

**SOUTHERN AIRPORTS SERVICES JOINT STOCK
COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2018

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Southern Airports Services Joint Stock Company (the "Company") presents this report together with the Company's combined financial statements for the year ended 31 December 2018.

THE BOARDS OF DIRECTORS, SUPERVISORS AND EXECUTIVE OFFICERS

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

Board of Directors

Mr. Nguyen Hanh	President
Ms. Doan Thi Mai Huong	Member cum Chief Executive Officer
Ms. Tran Thi Minh Nguyet	Member (appointed on 27 March 2018)
Mr. Nguyen Nam Tien	Member (appointed on 27 March 2018)
Ms. Le Hong Thuy Tien	Member
Mr. Dang Tuan Tu	Member (resigned on 27 March 2018)
Mr. Phan Le Hoan	Member (resigned on 27 March 2018)

Board of Supervisors

Mr. Luu Quoc Hoang	Head of Board of Supervisors (appointed on 27 March 2018)
Ms. Huynh Thi Dieu	Head of Board of Supervisors (resigned on 27 March 2018)
Mr. Chu Khanh Toan	Member (appointed on 27 March 2018)
Ms. Tran Thi Thu Trang	Member

Board of Executive Officers

Ms. Doan Thi Mai Huong	Member of Board of Directors cum Chief Executive Officer
Mr. Nguyen Van Hung Cuong	Deputy Chief Executive Officer
Ms. Nguyen Minh Ngoc	Deputy Chief Executive Officer

Chief Accountant cum Head of Finance and Accounting Department of the Company for the year ended 31 December 2018 is Ms. Ton Nu Dieu Tri.

BOARD OF EXECUTIVE OFFICERS' STATEMENT OF RESPONSIBILITY

The Board of Executive Officers of the Company is responsible for preparing the combined financial statements, which give a true and fair view of the combined financial position of the Company as at 31 December 2018, and its combined financial performance and its combined cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these combined financial statements, the Board of Executive Officers is required to:

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

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

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

SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY

Tan Son Nhat International Airport, Ward 02, Tan Binh District
Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF DIRECTORS (Continued)

APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors hereby approves the accompanying combined financial statements, which give a true and fair view of the combined financial position as of 31 December 2018, the combined financial performance and the combined cash flows for the financial year then ended of the Company in conformity with the Vietnamese Accounting Standards and System and other legal regulations related to the preparation and presentation of the financial statements.

For and on behalf of the Board of Directors,



Nguyen Hanh
President
5 March 2019

No.: *SHG* /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders, the Boards of Directors, Supervisors and Executive Officers
Southern Airports Services Joint Stock Company**

We have audited the accompanying combined financial statements of Southern Airports Services Joint Stock Company (the "Company"), prepared on 5 March 2019 as set out from page 5 to page 41 which comprise the combined balance sheet as at 31 December 2018, the combined statement of income and combined statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Executive Officers' Responsibility

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

Auditors' Responsibility

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

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

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

Auditors' Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of the Company as at 31 December 2018, and its combined financial performance and its combined cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

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INDEPENDENT AUDITORS' REPORT (Continued)

Emphasis of Matters

We would like to draw attention to Note 39 of the Notes to the combined financial statements where the Company has adjusted retrospectively some figures of the combined financial statements for the financial year ended 31 December 2017 according to inspection minutes following Decision no. 98/QĐ dated 29 August 2018 of the Ministry of Finance. Our audit opinion is not modified in respect of this matter.

Other matter

The combined financial statements of the Company for the year ended 31 December 2017 were audited by another audit firm whose independent auditors' report issued on 14 March 2018 expressed an unqualified opinion.




Nguyễn Quang Trung
Audit Partner
Audit Practising Registration Certificate
No. 0733-2018-001-1
BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED
5 March 2019
Ho Chi Minh City, Vietnam



Vong My Thanh
Auditor
Audit Practising Registration Certificate
No. 3460-2015-001-1



SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY**FORM B 01-DN**

Tan Son Nhat Airport, Ward 02

Issued under Circular No. 200/2014/TT-BTC

Tan Binh District, Ho Chi Minh City, Vietnam

dated 22 December 2014 of the Ministry of Finance

COMBINED BALANCE SHEET*As at 31 December 2018*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
				(Restated)
A. CURRENT ASSETS	100		1,370,442,725,721	1,284,714,750,601
I. Cash and cash equivalents	110	4	199,874,449,059	547,111,043,333
1. Cash	111		140,874,449,059	265,111,043,333
2. Cash equivalents	112		59,000,000,000	282,000,000,000
II. Short-term financial investments	120	5	597,000,000,000	272,000,000,000
1. Trading securities	121		28,644,000,000	28,644,000,000
2. Provision for impairment of trading securities	122		(28,644,000,000)	(28,644,000,000)
3. Held-to-maturity investments	123		597,000,000,000	272,000,000,000
III. Short-term receivables	130		169,448,699,381	138,451,917,846
1. Short-term trade receivables	131	6	91,245,825,883	90,782,046,607
2. Short-term advances to suppliers	132	7	33,190,289,809	9,301,102,025
3. Other short-term receivables	136	8	112,921,877,586	97,643,116,934
4. Provision for short-term doubtful debts	137	9	(67,909,293,897)	(59,274,347,720)
IV. Inventories	140	10	340,342,824,746	285,872,390,172
1. Inventories	141		340,342,824,746	285,872,390,172
V. Other short-term assets	150		63,776,752,535	41,279,399,250
1. Short-term prepayments	151	11	5,435,964,988	7,416,693,084
2. Value added tax deductibles	152		56,472,053,584	32,515,648,003
3. Taxes and other receivables from the State budget	153	18	1,868,733,963	1,347,058,163

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

COMBINED BALANCE SHEET (Continued)

As at 31 December 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
B. NON-CURRENT ASSETS	200		843,047,799,743	867,959,153,781
I. Long-term receivables	210		254,229,013,386	254,938,754,237
1. Other long-term receivables	216	8	499,124,645,951	505,903,337,393
2. Provision for long-term doubtful debts	219	9	(244,895,632,565)	(250,964,583,156)
II. Fixed assets	220		203,860,934,601	233,142,906,635
1. Tangible fixed assets	221	12	177,122,394,352	175,984,586,419
- Cost	222		519,347,271,161	512,824,797,339
- Accumulated depreciation	223		(342,224,876,809)	(336,840,210,920)
2. Finance lease assets	224		-	30,276,026,938
- Cost	225		-	33,978,716,730
- Accumulated depreciation	226		-	(3,702,689,792)
3. Intangible assets	227	13	26,738,540,249	26,882,293,278
- Cost	228		36,001,415,084	34,891,716,584
- Accumulated amortisation	229		(9,262,874,835)	(8,009,423,306)
III. Investment property	230	14	32,243,749,055	32,243,749,055
- Cost	231		37,252,913,794	37,252,913,794
- Accumulated depreciation	232		(5,009,164,739)	(5,009,164,739)
IV. Long-term assets in progress	240	15	54,724,736,168	47,611,362,625
1. Long-term construction in progress	242		54,724,736,168	47,611,362,625
V. Long-term financial investments	250	5	272,533,067,928	272,848,120,431
1. Investments in joint-ventures, associates	252		178,277,281,987	178,277,281,987
2. Equity investments in other entities	253		110,046,251,500	110,046,251,500
3. Provision for impairment of long-term financial investments	254		(15,790,465,559)	(15,475,413,056)
VI. Other long-term assets	260		25,456,298,605	27,174,260,798
1. Long-term prepayments	261	11	18,823,436,982	19,996,443,107
2. Deferred tax assets	262	16	6,632,861,623	7,177,817,691
TOTAL ASSETS (270=100+200)	270		2,213,490,525,464	2,152,673,904,382

COMBINED BALANCE SHEET (Continued)

As at 31 December 2018

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance (Restated)
C. LIABILITIES	300		674,693,337,473	607,474,322,591
I. Current liabilities	310		673,937,673,473	590,150,949,292
1. Short-term trade payables	311	17	443,186,158,371	383,228,683,377
2. Short-term advances from customers	312		2,413,009,695	3,942,877,725
3. Taxes and amounts payable to the State budget	313	18	8,639,853,485	25,324,073,386
4. Payables to employees	314	19	79,901,824,737	57,688,780,627
5. Short-term accrued expenses	315		31,004,273	295,647,306
6. Short-term unearned revenue	318		2,204,792,724	2,628,485,379
7. Other current payables	319	20	20,143,789,429	12,426,074,490
8. Short-term loans and obligations under finance leases	320	21	59,125,252,952	63,323,975,135
9. Bonus and welfare funds	322	22	58,291,987,807	41,292,351,867
II. Long-term liabilities	330		755,664,000	17,323,373,299
1. Other long-term payables	337	20	755,664,000	257,724,000
2. Long-term loans and obligations under finance leases	338	21	-	17,065,649,299
D. EQUITY	400		1,538,797,187,991	1,545,199,581,791
I. Owner's equity	410	23	1,538,797,187,991	1,545,199,581,791
1. Owner's contributed capital	411		1,334,813,100,000	1,334,813,100,000
- Ordinary shares carrying voting rights	411a		1,334,813,100,000	1,334,813,100,000
2. Share premium	412		3,862,620,000	3,862,620,000
3. Investment and development fund	418		582,661,723	582,661,723
4. Retained earnings	421		199,538,806,268	205,941,200,068
- Retained earnings accumulated to the prior year end	421a		2,732,776,052	24,763,337,636
- Retained earnings of the current year	421b		196,806,030,216	181,177,862,432
TOTAL RESOURCES (440=300+400)	440		2,213,490,525,464	2,152,673,904,382

