**ACV: Explanation for the financial statement of 2019**

On 20 Apr 2020, Airports Corporation of Vietnam – Joint Stock Company explained the financial statement of 2019 as follows:

Pursuant to the State Audit Minutes No.430/KTNN-TH dated September 20, 2019 on the management and use of State capital and assets in 2018 of ACV for the fiscal year ended on December 31, 2019, Airports Corporation of Vietnam – Joint Stock Company retrospectively adjusted the figures in the financial statement of 2019 audited by DELOITE VIETNAM CO., LTD

According to Circular No.155/2015/TT - BTC dated October 6, 2015 of the Ministry of Finance guiding the disclosure of information on the stock market and the Regulation on information disclosure at Hanoi Stock Exchange issued together with Decision No.606/QD - SGDHN dated September 29, 2016 of the General Director of Hanoi Stock Exchange, Airports Corporation of Vietnam – Joint Stock Company explains about the retrospective adjustment as follows:

Appendix 1: Balance sheet on 31 Dec 2018

Unit: VND

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Asset | Code | Figure before adjustment | Figure after adjustment | Difference | Note |
| Short-term receivables of customers | 131 | 2,487,477,198,541 | 2,490,140,777,228 | 2,663,578,687 | Because of short of revenue of 2018 entered in the account |
| Other short-term receivables | 136 | 3,281,985,199,932 | 3,308,941,968,296 | 26,956,768,364 | Due to withdrawal, reduction in investment cost of construction projects; Adjusting upward, downward expenses related to flight zone operation; Collecting land rental under asset trading cooperation contracts |
| Inventory | 141 | 464,710,699,431 | 464,646,407,159 | (64,292,272) | Due to increase in inventory and wrong account |
| Value-added tax deducted | 152 | 194,016,386,385 | 190,948,883,103 | (3,067,503,282) | Deducted VAT payables corresponding to discounts for the airlines; Reduce in investment and repair cost |
| Tax and receivables from the State | 153 | 73,039,213,886 | 63,148,440,050 | (9,890,773,836) | Due to payable tax offset in accordance with auditing results |
| Tangible fixed assets | 221 | 18,330,907,616,614 | 18,399,563,376,317 | 68,655,759,703 |  |
| Cost | 222 | 40,025,462,035,793 | 40,013,544,082,878 | (11,917,952,915) | Due to increase or decrease in investment cost of projects |
| Accumulated depreciation | 223 | (21,694,554,419,179) | (21,613,980,706,561) | 80,573,712,618 | Due to re-calculation of depreciation of assets |
| Construction in progress | 242 | 591,404,310,929 | 591,549,228,201 | 144,917,272 | Due to wrong account |
| Long-term prepaid expense |  | 69,359,805,005 | 70,038,579,449 | 678,774,444 | Due to reallocation of expenses |
| Tax and payables to the State | 313 | 70,673,936,832 | 138,060,032,685 | 67,386,095,853 | Due to adjustment of targets in the income statement and temporary deduction of additional land rent |
| Short-term payables | 315 | 887,673,729,621 | 883,908,401,517 | (3,765,328,104) | Due to land rent adjustment |
| Retained profit after tax | 421 | 5,922,369,007,961 | 5,944,825,469,292 | 22,456,461,331 | Due to adjustment of targets in income statement |
| Retained profit after tax of this period | 421b | 5,618,775,269,385 | 5,641,231,730,716 | 22,456,461,331 |  |

