

***Vietjet Air.com***

**ANNUAL REPORT 2022**



**LEADING THE SKY  
CONNECTING  
THE FIVE CONTINENTS**

**VIETJET AVIATION JOINT STOCK COMPANY**

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## LIST OF ACRONYMS

Acronym	Terms	Note
<b>ACI</b>	Airport Council International	Airport Council International
<b>AFTK</b>	Available Freight Tonne Kilometers	Rotational Supply Load: Tons of cargo that can be carried * average distance (km)
<b>ASK</b>	Available Seat Kilometers	Rotating seats: Number of seats supplied * average distance (km)
<b>ASL</b>	Average Stage Length	Average distance traveled by a flight
<b>ATO</b>	Approved Training Organization	Licensed Aviation Administration Training Center
<b>ATPL</b>	Air Transport Pilot License	Transport Pilot Certificate Training Course – Basic theory
<b>Bamboo</b>	Bamboo Airways	Bamboo Airways – The hybrid airline
<b>BH</b>	Block Hours (h/aircraft/day)	Efficiency of aircraft utilization per day
<b>BOD</b>	Board of Directors	Board of Directors (“BOD”)
<b>CAPA</b>	Center for Asia Pacific Aviation	Center for Asia Pacific Aviation
<b>Charter Flight</b>	Charter Flight	Flights are chartered by travel agencies for the entire flight by year or by season
<b>CAAV</b>	Civil Aviation Authority of Vietnam	Civil Aviation Authority of Vietnam
<b>CAGR</b>	Compound annual growth rate	Compound annual growth rate
<b>CASK</b>	Cost per Available Seat Kilometers	Total operating costs per rotating seat
<b>CRM</b>	Customer Relationship Management	Compound annual growth rate
<b>Dry Lease</b>	Dry Lease	Total operating costs per rotating seat
<b>EBITDAR</b>	Earnings before interest, taxes, depreciation, amortization, and rent costs	Operating profit excluding depreciation expense and chartering cost
<b>ESOP</b>	Employee Stock Ownership Plan	Stocks under the employee option program
<b>Ex-fuel CASK</b>	Ex-fuel Cost per Available Seat Kilometers	Operating costs excluding jet fuel costs per rotating seat
<b>FDAP</b>	Flight Data Analysis Program	Flight Data Analysis Program
<b>FDM</b>	Flight Data Monitoring	Monitoring and analyzing flight data provided by Airfase corporation
<b>FTK</b>	Freight Tonne Kilometers	Cargo in circulation: Tons of cargo * average distance (km)
<b>FSC</b>	Full-services Carrier	Traditional airline/full service
<b>GSM</b>	General Shareholders Meeting	General Shareholders Meeting
<b>GO</b>	Ground Operations	Vietjet Ground Operations Division
<b>HOSE</b>	Ho Chi Minh Stock Exchange	Ho Chi Minh Stock Exchange

Acronym	Terms	Note
<b>IATA</b>	International Air Transport Association	International Air Transport Association
<b>ICAO</b>	International Civil Aviation Organization	International Civil Aviation Organization
<b>PA</b>	Pacific Airlines	Jetstar Pacific – a low-cost airline and a subsidiary of Vietnam Airlines
<b>LOSA</b>	Line Operation Safety Audit	Aerial Safety Operation Assessment Program
<b>LF</b>	Load Factor	Seat utilization factor
<b>LCC</b>	Low-cost Carrier	Low-cost Carrier
<b>OTP</b>	On-time Performance	On-time rate of flights
<b>PY</b>	Passenger Yield	Average revenue per passenger (Passenger transport revenue does not include flight rental)
<b>RPK</b>	Revenue Passenger Kilometers	Round trip passengers: Number of paying passengers * average distance (km)
<b>RASK</b>	Revenue per Available Seat Kilometers	Revenue per Available Seat Kilometers
<b>RTK</b>	Revenue Tonne Kilometers	Cargo weight is a measure of an airline's cargo capacity. This metric is equal to the total weight of cargo carried per flight sector multiplied by the length of that segment.
<b>SIM</b>	Simulator	Flight training simulator
<b>SPI</b>	Safety Performance Indicators	Safe Performance Indicators
<b>SSQA</b>	Safety Security Quality Assurance	Vietjet’s Safe Security Quality Assurance Department
<b>SFCO2</b>	Safran SFCO2	Fuel and emission management program provided by Safran corporation
<b>SLB</b>	Sale-Lease Back	Transfer of ownership and sublease of aircraft
<b>TRTO</b>	Type Rating Training Organization	Aircraft type conversion training center for pilots
<b>T- shares</b>	Treasury Shares	Treasury Shares (“T-shares”)
<b>ULD</b>	Unit Load Devices	Equipment used on airplanes to improve bulk cargo handling
<b>VJAA</b>	Vietjet Aviation Academy	Vietjet Aviation Academy
<b>VJC</b>	Vietjet Aviation JSC	Vietjet Aviation JSC
<b>VJGS</b>	Vietjet Ground Service	Vietjet Ground Service
<b>VNA</b>	Vietnam Airlines	Vietnam Airlines
<b>Wet Lease</b>	Wet Lease	Wet charter: aircraft charter including crew

## MESSAGE FROM THE CHAIRWOMAN



“ Expanding the route network, flying into the future, becoming a digital airline, making the flying dreams of millions of people around the world come true will be Vietjet’s steadfast goals on its development journey ”

### **Dear Shareholders and Investors!**

The year 2022 has passed with a recovery in all sectors, leaving behind the negative effects of the Covid-19 pandemic. Like every other industry, the aviation industry has recovered strongly with more flights; the farther and wider flight network, becoming one of the irreplaceable factors in the recovery progress of the global economy.

Contributing to the aviation industry’s take-off after the pandemic, as the market opened, Vietjet re-operated the entire domestic flight network to meet the people’ increasing travel demand, connect domestic commercial activities. Vietjet pioneered in operating new international routes to major cities of India, Kazakhstan, Australia, Japan, Indonesia, etc., continuing to promote its role in boosting the economy - trade - tourism between Vietnam and other countries, contributing to the promotion of Vietnam’s image globally.

In 2022, the impacts from high oil prices and labor shortage of the aviation industry created a disruption in the global supply chain and affected the operating costs. However, Vietjet has achieved passenger transportation revenue of VND 33,077 billion. Compared to the budgeting of VND 22,300 billion, the achieved results show relentless efforts of the entire team, a testament of the solid foundations the company has worked hard to build over the years, it is also an evidence for the spirit to overcome difficulties, adapt to different situations, continuously innovate and seek for new ideas.

Vietjet’s total value of contribution to the State budget through direct and indirect taxes, fees and charges in 2022 has reached VND 4,350 billion.

Vietjet not only joined hands with the whole country to contribute to an economic recovery, but also continued to spread the positive things from Vietjet employees to the community through providing free flights to the

workers with a difficult circumstance, flight at no cost to orphaned students because of the Covid from all over the country to their homeland to celebrate the Tet Holiday with their loved ones. Vietjet also accompanied the Vu A Dinh Scholarship Fund, accompanied students from the ethnic minorities and islands on their education path, gave wings to their dreams, lightened up the future...

Expanding the route network, flying into the future, becoming a digital airline, making the flying dreams of millions of people around the world come true will be Vietjet’s steadfast goals on its development journey . Vietjet has cooperated with many global major partners such as aircraft manufacturer Boeing, aircraft maintenance and repair service provider Lufthansa Technik, ST Engineering and Technology Group, Changi Airport Group... in order to build a safe, advanced, modern and environmentally friendly aircraft fleet.

Along with that, Vietjet Aviation Academy continuously invested and improves the quality of curricula, personnel, facilities, etc., towards becoming a leading aviation human resource training center in the region.

With the results a careful preparation in 2022, see positive signals for the aviation industry in general, and Vietjet in particular to develop strongly in 2023.

We believe that with the consensus of the entire team, the trust and companionship of the shareholders, VIETJET WILL FLY TO THE FUTURE with new successes.

**Best regards!**

**Chairwoman of the BOD**

**NGUYEN THANH HA**

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



“ The year 2022 marked a remarkable recovery and growth of Vietjet. All of Vietjet’s routes bustlingly welcomed domestic and international passengers ”

### *Dear Shareholders and Investors!*

The world has experienced a turbulent year of 2022 as the tense geopolitical situation has pushed up energy costs. Besides, in the context of a slow recovery in the global supply chain, the inflation rate around the world increased to double or even triple digits. With persistent efforts, flexible adaptation of the staff and the Shareholders and Investors’ supports, Vietjet has overcome all challenges to achieve many remarkable achievements.

In 2022, Vietjet achieved consolidated revenue of more than VND 40,000 billion, reaching nearly 125% of the planning. Vietjet has carried 20.6 million passengers on more than 116,000 flights in 2022, domestic passenger transportation is the key factor in leading to the recovery process in the post Covid-19 pandemic, achieved positive results of 20% increase as compared to 2019.

In 2022, continuing with the goal of bringing affordable flights to millions of passengers and expanding the flight network to cover all the possible continents, Vietjet has opened more than 20 new direct international routes connecting Vietnam with leading economic and tourism centers in the world including New Delhi, Mumbai, Ahmedabad (India), Astana, Almaty (Kazakhstan), Melbourne, Sydney, Brisbane (Australia).

Persistent efforts have helped Vietjet to reach many achievements in the aviation industry. AirlineRatings - a globally well-known organization which specializes in the global assessment of aviation safety and products, has rated Vietjet as one of the 10 best and safest low-cost airlines in the world. At the same time, Vietjet was also honored to be the airline that brings the best value to customers and for having the best flight attendant service in Asia in 2022 by the World Business Outlook Awards. In addition, Vietjet and Movi’ “Fly Now - Pay Later” fintech product won the “Best New Fintech Product of 2022” Award by The Global Economics Times.

With the goal to meet increasingly diverse demand and to connect with customers, Vietjet has officially launched the Vietjet’s SkyJoy product that includes many utilities and privileges for customers through via an opportunity to accumulate and redeem reward points with popular brands as well as receive special offers.

Besides our business activities, Vietjet continued to promote human values and benevolence by actively participating in charity projects, bringing a good life and spread the Shareholders and Investors’ values to the community. During the Lunar New Year, with the contribution spirit

to share love, to join hands for a community support for disadvantaged individuals, Vietjet has provided flights with no cost to employees with a difficult circumstance and orphaned students from all over the country to return to their hometown so they can celebrate the Tet Holiday with their loved ones.

Entering the year of 2023, Vietjet targets to achieve outstanding business growth in the context that the Chinese market has officially reopened starting from March 2023, to continue the international market expansion that still possesses a growth capability including India, Australia and Kazakhstan. Along with the visa policy relaxation that includes the electronic visa application and the extension of visa exemption period. As an enterprise that operates in the Vietnam’s aviation industry, and with its advantage in aircraft fleet size and superior flight network, the company expects to benefit significantly from a strong wave of international tourists in 2023.

The 2022 positive results will be a solid premise for Vietjet in order to set a strong development expectation in 2023, to continue taking advantages from the technological advancement, the labor forces to continuously improve the products and services quality and customer experience, to maintain its position as one of the leading low-cost airlines in Asia and worldwide. In addition, Vietjet will also promote its active role in social activities which is an important part of the Company’s culture, demonstrating the human spirit of Vietjet’s kindness.

Vietjet sets a target in 2023 to carry out nearly 140 thousand safe flights with the load factor reaching to 87% and the punctuality rate reaching over 95% and with a total number of passengers being transported of over 32 million.

In 2023, Vietjet will also continue to strengthen its leading role in promoting economy - trade - tourism between Vietnam and other countries around the world, contributing to promote the image of Vietnam, bringing domestic and foreign tourists to localities, contributing to the budget, supporting the community, enhancing the value brought to Shareholders and Investors who have trusted Vietjet.

**Best regards!**

**Chief Executive Officer**

**NGUYEN THI PHUONG THAO**

01

**TAKING OFF  
AND FLYING HIGH JOURNEY**



## GENERAL INFORMATION

Vietjet Aviation Joint Stock Company (Vietjet Air) was established in 2007 and is always proud to be one of the largest new-generation airlines in Vietnam and in the Top 10 best low-cost airlines in the world (according to CAPA). With its young, dynamic and professional fleet ensures Vietjet is capable to provide affordable but high-quality air transportation services and always strives to meet the increasing travel demand of customers. As of today, VJC has expanded its route network to more than 55 domestic destinations and 48 international destinations across Asia, Europe and Oceania.

### GENERAL INFORMATION

Company name	<b>VIETJET AVIATION JOINT STOCK COMPANY</b>
Abbreviated name	<b>VIETJET., JSC</b>
Trade name	<b>VIETJET AIR</b>
Stock code	<b>VJC (LISTED ON HO CHI MINH CITY STOCK EXCHANGE - HOSE)</b>
Certificate of business registration	No. 0102325399 issued by Hanoi Department of Planning and Investment for the first time on July 23, 2007 and registered for the 29th change, on December 6, 2022.
Charter capital	<b>VND 5,416,113,340,000</b>
Owner's capital	<b>VND 5,416,113,340,000</b>
Head office	302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District, Hanoi City, Vietnam
Operating office	Vietjet Plaza Building, 60A Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam

### CONTACT INFORMATION

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## VISION - MISSION - CORE VALUES

### VISION

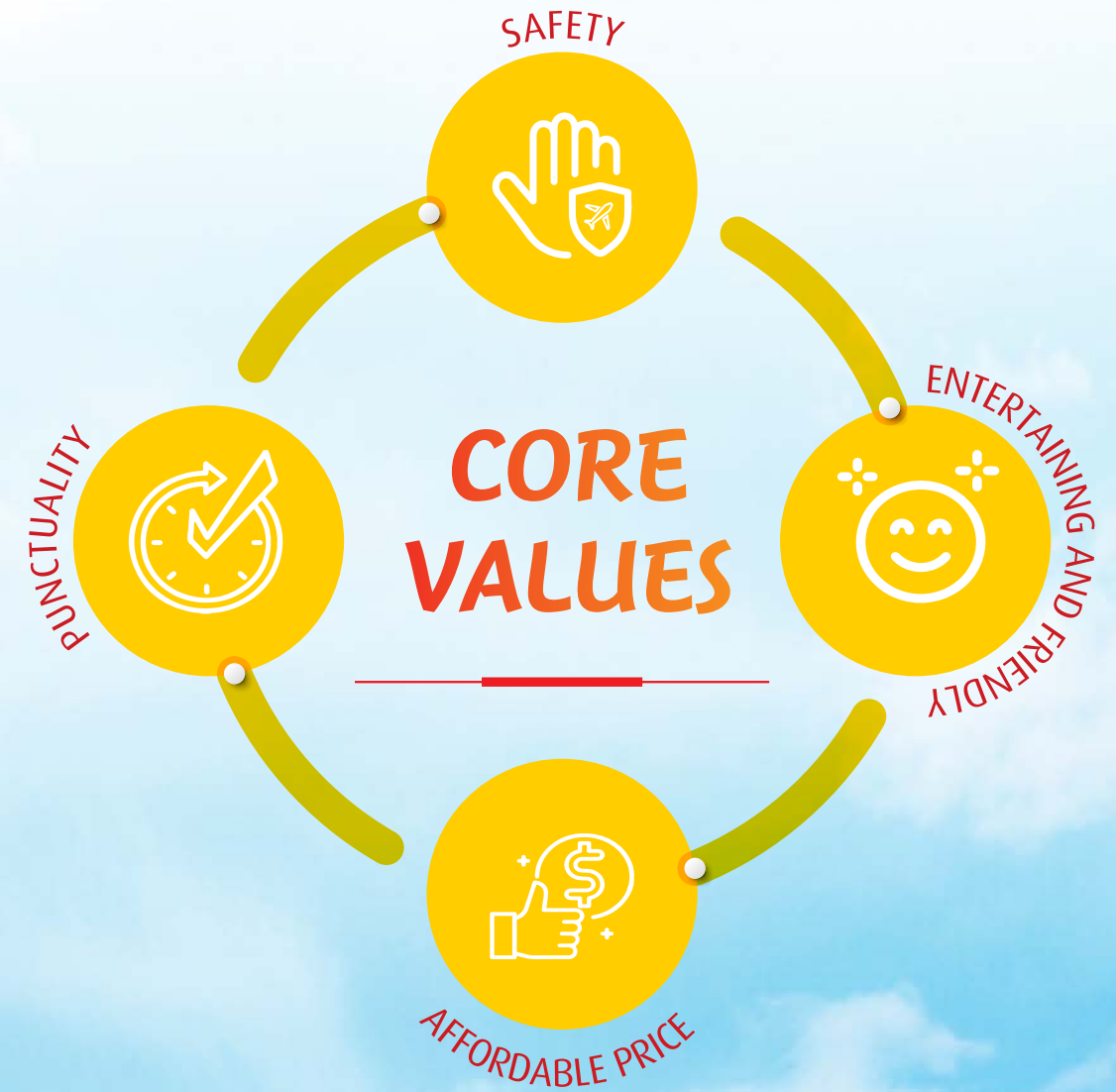
Becoming a multinational airline with the largest market share in Vietnam, developing an airline towards the consumer aviation on the basis of an advanced digital business technology, a cargo transportation development, and a Logistic system.

### MISSION

Exploiting and developing a wide network of domestic, regional and international routes as well as bringing a breakthrough in aviation services.

Making aviation become a popular means of transportation in Vietnam and in the world, developing and expanding the aviation services.

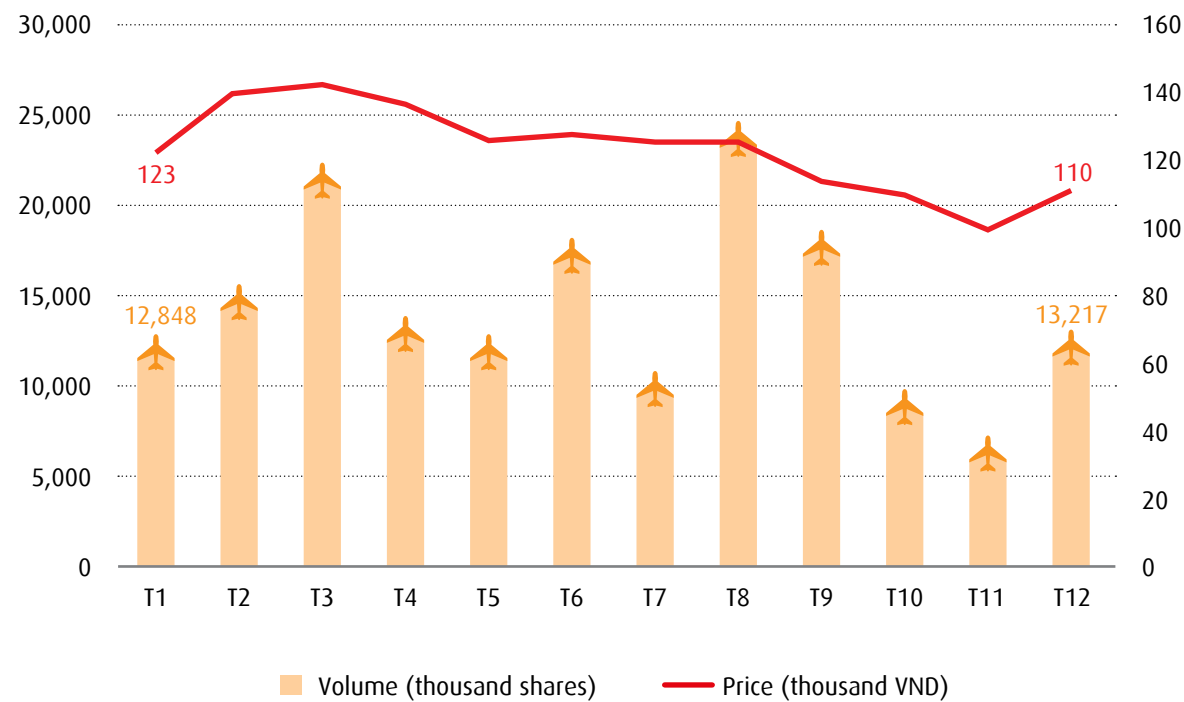
Aiming towards enhancing customer satisfaction by providing services with outstanding quality, elegance and friendly smiles.



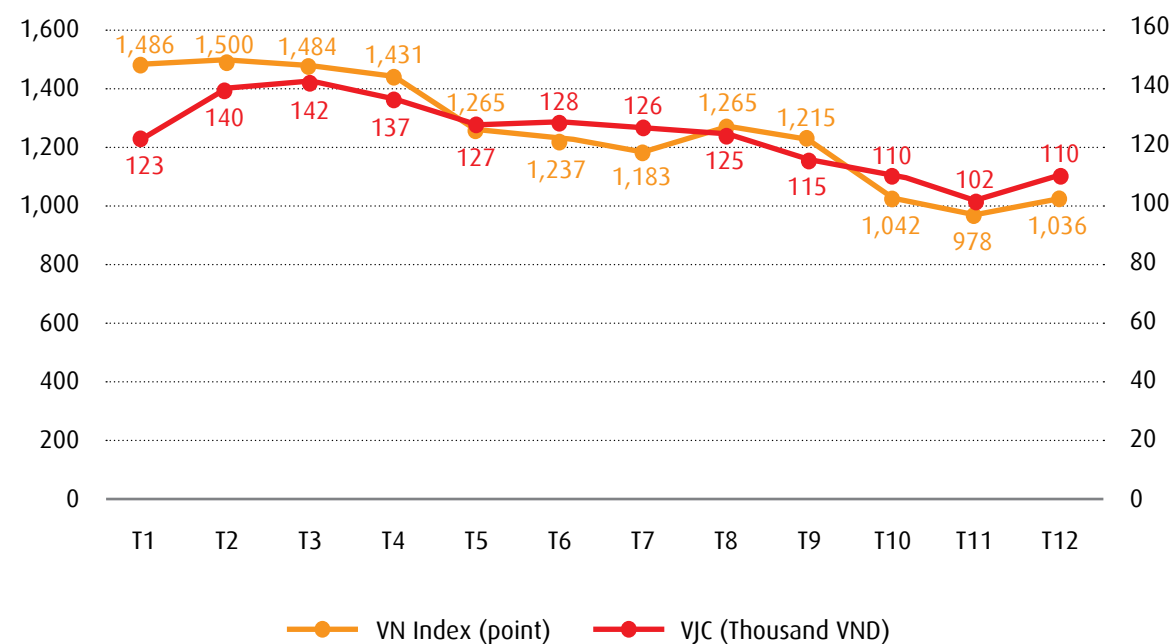


## INFORMATION ON VJC SHARES IN 2022

PRICE CHANGES AND TRADING VOLUME OF VJC IN 2022



COMPARISON BETWEEN VIETJET'S STOCK PRICE AND VN-INDEX



**40,142**  
Billion VND  
Consolidated revenue  
in 2022

**20.6**  
Million  
Passengers in 2022

**68,037**  
Billion VND  
Total assets in 2022

**>116**  
Thousand  
Flights in 2022



# 2022 HIGHLIGHTS AND PROMINENT AWARDS

## 2022 HIGHLIGHTS

**01** In 2022, Vietjet transported 20.6 million passengers on 116 thousand flights, domestic passenger transportation increased by 20% compared to 2019 that led the recovery process. The number of domestic passengers in the Q4 2022 increased more than 7 times compared to the same period in 2021, higher than the Pre Covid-19 period.



**02** On February 25, 2022, within the framework of the President Nguyen Xuan Phuc's visit in Singapore, Sovico Group, Vietjet and Changi Airports International - an international entity of Changi Airport Group signed a Memorandum of Understanding on strategic cooperation with a value of USD 1.5 billion to develop the aviation services provision at the airports in Vietnam and in the region.

**03** On February 25, 2022, ST Engineering signed a contract for comprehensive Maintenance-By-the-Hour (MBH™) for Vietjet's entire aircraft. The signing ceremony took place within the framework of the President Nguyen Xuan Phuc's visit in Singapore. Accordingly, ST Engineering would provide Vietjet with a comprehensive support solutions package for aircraft equipment maintenance, including equipment supplies, repairs, overhaul, upgrades, improvement, supplies storage for the main maintenance stations, equipment status monitoring and logistics services for the airline's entire fleet.



**04** On the occasion of Prime Minister Pham Minh Chinh's attendance at the ASEAN-US Special Summit for an official working visit to the United States, the United Nations, Sovico, Vietjet, and HDBank delegations had working activities and reached important cooperation agreements.

Vietjet and UPS - the world's leading shipping and logistics group have signed an agreement to transport international goods through the extensive regional, global network and the delivery infrastructure from both parties.

**05** Vietjet welcomed two additional wide-body Airbus A330 aircraft, increasing the number of wide-body aircraft to 3 to meet the strategy to expand and develop the international mid-range route network. In 2022, Vietjet has opened more than 20 new routes, mainly focusing on the India market to connect economic and tourism centers including New Delhi, Mumbai, Hanoi and Ho Chi Minh City. As of December 31, 2022, Vietjet operated a total of 103 routes.



**06** Vietjet and Boeing - the world's leading aircraft manufacturer have reached an agreement on restructuring and continuing to implement the contract order of 200 Boeing 737 aircraft which was previously announced by both parties. The agreement was signed at the Farnborough International Airshow 2022.



**07** Vietjet and Rolls-Royce Corporation signed a contract to supply Trent 700 engines and TotalCare® services for technical, maintenance and comprehensive support for 10 A330 aircraft which worths \$400 million. The contract was signed at the Farnborough International Airshow (United Kingdom).

**08** Launching the project named "Creating a Digital Workspace at Vietjet" which was cooperated with Base Enterprise. This project implementation would provide the best solutions by quickly and flexibly responding to the requirements as well as the operational processes at work in order to digitize and improve working efficiency, especially in the digital transformation period at Vietjet.



**09** In 2022, Vietjet cooperated with Airbus in installing the third SIM chamber - a modern cockpit simulator for A320/A321 aircraft. It is expected that the installation will be completed and put into training at the end Q1.2023, making VJAA become one of the largest aviation training organizations in Vietnam and in the region as well as being the Airbus-only conversion center consisting the largest number of Airbus A320 simulators in Vietnam.

**10** Vietjet and FPT organized a closing ceremony to review the SAP S4/HANA system project implementation in December 2022, marking a new progress in the digital transformation process. With the SAP S4/HANA system, Vietjet would be able to simplify the processes, create a seamless management system.

# 2022 HIGHLIGHTS AND PROMINENT AWARDS

## 2022 PROMINENT AWARDS



The best value airline for global customers 2022



Asia Pacific Low Cost Airline of the Year – Center for Asia Pacific Aviation (CAPA)



Best listed companies in Vietnam – Forbes



Best places to work in Vietnam – Anphabe and Market Research Intage



Best low-cost airlines in the world in 2022



The world's best super-saving airline in 2020



Most valuable enterprise brands in Vietnam – Brand Finance



Best place to work in Asia 2019 - HR Asia Awards



The best new Fintech product in 2022 'Fly Now - Pay Later' cooperated with MOVI



Best airlines in the world in terms of operational and financial health indicators



Most effective companies in Vietnam - Nhip Cau Dau Tu Magazine



Best Brand in Asia - CMO Asia



The airline that brings the best value to customers in Asia 2022



Best low-cost airline in Vietnam - SkyTrax 2019 World Airline Awards



Enterprises with the best management capacity on the Vietnam stock exchange - VCCI



Merit Certificate from the Government for the contributions to the community - Prime Minister Nguyen Xuan Phuc



The airline with the best flight attendant service in Asia 2022



The airline with the fastest growth in tourists - Vietnam National Administration of Tourism



Stocks of listed companies with the best sustainability development score - HOSE



Best Cargo Airline of the Year



Best Low-Cost Airline in Vietnam - World Airline Awards in 2022



Best airline in Southeast Asia in 2019 - ASEAN Business Advisory Council (ASEAN - BAC)



Reputable listed companies - Vietnam Report



Low-Cost Airline with Best Cargo Operations of the Year



For the fourth year in a row since listing on the stock exchange, Vietjet was voted in the TOP50 list with the prestigious "billion dollar" brands in the country



Service Quality Brand - Korea Prestigious Brand Award 2019



Low-cost airlines - Smart travel asia



Safest low-cost airlines in the world in 2022



The Ministry of Culture, Sports and Tourism awarded a Certificate of Merit to Vietjet in recognition of Vietjet's contributions in tourism development activities

## OUR FORMATION AND DEVELOPMENT



# BUSINESS LINES AND ROUTE NETWORK

## BUSINESS LINES

Vietjet's core business is to provide passenger and cargo transportation services on the domestic and international routes in addition to the related support services that focus on 5 main groups:

### AIR TRANSPORTATION SERVICES

- » Domestic, international passengers and cargo
- » Tourism advertisement and organization



### ANCILLARY SERVICES

- » In-flight seat selection
- » Food pre-ordering
- » Luggage services
- » Duty-free product selling
- » Travel insurance
- » Shuttle bus from the airport to the city center services



### AIRCRAFT COMMERCIAL ACTIVITIES

- » Aircraft purchasing, selling
- » Leasing, renting aircraft
- » Aircraft transferring



### AIR FREIGHT DIRECT SUPPORT SERVICES

- » Ground services
- » Technical assistance
- » Periodic and irregular aircraft maintenance
- » Aircraft spare parts supply services
- » Aircraft fuel supply services



### AVIATION TRAINING

- » Pilots training
- » Flight attendants training
- » Technicians and support personnel training



In order to improve the business efficiency and bring the best customers experience on every flight, Vietjet has actively built and gradually completed the Company's closed service value chain from ordering aircraft to ticket agents in order to serve customers' demand during the formation and development over the past 15 years, specifically:

## UPSTREAM ACTIVITIES

### MANUFACTURER

Vietjet has established strategic relationships with Airbus and Boeing - the world's two largest civil aircraft manufacturers, through signing strategic cooperation, highly valuable commercial contracts with embedded incentives.

### AIRCRAFT LEASING

Vietjet has established subsidiaries in countries that imposed preferential tax policies and comprehensive regulations related to the commercial activities and aircraft leasing activities to perform transactions.

### AIRPORT SERVICES

Vietjet is always seeking for investment opportunities to proactively provide ground services at airports, payment services, repair services and specialized aviation training.

### AIRPORTS/ TERMINALS

Vietjet undertakes leasing or investing partially on the terminals at major airports: Tan Son Nhat and Noi Bai to proactively and better serve the customers as well as to save cost.

## CORE ACTIVITIES

### AIR TRANSPORTATION

Passenger and cargo transportation services are the core segment adhering to the airline's consistent direction from the early establishment day until today, including ancillary activities for passengers.

## DOWNSTREAM ACTIVITIES

### DISTRIBUTION SERVICES

Vietjet has invested in high-tech forwarding companies to serve its closed service processes, including agents across the country with smart web and mobile applications.

# BUSINESS LINES AND ROUTE NETWORK

## PRODUCTS AND SERVICES

### SKYJOY – Accumulating points on every flight



Vietjet’s brand new loyalty program with unlimited redemption from Vietjet air tickets. Members are able to earn SkyPoints based on the total spending on airfares and purchased ancillary services. The accumulated SkyPoint point is calculated based on the membership class and the flight ticket class that the member selects. SkyPoint calculation = (Eligible spending amount/ 10,000) x SkyPoint accumulation rate that corresponds to the membership class and selected flight ticket class.



### Diverse in-flight cuisine



Vietjet has offered an in-flight food diversity including 9 hot dishes, ready-to-eat dishes, different snack and more than 20 European and Asian style of hot and cold drinks being prepared by 5-star restaurant chefs. Passengers can request vegetarian dishes or special diet dishes. The menu also is also modified by seasonality.



### SKYBOSS – Wings for Leaders



It is Vietjet’s premium airline service. Vietjet offers modern and luxurious lounges exclusively for SkyBoss passengers. Being fully-equipped with convenient services, passengers are able to relax, entertain or work within a private space. In addition to the flight information screen, the lounge also includes utilities such as diverse buffet counters, bars, newspapers/magazines, complimentary Internet/Wi-Fi and others to serve the business and leisure demands from passengers:

- » Priority at check-in;
- » Access to luxury lounge;
- » Priority for seat selection;
- » Flight ticket is eligible for schedule changes;
- » Private shuttle service between the departure or arrival gate and the aircraft;
- » Complimentary food & beverage are served onboard;
- » 30kg of checked baggage and 1 golf club set.



### In-flight entertainment



Vietjet has deployed many entertainment activities and interactions with on-board passengers such as Carnival style dancing, Gangnam style dancing and in-flight wedding ceremony, etc. with famous artists’ participation. Moreover, during the holidays, Vietjet also organized gift-giving programs, for example, New Year’s lucky money, Christmas gifts and special gifts for women and children along with the free airfare programs for customers.



### “Fly Now - Pay Later” MOVI - Vietjet



“Fly Now - Pay Later” is a unique synthesis between the new-generation airline Vietjet’s flight service and consumer finance solutions from the MOVI Welfare Program. The services included many benefits to ease customers in registering, booking and paying for the tickets.

- » Pay later, credit limit related to airfare is provided up to VND 10 million;
- » Flexible selection of installment terms up to 6 months;
- » Simplified paperwork (only ID card is required);
- » Register and pay online in only 3 minutes;
- » Installment fees at no cost in the first payment period.



### Marketing and sales



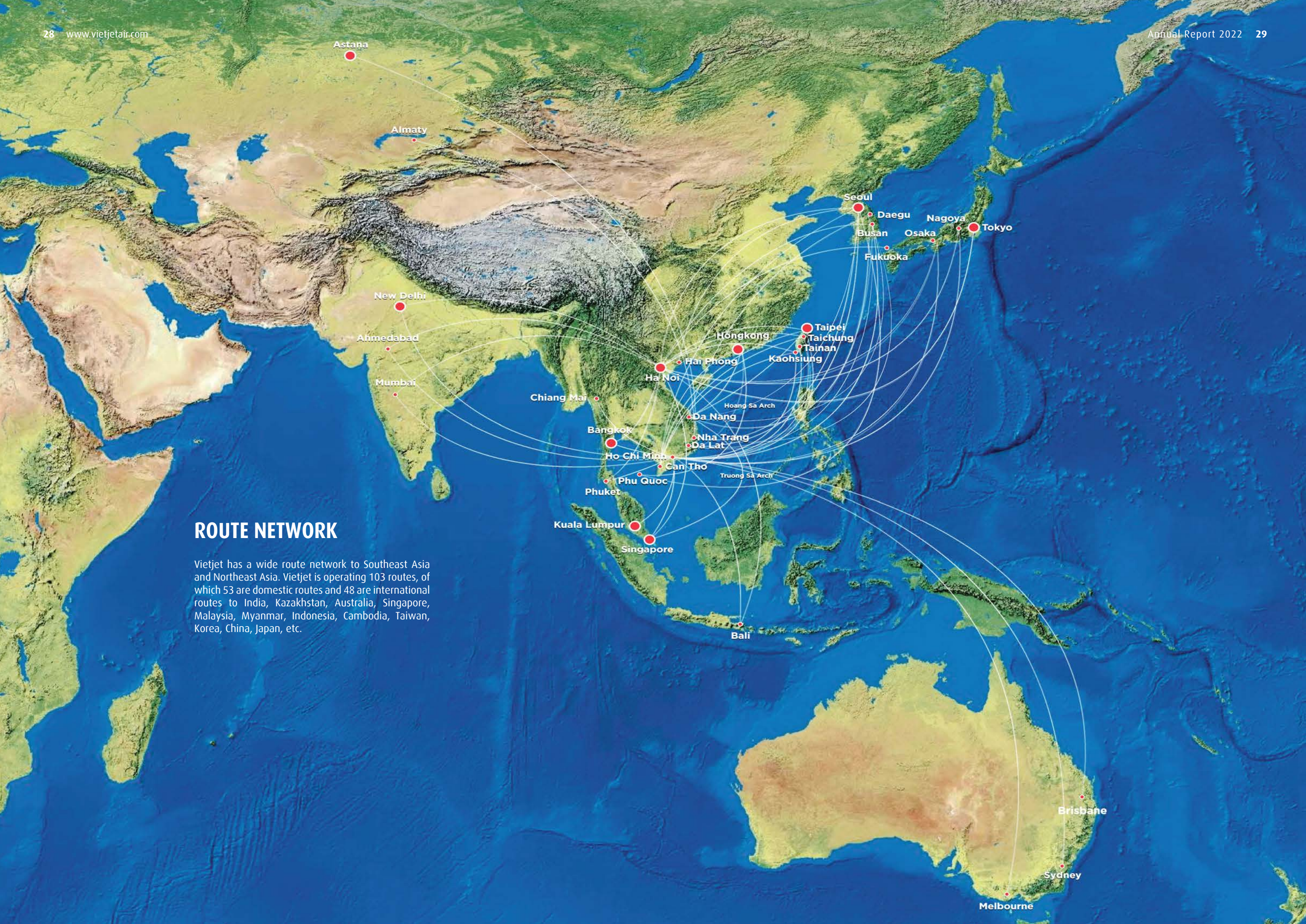
Vietjet has the following major distribution channels:

- » Internet and mobile phones;
- » Ticket sales agents;
- » Vietjet’s ticket office;
- » Vietjet’s call center;
- » Retailers and associated banks connecting with more than 3,000 transaction points.



## ROUTE NETWORK

Vietjet has a wide route network to Southeast Asia and Northeast Asia. Vietjet is operating 103 routes, of which 53 are domestic routes and 48 are international routes to India, Kazakhstan, Australia, Singapore, Malaysia, Myanmar, Indonesia, Cambodia, Taiwan, Korea, China, Japan, etc.



# BUSINESS LINES AND ROUTE NETWORK

## VIETJET'S AIRCRAFT FLEET

Vietjet owns a new, modern, young and synchronous aircraft fleet that includes

**18**  
A320s

**36**  
A321ceos

**18**  
A321neos

**03**  
A330s



AIRBUS A330 (3)

**365 - 377**  
Number of seats

The Airbus A330 is a wide-body, twin-engine, single-deck, twin-aisle airliner developed and manufactured by the aircraft manufacturer Airbus. The A330 can fly within a range of 5,000 to 13,430 km, accommodating up to 377 passengers or carrying 70 tons of cargo.

AIRBUS A320 (18)

**180**  
Number of seats

Provide a versatile cabin that can be configured to accommodate the seat capacity of up to 180 passengers.

» The A320ceo shares the same digital flight control system and cabin management system. This consistency makes it easy for pilots and crew to coordinate and focus on taking care of the passengers. At the same time, training cost and maintenance cost can be minimized.



AIRBUS A321NEO (18)

**230 - 240**  
Number of seats

Advanced technology of the new-generation engine (PW-1133GA-JM) combined with Airbus's Sharklets design helps to increase the range up to 500 nm (900 km) or the payload by 2 tons. The "Sharklets" design on the wings and the fuel tanks provides an outstanding environmental performance with 20% lower fuel burn per aircraft per seat and 5,000 tons less CO2 per year.



AIRBUS A321CEO (36)

**220**  
Number of seats

Airbus A321ceo is the most efficient narrow-body aircraft that is available today which helps to save fuel, reduce emission and keep noise to a minimum. The A321ceo is 146 feet longer than the A320. The aircraft is able to provide more seats and cargo space which increases the passenger's comfort while travel.

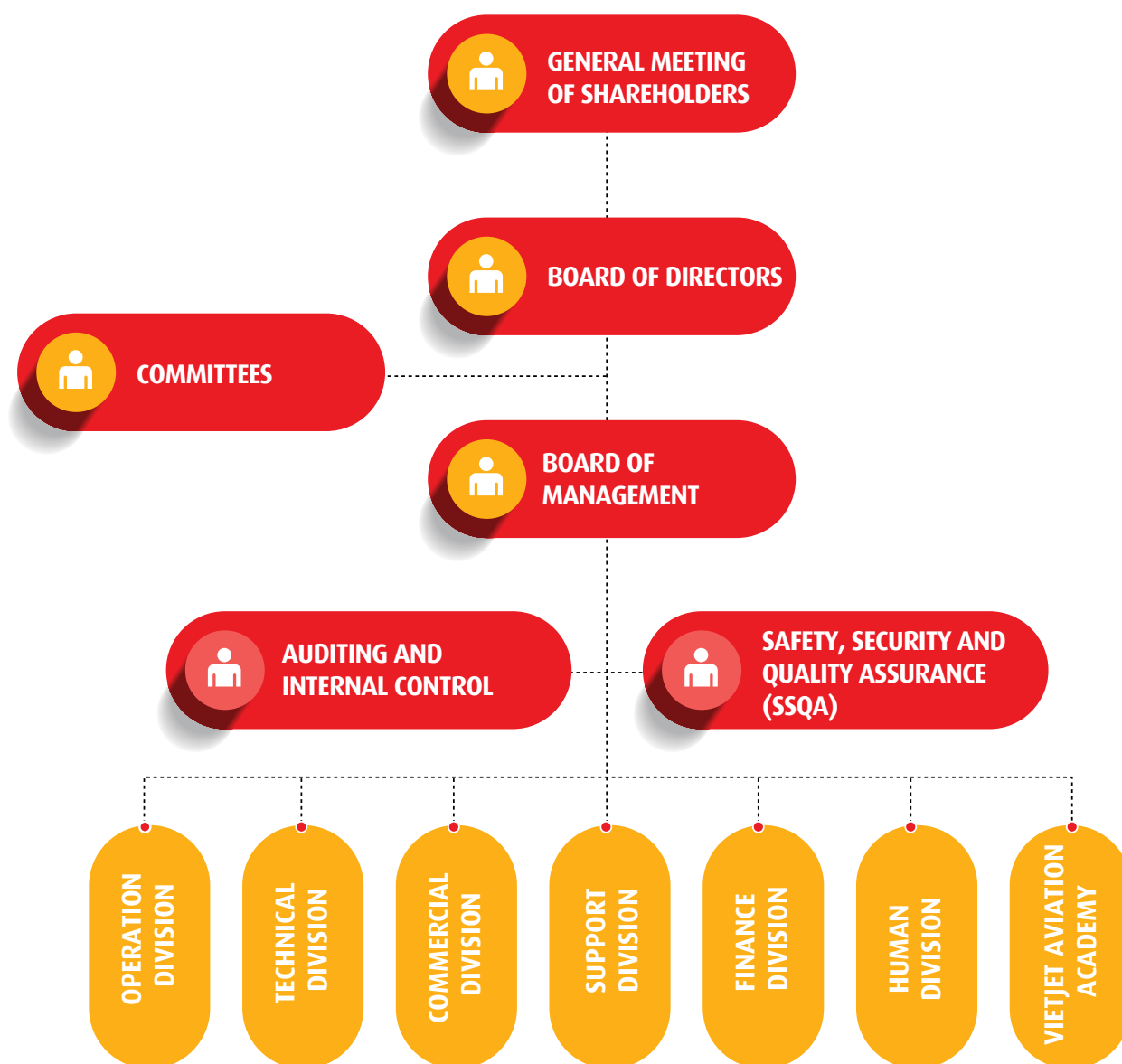




## GOVERNANCE MODEL AND MANAGEMENT STRUCTURE

### ORGANIZATIONAL AND MANAGEMENT CHART

Vietjet Aviation Joint Stock Company operates under the governance model built and organized according to Point b, Clause 1, Article 137 of the Enterprise Law 2020, including the General Meeting of Shareholders, the Board of Directors, and the President.



