietnam's Equitization Plan



### **1.3.3 Class of shares**

All shares of Airports Corporation of Vietnam - Corporation at the time of corporatization are common stocks. The purchase, sale, transfer or inheritance of shares shall comply with the provisions of our post-equitization charter and other applicable regulations.

### **1.4. Organization structure**

We will operate as a joint-stock company under the provisions of Vietnam Law on Enterprises and other applicable regulations. Our expected organizational structure of the Corporation is as follows:

#### **1.4.1 General Meeting of Shareholders**

The General Meeting of Shareholders is the supreme regulatory body of our Company post equitization. The Meeting consists of all shareholders having voting rights or their representatives.

#### **1.4.2 Board of Directors**

The Board of Directors is a regulatory body of the company and has the power to, on behalf of the Company, make decisions, perform the company's rights and obligations beyond the competence of the General Meeting of Shareholders.

The Board of Directors consists of 05 to 07 members. The General Shareholders' Meeting shall specify the number of Members of the Board of Directors based on periodical review of our operational requirements. The number of Independent Director(s) must comply with Vietnam Law on Enterprises 2014 and all other applicable regulations.

The Board of Directors and its member has a term of office of 05 years without term limit. Board Members can be dismissed, discharged from duty, elected to supplement or replace any member(s) of the Board. In the latter case, the term of the Board Member(s) would be the remainder of the term of the Board of Director.

The Board of Directors shall elect one of its members as the Chairperson by majority rule. The Chairperson may not concurrently hold the position of General Director/CEO. The Chairperson of the Board of Directors shall have the following rights and obligations:

- Formulate the operation plans of the Board of Directors;
- Prepare the agenda, contents, and documents for the Board of Directors' meetings; convene and chair meetings of the Board of Directors;
- Organize the ratification of Resolutions of the Board of Directors;

- On behalf of the Board, acting as the signatory of Board' Decision and Resolution, and other document within the regulatory power of the Board of Directors; supervise the implementation of Resolutions of the Board of Directors;
- Other rights and obligations as prescribed in the Company's charter.

#### **1.4.3 Supervisory Board**

The Supervisory Board is appointed by the General Meeting of Shareholders to promote shareholder interest through independent and objective oversight of our operations as well as financial management. The Supervisory Board reports directly to the General Meeting of Shareholders.

The Supervisory Board consists of 03 to 05 members. More than half of the members of the Supervisory Board must reside in Vietnam. Member of the Supervisory Board must hold neither position in the Accounting/Finance Department of the Company, nor hold position in the Company's independent auditor.

The Supervisory Board has a term of office of 05 years without any term limit.

#### **1.4.4 General Director and the company Management**

The Board of Directors shall appoint one of its member as the General Director. The General Director is under the supervisory of, and report to the Board of Directors.

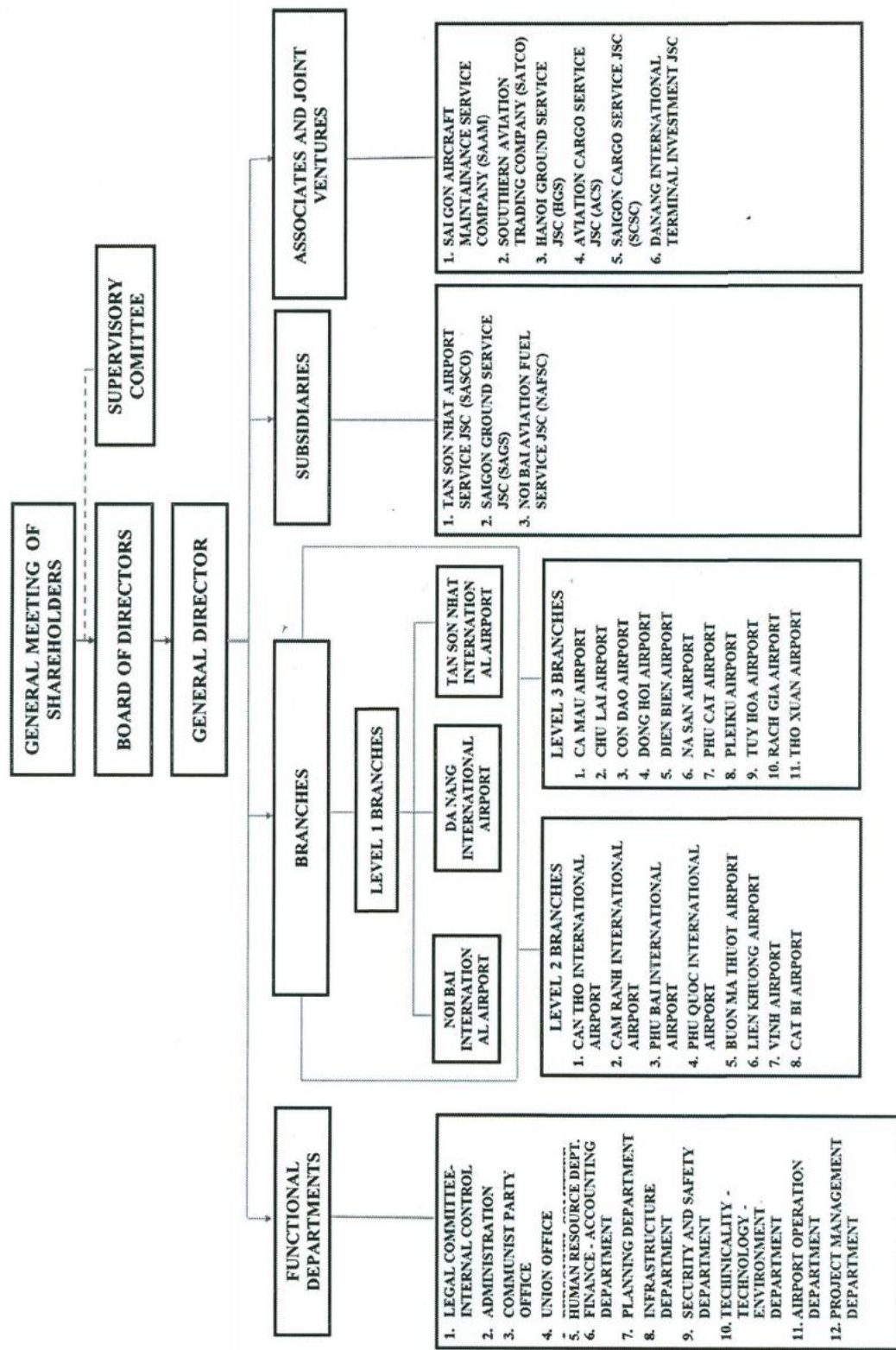
The General Director is responsible for the management of the company in accordance with law, and the performance of its rights and obligations. The General Director may not also hold the Chairperson position of the Board of Directors.

The General Director has a term of office of 05 years. The appointment, dismissal, discharge of duty and resignation of the General Director shall comply with applicable regulations.

The Management of the company consists of its Deputy General Directors, Chief Accountant, together with functional departments, offer assistance to the General Director in the management of the Company.

#### 1.4.5 Organizational structure

Our post-equitization structure consists of a Head Office at Ho Chi Minh City with 12 functional departments; 22 branches which are also our airports, and our subsidiaries and associates.





## 1.5. List of subsidiaries

As at 30/06/2015, all of our 04 subsidiaries operate in the aviation industry. The following table sets forth details regarding our ownership in the subsidiaries:

Direct subsidiaries	Address	Investment in subsidiary (in billion VND)	Percentage of ownership	Voting right	Business area
Southern Airports Services Joint Stock Company	Tan Son Nhat International Airport, Ward 2, Tan Binh District, Ho Chi Minh City	670,65	51,00%	51,00 %	Commercial service in airport
Sai Gon Ground Services Joint-Stock Company	Tan Son Nhat International Airport, Ward 2, Tan Binh District, Ho Chi Minh City	78,00	55,51%	55,51 %	Ground service
Noi Bai Aviation Fuel Service Joint-Stock Company	Noi Bai International Airport, Soc Son District, Hanoi	60,00	60,00%	60,00 %	Aviation fuel
Cam Ranh Aviation Commercial Joint-Stock Company <sup>38</sup>	No. 1, Me Linh St, Tan Lap Ward, Nha Trang City, Khanh Hoa Province, Vietnam	5,10	51,00%	51,00 %	Commercial service in airport

<sup>38</sup> In official Dispatch No.1849/BGTVT-QLDN dated 02/10/2015, on divestment in trade Corporation Cam Ranh (CRAC), Ministry of Transport agreed to divest the state policy in CRAC. Accordingly, ACV has quit the 100% capital share in JSC Trade Cam Ranh in month 7/2015.

## 1.6. List of associates

We hold shares in 05 associates and another one as long-term investment as of 30/06/2015. The following table sets forth details regarding our ownership and their lines of business:

Direct associates	Head Office	Investment in associates (billion VND)	Percentage of ownership	Voting right	Business Area
Southern Airports Aircraft Maintenance Ltd	Room 401, SCSC building, 30 Phan Thuc Duyen St., Ward 4, Tan Binh Dist., Ho Chi Minh City	15,30	51,00%	50,00% <sup>39</sup>	Aircraft maintenance
Southern Airports Trading Joint-Stock Company	112B Hong Ha, Ward 2, Tan Binh Dist., Ho Chi Minh City	4,93	29,53%	29,53%	Production of bottled water
Southern Airport Transportation Joint-Stock Company	1A Hong Ha, Ward 2, Tan Binh Dist. Ho Chi Minh City	13,05	30,00%	30,00%	Transportation
Hanoi Ground Service Joint-Stock Company	Noi Bai International Airport, Soc Son Dist., Hanoi	30,00	20,00%	20,00%	Ground service
Noi Bai Cargo Terminal Service Joint-Stock Company	Noi Bai International Airport, Soc Son Dist., Hanoi	50,00	20,00%	20,00%	Cargo and logistics solution
<b>Long-term investment</b>					
Sai Gon Cargo Service Joint-Stock Company	SCSC building, 30 Phan Thuc Duyen St., Ward 4, Tan Binh Dist., Ho Chi Minh City	75,00	15,63%	15,63%	Cargo and logistics solution

<sup>39</sup> Percentage of voting right based on shareholders' agreement

#### **1.7. Joint-ventures from 30/06/2015 to the publication date of the Prospectus**

On 07/09/2015, Da Nang International Terminal Investment and Operation Joint-Stock Company (AHT) was established with a total charter capital of 300 billion VND, of which we own a 10% interest. It will construct and operate international passenger terminal at Da Nang International Airport. The terminal is scheduled to be completed and start operating in the fourth quarter of 2017.

We anticipate investing in less than 30% of Vietnam Flight Calibration Company. The Company will provide aviation navigation equipment calibration, flight surveillance, and Performance Based Navigation calculation. We expect the Company to be incorporated in the fourth quarter of 2015.

#### **1.8. Divestment of subsidiaries and associates from 30/06/2015 to date**

The Ministry of Transport approved our proposal to divest from Cam Ranh Aviation Commercial Airport (CRAC) in Dispatch No.1849/BGTVT-QLDN dated 10/02/2015. Therefore, we have fully divested from CRA in July 2015.

As per our Resolution No. 333 dated 04 August 2015, we plan to divest 9,53% of the charter capital of Southern Airports Trading Joint-Stock Company in 1Q2016.

#### **1.9. Partial privatization of aviation infrastructure investment**

Implementing the Government of Vietnam and the Ministry of Transport's policy (as stated in Official Dispatch No.13123/BGTVT-QLDN dated 10/01/2015) on increasing the involvement of private sector in aviation infrastructure development, at least four more projects would be opened to private investment.