Nguyen Thi Thu
Preparer

Ton Nu Dieu Tri
Chief Accountant



Doan Thi Mai Huong
Chief Executive Officer
5 March 2019

SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY

FORM B 02-DN

Tan Son Nhat Airport, Ward 02

Issued under Circular No. 200/2014/TT-BTC

Tan Binh District, Ho Chi Minh City, Vietnam

dated 22 December 2014 of the Ministry of Finance

COMBINED INCOME STATEMENT
For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year (Restated)
1. Gross revenue from goods sold and services rendered	01	25	2,659,307,532,786	2,369,403,920,880
2. Deductions	02	25	404,905,009	9,019,797
3. Net revenue from goods sold and services rendered (10=01-02)	10		2,658,902,627,777	2,369,394,901,083
4. Cost of goods sold and services rendered	11	26	1,447,012,258,220	1,312,176,493,813
5. Gross profit from goods sold and services rendered (20=10-11)	20		1,211,890,369,557	1,057,218,407,270
6. Financial income	21	28	137,725,460,927	135,884,954,914
7. Financial expense	22	29	13,868,320,789	(4,211,633,946)
- In which: Interest expense	23		827,940,153	1,866,585,990
8. Selling expenses	25	30	694,320,171,299	583,194,624,899
9. General and administration expenses	26	31	260,774,012,815	269,229,424,084
10. Operating profit (30=20+(21-22)-(25+26))	30		380,653,325,581	344,890,947,147
11. Other income	31	32	28,459,177,641	10,298,081,578
12. Other expenses	32		562,513,133	1,727,060,199
13. Profit from other activities (40=31-32)	40		27,896,664,508	8,571,021,379
14. Accounting profit before tax (50=30+40)	50		408,549,990,089	353,461,968,526
15. Current corporate income tax expense	51	33	66,891,462,991	55,929,500,710
16. Deferred corporate tax expense	52	16	544,956,068	4,330,427,798
17. Net profit after corporate income tax (60=50-51-52)	60		341,113,571,030	293,202,040,018
18. Basic earnings per share	70	34	2,272	1,979

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Nguyen Thi Thu
Preparer

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Ton Nu Dieu Tri
Chief Accountant



Doan Thi Mai Huong
Chief Executive Officer
5 March 2019



COMBINED CASH FLOW STATEMENT

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Current year	Prior year (Restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	408,549,990,089	353,461,968,526
2. Adjustments for:			
Depreciation and amortisation	02	50,075,723,431	50,050,716,729
Provisions	03	2,881,048,089	28,454,461,454
Foreign exchange loss/(gain) arising from translating foreign currency items	04	5,622,725,601	(4,068,923,140)
Gain from investing activities	05	(134,083,053,218)	(88,929,060,633)
Interest expense	06	827,940,153	1,866,585,990
3. Operating profit before movements in working capital	08	333,874,374,145	340,835,748,926
Increases in receivables	09	(39,131,663,476)	(3,825,417,791)
(Increase)/decrease in inventories	10	(54,471,948,210)	7,737,258,275
Increases in payables (excluding accrued loan interest and corporate income tax payable)	11	62,662,672,196	47,078,867,452
Decreases in prepaid expenses	12	8,869,526,543	16,707,035,696
Interest paid	14	(941,499,178)	(1,745,613,162)
Corporate income tax paid	15	(58,389,702,497)	(68,099,354,822)
Other cash outflows	17	(20,839,689,690)	(18,819,236,724)
Net cash generated by operating activities	20	231,632,069,833	319,869,287,850
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(56,891,650,183)	(27,307,576,660)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	6,202,954,562	4,809,800
3. Cash outflow for lending, buying debt instruments of other entities	23	(525,000,000,000)	(325,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	200,000,000,000	125,000,000,000
5. Equity investments in other entities	25	-	(10,000,550,000)
6. Cash recovered from investments in other entities	26	-	149,125,000,000
7. Interest earned, dividends and profits received	27	127,305,292,633	84,681,659,697
Net cash used in investing activities	30	(248,383,402,988)	(3,496,657,163)

COMBINED CASH FLOW STATEMENT

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Current year	Prior year (Restated)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from share issue and owners' contributed capital	31	-	23,675,720,000
2. Proceeds from borrowings	33	118,767,455,142	239,150,337,627
3. Repayment of borrowings	34	(119,004,490,003)	(296,613,352,859)
4. Repayment of obligations under finance leases	35	(20,594,464,399)	(2,803,211,625)
5. Dividends and profits paid	36	(309,287,154,800)	(222,399,521,200)
Net cash used in financing activities	40	(330,118,654,060)	(258,990,028,057)
Net (decrease)/increase in cash (50=20+30+40)	50	(346,869,987,215)	57,382,602,630
Cash and cash equivalents at the beginning of the year	60	547,111,043,333	489,855,566,371
Effects of changes in foreign exchange rates	61	(366,607,059)	(127,125,668)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	199,874,449,059	547,111,043,333

Nguyen Thi Thu
Preparer

Ton Nu Dieu Tri
Chief Accountant



Doan Thi Mai Huong
Chief Executive Officer
5 March 2019

NOTES TO THE COMBINED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

Southern Airports Services Joint Stock Company (the "Company"), a joint stock company, is established on the basis of capitalization of State-owned enterprise – Southern Airports Services Company (One-member limited liability company) under Decision No. 2572/QĐ-BGTVT dated 07 July 2014 of Ministry of Transport. The Company operates under the Business Registration Certificate No. 0301123125 (previously No. 4106000177), the first register dated 30 June 2010 and the ninth amendment dated 27 April 2018 issued by the Department of Planning and Investment of Ho Chi Minh City.

The full name in Vietnamese: Công ty Cổ phần Dịch vụ Hàng không Sân bay Tân Sơn Nhất.

The international business name: Southern Airports Services Joint Stock Company.

The abbreviation name: SASCO.

The head office: Tan Son Nhat International Airport, Ward 02, Tan Binh District, Ho Chi Minh City, Vietnam.

Shares of the Company have been traded on the Unlisted Public Company Market (UPCOM) under the code "SAS".

The number of employees of the Company as at 31 December 2018 was 1,124 (as at 31 December 2017: 1,216).

Operating industry and principal activities

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

Processing food, trading catering services, fine art goods, duty-free goods; Producing spices, sauces; Trading hotels, tourism; Transporting passengers by car, taxi provincially and inter-provincially; Repairing car, installing aviation ground equipment; Exploiting commercial aerial technical services; Acting as air ticket agent, advertising; Importing and exporting goods for technical services; Acting as import equipment for the Company's operations; Trading domestically-produced wine and cigarette; Retailing petroleum; Farming; Trading tourism, international tours, acting as foreign currency exchange agent; Transporting passengers by automobile on fixed and contractual routes; Acting as agent for trading and consigning goods; Providing massage, feet acupressure and mineral mud bathing services at sterile area of Tan Son Nhat International Airport departures; Trading real estate, leasing warehouse, houses for accommodation and business; Providing parcel services, goods express delivery services; Retailing at general trading stores; Researching market and surveying public opinion; Exploiting and processing mineral mud; Completing construction; Architectural activities and relevant technical consulting; Short-stay services.