### SUBSIDIARIES AND AFFILIATES

Company Name	Place of Establishment	Main business lines	Charter capital (VND)	Ownership rate
<b>DIRECTLY-OWNED SUBSIDIARIES</b>				
Vietjet Air IVB No. I Limited	British Virgin Islands	Trading and leasing aircraft and aircraft spare parts	-	100%
Vietjet Air IVB No. II Limited	British Virgin Islands	Trading and leasing aircraft	-	100%
Vietjet Air Singapore Pte. Ltd	Singapore	Aircraft-related trading	-	100%
Vietjet Air Ireland No. 1 Limited	Ireland	Trading and leasing aircraft	-	100%
Galaxy Pay Co., Ltd	Vietnam	Providing intermediate payment services	50,000,000,000	100%
Vietjet Ground Services LLC	Vietnam	Providing direct support services for air freight	100,000,000,000	100%
Swift 247 Joint Stock Company	Vietnam	Providing freight forwarding and related support services	47,000,000,000	67%
<b>INDIRECTLY-OWNED SUBSIDIARIES</b>				
Skymate Limited	Cayman Islands	Aircraft-related trading	-	100%
VietJetAir Cargo Joint Stock Company	Vietnam	Provide freight services and related support services	10,000,000,000	64%
<b>AFFILIATES</b>				
Thai Vietjet Air Joint Stock Co. Ltd.	Thailand	Providing freight, passenger transportation and other related services	177,031,200,000	9%
Cam Ranh International Terminal Joint Stock Company	Vietnam	Provide direct support services to the air freight industry	750,000,000,000	10%

## INTRODUCTION TO THE BOARD OF DIRECTORS



**MDM. NGUYEN THANH HA**  
*Chairwoman of the Board of Directors*

- **Year of birth:** 1950
  - **Position:** Chairwoman of the Board of Directors since 2007.
  - **Qualification:** Master of Economics, Bachelor of Physics, Hanoi University, Bachelor of Economics from National Economics University.
  - **Share ownership:** 297,984 VJC shares, accounting for 0.06% of Charter Capital.
- She is one of Vietjet's Founding Members and was elected as the Chairwoman of the Board in 2007. She is an expert, an experienced manager in the aviation industry in Vietnam.
- Before joining Vietjet, she was the Deputy Director of the Civil Aviation Authority of Vietnam where she worked from 1999-2005. Before, she was the Head of Investment Planning Department of Vietnam Airlines Corporation and the Head of Labor and Salary Department under the Ministry of National Defense.
- **Position in another organization:** None



**MDM. NGUYEN THI PHUONG THAO**  
*Vice Chairwoman of the Board of Directors*

- **Year of birth:** 1970
  - **Position:** Vice Chairwoman of the Board of Director, since 2007.
  - **Qualification:** Doctor of Mendeleev Academy, Bachelor of Commerce Moscow Academy, Bachelor of National Economic School of Moscow, Founding Member of Russian Academy of Systematic Studies.
  - **Share ownership:** 447,470,914 VJC shares, accounting for 8.76% of Charter Capital.
- She is one of Vietjet's Founding Members and was elected as the Vice President since 2007 and is currently the President & CEO of the Company. She also joined HDBank in 2008 and is currently the Standing Vice Chairwoman of the HDBank's Board of Directors who presides over innovation and reform programs at HDBank, bringing HDBank to gradually become one of the leading commercial banks in Vietnam. Before joining HDBank, she was a founding member of several commercial banks in Vietnam.
- **Position in another organization:**
    - » Standing Vice Chairwoman of HDBank.
    - » Chairwoman, General Director of Sovico Group JSC.
    - » Chairwoman of the Board of Directors of Sovico Aviation JSC.
    - » Chairwoman of the Members' Council of Galaxyone Co., Ltd.
    - » Chairwoman of the Members' Council of Sunflower Sunny Investment Co., Ltd.



**MR. DINH VIET PHUONG**  
*Member of the Board of Directors*

- **Year of birth:** 1969
  - **Position:** Member of the Board of Directors since 2017.
  - **Qualification:** Doctor of Transportation from Moscow National Academy, Master of Business Administration from France CFVG in Vietnam, Engineer Degree from Vietnam Maritime University.
  - **Share ownership:** 657,000 VJC shares, accounting for 0.12% of Charter Capital.
- He was the Vice President in charge of the business development for Vietjet since 2012. Before that, he was the Deputy General Director, Member of the Board of Directors of Vietnam Automobile Industry Corporation (Vinamotor) since 2006. He was also a former Head of Representative Office of Sovico in Vietnam, Deputy General Director in charge of investment activities of Sovico Joint Stock Company, Member of the Board of Directors of Petroleum Trading Joint Stock Company (Petechim JSC) and Member of the Board of Directors of Dai A Commercial Joint Stock Bank.
- **Position in another organization:** None



**MR. NGUYEN THANH HUNG**  
*Member of the Board of Directors*

- **Year of birth:** 1967
  - **Position:** Member of the Board of Directors since 2007.
  - **Qualification:** Doctor in automation from the Academy of Sciences of the Russian Federation. Electromagnetic Engineer Degree from Kharkov State University of Ukraine.
  - **Share ownership:** 55,358,076 VJC shares, accounting for 0.99% of Charter Capital.
- He is the Founding Chairman of the Board of Directors of Sovico Group specializing in investments in the fields of Finance, Banking, Real Estate Investment and Hospitality, Aviation, Electricity and Energy. He is also a Member of the APEC Business Advisory Council (ABAC Vietnam) approved by the Prime Minister of Vietnam in 2006 and was honored as a Young Global Leader at the World Economic Forum in Davos, Switzerland in 2007.
- **Position in another organization:**
    - » Vice President of Vietnam - Japan Business Forum.
    - » Member of the Executive Committee of the Vietnam - USA Friendship Association.

## INTRODUCTION TO THE BOARD OF DIRECTORS



### MR. DONAL JOSEPH BOYLAN

*Vice Chairman of the Board of Directors - Independent Member of the Board of Directors*

- **Year of birth:** 1960
  - **Position:** Independent Member of the Board of Directors since 2019 and Vice Chairman of the Board of Directors since May, 2022.
  - **Qualification:** Bachelor at University College Dublin. Certificate in Management Accounting, Harvard School of Business Excellence Leadership Program.
  - **Share ownership:** 0 VJC shares, accounting for 0% of Charter Capital.
- He has over 30 years of experience in senior technical and commercial positions in the aerospace industry including aircraft manufacturers, airlines and lessors. He served as General Director of Bohai Leasing Co., Ltd, Hong Kong Aviation Capital Company, Non-Executive Chairman of Niche Group Plc, Director of Odyssey Aviation and Head of Corporate Banking for Aviation and Defence of the Royal Bank of Scotland.
- **Position in another organization:**
    - » Founding member of – BCAP Holdings.



### MR. LUU DUC KHANH

*Member of the Board of Directors*

- **Year of birth:** 1960
  - **Position:** Member of the Board of Directors since 2011.
  - **Qualification:** Master of International Business Administration, University of New England, Master of Banking, Bachelor of Economics, University of Economics in Ho Chi Minh City.
  - **Share ownership:** 904,440 VJC shares, accounting for 0.17% of Charter Capital.
- He was in the CEO role of Vietjet from 2011 to October 2020 and also a dedicated Vice Chairman of the Board of Directors of HDBank since 2009. He is an experienced professional with more than 30 years of holding senior positions in large entities such as: Director of Sovico Joint Stock Company, General Director of ABBank, Deputy General Director of Techcombank, Chief Strategy Officer of HSBC and Deputy General Director - CCL Saigon Company.
- **Position in another organization:**
    - » Vice Chairman of the Board of Directors of HDBank.
    - » Member of the Board of Directors of Saigon Ground Services Company (SGN).



### MR. NGUYEN ANH TUAN

*Independent Member of the Board of Directors*

- **Year of birth:** 1960
  - **Position:** Independent Member of the Board of Directors since 2022.
  - **Qualification:** Master of Economics from Colorado Institute of Economics (USA), Master of Business Administration from University of Hawaii, Master of Business Administration from Asian Institute of Technology - AIT.
  - **Share ownership:** 0 VJC shares, accounting for 0% of Charter Capital.
- He has many years of experience in oil & gas services, oil & gas technology and insurance. He used to hold the position of Chairman of the Board of Directors of PetroVietnam Insurance Joint Stock Company (PVI), a member of the Vietnam Oil and Gas Group. Together with members of PVI's Management Board, Mr. Nguyen Anh Tuan has made a great contribution in restructuring PVI according to the financial insurance group model and rebuilding the governance model with the international standard, helping PVI to become one of the first enterprises in Vietnam to carry out an equitization in 2006 and to be listed on the stock exchange in 2007.
- **Position in another organization:**
    - » Vice President of HDI Insurance Company, under Sovico Group.



### MR. CHU VIET CUONG

*Member of the Board of Directors*

- **Year of birth:** 1961
  - **Position:** Member of the Board of Directors since 2017.
  - **Qualification:** Master of International Economics from the University of Sussex (UK), Master of Science from Kharkov University (Ukraine), Master of Business Administration from MIT (USA).
  - **Share ownership:** 68,000 VJC shares, accounting for 0.01% of Charter Capital.
- He was the Chairman of Dai A Commercial Joint Stock Bank, General Director of the Joint Venture of BNP Paribas and Prevoir, Deputy General Director of Prudential Vietnam Insurance Co., Ltd., Head of Division in charge of E-Banking, Personal Banking of ANZ Banking Branch in Vietnam, Deputy General Director of Vietnam Center for Socio-Economic Development, Assistant General Director of Marubeni Corporation of Japan and former Officer of Southeast Asia Institute.
- **Position in another organization:**
    - » Member of the Board of Directors of Sovico Joint Stock Company.

## INTRODUCTION TO THE BOARD OF MANAGEMENT



### MDM. NGUYEN THI PHUONG THAO

*Chief Executive Officer*

- **Year of birth:** 1970
- **Position:** Chief Executive Officer since 2007.
- **Qualification:** Doctor of Mendeleev Academy, Bachelor of Commerce Moscow Academy, Bachelor of National Economic School of Moscow, Founding Member of Russian Academy of Systematic Studies.
- **Share ownership:** 47,470,914 VJC shares, accounting for 8.76% of Charter Capital.

She is one of Vietjet's Founding Members and was elected as the Vice President since 2007 and is currently the President & CEO of the Company. She also joined HDBank in 2008 and is currently the Standing Vice Chairwoman of the HDBank's Board of Directors who presides over innovation and reform programs at HDBank, bringing HDBank to gradually become one of the leading commercial banks in Vietnam. Before joining HDBank, she was a founding member of several commercial banks in Vietnam.



### MR. DINH VIET PHUONG

*Vice President  
cum Managing Director*

- **Year of birth:** 1969
- **Position:** Vice President since 2012 and Managing Director, 2020.
- **Qualification:** Doctor of Transportation from Moscow National Academy, Master of Business Administration from France CFVG in Vietnam, Engineer Degree from Vietnam Maritime University.
- **Share ownership:** 657,000 VJC shares, accounting for 0.12% of Charter Capital.

He was the Vice President in charge of the business development for Vietjet since 2012. Before that, he was the Deputy General Director, Member of the Board of Directors of Vietnam Automobile Industry Corporation (Vinamotor) since 2006. He was also a former Head of Representative Office of Sovico in Vietnam, Deputy General Director in charge of investment activities of Sovico Joint Stock Company, Member of the Board of Directors of Petroleum Trading Joint Stock Company (Petechim JSC) and Member of the Board of Directors of Dai A Commercial Joint Stock Bank.



### MDM. HO NGOC YEN PHUONG

*Vice President  
cum Chief Financial Officer*

- **Year of birth:** 1967
- **Position:** Vice President cum CFO since 2018.
- **Qualification:** Master of International Accounting and Finance Swinburne University - Australia. Bachelor of Accounting in Import-Export at Foreign Trade University. In addition, the Certificate of Chief Accountant, American Accounting Certificate, Certificate of The Linkage 20 Conversations for Leadership issued by the prestigious Harvard University of the United States, Certificate of Securities and Capital Markets and Certificate of Import-Export Business..
- **Share ownership:** 0 VJC shares, accounting for 0% of Charter Capital.

She has over 25 years of experience in holding the position of senior leadership in charge of Finance, Accounting, Auditing at corporations, large-scale domestic and foreign companies. Before joining Vietjet, she was the Head of Finance Department of Vietnam National Oil and Gas Group (PVN) cum Member of the Board of Directors of PV Drilling, Deputy General Director of Finance of PV Drilling, Chairwoman of the Board of Directors of PVD Deepwater, Standing Vice Chairman of PVD Baker Hughes Well Technical Joint Venture Company. Before, she held the position of Chief Financial Officer (CFO) at SKT- STelecom (Sfone), CFO - VMEP SYM Company and Financial Controller (Financial Controller) of Holcim Vietnam Company.

## INTRODUCTION TO THE BOARD OF MANAGEMENT



**MR. MICHAEL HICKEY**  
Vice President cum Chief Operations Officer

- **Year of birth:** 1963
- **Position:** Vice President cum COO since 2022.
- **Qualification:** Master of Aviation Safety Administration from University of London.
- **Share ownership:** 0 VJC shares, accounting for 0% of Charter Capital.

With over 40 years in the aviation industry, Michael Hickey is an experienced senior professional with unique skills in Commercial, Engineering and Flight Operations. The experience and knowledge were gained mostly from his over 30 years of working with Ryanair until it became Europe's largest low-cost airline. Michael has demonstrated a unique ability in growing successfully and safely a large organization as well as supporting infrastructure within limited financials while still delivering operational efficiency to save millions of dollars.



**MR. NGUYEN THANH SON**  
Vice President

- **Year of birth:** 1971
- **Position:** Vice President since 2018 in charge of Commercial and Marketing.
- **Qualification:** Master of Business Administration, Bachelor of Economics from Ho Chi Minh City University and Certificates in Leadership, Coaching, and Creative Thinking.
- **Share ownership:** 74,000 VJC shares, accounting for 0.01% of Charter Capital.

Mr. Nguyen Thanh Son is the Company's Vice President in charge of commercial activities including flight-related product development, distribution channels as well as promotional activities and revenue management. Mr. Son was appointed as Vice President of Commercial on April 1, 2018. Mr. Son has more than 20 years of experience in the commercial area at both domestic and international airlines. Mr. Son graduated with a Master's degree in Business Administration from the University of Economics in Ho Chi Minh City.



**MR. TO VIET THANG**  
Vice President

- **Year of birth:** 1968
- **Position:** Vice President since 2014 in charge of Safety, Security Quality and Assurance.
- **Qualification:** Aeronautical Engineer (with distinction) from Czech Technical University, Certificate of IATA, Lufthansa and AQS in safety, security, airline administration and quality assurance management.
- **Share ownership:** 142,500 VJC shares, accounting for 0.026% Charter Capital.

He is the Vice President and Head of the company's Safety, Quality and Assurance (SSQA) Division. He is the Project Manager to help the company achieve IOSA certification and become a member of IATA. He has nearly 20 years of experience in the aviation industry, including his time at Vietnam Airlines. He graduated with an aeronautical engineer degree from the Technical University of the Czech Republic with distinction, obtained IATA, Lufthansa and AQS certificates related to safety, security, airline management and quality assurance management.



## INTRODUCTION OF DEPUTY GENERAL DIRECTOR IN CHARGE OF EXPERTISE



**MR. LUONG THE PHUC**  
Vice President

- **Year of birth:** 1948
  - **Position:** Vice President since 2011, in charge of managing human resources, in charge directly of Vietjet Aviation Academy and Ground Services Company.
  - **Trình độ:** National Defense Academy, Bachelor of Business Administration from University of Economics Ho Chi Minh City and training courses from INSEAD School of Economics (France) and Pilot Training School of the Russian Federation.
  - **Share ownership:** 0 VJC shares, accounting for 0% of Charter Capital.
- He is the Vice President in charge of operations with more than 30 years of experience in the aviation industry in Vietnam. Before joining the company, Mr. Phuc served in the Vietnam Air Force and was the Vietnam Air Force Academy's Director. He used to work for 16 years at Vietnam Airlines with the position of the Permanent Deputy General Director. He held the position of President of Pacific Airlines for around 10 years. He was trained as a Military pilot at the Russia Federation's pilot training school. He graduated from National Defense Academy, Bachelor of Business Administration from University of Economics Ho Chi Minh City, and training courses from INSEAD School of Economics, France.



**MDM. NGUYEN THI THUY BINH**  
Vice President

- **Year of birth:** 1973
  - **Position:** Vice President since 2013 in charge of managing activities of Thai Vietjet.
  - **Qualification:** Master of Business Administration, National Economics University and University of Brussels, Bachelor of Foreign Languages, Hanoi University of Foreign Languages, Bachelor of Science and Technology.
  - **Share ownership:** 170,000 VJC shares, accounting for 0.03% of Charter Capital.
- She is the Company's Vice President in charge of commercial development strategy and market expansion, developing the brand value of the company in both domestic and international markets. She has many years of experience in the media industry and has successfully brought the Global Mobile Marketing Association's annual activity event to Vietnam since 2012 contributing to the development of modern media in Vietnam. In 2008, she was the Deputy General Director of Commercial Jetstar Pacific. She graduated with a Bachelor of Science in Russian and English from Hanoi University of Foreign Languages, a Bachelor of Electronics and Telecommunications from Hanoi University of Science and Technology and a Master of Business Administration -Vietnam-Belgium cooperation program between the National Economics University and the University of Brussels.



**MR. NGUYEN THAI TRUNG**  
Vice President

- **Year of birth:** 1960
  - **Position:** Vice President since 2022.
  - **Qualification:** Bachelor in aircraft pilot, assisting Deputy General Director of Operations in operating management.
  - **Share ownership:** 0 VJC shares, accounting for 0% of Charter Capital.
- Mr. Nguyen Thai Trung is currently Vice President of the Company according to the appointment decision No. 12-22/VJC-HĐQT-QĐ dated May 31, 2022. He used to hold many positions such as: Vice President of Flight Operations Board; Head of Flight Training Center, Head of Safety - Quality - Security Department; Director of Aviation Services Company (VASCO); Deputy General Director in charge of flight safety of Vietnam Airlines.



## INTRODUCTION OF DEPUTY GENERAL DIRECTOR IN CHARGE OF EXPERTISE



**MR. DO XUAN QUANG**  
Vice President

**Year of birth:** 1962

**Position:** Vice President since 2014 in charge of anaging the freight business and foreign affairs.

**Qualification:** Master of Business Administration from Maastricht University (Netherlands), Master of Laws from the Institute of State and Law, Bachelor of Laws from Kishinev University (formerly USSR).

**Share ownership:** 20,240 VJC shares, accounting for 0.004% of Charter Capital.

He is the Vice President in charge of cargo transportation. Mr. Quang has more than 27 years of experience in the field of air cargo transportation and commercial operation. In the period 2010 - 2015, he was the Chairman of the Vietnam Association of Logistics Service Enterprises and currently holds the position of Standing Vice President. In the period 2012-2015, he was the Chairman of the Southeast Asian Freight Forwarding Association (AFFA). Mr. Quang graduated with a Bachelor of Laws from the Kishinev University (formerly USSR) in 1989, a Master of Laws from the Hanoi Institute of State and Law in 2002, a Master of Business Administration from Maastricht University - 2004.



**MR. NGUYEN DUC THINH**  
Vice President

**Year of birth:** 1961

**Position:** Vice President since 2014 in charge of managing the Northern and Central Offices, Vietjet Offices in the US and Europe.

**Qualification:** Master in Civil Aeronautical Engineering, Master of Business Administration and IATA Diplomas in Aeronautical Engineering and Certificates in Leadership and Aeronautics.

**Share ownership:** 420,000 VJC shares, accounting for 0.08% of Charter Capital.

He is the Vice President in charge of the company's technical and maintenance activities, including the area of material storage and supply, planning department, Technical maintenance center, maintenance planning, production planning and production management. He has 30 years of experience in aviation engineering and 25 years of experience in aircraft maintenance at Vietnam Airlines. He holds a Master's degree in Civil Aviation Engineering, a Master of Business Administration and IATA certificates related to aeronautical engineering.



02

**EXPANDING  
ROUTE NETWORK  
ACROSS 5 CONTINENTS**





## OVERVIEW OF THE WORLD AVIATION INDUSTRY IN 2022

It is expected that the total air transport market in 2023 will reach

80

Million passengers

1.44

Million tons of cargo



THE GLOBAL AVIATION INDUSTRY IS UNDER A RECOVERY PROGRESS AND IT IS EXPECTED TO CONTINUE TO BE SUPPORTED BY ENHANCED PANDEMIC PREVENTION MEASURES WHICH HELPS TO RESTORE PASSENGER'S CONFIDENCE AND TO GROW TRAVELING DEMAND FOR THE FUTURE.

According to the Global Outlook report for the air transportation released by the International Air Transport Association (IATA) in December 2022, the average domestic air connectivity of all the countries has recovered approximately 89% compared to the pre-Covid-19 level, while the international air connectivity is recently around 68% compared to 2019. The global aviation industry was severely impacted by the Covid-19 pandemic, leading to a reduction in passenger volume of 60% in 2020 and a further reduction of 50% in 2021. However, the current number of passengers using air transportation services has recovered about 70.6% compared to pre-pandemic level. At the same time, the volume of goods transported

by aviation mode has surpassed the level that was achieved in 2019, up 11.7%. With this positive recovery, the net loss of airlines in 2022 was expected to decrease approximately \$6.9 billion, lower than the forecasted USD 9.7 billion being announced by IATA in June 2022. The 2022 loss was also significantly lower than prior years when losses were \$42 billion and \$137.7 billion in 2021 and 2020, respectively.

North America was the only region in the airline industry to return to profitability in 2022. According to the forecast, airlines in this region will achieve a profit of \$ 9.9 billion in 2022 and \$ 11.4 billion in 2023. Passenger travel demand is forecasted to increase by 6.4%, while the capacity of airlines will increase by 5.5% in 2023. Besides, the pandemic prevention policies are more flexible and less restrictive. Less travel restrictions when compared to other regions have created a more favorable condition for the domestic aviation market as well as the international routes, especially across the Atlantic Ocean.

Meanwhile, European airlines were expected to record an estimated loss of \$3.1 billion in 2022. The severe conflict situation in Ukraine has significantly affected the operations in a few airports within the region. Challenges have still existed at the air transportation hubs in Europe while strikes and labor shortage in the aviation industry are still happening in many locations.

In general, the global aviation industry is under a recovery progress and it will be expected to continue to be supported by enhanced pandemic prevention measures which helps to restore passenger's confidence and to grow traveling demand for the future.

## OVERVIEW OF THE DOMESTIC AVIATION MARKET

According to information published by the International Air Transport Association (IATA) in 2022, Vietnam was ranked first in the list of 25 countries with the fastest recovery in domestic aviation market in the world. As of April 2022, the domestic air transportation market has reached the same level as the same period in 2019. A total of 69 domestic routes have been reopened, flight frequency has been increased and expanded by airlines. Due to a high demand in the summer, the number of domestic tourists has fully recovered and grew by 40-42% over the same period in 2019 in the June - August 2022 period.

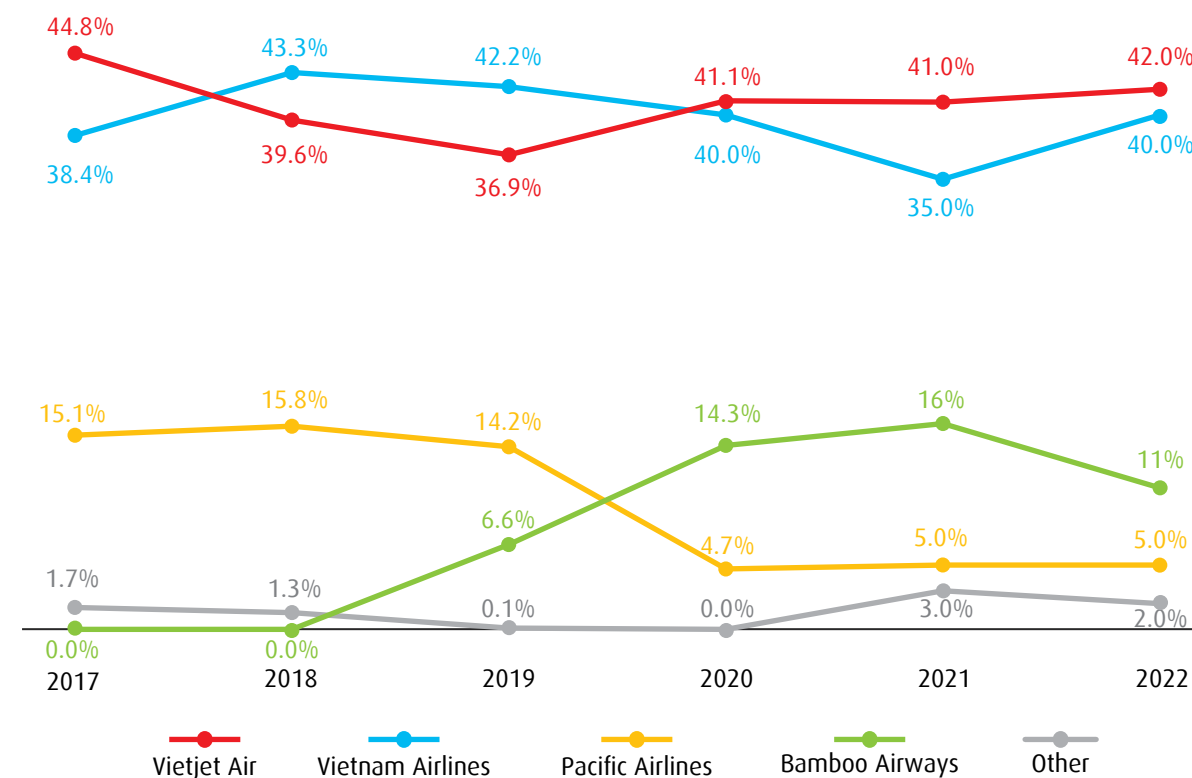
In the international market, airlines have re-opened a total of 118 routes departing from 9 airports in Vietnam to 24 countries and territories around the world,

transported 11 million international passengers, a 22 times increased as compared to 2021.

Besides increased capacity, airlines were rapidly leading to improve service quality and develop new, diverse aviation products to meet passenger demands. Because of these efforts, Vietnamese airlines have recorded a record-high revenue recently.

According to the CAAV's optimistic scenario, Vietnam's aviation industry can achieve a complete recovery by the end of 2023. It is expected that the total air transportation market in 2023 will reach to about 80 million passengers and 1.44 million tons of cargo - an increase of 45% in passenger and 15% compared to 2022, respectively.

### AIRLINE MARKET SHARE





## DEVELOPMENT ORIENTATION

### MAIN GOALS

The operations and expansions of both domestic and international flight network continue to be Vietjet’s missions in 2022. At the same time, with a focus on improving customer experience, Vietjet is committed to provide high-quality services through the implementation of comprehensive digital transformation of the Company’s management, operation and service systems. The main goals for 2022 are as follows:

- 
**Increasing operational efficiency and maintain leadership position**
  - » Focusing on maintaining domestic market share, promoting cooperation and joint ventures to expand international routes.
  - » Continuing to maintain a low-cost business model with a young fleet of aircraft in order to maximize cost savings and improve the aircraft utilization rate.
- 
**Implementing digital transformation to increase customer experience**
  - » Applying information technology and automation to sales, customer services, in-flight e-commerce and spare parts maintenance management processes to reduce at least 30% of staff operations when compared to the current rate.
- 
**Enhancing customer experience, brand recognition**
  - » Improving operational reliability such as on-time take-off time, customer service quality.
  - » Increasing customer’s direct interactions in order to understand customers’ needs and feedbacks.
- 
**Human resources**
  - » Strengthen employee’s engagement and make human become the core competitive factor.
  - » Train, improve the professional skills of each working group.
  - » Enhance open and transparent dialogues.
  - » Develop management policies and work performance evaluation.

### BUSINESS OPERATIONS STRATEGY



#### Business model

- » Operation: low-cost, safe, punctual and value-added airline.
- » Customers: focus on bringing more values to self-financed passengers, passengers with a travelling demand to visit friends and relatives.



#### Human resources

- » It is a central foundation of all the business activities and an inspiration for all creativity and innovation of Vietjet.
- » A place to convey Vietjet’s service quality and image to passengers.



#### Technology

- » It is a core foundation of all business activities in the digital age, especially artificial intelligence in the digital age and the Covid-19 pandemic took place leading to a sharp increase in technology users.
- » It is Vietjet’s competitive advantage because the Company effectively uses 4.0 Technology and applies artificial intelligence in business activities.



# DEVELOPMENT ORIENTATION

## MID AND LONG-TERM DEVELOPMENT STRATEGIES

The company sets five-year operational goals and orientations for the period 2022-2026 as follows:



### THE ORIENTATION FOR AN ENVIRONMENTALLY, SOCIALLY SUSTAINABLE DEVELOPMENT

We are proud to carry the national brand name and contribute to the growth of the domestic aviation industry as well as the mission to develop Vietnam's tourism sector. Vietjet sets a goal of a sustainable development that is closely associated with values, responsibilities to the community and society.

Our goal is to contribute to the growth of local, national and territorial communities in which Vietjet has been operating, especially promoting the image of Vietnam's tourism to reach out globally. In addition, the Company is always aware and focuses on implementing programs to protect the environment, save fuel and energy, and to perform waste management effectively while operate to minimize the negative impact on the environment.



03

**BRINGING  
THE BEST VALUE  
TO GLOBAL CUSTOMERS**



# VIETJET'S PERFORMANCE RESULTS

## OPERATING BUSINESS RESULTS

KPI	Unit	2017	2018	2019	2020	2021	2022	2022 vs. 2021
Number of flights	in thousand	97.3	118.6	137.8	76.1	40.8	116.3	185%
Number of domestic routes	routes	38	39	44	47	52	55	6%
Number of international routes	routes	52	66	85	-	33	48	45%
Block hours	hours	200,129	261,639	320,962	142,182	70,055	225,294	222%
Number of passengers	in million	16.7	21.3	23.7	12.1	5.4	20.6	283%
Available Seat Kilometers (ASK)	in million seats	22,628	31,774	40,530	18,123	9,624	30,482	217%
Load Factor (LF)	%	84%	83%	82%	74%	70%	85%	15%
On-time Performance (OTP)	%	86%	84%	86%	87%	94%	92%	N.M



**20**  
new routes

**103**  
operating routes

Vietjet carried 20.6 million passengers on more than 116,000 flights in 2022, in which domestic passenger transportation revenue was the leading factor of the recovery process with the number of domestic passengers increased by 13% compared to 2019. In Quarter 4/ 2022, the number of domestic tourists increased more than 7 times compared to the same period in 2021 which is even higher than the pre Covid-19 pandemic.

To meet the development and expansion strategies for the mid-range international route network, Vietjet expanded our wide-body fleet with 3 A330 aircraft. In 2022, Vietjet expanded to more than 20 new routes, mainly focusing on the India market, connecting economic-tourism centers such as New Delhi, Mumbai, Hanoi and Ho Chi Minh City. As of December 31, 2022, Vietjet had a total of 103 operating routes.

## THE BUDGETED VS ACTUAL PERFORMANCE

Unit: VND billion

Indicators	2019	2020	2021	2022	Budget 2022	Actual 2022/ Budget 2022
<b>Separate</b>						
Net Revenue	41,252	15,203	9,065	33,077	22,394	148%
Total Assets	43,942	39,626	45,942	58,957		
<b>Consolidated</b>						
Net Revenue	50,603	18,220	12,875	40,142	32,720	123%
Total Assets	48,859	45,197	51,654	68,037		

**40,142**  
Billion VND

**CONSOLIDATED REVENUE**  
increased by more than 212% compared to 2021 and exceeded 23% compared to the budget

In 2022, with the market recovery after the Covid-19 pandemic, Vietjet Air recorded a strong revenue growth. Thereby, consolidated revenue reached to VND 40,142 billion, increasing by more than 212% compared to 2021 and exceeding 23% of the budgeted consolidated revenue in 2022. In 2023, Vietjet purchased 1 A321 NEO aircraft from Airbus and 2 A321 aircraft from aircraft leasing partners (Lessor) with 3 engines. The increase in aircraft as fixed assets will help Vietjet to reduce leasing costs and strengthen Vietjet's balance sheet.



## ORGANIZATION AND PERSONNEL

### MEMBER LIST OF THE BOARD OF MANAGEMENT

#### Board of Management

No.	Member	Position	Number of share owned	Ownership ratio
1	Mdm. Nguyen Thi Phuong Thao	Chief Executive Officer	47,470,914	8.76%
2	Mr. Dinh Viet Phuong	Vice President cum Managing Director	657,000	0.121%
3	Mr. Michael Hickey	Vice President cum Chief Operations Officer	-	-
4	Mdm. Ho Ngoc Yen Phuong	Vice President cum Chief Financial Officer	-	-
5	Mr. To Viet Thang	Vice President	142,500	0.026%
6	Mr. Nguyen Thanh Son	Vice President	74,000	0.01%

#### The Vice Presidents in charge of functional departments

No.	Member	Position	Number of share owned	Ownership ratio
1	Mr. Luong The Phuc	Vice President	-	-
2	Mdm. Nguyen Thi Thuy Binh	Vice President	170,000	0.03%
3	Mr. Nguyen Duc Thinh	Vice President	420,000	0.08%
4	Mr. Do Xuan Quang	Vice President	20,240	0.004%
5	Mr. Nguyen Thai Trung	Vice President	-	-
6	Mdm. Pham Ngoc Thoa	Chief Accountant	-	-

### CHANGES IN THE BOARD OF MANAGEMENT IN 2022

No.	Member	Appointment	Resignation	Effective Date
1	Mr. Michael Hickey	Vice President cum Chief Operations Officer		30/05/2022
2	Mr. Nguyen Thai Trung	Vice President		01/06/2022
3	Mr. Chu Viet Cuong	Vice President		01/06/2022
4	Mr. Chu Viet Cuong		Vice President	27/10/2022

### NUMBER OF EMPLOYEES

#### Personnel structure as of 31/12/2022

No.	Category	Ratio
<b>A</b>	<b>By education level</b>	<b>100%</b>
1	Above university degree	3.88%
2	College or university degree	70.64%
3	Intermediate degree	6.14%
4	Technical worker	-
5	General labor	19.35%
<b>B</b>	<b>By contract nature</b>	<b>100%</b>
1	Fixed-term (1-3 years)	55.03%
2	Indefinite term	44.97%
<b>C</b>	<b>By gender</b>	<b>100%</b>
1	Male	63.25%
2	Female	36.75%
<b>D</b>	<b>By nationality</b>	<b>100%</b>
1	Vietnam	85%
2	Foreign	15%
<b>E</b>	<b>By job classification</b>	<b>100%</b>
1	Pilot	14.30%
2	Flight attendant	35.05%
3	Other personnel	50.66%



## ORGANIZATION AND PERSONNEL



**6,016**

People  
**TOTAL NUMBER OF EMPLOYEES  
IN 2022 AT VIETJET**



### EMPLOYEES POLICIES

Vietjet always puts the first priority on the development of human resources and considers humans as the most fundamental factor in the development process and future orientation of the company. The company has been and will continue to improve its remuneration policy, and create a professional, healthy, and friendly working environment, which helps to attract top-notch talents in domestic and international markets.

The basic welfare regimes such as insurance, suitable New Year holidays and annual leaves, periodic salary increase and KPIs bonus every 6 months/12 months, etc. are always properly maintained and implemented by the Company. In addition to the basic welfare regimes, to strengthen employees' attachment to the company, it is very important to evaluate employees' contributions and reward them in a timely manner. Therefore, the Company regularly evaluates and rewards employees who have made outstanding contributions to the company's business.

In the aviation industry, recruiting high-quality human resources, especially pilots and skilled technicians, is facing many difficulties with high competition in both domestic and foreign markets. In order to avoid labor shortage, Vietjet has implemented many solutions to enhance the efficiency of human resources management. The company has built and perfected the mechanism and policy of remuneration, evaluation, and reward of employees, as well as standardized recruitment processes, training, transferring, appointing, and evaluating performance, based on market principles and meritocracy.



# STATUS OF INVESTMENT AND PROJECTS IMPLEMENTATION

## SIGNIFICANT INVESTMENTS

### 1 VIETJET AVIATION ACADEMY (VJAA) PROJECT

The VJAA training center has been operated since 2017 and is promoting its effectiveness in human resource development of Vietjet. Especially, modern aircraft simulators (SIM) have helped Vietjet to save a lot of training and periodic evaluation costs of pilots. In 2022, Vietjet cooperated with Airbus to install the 3rd SIM - a modern cockpit simulator for A320/A321 aircraft. It is expected that the installation works will be completed and put to training from the end of Q1/2023. That would make VJAA be one of the largest aviation training centers in Vietnam and the region, and be the only Airbus conversion center with the largest number of Airbus A320 simulation cockpits in Vietnam.

In Q1/2023, Vietjet has started a construction of the basketball court at Vietjet Aviation Academy with a total investment amount of VND 1.2 billion from Vietjet's development capital. It is expected that the project will be completed and put to use in May 2023 for the practicing and entertainment needs of trainee in the Academy.

In 2023, Vietjet will implement the project of a trial manufacturing area and warehouse with a total investment of about VND 35 billion and a project of a Service hall with a total investment of about VND 80 billion. Currently, both projects are in the design completion stage and are expected to start construction in Q2/2023.



### 2 PROJECTS AT NOI BAI INTERNATIONAL AIRPORT

In 2022, Vietjet has built, renovated and put to operation the CCTV monitoring center with a total investment of more than VND 1 billion, which has contributed to the monitoring and management of flight operations at Noi Bai International Airport. Besides, in 2022, Vietjet also completed the renovation and put to use Vietjet's ground operation office on the 1<sup>st</sup> floor, ACSV cargo terminal - Noi Bai International Airport serves the Company's cargo operations.

In 2023, Vietjet will continue to implement other projects at Noi Bai International Airport to improve the operation capacity and image of Vietjet at Noi Bai International Airport, specifically as follows:

Projects	Location	Total Investment	Time to complete
Equipment operation team room (VJGS)	1 <sup>st</sup> floor, Terminal T2 - Noi Bai International Airport	VND 0.35 billion	4/2023
Lost and Found Room	1 <sup>st</sup> floor, Lobby E, Noi Bai International Airport	VND 0.25 billion	4/2023
Briefing - OMC Area and VJGS operation	3 <sup>rd</sup> floor - Hall E, Noi Bai International Airport	VND 1.87 billion	5/2023
Ground Service Complex Center (VJGS)	Basement T1 - Noi Bai International Airport	VND 2.50 billion	6/2023



# STATUS OF INVESTMENT AND PROJECTS IMPLEMENTATION

## SIGNIFICANT INVESTMENTS

### 3 TUY HOA AIRPORT ADJUSTMENT PLANNING PROJECT

Currently, the Tuy Hoa Airport Adjustment Planning Project has been implemented by the ADCC-CPG consulting consortium, they have completed the beginning of the period report and submitted to the People's Committee of Phu Yen province.

**Objective:** The sponsor product is the Tuy Hoa Airport Planning Adjustment approved for the People's Committee of Phu Yen province.

**Funding source:** Implemented by Sovico Company funding for Vietjet with a total investment of VND 4,987 billion.

**Approval progress:** The Adjustment Planning of Tuy Hoa Airport is expected to be completed and submitted for approval in Q2/2023.



### 4 AIRCRAFT MAINTENANCE HANGAR PROJECT AT DANANG INTERNATIONAL AIRPORT



The plan in 2023 will continue to carry out bidding works to select investors for the aircraft maintenance Hangar project at Da Nang International Airport after the Da Nang International Airport Planning Adjustment is approved (Expected in Q3/2023), at the same time, Vietjet is carrying out procedures to hire military hangars at Division F372 of the Air Defense - Air Force at Da Nang Airport.