##### **1.9.1 Construction and Operation of the International Terminal at Cam Ranh International Airport**

- Expected starting date: December 2015
- Investment vehicle: Incorporation of a new business entity, in which we would hold less than 30%
- Scope of operation: Construction and operation of the International Terminal at Cam Ranh International Airport.
- Scheduled operational date: 2018. We expect the existing facilities at Cam Ranh International Airport to be reserved for domestic operation and other services outside of the international terminal.



#### **1.9.2 Construction and Operation of Tan Son Nhat Domestic Terminal Parking Area**

- Scheduled starting date: November 2015
- Investment vehicle: Incorporation of a new business entity, in which we would hold less than 30%.
- Scope of operation: Construction and operation of the Parking Area at Tan Son Nhat Domestic Terminal.
- Scheduled operational date: 2017. We would no longer collect parking charges from this forward at Tan Son Nhat Domestic Terminal.

#### **1.9.3 Construction and operation of Cat Bi Airport Cargo Terminal and Noi Bai T2 International Terminal Parking Area**

To implement the directive of the Ministry of Transport, we expect to open these projects to private investors. However, as of the publication date of this prospectus, we have not decided on an investment vehicle for the project. These projects would start after our incorporation as a joint stock company, and the investment vehicle will be decided by the General Meeting of Shareholders.

## 2. POST-EQUITIZATION HUMAN RESOURCES PLANNING

Human resource management including tasks allocation and personal development plan has always been in our regular action plan and an integral part of our business expansion. Hence we desire to minimize the economic impact of our equitization on our employees. A core part of our human resources planning is the training and re-skilling of employees to maintain a flexible workforce, aligned with our post-equitization business strategy. We anticipate retaining the majority of our workforce post-equitization.

Pursuant to Circular No. 33/2012/TT-BLDTBXH dated 20/12/2012 by the Ministry of Labour, Invalids and Social Affairs regarding government policies on employee benefits guided by Decree No.59/2011/ND-CP dated 18 July 2011 and the survey of our current labour force, post-equitization human resources planning is as follows:

<u>No.</u>	<u>Category</u>	<u>No. of employees</u>
<b>I</b>	<b>Number of employee at the disclosure date of the Company's valuation .....</b>	<b>8.443</b>
1	Non-contractual employees .....	29
2	Contractual employees .....	8.414
	<i>Indefinite contract .....</i>	<i>5.463</i>
	<i>12-36 month contract .....</i>	<i>2.705</i>
	<i>Seasonal contract and under 12 month contract (including probation and training) ..</i>	<i>246</i>
3	<i>On leaves .....</i>	<i>-</i>
<b>II</b>	<b>Number of employees leaving due to retirement, contract termination or redundancy post-equitization .....</b>	<b>959</b>
1	Retirement .....	25
2	Contract termination .....	934 <sup>40</sup>
	<i>Termination due to contract expiry .....</i>	<i>-</i>
	<i>Voluntary termination .....</i>	<i>11</i>
	<i>Others .....</i>	<i>923</i>
3	Redundancy .....	-
	<i>Receiving redundancy package according to Decree 91/2010/ND-CP .....</i>	<i>-</i>
	<i>Receiving unemployment benefits .....</i>	<i>-</i>
<b>III</b>	<b>Number of employee remain post-equitization .....</b>	<b>7.484<sup>41</sup></b>
1	Contractual employees .....	7.484
2	On leave under social security .....	-
	<i>Health .....</i>	<i>-</i>
	<i>Paternal/maternal reason .....</i>	<i>-</i>
	<i>Injury/accident .....</i>	<i>-</i>

<sup>40</sup> Including the number of employee to be transferred to HGS, ACSV, SAGS and Vietnam Air Traffic Management Corporation. Actual number of employees may change at the time of incorporation.

<sup>41</sup> Calculated based on the number of employee at the disclosure date of valuation result

<u>No.</u>	<u>Category</u>	<u>No. of employees</u>
3	Suspension of contract due to: .....	-
	<i>Military service</i> .....	-
	<i>Other civil obligation</i> .....	-
	<i>Under custody</i> .....	-
	<i>Mutual agreement</i> .....	-

As of 31/12/2014, we had 8.443 employees, of which 959 would cease to be in our employment after equitization. At the disclosure date of our valuation result, we recorded no redundancy.

We would comply with regulations regarding severance and employment benefits applicable at the date of handover. Transferring employees are still entitled to purchase shares at a preferential rate in accordance with their seniority in the public sector but not would able to purchase shares according to their commitment with us post-equitization.

Currently, total employment benefits and severance package paid to employees under Circular No. 33/2012/TT-BLDTBXH and the Law on Labour is 2.334.066.355 VND. This does not include severance and benefit package to be paid to employees transferring to the Air Traffic Management Corporation. We will fulfil the remaining obligations in compliance with labour laws before our corporatization.

We expect our post equitization labour force structure to be as follows:

<u>Category</u>	<u>No. of employee</u>	<u>Percent</u>
Gender .....	7.484	100%
<i>Male</i> .....	5.227	69,84%
<i>Female</i> .....	2.257	30,16%
Education .....	7.484	100%
<i>Post-graduate</i> .....	181	2,42%
<i>Graduate</i> .....	2.746	36,69%
<i>College</i> .....	3.045	40,69%
<i>Vocational training</i> .....	1.214	16,22%
<i>No prior formal training or education</i> .....	299	3,99%
Age .....	7.484	100%
<i>30 and under</i> .....	2.814	37,60%
<i>From 31 to 45</i> .....	3.332	44,52%
<i>From 46 to 55</i> .....	1.047	13,99%
<i>56 and over</i> .....	290	3,88%



### 3. LAND USE PLAN

As stipulated in Article 6, Circular 16/2010 /TT-BGTVT dated June 30, 2010 the management and use of land within airport ("Circular 16"), which provides the criteria for the classification and utilization purpose of land in airfield and airport, all land under our management will be used for (i) operational and (ii) security and safety purposes.

We are employing 3.104,68 hectares of land in total, 3.091,02 hectares of which is located within our airports, and 13,67 hectares of which is located outside our airports. All right to land use that is (i) within an airport but outside the Manoeuvring Area and (ii) outside an airport is, and will be, paid annually for under the Government of Vietnam land levy scheme. All others are land within the Manoeuvring Area (public utility land) and will be authorized to our management without the collection of levy according to Circular 16.

#### **4. POST-EQUITIZATION BUSINESS STRATEGY**

##### **4.1. Our strategic goals**

##### **4.1.1 General strategic goals and business strategy**

We intend to capitalize on the opportunities in our business environment through the following business strategies in 2016 – 2020:

- Capture sustainable growth from (i) Local and regional macro-economic development, and (ii) Emerging trends in the aviation industry;
- Add value to the shareholders by maintaining a profitable core business. Optimize our revenue mix through the diversification and improvement of services at our airports;
- Continually invest and expand our existing asset base. Concentrate resources on the construction of Long Thanh International Airport. Complete our long-term strategic goal of laying down the foundation for aviation transportation infrastructure to accommodate Vietnam economic development and national security by 2020;
- Train and develop our workforce to increase the level of professionalism and transferable skills. Continue to develop a flexible culture of learning and adaptability, especially with regard to technological innovation.

Specific strategies pertaining to each of our core operation areas are as follows:

##### **a. Products, services and marketing strategy**

- Maximize opportunities for growth through the development of a marketing and branding strategy. Increase the number of our airline customers, the frequency of domestic routes and international routes to and from Vietnam;
- Continue to improve the services offerings at our airports. Simplify our operational procedures to enhance our service quality as perceived by our airline customers and terminal passengers;
- Develop infrastructure to accommodate expected growth in passenger traffic. Diversify the source of funding, including opening up investment opportunities to external potential investors; undertake various measures at our airports to increase non-aeronautical revenues' contribution.

**b. Corporate management strategy**

- Implement an operational and financial management strategy that is adaptable and consistent with emerging trends in the economic environment. Initiate cost saving and revenue generating measures through the application of information technology.
- Strengthen our debt management and collection policy through strict monitoring of details of liabilities, adequate provisioning and bad debt recovery negotiation strategy;
- Enhance corporate financial control and construction project monitoring system in compliance with infrastructure investment regulatory requirements;

**c. Investment strategy**

- Implement an investment strategy consistent with the Government of Vietnam Airports Development Master plan for 2020's direction and 2030's direction. Special priority will be placed on strategic airport such as Long Thanh International Airport, forming a competitive transit hub for international routes and reduce the overcapacity at Tan Son Nhat International Airport;

**d. Capital strategy**

- Concentrate the company's capital resources on key projects. Strengthen management oversight on projects, maximize resource allocation on project that (i) demonstrate potential economic benefits, or (ii) benefit regional economic development, or improve national security;
- Manage funding requirement in each period to ensure efficient allocation of resources;
- Ensure efficient use of capital for investment in local airports.
- Mobilizing foreign and domestic capital market and open up investment opportunity for infrastructure funding of terminal, car parks and non-aeronautical services.

**e. Technological adoption strategy**

- Strengthen the application of information technology in our service, corporate administration and management process. Actively promote the application of scientific innovation;
- Implement the New CNS/ATM IT system in tandem with the Vietnam aviation sector;



**f. Human resources development strategy**

- Strategic development of human resources by diversifying training and coaching methods, including on-the-job, domestic training, overseas training and self-learning. Construction of training centre, facilities and staffing.
- Restructure our workforce to suit job requirements
- Focus on the planning and development of key personnel within training facilities, and demonstrate clear career path. The planning of key personnel based on individuals' potentials and periodically re-examined.
- Ensure a transparent, fair and reliable recruitment process through aptitude and psychometric tests. Prioritize the use and development local labour force; offering incentives for internal recruitment.

**4.1.2 Investment strategy**

We expect to follow three integral principles in allocating our capital expenditure:

- Capturing growth through investment plan as defined in the Master Airport Development schedule as approved by the Prime Minister and the Ministry of Transportation in period till 2020 and vision till 2030;
- Expand our capacity at airport nearing peak capacity and areas showing significant economic and tourism potentials; combined with the governing agency and the airlines to open new flight routes, to quickly fill capacity;
- Improve deteriorated assets, ensuring aviation safety and smoothing service delivery process.

Total estimated investment for projects in and outside the Maneuvering area in the period 2015 - 2020 was approximately VND 43,374 billion (excluding Long Thanh International Airport project). Specifically:

- Capital requirement for projects in the Maneuvering area is VND 24,663 billion, funded by national budget;
- Investment need for projects outside the Maneuvering area is VND 18,711 billion. The equity requirement for projects above is VND 15,944 billion (the rest is funded from ODA budget or refundable budget). ODA capital has been primarily disbursed as of Sept 2015.

Details on some notable investment projects during the period 2015 - 2020 include:

- Demand for capital projects in the bay is 24,663 billion, to be financed by state funds;

- Investment demand for projects outside the bay is 18,711 billion. The demand for participation of equity to projects outside the bay above the 15,944 billion (the rest is mostly funded ODA budget and refundable capital budget). Particularly ODA to March 09/2015 has basically been primarily disbursed.

Some major projects to receive capital expenditures from 2015 through 2020 are:

#### **Long Thanh International Airport**

Long Thanh International Airport project was approved by the Congress of the Socialist Republic of Vietnam via Resolution No. 94/2015/QH13 dated June 25th 2015.

Accordingly, Long Thanh International Airport project aims to reach grade 4F by standard of International Civil Aviation Organization (ICAO), with a capacity of 100 million passengers and 05 million tons of cargo per year. Long Thanh International Airport set goals to become an international transit hub of the region.