Normal production and business cycle

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

The Company's structure

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

SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
(Continued)

FORM B 09-DN

Affiliates that are not legal entities and cannot do accounting works independently:

Affiliates	Address
Branch of Southern Airports Services Joint Stock Company in Phu Quoc	No. 379, Nguyen Trung Truc Street, Quarter 5, Duong Dong Town, Phu Quoc District, Kien Giang Province
Branch of Southern Airports Services Joint Stock Company in Long An	Lot Q-1B Long Hau Expanded Industrial Park, Long Hau Commune, Can Gio District, Long An Province
Branch of Southern Airports Services Joint Stock Company in Khanh Hoa	Cam Ranh International Airport, Cam Nghia Ward, Cam Ranh City, Khanh Hoa Province

The units of the Company's Office at Ho Chi Minh City:

Unit	Address
Sasco Tan Son Nhat Trading Center	Tan Son Nhat International Airport, Tan Binh District, Ho Chi Minh City
Duty-free Goods Business Department	Tan Son Nhat International Airport, Tan Binh District, Ho Chi Minh City
Lounge Services Department	Tan Son Nhat International Airport, Tan Binh District, Ho Chi Minh City
Representative Office of Southern Airports Services Joint Stock Company in Hanoi	4 th floor, NTS Building, Noi Bai International Airport, Phu Cuong Commune, Soc Son District, Hanoi, Vietnam

Associates, joint ventures:

Company name	Place of incorporation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activities
Tan Son Nhat Commercial Joint Stock Company	Ho Chi Minh City	38.03	38.03	Wholesaling solid, liquid and gaseous fuel and relevant products; Trading, leasing materials, equipment of petroleum industry; Maintaining, repairing automobile and other motorized vehicles; Providing services directly supporting air transport
Phu Quoc - Sasco Co., Ltd.	Kien Giang Province	50.00	50.00	Processing aquatic products; Trading hotel services
Viethaus Kooperationsgesellschaft Ag (Viethaus AG)	Berlin, Germany	29.00	29.00	Providing restaurant, bar, guest house, meeting room services; Displaying and direct wholesaling and retailing of Vietnam commodities, import and export, import-export brokerage; Promoting trade and investment
Green Garden Development Corporation - JSC	Ho Chi Minh City	24.00	24.00	Consulting, designing, constructing and maintaining gardens; Providing office plant rentals; renting trees
Blue Sky Trading Investment JSC	Ho Chi Minh City	20.00	20.00	Servicing and trading



2. ACCOUNTING CONVENTION AND ACCOUNTING FINANCIAL YEAR

Accounting convention

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

Accounting financial year

The Company's financial year begins on 1 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Cash and cash equivalents

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

Financial investments

Trading securities

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

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

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

Held-to-maturity investments

Held-to-maturity investments comprise term deposits.

Interest income from term deposits is recognised in the combined income statement of the Company on a time basis.

Interests in joint ventures

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

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

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

Investments in associates

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

Other long-term investments

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

Provision for impairment of long-term financial investments

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

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

Receivables

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

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



Inventories

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

Inventories are accounted for under perpetual inventory method. The stock-out price of material is calculated using the weighted average method, except the stock-out price of duty-free and trading center goods is calculated using the specific identification method.

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

Tangible fixed assets and depreciation

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

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

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

	<u>Years</u>
Buildings and structures	5 - 30
Machinery and equipment	5 - 7
Motor vehicles	7
Office equipment	5
Others	5

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

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see below).

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation.

Land use rights

Intangible assets represent land use rights that are stated at cost less accumulated amortisation. Land use rights are amortised using the straight-line method over the duration of the right to use the land from 33 years to 45 years.

Trademarks

Trademarks are amortised using the straight-line method over their estimated useful lives within 05 years.

Computer software

Computer software is amortised using the straight-line method over their estimated useful lives within 05 years.

Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Company to earn rentals or for capital appreciation. No depreciation is recorded for investment properties held for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments include tools and supplies issued for consumption, land rental, overhaul cost and are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments, and are allocated to the combined income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Payable provisions

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



Revenue recognition

Revenue from the sale of goods

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

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

Revenue from services rendered

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

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

Income from sales of goods received as an agent or consigned goods

Income from sales of goods received as an agent or consigned goods in form of selling at prices to receive sales commission is the sales commission that the Company earns.

Income from leasing operating assets

Income from leasing operating assets is recognised in accordance with the straight-line method during the lease term. Rentals received in advance for several periods are allocated to revenues in consistence with the lease term.

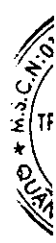
Other revenue

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

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

Foreign currencies

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



Borrowing costs

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

Taxation

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

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

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

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

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

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

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

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Cash on hand	21,610,755,882	17,076,833,872
Demand deposits in banks	117,482,643,876	246,678,179,091
Cash in transit (i)	1,781,049,301	1,356,030,370
Cash equivalent (ii)	59,000,000,000	282,000,000,000
	<u>199,874,449,059</u>	<u>547,111,043,333</u>

(i) Cash in transit is cash receipts from credit cards of customers.

(ii) Cash equivalents represent time deposits with the maturity term under 03 months at local commercial banks. These deposits earn a fixed interest rate ranging from 4.6% per annum to 5.3% per annum (as at 31 December 2017: 4.3% per annum to 5.5% per annum).

SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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5. FINANCIAL INVESTMENTS

Details of the Company's joint ventures, associates and other investments into other entities of the Company are as follows:

	Closing balance			Opening balance		
	Original costs	Fair values	VND Provisions	Original costs	Fair values	VND Provisions
a. Trading securities						
- Dong A Commercial Joint Stock Bank	28,644,000,000	-	(28,644,000,000)	28,644,000,000	-	(28,644,000,000)
b. Held-to-maturity investments						
- Held-to-maturity investments (i)	597,000,000,000	597,000,000,000	-	272,000,000,000	272,000,000,000	-
	625,644,000,000	597,000,000,000	(28,644,000,000)	300,644,000,000	272,000,000,000	(28,644,000,000)
c. Investments in other entities						
- Investments into joint ventures, associates	178,277,281,987	-	(14,900,289,718)	178,277,281,987	-	(14,900,289,718)
Tan Son Nhat Petrol Commercial Joint Stock Company (ii)	149,376,730,000	-	-	149,376,730,000	-	-
Viethaus Kooperationsgesellschaft Ag (Viethaus AG) (iii)	14,900,289,718	-	(14,900,289,718)	14,900,289,718	-	(14,900,289,718)
Phu Quoc - Sasco Co., Ltd. (iv)	10,800,262,269	-	-	10,800,262,269	-	-
Blue Sky Trading Investment Joint Stock Company (v)	2,000,000,000	-	-	2,000,000,000	-	-
Green Garden Development Corporation - JSC (vi)	1,200,000,000	-	-	1,200,000,000	-	-
- Investments into other entities	110,046,251,500	-	(890,175,841)	110,046,251,500	-	(575,123,338)
Thao Dien Real Estates Corporation (vii)	44,732,290,000	-	-	44,732,290,000	-	-
Noi Bai Catering Services Joint Stock Company (viii)	21,811,000,000	66,963,720,000	-	21,811,000,000	90,005,000,000	-
Tan Son Nhat Cargo Services Joint Stock Company (vii)	15,464,785,500	-	-	15,464,785,500	-	-
Thanh Thanh Cong Tourist Joint Stock Company - Lam Dong Branch (vii)	11,542,176,000	-	-	11,542,176,000	-	-
Noi Bai Airport Services Joint Stock Company (viii)	8,696,000,000	9,908,976,000	-	8,696,000,000	11,642,400,000	-
Industrial Construction Corporation (vii)	4,930,000,000	-	-	4,930,000,000	-	-
Phu Quoc Infrastructure Development Investment Joint Stock Company (vii)	2,800,000,000	-	(890,175,841)	2,800,000,000	-	(575,123,338)
Sabeco Center Commercial Joint Stock Company (vii)	70,000,000	-	-	70,000,000	-	-
	288,323,533,487		(15,790,465,559)	288,323,533,487		(15,475,413,056)

SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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(i) Held-to-maturity investments include demand deposits in banks with the maturity term no more than 12 months at local commercial banks. These deposits earn a fixed interest rate ranging from 5.1% per annum to 7.1% per annum (as at 31 December 2017: 5.3% per annum to 6.5% per annum).

(ii) According to the 12th amended Business Certificate No. 0305515395 dated 24 August 2018, granted by Ho Chi Minh City Department of Planning and Investment, the Company invested in Tan Son Nhat Petrol Commercial Joint Stock Company an amount of VND 149,376,730,000, equivalent to 38.03% of charter capital.

(iii) According to the amended Overseas Investment Certificate dated 08 June 2011, granted by the Ministry of Planning and Investment, the Company invested in Viethaus AG 29% of charter capital.

(iv) According to the 3rd amended Business Certificate No. 5602000027 dated 12 January 2004, granted by Kien Giang Department of Planning and Investment, the Company invested in Phu Quoc - Sasco Co., Ltd. an amount of VND 10,800,262,269, equivalent to 50% of charter capital.

(v) According to the Business Certificate No. 0313546236 dated 23 November 2015, granted by Ho Chi Minh City Department of Planning and Investment, the Company invested in Blue Sky Trading Investment Joint Stock Company an amount of VND 2,000,000,000, equivalent to 20% of charter capital.

(vi) According to the Business Certificate No. 0305515483 dated 03 July 2010, the Company held 1,200 shares, equivalent to 24% of charter capital of Green Garden Development Corporation.