### 5 TECHNICAL WAREHOUSE PROJECT AT TEXTILE AND GARMENT JOINT STOCK COMPANY NO. 7

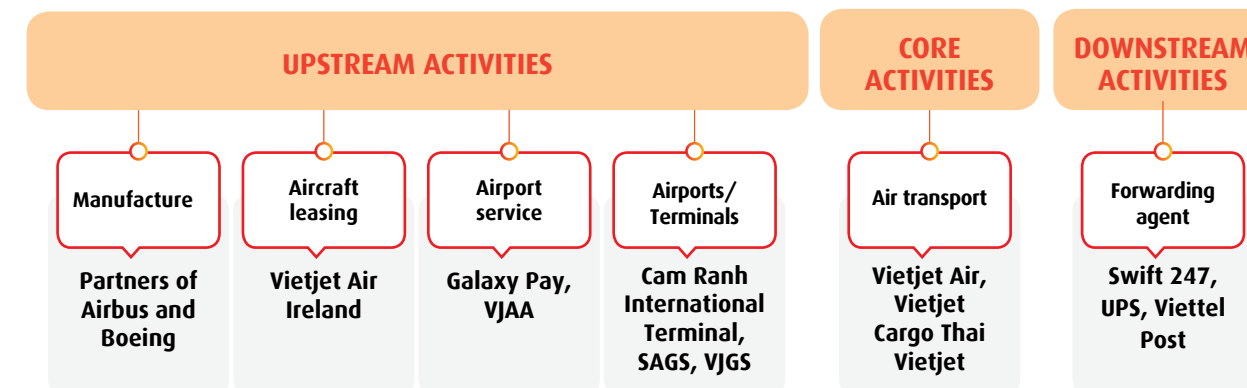
Currently, Vietjet is completing the application for renting the technical warehouse space at Tran Van Du Street, Ward 13, Tan Binh District, Ho Chi Minh City to serve the operations related to storage, maintenance, and repair Vietjet's aircraft components, to ensure the logistics area for the airline.

The warehouse rental and renovation are expected to be constructed in March - April 2023, and to be in operation starting from May 2023. The funding capital will be taken from Vietjet's own capital.



## PERFORMANCE OF SUBSIDIARIES AND AFFILIATES

In the business development strategy, Vietjet is constantly looking for opportunities to complete the aviation supply chain.



### A. VIETJET CARGO (SUBSIDIARY)



In 2022, Vietjet has continued to strengthen its fleet's cargo capacity. The airline was also the first airline to be approved by the authorities to carry cargo in the cabin during the outbreak of the Covid-19 pandemic. Vietjet has transported more than 47,015 tons of international cargo, which helps both international and domestic cargo revenue increase by 166% compared to the previous year. In 2022, Vietjet has increased to launch cargo flights to Japan, India, etc. Through codeshare agreements, Vietjet's cargo have gone to the Americas and Europe - the destination that the airline had only previously planned.

## STATUS OF INVESTMENT AND PROJECTS IMPLEMENTATION

### PERFORMANCE OF SUBSIDIARIES AND AFFILIATES

#### B. GALAXY PAY CO., LTD (SUBSIDIARY)

This is a 100% owned subsidiary of Vietjet which has been established under the business registration certificate number: 0316368255 issued by the Department of Planning and Investment of Ho Chi Minh City, Vietnam, issued on July 8, 2020, with the address located at 60A Truong Son, P2, Tan Binh District, Ho Chi Minh City, Vietnam. In 2022, Vietjet signed a business cooperation contract with Galaxy Pay for intermediary payment services (including payment intermediary gateways, e-wallets, support services for collection and payment, etc.) provided by Galaxy Pay, to provide customers with a convenient and fast payment solution.



#### C. SWIFT247 JOINT STOCK COMPANY (SUBSIDIARY)

As a 67% owned subsidiary of Vietjet which has been established under the business registration certificate number: 0315524536 issued by the Department of Planning and Investment of Ho Chi Minh City, Vietnam, issued on February 23, 2019, with the address located at 60A Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam, and provides support services related to transportation operations.



#### D. VIETJET THAILAND (AFFILIATE)

In 2022, tourism activity has recovered and pandemic prevention measures have largely been removed. Domestic and international routes have reopened with policies to stimulate tourism and demand has exploded after a long period of isolation. In 2022, Thai Vietjet (Thai VZ) has operated 18 aircraft, expanded the domestic flight network to 14 routes, and launched 10 new international routes.

In 2022, with the pioneering in recovery plan, Thai Vietjet has risen to be the top of domestic market share in Thailand with a total carried passengers of 6 million on total network. Thailand is always an attractive destination and attracts a large number of foreign tourists. Since then, leading to a positive business situation for Thai Vietjet. Besides transporting passengers, Thai Vietjet still maintains and develops well cargo transportation activities between Thailand and other countries such as Vietnam, China, Singapore, and domestic cargo transportation, bringing the total transported cargo to 11,000 tons, an increase of 14% compared to 2021. The airline has focused on developing e-commerce and digitalization applications in operation management: developing and putting into application 6 new technologies in human resources management, office, finance and accounting, flight

operations, frequent flyer programs and increasing the number of members of the e-commerce channel to approximately 225,000 members.

In 2022, Thai Vietjet received the "New Airline" Award at the Changi Airline Awards (CAA) 2022 in Singapore by Changi Airport Group (CAG), and continued to receive the "Excellence in Crisis Management and Recovery" award by HR Excellence Award, and "Best HR team 2022" award by Human Resources Online magazine.



#### E. OTHER SUBSIDIARIES AND AFFILIATES

##### Vietjet Air IVB No. I Limited

- » Is a 100% owned subsidiary of Vietjet established under the registration certificate number: 1825671 issued on 27/05/2014. Registered address in the British Virgin Islands.
- » To trade and lease aircraft and civil commercial aircraft components.

##### Vietjet Air Singapore Pte Limited

- » Is a 100% owned subsidiary of Vietjet established under the registration certificate number: 201400849N issued on 27/03/2014. Registered address in Singapore.
- » To trade and lease commercial and civil aircraft.

##### Skymate Limited

- » Is a 100% owned subsidiary of Vietjet established under the registration certificate number: 327015 issued on September 15, 2017. Registered address in the Cayman Islands of the United Kingdom.
- » To trade and lease commercial and civil aircraft.

##### Vietjet Air IVB No. II Limited

- » Is a 100% owned subsidiary of Vietjet established under the registration certificate number: 1825613 issued on 27/05/2014. Registered address in the British Virgin Islands.
- » To trade and lease commercial and civil aircraft.

##### Vietjet Air Ireland No. I Limited

- » Is a 100% owned subsidiary of Vietjet established under the registration certificate number: 544879 issued on 03/06/2014. Registered address in the Republic of Ireland.
- » To trade and lease commercial and civil aircraft.

##### Cam Ranh International Terminal Joint Stock Company (Affiliates)

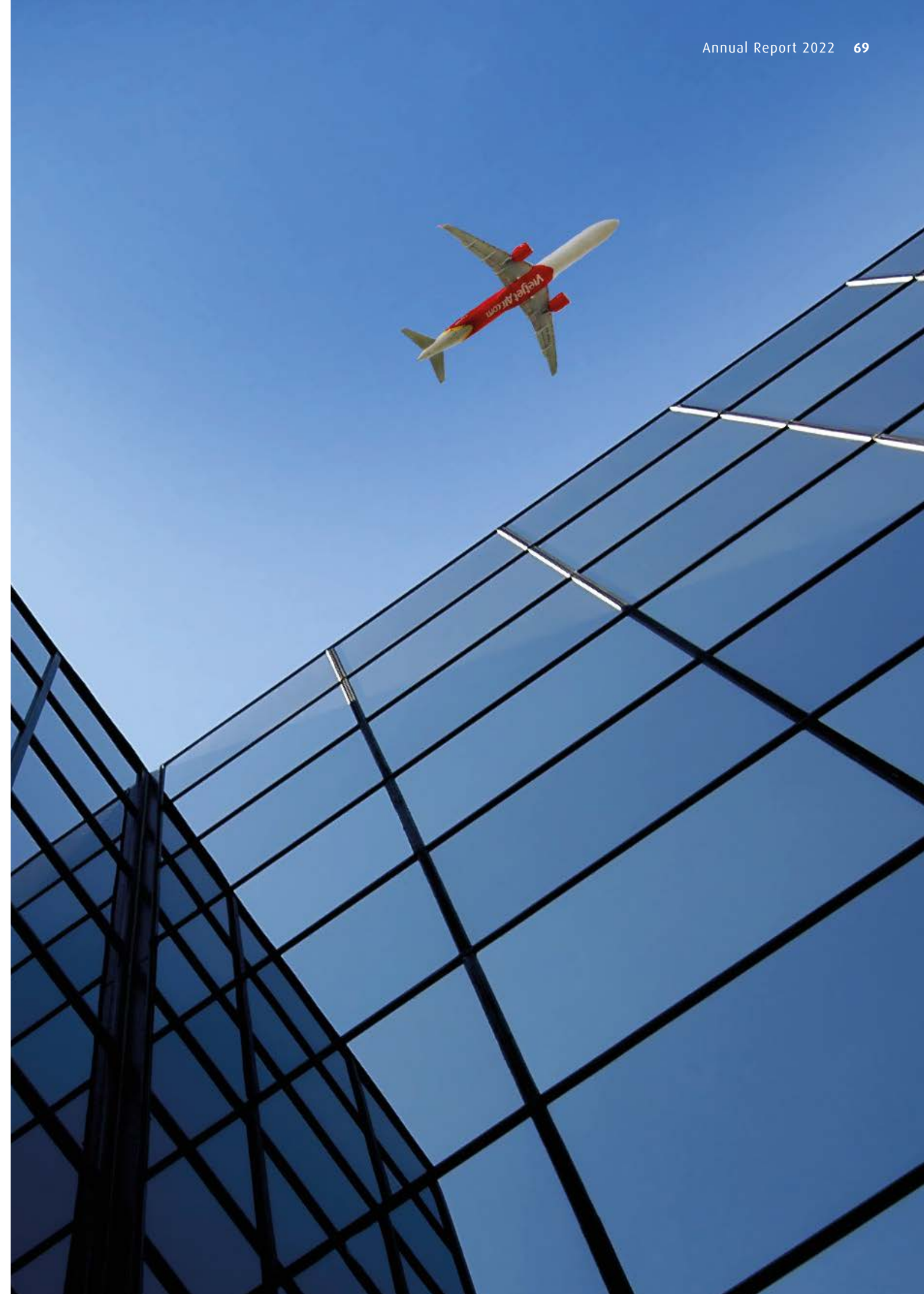
- » As a partner with which Vietjet owns 10% of the shares, established under the registration certificate number: 4201676638 issued on February 5, 2016. Address: Cam Ranh International Airport, Cam Nghia Ward, Cam Ranh City, Khanh Hoa.
- » To provide direct support services for airline transportation and ground services.

## FINANCIAL PERFORMANCE RESULTS

Unit: billion VND

Indicators	2019	2020	2021	2022
<b>Revenue</b>				
Separate	41,252	15,203	9,065	33,077
Consolidated	50,603	18,220	12,875	40,142
<b>Total Assets</b>				
Separate	43,942	39,626	45,942	58,957
Consolidated	48,859	45,197	51,654	68,037
<b>Owner's capital</b>				
Separate	6,480	5,027	6,987	4,395
Consolidated	14,903	14,978	16,854	14,898

Indicators	Unit	2019	2020	2021	2022
<b>Liquidity ratios</b>					
<i>Current Ratio (Current Assets/Current Liabilities)</i>	Time	1.24	1.28	1.73	1.10
<i>Quick ratio (Current Assets - Inventory)/Current Liabilities</i>	Time	1.20	1.24	1.68	1.07
<b>Leverage Ratios</b>					
<i>Debt/Total Assets Ratio</i>	%	69.50	66.86	67.37	78.10
<i>Debt/Equity Ratio</i>	%	227.85	201.75	206.47	356.68
<b>Profitability ratios</b>					
<i>Inventory Turnover (Cost of goods sold/Average inventory)</i>	Turnover	73.94	26.89	19.58	46.97
<i>Total Assets Turnover (Net revenue/Average total assets)</i>	Turnover	1.15	0.39	0.27	0.67
<b>Profitability metrics</b>					
<i>Profit after tax/Net revenue</i>	%	7.52	0.38	0.62	N/M
<i>Profit after tax/Average equity</i>	%	26.31	0.46	0.50	N/M
<i>Profit after tax/Average total assets</i>	%	0.22	0.21	0.22	N/M
<i>Profit from business activities/Net revenue</i>	%	7.60	(11.07)	1.34	N/M



# SHAREHOLDER STRUCTURE, CHANGE IN OWNER'S INVESTMENT CAPITAL

## STOCK INFORMATION

**VND 5,416,113,340,000**

CHARTER CAPITAL (31/12/2022)

Number of shares issued: 541,611,334 shares

Par value: VND 10,000 /share

Ordinary shares: 541,611,334 share

Number of outstanding shares: 541,611,334 share

Preferred shares: 0 shares

Number of treasury shares: 0 shares

Number of transfer restricted shares: 0 shares

## SHAREHOLDER STRUCTURE

As of January 3, 2023

No.	Type of shareholder	Number of shares	Value (million VND)	Ratio (%)
<b>I</b>	<b>Domestic shareholders</b>	<b>449,467,725</b>	<b>4,494,677</b>	<b>82.99%</b>
1	State	-	-	-
2	Institutions	144,069,094	1,440,691	26.60%
3	Individuals	305,398,631	3,053,986	56.39%
<b>II</b>	<b>Foreign shareholders</b>	<b>92,143,609</b>	<b>921,436</b>	<b>17.01%</b>
1	Individuals	501,954	5,020	0.09%
2	Institutions	91,641,655	916,417	16.92%
<b>III</b>	<b>Treasury shares</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>541,611,334</b>	<b>5,416,113</b>	<b>100%</b>

## LIST OF MAJOR SHAREHOLDERS

As of January 3, 2023

No.	Name	Number of shares	Ownership Ratio (%)
1	Sunflower Sunny Investment Co., Ltd	154,740,160	28.57%
2	Nguyen Thi Phuong Thao	47,470,914	8.76%
3	Sovico Joint Stock Company	41,106,000	7.59%

## CHANGE IN THE OWNER'S EQUITY

### THE PROCESS OF INCREASING THE COMPANY'S CHARTER CAPITAL

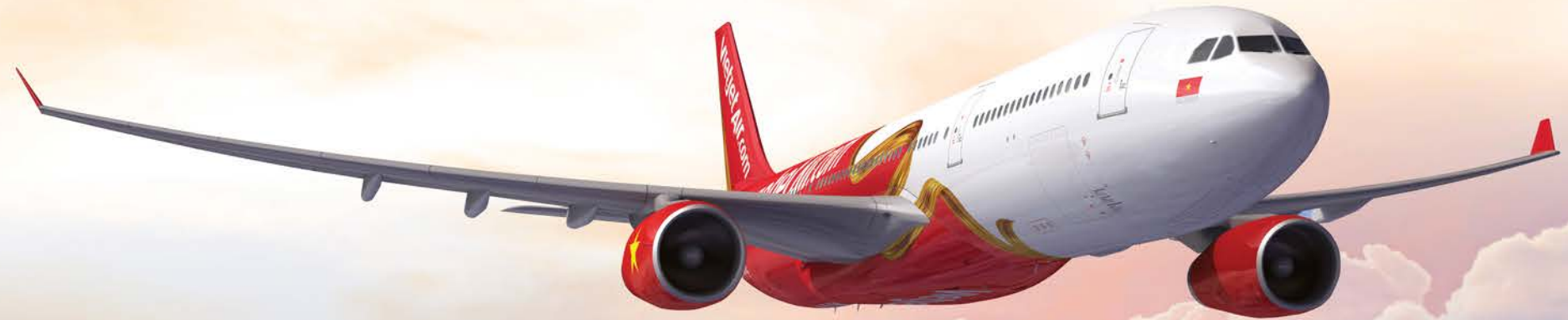
Period	Additional capital (VND)	Charter capital (VND)	Method	Approved by
2007	-	600,000,000,000	» Established Vietjet Aviation Joint Stock Company.	General Meeting of Shareholders
5/2013	200,000,000,000	800,000,000,000	» Issue shares to existing shareholders, ratio 3:1.	General Meeting of Shareholders, SSC
3/2015	200,000,000,000	1,000,000,000,000	» Dividend in shares, portion of 25%.	General Meeting of Shareholders, SSC
10/2015	450,000,000,000	1,450,000,000,000	» Cash dividend, ratio 100:45; Issued shares to existing shareholders, portion of 45% (and offset with the above-mentioned cash dividend).	General Meeting of Shareholders, SSC
6/2016	550,000,000,000	2,000,000,000,000	» Issued shares to existing shareholders from equity, ratio 100:33 (bonus shares). » Issued 7,150,000 shares via ESOP. » Cash dividend, portion 25%.	General Meeting of Shareholders, SSC
9/2016	500,000,000,000	2,500,000,000,000	» Issued shares to existing shareholders, portion of 25% (and offset against the above-mentioned cash dividend).	General Meeting of Shareholders, SSC
11/2016	500,000,000,000	3,000,000,000,000	» Issued shares from equity to existing shareholders, portion 20% (bonus shares). » Private placement of 22,388,060 shares to Sunflower Sunny Investment Co., Ltd to increase capital by VND 223,880,600,000 billion.	General Meeting of Shareholders, SSC
2017	1,513,432,840,000	4,513,432,840,000	» Increased in capital shares from owner's equity by 40%, equivalent to VND 1,289,552,240,000. Vietjet's charter capital increased to VND 4,513,432,840,000 billion.	General Meeting of Shareholders, SSC
2018	902,680,500,000	5,416,113,340,000	» Issued shares from equity to existing shareholders, portion of 20% (bonus shares).	General Meeting of Shareholders, SSC

**TRADING TREASURY SHARES: NONE**

**OTHER SECURITIES: NONE**

04

**CONQUERING THE SKY  
OPENING NEW OPPORTUNITIES**



# GENERAL BUSINESS REPORT IN 2022

In the context that the domestic aviation market has fully recovered and countries and localities are gradually lifting strict lockdown policies after the Covid-19 pandemic, Vietjet is proud of being one of the few LCC in the world to persevere through the storm to recover and rise in 2022.

## BUSINESS ACTIVITIES OF THE PARENT COMPANY

In 2022, Vietjet quickly returned to the sky with the full recovery of the domestic market. By July 2022, Vietjet officially took off again for the international market; most markets in Southeast Asia, Northeast Asia were opened and removed barriers to travel between countries. The total number of carried passengers and revenue in 2022 has reached approximately 90% compared to 2019 although the domestic market and the international market had just reopened in March and July respectively.

Vietjet continued to be the leading low-cost carrier in Vietnam's domestic market. Vietjet's 42% domestic market share recognized the efforts and perseverance of the Board of Management in pursuing the set goals and plans. The parent company's revenue has reached VND 33,077 billion, increased by 265% compared to 2021 and reached 148% of the plan. In 2022, Vietjet carried 20.6 million passengers on more than 116,000 flights, of which domestic passenger transportation increased by 20% compared to 2019 and load factor (LF) reached 85.3%, increased by 3.4% compared to the pre-Covid-19 period (in 2019).

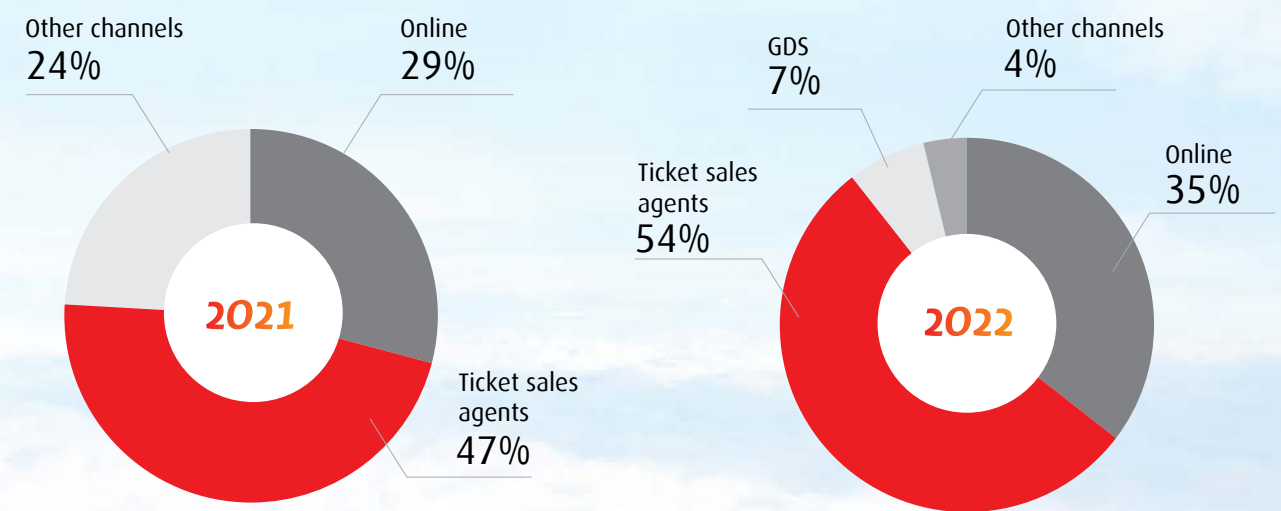
In 2022, Vietjet has opened more than 20 new routes, increased the total number of routes to 103 with 55 domestic routes and 48 international routes. The new routes mainly focused on the Indian market, connecting economic - tourism centers including New Delhi, Mumbai, Hanoi and Ho Chi Minh. With the goal of covering all continents and providing opportunities to fly for millions of people, Vietjet has constantly strived to expand and develop international routes to Kazakhstan and Australia, thereby promoting its leading role in promoting economy - trade - tourism between Vietnam and other countries, contributing to promote the image of Vietnam, bringing domestic and foreign tourists to localities, contributing budget to support the community.

Vietjet has made efforts to diversify airline transportation revenue sources through ancillary services. Accordingly, ancillary revenue activities mainly included revenue from baggage and surcharges, cargo revenue (cargo), revenue from sales in flight (food, drink, souvenirs) and advertising revenue. In 2022, Vietjet diversified its ancillary revenue with total amount of VND 13,050 billion, increased by 159% compared to 2021 and 15% higher than the ancillary revenue in 2019 (VND 11,305 billion). Accordingly, the proportion of ancillary revenue in total airlines revenue of Vietjet increased from 22% in 2019 to 33% in 2022.

In addition, Vietjet has achieved some encouraging results in cost optimization, which helped to maintain its advantage as a new - generation airline with low costs. Vietjet owned young and modern new generation aircraft with an average age of 6.7 years; besides, the implementation of the comprehensive fuel cost management solution SFCO2 from Safran and the application of optimal operation and maintenance procedures at the airport at a low cost helped Vietjet to have good controls on aircraft operating costs, reduced fuel costs by 15-20%.



## COMMERCIAL ACTIVITIES



As a young and dynamic airline, Vietjet is always at the forefront of information technology application in the aviation industry, toward the future "Digital Airline". Especially after the Covid-19 pandemic, online sales and business activities were increasingly dominant, reflected in the change in the sales channel structure that contributed to total revenue. Online - sales and selling through the GDS system (Global Distribution System) can be mentioned as the most prominent channels when contributed 35% of total revenue, grew by 6% compared to 2021 and grew from zero in 2021 to 7% in 2022 respectively.

# GENERAL BUSINESS REPORT IN 2022

## PERSONNEL ORGANIZATION

### HR POLICIES

Vietjet's total number of employees as of December 31, 2022, was 6,016, an increase of 13.04% compared to 2021. During the year, Vietjet recruited 1,468 new employees including 144 pilots, 303 cabin crew, and other personnel at the level of Directors, managers, and employees, and developed internal human resources through the 396 newly appointed titles.

Foreign workers accounted for nearly 15% of the total number of employees at Vietjet, especially 67% of foreign pilots in fleet team. This is a team of pilots, cabin crew and experienced experts in various fields who have worked together, cooperated, and learned in Vietjet's environment to create a diversity of nationalities, cultures, and at the same time been the focused development labor source in order to share and develop knowledge, skills, and experiences, positively contribute to the rapid and sustainable development of the Company.



## EVALUATION AND REWARDING PROGRAM

Vietjet always focuses on human resources development, in which human is the key factor accompanying the development and strength of the Company. High-quality human resources for the aviation industry, especially pilots and skilled technicians, are in short supply and highly competitive in both domestic and international market, leading to the situation of job hopping. Therefore, in order to avoid the labor shortage, Vietjet has implemented many solutions to enhance the effectiveness of human resource management, included building and perfecting remuneration mechanisms and policies, evaluating and rewarding employees, standardizing processes of recruitment, training, transfer, appointment, performance evaluation, under the market principles and meritocracy.

With an appropriate and continuously improved remuneration policy, Vietjet has been creating a good, healthy and professional working environment for employees as well as increasingly attracting top-notch in domestic and foreign. Vietjet employees are guaranteed both basic benefits such as insurance, appropriate holidays and annual leaves, periodic salary increases, KPIs bonus review every 6 months, etc. but also enjoyable policies that showed the company's concern for employees such as free airfare policy for employees and relatives (SFC program), networking and team building activities, etc.

## TRAINING

Training is an important policy to help improve the quality of human resources, and is one of Vietjet's priority policies for employees, meeting the Company's development needs and employees' career orientation. In the past year, Vietjet has trained 8,727 hours for pilots, 21,025 hours for cabin crew, 9,948 hours for technical staff and 388 hours for Vietjet employees.

Vietjet continued to expand and upgrade online training, which is effective, time-saving, and cost-effective, with 2,213 courses, 95,870 turns of trainees, reaching the rate of 54%.

At the end of 2022 and early 2023, Vietjet continued to invest and receive the 3rd simulator of the A320/321 aircraft generation, besides 2 existing simulators to train pilots/engineers. And as planned, in the future, Vietjet will receive 02 more simulators of the A330 and B737 aircraft, which increases the total number of simulators to 05, promising a bright future in affirming Vietjet's position in the high-quality pilot/engineer training, not only in the aviation industry in domestic but also in the region.



# GENERAL BUSINESS REPORT IN 2022

## SECURITY - SAFETY ACTIVITIES

At Vietjet, ensuring safety, security, and service quality is always a top priority on the flight operation management. Vietjet actively improves its competencies to ensure quality - safety - security aviation through good management of resource organization, effective quality management systems, data analysis and safety management systems to ensure the proactive safety is achieved. Throughout the years, Vietjet is proud of being the leader in applying flight data analysis systems and actively cooperating with Airbus in implementing the Safety Management System (SMS) to meet aviation safety regulations and standards in accordance with ICAO regulations, aviation authorities, associations and alliances that Vietjet joined as a member in order to minimize potential risks to ensure the incidents prevention related to the flight operations.

Vietjet still ensures to maintain the ISO:27001 information security systems and the certification renewal assessment results was highly appreciated by IATA. Vietjet has also effectively applied the CORUSON system in quality safety management and electronic document management to improve the effectiveness of safety reporting and risk management.



### SAFETY

- » Implementing the air safety assessment, the flight data monitoring system assessed the quality index at 96.79% and implemented the safety promotion by conducting the safety culture survey.
- » Successfully deploying and effectively using the CORUSON software system in operations to ensure safety - quality. CORUSON is a database management software that is being used by applications to improve safety and ensure flight operation quality.

### SECURITY

- » Coordinating to implement activities to review and improve the information security system to meet the requirements of ISO 27001 certification.
- » Implementing the Aviation Safety Program to entities inside and outside Vietjet.
- » Implementing activities of Vietjet Corona Prevention and Control Committee.
- » Implementing activities of "Emergency Response" in 2021.
- » Developing the Aviation Security Quality Control Plan.
- » Implementing activities to enhance security, supervise to ensure cargo security.

### QUALITY

- » AOC activities: Successfully renewing AOC certificate, adding A330 aircraft to operation materials.
- » Maintenance activities: Successfully renewing AMO certificate.
- » Successfully renewing IOSA 2021. This is the IATA Operational Safety Audit. IOSA certification confirms an airline's highest commitment level to ensure the operating safety based on the IATA framework.



## REMARKABLE SAFETY PERFORMANCE RESULTS THAT VIETJET HAS ACHIEVED IN 2022

- » The system's analytical quality index is 96.79% - extremely high (Airbus's standard is 90%).
- » SSQA has evaluated the LSA cockpit and LASA cabin for flights to improve the effectiveness of risk management.
- » Conducting Safety observations on SIM training for pilots.
- » Vietjet has made mandatory Safety incident reports to the Civil Aviation Authority of Vietnam.
- » Vietjet has received and handled safety incident reports throughout the operation.
- » 100% of new employees were trained on awareness of SMS.

SSQA HAS ISSUED WARNINGS, RECOMMENDATIONS AND DIRECTIVES FOR SAFETY TO THE ENTIRE VIETJET OPERATING SYSTEMS IN ORDER TO RAISE SAFETY AWARENESS AND COMPLIANCE IN OPERATIONS.



# GENERAL BUSINESS REPORT IN 2022

## TECHNICAL - MAINTENANCE ACTIVITIES



Vietjet has well-trained technical staff and engineers in accordance with the Civil Aviation Authority of Vietnam Standards, aircraft manufacturers, engine manufacturers, the authorities of the United States Federal Aviation Administration (FAA), and the European Aviation Safety Agency (EASA). Vietjet’s technical department regularly participates in professional training courses, continuously updates information about aircraft and engine manufacturers, and implements appropriate improvement solutions to improve service life and operating quality, enhancing the reliability of aircraft, engines, and aircraft components.

Vietjet continues to apply advanced technologies in aircraft technical management such as AMOS and AIMS systems to the management of failures, supplies, maintenance, and automatic data transmission from the aircraft. To meet the ever-increasing requirements for optimal services and product quality for passengers, the technical department always aims to improve capacity by self-training to improve qualifications. Along with that is the development and strengthening of periodic maintenance such as periodic C checks, and maintaining passenger cabin equipment to help optimize costs and speed up aircraft turnaround time and meet transportation needs in a timely manner. In addition, the



application of digital technology in technical operations and management plays an important role. Engineering will focus on developing the 4.0 technology on the integrated application platform AMOS-AIMS.

In the past year, Vietjet has ensured safe and effective flights through technical works to serve the company’s operating needs. The technical department performed aircraft maintenance, to ensure the best technical condition and optimize the maintenance of the entire fleet, prepared for the campaign “Towards the global sky” when the aviation market recovers.



### OUTSTANDING TECHNICAL AND MAINTENANCE JOBS IN 2022

- 1 Implementing maintenance contracts at foreign airports in Japan, Korea, India, Kazakhstan for A321NEO, A330 aircraft.
- 2 Converting the entire cargo aircraft configuration back to passenger aircraft configuration for operating.
- 3 Reversing supplies program: completing signing and officially implementing cooperation with new supplier STE from May 1, 2022.
- 4 Recruiting, training and authorizing CRS team to meet the demand for A330 aircraft operation and deploy the AMOS Mobile program for all CRS.
- 5 Well-controlling and ensuring the flight capability of all fleets after the CAAV tightened the regulations on aircraft equipment and supplies.
- 6 Coordinating with other departments to implement fuel-saving programs and increase GPU usage in maintenance works.
- 7 Implementing the Miss Airbus program, including: Consolidating the operation of the Passenger cabin maintenance and cleaning team, washing the aircraft, Controlling and quickly fixing cabin failures and Establishing a workshop to maintain equipment in passenger cabin (microwave, coffee maker, curtain/carpet...).

# GENERAL BUSINESS REPORT IN 2022

## DEVELOPMENT COOPERATION

### COOPERATION IN CARGO TRANSPORTATION

The logistics industry was expected to soon contribute 15% to Vietnam's GDP. This is a great opportunity for investors and organizations to cooperate and make breakthroughs. Seizing this opportunity, Vietjet has actively cooperated with domestic and international carriers to extend the supply chains of safe, fast, and economical cargo transportation.

Vietjet and UPS, the biggest global shipping and logistics group, have signed an agreement for cargo services from Asia to international destinations through the regional and global extensive network and delivery infrastructure. Specifically, Vietjet can access UPS's global transportation network using its

"brown-tail" fleet, and UPS can take advantage of Vietjet's comprehensive flight network within Vietnam, Thailand, and Asia to serve customers faster at more delivery points.

Vietjet and Viettel Post - the leading shipping and forwarding group in Vietnam, have signed a cooperation agreement to exploit Land-Air multimodal transportation service from 2020 and cooperate in operating freighter flights on domestic and international routes. The cooperation of the two organizations brings customers in Vietnam and around the world a multi-modal, convenient and economical transportation service on the high-tech platform.



### COOPERATION AND GROWTH

During the pandemic, the Government, local authorities, and businesses have realized that the domestic market is the foundation for stable and long-term business operations. With the government leadership, local authorities, and related parties, Vietjet has actively participated in cooperating activities to promote development cooperation in 2022.

### IT APPLICATIONS

Vietjet is the leader in technology application in the aviation industry, towards the "Digital Airline" model on the basis of modern information technology systems development, Vietjet deployed e-wallet solutions, Mobile App, Web combines e-commerce with consumer systems.

In the first months of 2022, ICT successfully developed a tablet check-in project, helped the GO department be flexible in supporting customers to check-in, and at the same time integrated systems such as HD Insurance, e-wallet Movi... making customers more choices in Vietjet Air's services. Besides, ICT has also implemented a Web/App Agency system for agents, helped entities to access Vietjet's booking system faster and more smoothly.

In order to optimize operations, Vietjet implemented the SAP system with the goal of connecting and merging Vietjet's operating data from AIMS, AMOS, Airphase, Jeppesen systems, etc. to form a unified, cost-saving data system, ensuring transparency, improving performance, enhancing security capabilities, and customizing to specific operations easily.



To simplify administrative procedures, through the Paperless project, ICT successfully implemented the Base system, which helped to reduce complex documents by up to 70%, saving 80% on costs of purchasing related stationary, at the same time deployed the People App system, centralized all internal services into the system, helped employees to be proactive from online time attendance to online leave application, Management can proactively approve online, helped operations run more smoothly and faster, improved the service quality.

In December, Vietjet connected 125 OTA agents, connecting to customers faster and closer. We also successfully implemented the Loyalty system, initially with the SkyJoy program - Vietjet's brand new loyalty program with the endless redemption of Vietjet's air tickets, and implemented the sales system goods and POS payment in aircraft.



# GENERAL BUSINESS REPORT IN 2022

## ASSETS

Unit: Billion VND

Indicators	31/12/2021		31/12/2022		2022 vs. 2021
	Value	Ratio	Value	Ratio	
Short-term assets	26,867	52%	33,587	49%	125%
Long-term assets	24,787	48%	34,449	51%	139%
<b>Total assets</b>	<b>51,654</b>	<b>100%</b>	<b>68,037</b>	<b>100%</b>	<b>132%</b>

# 68,037

 Billion VND

Total assets of Vietjet as of December 31, 2022

# ↑ 32%

compared to total assets as of December 31, 2021

Total assets of the Company last year increased significantly by nearly 32%, to VND 68,037 billion as of December 31, 2022. The main contribution to this increase came mostly from the increase in long-term assets. During the year, the Company purchased 1 A321 NEO aircraft from Airbus and 2 A321 aircraft from aircraft leasing partners (Lessor) with 3 engines. Total of purchasing Aircraft and parts in the year amount was recorded at VND 4,560 billion. Thereby, the tangible fixed assets increased from VND 1,151 billion at the beginning of the period to VND 5,681 billion at the end of the period. The investment in aircraft assets helped reduce aircraft rental costs and strengthen Vietjet's balance sheet.

Unit: Billion VND

Fixed assets	Historical cost at the beginning of the period	Historical cost at the end of the period	Net book value at the end of the period	Net book value at the end of the period / Historical cost at the end of the period
<b>Tangible fixed assets</b>				
Aircraft and engines	897	5,457	5,162	95%
Buildings and structures	387	409	383	94%
Machinery and equipment	102	119	68	57%
Motor vehicles	70	71	43	60%
Office equipment	55	58	26	45%
<b>Total tangible fixed assets</b>	<b>1,511</b>	<b>6,114</b>	<b>5,681</b>	<b>93%</b>
<b>Intangible fixed assets</b>				
Software	39	62	28	46%
<b>Total intangible fixed assets</b>	<b>39</b>	<b>62</b>	<b>28</b>	<b>46%</b>

## LIABILITIES

Unit: Billion VND

Indicators	31/12/2021		31/12/2022		2022 vs. 2021
	Value	Ratio	Value	Ratio	
Short-term liabilities	15,522	45%	30,417	57%	196%
Long-term liabilities	19,277	55%	22,721	43%	118%
<b>Total liabilities</b>	<b>34,799</b>	<b>100%</b>	<b>53,139</b>	<b>100%</b>	<b>153%</b>

Vietjet's total liabilities at the end of 2022 was VND 53,139 billion, increase of about 53% compared to the beginning of the year, of which as of December 31, 2022, short-term liabilities increased by 96%, from VND 15,522 billion at the beginning of the period to VND 30,417 billion and long-term liabilities increased by 18%, from VND 19,277 billion at the beginning of the period to VND 22,721 billion. The increase in payables mostly came from unrealized passenger revenue and short-term ancillary revenue, and payables to suppliers such as fuel, petrol, surcharges, port charges in domestic and international airports. In the recovery period of the aviation industry, an increase in the volume and frequency of airline transport operations in 2022 compared to 2021 increased these liabilities.



## IMPROVEMENTS IN ORGANIZATION STRUCTURE, POLICIES, AND MANAGEMENT

### ORGANIZATION STRUCTURE, MANAGEMENT, AND ADMINISTRATION POLICIES

In 2022, Vietjet continued to promote the application of information technology in the Company's management, operation and business activities and toward comprehensive digital transformation:

#### MANAGEMENT

Continuing to maximize the information resources effectiveness, taking advantage of the SAP-ERP infrastructure system, specifically by deploying the SAP S4/HANA system, Vietjet can simplify procedures, create a seamless management system to quickly synthesize information and analyze management data.

On August 30, 2022, the project "Creating a Digital Workspace at Vietjet" was officially launched with the cooperation of Base Enterprise. Implementing the project brought the best service solutions, and quick and flexible responses to the requirements and operational processes at work in order to digitize and improve working efficiency, especially in the digital transformation period at Vietjet.

Continuing to review, develop and complete the internal management regulations and policies of the Parent Company in accordance with the laws. Subsidiaries and Affiliates actively reviewed and supplemented internal management documents in order to synchronize and ensure compliance with the regulations of Vietnam and entities' located countries.

### RISK MANAGEMENT, ENHANCING OPERATIONAL EFFICIENCY

In early 2022, under the direction of the Board of Management, Vietjet reviewed the Company's risk portfolio, in order to identify, evaluate and focus on effective control of material risks affecting the Company's business. The internal control system was also regularly reviewed and thoroughly evaluated to ensure effective prevention and treatment of risk assessment.

On February 25, 2022, Vietjet signed with ST Engineering an agreement on comprehensive Maintenance-By-the-Hour (MBH™) for all Vietjet's aircraft. Accordingly, ST Engineering provides Vietjet with comprehensive solutions for aircraft equipment maintenance, including equipment supply, repair, overhaul, upgrade, improvement, warehouses for main maintenance stations, equipment monitoring

#### BUSINESS

deploy the AVIATAR's Technical Logbook application to help manage technical data and coordinate between fleet team and technical crews. The company's technical maintenance became smoother and more efficient. The application was integrated across all Vietjet's fleet, replacing the manual recording and paperwork updating, making data processing faster and more accurately. This event was the turning point that helped Vietjet the first airline to apply AVIATAR electronic technical diary in the Asia-Pacific region.

Vietjet launched the new product "Fly Now - Pay Later" in cooperation with MOVI, bringing a new experience to customers with the policy of free the first installment costs and flexible installment term of up to 6 months from MOVI, to help customers remove all barriers and financial pressure in airline traveling needs on holidays, and the Tet holidays. In June 2022, the product "Fly Now - Pay Later" won the award "Best New Fintech Product of 2022" by The Global Economics Times (United Kingdom) magazine.

status and logistics services for the aircraft. Thereby helping to reduce the risk of incidents during operation and improve the aircraft operational efficiency.

On the reasonable resource allocation basis, the Company implemented many action plans focusing on fuel management, fire and explosion safety management, environmental safety, cockpit system, information technology systems, automation, etc., contributing to firmly strengthening Vietjet's risk management system.

During the year, Vietjet continued to be honored in the Top 10 safest low-cost carriers in the world in 2022 out of a total of more than 385 global airlines assessed by AirlineRatings, a reputable unit specializing in assessing the world's aviation safety and services.

## BUSINESS PLAN IN 2023

### MACROECONOMIC FACTORS

#### STABLE POLICY

Vietnam's socio-economic development policy has always been stable and consistent based on the tradition inherited and promoted through generations of leaders.

#### GDP GROWTH

The economic growth rate of Vietnam IMF averaged 7%/year in the pre-Covid period, and GDP in 2022 increased by 8.02% (in the first quarter, by 5.05%; in the second quarter by 7.83%; in the third quarter increased by 13.71%; the fourth quarter increased by 5.92%) compared to the previous year to the economic recovery and the highest growth rate in the period 2011-2022. In the general growth rate of the whole economy, the agriculture, forestry and fishery sector increased by 3.36%, contributing 5.11% to the growth rate of the total added value of the whole economy; the industry and construction sector increased by 7.78%, contributing 38.24%; the service sector increased by 9.99%, contributing 56.65%.

#### STABLE FX RATE

In 2022, the VND/USD exchange rate fluctuated around VND 23,500-23,700 VND/USD, having a strong increase of nearly VND 25,000 and recently in a downtrend. Accordingly, in 2023, the trade surplus is expected to reach USD 12 billion, from an expected trade surplus of USD 10.4 billion in 2022; The current account will move into a surplus of 0.4% of GDP in 2023 from a projected deficit of 1.3% of GDP in 2022. As a result, Vietnam's foreign exchange reserves will recover to 3.0 months of imports and reach \$102 billion by the end of 2023 from the current level of \$89 billion.

#### INTEREST RATE

In 2022, the 12-month term interest rate continuously increased and fluctuated from 7.4% ~ 10% and was expected to decrease gradually from 2023.

#### ATTRACTING FOREIGN INVESTMENT

In 2022, the total newly registered capital, adjusted and contributed capital to buy shares, purchased capital contribution of foreign investors reached nearly USD 27.72 billion; down 11% over the same period in 2021 and FDI into Vietnam reached about USD 438.69 billion. In 2022, there were 108 countries and territories investing in Vietnam; in which, Singapore led with total investment of nearly USD 6.46 billion, accounting for 23.3% of total investment capital in Vietnam; Korea ranked second with nearly USD 4.88 billion; Japan ranked third with a total registered investment capital more than USD 4.78 billion.

#### TRADE AGREEMENTS

Vietnam was currently a member of more than 15 international trade organizations and 2 new agreements are pending negotiation, which gives Vietnam a competitive advantage in attracting foreign investment, especially manufacturing industries that need a lot of labor and materials such as processing, manufacturing, industrial production and business related industries such as real estate and retail industries.