The total estimated investment value for the entire project is VND 336,630 billion (\$16.03 Bil, by 2014 exchange rate). The project was funded by a combination of the state budget, ODA capital, and capital raised from the equitization process of aviation industry, ACV's capital, capital from public-private partnerships and other legal forms of capital. The project has three major phases:

- Phase 1: Construction of 01 runway and 01 terminal along with ancillary items for a capacity of 25 million passengers and 1.2 million tons of cargo per year. Total estimated investment value is \$5.45 billion, funded by State budget, ODA loans, ACV's capital and capital from other economic sectors in the form of investment cooperation. Expected construction period is 2018-2025 (with target for early completion as of 2022).
- Phase 2: Continue to invest in the construction of 01 runway, and 01 passenger terminal to meet the capacity of 50 million passengers and 1.5 million tons of cargo per year. Total investment is estimated at \$ 4 billion, and expected construction period is 2030-2035.
- Phase 3: Finish the project to reach the capacity of 100 million passengers and 5.0 million tons of cargo per year as planned. Total investment is estimated at \$6.58 billion, scheduled to go into operation in 2040-2050.

Currently, ACV is conducting feasibility study for phase 1 of the project to submit for the Ministry of Transport for Congress's approval before making the investment decision. We expect to receive Congress' approval as of Q2/2017.

Based on the capital needs for phase 1 of Long Thanh International Airport project, ACV has planned out the charter capital needed for each phases. Details could be found in the Follow-on Offering section of this document.



### **Tan Son Nhat International Airport**

The investment projects at Tan Son Nhat International Airport will primarily address the overcrowded situation and ensure the capacity of 30 million passengers per year in 2020. The most suitable plans are the expansion of apron and terminal capacity. The construction of an additional runway is currently not feasible since the land shortage does not allow enough distance from two existing runways to serve two aircraft simultaneously. The expansion of the aircraft parking area will allow 20 additional parking spaces in order to:

- Accomodate the growing demand at Tan Son Nhat international airport in the current overcrowded situation
- Expand the existing North – South taxiway, creating a bi-directional approach to the parking field
- Clear bottleneck areas under the Air Traffic Control Tower.

The Prime Minister issued the document No.1646/Ttg-NN to delegate the Ministry of Defence to transfer 14.3 ha of the airport's area, which is currently under the management of the A41/QCPK-KQ Factory, to ACV in order to carry out the expansion project.

*Expansion of international terminal:* Since operated in September 2007, the current international terminal has enhanced service quality at Tan Son Nhat International Airport, with capacity of 8-10 million passengers per year. In 2014, international passenger number reached over 9.1 million, closely approaching the ceiling capacity. As the result, terminal is facing the overcrowded situation during rush hour. Tan Son Nhat International Airport is forecasted to welcome 29 million passengers by 2018, 13 million of which are international passengers. These figures are consistent with proposed plan in Decision No.568/QĐ-TTg dated 08/04/2013 by the Prime Minister. As the result Tan Son Nhat International Airport will be upgraded in 2015 to reach the capacity of 23.5 million passengers and 600,000 tons of cargos per year, to ensure its ability to serve the growing number of passengers in following years.

Thus, in the next ten years, Tan Son Nhat International Airport is still a transportation hub for international passengers arriving to Southern region of Vietnam. In the period 2015-2017, Tan Son Nhat aims to invest and renovate three areas of the airport. Specifically:

- The concourse will be extended 8,780 m<sup>2</sup> towards the East, with the length of 160 meters.
- The terminal will be extended to both sides, 6,810 m<sup>2</sup> per side (4 floors). Two check-in counters will be installed in the departure area while two luggage conveyor belts will be installed in the arrivals area.
- Some specific areas totaling 207 m<sup>2</sup> within the current terminal will be extended for new passport control counters and customs counters.



The following table illustrates some facility details after the expansion project:

Specification	Before	After
Terminal area .....	93,228 m2	115,834 m2
Passenger capacity .....	8 - 10 million	13 million
Check-in counters .....	80	120
	(4 islands x 20 counters)	(6 islands x 20 counters)
Aero-bridges .....	8	10
Boarding gates .....	12	19
Arrival luggage conveyor belts .....	6	8
Immigration counters .....	36/40	54/48
Airport security counters .....	6	10

#### **Da Nang International Airport**

*System of taxiways and parking lot:* ACV innovates and improves the taxiway E6, from note E1 to E4 to safely approach aircrafts operating in the airport, while ensuring the synchronization of the taxiway system. The repair of taxiway system of Da nang International Airport is urgent to meet the growing demand. The investment will take place along with the innovation and expansion of parking lot to allow 10 extra lots in the period of 2015 – 2020.

*International Passenger Terminal:* In 2011, a terminal was operated with an annual capacity of 4 million passengers. However, during the period 2011-2014, the rapid increase in passenger volume led to occasional overload situation. To meet the strong growth in the number of passengers, ACV cooperates with the Government and the Ministry of Transport to form a company for the investment. The new International Passenger Terminal is expected to have capacity of 4 million passengers per year and complete in Q4/2017. After that time, the current terminal will serve domestic passengers.

#### **Cam Ranh International Airport**

*Construction of new runway:* On July 14<sup>th</sup> 2009, the Prime Minister ratified the Master development plan for Cam Ranh International Airport to 2020 and vision to 2030. The airport will be capable of accommodating Airbus 320, 321, 300-600; Boeing 767, 777, 747 or equivalent; using 2 runways. The construction of the second runway is a prerequisite for Cam Ranh International Airport to become a level 1 branch and to support the potential growth in economy-tourism of Nha Trang.

*Expand the existing passenger terminal:* the existing terminal has capacity of 1.5 million visitors per year. However, in 2014, strong growth especially in the number of international passenger causes the passenger volume to exceed the designed capacity of 2.06 passengers. The terminal is expected to welcome 2.5 million passengers in 2015 with 800 visitors/hour during peak hours. Aiming to solve the current overload situation, ACV invests in an expansion project for the current terminal. The total

expected capital is VND 80 billions and new expected capacity is 2.5 million visitors per year (an increase of 1 million passengers per year)

*Construction of the new international terminal:* Together with the expansion of the existing passenger terminal, ACV will contribute to invest in a new international terminal, to meet the growing demand and to enhance the aviation infrastructure pursuant with the socialization guidelines. The total estimated investment is VND 2,000 Billion with the designed capacity of the new terminal of 2 million passengers per year. The construction is expected to start in Q2/2016 and operate in 2018. Since then, the current terminal will serve domestic flights.

### **Phu Quoc International Airport**

*Expansion of 8 additional aircraft parking lots:* Pursuant to the decision No.21608/QĐ-TTg, ratified by the Prime Minister and dated November 10th 2008 on Phu Quoc Master Development plan, Phu Quoc Island is oriented to focus on economic development, historic sites conservation, environment protection as well as national security and defence. The island set goals to become a destination for high quality eco-tourism and a centre for Science and Technology of Vietnam and Southeast Asia;

According to the Phu Quoc International Airport development plan, Phu Quoc international airport reached 4E grade on the ICAO standard, and by 2030, will have a capacity of 7 million passengers annually. International routes arriving to Phu Quoc from Singapore, Cambodia, China, Thailand and Malaysia... accommodate the needs for package tours designed by big tourism companies with large and stable customer base. Other potential routes connecting Phu Quoc Island with landlocked countries or intensively cold winter regions such as Russia, Ukraine, Eastern Europe, Western Europe or North Asian countries like Japan, Korea and Taiwan will meet the demand for winter vacation and rehabilitation.

Phu Quoc is currently in phase 1 of ACV's investment plan, with a complete road, a few runways, and an aircraft parking lot with 8 parking slots. The airport is designed to serve 2.65 passengers per year. During 2014, the airport welcomed 1 million visitors, and is expected to reach 1.5 million visitors in 2015 (a 50% year on year increase). During rush time, the airport serves more than 4,602 passengers. To meet the growing traffic demand, and the needs for infrastructure development of Phu Quoc Island, the expansion of Phu Quoc international airport is urgent.

*Expansion of terminal:* To meet the rapid growth in the coming period of Phu Quoc international airport, ACV is implementing procedures to invest in expanding the passenger terminal with a total estimated investment of VND 1,000 billion, increasing the capacity of terminal from 2.6 million passengers/year to 4 million passengers/year. Some key factors after the terminal expansion:



Specification	Before	After
Terminal area .....	24,325 m <sup>2</sup>	36,167 m <sup>2</sup>
Passenger capacity .....	2.6 million	4 million
Aero-bridges .....	-	4
Boarding gates .....	4	12
Arrival luggage conveyor belts .....	5	6

#### **Phu Bai International Airport**

*Construction of a 2 parking positions (on the east side of the existing airport)* and extension of aircraft parking lot: ACV invested in upgrading runways, taxiways and put into operation in March 2013. However, the current airfields designed for A320 aircraft, operated since 2001, has been damaged due to frequent usage of A321-200 aircrafts and equivalent. Currently, the ACV is extending 02 parking positions for aircraft A321-200, B777-200RL, which is necessary to meet the overall planning stage in 2025 and orientations to 2030. The plan states that Phu Bai international airport to serve international and domestic flights and be used for both civil and military purposes. The airport size is expected to reach 4E grade in ICAO standards and reach level I of military airfield to ensure 24/24 service for B777 aircrafts and equivalents.

Thua Thien Hue is one of leading provinces in the key economic zone of Middle region and also lies on the East-West Economic Corridor, hence it is a center for education, specialised health care, culture and tourism, commercial and international transactions of Middle region and Vietnam. Thua Thien Hue is also well-known for its abundant and profound culture with many scenic spots, historic sites and 2 tangible and intangible cultural heritages.

The runway and taxiways have been upgraded and operated since March 2013. However, the apron which was initially designed for A320 in 2001 is now degenerated and badly damaged due to frequent exposure to A321-200 or equivalent. Hence, Phu Bai International Airport will be upgraded to provide 2 -position apron for A321-200, B777-200RL and to serve international as well as inter-regional flights among Northern-North Middle-Southern region for both civil and military purposes according to the Master plan until 2025 and orientations until 2030. The airport is expected to be in 4E category following ICAO standard and military airport level 2, which provides 24/24 services for B777 or equivalent.



#### 4.2. Follow-on offering

*Pursuant to Resolution No. 94/2015/QH13 dated 25/06/2015 of the Vietnam National Assembly regarding Long Thanh International Airport investment policy;*

*Pursuant to the estimated capital requirement for Phase I investment according to the Pre-Feasibility Study of Long Thanh International Airport, as appraised by the National Assembly Economic Policy Commission;*

We plan to issue additional shares through several follow-on offerings from 2018 to 2020 in order to finance the construction of Long Thanh International Airport in Phase I. Expected schedule of these follow-on offerings are as follows:

	2018	2019	2020
	(in billion VND)		
Share capital .....	22,431	23,900	26,847
New issuance .....	1,469	2,947	2,947
Share capital after issuance .....	23,900	26,847	29,794

Total investment, and subsequently capital requirement, may change after the Feasibility Study Report of the project is officially approved by the Vietnam National Assembly. The size of the issuance and ownership structure would be decided in the General Meeting of Shareholders.