Fair value

(vii) The Company has not determined fair value of its financial investments as at the balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value of these financial investments.

(viii) Fair value of investments with listed price is determined at the listed price as of the balance sheet date.

6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Receivables from third parties		
Airports Corporation of Vietnam - JSC - Tan Son Nhat Operation Center (TOC)	20,869,573,441	20,805,568,843
Priority Pass (A.P) Ltd.	14,808,794,894	10,623,391,481
Other customers	46,920,400,126	41,487,250,974
b. Receivables from related parties (Note 37)	8,647,057,422	17,865,835,309
	91,245,825,883	90,782,046,607

7. SHORT-TERM PREPAYMENT TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	(Restated) VND
a. Prepayment to third parties	33,180,307,309	9,240,602,025
I-City Development Co., Ltd.	1,542,881,011	1,542,881,011
GHT Vietnam Joint Stock Company	3,575,000,000	1,565,909,090
Q.V.T Company Limited	19,475,252,640	-
CN Dai Thuy JSC	3,575,000,000	1,565,909,090
Other suppliers	5,012,173,658	4,565,902,834
b. Prepayment to related parties (Note 37)	9,982,500	60,500,000
	33,190,289,809	9,301,102,025

SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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8. OTHER RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Short-term		
Viethaus Kooperationsgesellschaft Ag (Viethaus AG)	46,769,062,728	47,430,886,468
Airports Corporation of Vietnam - JSC - Tan Son Nhat Operation Center (TOC) - Land rental paid on behalf	14,637,135,091	12,096,278,815
Interest receivables from banks	13,204,073,894	8,279,936,528
Deposits	1,117,206,753	1,021,459,240
Phu Nhuan Construction and Housing Trading Company Limited - Capital and proceeds from house land sales withdrawal	1,733,428,375	1,733,428,375
Advances	165,918,850	461,365,580
Other short-term receivables	35,295,051,895	26,619,761,928
	<u>112,921,877,586</u>	<u>97,643,116,934</u>

In which:

Other short-term receivables from related parties (Note 37)	<u>61,695,383,858</u>	<u>62,727,108,459</u>
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b. Long-term

Viethaus Kooperationsgesellschaft Ag (Viethaus AG)	244,895,632,565	250,964,583,156
Advance to Center of Land Development Fund of Phu Quoc District (i)	162,389,278,838	162,389,278,838
Transport Investment Cooperation and Import Export Joint Stock Company (Tracimexco) (ii)	30,040,240,000	30,040,240,000
Deposits	26,926,608,265	26,107,414,605
Phu Nhuan Construction and Housing Trading Company Limited (iii)	16,978,636,950	16,978,636,950
Advance for Land Use Right Certificate procedures	13,000,000,000	13,000,000,000
Advance for site clearance compensation in Sasco - Nha Trang hotel project	4,884,249,333	4,884,249,333
Other long-term receivables	10,000,000	1,538,934,511
	<u>499,124,645,951</u>	<u>505,903,337,393</u>

In which:

Other long-term receivables from related parties (Note 37)	<u>244,895,632,565</u>	<u>250,964,583,156</u>
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- (i) Advance to Center of Land Development Fund of Phu Quoc District is for compensation, support and site clearance at Bac Vung Bau Ecotourism Resort at Hamlet 04, Cua Can Commune, Phu Quoc District, Kien Giang Province.
- (ii) Long-term receivables from Transport Investment Cooperation and Import and Export Joint Stock Company (Tracimexco) is capital contribution for construction investment cooperation.
- (iii) Long-term receivables from Phu Nhuan Construction and Housing Trading Company Limited is capital contribution for business cooperation.

SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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9. BAD DEBTS

	<u>Closing balance</u>		<u>Opening balance</u>	
	Cost	VND Provisions	Cost	VND Provisions
Total amount of receivables and loans past due or not past due but impaired				
<i>In which:</i>				
Viethaus Kooperationsgesellschaft Ag (Viethaus AG)	296,427,571,462	296,427,571,462	303,224,174,059	303,224,174,059
Southern Airports Transportation Joint Stock Company	14,926,321,130	8,955,792,685	15,296,221,991	-
Other organizations and individuals				
Trade receivables	11,749,974,178	7,109,704,025	16,950,933,573	6,702,898,526
Prepayment to suppliers	311,858,290	311,858,290	432,649,262	311,858,291
	<u>323,415,725,060</u>	<u>312,804,926,462</u>	<u>335,903,978,885</u>	<u>310,238,930,876</u>

In which

Provision for doubtful short-term debts	67,909,293,897	59,274,347,720
Provision for doubtful long-term debts	244,895,632,565	250,964,583,156

10. INVENTORIES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Materials and supplies	6,683,751,099	3,848,671,569
Tools and equipment	3,213,496,389	974,259,309
Finished goods	556,337,622	1,178,304,383
Merchandises	329,821,586,563	279,836,683,890
Goods on consignment	67,653,073	34,471,021
	<u>340,342,824,746</u>	<u>285,872,390,172</u>

As at 31 December 2018, the Company does not have inventories in need of provisions.

11. PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Short-term		
Land and premises rental	12,250,000	4,140,363,640
Insurances expense	333,630,443	390,382,328
Tools and equipment expenses	1,736,736,155	917,856,474
Others	3,353,348,390	1,968,090,642
	<u>5,435,964,988</u>	<u>7,416,693,084</u>
b. Long-term		
Premises, warehouse, factory rental	9,713,812,444	9,951,217,228
Tools and equipment expenses	7,200,271,027	8,145,353,300
Overhaul cost	46,034,027	707,254,366
Others	1,863,319,484	1,192,618,213
	<u>18,823,436,982</u>	<u>19,996,443,107</u>

SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY
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12. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Vehicles VND	Other fixed assets VND	Total VND
COST						
Opening balance	152,150,900,182	32,563,336,716	6,283,003,604	290,085,140,188	31,742,416,649	512,824,797,339
Additions	70,100,000	1,059,990,500	1,078,220,000	2,446,660,000	-	4,654,970,500
Transfer from construction in progress	17,017,734,384	2,090,960,128	-	-	269,719,228	19,378,413,740
Transfer from finance lease fixed assets	-	-	-	33,978,716,730	-	33,978,716,730
Disposals	-	(480,909,240)	(864,029,518)	(43,172,760,553)	(6,437,224,200)	(50,954,923,511)
Other decreases	(534,703,637)	-	-	-	-	(534,703,637)
Closing balance	168,704,030,929	35,233,378,104	6,497,194,086	283,337,756,365	25,574,911,677	519,347,271,161
ACCUMULATED DEPRECIATION						
Opening balance	59,025,933,261	24,878,784,582	4,589,279,577	219,668,562,653	28,677,650,847	336,840,210,920
Charge for the year	16,253,282,110	2,103,924,280	741,760,728	25,604,566,516	1,713,406,281	46,416,939,915
Transfer from finance lease fixed assets	-	-	-	6,108,021,779	-	6,108,021,779
Disposals	-	(480,909,240)	(833,640,178)	(38,902,283,399)	(6,437,224,200)	(46,654,057,017)
Other decreases	(486,238,788)	-	-	-	-	(486,238,788)
Closing balance	74,792,976,583	26,501,799,622	4,497,400,127	212,478,867,549	23,953,832,928	342,224,876,809
NET BOOK VALUE						
Opening balance	93,124,966,921	7,684,552,134	1,693,724,027	70,416,577,535	3,064,765,802	175,984,586,419
Closing balance	93,911,054,346	8,731,578,482	1,999,793,959	70,858,888,816	1,621,078,749	177,122,394,352

The cost of the Company's tangible fixed assets as at 31 December 2018 includes an amount of VND 134,453,662,747 (as at 31 December 2017: VND 154,686,110,230) in respect of fully depreciated assets which are still in use.



SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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13. INTANGIBLE ASSETS

	<u>Land use right</u> VND	<u>Trademark</u> VND	<u>Computer software</u> VND	<u>Total</u> VND
COST				
Opening balance	30,944,738,761	100,555,555	3,846,422,268	34,891,716,584
Additions	-	-	1,109,698,500	1,109,698,500
Closing balance	<u>30,944,738,761</u>	<u>100,555,555</u>	<u>4,956,120,768</u>	<u>36,001,415,084</u>
ACCUMULATED AMORTISATION				
Opening balance	5,746,722,517	100,555,555	2,162,145,234	8,009,423,306
Charge for the year	629,145,755	-	624,305,774	1,253,451,529
Closing balance	<u>6,375,868,272</u>	<u>100,555,555</u>	<u>2,786,451,008</u>	<u>9,262,874,835</u>
NET BOOK VALUE				
Opening balance	<u>25,198,016,244</u>	-	<u>1,684,277,034</u>	<u>26,882,293,278</u>
Closing balance	<u>24,568,870,489</u>	<u>-</u>	<u>2,169,669,760</u>	<u>26,738,540,249</u>

The cost of the Company's intangible fixed assets as at 31 December 2018 includes an amount of VND 1,831,350,038 (as at 31 December 2017: VND 1,831,350,038) in respect of fully depreciated assets which are still in use.