## BUSINESS PLAN IN 2023

### BUSINESS PLAN INDICATORS

Indicators	Unit	Plan 2022	Implement 2022	Plan 2023
No. of Fleet at the end of the year	Aircraft	82	75	87
Sector Flown (whole network)	Thousand flights	100	116	140
Passengers (whole network)	Million pax	18	20.6	25.7
RPK (million km)	Million pax.Km	24,480	25,910	32,389
Load Factor (LF)	%	85%	85%	87%
Separate Revenue	Million VND	22,394,000	33,077,353	41,346,691
Consolidated Revenue	Million VND	32,720,000	40,142,863	50,178,000
Separate Profit after tax	Billion VND	550	(2,592)	800
Consolidated profit after tax	Billion VND	1,000	(2,262)	1,000

Although the airline revenue recovered well compared to 2021, growing by more than 272% from VND 7,484 billion to VND 27,828 billion in 2022, the Russia-Ukraine war effects and negative developments of the global economy led to the input materials costs – fuel costs increased sharply, exceeding the growth of revenue with an average price of 80 USD/barrel in the period before the Covid-19 pandemic in 2017-2019 increased from 130 USD/barrel to 160 USD/barrel. In addition, financial costs also increased with deposit interest rates increasing from 5% to 10%, which affected the Company's business performance.



Entering 2023, facing the high fluctuations in the world political economy and Vietnam, it will also have a significant impact on the economy, at the same time, the aviation industry is also the industry that has been affected most heavily, Vietjet has determined its strategic goal is to continue growing up, be flexible, and respond quickly with market changes, and lead in trends, and create new opportunities in terms of business models, markets and customer segments. Vietjet maintains stability in the domestic market as the leader; The international market fully recovers the pre-Covid frequency and expands to South Asia, Central Asia, Australia, and to Europe. The route network system

is expanded, flexible, and cost-effective, transforms technology sales channel systems, and develops strongly along with the speed of product and network development.

In addition, Vietjet also enhances customer services by implementing programs such as after-flight online surveys, comprehensively evaluating service quality from internal and external customers, and promoting to understand of passenger needs in order to meet and improve customer services quality, strengthen after-sales services programs, investing in aircraft equipment and entertaining facilities for long-haul flights.

# BUSINESS PLAN IN 2023

## BUSINESS PLAN INDICATORS

Specific areas of business strategy are as follows:

### 1 ROUTE NETWORK

- ➔ Building and stabilizing the domestic routes in 2023, increasing frequency and capacity in the peak summer period, optimizing operations on international routes in which frequency coordination between regions market to take advantage of the operational load, especially when the A330 wide-body aircraft commenced operation.
- ➔ Building and stabilizing the domestic routes in 2023, increasing frequency and capacity in the peak summer period, optimizing operations on international routes in which frequency coordination between regions market to take advantage of the operational load, especially when the A330 wide-body aircraft commenced operation.
- ➔ The work and process of opening, maintaining and applying for licenses for domestic and international routes are reviewed, evaluated and refined for the purpose of good keeping slots historical data, keeping frequencies and helping to rotate Vietjet's return in the future has advantages in terms of exploitation and commercial efficiency.

### 2 BUILD HIGH YIELD PRODUCTS

- ➔ Increasing in sales of SkyBoss Business and SkyBoss high revenue products.
- ➔ Creating upgraded products with Deluxe package for the traditional airline customer segment.
- ➔ SkyBoss Business, SkyBoss and Deluxe products continuing to be supplemented with services, conditions and communication oriented towards the development of high revenue customers.

### 3 BUILD CONNECTING FLIGHTS

- ➔ Creating connecting flights from regions through Vietnam's transshipment hubs (HCMC/Hanoi) to/from domestic destinations and connections for South Asia, Southeast Asia, Northeast Asia and Australia markets.
- ➔ Building voluntary and involuntary Add-on products for connecting flights at reasonable costs and useful to customers.
- ➔ Multilateral/bilateral cooperation with international airlines such as interline/codeshare in order to expand route network, customers and supply services to passengers.

### 4 REGULAR CUSTOMER PROGRAM

- ➔ Developing and implementing the frequent flyer program for Vietjet's customers.
- ➔ Forming a cohesive system and incentives for customers/flyers through the corporate ecosystem including airlines, banks, real estate...

### 5 SALES SYSTEM

- ➔ The sales systems were transformed, standardized and centralized, increasing reach out to customers needs, applied practically at all points of sale, partners and operations.
- ➔ Distribution policies for domestic and international agents and partners were focused on reviewing, developing and completely supplementing; Sales and promotion programs were built flexibly to market quickly at any time to achieve Vietjet's goals.
- ➔ Promoting digital transformation and diversifying distribution system with modern new sales forms associated with e-commerce such as OTA/API, E-commerce platform, Apps, Metasearch, Affiliated...

### 6 ANCILLARY DISTRIBUTION BUSINESS PROGRAMS AND STRATEGIES

- ➔ Building and developing ancillary revenue to reach at least 40% of total revenue in 2023 when the basic ticket price is always fluctuating at a low level.
- ➔ Campaign-based and targeted promotions are the key to attracting customers and navigating the distribution system according to Vietjet's product system that is built and upgraded every year.
- ➔ Taking full advantage of the corporate ecosystem using high technology and initially researching Vietjet's big data program and creating value from exploiting customer data.
- ➔ Coordinating with all localities domestic and international, the partners have signed strategic cooperation agreements in the content preparation, highlights and progress for the recovery period of the following years.



# BUSINESS PLAN IN 2023

## BUSINESS PLAN INDICATORS

Specific areas of business strategy are as follows:

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### BRAND DEVELOPMENT

Developing the global Vietjet brand, associated with outstanding and distinctive services quality, Safety - Entertaining and Friendly - Affordable price - Punctuality. Vietjet always inspires passengers to have a convenient and happy flight experience, with many attractive promotions, bringing flying opportunities to people around the world.

The brand image reflects the personality and lifestyle of the smart consumers' generation, aiming for a beautiful life and loving connection, which is the **"Vietjet generation"**. Increase brand value to more than USD 500 million.

- ✈️ Pioneering in the 4.0 technology application (developing the field of online check-in, integrating utilities on the Vietjet app). In addition, research and application of advanced software.
- ✈️ Promoting Digital Communication, monitoring information on news channels and social networks; maintaining good relations with media agencies, ensuring that information about Vietjet's activities is transmitted correctly and sufficiently.
- ✈️ Standardizing Vietjet's image through investment in facilities at Vietjet's airports, agents and offices.
- ✈️ Launching the SkyJoy loyalty program, Vietjet passengers can accumulate points for gift redemption and daily golden hour promotions on VietjetAir website and super app VietjetAir.
- ✈️ Increasing brand value on the basis of outstanding service quality, diverse ticket classes (Eco savings, Deluxe utility package, Business - luxury class, SkyBoss - leader style), creation of new products and services (Fly Now - Pay Later, Flight and hotel packages, New payment channel, E-commerce platform).
- ✈️ Branding communication activities associated with sustainable development, environmental protection, women's protection, cultural heritage preservation, and innovation.



Vietjet always has a pioneering and creative spirit and it is the favorite new generation airline and the choice of many domestic and international passengers.

Vietjet continues its mission of making the community flying dream come true, becoming the people's airline with a practical super-saving price strategy for passengers, constantly contributing to the development of the aviation industry in Vietnam and the region.

# BUSINESS PLAN IN 2023

## BUSINESS PLAN INDICATORS

Specific areas of business strategy are as follows:

8

### INCREASE CUSTOMER EXPERIENCES

Vietjet has constantly improved the quality of products and services provided to passengers in accordance with the spirit of the slogan **"Enjoy flying"** through the following specific programs:

- ✈ New website with a beautiful, friendly and convenient interface to help customers actively choose services: adding optional combo packages, group tickets for families, and services and features, and simple and fast payment methods.
- ✈ Increasing mobile applications: supporting touchless transactions (voice), advertising features through messages (push notification), services.
- ✈ Deploying customer services without going through a switchboard operator such as checking flight time, flight, boarding gate through transaction methods on popular social networking applications such as Zalo, Viber.
- ✈ Equipping more self-service check-in counters at airports.
- ✈ Applying artificial intelligence for customer services such as facial recognition when checking in at the counter, reducing queuing time and increasing connectivity.
- ✈ Enhancing in-flight services such as in-flight shopping and goods, and Wi-Fi service during the flight.
- ✈ Increasing the quality of SkyBoss and Deluxe services through investment in upgrading and expanding facilities and enhancing the image at airport lounges; deploying customer services without going through the call center staff in actively changing the itinerary on the website, proactively requesting to reserve voluntary identity online.



- ✈ Applying e-vouchers for goodwill expenses for passengers.
- ✈ Deploying foods, drinks and rest services for passengers with long connecting time.
- ✈ Deploying the in-flights e-menu.
- ✈ Increasing the quality of SkyBoss and SkyBoss Business services through investment in upgrading and expanding facilities and enhancing the image at airport lounges.
- ✈ Enhancing ancillary services offerings such as online duty-free shopping and in-flight pickup.



# BUSINESS PLAN IN 2023

## BUSINESS PLAN INDICATORS

The specific operational plans of the departments are as follows:

### OPERATIONAL SAFETY

Continuously improving operational performance indicators to reduce costs and increase customer services quality through the following criteria: Organization of effective monitoring of the implementation of aviation safety indicators:

- Effectively maintaining the Safety Management System and strengthen proactive risk management.
- Strengthening international cooperation (IATA, AAPA, Airbus, Boeing, etc.) on safety.
- Continuing to improve the safety management system, the FDM flight data monitoring system.
- Developing the internal SMS teachers team and improving the SMS curriculum.
- Continuing to effectively implement the program LOA Cabin, Cockpit.
- Through AIMS, advancing Fatigue Management monitoring.
- Continuing to implement effective HIRA (03 Safety Action Teams).
- Deploying CEFA to support investigation and training in flight operations.
- Effectively deploying safety management support functions on Safety - Quality Management Software (CORUSON).
- Implementing the ATCL 2023 evaluation program effectively and in line with Vietjet's operational situation.
- Leading the update of ISM Ed.15 and Ed.16, and organizing to train on IATA's new assessment approach on "Risk based approach".
- Organizing and coordinating entities applying for AOC Ops-spec approval of special exploitation forms: EDTO, CPDLC for A330 and concurrently with projects (CAT II for A330; CAT III for A320/321; EFF, eDoc, e-Techlog).
- Coordinating with Ground Operations Department to implement the ATCL Monitoring Program at the airport.
- Coordinating with Flight operation Division and Technical Division to implement CBTA program.
- Monitoring the compliance and effectiveness of AOC and AMO organizations.
- Organizing and coordinating with entities to continue implementing the emission reporting program (CORSA).
- Participating in the service quality assessment program chaired by CS Department - Commercial Division.
- Continuing to deploy training and guidance on centralized management of the department's own document system on CORUSON.
- Continuing to centralize external document management related to CORUSON flight safety.
- Conducting regular reviews or inspections to effectively monitor service quality, while ensuring good turnaround time.
- Evaluating or testing the effectiveness of Information Technology application in exploitation, maintenance, safety and quality activities.



### VIETJET AVIATION ACADEMY

#### Business plan

- Number of students: 347 (external training).
- Number of courses: 30 courses.
- Expected revenue and profit growth:
  - Revenue 2023: VND 56.8 billion.
  - Profit 2023: VND 22.7 billion.

#### Equipping additional teaching equipment

- Adding 01 A320 SIM (expected to install and put into operation in April 2023), maximum 01 SIM A330, 01 SIM B737.
- Implementing the project to build Technical Hangar, sports infrastructure and campus.

#### Other strategies

- Continuing to promote the provision of external training services: basic pilot training courses, aircraft conversion, cabin crew, basic techniques, ground operations and other training courses.
- Aiming at the goal of educational development, implementing career orientation courses for learners - students in order to create job opportunities and attract labor.
- Pilot: Continuing to add more training ratings.
  - Changing in the type of Pilot A330 - A320.
  - Theoretical training of Commercial Pilots in the form of online/distance.
  - Training of SFI teachers.
- Technicals:
  - Implementing CAT B project.
  - Linking universities with dual degree training (University degree in Aviation Engineering and certificate of aviation staff).
  - Adding A330 aircraft type conversion rating.
  - Developing a plan to apply for EASA - Part 147 approval for A320/321 aircraft type conversion.

# BUSINESS PLAN IN 2023

## BUSINESS PLAN INDICATORS

The specific operational plans of the departments are as follows:

### HUMAN RESOURCES

#### Strengthening human resource management

- Standardizing recruitment, training, transfer, appointment, and performance evaluation processes, following market principles and employing talented people.
- Developing and perfecting mechanisms and remuneration policies, evaluating and rewarding employees, including policies and salary systems to ensure competitiveness in the labor market, capacity-based assessment systems for employees (competency dictionary), performance appraisal (KPIs), salary policy, salary regulations, working conditions improvement and work quality improvement at Vietjet.
- Focusing on training, periodical training, reclassification, employees promotion and improving the qualifications of the management team in accordance with international standards, focusing on improving foreign language and handling skills with passengers.

#### Maintaining corporate culture, creating cohesive strength

- In addition to the business strategy, the strength of the enterprise from the corporate culture brings competitive advantages and promotes development. Vietjet focuses on perfecting Corporate Culture as an identity and belief that permeates each employee. Which improves the spirit of dedication and loyalty of each employee in the company, the cohesive teamwork in each job and the employees' trust in Vietjet's decisions and policies. Besides, Vietjet's culture will bring its own identity and be a competitive advantage in the aviation human resources market.

#### Strengthening human resource development

- Recruiting pilots through socialization policy, linking with companies providing pilot rental services, direct recruitment, continuing to maintain the policy of fully paying for training courses change types, periodically for pilots.

- Developing cooperation programs with universities, colleges, domestic and foreign training centers, and having policies to invest and foster students at universities and colleges in order to timely supply human resources of engineers and technicians with quality. In addition, Vietjet also cooperates with other foreign organizations in recruiting skilled professionals.

#### Enhancing employee's capability and investment in developing training organizations

- Vietjet has developed a Training Center that is certified as "Aeronautical Training Organization Level 2" - an organization that uses a satisfactory simulator and is approved by the CAAV and is a test center of the CAAV. In addition to recruiting and developing a team of qualified staff, teachers and employees to meet the training, management and human resource development needs of Vietjet, in the past 2022, Vietjet added modern training equipment to support the training of resources for the A330 fleet being operated such as: A330 aircraft door opening and closing training device (Door trainer A330), A330 pontoon slide device (CEET A330).
- For technical training, Vietjet continues its plan to build a practical training workshop for engineers to repair and maintain aircraft B1/B2 (expected investment in 2023), continue to invest in central training lecture halls, standard classrooms, and modern teaching equipment up to the standards of training facilities of the European Aviation Safety Agency (EASA).
- In 2022, Vietjet Aviation Academy focused on successfully implementing the initial "Project on organizing basic pilot training", which is one of the key tasks of the Academy to bring in revenue as well as expanding cooperation with prestigious flight schools & organizations in the world. Stepping through 2023, following the success of the Basic Pilot Training project, Vietjet will continue to improve and promote its strengths, not only in the field of pilot training but also in other fields such as aviation engineering, aviation career guidance for students of prestigious universities/colleges in the country.

### FINANCIAL PLAN

Vietjet builds a cash flow plan, a capital arrangement plan for the period 2022-2023 with the goal of maintaining healthy financial health, ensuring operating capital and development investment capital at the most competitive costs. Solutions to ensure financial resources include:

- Optimizing working capital and cash flow through the implementation of comprehensive and advanced integrated payment and cash flow management solutions based on modern technology platforms of leading international banks head.
- Flexible use of capital market tools (stocks, bonds, loans, etc.) to diversify short, medium and long-term capital arrangement options to serve Vietjet's capital needs.



### CARGO

In 2022, Vietjet will focus on exploiting the freight market, which is expected to not only recover to the period before the Covid-19 pandemic but also increase higher because countries will open completely for air freight. due to the relocation of production facilities of multinational corporations into Vietnam. Especially in the beginning of 2021 when sea transport is interrupted due to lack of empty containers, sea freight prices skyrocket and due to some problems related to maritime smoothness.

During the complicated period of the Covid-19 pandemic in mid-2021, almost 100% of passenger flights suspended, Vietjet actively pioneered in changing the aircraft's use purpose from carrying passengers to CIPC (Cargo In Passenger Cabin) cargo aircraft.

In 2022, Vietjet transported more than 45 thousand tons of goods between countries, freight revenue increased sharply with an increase of 166% compared to 2021. Through the above positive results, Vietjet approved the agreements. Under the code-share agreement, Vietjet's goods have gone to the Americas and Europe - destinations that the airline had only previously planned.

Based on that situation, VietjetAir Cargo sets out the goal of strengthening the domestic freight market share and expanding the international freight market with superior capacity compared to the common ground with a team of experienced aircraft and staff:

- Deploying effective aircraft financing options according to advanced models in the world such as SLB, JOLCO, ECA, insurance financing from manufacturers... through banks, international financial institutions with high reputation and long operating history such as JPM, Citibank, HSBC, Credit Union, ING, SMBC, MUFG...
- Taking advantage of the Government's support for the aviation industry.



- Building and expanding distribution channels and implementing transparent and competitive sales policies.
- Focusing on developing a system of agents and partners who are big companies in Vietnam and around the world to expand the market with a wide network.
- Accelerating digital transformation and applying 4.0 technology to management and payment to increase service quality and control costs.
- Focusing on coordinating and working with related departments such as Opeartion Division, Safety - Security Department to organize and consolidate service quality, ensure maximum exploitation of supply load, increase revenue, ensure goods safety.
- Effectively coordinating with ground service providers to streamline the freight forwarding management process to ensure the quality of services provided to the market.
- International cooperating with partners UPS, DHL, FedEX, Turkish Airlines, Qatar Airways, Lufthansa Cargo,... to expand international market routes, deploy cross-selling products on cargo flights of partners.
- Investing in warehouse and aircraft infrastructure to increase cargo capacity including the use of wide-body aircraft and the project of loading ULD on the belly of the aircraft.
- Focusing on investing in training for the entire VietjetAir Cargo company, developing abundant and capable human resources to develop in accordance with the direction set by the Board of Directors.

# BUSINESS PLAN IN 2023

## BUSINESS PLAN INDICATORS

The specific operational plans of the departments are as follows:

### INVESTMENT SITUATION

#### Vietjet Aviation Academy (VJAA) Project

In the first quarter of 2023, Vietjet started construction of the basketball court at Vietjet Aviation Academy with a total investment of VND 1.2 billion from Vietjet’s development capital. It is expected that the project will be completed and put into use in May 2023 to meet the training and entertainment needs of students in the Academy.

In 2023, Vietjet will implement the project of a trial manufacturing area and warehouse with a total investment of about VND 35 billion and a project of a house on duty with a total investment of about VND 80 billion. Currently, both projects are in the design completion stage and are expected to start construction right in the second quarter of 2023.

#### Project at Noi Bai International Airport

In 2023, Vietjet will continue to implement other projects at Noi Bai International Airport to improve the operation capacity and face of Vietjet at Noi Bai International Airport, specifically as follows:

Projects	Location	Total Investment	Time to complete
Equipment operation team room (VJGS)	1 <sup>st</sup> floor, Terminal T2 - Noi Bai International Airport	VND 0.35 billion	4/2023
Lost and Found Room	1 <sup>st</sup> floor, Lobby E, Noi Bai International Airport	VND 0.25 billion	4/2023
Briefing – OMC Area and VJGS operation	3 <sup>rd</sup> floor – Hall E, Noi Bai International Airport	VND 1.87 billion	5/2023
Ground Service Complex Center (VJGS)	Basement T1 – Noi Bai International Airport	VND 2.50 billion	6/2023

#### Aircraft maintenance hangar Project at Danang International Airport

The plan in 2023 will continue to carry out bidding works to select investors for the aircraft maintenance Hangar project at Da Nang International Airport after the Da Nang International Airport Adjustment Plan is approved (Expected approval in the third quarter of 2023). At the same time, Vietjet is carrying out procedures to hire more military hangars at Division F372 of the Air Force and Air Force at Da Nang airport.

increase labor productivity, as well as towards green development, sustainable, environmental protection. The projects being studied include many related to automation and digitization of processes, reporting, management of supply services, quality of service, digital office.

In addition to the above projects, in order to continue implementing the digital transformation vision of the Board of Management, Vietjet is studying and evaluating many information technology projects to

Vietjet is actively implementing projects to prepare for Long Thanh International Airport, which is expected to come into operation in early 2026. Some of the preparatory plans include: Ground service area, Equipment maintenance area, aircraft cleaning, hangar (Hangar), etc.

### INFORMATION TECHNOLOGY AND DIGITAL TRANSFORMATION

The Board of Management has determined that the development strategy of Information Technology and digital transformation is a decisive factor to help the Company’s business development plan be implemented effectively and minimize business risks. Vietjet’s IT development and digital transformation plan includes three main areas: Commerce, operation and management based on the digital transformation plan, 4.0 technology and application of artificial intelligence.

In 2023, the ICT department will focus on developing the following specific projects:

- ➔ Product: Developing e-commerce management software to serve the program to increase revenue from ancillary services on board integrated with travel, insurance, and real estate service packages.
- ➔ Automating ground service systems (kiosk check-in, online check-in).
- ➔ Deploying Loyalty programs to increase customer experience.
- ➔ Upgrading the Contact Center system to help connect customers closer.
- ➔ Implementing information security programs that meet GDPR standards to facilitate and facilitate the expansion of international routes.

### TECHNICAL – MAINTENANCE ACTIVITIES

In 2023, Vietjet sets plans to improve technical and maintenance work as follows:

- ➔ Restructuring Maintenance Control Center (Q1/2023).
- ➔ Completing & upgrading maintenance infrastructure including warehouse, office and workshop.
- ➔ The ability to develop more equipment maintenance workshops is lacking.
- ➔ Completing E-Techlog (Q2/2023), AMOS Mobile (Q4/2023) projects.
- ➔ Implementing maintenance program for LVO/EDTO operation.
- ➔ Extending A330 maintenance rating at Level 3, Hall E - Noi Bai International Airport.
- ➔ Completing plan C Check (56 checks) and replacing engine (25 engines).
- ➔ Continuing to implement the project to improve aircraft quality through the OCP program (Optimization of maintenance packages).
- ➔ Finalizing the CRS development & upgrade plan.



05

**MAINTAINING THE POSITION  
LEADING AMBITION**



# EVALUATION OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF THE COMPANY'S ACTIVITIES

## BRAND DEVELOPMENT

As one of the airlines with the leading recognition in Southeast Asia, Vietjet focused on expanding and developing its international flight network associated with outstanding service quality and reasonable fares to new markets and regions.

Exploring the new India market with a series of routes connecting many Indian cities, Vietjet developed and associated branding with flights to Vietnam in the Indian's minds. The airline was also the first Vietnamese airline to open a regular route to Kazakhstan, marking Vietjet's first step in exploring the European market, and especially the Australian market in 2023. Besides, in the conventional market, the airline also accelerated the recovery of flight networks before the pandemic as well as added new routes, introduced, developed, and maintained brand recognition with both loyal customers as well as new and potential customers, towards a future of strong growth, explosive development after the pandemic.



## BUSINESS ACTIVITIES

In 2022, marking a strong recovery of the aviation industry after Covid-19, the vaccine was widely covered in almost all countries, the economy - society returned to stability and the trend of "compensatory travelling" is the driving force for the growth of airlines. Specifically, Vietjet transported 20.6 million passengers on 116 thousand flights, domestic passengers led the recover with the increase by 20% compared to 2019. The number of domestic visitors in the fourth quarter of 2022 increased more than 7 times compared to the same period in 2021, which was higher than the period before the Covid-19 pandemic. Despite the advantages, the business environment in 2022 faced many difficulties when China - the major tourism market of Vietnam's aviation - continued the Zero - Covid policy until the end of the fourth quarter of 2022 as well as the fuel prices increased sharply

due to the fluctuations of world oil prices and the Russia-Ukraine conflict. However, with a flexible business strategy throughout the year, Vietjet succeeded in developing new routes, focusing mainly on the India market, and connecting economic - tourism centers including New Delhi, Mumbai, Hanoi and Ho Chi Minh City. As of December 31, 2022, Vietjet operated a total of 103 routes. At the same time, to meet the strategy of expanding and developing the mid-range international route network, Vietjet has developed its fleet, receiving 2 more A330 wide-body aircrafts in 2022, bringing the number to 3.

Despite ups and downs in 2022, Vietjet and its associate companies have made efforts to proactively adapt, and build appropriate, drastic, flexible and timely business solutions to end 2022 with outstanding business results as follows:



**20** routes  
Number of new routes opened



**20.6**  
Million passengers



**>116**  
Thousand flights

- Number of new routes opened: 20 routes.
- 20.6 million passengers on 116 thousand flights, up 283% and 185% respectively compared to 2021.
- For the whole year of 2022, the parent company's revenue achieved VND 33,077 billion and the consolidated revenue of VND 40,142 billion, reaching 148% and 123% of the year plan, respectively.
- Total assets of the Company in the past year grew significantly with an increase of nearly 32%, to VND 68,037 billion as of December 31, 2022. The main contribution to the increase came largely from the growth in long-term assets. During the year, the Company purchased 1 A321 NEO aircraft from Airbus and 2 A321 aircraft from aircraft leasing partners (Lessor) with 3 engines.

# EVALUATION OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF THE COMPANY'S ACTIVITIES



## INTERNAL MANAGEMENT ACTIVITIES

- Internal governance

Focusing on consolidating the organizational structure, perfecting and promulgating a system of internal governance regulations such as the revised Charter, Internal Governance Regulations, Set of Production Processes, Financial regulations and a series of procedures guiding the Company's operations such as accounting processes, human resource processes, administrative processes, etc.
- Information disclosure

The Company strictly complies with information disclosure obligations as prescribed in Circular 96/2020/TTBTC of the Ministry of Finance on information disclosure on the stock market.
- Complying with the law, ensuring the interests of shareholders and employees

Regarding to the tax obligations to the State budget in accordance with regulations, Vietjet has recorded and paid taxes, fees and charges to the State budget directly and indirectly with VND 4,350 billion. For employees, the Company paid full social insurance, health insurance and unemployment insurance for employees in accordance with the law. The Company also ensured the strict implementation of the rights of shareholders to access information, answered questions from shareholders, and planned to issue shares to existing shareholders, for employees of the Company.

## ASSESSMENT RELATED TO SOCIAL ENVIRONMENTAL RESPONSIBILITY

Not only focusing on well performing business tasks, Vietjet also paid attention to corporate responsibilities to the community and society through social security activities. This is considered as one of the important missions that cannot be separated from business activities, towards the sustainable development goal of the Company.

On the 15-year journey of establishment and development, Vietjet is always aware of and has development policies associated with community goals. In the past year, in parallel with the goal of covering all continents, expanding and developing international routes, typically Astana, Almaty (Kazakhstan), Melbourne, Sydney (Australia), Vietjet constantly strived to promote the leading role in promoting economy - trade - tourism between Vietnam and the countries, contributing to image promotion of Vietnam, bringing domestic and foreign tourists to localities, as well as contributing to the budget and supporting community activities.

During the year, Vietjet's flight VJ6789, which transported 500,000 doses of AstraZeneca vaccine free of charge to the Government and people of Laos, departed from Hanoi to Vientiane, Laos. Thereby, the flight showed Vietjet's goodwill and commitment to the State of Vietnam in building and maintaining friendly and sustainable relationships with countries in the region.

Vietjet continued to accompany charity programs for disadvantaged cases in remote areas, in which poor and studious children, workers who are away from home for a long time, an orphaned children because of the Covid-19 pandemic can return home to celebrate the Tet Holiday for free. Therefore,

the voluntary programs promoted Vietjet's corporate culture with the spirit of good leaves to protect torn leaves, joining hands to help the community. The total value of Vietjet's gifts for young people over the years has reached billions of dong. During the Lunar New Year, Vietjet continued to conduct free flights for disadvantaged workers, orphaned students due to Covid-19, etc. across the country to return to their homeland to celebrate the Tet Holiday with relatives.

As a young and dynamic airline, Vietjet also encouraged sportsmanship of all ages with the first time sponsoring the water run, as well as giving gifts the Vietnam's men and women football teams to express the gratitude from millions

of fans for the two gold medals that the team brought home.

Continuing the tradition to give back to the community, Thai Vietjet also actively participated in organizing and sponsoring a series of community events in Thailand, such as organizing a campaign to clean garbage, clean up canals, and protect the environment; blood donation campaign, tree planting project etc.

Despite many difficulties, Vietjet's philanthropic spirit is still burning as a pledge of responsibility, social contribution and gratitude to the local community, not only in Vietnam but also in any market where the company operates and does business.



**Despite many difficulties, Vietjet's philanthropic spirit is still burning as a pledge of responsibility, social contribution and gratitude to the local community.**

## EVALUATION OF THE BOARD OF DIRECTORS ON THE OPERATION OF THE BOARD OF MANAGEMENT OF THE COMPANY

The President, Vice Presidents and managers have strictly implemented the resolutions and decisions of the Board of Directors. During the management process, the President and members of the Board of Management have complied with the provisions in the Charter, and internal management regulations of the Group. The President promoted well the roles and responsibilities as a leader; directed and oriented important and core issues of the Group and effectively coordinated the activities of the Board of Management. The Vice Presidents have actively implemented and completed the tasks according to their assigned fields. The Board of Management has implemented many synchronous, drastic and timely solutions for business support in line with the guidelines and orientations of the Board of Directors and market developments. The Board of Management also played an important and decisive role in exceeding the basic targets assigned by the General Meeting of Shareholders.

For the 2022 overall assessment, the Board of Management has successfully, responsibly and effectively implemented the resolutions and decisions of the General Meeting of Shareholders and the Board of Directors.

## 2023 OUTLOOK

In 2023, Vietjet continues to set a target of high growth in revenue due to the opening of the Chinese market and promoting the exploitation of potential international markets including India, Korea, Japan, Australia.

With the theme "Flying in the digital era" in 2022, Vietjet will continue to research and invest in building digital infrastructure (mobile apps, moving from paper tickets to electronic tickets, developing payment intermediary services, loyalty programs, developing logistics systems for delivery, express delivery, etc.) and implementing comprehensive technology application of digital transformation in all business activities including commerce, customer service, flight safety, flight operations management, engineering management, financial management etc. In addition, Vietjet will implement a stimulus program to bring high-quality customer experiences to contribute to the Vietnamese and global economy, society and environment.

- 01 Increasing the number of passengers transported, leading the domestic market, leading the international routes operated by Vietjet and Thai Vietjet, promoting and leading the resumption of international segments in the context of the pandemic.
- 02 Effectively using slots, contributing to the development of industry policies, optimizing airport capacity and operating flights according to international standards.
- 03 Developing cargo and logistics.
- 04 Increasing brand value on the basis of outstanding service quality (focusing on ground services, SkyBoss services and passenger cabin), safe operation and ensuring the accurate press information about Vietjet's activities, taking customers as the center and implementing implementing a high-quality in-flight passenger experience journey throughout the company.
- 05 Developing and implementing a digital transformation plan throughout company, completing IT projects for Commercial, Finance, Human Resources, etc.
- 06 Continuing to improve and automating operational processes, aiming for 100% the flight operations are based on an advanced process.
- 07 Optimizing operations through the scientific organization of the flight network.
- 08 Developing flight network with Airbus A330.



06

**SYNERGIZING POWER**  
**BOOSTING EFFICIENCY**





## BOARD OF DIRECTORS

### LIST AND STRUCTURE OF THE BOARD OF DIRECTORS

VJC's Board of Directors has 08 members, including 02 independent BOD members, details are as follows:

No.	Member	Position	Number of shares owned	Ratio %
1	Mdm. Nguyen Thanh Ha	BOD's Chairwoman	297,984	0.06%
2	Mdm. Nguyen Thi Phuong Thao	BOD's Vice Chairwoman	47,470,914	8.76%
3	Mr. Donal Joseph Boylan	BOD's Vice Chairman – Independent Member	-	-
4	Mr. Nguyen Thanh Hung	BOD's Member	5,358,076	0.99%
5	Mr. Dinh Viet Phuong	BOD's Member	657,000	0.12%
6	Mr. Luu Duc Khanh	BOD's Member	904,440	0.17%
7	Mr. Chu Viet Cuong	BOD's Member	68,000	0.01%
8	Mr. Nguyen Anh Tuan	BOD's Member - Independent Member	-	-



### List of members of the Audit Committee under the Board of Directors

The Audit Committee has 03 members and all are members of the Board of Directors of VJC, details are as follows:

No.	Member	Position	Number of shares owned	Ratio %
1	Mr. Nguyen Anh Tuan	Chairman of the Audit Committee	-	-
2	Mr. Luu Duc Khanh	Member of the Audit Committee	904,440	0.17%
3	Mr. Chu Viet Cuong	Member of the Audit Committee	68,000	0.01%

### ACTIVITIES OF THE BOARD OF DIRECTORS

In 2022, the Board of Directors effectively promoted its leading role in directing the development of business goals, strategies and plans in 2022 and strategy in 2023 with a focus on technology, improving efficiency in governance and administration towards implementing the growth and sustainable development strategy, bringing Vietjet to the international level.

The Board of Directors also successfully organized the Annual General Meeting of Shareholders and reported to the General Meeting of Shareholders on issues within the competence of the General Meeting of Shareholders.

In 2022, Vietjet's Board of Directors convened an Annual General Meeting of Shareholders in May 2022 to discuss and approved 9 key contents in 2022. The meeting took place in accordance with the sequence of steps specified in the Enterprise Law, the Company's Charter as well as other relevant regulations. Before holding the General Meeting, the Company announced the organization of the General Meeting of Shareholders, and the finalized list of shareholders attending the meeting; meeting

invitation notice; published the documents to be presented at the General Meeting and after the General Meeting of Shareholders is completed in accordance with regulations.

In addition, in 2022, Vietjet organized to request for shareholders' written opinions in October 2022 to approve 04 key contents.



The resolutions passed at the AGM in 2022 are as follows:

No.	The contents
<b>A</b>	<b>Resolution of the General Meeting of Shareholders No. 01-22/VJC-ĐHCĐ-NQ dated May 28, 2022.</b>
1	Approving the Report of the Board of Directors, the Board of Management, the Audit Committee and the audited financial statements for 2021 of Vietjet.
2	Approving the profit distribution plan in 2021, the plan on issuing shares for dividend payment and the profit distribution plan in 2022, and authorizing the Board of Directors and the Legal Representative to implement and/or authorize perform.
3	Approving the total remuneration and allowances of the Board of Directors, the Fund for activities and social work of the Board of Directors in 2022 and authorizing the Chairwoman of the Board of Directors to decide the form, level of remuneration and specific allowances of each member of the Board of Directors.
4	Approving the plan to issue convertible bonds and authorizing the Board of Directors to decide on the detailed content of the plan and implement it.
5	Approving the plan to increase charter capital in the form of a private placement of shares and authorizing the Board of Directors to decide on the detailed content of the plan and implementation.
6	Authorizing the General Meeting of Shareholders for the Board of Directors to select an independent auditor to review and audit the Company's semi-annual financial statements and annual financial statements in 2022, respectively.
7	Approving the election of members of the Board of Directors for the term 2022-2027.
8	Approving the modification of a number of business lines of the Company.
9	Approving the authorization of the General Meeting of Shareholders for the Board of Directors to perform the work.
<b>B</b>	<b>Resolution of the General Meeting of Shareholders No. 02-22/VJC-ĐHCĐ-NQ dated October 12, 2022 approving the form of collecting written shareholders' opinions.</b>
1	Approving the order of priority for implementation of plans to increase charter capital approved by the 2022 Annual General Meeting of Shareholders.
2	Approving the adjustment of the profit distribution plan in 2021 according to the share dividend payment plan at the rate of 20% based on the maximum expected charter capital after completing the private placement of shares and the issue shares to pay dividends.
3	Approving the detailed adjustment of the Company's registered business lines.
4	Approving the establishment of a commercial presence in foreign markets.

## BOARD OF DIRECTORS

### ACTIVITIES OF THE BOARD OF DIRECTORS

Based on the Resolution of the General Meeting of Shareholders, the Board of Directors implemented the issues approved by the General Meeting of Shareholders.

#### Periodic meetings of the Board of Directors to evaluate the operational situation and give development orientations of Vietjet.

Complying with the provisions of the Enterprise Law, the Company's Charter and the operation regulations of the Board of Directors, in 2022, the Board of Directors held 04 quarterly meetings to discuss, exchange, agreed and promptly gave directions in operating Vietjet's business activities. The Members of the Board of Directors seriously attended directly the meetings or authorized members of the Board of Directors to attend and vote, specifically as follows:

No.	BOD Members	Number of BOD's meeting attended	Attendance rate	Reason for not attending
1	Mdm. Nguyen Thanh Ha	4/4	100%	-
2	Mdm. Nguyen Thi Phuong Thao	4/4	100%	-
3	Mr. Donal Joseph Boylan	4/4	100%	-
4	Mr. Nguyen Thanh Hung	4/4	100%	-
5	Mr. Dinh Viet Phuong	4/4	100%	-
6	Mr. Luu Duc Khanh	4/4	100%	-
7	Mr. Chu Viet Cuong	4/4	100%	-
8	Mr. Nguyen Anh Tuan	2/2	100%	Appointed since May 28, 2022

These Board of Directors meetings focused on resolving key issues related to the direction of the 2022 Annual General Meeting of Shareholders; building and implementing business plan in 2022; closely directing the implementation of the business plan, the key tasks and the resolutions of the Annual General Meeting of Shareholders in 2022. The resolutions agreed by the Board of Directors at the meetings are important orientations to help the Board of Management organize the implementation of Vietjet's business tasks in a synchronous and effective manner.

The Resolutions and Decisions of the Board of Directors are issued on the basis of prudence, compliance with applicable laws, and assurance of objectivity and

transparency on the basis of rights, obligations and responsibilities of each member as stipulated in the Charter, Regulations on Corporate Governance and related regulations as well as respecting the legitimate rights and interests of shareholders, investors and stakeholders towards Vietjet's sustainable development goals.

#### Collecting written opinions of members of the Board of Directors to approve decisions within the authority of the Board of Directors

In addition to face-to-face meetings, the Board of Directors has approved decisions by way of collecting written opinions from members of the Board of Directors to direct the settlement of specific cases under the authority of the Board of Directors according to the report of the President and the Committees of the Board of Directors.

During the year, the Board of Directors resolved many issues related to major orientations on corporate governance, completed and promulgated internal regulations, invested in human resource development, consolidated the leadership apparatus, orientation of concentrated investment activities throughout the system, etc.; directed the adjustment of organizational structure and governance, closely monitored the activities of the Board of Management in the implementation of the resolutions and decisions of the General Meeting of Shareholders and the Board of Directors.