#### 4.3. Operating result forecast, 2016 - 2020

Based on the business, investment and human resources strategy as above, our operating results forecast for 2016 - 2020 are as follow:

Operating result forecast	2016F	2017F	2018F	2019F	2020F
	(in billion VND, unless otherwise indicated)				
Revenues .....	9,403	9,681	9,779	10,154	10,546
Deductibles .....	52	54	56	59	61
Net revenues .....	9,351	9,627	9,723	10,095	10,485
Cost of goods sold .....	7,664	7,965	7,915	8,060	8,167
Gross profits .....	1,687	1,662	1,808	2,035	2,318
Financial incomes .....	561	623	683	796	908
Financial expenses .....	93	91	89	87	85
Interest expenses .....	93	91	89	87	85
Selling expenses .....	56	58	58	60	63
Administration expenses .....	595	615	628	652	677
Operating profits .....	1,503	1,521	1,715	2,031	2,401
Other income .....	49	50	51	53	55
Other expense .....	49	51	50	51	52
Net comprehensive other income .....	0	0	0	1	3
Profit before tax <sup>47</sup> .....	1,503	1,520	1,716	2,032	2,404
Corporate income tax .....	301	304	343	406	481
Tax deferral .....	-	-	-	-	-
<b>Profit after tax .....</b>	<b>1,203</b>	<b>1,216</b>	<b>1,372</b>	<b>1,626</b>	<b>1,923</b>
<b>Other operating data</b>					
Charter capital .....	22,431	22,431	23,900	26,847	29,794
Total number of employees .....	8,437	8,724	8,905	9,205	9,502
Wage and benefits fund .....	1,892	1,958	2,001	2,081	2,164
Employees' monthly income (million VND) .....	18.68	18.70	18.73	18.84	18.98
Total revenue and income .....	9,960	10,300	10,457	10,943	11,448
Total expense .....	8,457	8,780	8,741	8,911	9,044
Dividend pay-out ratio as a % of charter capital ..	5%	5%	5%	5%	5%

#### 4.4. Dividend policy

After taking into account the capital and cash flow requirements for our investment projects during 2016 – 2020, we expect to adopt a dividend pay-out ratio of 5% calculated based on our charter capital for the 2016 – 2020 period. Actual dividend policy would be decided by the General Shareholders' Meeting based on operational result and investment needs for the respective fiscal year.

<sup>47</sup> Profits before tax forecast has included the impact of the construction of the International Terminal at Da Nang International Airport, and exclude the impact of gains/losses from foreign exchange.

## **5. MANAGEMENT AND OPERATION OF ASSETS IN THE MANEUVERING AREA POST-EQUITIZATION**

Based on the results of enterprise valuation, the total asset value of maneuvering area excluded from equitisation is VND 1,914,500,092,169. By the time of incorporation, the asset value of the maneuvering area will change due to depreciation and additional capital expenditures.

We will lease assets in the maneuvering area to ensure uninterrupted operation of our airports. We will be for the operation, minor and major maintenance of assets in the maneuvering area.

The Prime Minister has assigned responsibilities to the Ministry of Transport and Ministry of Finance to discuss and develop the leasing policy. The lease contract for properties in the maneuvering area will be effective when we are officially incorporated as a joint-stock company.



**6. LISTING ON THE STOCK EXCHANGE**

After the initial public offering and incorporation, we expect to list our shares on a domestic stock exchange after meeting the listing conditions as required by prevailing laws.

## **PART 6. INFORMATION RELATING TO THE OFFERING**

### **1. RISK FACTORS**

*You should consider carefully the following risk factors, as well as all the other information presented in this prospectus, before making an investment decision. Any of the following risks, if actually occur, could materially and adversely affect our business, results of operations, prospects and financial condition, leading to a decline in the value of our shares.*

#### **1.1. Risks related to the regulation on our business**

*Our strategy to maximize shareholders' value would have to account for regional economic development and governmental policies.*

The role of airports in regional economic development and government policies can reduce the financial performance of our investment projects.

*We provide a public service regulated by the Government of Vietnam and the flexibility in managing our aeronautical activities is limited by the regulatory environment in which we operate.*

Our aeronautical fees charged to airlines and passengers are, like most airports in other countries, regulated. Aeronautical revenues contribute 80.13% of our total revenues in 2014. These regulations are subject to approval and changes by the Ministry of Finance, and we generally do not have the ability to unilaterally change the rates applicable under those regulations should our passenger traffic or other assumptions on which the regulations were based change during the applicable term.

Under the current pricing mechanism, there is no guarantee that regulation regarding aeronautical charge may be adjusted to reflect our capital expenditure. This may limit our flexibility in operating our aeronautical services and affect our performance.

#### **1.2. Risk related to the geo-political environment**

*Our revenues are highly dependent on levels of international traffic, which depend in part on factors beyond our control. Rising political tension in Asia, hostilities at the South China Sea between China and other South East Asia countries had, and would likely impact our business.*

Historically, a substantial proportion of our revenues have been derived from international traffic. Events such as the conflict at Ukraine and public health crises such as the Severe Acute Respiratory Syndrome (or SARS), the Middle East Respiratory Syndrome (or MERS) have negatively affected the frequency and pattern of air travel worldwide.

Especially, any general increase of hostilities relating to regional territorial dispute, most notably at the South China Sea, would directly affect international travel demand on flights originating from

China, Taiwan and Hong Kong. These countries constitute a significant proportion of Vietnam annual tourists.

Similar events could result in decreased passenger and cargo traffic, and as a result, could cause materially adverse effect on our business, results of operations, prospects and financial condition.

### **1.3. Risks related to the economic environment**

*The aviation industry is particularly sensitive to changes in the macro-economic environment.*

The aviation industry is characterized by strong sensitivity to economic fluctuation. Unpredictable developments of global and regional economies may reduce transportation, travel and export demand. Any of these risks could adversely affect the profitability of our aeronautical and non-aeronautical operations, business prospects and financial position.

*We are exposed to foreign exchange risk due to a significant majority of our financing instruments are ODA loans denoted in Japanese Yen. Appreciation of the Yen relative to the Vietnam Dong will adversely affect our financial result.*

The depreciation of the Japanese Yen in 2013 and 2014 has resulted in unrealized foreign exchange gains as a part of our financial income. We could not reliably assess the potential movement of the Yen due to uncertainties in the interaction between Japan-Vietnam economies, and interaction of the Japan Yen and Vietnam Dong among other currencies. Fluctuation in the Yen exchange rate could result in foreign exchange loss in our financial performance.

*Our financial income is exposed to risks arising from changes in domestic interest rates*

We receive access to Japanese ODA lending facilities with preferential interest rates and long repayment period as a part of the Government of Vietnam policy on transportation development. We expect to invest idle capital in short-term depository instrument to optimize our revenues. Fluctuations in interest rate level, if actually occur, could impact our financial income.

### **1.4. Risks related to our operation**

*Airports under our management may be requisitioned for the national defence purposes as per international precedence and the Government of Vietnam requirement.*

We were highly involved with the history of the Vietnam People's Air Force since our establishment, as previously referenced in this Prospectus. As presented on the history of formation and development corporations, civil aviation Vietnam is separated from the army and was transferred to the Ministry of Transport management in the 1990s, and so far still has the use of interleaving the aviation infrastructure between civil and military purposes at a number of airports of ACV. The Vietnam government may also assume the operation of any airport in the event of war, public disturbance or a threat to national security.



*Our business is highly dependent upon revenues originating from three of our airports. Any condition affecting those airports could adversely impact our financial performance.*

In the past three years, more than 75% of our revenues were generated from three of our 22 airports. These are, in order of importance, Tan Son Nhat, Noi Bai and Da Nang international airports. As a result of the substantial contribution to our revenues from these three, any event or condition affecting our principal airports could have a materially adverse effect on our business, results of operations, prospects and financial condition.

We periodically review and rehearse our Safety Management System, our Contingency and Emergency plans to mitigate the risk of operational disruption in our airports in order to minimize potential losses.

#### **1.5. Risks related to the offering**

*Our IPO is not managed by any underwriter, and therefore we might not fully raise the expected proceeds in the issuance. This may affect our capital expenditure and financial planning post-equitization.*

This initial public offering is a part of the equitization process of Airports Corporation of Vietnam. The total value of shares offered is 778,041,220,000 in par value. The offering is not managed by a securities underwriter, and thus there would be no guarantee that the offering would be fully subscribed. The number of unsubscribed shares will be processed under the provisions of Article 40, Decree 59/2011/ND-CP dated 18/07/2011 and other related regulations.

The risks could alter the size and structure of charter capital of ACV, at the same time reduce the share capital surplus and partly affect the implementation of the business plan of the Corporation after equitization.

#### **1.6. Other risks**

*Our common stock may not be eligible for listing on the stock exchange due to not fully satisfying listing requirements under the provisions of prevailing laws.*

We are subject to listing criteria under the provisions of Vietnam Securities Law and other relevant regulations. There is no guarantee that we would be able to meet the listing criteria under current prevailing laws, and therefore a liquid market for our shares may not develop.

#### *Force majeure events*

We are exposed to risks inherent to our operation, such as fires, floods, storms, natural disasters, strikes, riots, disturbances, coup, strikes, war, and accidents... which are beyond our control. These risks, if happen, will inevitably cause damage to people, property, ... and subsequently affect our performance.

*Investors should consider carefully the risk factors mentioned above, along with the information presented in the prospectus. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. Investors should study all available information, including information from other reliable sources, and their own professional advisors before participating in the auction.*

## 2. THE OFFERINGS

The issuance in our equitization consists of three components: (i) an initial public offering, conducted through an auction, (ii) offering of shares to employees and (iii) offering of shares to strategic investors. The expected ownership structure post equitization is as follows:

Shareholder	Number of shares (in shares)	Par value (in VND)	Percent
The Government of Vietnam .....	1,682,323,878	16,823,238,780,000	75.00%
Employees .....	31,347,800	313,478,000,000	1.40%
<i>Shares offered to employees at preferential rate     according to seniority .....</i>	<i>9,220,000</i>	<i>92,200,000,000</i>	<i>0.41%</i>
<i>Shares offered at preferential rate according to     commitment with the company .....</i>	<i>22,127,800</i>	<i>221,278,000,000</i>	<i>0.99%</i>
ACV's Union .....	3,003,003	30,030,030,000	0.13%
Strategic investor .....	448,619,701	4,486,197,010,000	20.00%
Public investor in the IPO .....	77,804,122	778,041,220,000	3.47%
<b>Total .....</b>	<b>2,243,098,504</b>	<b>22,430,985,040,000</b>	<b>100.00%</b>

### 2.1. The public offering

#### 2.1.1 Eligible participant

Eligible participants in the IPO are institutional and individual domestic and international investors (including employees of the enterprise undergoing equitization) as prescribed by law.

According to Article 4, Circular 196/2011/TT-BTC dated 26/12/2011, the following entities may not be allowed to participate in the IPO:

- Members of the equitization steering committee, excluding those who are representatives of the equitized enterprise.
- Intermediary financial institutions and their employees engaged in providing financial consultancy, valuation and financial statement audit service, audit agencies engaged in enterprise valuation, except for the underwriter(s) that purchase unsubscribed shares under its underwriting contract.
- The auctioneer and its employees engaged in the auction.
- Affiliated and associated companies in the same group, parent and subsidiaries.