14. INVESTMENT PROPERTY

Investment property held for capital appreciation

	<u>Land use right</u> VND
COST	
Opening and closing balance	37,252,913,794
ACCUMULATED DEPRECIATION	
Opening and closing balance	5,009,164,739
NET BOOK VALUE	
Opening and closing balance	<u>32,243,749,055</u>

(*) Depreciation amount was recognised according to Decision No. 15/2006/QĐ-BTC and ceased from 1 January 2015 according to Circular 200/2014/TT-BTC.

Fair value of investment property

According to VAS No. 05 - *Investment Properties*, fair value of investment property as at 31 December 2018 is required to be disclosed. However, the Company could not determine the fair value as at 31 December 2018; therefore, no information about the fair value is disclosed in the notes to the financial statements. In order to determine the fair value, the Company would require an independent consultancy company to perform the valuation. At present, the Company has not found a suitable consultancy company yet.

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List of investment properties as at the balance sheet date is as follows:

	<u>Cost</u> VND	<u>Accumulated depreciation</u> VND	<u>Net book value</u> VND
10,316 m ² land area at Xuan Thoi Son - Hoc Mon	5,132,260,000	801,122,625	4,331,137,375
Lots 9,10,11 at 2,000 m ² and 1,000m ² land areas at Hung Vuong Street, Duong Dong Town, Phu Quoc District, Kien Giang Province	6,222,717,346	1,256,109,502	4,966,607,844
Lot 5 at 1,475.8 m ² land area at Hung Vuong Street, Duong Dong Town, Phu Quoc District, Kien Giang Province	3,472,623,126	660,530,562	2,812,092,564
Lot 5 at 2,200 m ² land area at Hung Vuong Street, Duong Dong Town, Phu Quoc District, Kien Giang Province	8,216,358,700	683,547,876	7,532,810,824
9,973 m ² land area at Rach Chiec Hamlet, Ham Ninh Commune, Phu Quoc District, Kien Giang Province	5,458,267,422	396,881,118	5,061,386,304
Lot 13 at 4,758 m ² land area at Nguyen Chi Thanh Street, Duong Dong Town, Phu Quoc District, Kien Giang Province	8,750,687,200	1,210,973,056	7,539,714,144
	<u>37,252,913,794</u>	<u>5,009,164,739</u>	<u>32,243,749,055</u>

15. CONSTRUCTION IN PROGRESS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Suoi Nhung Farm Project (Binh Phuoc)	27,337,545,444	25,997,851,354
Sasco Nha Trang Hotel project	11,398,430,499	10,056,490,141
Suoi Hoa Ecotourism Resort	7,278,293,746	4,140,957,520
Other projects	8,710,466,479	7,416,063,610
	<u>54,724,736,168</u>	<u>47,611,362,625</u>

16. DEFERRED INCOME TAX ASSETS

	<u>Closing balance</u>		<u>Opening balance</u>	
	Tax Amount VND	rate %	Tax Amount VND	rate %
Depreciation of investment property held for capital appreciation	4,520,308,115	20	904,061,623	20
Provision for devaluation of short-term trading securities	28,644,000,000	20	5,728,800,000	20
Allowance for doubtful debts	-	20	-	20
Others	-	20	143,573,640	20
	<u>33,164,308,115</u>		<u>6,632,861,623</u>	
			<u>35,889,088,455</u>	
				<u>7,177,817,691</u>

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17. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Payable to third parties		
IPP Group (S) Pte., Ltd.	338,026,399,084	288,350,671,815
Other suppliers	52,447,141,457	47,869,673,117
b. Payable to related parties (Note 37)	52,712,617,830	47,008,338,445
	<u>443,186,158,371</u>	<u>383,228,683,377</u>

All short-term trade payables are able to be settled.

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

	<u>Opening balance</u>	<u>Payable/</u>	<u>Paid/Received</u>	<u>Closing</u>
	(Restated)	Receivable	during the year	balance
	VND	during the year	during the year	VND
	VND	VND	VND	VND
a. Receivables				
Personal income tax	1,347,058,163	14,871,651,642	15,393,327,442	1,868,733,963
	<u>1,347,058,163</u>	<u>14,871,651,642</u>	<u>15,393,327,442</u>	<u>1,868,733,963</u>
b. Payables				
Corporate income tax	116,095,025	66,891,462,991	58,389,702,497	8,617,855,519
Import value added tax	-	122,664,082	122,664,082	-
Import, export taxes	-	249,970,257	249,970,257	-
Value added tax	361,671,376	1,508,487,937	1,851,608,933	18,550,380
Land rental	24,843,940,906	12,417,851,162	37,261,792,068	-
Other payables	2,366,079	52,676,673	51,595,166	3,447,586
	<u>25,324,073,386</u>	<u>81,243,113,102</u>	<u>97,927,333,003</u>	<u>8,639,853,485</u>

19. PAYABLES TO EMPLOYEES

The salary fund is appropriated according to the Resolution No. 14/2018/NQ-HDQT dated 28 March 2018 of the Board of Directors at the rate of 24% of the gross profit from goods sold and services rendered. The gross profit from goods sold and services rendered is equal to net revenue from goods sold and services rendered less costs of goods purchased - services, manufacturing costs (excluding salary and depreciation). Closing balance is the salary payables to employees.

20. OTHER PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Short-term		
Short-term deposits	975,057,762	807,193,489
Dividends payables	861,554,400	472,070,000
Union fee	421,332,239	392,039,644
Payables from foreign currency exchange	9,831,732,735	5,289,281,954
Other payables	8,054,112,293	5,465,489,403
	<u>20,143,789,429</u>	<u>12,426,074,490</u>
b. Long-term		
Long-term deposits	<u>755,664,000</u>	<u>257,724,000</u>

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21. LOANS AND OBLIGATIONS UNDER FINANCE LEASE

	Opening balance		In the year			Closing balance
	Amount	VND Amount able to be paid off	Increases	Decreases	VND Forex difference	VND Amount able to be paid off
Short-term loans						
Maritime Bank - Ho Chi Minh City Branch	59,795,160,035	59,795,160,035	-	59,795,160,035	-	-
Ocean Bank - Thu Duc Branch	-	-	59,558,125,174	-	432,872,222	59,125,252,952
Ho Chi Minh Development Joint Stock Commercial Bank (HDBank)	-	-	59,209,329,968	59,209,329,968	-	-
Current portion of long-term finance lease	3,528,815,100	3,528,815,100	-	3,528,815,100	-	-
	63,323,975,135	63,323,975,135	118,767,455,142	122,533,305,103	432,872,222	59,125,252,952
Long-term obligations under finance lease	17,065,649,299	17,065,649,299	-	17,065,649,299	-	-

The Company entered into a credit facility obtained from Ocean Bank - Thu Duc Branch according to credit contract no. 5964/2018/CTC/HDTD dated 28 August 2018 to finance the working capital with the interest rate specified for each disbursement and adjusted once every three months. The loan balance as at 31 December 2018 is USD 2,546,307.19 which is repayable on 5 March 2019.

22. BONUS AND WELFARE FUNDS

	Bonus fund	Welfare fund	Management bonus fund	Total
	VND	VND	VND	VND
Opening balance	23,214,087,494	17,087,893,178	990,371,195	41,292,351,867
Additional fund distribution for prior year	158,416,408	144,014,916	14,401,492	316,832,816
Fund distribution for current year	18,761,246,407	17,055,678,552	1,705,567,855	37,522,492,814
Disbursement	(5,123,800,000)	(14,425,518,495)	(1,290,371,195)	(20,839,689,690)
Closing balance	37,009,950,309	19,862,068,151	1,419,969,347	58,291,987,807



23. OWNER'S EQUITY

Movement in owner's equity

	<u>Owner's contributed capital</u> VND	<u>Share premium (Restated)</u> VND	<u>Investment and development fund</u> VND	<u>Retained earnings (Restated)</u> VND	<u>Total</u> VND
Prior year's opening balance	1,315,000,000,000	-	582,661,723	170,362,112,343	1,485,944,774,066
Capital Increase	19,813,100,000	-	-	-	19,813,100,000
Share premium incurred in the year	-	3,862,620,000	-	-	3,862,620,000
Profit for the year	-	-	-	293,202,040,018	293,202,040,018
Funds distribution	-	-	-	(34,988,166,293)	(34,988,166,293)
Dividends declared	-	-	-	(222,634,786,000)	(222,634,786,000)
Current year's opening balance	1,334,813,100,000	3,862,620,000	582,661,723	205,941,200,068	1,545,199,581,791
Profit for the year	-	-	-	341,113,571,030	341,113,571,030
Funds distribution	-	-	-	(37,839,325,630)	(37,839,325,630)
Dividends declared	-	-	-	(309,676,639,200)	(309,676,639,200)
Current year's closing balance	1,334,813,100,000	3,862,620,000	582,661,723	199,538,806,268	1,538,797,187,991

According to the Shareholders' Resolution No. 02-NQ/SASCO-DHDCD-2018 dated 27 March 2018, dividend of the year 2017 was appropriated and paid to the shareholders from retained earnings of the period from 1 January 2017 to 31 December 2017 at VND 1,520 per share, with the amount of VND 202,891,591,200. During the year, the dividend was paid to shareholders.