Accordingly, in order to implement in-detail direction of the key contents approved by the General Meeting of Shareholders, all meetings of the Board of Directors discussed and 100% agreed on the issuance of 32 Resolutions and 16 Decisions with the following contents:

No.	Resolution No.	Date	The contents	Approving rate
1	1 - 22/VJC-HDQT- QD	17/01/2022	Allowances for the secretary of the Board of Directors	100%
2	2 - 22/VJC-HDQT-QD	27/01/2022	Decision on establishment of quality assurance department - maintenance organization	100%
3	3 - 22/VJC-HDQT-NQ	20/02/2022	Resolution on changing the organizational structure, management, changing the legal representative of VJGS and appointing a representative of Vietjet's capital contribution at VJGS	100%
4	4 - 22/VJC-HDQT-NQ	01/03/2022	Resolution on approving the appointment of personnel	100%
5	5 - 22/VJC-HDQT-NQ	02/03/2022	Resolution on the Board of Directors approving the selection of PricewaterhouseCoopers Vietnam Co., Ltd (PwC) to audit the company's financial statements for the fiscal year 2021	100%
6	6 - 22/VJC-HDQT-QD	08/03/2022	Decision on the Board of Directors on the establishment of the Organizing Committee of the Annual General Meeting of Shareholders in 2022	100%
7	7 - 22/VJC-HDQT-NQ	01/04/2022	Resolution on the Board of Directors of Vietjet Aviation Joint Stock Company on the last registration date to exercise the right to attend the 2022 Annual General Meeting of Shareholders	100%
8	8 - 22/VJC-HDQT- NQ	01/04/2022	Plan to restructure payment and renew lease contract for 4 AERCAP aircraft	100%
9	9 - 22/VJC-HDQT-NQ	28/05/2022	Resolution on appointment of senior officials	100%
10	10 - 22/VJC-HDQT-QD	30/05/2022	Decision to appoint Vice President - Mr. Chu Viet Cuong	100%
11	11 - 22/VJC-HDQT-NQ	30/05/2022	Decision to appoint Chief Operations Officer - Mr. Michael Hickey	100%
12	12 - 22/VJC-HDQT-QD	31/05/2022	Decision to appointment of Vice President - Mr. Nguyen Thai Trung	100%
13	13 - 22/VJC-HDQT-NQ	30/05/2022	Resolution on titles election of the Board of Directors	100%
14	14 - 22/VJC-HDQT-NQ	31/05/2022	Resolution on Remuneration of the Board of Directors	100%
15	15 - 22/VJC-HDQT- NQ	01/07/2022	Decision on auditing firm for FY2022	100%
16	16 - 22/VJC-HDQT- NQ	10/06/2022	Resolution on approving the loan plan and re-granting credit line in 2022 at Tien Phong Commercial Joint Stock Bank	100%
17	17 - 22/VJC-HDQT- NQ	10/06/2022	Resolution on approving the plan to borrow capital and re-grant credit line in 2022 at Ho Chi Minh City Development Commercial Joint Stock Bank - HD Bank	100%
18	18 - 22/VJC-HDQT- NQ	18/07/2022	Resolution on the Board of Directors on approving the detailed implementation of the issuance plan, the plan to use the collected capital and the list of subjects to be offered for sale	100%



## BOARD OF DIRECTORS

### ACTIVITIES OF THE BOARD OF DIRECTORS

No.	Resolution No.	Date	The contents	Approving rate
19	19 - 22/VJC-HDQT- NQ	18/07/2022	Resolution on the Board of Directors approving the application for registration of private placement of shares in 2022	100%
20	20 - 22/VJC-HDQT- NQ	27/07/2022	Resolution on appointment case of members	100%
21	21 - 22/VJC-HDQT- QD	08/08/2022	The decision to pay bonuses to the Board of Management	100%
22	22 - 22/VJC-HDQT- QD	17/08/2022	Decision on appointment of person in charge of corporate governance	100%
23	23 - 22/VJC-HDQT- QD	08/09/2022	Decision on the establishment of aviation safety and security committee	100%
24	24 - 22/QD-VJC-HDQT	08/09/2022	Decision on the establishment of the audit committee	100%
25	25 - 22/VJC-HDQT- NQ	20/02/2022	Resolution on approving the purchase and lease of spare engines	100%
26	26 - 22/VJC-HDQT-NQ	02/06/2022	Resolution on transferring profits	100%
27	27 - 22/VJC-HDQT- NQ	14/09/2022	Resolution on the Board of Directors on the last registration date to collect shareholders' opinions in writing	100%
28	28 - 22/VJC-HDQT- NQ	25/08/2022	Resolution on approving the selection of partners to lease 04 A330 aircraft in 2022	100%
29	29 - 22/VJC-HDQT-NQ	19/09/2022	Resolution on implementing capital arrangement	100%
30	30- 22/VJC-HDQT-NQ	20/09/2022	Approving procedures related to bond issuance in 2022 under the authority of the Board of Directors	100%
31	31- 22/VJC-HDQT-NQ	20/09/2022	Approving the procedures related to the issuance of corporate bonds in 2022 under the authority of the Board of Directors	100%
32	32- 22/VJC-HDQT-NQ	20/09/2022	Approving the loan plan and re-granting the credit line in 2022 with Woori Bank	100%
33	33 - 22/VJC-HDQT-QD	01/10/2022	Transferring CS department under the Commercial Division	100%
34	34-22/VJC-HDQT-NQ	14/09/2022	Approving the loan plan with VietinBank	100%
35	35-22/VJC-HDQT-NQ	20/09/2022	Approving the loan plan with Maritime Bank	100%
36	36-22/VJC-HDQT-NQ	12/10/2022	Participating in bidding for projects at Long Thanh International Airport of JSC VJ	100%
37	37-22/VJC-HDQT-QD	10/10/2022	Establishing a vote counting committee, supervise vote counting to collect shareholders' opinions in writing	100%
38	38-22/VJC-HDQT-QD	09/12/2022	Resolution on approving the policy of selling 4 aircraft A321-200NX MSNs 10128, 10275, 10331 and 10272	100%
39	39-22/VJC-HDQT-QD	22/10/2022	Approving the plan to borrow and re-grant the credit line in 2022	100%
40	40-22/VJC-HDQT-NQ	27/10/2022	Decision on the dismissal and appointment of the Chairman, members of the Audit Committee	100%

No.	Resolution No.	Date	The contents	Approving rate
41	41-22/VJC-HDQT-QD	27/10/2022	Dismissing Vice President Chu Viet Cuong	100%
42	42-22/VJC-HDQT-QD	01/10/2022	Decision to pay allowances to the person in charge of corporate governance	100%
43	43-22/VJC-HDQT-NQ	17/10/2022	Resolution on appointment and dismissal of members	100%
44	44-22/VJC-HDQT-NQ	14/12/2022	Resolution on approving the policy of signing service contracts between Vietjet and Galaxy Pay	100%
45	45-22/VJC-HDQT-NQ	22/12/2022	Resolution on establishment of departments and appointment of managers	100%
46	46-22/VJC-HDQT-QD	22/12/2022	Deciding the establishment of a loyal customer department	100%
47	47-22/VJC-HDQT-NQ	26/12/2022	Appointing managers	100%
48	48-22/VJC-HDQT-NQ	30/12/2022	Borrowing and refinancing credit lines at HDBank	100%

At the same time, the Board of Directors has fully and effectively performed the supervisory role of the Board of Directors over the Board of Management as detailed in the Company's Charter, Corporate Governance Regulations and other relevant regulations:

- » Organizing regular and extraordinary meetings from time to time in order to pass timely decisions to meet the work of planning, implementation and coordination with the Board of Management;
- » Supervising the Board of Management in implementing the resolutions issued by the General Meeting of Shareholders and the Board of Directors;
- » Giving correct, timely and effective directions to help the Board of Management promptly respond to the double difficulties of the market in 2022;
- » Approving and supervising the implementation of the annual budget and business plan of the Board of Management;
- » Directing and Coordinating the Board of Management to successfully organize the 2022 Annual General Meeting of Shareholders;
- » Paying attention and supervising closely the preparation of reports and the implementation of information disclosure to ensure completeness and timeliness.

### SUPERVISORY ACTIVITIES OF THE BOARD OF DIRECTORS TO THE BOARD OF MANAGEMENT

In 2022, the Board of Directors has fully and effectively performed the role of strategic direction and supervision of the Board of Management as detailed in the Company's Charter, Corporate governance regulations and related regulations, specifically the Board of Directors has:

- » Directing the successful organization of the Annual General Meeting of Shareholders in 2022;
- » Supervising the implementation of resolutions issued by the General Meeting of Shareholders and the Board of Directors;
- » Supervising the implementation of the annual business plan of the Board of Management;
- » Directing the implementation of full and timely disclosure of information in accordance with regulations;
- » Giving correct and timely directions and directions to help the Board of Management manage business activities effectively.



# BOARD OF DIRECTORS

## ACTIVITIES OF COMMITTEES UNDER THE BOARD OF DIRECTORS

The Committees under the Board of Directors have strictly complied with the operating principle through proactively and actively implementing the responsibilities of the Chairman and members of each Committee. Specifically, periodically the Committees meet and report directly to the Board of Directors on the results of their work to advise the Board of Directors on issues within the functions and duties of the Committees such as: strategy, investment, appointment of senior personnel, remuneration and bonus, audit and management of assets and liabilities etc. thereby making an important contribution to corporate governance in particular and the sustainable development of the Company in general.

### 01 Aviation Safety and Security Committee

Aviation Safety and Security Committee is responsible to the Board of Directors for the Airline's Aviation Safety and Security.

In 2022, Aviation Safety and Security Committee has cooperated well with relevant departments to monitor and well implement the regulations in the Safety Management System (SMS) and The Company's Aviation Safety Program.

### 02 Strategy and Investment Committee

The Quality and Training Committee is responsible to the Board of Directors and is the focal point for strategic orientation and investment planning.

In the context of the economy in 2022 with many unpredictable changes and the aviation sector is still facing many difficulties and challenges, Strategy and Investment Committee has closely coordinated with other sectors, related departments to develop business plans to submit to the General Meeting of Shareholders, direct and approve investment transactions (including financial investments) effectively to offset cash flows and profits of the Company.

### 03 Technology and Digital Transformation Committee

The Committee of Industry and Trade is responsible to the Board of Directors for the development of the application strategy and digital transformation for Vietjet. The Committee of Industry and Trade has closely coordinated with relevant departments to develop plans and supervise the implementation of technology application and implementation of the Company's digital transformation program.

In 2022, Vietjet has deployed AI technology application, using Amy robot to automatically answer passengers about all issues related to ticket booking, checkin, payment instructions, flight schedule change, ticket refund etc.

### 04 Organization and Personnel Committee

Organization and Personnel Committee is responsible to the Board of Directors for work related to the organization and personnel of the Company, including but not limited to the contents of reviewing and adjusting issues of organizational structure, salary, etc. with the development of the Company.

In 2022, Organization and Personnel Committee continuously monitors the fluctuation of the Company's human resources and labor market to promptly make decisions to adjust policies on salary, bonus, programs to commend and motivate employees and other welfare programs. In the context that the aviation industry is still facing many difficulties and in the process of recovering international routes, Vietjet is actively training and fostering human resources to prepare for its expansion and growth plan in 2023.

### 05 Insurance and Risk Management Committee

Insurance and Risk Management Committee is the body supporting the Board of Directors to improve the risk management system, assess and measure the level of risk from market fluctuations, ensure business operations plan and ensure effective tracking of resources and assets. The Committee develops risk management strategies, risk management policies, risk management processes and conducts necessary audits to ensure that risk management is fully implemented.

Insurance and Risk Management Committee is responsible for directing the Board of Management to select the best insurers to provide services to the Company, organize insurance professional training for all employees and implement control and monitoring of claims for incidents.

In 2022, the Risk & Insurance Committee has closely coordinated with relevant divisions and departments to assess risks and the Company's insurance policies to ensure that risks are fully managed and insured.

## AUDIT COMMITTEE

### SUPERVISION ACTIVITIES OF THE AUDIT COMMITTEE FOR THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT

In 2022, following the provisions of the Enterprise Law and the Company's Charter, the Audit Committee held 02 meetings, specifically:

No.	Audit Committee	Number of meeting	Attendance rate	Reason for not attending
1	Mr. Donal Joseph Boylan	2/2	100%	
2	Mr. Nguyen Thanh Hung	2/2	100%	
3	Mr. Luu Duc Khanh	2/2	100%	
4	Mr. Nguyen Anh Tuan	-	-	Appointed from 27/10/2022
5	Mr. Chu Viet Cuong	-	-	Appointed from 27/10/2022

During the year, the Audit Committee has fully and effectively performed the supervisory role for the Board of Directors and the Board of Management in accordance with detailed regulations in the Company's Charter, Corporate Governance Regulations and other relevant regulations, specifically:

- Verifying the accuracy and legitimacy of the accounting work, including the preparation of accounting books and financial statements;
- Appraising the Financial Statements (Yearly, Semi-Annual and Quarterly) and Reports on the Internal Control and Audit System before submitting to the Board of Directors;
- Monitoring key investment, procurement and investment expenditures and reviewing expenses for or in connection with the Board of Directors and the Board of Management;
- Monitoring potential conflicts of interest of members of the Board of Directors, management ministries and Shareholders holding 10% or more of the total number of ordinary shares;
- Monitoring the process of information disclosure and exchange;
- Reviewing and evaluating the effectiveness and efficiency of the Company's internal control, internal audit, and risk management systems;
- Proposing the independent auditing company, the remuneration level and related terms in the contract with the auditing company for the Board of Directors to approve before submitting it to the Annual General Meeting of Shareholders for approval.

### COORDINATION OF ACTIVITIES BETWEEN THE AUDIT COMMITTEE FOR THE ACTIVITIES OF THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND OTHER MANAGERS

In 2022, the Audit Committee succeeded in supervising and coordinating the activities of the Board of Directors and the Board of Management in compliance with the detailed provisions in the Company's Charter, Governance Regulations and other relevant laws, including:

- Successfully organizing the Annual General Meeting of Shareholders in 2022;
- Providing reports and information to the Board of Directors and Shareholders in accordance with regulations;
- Establishing a smooth and open information exchange channel to encourage members to exchange, give opinions and ideas.

### OTHER ACTIVITIES OF THE AUDIT COMMITTEE

In addition to the functions on behalf of the General Meeting of Shareholders to monitor the compliance with the Company's Charter, relevant laws and regulations and the operation of the Board of Directors and the Board of Management, the Audit Committee also performed the following tasks:

- Reviewing and commenting on the Company's operating policies and procedures;
- Acting as an advisor on Governance, Finance and Legal when requested by the Board of Directors and the Board of Management.

## BOARD OF DIRECTORS

### ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

Like other members of the Board of Directors, independent members of the Board of Directors exercise their rights and obligations in accordance with the provisions of the company's charter, operational regulations of the Board of Directors and related documents through the process of participating in discussions and decision-making of the Board of Directors, while at the same time ensuring those decisions are made fairly and reasonably.

#### Independent members of the Board of Directors have the following duties:

- Exercising the assigned rights and obligations honestly, carefully and in the best way to ensure the maximum legitimate interests of the company.
- Loyal to the interests of the company and its shareholders; not using information, know-how, business opportunities of the company, position, position and use the company's assets for personal gain or to serve the interests of other organizations and individuals.
- Timely, fully and accurately notifying the company about the enterprise that they and their related persons own or have a controlling capital contribution or share. This notice is posted at the head office and branches of the Company.
- Other obligations as prescribed by law and the company's charter, etc.

During the year, independent members of the Board of Directors attended 100% of the meetings of the Board of Directors and made important contributions to corporate governance. At the same time, the members of the Board of Directors also contributed to consulting and criticizing the decisions of the Board of Directors in the spirit of respecting the law and ensuring the best interests of the Company.

Also in the past year, independent members of the Board of Directors always monitored and supervised the activities of the Board of Management to ensure that the company always complied with legal regulations, at the same time, to promote the Board of Management to perform its obligations honestly and effectively ensure transparency in the use of company assets and distribute dividends among shareholders.

### TRAINING ON CORPORATE GOVERNANCE

In 2022, Vietjet Aviation Joint Stock Company organized and created favorable conditions for members of the Board of Directors, members of the Audit Committee, President, CEO and other managers to participate in internal training courses on corporate governance and update relevant legal regulations.



## TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND THE AUDIT COMMITTEE



### SALARY, BONUS, REMUNERATION AND BENEFITS

The Board of Directors and Board of Management are entitled to remuneration, salary, bonus and other benefits in accordance with the Resolution passed at the General Meeting of Shareholders in 2022 based on the Company's performance, responsibilities, duties and individual results.

## CONTRACT OR TRANSACTION

### TRANSACTIONS BETWEEN VIETJET AND RELATED PERSONS OF VIETJET; MAJOR SHAREHOLDERS OF VIETJET, VIETJET INSIDER, RELATED PERSON OF VIETJET INSIDER

No.	Company name	Content, quantity, total transaction value
1	Sovico Holdings Company	» Buying Vietjet air tickets: VND 252 million. » Leasing office to Vietjet: VND 25 billion.
2	Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank)	» Buying and selling Vietjet air tickets: VND 455 million. » Signing the Contract Addendum to increase the total credit limit to VND 4,300 billion for Vietjet (According to Resolution No. 48-22/VJC-HĐQT-NQ dated December 30, 2022 of the Board of Directors). » Vietjet pays interest: VND 124 billion.
3	Saigon Ground Services Joint Stock Company	» Providing ground services to Vietjet: VND 356.5 billion.
4	Galaxy Pay Co., Ltd	» Providing intermediary payment services to Vietjet with the service fee of VND 361 million.
5	Vietjet Air IVB No. I Limited	» Charter flight revenue: VND 971.6 billion. » Revenue from buying and selling aircraft and engines: VND 3,807 billion (According to Resolution No. 25-22/VJC-HĐQT-NQ dated February 20, 2022 of the Board of Directors approving the purchase and lease of spare parts). » Transferring retained earnings from Vietjet Air IVB No. I to the parent company in the amount of USD 36,500,000 to serve Vietjet's business activities (According to Resolution No. 26-22/VJC-HĐQT-NQ dated June 2, 2022 and Decision No. 820-22/VJC-BGD-QD dated June 3, 2022).
6	Vietjet Air IVB No. II Limited	» Vietjet collected administrative fee: VND 32 million.
7	Vietjet Air Singapore Pte. Ltd.	» Vietjet paid for Vietjet Air Singapore's management fees: VND 352 million.
8	Vietjet Air Ireland No. I Limited	» Vietjet leased aircraft to Vietjet Air Ireland: VND 1,137 billion.
9	VietjetAir Cargo Joint Stock Company	» Vietjet provided transportation services to VietjetAir Cargo: VND 727 billion. » VietjetAir Cargo provided freight services for Vietjet: VND 267 billion with a commission of VND 68 billion. » Vietjet paid for VietjetAir Cargo: VND 18 billion.
10	Swift 247 Joint Stock Company	» Vietjet provided freight services through VietjetAir Cargo (Vietjet owns 64%): VND 475 billion with a commission of VND 30 billion. » Swift247 provided express delivery service for Vietjet's office: VND 120 million
11	Cam Ranh International Terminal Joint Stock Company	» Vietjet's commission fee: VND 181 million. » Providing services at the airports (classifying luggage, displaying flight information, etc.) for Vietjet: VND 12.8 billion.
12	Thai Vietjet Air Joint Stock Co., Ltd.	» Thai Vietjet collected airfare: VND 606 billion. » Vietjet collected airfare for Thai Vietjet: VND 1,024 billion. » Vietjet supported the management area: VND 241 billion. » Vietjet leased aircraft to Thai Vietjet: VND 56.8 billion. » Vietjet provided staff personnel to Thai Vietjet: VND 2.3 billion. » Other expenses from Vietjet: VND 76 billion.

Note: In 2022, Vietjet did not record any transactions with related companies including Sunflower Sunny Investment Co., Ltd, Vietjet Ground Services Limited Liability Company and Skymate Limited.

### TRANSACTIONS BETWEEN VIETJET'S INTERNAL PARTIES, RELATED PARTIES OF THE INTERNAL PARTIES AND SUBSIDIARIES, COMPANIES BEING CONTROLLED BY VIETJET

No.	Entity	Relationship	Description, amount, total transaction value
1	Sovico Group Joint Stock Company	Related party	» Using freight services and related services of VietjetAir Cargo
2	Ho Chi Minh Development Joint Stock Commercial Bank (HDBank)	Related party	» Providing payment and credit services to subsidiaries and companies controlled by Vietjet. » Using freight services and related services of VietjetAir Cargo
3	Sunflower Sunny Investment Co., Ltd	Related party	» Using freight services and related services of VietjetAir Cargo

### TRANSACTIONS BETWEEN VIETJET AND OTHER ENTITIES

No.	Organization name	Transaction type
1	Indochina Beach Hotel Joint Stock Company (IBH JSC)	» Buying and selling airline tickets of Vietjet » Vietjet uses Furama's hotel service
2	HD Saison Finance Company Limited	» Buying and selling airline tickets of Vietjet » Buying advertisement services of Vietjet
3	Other companies in Appendix 02	» Buying and selling airline tickets of Vietjet

### TRADING SHARES OF INTERNAL PARTY AND RELATED PARTIES OF INTERNAL PARTY

No.	Individual	Relationship with internal party	Number of shares Ownership at the beginning of the period		Number of shares owned at the end of the period		Reason to increase, decrease (buy, sell, convert, reward...)
			Number (shares)	Percentage owned (%)	Number (shares)	Percentage owned (%)	
1	Mdm. Nguyen Thi Thuy Binh	Internal person (Vice President)	280,000	0.05	170,000	0.03	Personal financial needs
2	Mr. Nguyen Thanh Son	Internal person (Vice President)	134,400	0.02	74,000	0.01	Personal financial needs
3	Mr. Luu Duc Khanh	Internal person (BOD's Member)	1,204,440	0.22	904,440	0.17	Personal financial needs
4	Mr. Luong The Phuc	Internal person (Vice President)	230,400	0.04	0	0	Personal financial needs
5	Mr. Dinh Viet Phuong	Internal person (BOD's Member, Standing Vice President and Managing Director)	672,000	0.12	657,000	0.12	Personal financial needs

## EVALUATION ON THE CORPORATE GOVERNANCE IMPLEMENTATION

IN RECENT YEARS, UNDER THE BOARD OF DIRECTORS'S DIRECTIONS, VIETJET HAS BEEN APPLYING GOOD PRACTICES IN CORPORATE GOVERNANCE.

The relevant governance principles have been actively referred by Vietjet in the process of building the internal management system at the Company, aiming to improve the quality of corporate governance, creating a premise for business development and achieving broader economic goals that are relevant to shareholders and investors' confidence, accumulating, accessing to the capital markets and allocating capital to expand business operations, specifically:

- Complying well with regulations on transparency and information disclosure;
- Focusing on training the members of the Board of Directors and the secretariat in updating and improving knowledge via training courses on Corporate Governance.

**In 2022, the Board of Directors performed the following remarkable governance tasks:**

- Updating and supplementing the corporate governance regulations (published on the Company's website at [www.ir.Vietjetair.com](http://www.ir.Vietjetair.com)).
- Appointing personnel to be in charge of the corporate governance/secretary of the Company in accordance with the provisions of Article 18 and Decree No. 71/2017/ND-CP.
- Implementing information disclosure in English simultaneously with the Vietnamese version to ensure equality in the information access for foreign investors.
- Applying management scorecard (Scorecard) to evaluate the adequacy and effectiveness of the Company's corporate governance.



### ORIENTATION OF THE CORPORATE GOVERNANCE

With the goal of pioneering the application and gradually reaching to the corporate governance standards of the region and the world, Vietjet needs to continuously carry out the following tasks related to the corporate governance which aims to improve standards related to "Information Disclosure and Information Transparency", and strengthen the "Role of Stakeholders", specifically:

- Continuing to maintain compliance with regulations on information disclosure and transparency as required in Circular 96/2020/TT-BTC dated November 19, 2020 on disclosure of information on the stock market. Circular 116/2020/TT-BTC dated December 31, 2020 on public company governance applicable to public companies, Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government regulating detailing the implementation of a number of articles of the Securities Law and standards in the management scorecard (Scorecard)...
- Developing subsequent plans, orientation and training programs for new members of the Board of Directors and incumbent members to ensure that Vietjet's next leadership has the essential experience and skills to take on the task.
- Innovating Vietjet's website with a more user-friendly interface and features to update and fully disclose information to shareholders, customers, domestic and foreign investors to easily access.

### ACTIVITIES OF THE GENERAL MEETING OF SHAREHOLDERS

The 2022 Annual General Meeting of Shareholders was held on May 28, 2022 in the form of a direct meeting and collected shareholders' opinions in writing on October 12, 2022.

### ACTIVITIES OF THE BOARD OF DIRECTORS

Vietjet's Board of Directors has been active with an approach of responsibility and transparency in governance, strictly complying with regulations for public companies.

Issues related to business strategies, market expansion, technological investment and management system construction are regularly reviewed and evaluated by the Board of Directors in regular meetings.

Meetings of the Board of Directors were convened in a timely manner and conducted in accordance with the procedures specified in the Company's Charter, Internal Regulations on Corporate Governance, Operational Regulations of the Board of Directors and other relevant documents. The contents of the meetings were discussed and evaluated fully and carefully by the members of the Board of Directors in order to provide orientations and solutions that would bring the highest benefits to the Company. The decisions of the Board of Directors at the meetings are approved by the Board of Directors on the principle of majority, the minutes of the meeting are fully prepared and signed by the members of the Board of Directors attending the meeting.



## INVESTOR RELATIONS



At Vietjet, the Investor Relations Department (IR) under the finance and accounting department has roles and functions related to information disclosure and information provision about the Company's business activities.

### DISCLOSURE OF INFORMATION IN ACCORDANCE WITH THE REGULATIONS

In 2022, Vietjet has strictly complied with the regulations on information disclosure as required by Vietnamese law and international practices. In particular, the Company has actively implemented bilingual information disclosure to ensure that domestic and foreign shareholders/investors have access to information in a fair, timely and accurate manner and not being restricted by any language barrier.

In addition to the information disclosed to the SSC and the Stock Exchanges in accordance with the regulations, the Company has established a professional Investor Relations Department that is responsible for being the main information exchange point with shareholders and investors in order to provide information transparently and quickly to the market through press releases, investor meetings, quarterly performance reports and monthly investor newsletters...

At the same time, during the year, the Investor Relations Department also participated in propaganda and dissemination programs about the Law on Securities, Decrees and guiding circulars related to the responsibility of information disclosure of public companies as well as

updating the Information Disclosure Process to ensure that the information disclosure is in accordance with the regulations on time and content.

In addition, the Company also strives to improve the quality of the annual report by improving numerous content of the report, providing more detailed analyses and assessment of governance, economic, environmental and social activities. ... Information on salary and bonus of the Board of Directors, Supervisory Board and Board of Management is also specifically and widely disclosed by the Company in the documents of the General Meeting of Shareholders, Annual Report and Financial Statements.

According to the assessment of the TUV NORO (Germany) delegation, Vietjet's information security management system is being operated effectively, meeting the information security standards ISO27001:2013. Especially, in 2022, Vietjet has expanded the scope of application of the system to new departments such as FCD, CCD, OMC, FOE, GO, thereby ensuring the extensive monitoring and information management process within the Company.

### INFORMATION PROVISION ON THE COMPANY'S BUSINESS ACTIVITIES

The Investor Relations Department, together with the Company's Communication Department, in collaboration with the Securities Trading Organizations conducted seminars with institutional investors to promptly provide business information for Investors.

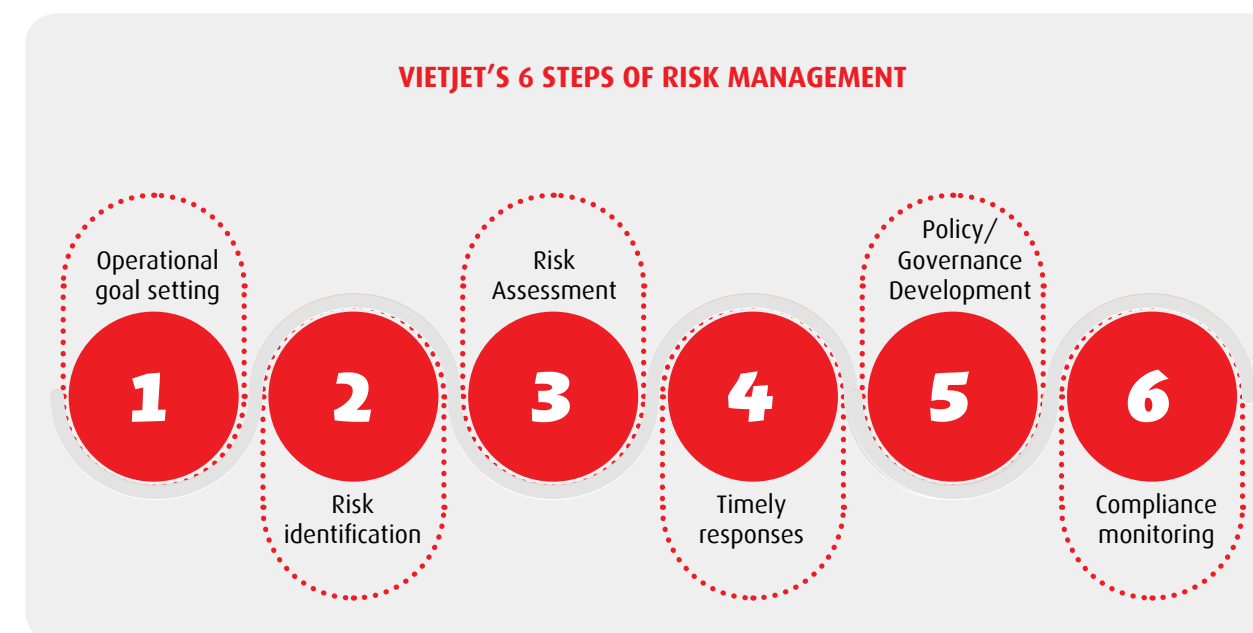
## RISK MANAGEMENT

Operating in the aviation industry, an industry whose volatility is highly correlated with macro developments, Vietjet understands more than anyone else the importance of risk management. Accordingly, good "risk management" is not only for the purpose of predicting and limiting the impact of unexpected developments and implementing the most optimal treatment plan, but also for helping Vietjet identify opportunities for timely and correct decisions.

In the current volatile and unprecedented environment, Vietjet thoroughly pursues the strategy of "Conservative management", flexible response to ensure sustainable development, maximize benefits for shareholders and stakeholders.

### RISK MANAGEMENT PROCESS

Vietjet's risk management process is built with 6 steps, ensuring inclusiveness and objectivity in order to support the Board of Directors and Board of Management in the risk management activities. Tasks and responsibilities for each level, each department are defined vertically (functional departments) and are independently supervised by the internal control department that is reporting directly to the audit subcommittee and the Board of Directors; it is essential to ensure the most effective risk management process, to ensure that the management process not only minimizes risks but it is also consistent with the long-term development orientation.



- » **Operational goals setting:** Setting clear operational objectives and strategies of the Company as a basis for determining the limits and levels of risk management (which activities need and do not need management).
- » **Risk identification:** Fully and Promptly detecting events that may hinder or affect the implementation of the Company's operational objectives and strategies; thereby grouping risks to manage.
- » **Risk assessment:** Assessing the likelihood of occurrence and extent of the impact of risks on the Company's objectives and operational strategies, then ranking these risks to determine treatment priority, acceptability of each type of risk and considering the most optimal risk control measures.
- » **Timely responses:** Identifying measures, developing action plans and monitoring monitor each type of risk in an appropriate and timely manner in order to minimize the impact on the Company's operational goals and strategies.
- » **Policies/Governance Development:** Issuing detailed risk management policies and procedures to control and respond to risks.
- » **Compliance monitoring:** Checking, reporting on effectiveness assessment, proposing adjustment and improvement of risk management at the Company.



# RISK MANAGEMENT

## THE RISKS

The business environment in 2022 as well as the upcoming years will continue to face many unpredictable difficulties and challenges. Therefore, Vietjet always focuses and makes more efforts in risk management. Through the analysis of the business environment in the short, medium and long term as well as the key areas in business activities, the objectives and strategies of operation, Vietjet has identified important risks that the Company must prioritize to manage, including: (1) Economic risk, (2) Legal risk, (3) Specific risk, (4) Other risks.

### Economic risk

Important economic factors of the economy such as economic growth rate, inflation, interest rates, exchange rates, etc. have a direct impact on the business results of the aviation industry in general and Vietjet in particular.

#### Economic growth

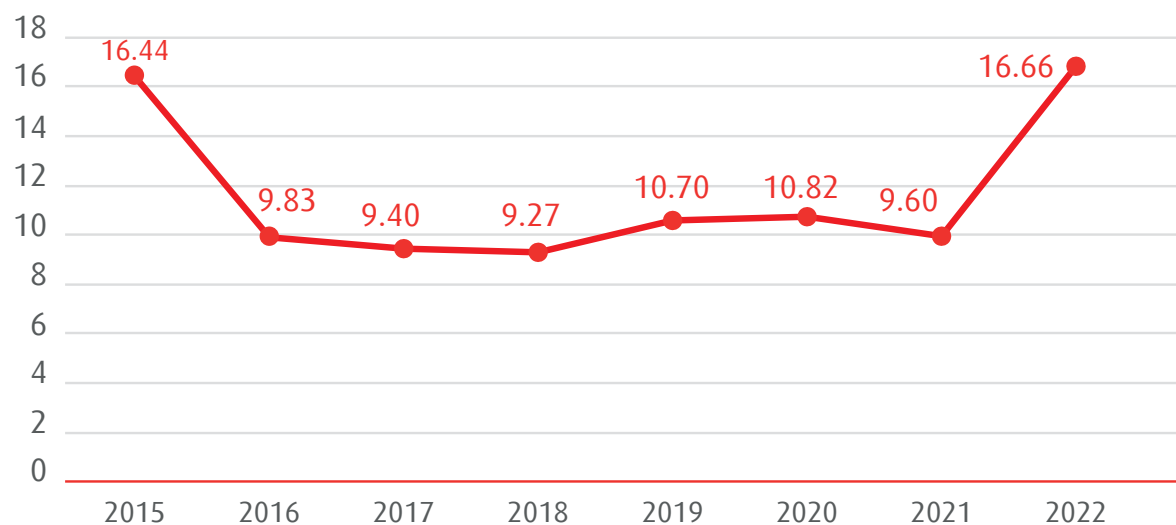
The economic growth rates of the world and Vietnam directly and strongly affect the production and business efficiency of air transport enterprises, including Vietjet. A stable economy will create an important development milestone for the air transport industry, specifically:

- » People' income and living standards are improved to help promote population growth, increase travel and tourism demand...
- » The expansion of production, increased trade enhance the solvency, so the demand for air freight increases.
- » The increase of state budget helps to supplement investment capital for the development of infrastructure and means of transportation such as airports, management systems, aircraft, etc.

In contrast, economic instability or recession affects the demand for infrastructure development, air transport and adversely affects Vietjet's production and business activities.

In 2022, after the Covid-19 pandemic was under control, the world economy as well as Vietnam began to recover strongly again, prospering in most fields. Specifically, production and business activities in all three economic sectors recovered positively, GDP in 2022 grew the highest in 11 years (2011-2022) and reached 8.02%. In which, the agriculture, forestry and fishery sector ensured both maintaining a stable price level and fully supplying the food demand of the economy with an increase of 3.36%; the industry and construction sector increased by 7.78%; especially the service sector is an important sector that determines the overall growth of the economy with a growth rate of 9.99%. Accordingly, Vietnam is a rare country in the world to be upgraded simultaneously by two prestigious national credit rating agencies, Moody's and Fitch, in 2022.

**Vietnam's GDP Growth over the years (%)**  
(Source: GSO)



At the same time, in the context of countries transitioning to a new normal for economic recovery and development, airlines were allowed to resume operations, and recover strongly with a recorded growth rate of 55 million passengers with an increase of 3.6 times compared to 2021 (in which domestic transport reaches 43.2 million passengers, international transport reaches 12.1 million passengers) and freight transport is estimated at 1.22 million tons. According to an analysis conducted by Airbus in collaboration with the International Air Transport Association (IATA), Vietnam's domestic aviation market is assessed to have the fastest recovery in the world with a growth momentum of 123% over the same period in 2019.

The impressive economic growth as above proves the correct direction and administration of the Party and State in recent years, with measures implemented synchronously and drastically to promptly remove difficulties and obstacles for the aviation industry to grow stably, sustainably, effectively and safely.

The year 2023 takes place in the context of the economy facing many unpredictable challenges of the Russia-Ukraine geopolitical conflict and China's Zero-Covid policy...Therefore, Vietjet always pays attention to and closely follows the macroeconomic environment in general and economic growth fluctuations in particular to offer the most appropriate and effective strategies and solutions to change.

#### Inflation

Besides economic growth, inflation is also one of the macro factors affecting Vietjet's business activities. Rising inflation not only pushes up the price of input materials, but also causes consumers to reduce expenditure on tourism and air travel, thereby affecting total revenue and Vietjet's profit declined.

In 2022, in the context of increasing global inflation pressure, the price of raw materials and input materials for production, and freight rates continuously increase, but the average consumer price index (CPI) in 2022 of Vietnam only increased by 3.15% compared to 2021 mainly due to increased volatility in food, gasoline, oil and gas prices. Due to the direct impact of inflation on business results, the Company always pays attention and closely monitors this macro factor in order to make timely and appropriate adjustments.



## RISK MANAGEMENT

### THE RISKS

#### Interest rate

Interest rate in the market fluctuates is due to the issuance of tight monetary policies, ceiling interest rates, interest rate support which can have a significant impact on the production and business situation of enterprises, especially businesses that use loans like Vietjet.

In 2022, lending interest rates increased due to inflation that negatively affected the ability to pay interest and access to new loans of businesses, including Vietjet. According to the State Bank of Vietnam, by the fourth quarter of 2022, the average lending interest rate of commercial banks has exceeded the threshold of 8% per year, which is the highest interest rate in the past few years.

With Vietjet, loans from domestic and foreign banks are used for the purpose of finance lease and purchase of new aircrafts. Although banks and financial institutions providing credit to the Company are banks, long-term

partners should regularly enjoy preferential policies on interest rates. Simultaneously, with the advantage of high credit rating, extensive relationships with large and small domestic and foreign banks, and diversified financial activities, profits as well as savings on interest costs are achieved; However, interest rate fluctuations can still increase borrowing costs, thereby affecting the Company's profit. Therefore, in order to limit the impact of interest rates on the Company's expenses, the Board of Management always tries to control the financial ratios well, especially the solvency ratio, control debt to ensure both ensure debt-equity ratio is always at a safe level below the industry average while complying with the standards of leading airlines in the world. At the same time, the Company's long-term financial plans were also evaluated, carefully considered by the Board of Directors and the Board of Management before making a decision to use loans from the Bank.



#### Exchange rate

The exchange rate fluctuation between Vietnamese dong and other foreign currencies may affect the financial position and business results of enterprises that conduct transactions in foreign currencies including Vietjet.

In 2022, the economy faces an exchange rate shock when at some points the VND depreciates by nearly 9% against the USD (in November 2022) due to the impact of the Fed's interest rate hike policy. Facing the above situation, the State Bank of Vietnam has implemented many measures to stabilize the exchange rate such as selling foreign exchange reserves, widening the exchange rate band, raising VND interest rates, withdrawing VND through the treasury bill channel... By the end of 2022, the USD/VND exchange rate increased by about 3.5% compared to the end of 2021, much lower than other currencies in the world and the region such as: PHP (-8.31%); CNY (-8.41%); EUR (-5.73%); GBP (-10.57%); JPY (-12.91%) etc. thanks to the abundant supply of foreign currency from import and export activities and FDI inflows along with the effective management of monetary policy by the State Bank of Vietnam.

With business characteristics in the aviation industry, most of the financial leasing operations, loans to finance the fleet as well as the main cost groups such as fuel, aircraft ownership costs, etc. paid in USD. However, with advantages such as (1) Vietjet is an airline in Vietnam, it should benefit from the

foreign exchange control policy and (2) Vietjet is oriented to develop international routes besides a dense network. With 22 domestic airports, over the years, foreign currency revenue has gradually accounted for a large proportion of Vietjet's total revenue (including revenue from aircraft trade)... helped the Company to balance the expenses denominated in foreign currency (natural hedging).

In order to minimize the impact of exchange rate fluctuations on the Company's business results, Vietjet has been implementing many measures to strictly control exchange rate risks such as: cash flow forecasting, the demand for payment according to the frequency of daily/weekly/monthly/quarterly/yearly, using derivative financial instruments such as CCS, IRS, SWAP to hedge risks and improve financial profitability.

Vietjet always focuses, pays attention to and regularly monitors the fluctuation of basic economic factors such as economic growth rate, inflation, exchange rate...to promptly offer the most appropriate and effective change solutions. At the same time, proactively building budgets, monitoring cash flow plans as well as economic and financial fluctuations on a regular basis, and impose strict management policies on debt collection have helped the Company manage fluctuations in interest rates, exchange rates and optimize the use of loan capital from time to time.

#### Regulatory risks

Vietjet is currently operating as a public company and listed on the Ho Chi Minh City Stock Exchange (HOSE). Therefore, the Company is governed by many different legal documents such as: Law on Enterprises, Law on Securities, Law on Taxation, etc. In addition, with business characteristics in the field of air transport, the business activities of the Company is also influenced by relevant legal documents such as the Law on Civil Aviation, the Decree on Aviation Security... and other documents. Accordingly, changes in the legal system may directly or indirectly affect Vietjet's cost, flexibility, marketing strategy, business model and scalability. For example, the regulator may restrict the operation of airports operated by the Company through decision restrictions on take-off and landing hours, noise level restrictions, mandatory flight paths, runway restriction, limits on average daily flights.

Besides, Vietjet also provides international services, so in addition to being governed by Vietnamese law, the Company is also governed by the laws of some countries that the airline aims to exploit. Therefore, in some cases, fares and flight schedules must be approved by the Government of the relevant countries.

Vietjet always strictly complies with legal regulations, regularly monitors, studies and updates legal documents

related to aviation activities; and at the same time updates on changes in the law, promptly inform all officers, employees and shareholders of the Company and offer reasonable response solutions to take advantage of all opportunities, minimize risks arising from these regulatory changes.

In addition, Vietjet also has legal consulting contracts with law firms on legal issues of the Company; actively participate in contributing ideas to draft policies and regulations related to the aviation industry in Vietnam.



# RISK MANAGEMENT

## THE RISKS

### ✈️ Specific risk

#### Competitiveness risk

Vietnam's aviation industry is growing strongly in many years with the growth rate for 5 consecutive years at double digits. However, the development of the market not only opens up many opportunities for airlines but also great challenges, because the market is increasingly competitive and fierce, which is reflected in many factors:

- » Number and size of airline companies: In recent years, in addition to the growth in fleet size of major airlines such as Vietnam Airlines, Bamboo Airways, Pacific Airlines, VASCO. There are a huge increase in number of new airlines that are established and entering the market. Typically, a series of new airlines such as: Vietravel Airlines, Vietstar, Vinpearl Air have registered to establish air transport businesses and are waiting for flight permits.
- » Diversity of the market: Currently, the aviation industry serves diverse needs of customers such as: demands (travel, tourism...), objects (individuals, organizations, businesses...), territories (domestic, international), service class (popular, business...).
- » Price competition: Airlines are striving to increase market shares through cutting down on ticket prices, increasing supply load, increasing promotional programs, increasing discounts...
- » Competition in service quality: Airlines focus and strive to improve and enhance service quality through factors such as: quality of seats, dining, staff, equipment bag...
- » International integration: In the process of international integration, besides potential growth opportunities, the aviation industry still faces many challenges in general and competition in particular, especially the ASEAN Open Skies (effective from 2016) through the removal of barriers on the number of routes, flight frequency, etc. between international airports in ASEAN countries with the aim of directing to a single aviation market in ASEAN.

The dynamic business environment and fierce competition factors are driving forces for Vietjet to constantly improve service quality and add value for customers, promoting the development of Vietnam's aviation industry.

In addition, Vietjet also faces competition from major international airlines on international routes to and from Vietnam such as:

- » Turkish Airlines is a 5-star national airline of Turkey with the largest flight network in the world, which entered the Vietnamese market in 2008 and officially opened a representative office in Hanoi in May 2019. In the Vietnamese market, this airline is leading in terms of routes and number of passengers from Vietnam to Europe.
- » Malaysia Air Asia is a famous Asian low-cost carrier based in Malaysia with flights from Kuala Lumpur to/ from Can Tho and is expected to open more routes from Can Tho to Bangkok.
- » Edelweiss Air is a leading Swiss airline based at Zurich Airport (ZRH), specializing in operating flights to the most beautiful tourist destinations in the world. In addition to connecting tourists from Switzerland and Europe to Vietnam, this new route also facilitates passengers to fly directly from Ho Chi Minh City to Europe quickly and conveniently, saving maximum amount of time.
- » Air Seoul is a Korean low-cost carrier, owned by Asiana Airlines and headquartered at Incheon International Airport (Seoul) with flights from Korea to Da Nang.