### **2.1.2 Details of The Public Offering**

Shares in the Airports Corporation of Vietnam would be publicly auctioned in a domestic offering, which is to be held at the Ho Chi Minh Stock Exchange. The details are as follows:

The issuer:	Shares will be issued by the Airports Corporation of Viet Nam, a joint stock company incorporated as a result of the equitization of the 100% state-owned Airports Corporation of Vietnam
Class of shares:	Common stock
Par value:	10,000 VND/shares
Offering price:	11,800 VND/shares
Amount of shares being offered:	77,804,122 shares (3.47% of our post-equitization charter capital)
Eligible subscriber:	Domestic and international institutions and individuals meeting the conditions prescribed in the Auction Regulation for the IPO of Airports Corporation of Vietnam are eligible to subscribe to the offering
Allocation method:	Shares will be allocated in a public auction at the Ho Chi Minh Stock Exchange, according to Decision No.115/QD-UBCK dated 13/02/2007 by the Head of the State Securities Commission issuing the standard form of share auction at Stock Exchange.
Registration deadline and location:	According to the Auction Regulation for the IPO of the Airports Corporation of Vietnam issued by the Ho Chi Minh Stock Exchange
Auctioneer:	Ho Chi Minh Stock Exchange
Payment method and deadline:	According to the Auction Regulation for the IPO of the Airports Corporation of Vietnam

Further details regarding the auction will be set out in the Auction Regulation published by the Ho Chi Minh Stock Exchange.

### **2.2. Shares to be offered to the company's employees**

According to the provisions under Paragraph 1, Article 48 of Decree 59, eligible employees to the offerings of shares with preferential rates are permanent employee as at the disclosure date of our enterprise valuation result (31/12/2014).

The offering of shares at preferential rates to employees is conducted based on two schemes as follows:

### **2.2.1 Shares to be offered to employees according to seniority in the public sector**

Permanent employees as at the date of valuation result disclosure may purchase a maximum of 100 shares per year of experience in the public sector at a price equal to 60% of the lowest successful bid (in case of prior public auction) or 60% of the lowest successful sale price of shares sold to strategic investors (in case of prior sale to strategic investors).

*According to which:*

- Total number of permanent employees as at the date of disclosure of our valuation result (31/12/2014): 8,443.
- Total number of employees eligible for shares purchase according to seniority in the public sector: 7,587.
- Total number of years of experience for the aforementioned employees: 92,200.
- Total amount of shares to be offered under this scheme: 9,220,000 shares, equivalent to 0.41% of our charter capital post-equitization.

### **2.2.2 Shares to be offered to employees according to employees' working commitment to the equitizing company**

At the date of valuation result disclosure, permanent employees committing to continue their employment with the equitizing company for at least 3 years (after the enterprise successfully applied for its business registration certificate) under the approval of the company may purchase an addition of 200 shares for each additional year of commitment, provided that the total number of additionally purchased shares does not exceed 2,000 shares per employee. Qualified experts working in an enterprise may additionally purchase 500 shares for each year they commit to continuing to work in their enterprise but the total number of additionally purchase shares must not exceed 5,000 shares per employee. These shares to be allocated to the employee at lowest successful bid in the public offering.

We defined qualified expert as an employee with graduate-level education and three years of experience in the public sector. The total amount of shares to be offered under this scheme is 22,127,800 shares, equivalent to 0.99% of our charter capital post equitization.

### 2.2.3 Summary of the offerings to the company employees

<b>Scheme</b>	<b>Amount of shares</b>	<b>Par value of shares (VND)</b>	<b>Percentage of Charter capital</b>
Total amount of shares to be offered. ....	31,347,800	313,478,000,000	1.40%
According to seniority in the public sector .....	9,220,000	92,200,000,000	0.41%
According to working commitment to the company post equitization .....	22,127,800	221,278,000,000	0.99%

### 2.3. Shares to be offered to the company's trade union

According to Point c, Section 2, Article 36, Decree No. 59/2011/ND-CP of the Government of Vietnam, dated 18/07/2011, the subscription process by the trade union in our company is as follows:

- Trade union organizations in equitized enterprises may use their funds in equitized enterprises (under Clause 2, Article 16 of the Law on Trade Union; other than mobilized capital or loans) to purchase preferred shares of a quantity not exceeding 3% of the charter capital.
- These shares shall be held by the trade union and are non-transferable.
- The actual share purchase price is equal to 60% of the lowest successful bid
- Trade union has to allocate appropriate funding to subscribe to the IPO

As at the disclosure date of the valuation result, the amount of shares to be sold to the union in the company is 3,003,003 shares, equal to 0.13% of our charter capital.

### 2.4. Shares to be offered to the strategic investor(s)

Criteria for the selection of our strategic investor(s) will subject to the Ministry of Transport's approval. The selection of the strategic investor will be made after the IPO. After the IPO, we will begin the negotiation process with investors meeting the criteria approved by the Ministry of Transport.



### 3. USE OF PROCEEDS

According to the provisions in paragraph 3a) Article 42 of Decree 59, where the equitization combines selling an existing stake of the government and issuing additional equity, the proceeds from equitization will be handled as follows:

“...Part of the proceeds from equitization shall be left at the enterprise in proportion to the quantity of additionally issued shares calculated based on their par value. Premiums from the offering shall be used to cover equitization expenses and pay benefits to redundant employees; any deficit shall be handled under Point b, Clause 1 of this Article.”

Upon the assumption that the public offering is fully subscribed at the starting price of 11.800 VND, use of proceeds calculation is as follows:

Proceeds	Note	Amount	Unit
Charter capital (prior to equitization) .....	(a)	20,769.43	bil. VND
Charter capital (post equitization) .....	(b)	22,430.99	bil. VND
Offer price .....	(c)	11,800	VND/share s
Total amount of shares issued .....	(d)	560,774,626	shares
Total proceeds from equitization .....	(e) = (f) + (g) + (h) + (k)	6,559.45	bil. VND
Proceeds from employees' subscriptions .....	(f)	324.24	bil. VND
<i>According to seniority in the public sector</i> ....		65.28	bil. VND
<i>According to working commitment to the         company post equitization.</i> .....		258.96	bil. VND
Proceeds from the company union's subscriptions ...	(g)	21.26	bil. VND
Proceeds from the IPO .....	(h)	920.23	bil. VND
Proceeds from strategic investors .....	(k)	5,293.71	bil. VND
Par value of the Government of Vietnam's interest sold in the IPO .....	(i)	3,946.19	bil. VND
Par value of the additionally issued shares .....	(k)	1,661.55	bil. VND
Equitization expenses <sup>48</sup> .....	(l)	12.87	bil. VND
Payment of employees' severance package .....	(m)	-	bil. VND
Proceeds to be retained at ACV .....	(n)=[(b-a)/b] × [e-i-k-l-m]	69.54	bil. VND
<b>Proceeds payable to the Enterprise Reorganization and Development Support Fund .....</b>	<b>(p) = (e) - (k) - (l) - (m) - (n)</b>	<b>4,815.48</b>	<b>bil. VND</b>

<sup>48</sup> Fees payable to financial advisor(s) in the placement of shares to strategic investor not included

## PART 7. CONCLUSION

The Prospectus is provided to prospective investors to assist in the evaluation of the assets, capital, financial performance, operating results and business outlook of the issuer before subscribing in the offering.

The Prospectus is prepared on the basis of the issuer's data, information and the approved equitization plan to protect your legitimate interests and the auction's publicity and fairness. Information relating to the issuer in this prospectus has been presented on a reasonable and prudent basis.

We recommend you to carefully study this Prospectus before deciding to participate in the auction of the issuer's common stock.

*Ho Chi Minh City, November 6<sup>th</sup> 2015*

### THE RESPONSIBLES FOR INFORMATION RELATING TO THE EQUITIZING COMPANY

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#### Representative of the Equitization Steering Committee



*Nguyễn Nguyên Hùng*

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#### Representative of the Equitized Enterprise



*Nguyễn Nguyên Hùng*

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#### Representative of the Financial Advisor



*TỔNG GIÁM ĐỐC  
Đỗ Huy Hoài*

## PART 8. APPENDIX

### 1. OVERVIEW OF OUR SUBSIDIARIES

#### 1.1. Tan Son Nhat Aviation Services JSC (SASCO)

As a leading business in providing non-aviation commercial services in Vietnam, SASCO has always affirmed its position with strong and sustainable growth potential at Tan Son Nhat airport. The main business activities of the Company include:

- *SASCO Duty Free*: A SASCO's affiliate that provide duty free stores at Tan Son Nhat international airport. Collarating with international duty-free providers, SASCO Duty Free offered approximately 12,000 products of high-end brands. Some typical product types are alcohol, tobacco, food, fashion, cosmetics, perfumes.
- *Art department stores*: With more than 10,000 high-quality souvenirs with a diveristy from each region of Vietnam at Tan Son Nhat international Airport. The products offered by SASCO include handicraft, brocade, lacquer, cosmetics , leather, faux leather, pottery and ceramics, silver row, row sculpture, foods, fruit, deli.
- *Restaurants and bars*: Including chain of restaurants public areas and isolated areas of domestic and international terminals and international franchises such as Café Espressamente, Illy, Burger King, Star Café and Fin bar.
- *Business lounge*: The system of business guest rooms is available for business-class passengers in both domestic and international flights. The passengers are of Vietnam Airlines and of other 43 international airlines.

	2012	2013	2014
	(VND Millions)		
Net revenue. ....	1,809,667	2,008,381	2,040,069
Profit before tax .....	109,627	122,519	145,846
Profit after tax. ....	98,920	92,360	111,774
Total Assets .....	1,571,088	1,563,393	1,973,634
Total Equity .....	797,937	887,000	1,313,272
Owners' Equity. ....	797,937	887,000	1,202,352
ROA .....	6%	6%	6%
ROE .....	12%	10%	9%



## 1.2. Saigon Ground Services JSC (SAGS)

Over 10 years of development, SAGS has built a strong reputation in the field of technical and ground commercial services in Vietnam. The company currently provides full services to more than 20 airlines at the Tan Son Nhat International Airport (accounting for about 50% of total airlines operating in the airport). SAGS has continuously improved to meet domestic and international standards. The company provides ground handling services (ground service) and comply with IATA's standard contract, including:

- *Technical Service for Airfield:* includes loading, stowage and baggage transportation, cargo, parcels from the aircraft to terminals and vice versa using specialized equipment; flight coordination; service of transporting passengers and flight crew.
- *Passenger services:* Includes assisting passengers with check-in procedures, excess baggage and last-minute ticket sales at the airport; service control and guiding passengers in departure gate; supporting passengers with special needs, VIP / CIP passengers.
- *Luggage services:* including arriving, departing, and forwarding luggage services; lost luggage service.
- *Other services:* Training, maintenance service, equipment repair, IT service.

Some operating indicators of SAGS in 2014:

	2013 <sup>49</sup>	2014
	(VND Millions)	
Net revenue.....	–	472,876
Profit before tax .....	–	98,066
Profit after tax.....	–	75,781
Total Assets .....	128,879	452,432
Total Equity .....	–	140,507
Owners' Equity.....	–	140,507
ROA .....	–	17%
ROE .....	–	54%

<sup>49</sup> The company has just operated in the form of Limited Liability Company since Jan 6<sup>th</sup> 2014

### **1.3. Noi Bai Aviation Fuel Service JSC (NAFSC)**

NAFSC was founded in May/2014 , operating in underground fuel delivery system at T2 – Noi Bai International airports. However, NAFSC officially operated and recognized revenue from January 2015.