According to the Board of Directors' Resolution No. 27-2018/NQ-HDQT dated 2 August 2018, dividend for phase 1 of the year 2018 was advanced to the shareholders from retained earnings of the period from 1 January 2018 to 31 December 2018 at VND 800 per share, with the amount of VND 106,785,048,000. During the year, the dividend was paid to shareholders.

According to the Shareholders' Resolution No. 02-NQ/SASCO-DHDCD-2018 dated 27 March 2018, bonus fund for Board of Directors and Board of Supervisors was appropriated at the rate of 0.5% of retained earnings of the year 2018 when the Company achieved the target profit approved in the General Meeting of Shareholders. According to Proposal no. 082 SASCO-TCKT dated 31 December 2018, bonus fund and welfare fund was temporarily appropriated at the rates of 5.5% and 5% of profit after tax respectively. The Company shall make amendment once the rates are approved in the General Meeting of Shareholders 2019.

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
Number of shares issued to the public	133,481,310	133,481,310
-Common shares	133,481,310	133,481,310
-Preferred shares	-	-
Number of shares in circulation	133,481,310	133,481,310
-Common shares	133,481,310	133,481,310
-Preferred shares	-	-

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

Charter capital:

According to the 9th amended Business Registration Certificate dated 27 April 2018, the Company's charter capital is VND 1,334,813,100,000. As at 31 December 2018, the charter capital has been fully contributed by shareholders as follows:

	Số cuối năm			Số đầu năm		
	Shares	%	VND	Shares	%	VND
Airports Corporation of Vietnam	65,504,200	49,07	655,042,000,000	65,504,200	49,07	655,042,000,000
IMEX Pan - Pacific Co., Ltd.	33,340,200	24,98	333,402,000,000	33,290,200	24,94	332,902,000,000
Duy Anh Fashion and Cosmetics Co., Ltd.	6,575,000	4,93	65,750,000,000	6,575,000	4,93	65,750,000,000
Au Chau Fashion & Cosmetics Co., Ltd.	20,538,400	15,39	205,384,000,000	20,538,400	15,39	205,384,000,000
Other shareholders	7,523,510	5,64	75,235,100,000	7,573,510	5,67	75,735,100,000
	133,481,310	100,00	1,334,813,100,000	133,481,310	100,00	1,334,813,100,000

24. OFF-BALANCE SHEET ITEMS

Foreign currencies

	<u>Closing balance</u>	<u>Opening balance</u>
- United States Dollar ("USD")	3,999,082.30	8,465,211.30
- Euro ("EUR")	134,344.80	52,501.52
- Australia Dollar ("AUD")	21,495.01	16,610.01
- Thailand Baht ("BHT")	54,410.00	33,110.00
- Canada Dollar ("CAD")	3,055.00	4,855.00
- British Pound ("GPB")	3,560.01	3,650.01
- Swiss Franc ("CHF")	3,280.00	1,000.00
- Hongkong Dollar ("HKD")	8,870.00	11,540.00
- Japanese Yen ("JPY")	3,569,000.00	1,105,000.00
- Singapore Dollar ("SGD")	33,090.00	17,233.00
- New Zealand Dollar ("NZD")	3,590.00	505.00
- Korea (South) Won ("KRW")	1,000.00	18,000.00

Assets kept for others

	<u>Closing balance</u>		<u>Opening balance</u>	
	Unit		Unit	
	Piece	Others	Piece	Others
Ornamental trees, pictures, flowers	68	-	169	1
Fine arts	13,270	13,207	12,619	13,163
Leather and leatherette products	2,807	808	3,062	760
Garments, fabrics	20,737	1,481	19,189	1,665
Handicrafts	51,768	14,139	46,059	14,676
Cosmetics	3,753	8,204	1,584	7,042
Food	-	20,338	-	13,030
Jewelry	1,494	1,564	2,286	793
Cultural products	1,955	2,431	600	1,092
Gold, silver - gemstone	67	5,451	857	18,286
	95,919	67,623	86,425	70,508

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Treated doubtful debts		Closing balance	Opening balance
		VND	VND
Trade receivables		23,279,144	23,279,144
Prepayment to suppliers		10,500,000	10,500,000
Other receivables		-	189,419,811
		33,779,144	223,198,955

25. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED	Current year	Prior year
	VND	VND
Sales of merchandises and services		
Sales of merchandises at duty-free shops	1,328,705,861,339	1,171,138,108,598
Sales of merchandises at trading center and other branches	353,260,653,605	344,826,941,517
Sales from lounge activities	417,410,728,948	343,821,035,693
Sales from other activities	559,930,288,894	509,617,835,072
	2,659,307,532,786	2,369,403,920,880
Deductions		
Sales return, discounts	404,905,009	9,019,797
	2,658,902,627,777	2,369,394,901,083

26. COSTS OF GOODS SOLD AND SERVICES RENDERED	Current year	Prior year
	VND	VND
Costs of merchandises at duty-free shops	1,008,900,882,231	886,637,370,032
Costs of merchandises at trading center and other branches	172,027,334,628	176,561,707,088
Costs from lounge activities	89,103,517,019	58,187,600,057
Costs from other activities	176,980,524,342	190,789,816,636
	1,447,012,258,220	1,312,176,493,813

27. COST BY NATURE	Current year	Prior year
	VND	(Restated) VND
Labour	328,733,951,440	306,057,492,673
Raw materials and consumables	145,585,746,161	80,563,464,721
Depreciation and amortisation	50,075,723,431	50,050,716,729
Out-sourced services	433,331,578,267	400,150,115,115
Other monetary expenses	201,187,210,124	185,404,640,859
	1,158,914,209,423	1,022,226,430,097

28. FINANCIAL INCOME	Current year	Prior year
	VND	VND
Interest income	36,548,035,768	30,824,083,606
Foreign exchange gain	5,496,030,928	40,488,715,232
Foreign exchange gain due to the revaluation of monetary items in foreign currencies	-	4,068,923,140
Dividends received	95,681,394,231	58,138,101,436
Other financial income	-	2,365,131,500
	137,725,460,927	135,884,954,914



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29. FINANCIAL EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Interest expense	827,940,153	1,866,585,990
Foreign exchange loss	7,102,602,532	2,489,587,890
Foreign exchange loss due to the revaluation of monetary items in foreign currencies	5,622,725,601	-
Additional/(Reversal) provision for impairment of investments	315,052,503	(8,687,807,826)
Other financial expenses	-	120,000,000
	<u>13,868,320,789</u>	<u>(4,211,633,946)</u>

30. SELLING EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> <u>(Restated)</u> VND
Selling department salary expenses	133,812,529,876	120,494,700,335
Materials and packages	3,390,088,799	3,098,780,219
Tool and equipment expenses	15,941,147,493	14,825,820,197
Depreciation and amortisation	10,733,186,558	9,539,631,052
Premises, plant and warehouse rental	204,691,376,505	175,113,786,106
Supervisors hire management expenses	132,791,941,696	125,294,631,790
Business cooperation expenses	103,343,952,329	60,800,992,684
Other expenses	89,615,948,043	74,026,282,516
	<u>694,320,171,299</u>	<u>583,194,624,899</u>

31. GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> <u>(Restated)</u> VND
Administration department salary expenses	179,038,681,614	161,727,823,093
Office supplies and stationery	1,512,579,041	1,691,320,307
Depreciation and amortisation	9,430,049,344	8,544,906,047
Taxes, fees and legal fees	8,327,466,845	8,029,069,838
Allocation of business advantage	-	12,916,853,904
Allowance for doubtful debts	2,565,995,586	37,142,269,280
Other expenses	59,899,240,385	39,177,181,615
	<u>260,774,012,815</u>	<u>269,229,424,084</u>

32. OTHER INCOME

	<u>Current year</u> VND	<u>Prior year</u> VND
Proceedings from disposal of fixed assets	1,853,623,219	-
Proceedings from disposal of tools	32,882,154	15,253,836
Income from sales support and promotion	7,944,782,414	7,083,746,695
Income from contract re-negotiation with supplier	17,279,118,355	-
Other income	1,348,771,499	3,199,081,047
	<u>28,459,177,641</u>	<u>10,298,081,578</u>

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33. CORPORATE INCOME TAX EXPENSE

	<u>Current year</u> VND	<u>Prior year</u> (Restated) VND
Profit before tax	408,549,990,089	353,461,968,526
Adjustments for assessable profit		
Add: Increase adjustments	62,848,497,632	46,532,360,313
Less: Decrease adjustments	(41,259,778,534)	(62,208,723,853)
Assessable profit	430,138,709,187	337,785,604,986
Less: tax-exempted income	(95,681,394,231)	(58,138,101,436)
Taxable income	334,457,314,956	279,647,503,550
Normal tax rate	20%	20%
Current corporate income tax expense	<u>66,891,462,991</u>	<u>55,929,500,710</u>

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

The Company confirms that the amount recorded in the combined financial statement has not yet been finalized. Due to the application of tax laws and other tax regulation is affected by different explanations, the amount recorded in the combined financial statement is affected by final decision of Tax Department.