Realizing the negative impacts of competitive factors in the aviation industry, Vietjet always focuses on building a development strategy in the form of low-cost carrier (LCC) by focusing on the segment of Ancillary revenue - an advantage of Vietjet, while improving service quality on flights by providing services such as SkyBoss and diverse dishes to suit all regions of the country as well as countries around the world.

- » In the early spring of 2022, Vietjet offers customers 3 promotional golden days with ticket price of 0 dong for all international routes that the airline is exploiting.
- » In February 2022, Vietjet opened the first Skyshop with Vietjet's own souvenirs such as Vietjet aircraft models, Vietjet teddy bears, travel bags, T-shirts, Vietjet flight attendant uniforms for children... All These products are displayed in a particularly youthful, friendly space... and simultaneously launched with a 20% discount until the end of February 2022.

In addition, in order to affirm a strong position in the aviation market, Vietjet always pays attention and prioritizes the application of innovative solutions through modern technologies following the current trend of digital transformation such as mobile apps, e-wallets... in order to create more utilities for customers, increase exploitation of new customers, provide convenient services...

- » Vietjet has cooperated with MOVI Welfare Program (Viet Phu Payment Services Support Corporation) to launch a new product called "Fly Now - Pay Later". The product has features and characteristics that meet travel needs and provide financial solutions for low-middle-income workers who need to travel domestically by plane. Flexible installment from 1 to 6 months.
- » Vietjet and Lufthansa Technik Group signed a cooperation agreement to deploy AVIATAR's Technical Logbook application to help transparently and efficiently manage technical data, coordinate between flight crew and technical maintenance team. The application will be integrated across the airline's entire fleet, replacing the manual recording and updating process with the previous paper logbook, fastening data processing and more accurate.
- » Vietjet officially introduced the product SKY HOLIDAYS at <http://skyholidays.vietjetair.com> from July 8, 2022 with the convenience of ticket and resort booking all over Vietnam.



#### Fuel risk

With the main characteristics of high stability, good heat resistance, Jet-A1 jet fuel is an oil-type fuel used in jet engines in general and is the main source of input fuel for the air transport industry in Vietnam.

Currently in Vietnam, there are only a few businesses supplying Jet-A1 gasoline to airlines such as Petrolimex Aviation, Skypec (a subsidiary of Vietnam Airlines), Tapetco. Jet-A1 gasoline is imported from abroad (mainly from Singapore) or taken from domestic Dung Quat oil refinery, then supplied to airlines through two methods: refuel by vehicle and refuel through the underground loading system. At foreign airports, Shell, Chevron and World Fuel are three main suppliers of Jet-A1 gasoline for Vietjet Air and Vietnam Airlines.

At Vietjet, the cost of using Jet-A1 gasoline accounts for 30-40% of the total input costs, so the fluctuation of Jet-A1 gasoline price has a great influence on the Company's profit. However, it is difficult to control and forecast the price fluctuation of Jet-A1 gasoline because it depends on the world price of crude oil (Brent oil) - one of the sensitive commodities that is easily affected by the economic, political and social factors.

In order to limit the possibility of occurrence as well as reduce the impact of this risk, Vietjet has been proposing and implementing many effective measures such as: (1) Using a fleet of aircraft with a low average age to optimize chemical fuel consumption; (2) Implementing fuel-saving program; (3) Operating the new generation fleet of Airbus A321 NEO.... This helps to minimize fuel consumption.

# RISK MANAGEMENT

## THE RISKS



### Specific risks

#### **Risks of airport infrastructure limitations and air traffic control**

Vietnam currently has 22 airports in operation. In which, Airports Corporation of Vietnam (ACV) is the only airport owner and operator in Vietnam. With a strategic geographical location, comprehensively invested infrastructure, a large number of passengers along with development investment priorities from the Government. Although the location of airports stretches from North to South, airport operations in Vietnam are concentrated at only three airports: Tan Son Nhat, Noi Bai and Da Nang International Airport.

In recent years, along with the establishment, operation and development of new airlines and the increasing demand for air transport, the infrastructure at the airports have been upgraded. However, the large difference in the progress of infrastructure construction investment and the airport's capacity expansion has created overload both in the air and on the ground, which may affect flight safety. To reduce this pressure, the Government has focused on implementing the Resolution to expand Long Thanh airport, expand the construction of Tan Son Nhat T3 Terminal, and cooperate and expand private investment in new airports. (Van Don airport...), further enhancing airport quality with high international standards to attract and distribute loads at Tan Son Nhat and Noi Bai International Airports.

While the solution of reducing turn-around times at airports increases aircraft efficiency, disruption handling and reliable services allow the Company to reduce unit costs, thereby generate more revenue from flight activities, save fixed costs, increase Company's profits. However, limited airport infrastructure and air traffic control can still affect the ability to maximize aircraft performance, increase aircraft turnaround time, adversely affecting the Company's financial results. Therefore, in order to limit the aforementioned risks, the Company always focuses on the following activities: (1) Actively developing the aircraft fleet and allocating reasonable flight schedules during the operation; (2) Cooperating with ground service providers at airports to create favorable conditions for operation; (3) Launching the self ground service to enhance service quality and save direct costs by investing in developing airport infrastructure to create favorable conditions for operation; (4) Joint venture with partners in building and expanding new airports...

#### **Risks associated with aircraft manufacturers**

Currently, airlines in Vietnam purchase aircrafts from major aircraft manufacturers in the world such as Boeing, Airbus, and ATR. Thanks to its design suitable for low-cost airlines with short-haul domestic and international flights, Airbus holds the majority of market share in Vietnam with the most commonly used aircraft, the A320 family, with the ability to fill seats higher than other large aircrafts (designed with a single aisle, capacity from 180 to 220 seats ...). Domestic aircraft production capacity is a big challenge for Vietnam's aviation industry, especially the price of aircraft and spare parts has continuously increased in recent years. Although the increase in the aircraft purchase price is stable with a certain delay and especially the predictability that helps airlines to estimate costs and adjust development plans, fluctuations in input price still significantly affect Vietjet's business results.

Thanks to the advantage of credibility and scale, Vietjet has the ability to negotiate the purchase, sale and lease rate of aircraft, and receive better discounts from manufacturers, which not only help the Company secure good commercial terms but also receive multiple programs of technical support, warranty, maintenance, training... from domestic and foreign aircraft manufacturers.



#### **Risks associated with third-party distribution systems**

Although there is a strategy to increase the online ticket booking channel, the sales channel through Vietjet's agents is currently still an extremely important distribution channel, specifically:

- » The relationship between the Company and the sales agency system may be influenced by commercial terms that other airlines apply to these agents.
- » As these agents interact directly with the Company's passengers the quality of the agent's service may affect the Company's reputation and business results.
- » The shortage of sales agents will affect the company's revenue.

However, in response to the trend of technology development, Vietjet has invested in improving digital transformation technology, and at the same time increasing the number of experienced and financially capable general agents. The company also focuses on promoting the proportion of online sales channel by improving and innovating the reservation system on the online channel in parallel with creating the fastest supporting applications for this channel.

#### **Risks related to weather factors**

According to statistics from the American Airlines (FAA), weather is the cause of about 70% of flight delays.

In Vietnam, according to the Safety Board - Vietnam Flight Management Corporation, about 50-60% of flight operations are affected by weather, including problems such as longer flight, flight delays bypassing the FIR border (Flight Information Region), missed approach, turning back or landing at alternate aerodrome...These figures do not include flights canceled due to airport closures during particularly bad weather (cumulative clouds, turbulence, freezing, etc.). All of these incidents have largely resulted in additional financial costs for airlines.

To minimize the impact of weather on flight operations, Vietjet has developed a forecasting system and devised a plan to adjust flight schedules in the face of tropical depressions, storms, and other incidents. . In 2019, the airline applied the method of suspending flights to unsafe areas and increasing operations after the storms have been over. These actions show that Vietjet is prepared and responsive to possible weather-related risks.

#### **Risk of political and social instability**

The socio-political instability not only affects the safety of the aviation industry but also affects passengers' behaviors. Under the impact of long-term conflicts and political instability, besides the heavy impacts on passengers, it also affects the economy in general and the tourism industry in general, thereby indirectly affecting the aviation industry.

Vietjet has sought to mitigate these impacts by increasing investment on expanding markets and increasing flights to locations with more stable political situations. Notable flight routes such as Da Lat, Can Tho, Seoul (Incheon), Hanoi, Ho Chi Minh City, Da Nang - Nagoya, Fukuoka, Kagoshima have been expanded to meet customers' travel needs.

#### **Risk of accidents or incidents**

Ensuring safety is a top priority in the aviation industry, where compliance with safety standards is extremely stringent. In the event of an accident or incident, the airline not only incurs property loss as well as associated increased costs, including passenger compensation costs, aircraft repair and replacement costs, but also has the image, service quality and production and business activities of the company detrimentally affected.

At Vietjet, service quality and safety are always top priorities and the company strictly adheres to safety regulations according to international standards. According to AirlineRatings, besides other prestigious airline brands in the world such as Ryanair, easyJet, Frontier Airlines, Wizz...Vietjet is also one of the 10 safest low-cost airlines in the world in 2022 out of a total of more than 385 global airlines. In 2022, AirlineRatings also continues to put Vietjet in the group with an absolute aviation safety rating of 7/7 stars, the highest level in the world that the airline has maintained for 4 consecutive years from 2018 to now. In addition, the construction and certification of IOSA for the first time in 2014 and continued maintaining operation standards in the evaluation sessions in 2016, 2018, 2020 and 2022, helping to maximize Vietjet's flight operations safer.

07

**SUSTAINABLE  
DEVELOPMENT  
FLY GREEN AND FURTHER**





# AVIATION SAFETY POLICIES

As the leading airline in Vietnam, Vietjet always puts safety as one of the top priorities in its business development strategy. Accordingly, with the goal of minimizing unfortunate incidents for staff and passengers, aircraft and assets, Vietjet constantly evaluates, improves and upgrades its aviation safety programs.

Vietjet's safety policies include effective solutions such as training and updating employees' skills, periodically checking and maintaining aircraft, ensuring compliance with international aviation safety regulations and apply advanced technology for safe risk management.

In addition, Vietjet also focuses on enhancing coordination between departments in the company to ensure the safety and efficiency of aviation operations. All of these efforts of Vietjet aim to ensure that each of their flights is always performed with the highest level of safety, ensuring peace of mind for passengers and honoring the Vietjet brand in the Vietnamese aviation industry.



## 1 SAFETY MANAGEMENT SYSTEM TRAINING (SMS)

- » Ensure that all staff are trained in the general awareness and work related to the aviation safety management system.
- » Ensure that all aviation staff are trained and implemented programs for the aviation safety management system for the first time and periodically according to the regulations of the Vietnamese authorities and IATA standards through cooperation with authorities such as Civil Aviation Authority of Vietnam and international organizations such as IATA, AAPA, Airbus, Navblue, Ideagen, SCS...

## 2 AVIATION SAFETY COMMUNICATION

- » Ensure the information updates which are relevant to the aviation safety are delivered timely and completely to all the personnel and partners including levels of warning, recommendations, directives, notes, news and aviation safety-related conferences.
- » Launch PR communication activities about the Covid-19 preventive measures on all Vietjet's flights to ensure the safety for passengers and staff while in operation.

## 3 AVIATION SAFETY RISK MANAGEMENT AND SAFETY REPORTING SYSTEM

- » Effectively operate online reporting system via Coruson, enables all employees to quickly identify and report risks, incidents and hazards, and provide suggestions for improvements to the safety system. The system also allows for the secure submission of reports anywhere via CORUSON online software.
- » Operation departments such as ground operations, flight operations and engineering (SAGS) have established safety operations to ensure the monitoring, control and identification of hazards and risks. In addition, they also proactively conduct investigations to identify root causes and take appropriate preventive measures.
- » The Adjustment Management Committee controls all major changes that may affect the operation through monthly meetings, thereby assessing and managing risks and ensuring that relevant units are aware of the risks involved.

## 4 AVIATION SAFETY RATING (LOSA)

- » Conduct aviation safety assessment during the operation of the aircraft, including the cockpit and cabin, to document and improve the safety procedures that have been applied on the aircraft and detect trends in violation of aviation safety procedures and procedures, to ensure safety and ensure compliance with aviation safety regulations.

## 5 FLIGHT DATA MONITORING AND ANALYSIS (FDM)

- » Establish and maintain the operation of the flight data monitoring system as part of the safety management system as required by the CAAV (Var 12.075) and IATA (IOSA-ORG 3.3.13) authorities.
- » Conduct continuous monitoring of aviation safety indicators collected through flight data analysis system in order to timely detect potential hazards, assess flight safety trends and make recommendations on safety related precautions.
- » Handle the investigation and settlement of aviation safety violations related to flight operations, in order to ensure the safety of passengers and crews.
- » Provides data for fuel saving program and engine life monitoring...

## 6 IOSA CERTIFICATE

- » Vietjet excellently achieved high results according to the aviation safety assessment program (IOSA) conducted annually by the International Aviation Association (IATA).



## 7 ISO 27001 STANDARD

- » According to the assessment results from experts of TUV NORD based on international standards, Vietjet's information security assurance system is still being maintained and operated effectively to meet ISO 27001 standards.
- » The ISO 27001 standard system helps Vietjet build and manage the most secure, safe and effective information system. Thereby preventing risks, managing weaknesses and deploying measures to prevent threats to the system accurately and in a timely manner...
- » In addition, Vietjet has implemented many measures to improve the system of documents, regulations and implementation procedures to improve the efficiency of using the system.



# ENVIRONMENTAL IMPACT MANAGEMENT

THE MANAGEMENT OF THE IMPACTS FROM THE COMPANY'S BUSINESS ACTIVITIES ON THE ENVIRONMENT IS CONSIDERED AS ONE OF THE CENTRAL REQUIREMENTS TOWARDS THE GOAL OF SUSTAINABLE DEVELOPMENT. AT VIETJET, THE VICE PRESIDENT IN CHARGE OF SAFETY, SECURITY, QUALITY AND ASSURANCE IS ASSIGNED THE MAIN RESPONSIBILITY FOR THE MANAGEMENT OF ENVIRONMENTAL IMPACTS.

To ensure maximum environmental protection and minimum negative impact of the aviation industry on the environment, Vietjet has implemented a management program of 5 main influential factors including:



The implementation of this program not only contributes positively to the environment, but also demonstrates the company's vision and commitment to a green and sustainable future of aviation in Vietnam.

## FUEL CONSUMPTION MANAGEMENT

Jet fuel accounts for the largest proportion of airline operating costs. Therefore, strict and effective control of consumption is essential to minimize the impact on the environment (reducing gas emissions, reducing greenhouse effect...) and improve the Company's business results (reduce operating costs, increase profits and competition). For Vietjet, fuel costs account for 38% to 45% of total operating costs, so optimal fuel consumption management is a core task in the company's business strategy.

In 2022, Vietjet saved more than \$5.4 million in fuel costs by implementing energy-saving measures such as adjusting air conditioning temperature, customizing fuel when rolling, and reducing excess fuel.

Vietjet has built a business model with the least environmental impact for the following reasons:

- » New, young aircraft fleet: Vietjet has a new fleet of aircraft uniformly using new technology engine NEO (New Engine Option) with fuel consumption being 20-30% less than that of the narrow-body 320/321, which contributes to the reduction of greenhouse gas emissions.
- » Additional in-flight seats: Due to the arrangement of more seats on the aircraft, fuel efficiency increases (the number of seats per kilogram of fuel increases).



- » Selection of lightweight materials: When designing seats for a new aircraft, Vietjet prioritizes choosing space-optimizing designs to increase the number of seats on each aircraft and reduce the weight of the aircraft, which will contribute to the fuel saving.
- » High operational efficiency: Vietjet deploys programs to monitor and analyze flight activities to improve fuel efficiency. Vietjet implements Safran Group's program to optimize fuel consumption of aircraft (SFCO2) to optimize landing methods, fuel carried, on-road process, speed and optimum altitude as well as pilot and crew maneuvers.

In business activities, Vietjet aims to build a comprehensive, long-term and effective fuel-saving program. To achieve this goal, Vietjet has increased the use of GPUs in maintenance work; at the same time, since 2017, the Company has cooperated with Safran Group of France to implement a program to optimize aircraft fuel consumption (SFCO2) through various solutions, including providing detailed instructions for pilots to control engine operations during flight; thereby helping to optimize the engine's operating capacity, reduce drag during landing and take-off and enhance operating safety.

In addition, by monitoring and providing accurate information about the weight of passengers, luggage, and spare fuel in the fuel tank of the SFCO2 Program, it also helps Vietjet calculate the amount of fuel that needs to be refilled, reduce fuel waste and improve fleet efficiency.



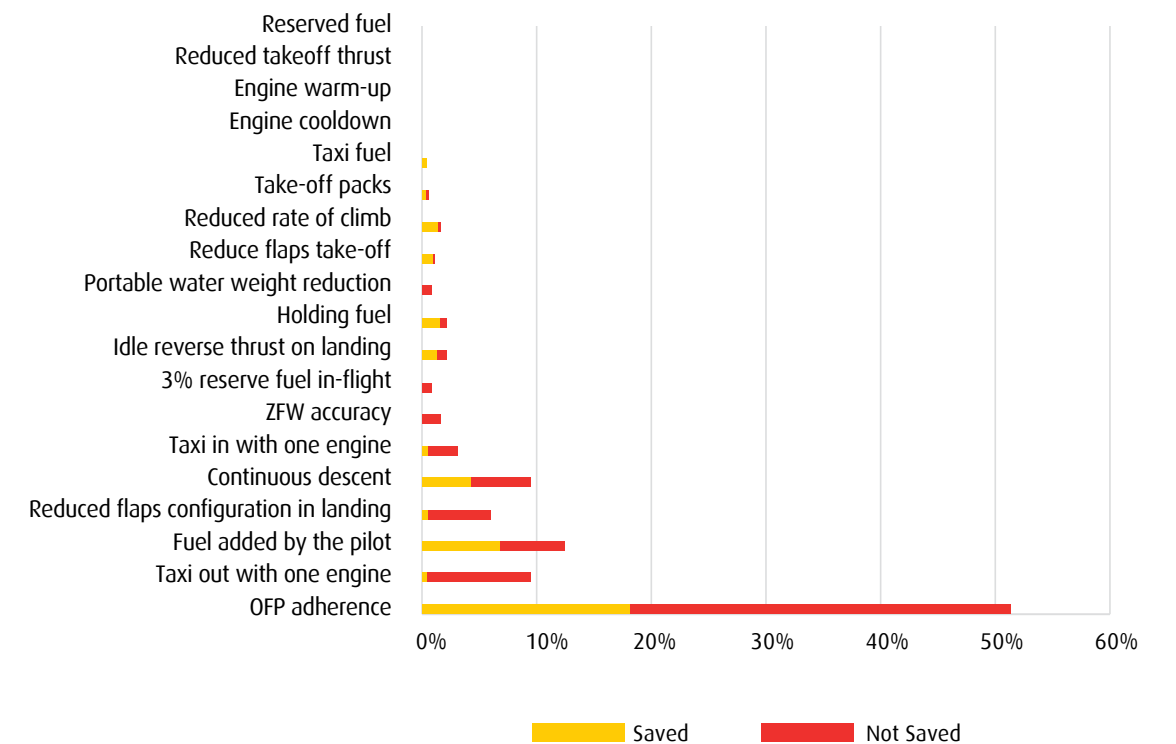
In addition, Vietjet also implements the Miss Airbus program through the following actions:

- 1 Consolidating the operation of the maintenance and cleaning team of the passenger compartment, washing the aircraft;
- 2 Controlling and quickly fixing cabin failures;
- 3 Establishing workshops to maintain equipment in the passenger cabin (microwave oven, coffee machine, curtain/carpet, etc.).

From 2019 until now, complying with the requirements of ICAO and the Civil Aviation Authority of Vietnam, Vietjet has fully participated in the control, reporting and verification (MRV) of flight fuel consumption data under the Program - clearing carbon emissions in international aviation (CORSA). The data has been verified by an independent verification agency (Verifavia) before reporting to the Civil Aviation Authority of Vietnam and ICAO.

Following the requirements of ICAO and the Civil Aviation Administration of Vietnam, Vietjet is one of four Vietnamese airlines that have participated in the CORSIA emission clearing process, voluntary period 2024-2026 for international aviation activities. Participating in CORSIA in the voluntary phase demonstrates Vietjet's social responsibility for aviation activities in environmental protection.

### 20 OPERATING FACTORS THAT AFFECT FUEL CONSUMPTION





# ENVIRONMENTAL IMPACT MANAGEMENT

## ✈️ SPARE PARTS MANAGEMENT

The use of input materials is also an important factor in Vietjet's aircraft maintenance, therefore the materials and spare parts used are carefully determined to ensure that they meet the standards and specifications of the aviation industry.

To ensure professionalism, efficiency, safety and compliance with the international standard, Vietjet has reviewed and applied the materials management methods of the world's airlines that are best suited to the conditions of the aviation industry of Vietnam.

Vietjet has classified supplies into two main categories: reusable spare parts and single-use spare parts.

- » Reusable spare parts are those that are repaired and reused, and also do not cause harmful wastes to the environment. To manage the use of reusable spare parts, Vietjet uses AMOS software to track the ratio between returned supplies for repair and discarded materials; At the same time, the management of the materials inventory and the maintenance planning are also applied in advance to ensure the supply of materials for arising failures.
- » Contrary to reusable spare parts, single-use spare parts are those that are used and then released into the environment. To treat these wastes, Vietjet has signed contracts with functional units at the airport to take them for a waste treatment. The supply replacement used is specified and referenced in accordance with the aircraft manufacturer's documentation and purchased from foreign suppliers.



## ✈️ MANAGEMENT OF TOOLS BEING USED ON AIRCRAFT

Vietjet has made significant efforts in protecting the environment and reducing the impact of plastic waste through prioritizing the use of recyclable and environmentally friendly items such as paper cups, paper straws, tissue, paper bags, etc. Particularly for recyclable plastic materials such as plastic bottles, plastic spoons, and nylon bags, etc. Vietjet collects and separates them for treatment according to the guided process of a partner providing waste collection and treatment services.

In addition, Vietjet also joined and became one of the first members of the Alliance against plastic wastes chaired by Prime Minister Nguyen Xuan Phuc which was launched in June 2019. The company has actively contributed ideas in creating a reward mechanism and encouraging breakthrough ideas in production and business activities in order to protect the environment in general. These efforts aim to reduce the use of single-use plastic products and build a plastic-free community. Since then, Vietjet contributes in creating a healthy living environment and protecting natural resources for future generations.



## ✈️ WASTEWATER MANAGEMENT INTO THE ENVIRONMENT

In business activities, Vietjet does not use a lot of water resources and raw materials.

- » Water source: mainly water for in-flight usage
- » Materials: mainly recyclable and environmentally friendly disposable tools.

Vietjet is committed to classifying and gathering waste and wastewater after each flight according to a waste treatment process that complies with urban environmental standards set by the Environmental Service Company at airports. However, to ensure that service providers comply with the law on environmental protection, Vietjet also evaluates and inspects the waste collection and treatment processes of these units.

In addition to factors such as price, quality, reputation, brand, etc. Vietjet evaluates and checks the waste collection and treatment process of service providers to ensure that they comply with the law on environmental protection.



## ✈️ PROPAGATE TO PROTECT THE ENVIRONMENT

Vietjet is one of the pioneer airlines in focusing on environmental protection and responding to climate change by ensuring full compliance with legal requirements on environmental protection and raising employee awareness.

To ensure that the policy of environmental management and protection is effectively implemented to more than 6,000 employees and stakeholders, Vietjet has implemented many practical measures such as: focusing on propaganda and communication to all parties involved; regular meetings to implement policies and procedures for each department, weekly newsletters, announcements via email, internet, company website and mass media are used to make sure the information is widely spread, etc.

Besides, in order to build a comfortable, convenient and hygienic working environment (maintenance station, warehouse, and material warehouse in a clean, green and scientifically arranged condition, etc.), Vietjet has implemented the 5S Program at all offices, bases and airports that the airline is operating.

Accordingly, at Vietjet, each member is highly aware of environmental protection and climate change responses. The re-usage of stationery, workplace hygiene, planting trees, saving electricity, correct and effective use of working equipment, water sources, air conditioning, lighting are specific measures that each member performs in each daily activity.

With these measures, Vietjet has demonstrated its commitment and responsibility in protecting the environment and responding to climate change.



## ENVIRONMENTAL PROTECTION

## COMPLIANCE WITH THE LAW ON ENVIRONMENTAL PROTECTION



In the context of growing concern about environmental protection and natural resources, Vietjet has moved towards a green future and is committed to protecting Mother Earth for today and future generations. To contribute to this goal achievement, Vietnam's leading airline has implemented green flights, saved fuel, reduced emissions and noise pollution by utilizing the world's most modern aircraft.

At the same time, Vietjet has also cooperated with the Vietnam Youth Foundation to implement the program "Clean up the sea" in 28 provinces and cities with coastline stretching from North to South. The program has been implemented since June 2018 and achieved amazing

results. Activities such as donating mobile propaganda vehicles, donating uniforms and tools to the main volunteer teams have been carried out to support the sea cleanup progress. In particular, trash can placement in public places also helps to promote public awareness of the importance of environmental protection.

With these commendable efforts, Vietjet has established a reliable company's image who is responsible for the environment and natural resources. The implementation of the program "Let's clean the sea" is an important step for us to take care of and protect Mother Earth together, providing a green and sustainable future for people and our planet.



Vietjet's goal of ensuring compliance with legal regulations on environmental protection is reflected in the issuance of policies and operating procedures to ensure strict compliance with legal regulations on environmental protection in the countries in which the company does business.

At the same time, Vietjet also actively participates in activities of global environmental protection organizations, contributing to building a cleaner, more beautiful and sustainable world. In 2022, Vietjet has been implementing well the issued regulations and policies, ensuring there are no cases of violations of the law on environmental protection.



 **6,016**  
People  
TOTAL PERSONNEL  
(Update 31/12/2022)

 **TOP 100**  
BEST PLACE TO  
WORK VIETNAM

# POLICIES RELATED TO EMPLOYEES

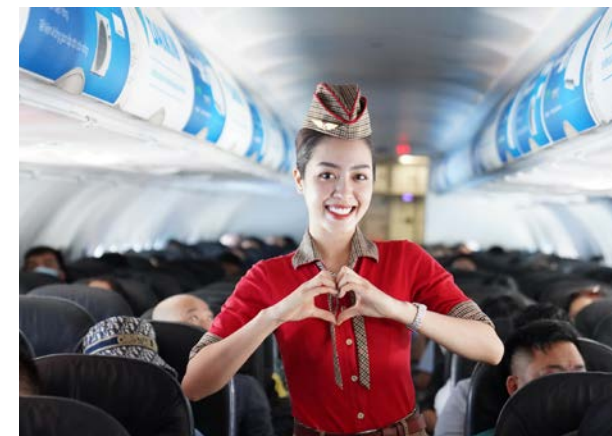
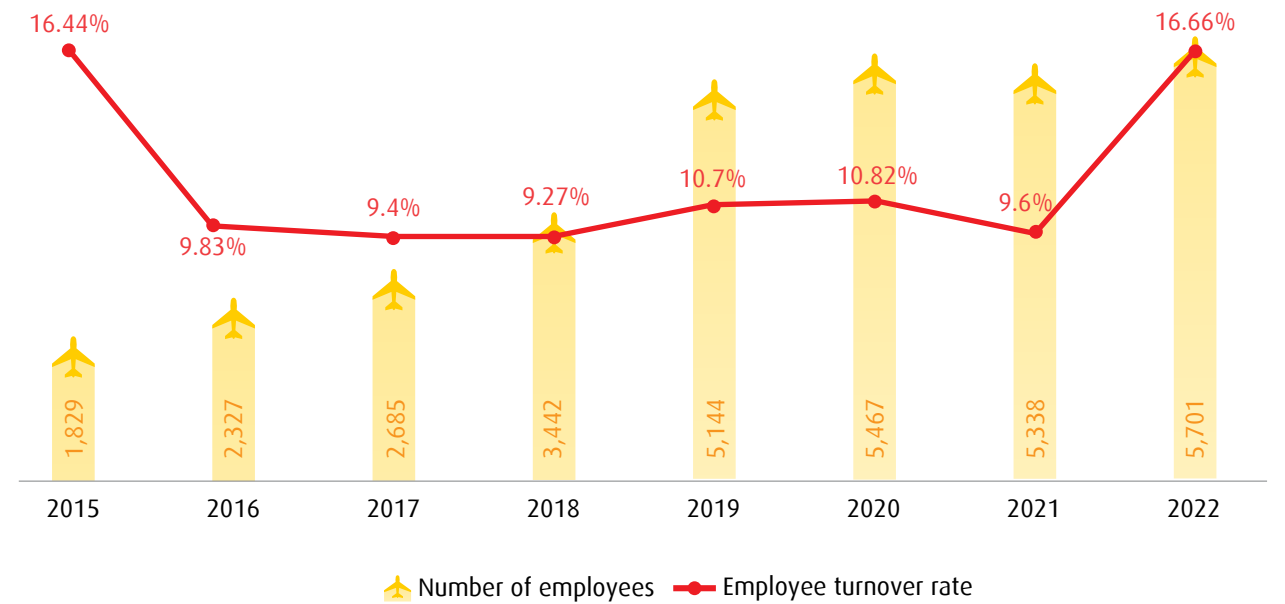
## POLICIES RELATED TO EMPLOYEES

In order to build a labor force to meet strategic tasks and take advantage of opportunities, Vietjet has proactively planned personnel at all levels through recruiting, training, developing policies and remuneration regimes, and improving spiritual and material life for all employees in order to create a healthy and professional working environment for employees, attracting high-quality domestic and foreign human resources. Vietjet also actively implements professional training programs and practical programs to cultivate management experience while building partnerships with high-quality universities such as Ho Chi Minh City University of Technology, Hanoi University of Science and Technology, Vietnam Aviation Academy to actively recruit human resources who have graduated from these universities.

High-quality labor force for the aviation industry, especially pilots and skilled technicians is low in supply and there is a high level of domestic and international competition, leading to the situation that working individuals switching to a different job. During the two years of the pandemic, the rate of workers leaving the tourism industry in general and the aviation industry in particular increased dramatically, however, at Vietjet, the rate of employees quitting their jobs has been in average less than 15% in recent years.

Year	Number of employees	Employee turnover rate (%)
2015	1,829	16.44%
2016	2,327	9.83%
2017	2,685	9.40%
2018	3,442	9.27%
2019	5,144	10.70%
2020	5,467	10.82%
2021	5,338	9.60%
<b>2022</b>	<b>5,701</b>	<b>16.66%</b>

EMPLOYEE TURNOVER RATE GRAPH (%)



# POLICIES RELATED TO EMPLOYEES

## DIVERSITY, EQUALITY AND SOLIDARITY

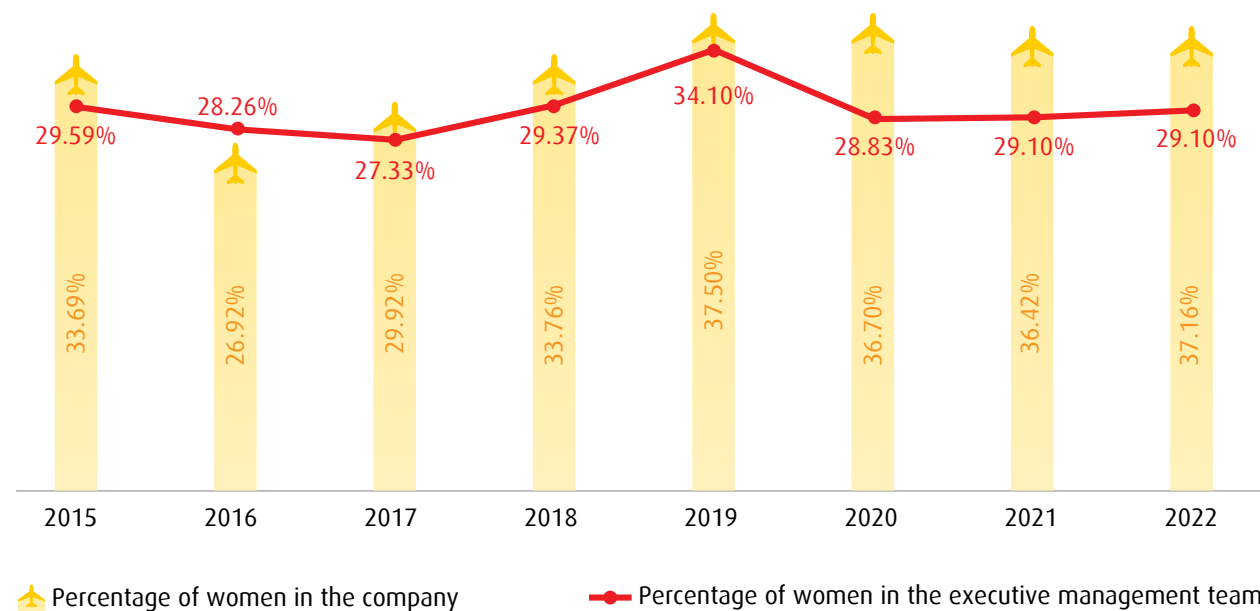
Vietjet’s staff includes pilots, flight attendants and experts are possessing extensive experience in different fields. Diversity in nationality, culture and experience is important to build a developed and competitive labor force in today’s world of business.

At Vietjet, the staff participates in working, learning and cooperating with each other in a professional environment, creating a dynamic, creative and motivating working atmosphere for a muture growth; at the same time, actively participate in training activities and develop skills and knowledge, and share experiences to improve their capabilities. Accordingly, Vietjet has been building a labor workforce with full skills, knowledge and capabilities to meet the increasing demand of the market and customers, while becoming one of the leading airlines in the region.

Vietjet focuses on ensuring the diversity and equality of opportunities in all the operations in which female employees are always interested and encouraged to study to improve their skills level in order to complete assigned tasks. In the labor structure, the proportion of female employees accounted for 37.16% (increase 0.7% compared to 2021), women also accounted for 29.7% (increase nearly 0.6% compared to 2021) in Vietjet’s executive management team.

Year	Percentage of women in the company	Percentage of women included in the executive management team
2015	33.69%	29.59%
2016	26.92%	28.26%
2017	29.92%	27.33%
2018	33.76%	29.37%
2019	37.50%	34.10%
2020	36.70%	28.83%
2021	36.42%	29.10%
2022	37.16%	29.70%

PERCENTAGE OF FEMALE EMPLOYEES BY YEAR



# POLICIES RELATED TO EMPLOYEES

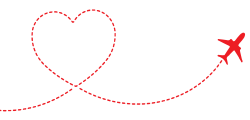
## DIVERSITY, EQUALITY AND SOLIDARITY

At Vietjet, the role of women is considered extremely important and it contributes significantly to the company's further development. Particularly, Chairwoman Nguyen Thanh Ha and CEO Nguyen Thi Phuong Thao - two symbolic female characters of the company have proven their strengths and excellent leadership. In addition, on the Board of Management, there are also two important positions held by Mdm. Ho Ngoc Yen Phuong - Vice President cum CFO and Mdm. Nguyen Thi Thuy Binh - Vice President of Vietjet Air cum President of Thai Vietjet. With the presence of talented female leaders, Vietjet has inspired a generation of young women, affirming that all limits can be overcome with passion and effort. The contributions of these female leaders have created a perfect picture of the roles and capabilities of women in the business world.

In the Vietjet Air's pilot team, there are beautiful women from various countries as well, but all share the same traits: confidence, perseverance and determination to conquer the vast blue sky:



**Maria Cristina Maldonado:** The first Colombian female pilot to work in Vietnam and one of the first American female pilots to become the captain of the Airbus A320 "iron bird" line in Southeast Asia.



**Park Ji Young:** The beautiful Korean girl used to have 4 years of working in the passengers cabin as a flight attendant. "I was on the same flight with a female captain. Her demeanor, gestures and actions impressed me, and since then, I was determined to become a female captain like her".



**Kang Min Hee:** Leaving Korea to come to Vietnam to work for Vietjet, Min Hee is proud to work in the environment that is professional and everyone treats each other like a family. Telling about the time when she was suddenly ill and spent the night in Cam Ranh, in a place with no relatives, but Min Hee still felt warm when receiving the enthusiastic assistance of all flight crew members.



## INCOME AND WELFARE REGIME

The salary, bonus and income policies at Vietjet ensure commensurate treatment for employees according to international standards.

In order to enhance the efficiency of human resources management, Vietjet is developing and refining the mechanism and policies on remuneration, evaluation and reward for employees, including salary policy and system to ensure competitiveness in the labor market, evaluation system according to employee capacity.

Vietjet's welfare policies are continuously improved, including basic benefits such as insurance, appropriate New Year holidays and annual leave, and periodic salary increases. In particular, the Company has an outstanding reward policy for individuals and groups with outstanding achievements, technical innovations in production that bring business efficiency to the Company, review and reward based on performance every 6 months, etc. In addition, Vietjet also has policies to show the company's consideration to employees such as free airfare policy for employees and relatives, networking and team building activities, etc.

The average income of employees is also improved years over years, creating conditions for employees to have a sense of security in their work and to contribute to the development of Vietjet.



# RESPONSIBILITY TO THE LOCAL COMMUNITY

AS A PIONEERING PRIVATE ENTERPRISE, VIETJET HAS MADE IMPORTANT CONTRIBUTIONS IN PROMOTING ECONOMIC DEVELOPMENT AND CHANGING THE FACE OF LOCALITIES WHERE IT PROVIDES FLIGHT SERVICES, CONTRIBUTING TO CREATING GOOD VALUES FOR SOCIETY, SHARE LOVE WITH DIFFICULT SITUATIONS, AND AT THE SAME TIME STRENGTHEN THE POSITION OF THE COUNTRY AND PEOPLE OF VIETNAM.

In 2022, Vietjet has continued to accompany charity programs for disadvantaged cases in remote areas, poor children who are hardworking, sending workers away from home for a long time, and orphaned children because of the Covid-19 pandemic to return home to celebrate the Tet Holiday for free, promoting Vietjet's corporate culture with the spirit of helping people during difficulties, joining hands to help the community.

Besides, as a young and dynamic airline, Vietjet also encouraged sportsmanship of all ages via the first time sponsoring the water running track, as well as giving

to the Vietnamese men's and women's football teams, expressing gratitude from millions of fans for the two gold medals that the team brought home.

In addition, responding to and continuing the tradition for the community, Thai Vietjet also actively participated in organizing and sponsoring a series of community events in Thailand, such as organizing a campaign to hunt garbage, clean up canals, protect environmental protection; blood donation campaign, tree planting project, etc.



On January 8, 2022, Vietjet continued to accompany the Vu A Dinh Scholarship Fund, giving hundreds of free air tickets to poor students, student of ethnic minorities and islands to return home during the holidays, New Year, summer vacation. The total value of Vietjet's gifts for young people over the years has reached billion Vietnam dong.

On December 17, 2022, Vietjet accompanied student from the ethnic minority and islands on their education path, gave wings to their dreams, lighting up the future, Vietjet continued to donate more than VND 1 billion worth of scholarships to the Vu A Dinh Scholarship Fund.



Following the volunteer activities on the occasion of the Lunar New Year in 2022, on January 20, 2022, the warm Tet program of Vietjet Joint Stock Company came to Chau Thon Commune, Que Phong District, Nghe An Province.

During the program, Director of the Northern Office Duong Hoai Nam presented Vietjet's Tet gifts to 74 disadvantaged households and supported VND 100 million in funding to repair facilities of Chau Thon Kindergarten. This was the heart of all leaders and staff of Vietjet to the people of the mountainous district of Que Phong in order to bring everyone a warm and happy the Tet Holiday.

On January 28, 2022, Vietjet flight VJ6789 brought 500,000 doses of AstraZeneca vaccine donated by the Government of Vietnam to the Government and people of Laos departed from Hanoi to Vientiane, Laos.

These vaccines were transported to Laos by Vietjet in accordance with the regulations of WHO and the Ministry of Health, ensuring the transport conditions and the quality



of the vaccines. This was a gift given by the Government of Vietnam to the Lao people to support Laos in the prevention of the Covid-19 pandemic. During the pandemic, the Vietnamese Government and people have provided a lot of material and spiritual support to the people of Laos in order to support the people of your country in the prevention and control of the Covid-19 pandemic.



For the first time in Vietnam, the Revive Water Run with Vietjet's companion was held in Ho Chi Minh City. The race attracted more than 5,000 athletes from all over the world, including nearly 50 athletes from Vietjet. Bring the hottest water running craze with water guns, water booms, epic music nights and exciting activities.

Contributing to social activities, Thai Vietjet has launched the "Garbage Hunting Squad" with the goal of collecting 5 tons of garbage at beaches, rivers and canals each year through activities for the environment and cooperation with other organizations.

In the next stages, the airline wants to spread the spirit and call to action not only with employees but also with friends, family of employees, tourists.

## RESPONSIBILITY TO THE LOCAL COMMUNITY



On May 30, 2022, Sovico Group and Vietjet rewarded the Vietnam's men and women football teams for winning the gold medals at the 31st Southeast Asian Games.



Vietjet has continued to accompany the search for young talents in Logistics Vietnam 2022 for the 5th time in a row as a transport sponsor. The contest was held on a national scale by the Vietnam Logistics Human Resources Development Association and sponsored by the Import-Export Department (Ministry of Industry and Trade).

Attending and speaking at the final contest on November 27, Director of the Northern Office Duong Hoai Nam congratulated the success of the contest and hoped that the young talents participating in the coming time would contribute to building a growing logistics industry in Vietnam.

On November 3, 2022, Thai Vietjet announced the introduction of the first charity golf tournament called Fly Green Charity Golf Day - belonging to the Fly Green environmental fund. The tournament was held on November 7 with the participation of 200 golfers. The golf tournament comes from Thai Vietjet's strong determination to continuously contribute to environmental protection.

The Fly Green Foundation was established in 2021 with the goal of supporting the activities of the Seub Nakhasathien Foundation to protect forests and endangered animals.