## 2. LIST OF LAND UNDER ACV'S USAGE AND MANAGEMENT

No.	Property Information			Value in ACV valuation		Use of land after IPO		Solution
	Management	Name	Address	Area(m <sup>2</sup> )	Remaining usage	Form of land use	Purpose	
1	ACV	Land block for ACV corporation	58 Truong Son St. - W.2, Tan Binh Dist., HCMC	4,527.60	0	On rent	Business	Continue to complete records in accordance with the law
2	Tan Son Nhat International Airport	Office building Screening Service Team - Tan Son Nhat Intl Airport	59 Cuu Long - W.2 - Tan Binh Dist. - HCMC	2,207.10	0	On rent	Business	Continue to complete records in accordance with the law
3	Tan Son Nhat International Airport	KTKB Building - Tan Son Nhat Intl Airport	23C Yen The - W.2 - Tan Binh Dist. - HCMC	2,017.70	0	On rent	Business	Continue to complete records in accordance with the law
4	Tan Son Nhat International Airport	Building Security Training Centre- (Guest House B)	118 Hong Ha - W.2, Tan Binh Dist. - HCMC	1,418.60	0	On rent	Business	Continue to complete records in accordance with the law
5	Tan Son Nhat International Airport	Building under JAC's usage	02 Song Day - W.2, Tan Binh Dist. - HCMC	567.5	0	On rent	Business	Continue to complete records in accordance with the law
6	ACV	Nissan Showroom - Car Inspection Centre, 1A Hong Ha	1A Hong Ha- W.2, Tan Binh Dist. HCMC	6,347.40	50 years (end of 01/09/2060)	On rent	Business	
7	Tan Son Nhat International Airport	Land block 1A Hong Ha, W.2, Tan Binh Dist.- Taxi parking space (temporary) + garden nurseries	1A Hong Ha- W.2, Tan Binh Dist. HCMC	8,518.80	0	On rent	Business	Continue to complete records in accordance with the law
8	Tan Son Nhat International Airport	K1 25L, W.10, Go Vap Dist., HCMC	W.10, Go Vap Dist. HCMC	1,095.00	0	Handover without rental fees	Public	Contact the People's Committee for declaration procedure no.09
9	Tan Son Nhat International Airport	K1 25R, W.3, Go Vap Dist., HCMC	W.3, Go Vap Dist. HCMC	1,378.00	0	Handover without rental fees	Public	Contact the People's Committee for declaration procedure no.09
10	Tan Son Nhat International Airport	K2 25L, Linh Dong Ward, Thu Duc	Linh Dong Ward, Thu Duc Dist. HCMC	921.5	0	Handover without rental fees	Public	Contact the People's Committee for



Airport	Dist, HCMC			declaration procedure no.09				
11	Tan Son Nhat International Airport	K2 25R, Linh Tay Ward, Thu Duc Dist, HCMC	1,059.30	0	Handover without rental fees	Public	Contact the People's Committee for declaration procedure no.09	
12	Tan Son Nhat International Airport	Land block in Tan Son Nhat International Airport - W.2, Tan Binh Dist. - HCMC	5,207,382.92	0				
		Airport terminal, Controller	127,184.31	0	On rent Annual Payment	Business	Implement procedures for land lease with Airport Authority	
		Parking lot	70,059.89	0	On rent Annual Payment	Business	Implement procedures for land lease with Airport Authority	
		Flying area	4,576,939.79	0	Handover without rental fees	Public	Contact the People's Committee for declaration procedure no.09	
		Flight packing lot	380,000.00	0	Handover without rental fees	Public	Contact the People's Committee for declaration procedure no.09	
		In-port traffic	53,198.93	0	Handover without rental fees	Public	Implement procedures for land management with Airport Authority	
13	Buon Ma Thuot International Airport	Airport trading centre	65 Nguyen Tat Thanh, Tab An, BMT, Dak Lak	108.4	0	On rent Annual Payment	Business	Continue to complete records in accordance with the law
14	Buon Ma Thuot International Airport	Airport trading centre	65 Nguyen Tat Thanh, Tab An, BMT, Dak Lak	287.76	0	On rent Annual Payment	Business	Continue to complete records in accordance with the law
15	Buon Ma Thuot International Airport	Radio navigation K2	K2 194 Dinh Tien Hoang, BMT, Dak Lak	2,988.60	0	Handover without rental fees	Public	Continue to complete records in accordance with the law
16	Buon Ma Thuot International Airport	Radio navigation K1	K1 79 Nguyen Luong Bang, BMT, Dak Lak	1,693.00	0	Handover without rental fees	Public	Continue to complete records in accordance with the law
17	Buon Ma Thuot International Airport	Buon Ma Thuot International Airport, Commune 3,	1,627,679.00	0	Public		Implement procedures for land lease and	

Airport	Hoa Thang, Buon Ma Thuot, Dak Lak		management with Airport Authority	
	Flying Area	1.593.000,00	0	Handover without rental fees Public
	In-port traffic land	4.000,00	0	Handover without rental fees Public
	M&E Building	450	0	Handover without rental fees Public
	Old station	1.500,00	0	On rent Annual Payment Business
	Site operators, garage	3.729,00	0	On rent Annual Payment Business
	Car parking lot	9.000,00	0	On rent Annual Payment Business
	Guest station	7.100,00	0	On rent Annual Payment Business
	Airports internal road station area	8.900,00	0	On rent Annual Payment Business
18	Lien Khuong Airport	40 Ho Tung Mau, Da Lat City	01/07/2014 to 01/07/2064	On rent Annual Payment Business
	Lien Khuong Airport	8, Lien Nghia Centre, Duc Trong town, Lam Dong Province, AN 949308 land certificate, unused	0	On rent Annual Payment Business
19	Lien Khuong Airport	Lien Khuong Airport, Route 20, Lien Nghia town, Duc Trong district, Lam Dong Province	0	Public
	Flying area	2.345.339,00	0	Handover without rental fees Public
	Traffic Land	47.195,00	0	Handover without rental fees Public
	New stations, bike garage	26.822,00	0	On rent Annual Payment Business
	Car parking lot	9.720,00	0	On rent Annual Payment Business
	Old station area	19.160,00	0	On rent Business
				Contact Finance Department to implement procedures of declaration 09

			Annual Payment		Implement procedures for land lease and management with Airport Authority	
			Handover without rental fees	Public		
20	Con Dao Airport	Wastewater treatment plants, power plants, power stations, water stations, pumping stations fire, tank fire	3.045,00	0	Public	
		Con Dao Airport, Sub-area 1, Con Dao, Con Dao Commune, BR VT	1.012.249,79	0		
		Flight area	978.663,00	0		
		Office building, car parking lot, passenger terminals, temporary station.	30.912,00	0		
		In-port traffic land	2.674,79	0	Public	
21	Phu Quoc International Airport	Blue Lagoon Resort, District 1, Duong Dong Town, Phu Quoc	5.040,00	08/05/2002 to 08/05/2052	Business	
		Quoc			On rent Annual Payment	
22	Phu Quoc International Airport	Phu Quoc International Airport	Group 2, To Duong Village, To Duong Commune, Phu Quoc District, Kien Giang Province	3.736.122,48	0	Public
		Flight area		3.449.538,00	0	Public
		Parking lot		128.180,38	0	Business
		M&E Building		2.815,00	0	Public
		Passenger Station		14.338,70	0	Business
		Cargo station		4.738,00	0	Business
		Passenger parking lot		1.369,00	0	Business
						Business



	Wastewater treatment plant	230,2	0	Handover without rental fees	Public	
	2 way charging station	265,2	0	On rent Annual Payment	Business	
	In-port traffic land	134.648,00	0	Handover without rental fees	Public	
23	Rach Gia Airport Airport Trading Centre	180 Nguyen Trung Truc Vinh Bao Ward, Rach Gia City	323	Processing 0	On rent Annual Payment Business	Contact the People's Committee for declaration procedure no.09
24	Rach Gia Airport	418 CMT8, Vinh Loi Ward, Dist. Rach Gia, Kien Giang Province	363.930,94	0	Public	Contact Finance Department to implement procedures of declaration 09
	Flight area	192,681 (changed to 359,622 according 1023/CVMN -QLC on 11/11/2014)	0		Public	
	Plane parking lot (120m x 60m) = 7.200m <sup>2</sup>	7.200,00	0	Handover without rental fees	Public	
	Runway (1.500m x 30m)	45.000,00	0	Handover without rental fees	Public	
	Taxiway (85m x 15m) = 1.275m <sup>2</sup>	1.275,00	0	Handover without rental fees	Public	
	Insurance lane (90m x 90m) x 2 = 16.200m <sup>2</sup>	16.200,00	0	Handover without rental fees	Public	
	Runway side road: 1.500m x 80m	120.000,00	0	Handover without rental fees	Public	
	Parking lot	2.744,00	0	On rent Annual Payment	Business	
	Security building at airport entrance	12	0	On rent Annual Payment	Business	
	Airport entrance	250	0	On rent Annual Payment	Business	
	Public service	4.308,94	0		Public	

<i>building and station</i>									
	New station construction area		2.895,00	0	On rent Annual Payment	Business			
	Old station area		1.196,60	0	On rent Annual Payment	Business			
	The electricity generator, the machine set NDB, washed cars, tank fire		217,34	0	Handover without rental fees	Public			
25	Ca Mau Airport	Ca Mau Airport	93 Ly Thuong Kiet Street, Ward 6, Dist. Ca Mau, Ca Mau Province	424.967,08	0	Public			Implement procedures for land lease and management with Airport Authority
	Flight area		404.811,38	0	Handover without rental fees	Public			
	Guest station area, garage, car parking slot		11.389,79	0	On rent Annual Payment	Business			
	In-port traffic		3.262,70	0	Handover without rental fees	Public			
	drainage area, flight area and sewage pond, hazardous waste containing area		1.014,97	0	Handover without rental fees	Public			
	Clearance area phase 1, phase (Port Authority has not received the Red Book)		4.488,24	0	On rent Annual Payment	Business			
26	Can Tho International Airport	Can Tho International Airport	179B Le Hong Phong, Tra An Ward, Binh Thuy District, Can Tho	2.838.446,00	0	Public			Contact Finance Department to implement procedures of declaration 09
	Flight area		2.680.000,00	0	Handover without rental fees	Public			
	M&E building		7.919,00	0	Handover without rental fees	Public			
	The station area, the temporary station, auto park		23.113,00	0	On rent Annual Payment	Business			

	Parking lot, infrastructure component service of emergency	2.010,00	0	Handover without rental fees	Public	
	Car parking	3.244,00	0	On rent Annual Payment	Business	
	In-port traffic land	28.086,00	0	Handover without rental fees	Public	
	Land greenery, lighting, water supply, underground infrastructure	88.614,00	0	Handover without rental fees	Public	
	Sport Area	5.460,00	0	Handover without rental fees	Public	
27	Da Nang International Airport	Thai Phien Hotel	50, Thai Phien St., Phuoc Ninh, Hai Chau District, Da Nang City	Long-term	0	Business
28	Da Nang Intl Airport	Hoa Tho Dong Ward, Cam Le District, Danang.	1.764,60	0	Handover without rental fees	Public
29	Da Nang International Airport	K2, Da Nang Intl Airport	Hoa Tien commune, Hoa Vang Dist. Danang	15.316,00	0	Handover without rental fees
30	Da Nang International Airport	Da Nang International Airport	Khue Trung Ward, Cam Le district, Da Nang city	16.028,80	0	Handover without rental fees
31	Da Nang International Airport	Da Nang International Airport	Da Nang Intl Airport, Hoa Thuan Tay Ward, Hai Chau District, Danang	1.626.922,70	0	Handover without rental fees
	Flight area		1.455.000,00			Public
	Runway 35R / 17L and East taxiway		1.140.000,00	0	Handover without rental fees	Public
	Plane parking lot		315.000,00	0	Handover without rental fees	Public
	Site functionality HKDD		156.460,50	0		Public
	Operator Building, Da Nang Intl Airport		6.400,80	0	On rent Annual Payment	Business