Appendix 2: Income statement for the fiscal year ended on 31 Dec 2018

Unit: VND

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Asset | Code | Figure before adjustment | Figure after adjustment | Difference | Note |
| Revenue of selling goods and services | [01] | 16,142,028,856,535 | 16,144,450,291,705 | 2,421,435,170 | Addition of revenue from providing franchise services |
| Revenue deduction | [02] | 48,925,751,234 | 18,064,056,201 | (30,861,695,033) | Classification of accounts related to discount for airlines |
| Net sales of providing goods and service | [10] | 16,093,103,105,301 | 16,126,386,235,504 | 33,283,130,203 |  |
| Cost of goods sold | [11] | 8,363,615,847,853 | 8,341,818,698,045 | (21,797,149,808) | Increase or decrease in land rental, depreciation of assets; Reduction in repair cost, parking rent, supplies |
| Gross profit of selling goods and services | [20] | 7,729,487,257,448 | 7,784,567,537,459 | 55,080,280,011 |  |
| Financial income | [21] | 1,591,438,129,076 | 1,591,438,129,076 |  |  |
| In which: Interest income on deposits |  | 1,270,796,292,111 | 1,270,796,292,111 |  |  |
| Financial expense | [22] | 755,865,128,377 | 755,865,128,377 |  |  |
| In which: Interest expense | [23] | 95,084,582,355 | 95,084,582,355 |  |  |
| Sales expense | [25] | 306,173,746,235 | 340,121,610,771 | 33,947,864,536 | Account classification related to discounted prices for airlines and additional VAT payment |
| General and administrative expense | [26] | 869,279,324,134 | 869,279,324,134 |  |  |
| Net operation profit | [30] | 7,389,607,187,778 | 7,410,739,603,253 | 21,132,415,475 |  |
| Other income | [31] | 85,413,466,757 | 85,413,466,757 |  |  |
| Other cost | [32] | 27,484,180,487 | 20,546,019,298 | (6,938,161,189) | Increase or decrease in land rental, depreciation of assets of the previous year |
| Other profit | [40] | 57,929,286,270 | 64,867,447,459 | 6,938,161,189 |  |
| Profit before tax | [50] | 7,447,536,474,048 | 7,475,607,050,712 | 28,070,576,664 | Due to the adjustment of the revenue and expense targets |
| Corporate income tax | [51] | 1,437,260,802,237 | 1,442,874,917,570 | 5,614,115,333 | Due to the regulation of the targets of revenue and expense |
| Deferred corporate income tax | [52] | (18,025,347,574) | (18,025,347,574) |  |  |
| After-tax profit | [60] | 6,028,301,019,385 | 6,050,757,480,716 | 22,456,461,331 | Due to adjustments of revenue and expense |

Appendix 3: Cash flow for the financial year ended on 31 Dec 2018

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Asset | Code | Figure before adjustment | Figure after adjustment | Difference | Note |
| I. Cash flow from business activities |  |  |  |  | Due to the impact of items on the balance sheet and business results |
| 1. Profit before tax | 01 | 7,447,536,474,048 | 7,475,607,050,712 | 28,070,576,664 |
| 2. Adjustments for items |  |  |  |  |
| Depreciation of fixed assets and investment property | 02 | 3,951,596,741,226 | 3,871,023,028,608 | (80,573,712,618) |
| 3. Operating profit before changing working capital | 08 | 10,557,403,845,441 | 10,504,900,709,487 | (52,503,135,954) |
| Increase and decrease of receivables | 10 | (178,126,827,342) | (194,788,897,275) | (16,662,069,933) |
| Increase or decrease in inventory | 10 | (62,018,122,394) | (61,953,830,122) | 64,292,272 |
| Increase, decrease in payables (excluding payable loan interests, income tax) | 11 | 371,350,003,927 | 429,356,656,343 | 58,006,652,416 |
| Increasing and reducing prepaid expense | 12 | (23,334,839,719) | (24,013,614,163) | (678,774,444) |
| Net cash flows from operating activities | 20 | 7,901,788,940,140 | 7,890,015,904,497 | (11,773,035,643) |
| II. Cash flows from investment activities |  |  |  |  |
| 1. Expenses for procurement of fixed assets and other long-term assets | 21 | (2,018,938,692,238) | (2,007,165,656,595) | 11,773,035,643 |
| Net cash flows from investing activities | 30 | (6,706,406,866,272) | (6,694,633,830,629) | 11,773,035,643 |  |