At the ceremony, Sovico Group and Vietjet awarded the coaching staff and players of the two teams a year of free borderless flight on all domestic and international routes of Vietjet.

On June 2, 2022, Sovico Group in collaboration with the Thai Red Cross Society organized a special campaign "Give Blood, Give Love" on the occasion of Queen Suthida Bajrasudhabimalalakshana's birthday.

The campaign aimed to raise awareness about the importance of blood donation saving lives and promote the benefits of regular blood donation. In addition, the campaign also aimed to contribute to the royal charity fund on the occasion of Queen Suthida Bajrasudhabimalalakshana's birthday on June 3, 2022.



Wishing to bring a warm and loving the Tet Holiday to employees with difficult circumstances, Vietjet and HD SAISON have offered two free flights to bring workers home to celebrate the Lunar New Year. Two free flights for workers from Ho Chi Minh City to Nghe An and Thanh Hoa were carried out on January 11, 2023, which is the 20th day of the 12th lunar month.

Humanitarian flights have become a "tradition" carried out by Vietjet and its partners for many years every Tet Holiday and spring to contribute to sharing love, joining hands with the community to support difficult and disadvantaged situations in society.

With a strong commitment to environmental protection, increasing green areas in urban areas in Thailand, starting from Bangkok, on December 20, Thai Vietjet officially introduced the latest project "Metro Forest", belonging to the Fly Green Foundation.

Deputy Governor of Bangkok Mr. Jakkapan Pew-ngam and nearly 100 volunteers from various organizations including students, media and employees of the airline joined hands to plant 200 trees (phase 1) at Queen Sirikit 60th Anniversary Park.

At the ceremony, Sovico Group and Vietjet awarded the coaching staff and players of the two teams a year of free borderless flight on all domestic and international routes of Vietjet.

Winging Vietnamese beauty to conquer the highest position of the most prestigious and famous beauty arena in Vietnam and international beauty arenas, Vietjet continues to become the exclusive Air Transport Sponsor for the Miss Vietnam 2022 contest.

Vietjet has joined Top 35 excellent contestants to experience the journey to all destinations in the country to conquer challenges. The new Miss Vietnam 2022 has participated in special cultural and artistic events with Vietjet nationally and internationally and also receive a special gift of 1 year of free SkyBoss ticket class with many attractive privileges.



**With unremitting efforts, despite many difficulties, Vietjet's philanthropic spirit still burns as a pledge of responsibility, social contribution, and gratitude to the local community, not only in Vietnam but also in any market in which the company operates and does business.**



## ASSESSMENT REPORT REGARDING THE COMPANY'S ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### ASSESSMENT RELATED TO ENVIRONMENTAL INDICATORS (WATER CONSUMPTION, ENERGY, EMISSIONS...)

Under the negative impact of human activities, the global environment is becoming more and more harsh. Vietnam is one of the countries to have the most impact from climate change. Environmental protection is therefore an important goal for the whole society in general and Vietjet in particular. The company is always conscious in complying with the law on environmental protection, emphasize on the importance of the rational water usage, energy and waste treatment, environmental protection as well as the prevention, control and prevention of pollution. In order to ensure maximum

environmental protection and minimize the negative impact of the aviation industry on the environment, Vietjet has been implementing a management program focusing on 5 main influential factors, including Quality management fuel consumption, Spare parts management, Tools and equipment management, wastewater management, Environmental propaganda and communication. Thereby, the Company's Board of Management can control as well as offer solutions to the impacts from the Company's daily activities leading to excessive influence on the environmental criteria.



### ASSESSMENT RELATED TO EMPLOYEE ISSUES

Understanding the importance of human resources in the sustainable development of the Company, the Board of Directors, the Board of Management always understand and coordinate with other departments to well perform the function of representing and protecting the legitimate rights and interests of employees. Taking care of the spiritual and material life of employees as well as actively participating in management, building a sustainable and harmonious relationship in the company's recruitment, training, development of policies and remuneration regimes, improvement of spiritual and material life are always focused and strengthened.

Regarding the personnel structure, Vietjet's staff includes pilots, flight attendants and experts from many different countries, with diverse cultures and professional experience. This is important to build a diverse and competitive team in today's business environment.

As the leading private airline in Vietnam, Vietjet has always been a pioneer in promoting gender equality, protecting, and enhancing the role of women. In 2022, the proportion of female employee accounts for 37.16% of Vietjet's personnel structure, especially, women also account for 29.7% of the Company's management team. With the rate of female leaders in the world aviation industry is only 3%, Vietjet is extremely proud to have four talented female leaders: Chairwoman Nguyen Thanh Ha, CEO Nguyen Thi Phuong Thao, Vice President Nguyen Thi Thuy Binh and Vice President Ho Ngoc Yen Phuong. Having a team of talented female leaders in Vietjet has inspired a generation of young women, affirming that all limits can be overcome with passion and effort. The contributions of these women leaders have created a perfect image of the roles and capabilities of women in the business world.



### ASSESSMENT RELATED TO CORPORATE RESPONSIBILITY TO THE LOCAL COMMUNITY

Community activities have been an important part of the lives of Vietjet's officers and employees from its inception to the present and will always continue in the future. In addition to making the flying dreams of millions of customers come true, the Company is consistently aware of the responsibility of a leading business in contributing to society, the community and helping disadvantaged people. Vietjet has participated in many activities in cooperation with the Community Fund for Disaster Prevention, along with companion programs with the Central Committee of the Ho Chi Minh Communist Youth Union, the Vietnam Youth Union, the National Volunteer Center, etc. to contribute to bring a better society for the people, a more civilized and healthy living environment. Besides, Vietjet also wishes to create a beautiful and friendly Vietnam image with friends around the world.

08

**ENHANCING VALUES  
REACHING OUT  
TO THE WORLD**



## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

## CORPORATE INFORMATION

**Business registration certificate** No. 0103018458 dated 23 July 2007 which was initially issued by the Ministry of Transport.

**Enterprise registration certificate** No. 0102325399 dated 19 April 2011 which was initially issued by the Department of Planning and Investment of Ha Noi City with the latest 29th amendment dated 6 December 2022.

**Investment registration certificate** No. 2357762445 dated 30 December 2016 which was initially issued by the Board of Management of Saigon Hi-Tech Park for a period of 50 years from the date of the initial investment registration certificate.

Board of Directors	Name	Position
	Mrs. Nguyen Thi Phuong Thao	Chairwoman (from 6 April 2023) Vice Chairwoman (until 5 April 2023)
	Mr. Donal Joshep Boylan	Vice Chairman - Independent member (from 30 May 2022) Member (until 29 May 2022)
	Mrs. Nguyen Thanh Ha	Member (from 6 April 2023) Chairwoman (until 5 April 2022)
	Mr. Nguyen Thanh Hung	Member (from 28 May 2022) Vice Chairman (until 27 May 2022)
	Mr. Dinh Viet Phuong	Member
	Mr. Luu Duc Khanh	Member
	Mr. Chu Viet Cuong	Member
	Mr. Nguyen Anh Tuan	Independent member (from 28 May 2022)

**Board of Management**

Mr. Dinh Viet Phuong	Chief Executive Officer (from 6 April 2023) Permanent Vice President cum Managing Director (until 5 April 2023)
Mrs. Nguyen Thi Phuong Thao	Chief Executive Officer (until 5 April 2023)
Mr. Michael Hickey	Chief Operation Officer (from 1 June 2022)
Mrs. Ho Ngoc Yen Phuong	Vice President cum Chief Finance Officer
Mr. To Viet Thang	Vice President

**Senior Management**

Mr. Nguyen Thanh Son	Vice President
Mr. Luong The Phuc	Vice President
Mrs. Nguyen Thi Thuy Binh	Vice President
Mr. Nguyen Duc Thinh	Vice President
Mr. Do Xuan Quang	Vice President
Mr. Nguyen Thai Trung	Vice President (from 1 June 2022)
Mr. Chu Viet Cuong	Vice President (from 1 June 2022 to 26 October 2022)

**Audit Committee**

Mr. Nguyen Anh Tuan	Chairman (from 27 October 2022)
Mr. Donal Joshep Boylan	Chairman (until 27 October 2022)
Mr. Luu Duc Khanh	Member
Mr. Chu Viet Cuong	Member (from 27 October 2022)
Mr. Nguyen Thanh Hung	Member (until 27 October 2022)

**Legal representative**

Mrs. Nguyen Thi Phuong Thao	Chairwoman of the Board of Directors
Mr. Dinh Viet Phuong	Chief Executive Officer
Mrs. Nguyen Thanh Ha	Member of the Board of Directors

**Registered office**

302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District, Hanoi City, Vietnam

**Auditor**

PwC (Vietnam) Limited

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### STATEMENT OF THE BOARD OF MANAGEMENT

#### STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of Vietjet Aviation Joint Stock Company (“the Company”) is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year ended. In preparing these consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

#### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 75 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



**Dinh Viet Phuong**  
**Chief Executive Officer**  
 Ha Noi City, SR Vietnam  
 10 April 2023



## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF VIETJET AVIATION JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of Vietjet Aviation Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”) which were prepared on 31 December 2022, and approved by the Board of Management of the Company on 10 April 2023. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 6 to 75.

#### Responsibility of the Board of Management

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements of the Group in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements; and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Management, as well as evaluating the overall presentation of the consolidated financial statements.

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



### Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

### Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



#### Mai Viet Hung Tran

Audit Practising Licence No.  
0048-2023-006-1  
Authorised signatory

Report reference number: HCM13860

Ho Chi Minh City, 10 April 2023

#### Tram Tu Mai Anh

Audit Practising Licence No.  
3546-2021-006-1

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES CONSOLIDATED BALANCE SHEET

FORM B 01 – DN/HN

Unit: VND

		As at 31 December		
Code	ASSETS	Note	2022	2021
<b>100</b>	<b>CURRENT ASSETS</b>		<b>33,587,472,621,916</b>	<b>26,866,732,678,773</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>1,858,261,735,520</b>	<b>1,868,252,946,557</b>
111	Cash		895,285,954,496	983,304,817,181
112	Cash equivalents		962,975,781,024	884,948,129,376
<b>120</b>	<b>Short-term investments</b>		<b>687,775,421,096</b>	<b>859,475,421,096</b>
121	Trading securities	4(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	4(a)	(490,000,000,000)	(135,000,000,000)
123	Investments held to maturity	4(b)	187,775,421,096	4,475,421,096
<b>130</b>	<b>Short-term receivables</b>		<b>29,729,804,064,103</b>	<b>23,261,094,436,070</b>
131	Short-term trade accounts receivable	5(a)	12,402,309,894,689	11,452,445,071,396
132	Short-term prepayments to suppliers	6(a)	1,626,225,517,323	100,108,467,605
135	Short-term lendings	7(a)	657,000,000,000	657,000,000,000
136	Other short-term receivables	8(a)	15,044,268,652,091	11,051,540,897,069
<b>140</b>	<b>Inventories</b>		<b>982,716,071,675</b>	<b>811,247,030,655</b>
141	Inventories	9	982,716,071,675	811,247,030,655
<b>150</b>	<b>Other current assets</b>		<b>328,915,329,522</b>	<b>66,662,844,395</b>
151	Short-term prepaid expenses	10(a)	164,682,034,869	16,306,514,272
152	Value added tax ("VAT") to be reclaimed	15(a)	139,358,572,943	50,356,330,123
153	Tax and other receivables from the State	15(a)	24,874,721,710	-
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>34,449,491,811,396</b>	<b>24,786,971,332,567</b>
<b>210</b>	<b>Long-term receivables</b>		<b>21,238,145,855,696</b>	<b>16,889,287,027,947</b>
211	Long-term trade accounts receivable	5(b)	3,863,320,000,000	-
212	Long-term prepayments to suppliers	6(b)	1,132,635,253,054	-
215	Long-term lendings	7(b)	868,221,855,860	789,648,322,692
216	Other long-term receivables	8(b)	15,373,968,746,782	16,099,638,705,255
<b>220</b>	<b>Fixed assets</b>		<b>5,709,719,496,248</b>	<b>1,158,451,949,883</b>
221	Tangible fixed assets	11(a)	5,681,333,704,196	1,150,354,396,311
222	Historical cost		6,113,532,845,752	1,511,188,985,876
223	Accumulated depreciation		(432,199,141,556)	(360,834,589,565)
227	Intangible fixed assets	11(b)	28,385,792,052	8,097,553,572
228	Historical cost		61,941,976,858	39,171,240,479
229	Accumulated amortisation		(33,556,184,806)	(31,073,686,907)
<b>240</b>	<b>Long-term asset in progress</b>		<b>308,749,694,497</b>	<b>500,760,695,887</b>
242	Construction in progress	12	308,749,694,497	500,760,695,887
<b>250</b>	<b>Long-term investment</b>		<b>149,417,024,400</b>	<b>149,417,024,400</b>
253	Investment in other entities	4(d)	149,417,024,400	149,417,024,400
<b>260</b>	<b>Other long-term assets</b>		<b>7,043,459,740,555</b>	<b>6,089,054,634,450</b>
261	Long-term prepaid expenses	10(b)	6,639,189,192,765	6,089,054,634,450
262	Deferred income tax assets	22	404,270,547,790	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>68,036,964,433,312</b>	<b>51,653,704,011,340</b>

The notes on pages 173 to 225 are an integral part of these consolidated financial statements.

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET (continued)**

Form B 01 – DN/HN

Unit: VND

Code	RESOURCES	Note	As at 31 December	
			2022	2021
<b>300</b>	<b>LIABILITIES</b>		<b>53,138,669,609,828</b>	<b>34,799,493,690,860</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>30,417,318,604,359</b>	<b>15,522,180,566,553</b>
311	Short-term trade accounts payable	13	9,659,935,956,869	3,241,429,731,841
312	Short-term advances from customers	14	1,986,659,055,915	544,895,468,268
313	Tax and other payables to the State	15(b)	358,418,036,035	288,705,246,334
314	Payable to employees		190,125,532,153	81,631,536,906
315	Short-term accrued expenses	16	855,084,674,254	929,357,469,634
318	Short-term unearned revenue	17	3,503,454,041,287	381,579,736,840
319	Other short-term payables	18(a)	3,409,079,045,889	1,092,825,880,639
320	Short-term borrowings	19(a)	8,549,901,782,085	7,320,070,386,166
321	Provision for short-term liabilities	20	1,758,368,694,808	1,314,535,033,134
322	Bonus and welfare fund	21	146,291,785,064	327,150,076,791
<b>330</b>	<b>Long-term liabilities</b>		<b>22,721,351,005,469</b>	<b>19,277,313,124,307</b>
337	Other long-term payables	18(b)	69,127,001,956	50,852,726,178
338	Long-term borrowings	19(b)	10,309,745,847,108	8,140,241,446,768
341	Deferred income tax liabilities	22	-	154,517,071,443
342	Provision for long-term liabilities	20	12,342,478,156,405	10,931,701,879,918
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>14,898,294,823,484</b>	<b>16,854,210,320,480</b>
<b>410</b>	<b>Capital and reserves</b>		<b>14,898,294,823,484</b>	<b>16,854,210,320,480</b>
411	Owners' capital	23, 24	5,416,113,340,000	5,416,113,340,000
411a	- Ordinary shares with voting rights		5,416,113,340,000	5,416,113,340,000
412	Share premium	24	247,483,117,899	247,483,117,899
417	Foreign exchange differences	24	195,328,953,538	(110,730,393,251)
421	Undistributed earnings	24	9,018,933,578,880	11,281,432,588,734
421a	- Undistributed post-tax profits of previous years		11,281,432,588,734	11,208,574,467,791
421b	- Post-tax (losses)/profits of current year		(2,262,499,009,854)	72,858,120,943
429	Non-controlling interests	24	20,435,833,167	19,911,667,098
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>68,036,964,433,312</b>	<b>51,653,704,011,340</b>


**Pham Ngoc Thoa**  
 Chief Accountant


**Ho Ngoc Yen Phuong**  
 Vice President  
 cum Chief Finance Officer


**Dinh Viet Phuong**  
 Chief Executive Officer

10 April 2023

The notes on pages 173 to 225 are an integral part of these consolidated financial statements.

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT**

Form B 02 – DN/HN

Unit: VND

Code	Note	Year ended 31 December	
		2022	2021
<b>01</b>	<b>Revenue from sales of goods and rendering of services</b>	<b>40,141,863,488,029</b>	<b>12,874,919,725,450</b>
02	Less deductions	-	-
<b>10</b>	<b>Net revenue from sales of goods and rendering of services</b>	<b>40,141,863,488,029</b>	<b>12,874,919,725,450</b>
<b>11</b>	<b>Cost of goods sold and services rendered</b>	<b>(42,135,151,389,707)</b>	<b>(14,913,724,210,509)</b>
<b>20</b>	<b>Gross loss from sales of goods and rendering of services</b>	<b>(1,993,287,901,678)</b>	<b>(2,038,804,485,059)</b>
21	Financial income	2,246,221,465,280	4,032,772,056,932
22	Financial expenses	(2,483,054,483,054)	(806,254,583,608)
23	- Including: Interest expense	(1,383,641,245,573)	(804,782,847,259)
24	Share of losses from associate	-	(42,270,859,708)
25	Selling expenses	(936,343,663,352)	(607,756,237,934)
26	General and administration expenses	(534,452,104,416)	(365,729,158,499)
<b>30</b>	<b>Net operating (loss)/profit</b>	<b>(3,700,916,687,220)</b>	<b>171,956,732,124</b>
31	Other income	1,316,105,112,282	16,201,777,600
32	Other expenses	(263,847,335,532)	(7,778,986,800)
<b>40</b>	<b>Net other income</b>	<b>1,052,257,776,750</b>	<b>8,422,790,800</b>
<b>50</b>	<b>Net accounting (loss)/profit before tax</b>	<b>(2,648,658,910,470)</b>	<b>180,379,522,924</b>
<b>51</b>	<b>Corporate income tax ("CIT") - current</b>	<b>(172,103,552,548)</b>	<b>(14,027,919,315)</b>
<b>52</b>	<b>CIT - deferred</b>	<b>558,787,619,233</b>	<b>(86,692,296,300)</b>
<b>60</b>	<b>Net (loss)/profit after tax</b>	<b>(2,261,974,843,785)</b>	<b>79,659,307,309</b>
<b>Attributable to:</b>			
<b>61</b>	<b>Shareholders of the Company</b>	<b>(2,262,499,009,854)</b>	<b>74,584,907,230</b>
<b>62</b>	<b>Non-controlling interests</b>	<b>524,166,069</b>	<b>5,074,400,079</b>
<b>70</b>	<b>Basic (losses)/earnings per share</b>	<b>(4,177)</b>	<b>139</b>
<b>71</b>	<b>Diluted (losses)/earnings per share</b>	<b>(4,177)</b>	<b>139</b>


**Pham Ngoc Thoa**  
 Chief Accountant


**Ho Ngoc Yen Phuong**  
 Vice President  
 cum Chief Finance Officer


**Dinh Viet Phuong**  
 Chief Executive Officer

10 April 2023

The notes on pages 173 to 225 are an integral part of these consolidated financial statements.

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

**CONSOLIDATED CASH FLOW STATEMENT**

(Indirect method)

Form B 03 – DN/HN

Unit: VND

Code	Note	Year ended 31 December	
		2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01 Net accounting (loss)/profit before tax</b>		<b>(2,648,658,910,470)</b>	<b>180,379,522,924</b>
Adjustments for:			
02 Depreciation and amortisation	36	79,733,663,056	98,078,009,402
03 Provisions		1,915,036,223,300	1,248,753,445,939
04 Unrealised foreign exchange (gains)/losses	30, 31	(159,921,609,696)	220,650,652,715
05 Profits from investing activities		(431,107,961,858)	(244,838,291,866)
06 Interest expense		1,383,641,245,573	804,782,847,259
<b>08 Operating profit before changes in working capital</b>		<b>138,722,649,905</b>	<b>2,307,806,186,373</b>
09 Increase in receivables		(10,296,343,168,616)	(5,591,418,282,646)
10 Increase in inventories		(171,469,041,020)	(99,153,768,528)
11 Increase/(decrease) in payables		10,128,853,566,700	(1,689,496,549,248)
12 Increase in prepaid expenses		(473,124,382,100)	(866,941,322,443)
14 Interest paid		(1,399,077,113,144)	(546,700,781,758)
15 CIT paid		(140,133,402,011)	(11,391,168,246)
17 Other payments on operating activities		(180,858,291,727)	(53,526,042,557)
<b>20 Net cash outflows from operating activities</b>		<b>(2,393,429,182,013)</b>	<b>(6,550,821,729,053)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21 Purchases of fixed assets		(1,217,474,531,281)	(174,908,809,761)
22 Proceeds from disposals of fixed assets		1,018,509,772	802,487,001
23 Loans and term deposits granted		(238,445,921,500)	(954,307,071,788)
24 Collection of loans, proceeds from sales of debt instruments of other entities		-	6,556,181,818
25 Investments in other entities		-	(21,806,385,793)
27 Dividends and interest received		336,906,630,740	260,368,105,967
<b>30 Net cash outflows from investing activities</b>		<b>(1,117,995,312,269)</b>	<b>(883,295,492,556)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31 Proceeds from sale of treasury shares		-	2,348,654,987,714
33 Proceeds from borrowings		29,657,737,382,993	17,361,032,360,990
34 Repayments of borrowings		(26,177,921,993,857)	(13,316,544,337,918)
<b>40 Net cash inflows from financing activities</b>		<b>3,479,815,389,136</b>	<b>6,393,143,010,786</b>
<b>50 Net decrease in cash and cash equivalents</b>		<b>(31,609,105,146)</b>	<b>(1,040,974,210,823)</b>
<b>60 Cash and cash equivalents at beginning of year</b>	<b>3</b>	<b>1,868,252,946,557</b>	<b>2,926,425,627,363</b>
61 Effect of foreign exchange differences		21,617,894,109	(17,198,469,983)
<b>70 Cash and cash equivalents at end of year</b>	<b>3</b>	<b>1,858,261,735,520</b>	<b>1,868,252,946,557</b>

Additional information relating to the consolidated cash flow statement is presented in Note 38.


Pham Ngoc Thoa  
Chief Accountant

Ho Ngoc Yen Phuong  
Vice President  
cum Chief Finance OfficerDinh Viet Phuong  
Chief Executive Officer

10 April 2023

The notes on pages 173 to 225 are an integral part of these consolidated financial statements.

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Form B 09 – DN/HN

(for the year ended 31 december 2022)

**1. GENERAL INFORMATION**

Vietjet Aviation Joint Stock Company (“the Company”) is a joint stock company established in SR Vietnam pursuant to Enterprise registration certificate No. 0102325399 dated 23 July 2007 which was initially issued by the Department of Planning and Investment of Hanoi City and the latest 29th amendment of the Enterprise registration certificate dated 6 December 2022.

The Company’s shares are listed on the Ho Chi Minh City Stock Exchange with the stock trading code “VJC”.

The principal activities of the Company and its subsidiaries (together referred to as “the Group”) are to provide passenger and cargo transportation services on domestic and international air routes, airline-related support services and to trade aircraft and components.

The normal business cycle of the Group is 12 months.

As at 31 December 2022, the Group had 7 direct subsidiaries, 2 indirect subsidiaries and 2 associates as presented in Note 4(c)– Investments in associates. Details are as follows:

Principal activities	Enterprise registration certificate	Place of incorporation and operation	2022	2021			
			Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)	
<b>Directly-owned subsidiaries</b>							
Vietjet Air IVB No. I Limited	To trade and lease aircraft and aircraft components	No. 1825671 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air IVB No. II Limited	To trade and lease aircraft	No. 1825613 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air Singapore Pte. Ltd.	To trade aircraft	No. 201408849N dated 27 March 2014	Singapore	100	100	100	100
Vietjet Air Ireland No. 1 Limited	To trade and lease aircraft	No. 544879 dated 3 June 2014	Ireland	100	100	100	100
Galaxy Pay Company Limited	To provide payment services (online payment, e-wallet)	No. 0316368255 dated 7 July 2020	Vietnam	100	100	100	100
Swift 247 Joint Stock Company	To provide other activities and support services related to transportation	No. 0315524536 dated 23 February 2019	Vietnam	67	67	67	67
Vietjet Ground Services Limited Liability Company	To provide direct support services for airline transportation	No. 0109783334 dated 19 October 2021	Vietnam	100	100	100	100

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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For the year ended 31 december 2022

	Principal activities	Enterprise registration certificate	Place of incorporation and operation	2022		2021	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
<b>Indirectly-owned subsidiaries</b>							
Skymate Limited	To trade and lease aircraft	No. 327015 dated 15 September 2017	Cayman Islands	100	100	100	100
VietjetAir Cargo Joint Stock Company	To provide cargo transportation and related support services	No. 0312759089 dated 27 August 2014	Vietnam	64	67	64	67
<b>Associates</b>							
Thai Vietjet Air Joint Stock Co., Ltd. (*)	To provide passenger and cargo transportation and related support services	No. 0105556100551 dated 25 June 2013	Thailand	9	9	9	9
Cam Ranh International Terminal Joint Stock Company (*)	To provide direct support services for airline transportation	No. 4201676638 dated 5 February 2016	Vietnam	10	10	10	10

(\*) The Group has significant influence over these companies because the Group has the right to appoint members of the Board of Directors of these companies.

As at 31 December 2022, the Group had 6,016 employees (as at 31 December 2021: 5,322 employees).

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention, except for investments in associates and business combinations as presented in Note 2.5.

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

The consolidated financial statements in the Vietnamese language are the official statutory consolidated financial statements of the Group. The consolidated financial statements in the English language have been translated from the Vietnamese version.

**2.2 Fiscal year**

The Group's fiscal year is from 1 January to 31 December.

**2.3 Currency**

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND" or "Dong").

On consolidating, if the currencies used on financial statements of subsidiaries are different from that of the Group, the Group is required to translate those financial statements into the currency used in the Group's consolidated financial statements under the following principles:

- ✈ Assets and liabilities of overseas subsidiaries are translated at actual exchange rate at year end;
- ✈ Net assets of the subsidiaries are translated at the exchange rate of acquisition date;
- ✈ Undistributed earnings (accumulated losses) incurred after the date of acquisition of subsidiaries are translated based on the translation of income and expenses in the consolidated income statement;
- ✈ Profits dividends already paid are translated at the actual exchange rate at the date of payment;
- ✈ Items of the consolidated income statement and the consolidated cash flow statement are translated at the average exchange rate of the accounting period if it approximates the actual rate at the time of the transaction (with the difference not exceeding 2%); and
- ✈ The cumulative amount of exchange differences is presented in a consolidated component of equity. Accumulated exchange differences arising from translation and attributable to the Group are presented in "Foreign exchange differences". Those arising from translation and attributable to non-controlling interests are allocated to "Non-controlling interests". Accumulated exchange differences arising from translation of unamortised goodwill are attributable to the Group.



**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 december 2022

Form B 09 – DN/HN

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Exchange rates**

Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial banks where the Group regularly transacts. The Group ensures that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate and does not materially impact the financial position and the results of operations during the fiscal year. The average transfer exchange rate is determined monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial banks. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are translated at the transfer rate at the consolidated balance sheet date of the commercial banks where the Group regularly trades. The transfer rate is average transfer rate of the commercial banks. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

**2.5 Basis of consolidation****Subsidiaries**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries are prepared for the same accounting period of the Group for the consolidation purpose. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between years.

**2.5 Basis of consolidation (continued)****Non-controlling transactions and interests**

The Group applies a policy for transactions with non-controlling interests ("NCI") as transactions with external parties to the Group.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

A divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received from divestment of the Group's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

In a divestment of the Group's interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or an investment to be accounted for as equity since the divestment date.

**Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of the post-acquisition profits or losses of its associates is recognised in the consolidated income statements. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 december 2022

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated period of benefit but not exceeding a period of 10 years.

Goodwill on acquisitions of investments in associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of the investments in subsidiaries or associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is carried at cost less accumulated amortisation, and is tested annually for impairment. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

**2.7 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at banks, demand deposits and other short-term investments with an original maturity of three months or less.

**2.8 Receivables**

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified as uncollectible.

Receivables are classified into short-term and long-term receivables on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

**2.9 Maintenance reserves of leased aircraft**

Under the terms of aircraft operating lease agreements, the Group is legally and contractually responsible for maintenance and repair of aircraft during the term of the lease and is also required to contribute maintenance reserves with lessors. Maintenance reserves are recognised as other receivables when it is probable for the utilisation of these contributions from lessors for the maintenance and repair of aircraft. Maintenance contributions made to lessors are calculated based on performance measures, such as flight hours or cycles, and are contractually required to be reimbursed to the Group upon the completion of the required maintenance of the leased aircraft including replacement of life limited parts, engine performance restoration, airframe major structural inspection, landing gear overhaul and auxiliary power unit ("APU") heavy repair. The remaining unutilised portion of the maintenance reserves of leased aircraft, if any, after the end of the lease term will be owned by lessors.

Maintenance reserves of leased aircraft are classified into short-term and long-term receivables based on the estimated time that the Group could utilise maintenance and repair expenses from the reserves from the consolidated balance sheet date.

**2.10 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method for merchandise, and specific identification method for tools and supplies, includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated selling expenses.

The Group applies the perpetual system for inventories.

Provision is made, when necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold in the year.

**2.11 Investments****(a) Trading securities**

Trading securities are securities which are held for trading to earn profits.

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end. The provision for diminution in value of trading securities is made when their carrying value is higher than their market value. The fair value of the investment in unlisted shares traded on Unlisted Public Company Market ("UPCoM") is determined by the average reference price of the last 30 consecutive trading days prior to the date of the consolidated balance sheet. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

The Group recognises trading securities when it has ownership of the assets, specifically as follows:

- ✈ Listed securities are recognised at the time of order matching; and
- ✈ Unlisted securities are recognised at the time when official ownership is established in accordance with regulations.

Profit or loss from liquidation or disposal of trading securities is recognised in the consolidated income statement. The costs of trading securities disposed of are determined by using the moving weighted average method.

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 december 2022

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Investments****(b) Investments held-to-maturity**

Investments held-to-maturity are investments which the Group has a positive intention and ability to hold until maturity.

Investments held to maturity include term deposits, bonds and investments in business cooperation contracts, and other investments held to maturity. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

**(c) Investments in associates**

Investments in associates are accounted for using the equity method when preparing the consolidated financial statements (Note 2.6).

**(d) Investments in other entities**

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

Changes in the provision balance during the year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

**2.12 Lendings**

Lendings are lendings granted for interest earning under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Changes in the provision balance during the year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lendings are classified into short-term and long-term lending on the consolidated balance sheet based on the remaining term of the lending as at the consolidated balance sheet date.

**2.13 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

*Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

Aircraft and aircraft engines	12 – 20 years
Buildings and structures	47 years
Machinery and equipment	2-10 years
Motor vehicles	6 - 8 years
Office equipment	3 - 10 years
Software	3 - 10 years

*Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the consolidated income statement.

*Construction in progress*

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipment; construction consulting expenditure; and expenses for the purchase of unfinished and undelivered aircraft. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 december 2022

Form B 09 – DN/HN

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.14 Leased assets**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated income statement on either a straight-line basis over the terms of the lease or using another calculation method if it is more reasonable.

**2.15 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet.

**(a) Short-term prepaid expenses**

Short-term prepaid expenses represent prepayments for services or tools and supplies that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayment. There prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

**(b) Long-term prepaid expenses***(i) Maintenance costs and costs to make good on leased assets*

Accounting policies related to the recognition and allocation of maintenance costs and costs to make good on leased assets are presented in Note 2.20 to these consolidated financial statements.

*(ii) Major inspection and overhaul expenses*

Major inspection and overhaul expenses for leased aircraft are states at cost and amortised using the straight-line basis over the period from these expenses incurred to the next major inspection and overhaul or the remaining term of the lease, if shorter.

*(iii) Rotable parts*

Rotable parts which have estimated useful lives of more than 1 year are recorded in long-term prepaid expenses and amortised on a straight-line basis over their estimated useful lives but not exceeding 3 years.

*(iv) Tools and instruments*

Tools and instruments include assets held-for-use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over a period from 2 years to 5 years.

*(v) Other long-term prepaid expenses*

Other long-term prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

**2.16 Payables**

Classifications of payables are based on their nature as follows:

- ✈ Trade accounts payable are trade payables arising from purchase of goods and services; and
- ✈ Other payables are non-trade payables, and payables not relating to purchases of goods and services.

Payables are classified into short-term and long-term payables on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

**2.17 Borrowings**

Borrowings include borrowings from banks, related parties and other entities.

Borrowings are classified into short-term and long-term borrowings on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings a portion of which is used for the purpose of construction or production of any qualifying assets, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated income statement when incurred.

**2.18 Bonds issued - Straight bonds**

At initial recognition, straight bonds are measured at cost which comprises proceeds from issuance netting-off issuance costs. Any discount, premium or issuance costs are amortised on a straight-line basis over the term of the bonds.

**2.19 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the year but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the financial year are recorded as an increase or decrease in operating expenses.

Provisions include provisions for periodic maintenance costs and provisions for cost to make good on leased assets.

**(a) Provisions for periodic maintenance costs in the scope of maintenance reserves**

In accordance with the Group's policy:

- ✈ with respect to the Group's aircraft or the lease agreements with Japanese lessors with call option contracts to purchase aircraft at the end of the lease term, referred as JOLCO, the costs of periodic maintenance for leased aircraft are recognised when incurred as long-term prepaid expenses and are amortised in the consolidated income statements using the basis of actual flight hours or cycles to the next maintenance;
- ✈ with respect to aircraft operating lease agreements which are sub-leased by Thai Vietjet Air Joint Stock Co., Ltd. ("Thai Vietjet") – an associate, maintained costs are incurred and settled by Thai Vietjet;
- ✈ with respect to other aircraft operating leases, according to lease agreements between the Group and its lessors, and according to the requirements of Vietnam Aviation Authority, the Group is responsible to perform the routine maintenance and periodic maintenance for leased aircraft based on Maintenance Planning Development for each aircraft which was developed based on the guidance of airline manufacturers. Routine maintenance is performed by the Group's cost while the periodic maintenance is covered by the maintenance reserves.

The provisions for maintenance expenses in the scope of the maintenance reserves include four (4) main parts:

- ✈ Costs of maintenance and replacement of the Life-Limited Part ("LLP");
- ✈ Costs of maintenance and replacement of the Landing Gear ("LDG");
- ✈ Costs of maintenance of the Engine Performance Restoration ("CPR"); and
- ✈ Costs of maintenance of the Auxiliary Power Unit ("APU").

The provisions for LLP and LDG are determined by the estimated future cost of maintenance and replacement of these components, equipment based on the current fleet plan. At the beginning of lease and during the term of lease, the estimated costs of maintenance and replacement for the next maintenance are recognised as a provision with a corresponding asset in long-term prepaid expenses. The long-term prepaid expenses are amortised in the consolidated income statement using the basis of actual flight hours or cycles to the next maintenance. If there is a significant change in the estimated costs, the provision for maintenance cost and the long-term prepaid expenses will be reassessed accordingly.

The provisions for CPR and APU are recognised and charged to the consolidated income statement using the basis of actual flight hours or flight cycles and the estimated cost per a flight hour or a flight cycle in the next maintenances of CPR and APU.

**(b) Provisions for cost to make good on leased assets**

In accordance with the Group's policy:

- ✈ with respect to JOLCO contracts, the cost of returning leased assets is recognized in the consolidated income statement when incurred.
- ✈ With respect to aircraft operating lease agreements which are sub-leased by Thai Vietjet, cost to make good on leased assets are incurred and settled by Thai Vietjet.
- ✈ with respect to aircraft operating lease agreements of which the Group is required to return aircraft with adherence to certain maintenance conditions, cost to make good on leased assets is estimated at the beginning of the lease based on the present value of the future expected costs at the end of the lease in order for the Group to meet the conditions for the return of the aircraft to the lessors, including certain levels of maintenance as well as arranging for final test flights, inspection, custom and deregistration costs, removal of the Group's modifications, if any, repainting aircraft's body, and return of aircraft to a specified location. At the beginning of the lease, the estimated cost is recorded as a provision with a corresponding asset in long-term prepaid expenses. The long-term prepaid expenses are amortised in the consolidated income statements on a straight-line basis over the term of the lease.

**2.21 Unearned revenue**

Unearned revenue mainly comprises revenue from passenger transportation and ancillary services, pilot and flight attendant training revenue. The Group records unearned revenue for the future obligations that the Group has to fulfil. Unearned revenue is recognised as revenue in the consolidated income statement during the year to the extent that revenue recognition criteria have been met.

**2.22 Capital and reserves**

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

*Treasury shares*

Treasury shares brought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Group and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Treasury shares brought after 1 January 2021 will be cancelled and adjusted to reduce equity.

Undistributed earnings/(accumulated losses) record the Group's results (profit or loss) after CIT at the reporting date.

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 Appropriation of profit**

The Group's dividends are recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are implemented by the Resolution of the Board of Directors.

Profit after CIT could be distributed to shareholders after approval at the General Meeting of shareholders, and after appropriation to other funds in accordance with the Group's charter and Vietnamese regulations. The General Meeting of Shareholders authorises the Board of Directors to decide on the implementation time.

The Group's fund is as below:

**Bonus and welfare fund**

Bonus and welfare fund is appropriated from the Group's profit after CIT pursuant to Resolution of the Board of Directors and being approved by the Annual General Meeting of Shareholder. Fund is presented as a liability in the consolidated balance sheet. This fund is used for reward and encouragement of physical benefits, serving the needs of public welfare, improvement and enhancement of the standard of physical and spirit life of staff.

**2.24 Revenue recognition****(a) Revenue from passenger transportation**

Revenue from passenger transportation is recognised in the consolidated income statement when the transportation is provided or when the ticket expires. The value of unused passenger tickets and miscellaneous charges is recorded in short-term liabilities as unearned revenue. Non-refundable tickets generally expire on the date of the intended flight, unless the date is extended by notification from the customer on or before the intended flight date. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due. Revenue from passenger transportation is recognised at the net amount after deducting sales discounts stated on the invoice.

**(b) Ancillary revenue**

Ancillary revenue includes cargo transportation, baggage service, other revenue related to passenger transportation, sales of in-flight and duty-free merchandise, advertising and commission. No ancillary revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods or services.

Revenue from cargo transportation is recognised in the consolidated income statement when the services are provided.

Revenue from baggage service is recognised in the consolidated income statement when the related passenger transportation service is provided or when the ticket expires.

Other revenue related to passenger transportation such as fees charged in association with changes or extensions to non-refundable tickets are recorded as ancillary revenue at the time the fee is earned. Amendment fees related to non-refundable tickets are considered a separate transaction from the passenger transportation and are recognised in the consolidated income statement when charged to passengers.

Sales of in-flight and duty-free merchandise are recognised in the consolidated income statement when all five (5) of the following conditions are satisfied:

- ✈ The Group has transferred to the buyer the significant risks and rewards of ownership of the merchandises;
- ✈ The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the merchandises sold;
- ✈ The amount of revenue can be measured reliably;
- ✈ It is probable that the economic benefits associated with the transaction will flow to the Group; and
- ✈ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Advertising revenue and commission are recorded as ancillary revenue at the time the fee is earned.

**(c) Revenue from charter flights**

Revenue from charter flights is recognised in the consolidated income statement when the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the receivables.

**(d) Revenue from aircraft leasing**

Revenue from aircraft leasing under operating lease arrangements is recognised in the consolidated income statement on a straight-line basis over the term of the lease.

**(e) Sales and leaseback transaction**

The Group's asset sales and leaseback transaction is a transaction where an asset is sold then leased back by the Group. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved.

For a transaction that results in an operating lease:

- ✈ If the sale price is at fair value, there has in effect been a normal sale transaction and any profit or loss is recognised immediately.
- ✈ If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used.
- ✈ If the sale price is above fair value, the excess over fair value shall be deferred and amortised over the period for which the asset is expected to be used.
- ✈ If the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value shall be recognised immediately.

**(f) Revenue from sales of aircraft and purchase right option**

Revenue from sales of aircraft and purchase right option is recognised in the consolidated income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of aircraft.

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.24 Revenue recognition (continued)****(g) Revenue from sales of aircraft's components**

Revenue from sale of aircraft's components is recognised in the consolidated income statement when all five (5) of the following conditions are satisfied:

- ✈ The Group has transferred to the buyer the significant risks and rewards of ownership of the aircraft's components;
- ✈ The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the aircraft's components sold;
- ✈ The amount of revenue can be measured reliably;
- ✈ It is probable that the economic benefits associated with the transaction will flow to the Group; and
- ✈ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of aircraft's components.

**(h) Revenue from rendering of other services**

Revenue from rendering of other services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. No revenue is recognised if there are significant uncertainties regarding recovery of the receivables.

Revenue from rendering of services is only recognised when all four (4) of the following conditions are satisfied:

- ✈ The amount of revenue can be measured reliably;
- ✈ It is probable that the economic benefits associated with the transaction will flow to the Group;
- ✈ The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- ✈ The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**(i) Interest income**

Interest income is recognised on an earned basis.

**(j) Dividend income**

Income from dividends is recognised when the Group has established the receiving right from investees.

**2.25 Cost of goods sold and services rendered**

Cost of goods sold and services rendered are the cost of merchandise sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis.

**2.26 Financial expenses**

Financial expenses are expenses incurred in the year for financial activities mainly including provision for diminution in the value of trading securities; provision for diminution in value of other entities; unwinding discount of provision; expenses of lending and borrowing; losses incurred on selling foreign currencies and losses from foreign exchange differences.

**2.27 Selling expenses**

Selling expenses represent expenses that are incurred in the process of selling merchandises and providing services.

**2.28 General and administration expenses**

General and administration expenses represent expenses that are incurred for administrative purposes of the Group.

**2.29 Current and deferred income tax**

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred income tax are recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## 2.30 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and associates are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Directors, the Board of Management of the Company, close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Group considers the substance of the relationships not merely the legal form.