Station Da Nang Intl Airport (new) + Technical service station	14.879,90	0	On rent Annual Payment	Business
Da Nang Intl Airport ( cũ).	7.730,20	0	On rent Annual Payment	Business
Sport Area	4.129,20	0	On rent Annual Payment	Business
Car parking lot	36.160,20	0	On rent Annual Payment	Business
Roads	90.411,00	0	Handover without rental fees	Public
Power station	190	0	Handover without rental fees	Public
Fire watch	338	0	Handover without rental fees	Public
Standby power station flight area (41m2) + Meteorological Station (103m2) + The technical work team, workshop (240m2), (2.238 m2 Fire Station)	2.622,00	0	Handover without rental fees	Public
Areas don't meet plan	9.061,40	0		Public
Garage	1.329,40	0	On rent Annual Payment	Business
Warehouse center flight area	355,4	0	On rent Annual Payment	Business
Medical Training Centre	961,9	0	On rent Annual Payment	Business
Cargo area	1.907,40	0	On rent Annual Payment	Business
Airport operation Centre + Technical Service centre	1.802,40	0	On rent Annual Payment	Business
Restaurant Services Centre Aviation (as	2.404,90	0	On rent Annual Payment	Business

quoted measure is 2239,3m2 + 165,6m2 area housing operating switch)						
Garages and Terminal Operations Centre		300	0	On rent Annual Payment	Business	
32	Phu Bai International Airport	Airport Trading Centre	20 Hanoi, Phu Nhuan, Hue, Thua Thien Hue	713,5	From 29/05/2009 to 29/05/2059	0
				On rent Annual Payment	Business	Received Decisions 09
33	Phu Bai International Airport	K1 Station, Phu Bai Intl Airport	Thuy Tan commune, Huong Thuy dist., Thua Thien Hue province	10,000.00		
				Handover without rental fees	Public	Contact the People's Committee for declaration procedure no.09
34	Phu Bai International Airport	K2 Station, Phu Bai Intl Airport	Vinh Thai commune, Phu Vang dist., Thua Thien Hue province	3,726.00		
				Handover without rental fees	Public	Contact the People's Committee for declaration procedure no.09
35	Phu Bai International Airport	Phu Bai International Airport	Region 08, Phu Bai town, Huong Thuy dist., Thua Thien Hue province	1,641,248.70		
				Public	Public	Contact the People's Committee for declaration procedure no.09
<i>Movement area</i>						
Movement area (taxiways, runways and airport apron)		Approx. 160ha	Handover without rental fees	Public		
<i>Civil Aviation</i>						
Operator		6,461.00	On rent Annual payment	Business		
Current passenger terminal		4,563.00	On rent Annual payment	Business		
Power station		4,484.70	Handover without rent fees	Public		
Office building for airport staff		432.00	On rent Annual payment	Business		
Garage for utility vehicles		1,475.00	On rent Annual payment	Business		
- Place for		150.00	Handover without	Public		

	electricity generator and firewater - Electrical transformer		rental fees		
	Parking lot	6,622.10	On rent Annual payment	Business	
	Internal service road network	14,633.90	On rent Annual payment	Business	
	01 kitchen and 03 staff housing estates	673.00	On rent Annual payment	Business	
	Catering enterprise of MASCO	722.00	On rent Annual payment	Business	
	Housing for staff of Phu Bai Airport	332.00	On rent Annual payment	Business	
	Concrete yard	700.00	On rent Annual payment	Business	
36	Cam Ranh Intl Airport	Nha Trang Airport	20,995.00	Public	
37	Cam Ranh International Airport	Cam Ranh Intl Airport	3,923,531.40	Public	Contact the People's Committee for declaration procedure no 09
	Movement area	3,705,966.00		Public	
	Runways	311,105.00	Handover without rental fees	Public	
	Taxiways	188,792.00	Handover without rental fees	Public	
	Airport apron	318,104.00	Handover without rental fees	Public	
	Runway end safety area	282,936.00	Handover without rental fees	Public	
	Runway shoulder safety area	2,604,849.00	Handover without rental fees	Public	
	Civil Aviation	103,283.00	Public		
	Current passenger terminal	9,035.00	On rent Annual payment	Business	
	Parking lot	33,000.00	On rent Annual payment	Business	
	Internal service road	61,248.00	Handover without	Public	



network		rental fees	
		On rent	Business
		Annual payment	
	02 old office buildings currently functioned as the administrative office for staff of Cam Ranh Intl Airport	2,871.00	
	Old passenger terminal	1,650.00	Business
	Garage for special vehicles (3,812m <sup>2</sup> + extension of 520 m <sup>2</sup> )	4,332.00	Business
	Fire truck garage	256.20	Handover without rental fees
	Fuel station	1,860.20	Business
	Power station	30.00	Handover without rental fees
38	Chu Lai Airport		
	Chu Lai Airport		Public
	Tam Nghia commune, Nui Thanh dist., Quang Nam province	50,101.00	
	<i>Movement area</i>		Public
	Airport apron	37,153.00	Handover without rental fees
	<i>Civil Aviation</i>		Public
	Current passenger terminal	2,100.00	Business
	Parking lot	3,519.00	Business
	Staff housing	3,956.00	Business
	Garage for special vehicles	1,508.00	Business
	Fire truck garage	465.00	Handover without rental fees
	Water station and electricity station	691.00	Handover without rental fees
	Parking space for staff	229.00	Business

	Building for internal use (on the hill)	345.00	On rent Annual payment	Business	
	<i>Other properties</i>			Public	
	Meteorological Garden	25.00	Handover without rental fees	Public	
	Sand and water for fire fighting	57.00	Handover without rental fees	Public	
	Security control and fire safety	53.00	Handover without rental fees	Public	
39	Pleiku Airport				Contact the People's Committee for declaration procedure no. 09
	Pleiku Aviation Service Center	Ticketing office, 55 Quang Trung, Hoi Thuong, Pleiku city, Gia Lai province	On rent Annual payment	Business	
		382.20			
40	Pleiku Airport			Public	Contact the People's Committee for declaration procedure no. 09
	Pleiku Airport	Pleiku Airport, 7/3 str., Thong Nhat ward, Pleiku city, Gia Lai province	On rent Annual payment	Public	
		29,130.50			
	Airport apron	11,400.00	Handover without rental fees	Public	
	Current passenger terminal	1,432.00	On rent Annual payment	Business	
	Special vehicle garage	514.50	On rent Annual payment	Business	
	Administrative office	315.00	On rent Annual payment	Business	
	Fuel storage	28.00	On rent Annual payment	Business	
	Cafeteria (including the extension in 2012)	199.50	On rent Annual payment	Business	
	Garage	61.50	On rent Annual payment	Business	
	Parking lot	7,875.00	On rent Annual payment	Business	
	Garage for special vehicles	168.00	On rent Annual payment	Business	
	Garage for motorbikes in the administrative office	60.00	On rent Annual payment	Business	
	Place for machines	50.00	Handover without	Public	

and NDB station		rental fees		
	Internal service road network	6,843.00	Handover without rental fees	Public
	Water pump and electrical generator	84.00	Handover without rental fees	Public
	Control station for the complementary lighting system	100.00	Handover without rental fees	Public
41	Phu Cat Airport Aviation Trade Center	01 Nguyen Tat Thanh st., Quy Nhon city, Binh Dinh province	On rent Annual payment	Business Contact the People's Committee for declaration procedure no.09
42	Phu Cat Airport K2 Station	Nhon Hoa, An Nhon, Binh Dinh	Handover without rental fees	Public Contact the People's Committee for declaration procedure no.09
43	Phu Cat Airport K1 Station	Nhon Thanh, An Nhon, Binh Dinh	Handover without rental fees	Public
44	Phu Cat Airport	Cat tan, Phu Cat, Binh Dinh	74,466.00	Public Contact the People's Committee for declaration procedure no.09
<i>Movement area</i>				
	Airport apron	67,860.00	Handover without rental fees	Public
<i>Civil Aviation</i>				
	Current passenger terminal	1,620.00	On rent Annual payment	Business
	Garage for special vehicles	300.00	On rent Annual payment	Business
	Resting place between working shifts	126.00	On rent Annual payment	Business



	Car park	2,870.00	On rent Annual payment	Business
	Fire truck garage	330.00	Handover without rental fees	Public
	Electrical generator	15.00	Handover without rental fees	Public
	Operator	120.00	Handover without rental fees	Public
	Firewater tank	30.00	Handover without rental fees	Public
	05 security guard booths	25.00	Handover without rental fees	Public
	Meteorological garden (100m to the North of the airport apron)	36.00	Handover without rental fees	Public
	Old passenger terminal	800.00	On rent Annual payment	Business
	02 buildings for communication equipments, namely B2 and B3	127.00	On rent Annual payment	Business
	Workplace for technicians	60.00	On rent Annual payment	Business
	Garage for motorbikes	100.00	On rent Annual payment	Business
	Firewater tank	30.00	Handover without rental fees	Public
	Waste treatment area	17.00	Handover without rental fees	Public
45	Tuy Hoa Airport Trade Center	183-185 Hung Vuong, w.5, Tuy Hoa city	On rent Annual payment	Business
46	Tuy Hoa Airport	W Phu Thanh, Tuy Hoa city, Phu Yen province	On rent Annual payment	Public
	<i>Properties in the planning</i>			
	Current passenger terminal	4,092.00	On rent Annual payment	Business
	Equipments and vehicles for ground	332.00	On rent Annual payment	Business

services						
	Car park	1,420.00	On rent Annual payment	Business		
	Fire house	200.00	Handover without rental fees	Public		
	Road network, roadsides and trees	46,700.00	Handover without rental fees	Public		
	<i>Properties off the planning</i>			Public		
	Workplace for Mechanical & Electrical	400.00	Handover without rental fees	Public		
	Firewater tank	153.00	Handover without rental fees	Public		
	Sewage treatment system	200.00	Handover without rental fees	Public		
	Office building	182.00	On rent Annual payment	Business		
	Garage for motorbikes	160.00	On rent Annual payment	Business		
	Security guard booths, resting place between working shifts	614.00	On rent Annual payment	Business		
47	Noi Bai International Airport	Tam Dao Aviation Hotel	Vinh Phuc	1,125.00	On rent Annual payment	Business  Contact the People's Committee for declaration procedure no.09
48	Noi Bai International Airport	Noi Bai Intl Airport, Phu Minh Commune, Soc Son dist., Ha Noi		3,269,890.70	Public	Contact the People's Committee for declaration procedure no.09
	<i>Properties declared for rental payment and non- agricultural land tax</i>			1,047,769.70	Public	
	T1 passenger terminal			23,524.00	On rent Annual payment	Business
	P3 car park			17,620.70	On rent Annual payment	Business

Parking space in front of T1 terminal	13,680.00	On rent Annual payment	Business
Extension of T1 terminal	9,200.00	On rent Annual payment	Business
Expansion of parking space in front of T1	7,966.00	On rent Annual payment	Business
T2 passenger terminal and parking lot	896,970.00	On rent Annual payment	Business
VIP A passenger terminal	5,700.00	On rent Annual payment	Business
Noi Bai cargo terminal	20,480.00	On rent Annual payment	Business
Parking lot of the cargo terminal	14,682.00	On rent Annual payment	Business
Noi Bai warehouse	4,000.00	On rent Annual payment	Business
Project management office	110.00	On rent Annual payment	Business
Office building	15,037.00	On rent Annual payment	Business
T2 power station	10,430.00	On rent Annual payment	Business
Noi Bai Aviation Technical Center	8,340.00	On rent Annual payment	Business
Properties declared for rental payment and non-agricultural land tax	2,169,153.00		Public
Electrical transformer 35/06KV – Noi Bai Aviation Technical Center	2,411.00	Handover without rental fees	Public
Water station – Noi Bai Aviation Technical Center	5,220.00	Handover without rental fees	Public
Internal service road network	19,275.70	Handover without rental fees	Public