34. BASIC EARNINGS PER SHARE

Basic earnings per share

	<u>Current year</u> VND	<u>Prior year</u> (Restated) VND
Accounting profit after corporate income tax	341,113,571,030	293,202,040,018
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders	(37,839,325,630)	(31,935,391,586)
Profit or loss attributable to ordinary shareholders	303,274,245,400	261,266,648,432
Weighted average ordinary shares in circulation for the year	<u>133,481,310</u>	<u>132,026,540</u>
Basic earnings per share	<u>2,272</u>	<u>1,979</u>

35. COMMITMENTS

Operating lease commitments

	<u>Current year</u> VND	<u>Prior year</u> VND
Minimum lease payments under operating leases recognised in the income statement for the year	<u>228,035,380,437</u>	<u>176,295,604,286</u>

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

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Within one year	216,471,815,588	191,349,883,620
In the second to fifth year inclusive	861,330,862,351	763,581,352,661
After five years	945,476,428,364	1,049,628,721,476
	<u>2,023,279,106,302</u>	<u>2,004,559,957,757</u>

36. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

A business segment is a distinguishable component of an enterprise that is engaged in manufacturing or providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. Accordingly, the Company's business segments include: goods sold at duty-free shops, goods sold at trading center and other branches, lounges and other segments.

Geographical area-based segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services within a specific economic environment on which the segment has risks and economic benefits different from that of other components. The operations of the Company are implemented in Vietnam, therefore, the Company determines that there is no geographical difference between its business activities.

Segment report includes items allocated directly to one segment as well as segments on a reasonable basis. Unallocated items include assets, liabilities, financial income, financial expenses, selling expenses, general and administration expenses, other income or expenses and corporate income tax expenses.



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Income statement of business segments for the year ended 31 December 2018:

	Duty-free goods VND	Goods at trading center and other branches VND	Lounges VND	Other segments VND	Total VND
Gross revenue from goods sold and services rendered	1,328,705,861,339	353,260,653,605	417,410,728,948	559,930,288,894	2,659,307,532,786
Deductions	-	404,905,009	-	-	404,905,009
Net revenue from goods sold and services rendered	1,328,705,861,339	352,855,748,596	417,410,728,948	559,930,288,894	2,658,902,627,777
Cost of goods sold and services rendered	(1,008,900,882,231)	(172,027,334,628)	(89,103,517,019)	(176,980,524,342)	(1,447,012,258,220)
Gross profit from goods sold and services rendered	319,804,979,108	180,828,413,968	328,307,211,929	382,949,764,552	1,211,890,369,557
Selling expenses	(172,647,632,946)	(119,729,973,933)	(140,826,202,267)	(261,116,362,153)	(694,320,171,299)
General and administration expenses	(13,323,667,528)	(20,244,386,049)	(14,366,756,135)	(18,421,137,463)	(66,355,947,175)
Unallocated expenses					
General and administration expenses					(194,418,065,640)
Financial income					137,725,460,927
Financial expenses					(13,868,320,789)
Other income					28,459,177,641
Other expenses					(562,513,133)
Profit before corporate income tax					408,549,990,089
Current corporate income tax expense					(66,891,462,991)
Deferred corporate tax expense					(544,956,068)
Profit after corporate income tax					341,113,571,030

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SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY
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Income statement of business segments for the year ended 31 December 2017:

	Duty-free goods VND	Goods at trading center and other branches VND	Lounges VND	Other segments VND	Total VND
Gross revenue from goods sold and services rendered	1,171,138,108,598	344,826,941,517	343,821,035,693	509,617,835,072	2,369,403,920,880
Deductions	-	9,019,797	-	-	9,019,797
Net revenue from goods sold and services rendered	1,171,138,108,598	344,817,921,720	343,821,035,693	509,617,835,072	2,369,394,901,083
Cost of goods sold and services rendered	(886,637,370,032)	(176,561,707,088)	(58,187,600,057)	(190,789,816,636)	(1,312,176,493,813)
Gross profit from goods sold and services rendered	284,500,738,566	168,256,214,632	285,633,435,636	318,828,018,436	1,057,218,407,270
Selling expenses	(130,959,995,366)	(91,554,877,829)	(127,123,031,781)	(233,556,719,923)	(583,194,624,899)
General and administration expenses	(11,227,952,685)	(11,005,637,391)	(15,305,316,505)	(11,803,596,434)	(49,342,503,015)
Unallocated expenses					(219,886,921,069)
General and administration expenses					135,884,954,914
Financial income					4,211,633,946
Financial expenses					10,298,081,578
Other income					(1,727,060,199)
Other expenses					353,461,968,526
Profit before corporate income tax					(55,929,500,710)
Current corporate income tax expense					(4,330,427,798)
Deferred corporate tax expense					
Profit after corporate income tax					293,202,040,018

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 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 (Continued)

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Assets and liabilities of business segments:

	Duty-free goods and other branches VND	Goods at trading center and other branches VND	Lounges VND	Other segments VND	Total VND
As at 31/12/2018					
Segment's assets					
Assets directly attributed to segment	309,384,845,693	62,951,083,434	87,878,101,300	495,608,236,189	955,822,266,616
Assets allocated to segment	18,149,121,414	4,819,743,789	5,701,516,204	7,648,226,061	36,318,607,468
Unallocated assets	-	-	-	-	1,221,349,651,380
Total assets	327,533,967,107	67,770,827,223	93,579,617,504	503,256,462,250	2,213,490,525,464
Segment's liabilities					
Liabilities directly attributed to segment	406,895,385,428	34,841,391,224	15,973,413,861	70,150,130,931	527,860,321,444
Liabilities allocated to segment	39,928,186,197	10,603,467,961	12,543,373,060	16,826,147,519	79,901,174,737
Unallocated liabilities	-	-	-	-	66,931,841,292
Total liabilities	446,823,571,625	45,444,859,185	28,516,786,921	86,976,278,450	674,693,337,473
As at 31/12/2017					
Segment's assets					
Assets directly attributed to segment	268,926,857,054	117,906,328,177	69,401,469,916	443,207,099,338	899,441,754,485
Assets allocated to segment	19,659,074,354	5,788,216,703	5,771,482,676	8,554,597,308	39,773,371,041
Unallocated assets	-	-	-	-	1,213,458,778,856
Total assets	288,585,931,408	123,694,544,880	75,172,952,592	451,761,696,646	2,152,673,904,382
Segment's liabilities					
Liabilities directly attributed to segment	355,332,809,191	26,285,622,561	14,217,243,065	87,989,089,573	483,824,764,390
Liabilities allocated to segment	28,247,565,961	8,316,924,295	8,292,879,647	12,291,858,070	57,149,227,973
Unallocated liabilities	-	-	-	-	66,500,330,228
Total liabilities	383,580,375,152	34,602,546,856	22,510,122,712	100,280,947,643	607,474,322,591



37. RELATED PARTY TRANSACTIONS AND BALANCES

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

Transactions and balances with key management members and their related individuals

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

Transactions with key management members and their related individuals

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

Balances with key management members and their related individuals

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

Remuneration of key management

	<u>Current year</u> VND	<u>Prior year</u> VND
Salary	3,476,954,547	2,937,454,544
Allowance	468,000,000	540,000,000
Bonus	7,005,117,232	6,197,639,862
	<u>10,950,071,779</u>	<u>9,675,094,406</u>

Transactions and balances with other related parties

Relationship with related parties

<u>Related party</u>	<u>Relationship</u>
Airports Corporation of Vietnam – Joint Stock Company (JSC)	Shareholder
Tan Son Nhat Petrol Commercial JSC	Associate
Phu Quoc – Sasco Co., Ltd.	Joint venture
Green Garden Development Corporation - JSC	Associate
Viethaus AG	Associate
Blue Sky Trading Investment JSC	Associate
Southern Airports Aircraft Maintenance Services Co., Ltd.	Associate of Airports Corporation of Vietnam – Joint Stock Company (JSC)
Southern Airports Trading JSC	Associate of Airports Corporation of Vietnam – Joint Stock Company (JSC)
Southern Airport Transportation JSC	Associate of Airports Corporation of Vietnam – Joint Stock Company (JSC)
Saigon Ground Services JSC	Associate of Airports Corporation of Vietnam – Joint Stock Company (JSC)
Hanoi Ground Services JSC	Associate of Airports Corporation of Vietnam – Joint Stock Company (JSC)
IMEX Pan - Pacific Co., Ltd.	Shareholder
Au Chau Fashion and Cosmetics Co., Ltd.	Shareholder
Duy Anh Fashion and Cosmetics Co., Ltd.	Shareholder
Autogrill VFS F&B Co., Ltd.	Same key management member

SOUTHERN AIRPORTS SERVICES JOINT STOCK COMPANY
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During the year, the Company entered into the following significant transactions with its related parties:

	<u>Current year</u> VND	<u>Prior year</u> VND
Sales to related parties		
Southern Airports Transportation JSC	3,226,412,045	4,083,485,804
Tan Son Nhat Petrol Commercial JSC	2,286,343,147	3,799,749,547
Airports Corporation of Vietnam - JSC	1,833,753,019	1,603,820,285
Blue Sky Trading Investment JSC	1,557,237,377	1,217,261,923
Saigon Ground Services JSC	252,233,005	310,021,672
Autogrill VFS F&B Co. Ltd.	232,247,172	59,018,151
Hanoi Ground Services JSC	54,054,908	13,679,180
Green Garden Development Corporation - JSC	183,842,177	182,572,375
Southern Airports Trading JSC	-	6,904,590,714
	<u>9,626,122,850</u>	<u>18,174,199,651</u>
Purchases from related parties		
Airports Corporation of Vietnam - JSC	348,195,840,419	293,544,884,113
Autogrill VFS F&B Co. Ltd.	126,808,672,130	135,324,624,252
Green Garden Development Corporation - JSC	21,174,401,763	20,266,485,282
Tan Son Nhat Petrol Commercial JSC	6,752,798,005	5,247,011,328
Phu Quoc - Sasco Co., Ltd.	6,627,406,368	2,397,396,368
Southern Airports Trading JSC	1,583,329,209	1,133,906,524
Saigon Ground Services JSC	1,559,900,000	1,164,269,720
Blue Sky Trading Investment JSC	586,559,978	162,671,424
Southern Airports Transportation JSC	320,563,637	267,295,457
	<u>513,609,471,509</u>	<u>459,508,544,468</u>
Dividends received		
Tan Son Nhat Petrol Commercial JSC	28,381,578,700	13,443,905,700
Phu Quoc - Sasco Co., Ltd.	886,817,847	996,945,627
Green Garden Development Corporation - JSC	276,000,000	252,000,000
	<u>29,544,396,547</u>	<u>14,692,851,327</u>
Dividends paid		
Airports Corporation of Vietnam - JSC	151,969,744,000	110,309,072,800
IMEX Pan - Pacific Co., Ltd.	77,349,264,000	54,260,498,000
Au Chau Fashion and Cosmetics Co., Ltd.	47,649,088,000	33,014,756,000
Duy Anh Fashion and Cosmetics Co., Ltd.	15,254,000,000	11,072,300,000
	<u>292,222,096,000</u>	<u>208,656,626,800</u>

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

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Trade receivables		
Viethaus AG	4,762,876,169	4,828,704,435
Airports Corporation of Vietnam - JSC	2,529,770,450	2,591,614,180
Blue Sky Trading Investment JSC	662,267,903	813,189,194
Saigon Ground Services JSC	551,512,900	25,570,800
Hanoi Ground Services JSC	122,210,000	104,879,700
Autogrill VFS F&B Co. Ltd.	18,420,000	-
Southern Airports Transportation JSC	-	6,932,860,000
Tan Son Nhat Petrol Commercial JSC	-	1,530,924,100
Southern Airports Trading JSC	-	1,038,092,900
	<u>8,647,057,422</u>	<u>17,865,835,309</u>
Prepayment to suppliers		
Airports Corporation of Vietnam - JSC	<u>9,982,500</u>	<u>60,500,000</u>
Other short-term receivables		
Viethaus AG	46,769,062,728	47,430,886,468
Southern Airports Transportation JSC	14,926,321,130	15,296,221,991
	<u>61,695,383,858</u>	<u>62,727,108,459</u>
Other long-term receivables		
Viethaus AG	<u>244,895,632,565</u>	<u>250,964,583,156</u>
	<u>244,895,632,565</u>	<u>250,964,583,156</u>
Trade payables		
Airports Corporation of Vietnam - JSC	32,609,331,580	26,598,919,257
Autogrill VFS F&B Co. Ltd.	14,918,219,225	13,677,904,768
Green Garden Development Corporation - JSC	2,128,493,804	1,925,306,629
Tan Son Nhat Petrol Commercial JSC	1,612,587,345	2,112,917,771
Viethaus AG	1,073,381,328	1,099,131,540
Saigon Ground Services JSC	268,400,000	511,225,000
Blue Sky Trading Investment JSC	66,669,548	7,899,980
Southern Airports Trading JSC	35,535,000	381,400,000
Southern Airports Transportation JSC	-	693,633,500
	<u>52,712,617,830</u>	<u>47,008,338,445</u>

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38. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-cash transactions

The interest earned from bank deposits during the year did not include the amount of VND 13,204,073,894 (the year ended 31 December 2017: VND 8,279,936,528), representing interest earned during the year that has not yet been paid at 31 December 2018. Consequently, changes in receivables have been adjusted by the same amount.

The cash outflows for acquisition of fixed assets and construction in progress during the year included the amount of VND 21,741,017,493 (the year ended 31 December 2017: VND 1,461,313,331), representing the advance for purchasing fixed assets and construction in progress arising during the year. Consequently, changes in receivables have been adjusted by the same amount.

The cash outflows for acquisition of fixed assets and construction in progress during the year did not include VND 1,358,788,948 (the year ended 31 December 2017: nil), representing the amount used for purchasing fixed assets and construction in progress arising during the year but not yet paid at 31 December 2018. Consequently, changes in payables have been adjusted by the same amount.

The dividend paid to shareholders during the year did not include VND 861,554,400 (the year ended 31 December 2017: VND 472,070,000), representing the dividend amount not yet paid at 31 December 2018. Consequently, changes in payables have been adjusted by the same amount.

39. COMPARATIVE FIGURES


Retrospective adjustments are made in accordance with the audit minutes following Decision no. 98/QĐ dated 29 August 2018 of the Ministry of Finance. Details are as follows:

Combined Balance sheet as at 31 December 2017				
<u>Items</u>	<u>Codes</u>	<u>Opening balance (Reported)</u>	<u>Opening balance (Restated)</u>	<u>Changes</u>
		VND	VND	VND
Short-term advances to suppliers	132	8,119,283,845	9,301,102,025	1,181,818,180
Provision for short-term doubtful debts	137	(61,592,902,440)	(59,274,347,720)	2,318,554,720
Taxes and other receivables from the State budget	153	1,951,037,718	1,347,058,163	(603,979,555)
Taxes and amounts payable to the State budget	313	25,207,978,361	25,324,073,386	116,095,025
Share premium	412	3,962,620,000	3,862,620,000	(100,000,000)
Retained earnings of the current year	421b	178,297,564,112	181,177,862,432	2,880,298,320
Combined Income statement for the year ended 31 December 2017				
<u>Items</u>	<u>Codes</u>	<u>Prior year (Reported)</u>	<u>Prior year (Restated)</u>	<u>Changes</u>
		VND	VND	VND
Selling expenses	25	584,376,443,079	583,194,624,899	(1,181,818,180)
General and administration expenses	26	271,647,978,804	269,229,424,084	(2,418,554,720)
Current corporate income tax expense	51	55,209,426,130	55,929,500,710	720,074,580
Basic earnings per share	70	1,957	1,979	22


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Items	Codes	Combined Cash flow statement for the year ended 31 December 2017		
		Prior year (Reported) VND	Prior year (Restated) VND	Changes VND
Provisions	03	30,773,016,174	28,454,461,454	(2,318,554,720)
Changes in receivables	09	(3,247,579,166)	(3,825,417,791)	(577,838,625)
Changes in payables	11	47,682,847,007	47,078,867,452	(603,979,555)
Proceeds from issuing stocks, receiving capital from owners	31	23,775,720,000	23,675,720,000	(100,000,000)



Nguyen Thi Thu
Preparer



Ton Nu Dieu Tri
Chief Accountant





Doan Thi Mai Huong
Chief Executive Officer
5 March 2019