	Airport apron	85,559.30	Handover without rental fees	Public	
	A3 airport apron	21,840.00	Handover without rental fees	Public	
	Extension of taxiways, runway strip safety area 1B	1,196,547.00	Handover without rental fees	Public	
	Runways and runway strip safety area	498,300.00	Handover without rental fees	Public	
	Extension to the West of Noi Bai Intl Airport	340,000.00	Handover without rental fees	Public	
	Dormitory of Noi Bai Intl Airport	52,968.10		Public	
	Staff housing estate	52,968.10	On rent Annual payment	Business	
	<i>Properties for other purposes</i>	15,145.00		Public	
	Noi Bai Catering Services company	5,071.00	On rent Annual payment	Business	
	Noi Bai International Airport Ground Services (NIAGS)	6,830.00	On rent Annual payment	Business	
	Noi Bai Cargo Terminal Services	3,244.00	On rent Annual payment	Business	
49	Cat Bi Intl Airport		On rent Annual payment	Business	Contact the People's Committee for declaration procedure no.09
50	K2 navigation station	Da Phuc ward, Duong Kinh dist., Hai Phong city	9,622.00	Handover without rental fees	Public
51	Cat Bi Intl Airport	Cat Bi Intl Airport, Le Hong Phong st., Thanh To ward, Hai An dist., Hai Phong city	304,497.39		
	<i>Properties declared</i>		15,024.72	Public	

<i>for rental payment and non-agricultural land tax</i>			
Passenger terminal	3,378.08	On rent Annual payment	Business
Administrative office	433.13	On rent Annual payment	Business
Staff dining room and cafeteria	605.91	On rent Annual payment	Business
Public dining room	150.00	On rent Annual payment	Business
Cafeteria	455.91	On rent Annual payment	Business
Car park	4,800.00	On rent Annual payment	Business
Garage for bikes and motorbikes of staff and passengers	320.00	On rent Annual payment	Business
Garage for passenger bikes and motorbikes	190.00	On rent Annual payment	Business
Garage for staff bikes and motorbikes	130.00	On rent Annual payment	Business
Duty station	45.00	On rent Annual payment	Business
Office building	564.00	On rent Annual payment	Business
New office building (old catering area), resting place between shifts	300.00	On rent Annual payment	Business
New office building	94.68	On rent Annual payment	Business
Resting place between shifts	87.12	On rent Annual payment	Business
Supporting constructions	118.20	On rent Annual payment	Business
Youth Garden of Cat Bi Intl Airport	110.00	On rent Annual payment	Business

Pond	2,076.00	On rent Annual payment	Business
Import cargo handling area	625.00	On rent Annual payment	Business
Baggage claim area	176.00	On rent Annual payment	Business
Garage for special vehicles	423.00	On rent Annual payment	Business
Garage	237.00	On rent Annual payment	Business
Parking area for 03 emergency vehicles	106.00	On rent Annual payment	Business
VAECO office	40.00	On rent Annual payment	Business
Warehouse for the cleaning team	40.00	On rent Annual payment	Business
Container parking area (parking area for ground vehicles next to the airport apron)	908.60	On rent Annual payment	Business
Luggage trolley area	165.00	On rent Annual payment	Business
NIAGS team office	95.00	On rent Annual payment	Business
Properties without surcharge	289,472.67		Public
Internal service road network	2,500.00	Handover without rental fees	Public
Power station	500.00	Handover without rental fees	Public
Area between fire house and information center.	120.00	Handover without rental fees	Public
Fire truck garage	233.57	Handover without rental fees	Public
Meteorological station	100.00	Handover without rental fees	Public
Movement area (taxiways, runways,	281,542.00	Handover without rental fees	Public



apron, runway strip safety area)				
Runway 07/25				Handover without Public rental fees
Taxiways				Handover without Public rental fees
Airport apron (including parking spot no.01 and 02)				Handover without Public rental fees
Runway strip safety area				Handover without Public rental fees
Public road network, airport apron				Handover without Public rental fees
Area between the apron and the terminal				Handover without Public rental fees
Area between fire house – information center and the apron				Handover without Public rental fees
Technical parking space (in front of the garage for special vehicles)				Handover without Public rental fees
52	Dien Bien Airport	Dien Bien ticketing office	14 Tran Dang Ninh st., Thanh Binh, Dien Bien	On rent Annual payment Business
53	Dien Bien Airport	Na San ticketing office	Son La province	On rent Annual payment Business
54	Dien Bien Airport	Na San ticketing office	Son La province	Handover without rental fees
55	Dien Bien Airport	Dien Bien Airport	Dien Bien Airport, Thanh Truong ward, Dien Bien city, Dien Bien province	Public
Properties with surcharges				Public

Passenger terminal	1,600.00	On rent Annual payment	Business
Car park	3,071.00	On rent Annual payment	Business
Garage for passenger bikes and motorbikes	182.00	On rent Annual payment	Business
Garage for staff special vehicles	108.00	On rent Annual payment	Business
Administrative office (old passenger terminal)	500.00	On rent Annual payment	Business
Office building No.01 (old office building)	154.00	On rent Annual payment	Business
Ticket checkpoints	18.00	On rent Annual payment	Business
The yard in front of the administrative office	1,656.00	On rent Annual payment	Business
Taxi parking area	297.50	On rent Annual payment	Business
Community house	144.00	On rent Annual payment	Business
<i>Properties without surcharges</i>	321,022.00		Public
Fire truck garage + emergency vehicle garage (old garage for special vehicles)	325.00	Handover without rental fees	Public
250 KVA electricity generator	34.00	Handover without rental fees	Public
Water pump station + Electrical transformer station	320.00	Handover without rental fees	Public
Stone built canal system	1,636.00	Handover without rental fees	Public
Meteorological garden + garden entrance way +	11,777.00	Handover without rental fees	Public

	NDB station				
	Taxiways	1,635.00	Handover without rental fees	Public	
	New apron	6,522.00	Handover without rental fees	Public	
	Old apron	5,225.00	Handover without rental fees	Public	
	Runways	54,900.00	Handover without rental fees	Public	
	Navigation station, entrance way to NDB station	89.00	Handover without rental fees	Public	
	Eastern and Western border safety area	146,400.00	Handover without rental fees	Public	
	Northern border safety area	18,150.00	Handover without rental fees	Public	
	Southern border safety area	30,000.00	Handover without rental fees	Public	
	Drain system for runways	38,369.00	Handover without rental fees	Public	
	Terminal yards (front yard and backyard)	2,360.00	Handover without rental fees	Public	
	Internal service road network	3,250.00		Public	Contact the People's Committee for declaration procedure no.09
56	Vinh International Airport	Vinh Intl Airport, Nghi Lien commune, Vinh city, Nghe An province		Public	
	Properties with surcharges	110,079.95		Public	
	Office building	1,810.04	On rent Annual payment	Business	
	Garage for staff	187.83	On rent Annual payment	Business	
	Office building	193.54	On rent Annual payment	Business	
	Football court	356.00	On rent Annual payment	Business	



Head quarter yard	520.00	On rent Annual payment	Business
New garage for special vehicles	486.54	On rent Annual payment	Business
Areas around above properties	480.67	On rent Annual payment	Business
Temporary international passenger terminal	795.60	On rent Annual payment	Business
Domestic passenger terminal	1,455.00	On rent Annual payment	Business
Land for new passenger terminal construction (requesting explanations from ACV)	98,741.20	On rent Annual payment	Business
Public dining room and supporting construction	121.76	On rent Annual payment	Business
Old car park	1,319.00	On rent Annual payment	Business
Uncle Ho commemorative park	3,906.00	On rent Annual payment	Business
Fish pond	154.20	On rent Annual payment	Business
Canal system	163.00	On rent Annual payment	Business
Services building area (old and unused passenger terminal)	1,342.15	On rent Annual payment	Business
Services building (old and unused passenger terminal)	303.60	On rent Annual payment	Business
Garage for special vehicles (old and unused building)	312.35	On rent Annual payment	Business
Area around the	726.20	On rent	Business

construction			Annual payment		
			On rent	Business	
Garage for passenger motorbikes	272.00		Annual payment		
<i>Properties without surcharges</i>	443,122.21			Public	
Fire truck garage	165.49		Handover without rental fees	Public	
Other supporting constructions	230.59		Handover without rental fees	Public	
02 public pump stations	52.02		Handover without rental fees	Public	
Public water tower	4.20		Handover without rental fees	Public	
Public water tank	42.00		Handover without rental fees	Public	
Public power station	31.54		Handover without rental fees	Public	
Meteorological station	43.60		Handover without rental fees	Public	
Old power station	57.23		Handover without rental fees	Public	
Meteorological garden, garden entrance way	524.54		Handover without rental fees	Public	
Public operator	150.93		Handover without rental fees	Public	
New operator	295.80		Handover without rental fees	Public	
Public incineration plant	38.40		Handover without rental fees	Public	
Firewater tank	127.26		Handover without rental fees	Public	
Entrance road to Vinh Airport	162,416.50		Handover without rental fees	Public	
Instrument landing system (taxiway ends)	78,295.70		Handover without rental fees	Public	
Runways	108,000.00		Handover without	Public	

		rental fees	
57	Dong Hoi Airport	Current airport apron	Handover without rental fees Public
		20,877.00	
		Safety areas at the two ends	Handover without rental fees Public
		72,000.00	
		K1 and K2 stations	Military land
	Dong Hoi Airport	Dong Hoi Airport, Loc Ninh Commune, Dong Hoi city, Quang Binh province	Public
		1,399,762.41	
		<i>Properties with surcharges</i>	Public
		19,443.60	
		Passenger terminal	On rent Annual payment Business
		2,540.00	
		Administrative office	On rent Annual payment Business
		728.63	
		Public dining hall	On rent Annual payment Business
		1,065.94	
		Dining room	On rent Annual payment Business
		230.00	
		Dining hall area	On rent Annual payment Business
		835.94	
		Car park	On rent Annual payment Business
		4,788.00	
		Garage for cars in the operator	On rent Annual payment Business
		172.00	
		Garage for special vehicles and garage area	On rent Annual payment Business
		3,308.00	
		Garden, trees in front of passenger terminal and around the operator	On rent Annual payment Business
		6,841.03	
		<i>Properties without surcharges</i>	Public
		1,380,318.81	
		Internal service road network	Handover without rental fees Public
		10,704.65	
		Garden ways, roads in front of the control tower and	Handover without rental fees Public
		8,487.29	



	next to the passenger terminal		
	Roads in front of the pump stations, electricity station and the operator	2,217.36	Handover without rental fees Public
	Parking space (excluding garage for special vehicles)	50,920.06	Handover without rental fees Public
	Movement area	1,140,000.00	Handover without rental fees Public
	Runways, GP station, airfield ground lighting system, security guard booths, and wind direction indicator.	1,104,504.00	Handover without rental fees Public
	Security check route	35,496.00	Handover without rental fees Public
	Security check route outside the airport area	23,281.00	Handover without rental fees Public
	Meteorological station	265.85	Handover without rental fees Public
	Power station and water treatment station	911.74	Handover without rental fees Public
	Operator and ILS system	687.39	Handover without rental fees Public
	Explosive ordnance disposal cellar	7.40	Handover without rental fees Public
	Landfill	544.34	Handover without rental fees Public
	Supplementary land for constructing ILS system and aviation signal lighting system	124,382.60	Handover without rental fees Public
58	Tho Xuan Airport	Military land	Public

59	Tho Xuan Airport	Power station and aviation signal lighting system	Sao Vang ton, Tho Xuan dist., Thanh Hoa province	47,050.00	Handover without rental fees	Public
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