## 2.31 Segment reporting

A segment is a component which can be separated by the Group engaged in sales of goods or rendering of services (“business segment”), or sales of goods or rendering of services within a particular economic environment (“geographical segment”). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group’s business segment and the Group’s geographical segment.

## 2.32 Critical accounting estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- ✈ Estimated useful lives of fixed assets (Note 2.13 and 11);
- ✈ Provisions for periodic maintenance costs in the scope of maintenance reserves and cost to make good on leased assets (Notes 2.20 and 20); and
- ✈ Deferred income tax assets (Notes 2.29 and 22).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are assessed by the Board of Management to be reasonable under the circumstances.

## 3 CASH AND CASH EQUIVALENTS

	Unit: VND	
	2022	2021
Cash on hand	9,872,547,293	9,204,594,362
Cash at banks	885,413,407,203	974,100,222,819
Cash equivalents (*)	962,975,781,024	884,948,129,376
	<u>1,858,261,735,520</u>	<u>1,868,252,946,557</u>

(\*) As at 31 December 2022, cash equivalents mainly include term deposits in VND at banks with original maturities of 3 months or less and earn interest at rates ranging from 3.8% to 6% per annum (as at 31 December 2021: from 3% to 3.8% per annum).

As at 31 December 2022, included in cash at banks were VND556 billion pledged at Vietnam Joint Stock Commercial Bank of Industry and Trade to guarantee for payment obligations from the issuance of letter of credit.

As at 31 December 2022, the Group had current and term deposit accounts with total balance of VND490 billion (as at 31 December 2021: VND814 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank (Note 39(b)).

## 4 INVESTMENTS

## (a) Trading securities

	2022			
	Quantity of shares	Cost value VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	500,000,000,000	(490,000,000,000)

	2021			
	Quantity of shares	Cost value VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	855,000,000,000	(135,000,000,000)

The Group signed a non-cancellation agreement to sell the purchase right option of 50 million shares of Petro Vietnam Oil Corporation (“PV Oil”) for the consideration of VND500 billion. As at the approval date of these consolidated financial statements, the Group fully collected this consideration. Accordingly, the buyer will have an option to purchase these PV Oil’s shares at the pre-determined price in the specific required period before 11 June 2023.

## (b) Investments held to maturity

	2022		2021	
	Cost value VND	Carrying amount VND	Cost value VND	Carrying amount VND
Term deposit (*)	187,775,421,096	187,775,421,096	4,475,421,096	4,475,421,096

(\*) As at 31 December 2022, investments held to maturity mainly include term deposits in VND at banks with their original maturity from 6 months to 12 months and earn interest at rates from 4.6% to 9.5% per annum.

As at 31 December 2022, included in short-term investments held to maturity were VND178 billion pledged at Vietnam Joint Stock Commercial Bank of Industry and Trade to guarantee for payment obligations from the issuance of letter of credit.



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#### 4 INVESTMENTS (continued)

##### (c) Investments in associates (\*)

	2022		2021	
	Ownership %	Cost VND	Net value owned by the Group VND	Cost VND
Thai Vietjet Air Joint Stock Co., Ltd. (i)	9	-	-	-
Cam Ranh International Terminal Joint Stock Company	10	60,000,000,000	60,000,000,000	60,000,000,000
		60,000,000,000	60,000,000,000	60,000,000,000

(\*) As at 31 December 2022 and 31 December 2021, the Group could not determine the fair value of these investments to disclose in the consolidated financial statements as these investments are not quoted in the market. The fair value of such investments may differ from their book values.

##### (d) Investments in other entities

	2022		2021	
	Ownership %	Cost VND	Fair value VND	Provision VND
Sai Gon Ground Services Joint Stock Company (ii)	9.1	149,417,024,400	191,913,539,400	-
Angelica Holding Limited (iii)	10	-	-	-
		149,417,024,400	191,913,539,400	149,417,024,400

(i) As at 31 December 2022, the Group has not yet contributed the capital in this associate. This company's operations are mainly supported by the Group.

(ii) The fair value of investments in other entities is its share price which is determined by referencing to the closing prices on the Ho Chi Minh City Stock Exchange (HOSE). As at 31 December 2022, the fair value of the investments in Sai Gon Ground Services Joint Stock Company is VND192 billion (as at 31 December 2021: VND217 billion).

(iii) As at 31 December 2022, the Group has not yet contributed the capital in this company, which is incorporated in Cayman Islands. The principal activities of this company are to provide consultancy services and lease aircraft.

#### 5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

##### (a) Short-term

	Unit: VND	
	2022	2021
<b>Third parties</b>		
Hangzhou Star International Travel Service Co., Ltd.	1,735,832,800,000	1,687,690,160,000
Zhejiang Lixi International Travel Co., Ltd. (*)	1,604,766,900,000	1,559,031,160,000
Hangzhou BaoLi Co., Ltd. (*)	944,712,915,295	1,559,657,504,140
Yuejie (Hangzhou) Freight Forwarding Co., Ltd.	677,564,250,000	-
Fadle Chem Private Limited	609,847,600,000	-
Others	241,188,842,598	114,063,659,076
	5,813,913,307,893	4,960,442,483,216
<b>Related parties (Note 39(b))</b>	<b>6,588,396,586,796</b>	<b>6,492,002,588,180</b>
	12,402,309,894,689	11,452,445,071,396

(\*) As at 31 December 2022 and 31 December 2021, the short-term trade accounts receivable from these customers have been past due for more than 3 years. Based on the historical collection record and the strategic partnership between the Group and these customers, the Board of Management assessed that the outstanding receivables are collectible when the aviation market recovers entirely.

##### (b) Long-term

Balance as at 31 December 2022 represents receivables from transferring purchase right option of aircraft to other related party (Note 39(b)).

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**6 PREPAYMENTS TO SUPPLIERS****(a) Short-term**

	Unit: VND	
	2022	2021
<b>Third parties</b>		
Rockwell Collins	26,388,709,000	22,336,477,282
Thales Solutions Asia Pte. Ltd.	-	12,294,328,523
Others	248,670,292,497	65,085,317,687
	275,059,001,497	99,716,123,492
<b>Related parties (Note 39(b))</b>	1,351,166,515,826	392,344,113
	1,626,225,517,323	100,108,467,605

**(b) Long-term**

Balance as at 31 December 2022 represents long-term prepayment for advertising contract with Hangzhou BaoLi Co., Ltd.

**7 LENDINGS****(a) Short-term**

	Unit: VND				
Borrower	Currency	Annual interest rate	Year of maturity	2022	2021
Truong Son Plaza Joint Stock Company (Note 39(b))	VND	9%	2023	657,000,000,000	657,000,000,000

Short-term lending balance represents a loan to Truong Son Plaza Joint Stock Company, a related party under Contract No. 100921/HDV/VJC-TSP dated 10 September 2021 to provide financial support for working capital of this company. The loan is unsecured and will mature on 9 September 2023.

**(b) Long-term**

	Unit: VND				
Borrower	Currency	Annual interest rate	Year of maturity	2022	2021
AAA Aircraft Asset Company Limited (*)	USD	2.5%	2025	512,689,557,018	492,816,672,000
Apricot Aircraft Assets No. 1 Limited (**)	USD	5%	2033	300,386,377,342	296,831,650,692
Board of Management (Note 39(b))	VND	5.8%	2027	25,000,000,000	-
Board of Director (Note 39(b))	VND	5.8%	2027	25,000,000,000	-
Others	VND	5%	2025	5,145,921,500	-
				868,221,855,860	789,648,322,692

(\*) The balance represents lending of USD21,501,600 to AAA Aircraft Asset Company Limited, a related party, to provide financial support for aircraft purchases and related purchase costs. The loan is unsecured and will mature in 2025.

(\*\*) The balance represents lending of USD12,950,770 to Apricot Aircraft Assets No. 1 Limited, a related party, to provide financial support for aircraft purchases and related purchase costs. The loan is unsecured and will mature in 2033.

**8 OTHER RECEIVABLES****(a) Short-term**

	Unit: VND			
	2022		2021	
	Book value	Provision	Book value	Provision
<b>Third parties</b>				
Maintenance reserves of leased aircraft	1,485,171,706,801	-	1,824,881,774,817	-
Deposits for aircraft purchases within next 12 months (i)	1,807,805,631,328	-	1,585,033,816,020	-
Receivables from shares transferred (ii)	1,554,000,000,000	-	-	-
Claim receivables from maintenance reserves of leased aircraft	442,633,214,126	-	592,857,173,965	-
Purchase discounts receivable	105,591,795,895	-	660,820,286,965	-
Others	884,783,640,594	-	1,112,554,327,394	-
	6,279,985,988,744	-	5,776,147,379,161	-
<b>Related parties (Note 39(b))</b>	8,764,282,663,347	-	5,275,393,517,908	-
	15,044,268,652,091	-	11,051,540,897,069	-

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**8 OTHER RECEIVABLES (continued)****(a) Short-term (continued)**

- (i) This balance represents a deposit to Airbus S.A.S for the aircraft which are expected to be delivered within 12 months.
- (ii) During the year, the Group entered into agreements to purchase and transfer shares in Pacific Star Investment and Development Company to a third party for a total amount of VND2.220 billion. In accordance with the aforementioned transfer agreements, the transfer amount will be settled in 30 months (Note 30). As at the approval date of these consolidated financial statements, the amount of VND777 billion had been collected with respect to the shares transfer.

**(b) Long-term**

	2022		2021	
	Book value	Provision	Book value	Provision
<b>Third parties</b>				
Maintenance reserves of leased aircraft	9,261,664,412,149	-	7,095,851,249,114	-
Deposit for aircraft purchases after next 12 months (i)	3,248,651,248,296	-	5,149,203,195,069	-
Received from shares transferred (ii)	666,000,000,000	-	-	-
Deposit for aircraft leases	1,385,265,877,334	-	1,272,927,219,320	-
Deposit for ground handling services	149,392,198,866	-	124,722,383,225	-
Others	95,866,770,453	-	36,987,670,484	-
	14,806,840,507,098	-	13,679,691,717,212	-
<b>Related parties (Note 39(b))</b>	567,128,239,684	-	2,419,946,988,043	-
	15,373,968,746,782	-	16,099,638,705,255	-

- (iii) The amounts represent deposits for aircraft purchases from 2024 to 2028 to Airbus S.A.S and Boeing Company.

**9 INVENTORIES**

	2022		2021	
	Cost	Provision	Cost	Provision
Tools and supplies	944,247,619,321	-	783,597,166,041	-
Merchandise	38,468,452,354	-	27,649,864,614	-
	982,716,071,675	-	811,247,030,655	-

**10 PREPAID EXPENSES****(a) Short-term**

	2022	2021
	Tools and supplies	118,760,173,915
Software license fee	14,213,790,811	4,788,606,405
Others	31,708,070,143	8,632,225,645
	164,682,034,869	16,306,514,272

**(b) Long-term**

	2022	2021
	Maintenance costs	5,023,761,090,900
Costs to make good on leased assets	608,163,922,799	632,155,195,498
Major inspection and overhaul expenses	495,343,640,432	174,818,646,585
Rotable parts, tools and instruments	267,207,414,543	182,890,430,569
Others	244,713,124,091	33,635,365,276
	6,639,189,192,765	6,089,054,634,450

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**10 PREPAID EXPENSES (continued)****(b) Long-term (continued)**

Movements in long-term prepaid expenses during the year are as follows:

	Maintenance costs	Costs to make good on leased assets	Major inspection and overhaul expenses	Rotating parts, tools and instruments	Others	Total
As at 31 December 2021	5,065,554,996,522	632,155,195,498	174,818,646,585	182,890,430,569	33,635,365,276	6,089,054,634,450
Increase	692,655,542,194	77,371,593,378	557,885,544,084	70,321,938,834	17,168,107,527	1,415,402,726,017
Transfers from inventory	-	-	-	242,667,349,245	-	242,667,349,245
Transfers from construction in progress (Note 12)	-	-	-	-	225,385,696,812	225,385,696,812
Allocation	(654,143,517,148)	(92,016,962,579)	(237,360,550,237)	(228,672,304,105)	(31,476,045,524)	(1,243,669,379,593)
Decrease	(80,305,930,668)	(9,345,903,498)	-	-	-	(89,651,834,166)
As at 31 December 2022	5,023,761,090,900	608,163,922,799	495,343,640,432	267,207,414,543	244,713,124,091	6,639,189,192,765

Unit: VND

**11. FIXED ASSETS****(a) Tangible fixed assets**

	Aircraft and aircraft engines	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
<b>Historical cost</b>						
As at 1 January 2022	896,813,994,227	387,463,400,057	101,519,334,255	70,323,378,062	55,068,879,275	1,511,188,985,876
New purchases	4,559,748,057,333	21,090,214,441	14,711,160,547	7,679,346,300	5,319,251,075	4,608,548,029,696
Disposals	-	-	-	(6,048,688,568)	(155,481,252)	(6,204,169,820)
Others	-	-	3,058,330,526	(497,138,011)	(2,561,192,515)	-
As at 31 December 2022	5,456,562,051,560	408,553,614,498	119,288,825,328	71,456,897,783	57,671,456,583	6,113,532,845,752
<b>Accumulated depreciation</b>						
As at 1 January 2022	249,823,689,576	18,172,790,992	42,437,409,523	27,189,790,354	23,210,909,120	360,834,589,565
Charge for the year	44,632,670,799	8,215,990,955	12,508,997,259	7,611,460,707	4,282,045,437	77,251,165,157
Disposals	-	-	-	(5,792,595,448)	(94,017,718)	(5,886,613,166)
Others	-	(347,383,333)	(3,573,641,070)	(614,378,476)	4,535,402,879	-
As at 31 December 2022	294,456,360,375	26,041,398,614	51,372,765,712	28,394,277,137	31,934,339,718	432,199,141,556
<b>Net book value</b>						
As at 1 January 2022	646,990,304,651	369,290,609,065	59,081,924,732	43,133,587,708	31,857,970,155	1,150,354,396,311
As at 31 December 2022	5,162,105,691,185	382,512,215,884	67,916,059,616	43,062,620,646	25,737,116,865	5,681,333,704,196

Unit: VND

As at 31 December 2022, tangible fixed assets with carrying value of VND602 billion (as at 31 December 2021: VND647 billion) were pledged at Military Commercial Joint Stock Bank as collateral assets for long-term borrowings granted to the Group (Note 19(b)(iii)).

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2022 was VND55 billion (as at 31 December 2021: VND57 billion).

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**11. FIXED ASSETS (continued)****(b) Intangible fixed assets**

	Unit: VND	
	<b>Software</b>	
<b>Historical cost</b>		
As at 1 January 2022		39,171,240,479
New purchases		22,144,823,998
Transfers from construction in progress (Note 12)		625,912,381
As at 31 December 2022		<u>61,941,976,858</u>
<b>Accumulated amortisation</b>		
As at 1 January 2022		31,073,686,907
Charge for the year		2,482,497,899
As at 31 December 2022		<u>33,556,184,806</u>
<b>Net book value</b>		
As at 1 January 2022		<u>8,097,553,572</u>
As at 31 December 2022		<u>28,385,792,052</u>

The historical cost of intangible fixed assets that were fully amortised but still in use as at 31 December 2022 was VND31 billion (as at 31 December 2021: VND27 billion).

**12 LONG-TERM CONSTRUCTION IN PROGRESS**

Details of long-term construction in progress by projects are as follows:

	Unit: VND	
	<b>2022</b>	<b>2021</b>
Purchase costs of aircraft and aircraft engines	191,600,755,991	270,157,717,639
Major inspection and overhaul expenses	72,883,904,312	-
Software	24,200,479,927	-
Others	20,064,554,267	230,602,978,248
	<u>308,749,694,497</u>	<u>500,760,695,887</u>

Movements in construction in progress during the year are as follows:

	Unit: VND	
	<b>2022</b>	<b>2021</b>
Beginning of year	500,760,695,887	804,241,395,933
New purchases	101,792,352,104	162,685,145,738
Transfers to long-term prepaid expenses (Note 10(b))	(225,385,696,812)	-
Transfers to tangible fixed assets	-	(387,463,400,057)
Transfers to intangible fixed assets (Note 11(b))	(625,912,381)	(35,000,000)
Others	(67,791,744,301)	(78,667,445,727)
End of year	<u>308,749,694,497</u>	<u>500,760,695,887</u>

**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	Unit: VND			
	<b>2022</b>		<b>2021</b>	
	<b>Value</b>	<b>Able-to-pay amount</b>	<b>Value</b>	<b>Able-to-pay amount</b>
<b>Third parties</b>				
Petrolimex Aviation Fuel Joint Stock Company	2,496,227,675,244	2,496,227,675,244	665,792,259,190	665,792,259,190
Airports Corporation of Vietnam	1,520,378,879,754	1,520,378,879,754	737,485,155,668	737,485,155,668
CFM International SA	145,046,296,908	145,046,296,908	360,094,721,342	360,094,721,342
Others	4,414,034,236,867	4,414,034,236,867	1,264,244,710,942	1,264,244,710,942
	<u>8,575,687,088,773</u>	<u>8,575,687,088,773</u>	<u>3,027,616,847,142</u>	<u>3,027,616,847,142</u>
<b>Related parties (Note 39(b))</b>	1,084,248,868,096	1,084,248,868,096	213,812,884,699	213,812,884,699
	<u>9,659,935,956,869</u>	<u>9,659,935,956,869</u>	<u>3,241,429,731,841</u>	<u>3,241,429,731,841</u>

As at 31 December 2022 and 31 December 2021, there is no other short-term trade account payable from third parties which had balance above 10% of the total short-term trade accounts payable.

**14 SHORT-TERM ADVANCES FROM CUSTOMERS**

	Unit: VND	
	<b>2022</b>	<b>2021</b>
<b>Third parties</b>		
Angelica Aviation Capital Vietnam Company Limited	395,000,000,000	-
Beijing China International Travel Service Co., Ltd.	70,638,001,410	112,933,609,524
DAEJOO Air Co., Ltd.	49,623,248,714	103,994,116,213
Others	901,786,352,503	316,904,295,492
	<u>1,417,047,602,627</u>	<u>533,832,021,229</u>
<b>Related parties (Note 39(b))</b>	569,611,453,288	11,063,447,039
	<u>1,986,659,055,915</u>	<u>544,895,468,268</u>

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**15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE**

Movements in tax and other receivables from/payables to the State during the year are as follows:

	As at 1.1.2022	Receivable/ payable during the year	Payment during the year	Net-off during the year	Others	As at 31.12.2022
Unit: VND						
<b>(a) Tax receivable</b>						
Deductible VAT	50,356,330,123	1,701,830,425,780	-	(1,602,077,244,791)	(10,750,938,169)	139,358,572,943
Foreign contractor tax	-	-	-	24,874,721,710	-	24,874,721,710
	50,356,330,123	1,701,830,425,780	-	(1,577,202,523,081)	(10,750,938,169)	164,233,294,653
<b>(b) Tax payables</b>						
CIT	138,353,828,365	172,103,552,548	(140,133,402,011)	-	(4,979,122,589)	165,344,856,313
VAT	82,693,553,374	1,638,005,516,627	(118,621,825,210)	(1,602,077,244,791)	-	-
Personal income tax	45,647,196,536	384,980,711,451	(237,836,508,040)	-	-	192,791,399,947
Foreign contractor tax	22,010,668,059	21,955,071,149	(20,962,129,321)	24,874,721,710	(47,878,331,597)	-
Other tax	-	140,106,901,023	(139,825,121,248)	-	-	281,779,775
	288,705,246,334	2,357,151,752,798	(657,378,985,830)	(1,577,202,523,081)	(52,857,454,186)	358,418,036,035

**16 SHORT-TERM ACCRUED EXPENSES**

	Unit: VND	
	2022	2021
Technical and aircraft related expenses	348,923,487,758	533,958,452,256
Interest expense	146,092,701,141	296,216,239,953
Maintenance	98,929,376,541	32,857,063,597
Others	261,139,108,814	66,325,713,828
	<u>855,084,674,254</u>	<u>929,357,469,634</u>

**17 SHORT-TERM UNEARNED REVENUE**

	Unit: VND	
	2022	2021
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	3,431,102,413,796	381,579,736,840
Others	72,351,627,491	-
	<u>3,503,454,041,287</u>	<u>381,579,736,840</u>

**18 OTHER PAYABLES****(a) Short-term**

	Unit: VND	
	2022	2021
<b>Third party</b>		
Purchase of shares (i)	960,000,000,000	-
Airport fees and charges payables	884,921,481,267	700,704,487,828
Others	1,323,388,048,121	301,819,330,782
	<u>3,168,309,529,388</u>	<u>1,002,523,818,610</u>
<b>Related parties (Note 39(b))</b>	<b>240,769,516,501</b>	<b>90,302,062,029</b>
	<u>3,409,079,045,889</u>	<u>1,092,825,880,639</u>

(i) As at the approval date of these consol financial statements, the Group fully settled the purchase of shares purchased of Pacific Star Investment and Development Company.

**(b) Long-term**

The balances as at 31 December 2022 and as at 31 December 2021 mainly represent long-term deposits received from the Group's business partners.

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	Unit: VND	As at 1.1.2022	Increase	Decrease	Reclassification	Revaluation	As at 31.12.2022
Borrowings from banks (i)		5,036,939,906,166	26,735,827,382,993	(23,900,878,666,988)	-	(85,285,240,086)	7,786,603,382,085
Current portion of long-term borrowings (Note 19(b))		983,130,480,000	-	(977,043,326,869)	62,211,246,869	-	68,298,400,000
Current portion of long-term bonds (Note 19(b))		600,000,000,000	-	(600,000,000,000)	650,000,000,000	-	650,000,000,000
Borrowings from related parties (ii) (Note 39(b))		700,000,000,000	45,000,000,000	(700,000,000,000)	-	-	45,000,000,000
		7,320,070,386,166	26,780,827,382,993	(26,177,921,993,857)	712,211,246,869	(85,285,240,086)	8,549,901,782,085

## (a) Short-term (continued)

## (i) Borrowings from banks

Details of short-term borrowings from banks are as follows:

Lenders	Currency	2022	2021
Unit: VND			
<b>Secured loans</b>			
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (Note 39(b)) <sup>(*)</sup>	USD	2,918,027,095,639	2,384,576,498,152
<b>Unsecured loans</b>			
Vietnam Joint Stock Commercial Bank of Industry and Trade <sup>(**)</sup>	VND	2,146,440,768,211	1,860,409,702,905
Military Commercial Joint Stock Bank	VND	1,072,567,986,932	-
Vietnam Maritime Commercial Joint Stock Bank <sup>(***)</sup>	VND	699,859,102,940	187,669,268,452
Woori Bank Vietnam Limited, Ho Chi Minh City Branch	USD	649,714,086,079	254,548,640,905
Petrolimex Group Commercial Joint Stock Bank	VND	299,994,342,284	349,735,795,752
		7,786,603,382,085	5,036,939,906,166

<sup>(\*)</sup> As at 31 December 2022, this loan was secured by the estimated receivables arising from the Group's sales of flight tickets in the future of VND6,665 billion (as at 31 December 2021: VND3,875 billion).

<sup>(\*\*)</sup> Including an usance payable at sight letter of credit (UPAS L/C) with a credit contract fee.

During the year, these borrowings bear interest at rates ranging from 4.2% to 11% per annum (for the year ended 31 December 2021: from 3.5% to 7.1% per annum) for borrowings in VND, and from 3.3% to 5.75% per annum (for the year ended 31 December 2021: from 3.3% to 4.3% per annum) for borrowings in USD.

Details of short-term borrowings from related parties are as follows

Lenders	Currency	2022	2021
Unit: VND			
<b>Unsecured loans</b>			
Victoria Academy Company Limited	VND	45,000,000,000	-
Sovico Group Joint Stock Company	VND	-	700,000,000,000
		45,000,000,000	700,000,000,000

During the year, these borrowings bear interest at rates ranging from 5% to 10.5% per annum (for the year ended 31 December 2021: from 10.5% per annum).

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19 BORROWINGS (continued)  
(b) Long-term

	As at 1.1.2022	Increase	Reclassification	Revaluation	As at 31.12.2022
Borrowings from banks (iii)	367,151,446,768	-	(62,211,246,869)	4,805,647,209	309,745,847,108
Straight bonds (iv)	7,773,090,000,000	2,876,910,000,000	(650,000,000,000)	-	10,000,000,000,000
	8,140,241,446,768	2,876,910,000,000	(712,211,246,869)	4,805,647,209	10,309,745,847,108

(iii) Borrowings from banks

Details of long-term borrowings from banks are as follows:

Lenders	Currency	Maturity	2022		2021	
			Current portion of long-term borrowings	Long-term borrowings	Current portion of long-term borrowings	Long-term borrowings
Military Commercial Joint Stock Bank (*)	USD	June 2028	68,298,400,000	309,745,847,108	66,330,480,000	367,151,446,768
Woori Bank - Singapore Branch	USD	December 2022	-	-	375,054,537,120	-
Industrial and Commercial Bank of China Limited - Hong Kong Branch	USD	December 2022	-	-	375,054,537,120	-
KEB Hana Bank - Hong Kong Branch	USD	December 2022	-	-	166,690,925,760	-
			68,298,400,000	309,745,847,108	983,130,480,000	367,151,446,768

(\*) (The principal of this borrowing is repayable in 17 equal semi-annual instalments of USD1.4 million (equivalent to VND33 billion) each and a final instalment of USD1.5 million (equivalent to VND35 billion) on 13 June 2028. The borrowing bears interest at a rate from 2.99% to 7.88% per annum (for the year ended 31 December 2021: 2.99% per annum) and is secured by the Group's tangible fixed assets with the carrying amount as follows:

	2022	2021
Aircraft No. A320 MSN7167, VNA675 (Note 11(a))	602,357,633,852	646,990,304,651

Unit: VND

(iv) Straight bonds

Terms and conditions of long-term straight bonds are as follows:

Currency	Annual interest	Annual interest	Year of maturity	2022		2021	
				Current portion of long-term bonds	Long-term	Current portion of long-term bonds	Long-term
Bonds issued at par value, maturing after 60 months (**)	VND	7.8% - 9.5%	2026	-	5,000,000,000,000	-	5,000,000,000,000
Bonds issued at par value, maturing after 36 months (***)	VND	8.1% - 9.5%	2024	-	5,000,000,000,000	-	2,123,090,000,000
Bonds issued at par value, maturing after 36 months (****)	VND	7.8% - 9%	2023	650,000,000,000	-	-	650,000,000,000
Bonds issued at par value, maturing after 36 months (*****)	VND	7.8%	2022	-	-	600,000,000,000	-
				650,000,000,000	10,000,000,000,000	600,000,000,000	7,773,090,000,000

Unit: VND

(\*) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9.5% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

(\*\*) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9.5% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

(\*\*\*) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

(\*\*\*\*) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.



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**20 PROVISION FOR LIABILITIES**

Movements of provision for liabilities during the year are as follows:

	Unit: VND		
	Provision for periodic maintenance costs	Provision for cost to make good on leased assets	Total
As at 31 December 2021	11,102,401,572,249	1,143,835,340,803	12,246,236,913,052
Provision made during the year	2,086,436,320,059	106,997,461,249	2,193,433,781,308
Utilisation of provision	(109,806,404,540)	-	(109,806,404,540)
Decrease	(210,125,042,529)	(18,892,396,078)	(229,017,438,607)
As at 31 December 2022	<u>12,868,906,445,239</u>	<u>1,231,940,405,974</u>	<u>14,100,846,851,213</u>
Short-term	1,737,862,342,615	20,506,352,193	1,758,368,694,808
Long-term	11,131,044,102,624	1,211,434,053,781	12,342,478,156,405
	<u>12,868,906,445,239</u>	<u>1,231,940,405,974</u>	<u>14,100,846,851,213</u>

**21 BONUS AND WELFARE FUND**

Movements of bonus and welfare fund during the year are as follows:

	Unit: VND	
	2022	2021
Beginning of year	327,150,076,791	-
Appropriation during the year	-	380,676,119,348
Utilisation during the year	(180,858,291,727)	(53,526,042,557)
End of year	<u>146,291,785,064</u>	<u>327,150,076,791</u>

**22 DEFERRED INCOME TAX**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. Details are as follows:

	Unit: VND	
	2022	2021
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	3,360,651,126,590	2,468,231,211,996
Deferred tax assets to be recovered within 12 months	461,673,738,962	338,402,175,062
	<u>3,822,324,865,552</u>	<u>2,806,633,387,058</u>
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	(3,037,649,078,335)	(2,596,174,103,538)
Deferred tax liabilities to be recovered within 12 months	(380,405,239,427)	(364,976,354,963)
	<u>(3,418,054,317,762)</u>	<u>(2,961,150,458,501)</u>
Net-off	3,822,324,865,552	2,806,633,387,058
Net deferred income tax receivable/ (deferred income tax payable)	404,270,547,790	(154,517,071,443)

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Unit: VND	
	2022	2021
Beginning of year	(154,517,071,443)	(67,824,775,143)
Consolidated income statement charge/(credit) (Note 35)	558,787,619,233	(86,692,296,300)
End of year	<u>404,270,547,790</u>	<u>(154,517,071,443)</u>

The Group uses tax rate of 20% in the year 2022 (2021: 20%) to determine deferred income tax assets and deferred income tax liabilities.

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**22 DEFERRED INCOME TAX (continued)**

Details of deferred income tax assets and deferred income tax liabilities are as below:

	Unit: VND	
	2022	2021
<b>Details of deferred tax assets</b>		
Provision for maintenance costs	2,573,781,289,048	2,220,480,314,450
Tax losses carried forward	892,155,495,309	281,890,836,012
Provision for return of leased assets	246,388,081,195	228,767,068,161
Provision for diminution in the financial investments	110,000,000,000	12,000,000,000
Revaluation amounts denominated in foreign currencies	-	63,495,168,435
	<u>3,822,324,865,552</u>	<u>2,806,633,387,058</u>
<b>Details of deferred tax liabilities</b>		
Maintenance reserves	(2,208,298,416,955)	(1,821,608,420,097)
Prepaid aircraft maintenance	(1,004,752,218,180)	(1,013,110,999,304)
Leased return costs	(121,632,784,560)	(126,431,039,100)
Revaluation amounts denominated in foreign currencies	(83,370,898,067)	-
	<u>(3,418,054,317,762)</u>	<u>(2,961,150,458,501)</u>
Net deferred income tax assets/(deferred income tax payables)	<u>404,270,547,790</u>	<u>(154,517,071,443)</u>

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Group's tax losses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in the consolidated financial statements. The estimated amount of tax losses available for offset against the Group's future taxable income is:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2020	Outstanding	2,414,670,803,135	(1,005,216,623,073)	1,409,454,180,062
2022	Outstanding	3,051,323,296,483	-	3,051,323,296,483

**23 OWNERS' CAPITAL****(a) Number of shares**

	Unit: VND			
	2022		2021	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	541,611,334	-	541,611,334	-
Number of shares issued	541,611,334	-	541,611,334	-
Number of existing shares in circulation	541,611,334	-	541,611,334	-

**(b) Details of owners' shareholding**

	Unit: VND			
	2022		2021	
	Ordinary shares	%	Ordinary shares	%
Sunflower Sunny Investment Company Limited	154,740,160	29%	154,740,160	29%
Ms. Nguyen Thi Phuong Thao	47,470,914	9%	47,470,914	9%
Sovico Holdings Company	41,106,000	8%	41,106,000	8%
Others	298,294,260	55%	298,294,260	55%
	<u>541,611,334</u>	<u>100%</u>	<u>541,611,334</u>	<u>100%</u>

**(c) Movement of share capital**

	Unit: VND	
	Number of shares	Ordinary shares
As at 1 January 2021	523,838,594	5,238,385,940,000
Sale of treasury shares	17,772,740	177,727,400,000
As at 31 December 2021 and 31 December 2022	<u>541,611,334</u>	<u>5,416,113,340,000</u>

Par value per share: VND10,000.

Each share is entitled to one vote at the Shareholders' meetings of the Company. Shareholders are entitled to receive dividend as declared each specified time. All ordinary shares are ranked equally with regard to the Group's residual assets. In respect of shares bought back by the Group, all rights are suspended until those shares are reissued.

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## 24 MOVEMENTS IN OWNERS' EQUITY

	Unit: VND	Owners' capital	Share premium	Treasury shares	Foreign exchange difference	Post-tax undistributed earnings	Non-controlling interests	Total
As at 1 January 2021		5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	73,551,097,850	11,589,250,587,139	655,829,944	14,978,398,985,118
Net profit for the year		-	-	-	-	74,584,907,230	5,074,400,079	79,659,307,309
Business combination		-	-	-	-	-	12,454,650,788	12,454,650,788
Change ownership interest		-	-	-	-	(1,726,786,287)	1,726,786,287	-
Bonus and welfare fund (Note 21)		-	-	-	-	(380,676,119,348)	-	(380,676,119,348)
Sale of treasury shares		-	1,533,625,094	2,347,121,362,620	-	-	-	2,348,654,987,714
Foreign currency conversion differences for overseas activities		-	-	-	(184,281,491,101)	-	-	(184,281,491,101)
As at 31 December 2021		5,416,113,340,000	247,483,117,899	-	(110,730,393,251)	11,281,432,588,734	19,911,667,098	16,854,210,320,480
Net loss for the year		-	-	-	-	(2,262,499,009,854)	524,166,069	(2,261,974,843,785)
Foreign currency conversion differences for overseas activities		-	-	-	306,059,346,789	-	-	306,059,346,789
As at 31 December 2022		5,416,113,340,000	247,483,117,899	-	195,328,953,538	9,018,933,578,880	20,435,833,167	14,898,294,823,484

Pursuant to the Resolution No. 02-22/VJ-DHCEĐ-ĐĐ dated 28 May 2022, the General Meeting of Shareholders of the Group approved the share dividends to its existing shareholders at the rate of 20% on the total par value of existing shares in circulation. The General Meeting of Shareholders authorized the Board of Directors to decide the timing of issuance plan after getting the approval of the State Securities Committee.

## 25 DIVIDEND PAYABLE

	Unit: VND	
	2022	2021
The balance as at the beginning/end of the year	57,789,721,550	57,789,721,550

## 26 EARNINGS PER SHARE

## (a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

	For the year ended 31 December	
	2022	2021
Net profit attributable to shareholders (VND)	(2,262,499,009,854)	74,584,907,230
Weighted average number of ordinary shares in issue (shares)	541,611,334	534,697,008
Basic earnings per share (VND)	(4,177)	139

## (b) Diluted earnings per share

The Company did not have any ordinary shares potentially diluted (losses)/earnings per share during the year and up to the approval date of these consolidated financial statements.

## 27 OFF CONSOLIDATED BALANCE SHEET ITEMS

## (a) Foreign currencies

	Unit: VND	
	2022	2021
USD	9,413,017	6,778,291
SGD	10,239,704,671	1,054,978
MYR	126,283,863	1,135,970
KRW	409,254	183,813,624
JPY	43,940	24,654,663
EUR	1,955	44,430
TWD	54,350	279,800
HKD	10,655,005	54,350
GBP	108,394,060	2,250
IDR	2,864,650	10,225,000
THB	1,135,970	94,420
CNY	203,295	18,478
INR	31,673	135,370
MMK	279,800	2,864,650

## (b) Operating lease assets

The future minimum lease receipts under non-cancellable operating leases were presented in Note 40(a)(ii).

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**28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	Unit: VND	
	2022	2021
Passenger and cargo transportation revenue:		
- Domestic passenger transportation	10,927,622,320,416	1,989,321,073,633
- International passenger transportation including regular charter flights	3,850,959,121,800	459,811,583,737
- Ancillary and cargo transportation revenue	13,050,296,047,657	5,035,073,240,719
	27,828,877,489,873	7,484,205,898,089
Aircraft dry leases (Note 39(a)(i))	1,561,242,313,157	1,315,130,305,300
Revenue from sales of aircraft and purchase right option	9,983,078,350,000	3,598,751,409,092
Revenue from sales of engines	420,189,000,000	-
Others	348,476,334,999	476,832,112,969
	40,141,863,488,029	12,874,919,725,450

**29 COST OF GOODS SOLD AND SERVICES RENDERED**

	Unit: VND	
	2022	2021
Flight operation section expenses	29,557,263,710,383	8,861,800,697,367
Cost of aircraft sold	5,586,687,730,647	3,610,061,262,338
Technical section expenses	3,497,843,675,202	1,309,828,401,380
Ground operation section expenses	1,755,378,606,600	461,687,833,029
Cost of engine sold	409,995,121,284	-
Safety, security, quality and assurance section expenses	381,949,160,377	39,833,540,936
Cargo expenses	256,042,532,365	195,459,783,066
Others	689,990,852,849	435,052,692,393
	42,135,151,389,707	14,913,724,210,509

**30 FINANCIAL INCOME**

	Unit: VND	
	2022	2021
Income from shares transferred (*)	1,260,000,000,000	3,584,000,000,000
Realised foreign exchange gains	391,940,499,516	152,788,488,938
Interest income from deposits and lendings	405,254,953,740	282,517,918,574
Net gain from foreign currency translation at year-end	159,921,609,696	-
Dividend income	25,152,055,000	4,591,233,000
Others	3,952,347,328	8,874,416,420
	2,246,221,465,280	4,032,772,056,932

(\*) The income is related to the transfer of the Group's shares in Pacific Star Investment and Development Company to a third party (Note 8).

**31 FINANCIAL EXPENSES**

	Unit: VND	
	2022	2021
Interest expense	1,383,641,245,573	804,782,847,259
Realised foreign exchange losses	601,124,566,761	31,267,761,933
Provision/(reversal of provision) for diminution in value of investments	355,000,000,000	(255,000,000,000)
Unwinding discount of provisions	132,113,144,440	1,313,056
Net loss from foreign currency translation at year-end	-	220,650,652,715
Others	11,175,526,280	4,552,008,645
	2,483,054,483,054	806,254,583,608

**32 SELLING EXPENSES**

	Unit: VND	
	2022	2021
External service expenses	583,457,585,937	364,459,430,769
Advertising and marketing expenses	166,819,934,002	155,542,376,390
Staff costs	138,229,187,732	63,053,932,893
Depreciation and amortisation	1,662,692,456	910,259,322
Others	46,174,263,225	23,790,238,560
	936,343,663,352	607,756,237,934

**33 GENERAL AND ADMINISTRATION EXPENSES**

	Unit: VND	
	2022	2021
Staff costs	253,955,857,218	149,436,918,255
External service expenses	198,610,824,743	113,603,234,296
Depreciation and amortisation	4,271,324,679	10,762,004,815
Others	77,614,097,776	91,927,001,133
	534,452,104,416	365,729,158,499

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**34 NET OTHER INCOME AND OTHER EXPENSES**

	Unit: VND	
	2022	2021
<b>Other income</b>		
Income from the increase of purchase considerations (Note 39(a)(viii))(*)	1,280,000,000,000	-
Compensation income (**)	24,848,616,868	-
Others	11,256,495,414	16,201,777,600
	<u>1,316,105,112,282</u>	<u>16,201,777,600</u>
<b>Other expenses</b>		
Adjustments of purchase discounts receivable	(178,481,292,047)	-
Penalty	(35,831,279,413)	-
Others	(49,534,764,072)	(7,778,986,800)
	<u>(263,847,335,532)</u>	<u>(7,778,986,800)</u>
<b>Net other income</b>	<u>1,052,257,776,750</u>	<u>8,422,790,800</u>

(\*) This income relates to the increase of purchase considerations of commercial and operational of the Vietjet Plaza Building to a related party.

(\*\*) This income relates to a compensation entitled from an aircraft manufacturer rights.

**35 CORPORATE INCOME TAX (“CIT”)**

The Group has an obligation to pay the CIT at the applicable tax rate of 20% of taxable profits, except for the following companies:

**Companies incorporated in British Virgin Islands**

*Vietjet Air IVB No. I Limited, Vietjet Air IVB No. II Limited*

Income or profits generated in the British Virgin Islands are non-taxable.

**Companies incorporated in Cayman Islands**

*Skymate Limited*

Income or profits generated in the Cayman Islands are non-taxable.

**Company incorporated in Singapore**

*Vietjet Air Singapore Pte.Ltd.*

Vietjet Air Singapore Pte. Ltd. has an obligation to pay CIT at the rate of 17% of taxable profits.

**Company incorporated in Ireland**

*Vietjet Air Ireland No. 1 Limited*

Vietjet Air Ireland No. 1 Limited has an obligation to pay CIT at the rate of 25% of taxable profits.

The CIT on the Group’s accounting (loss)/profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	Unit: VND	
	2022	2021
Net accounting (loss)/profit before tax	(2,648,658,910,470)	180,379,522,924
Tax calculated at a rate of 20%	(529,731,782,094)	36,075,904,585
Effect of:		
Expenses not deductible for tax purposes	211,913,544,550	71,787,739,290
Effect of difference tax rates applied for subsidiaries	(63,835,418,141)	(6,225,181,660)
Income not subject to tax	(5,030,411,000)	(918,246,600)
CIT (credit)/charge (*)	<u>(386,684,066,685)</u>	<u>100,720,215,615</u>
Charged/(credited) to the consolidated income statement:		
CIT – current	172,103,552,548	14,027,919,315
CIT – deferred (Note 22)	(558,787,619,233)	86,692,296,300
	<u>(386,684,066,685)</u>	<u>100,720,215,615</u>

(\*) The CIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

**36 COSTS OF OPERATION BY FACTOR**

Costs of operation by factor represent all costs incurred during the year from the Group’s operating activities, excluding cost of merchandises for trading activities. Details are as follows:

	Unit: VND	
	2022	2021
Fuel costs	17,097,871,839,398	3,059,363,382,827
Lease expenses	8,090,525,444,025	4,117,497,116,783
Staff costs	3,743,364,549,134	1,614,199,197,656
Depreciation and amortisation	79,733,663,056	98,078,009,402
External service and other expenses	8,596,512,640,215	3,388,010,637,936
	<u>37,608,008,135,828</u>	<u>12,277,148,344,604</u>

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## 37 SEGMENT REPORTING

The Board of Management of the Group determines that the management's decisions of the Group are based primarily on both the types of products and services provided by the Group and the geographic areas in which the Group supplies product and service. As a result, the segment reporting of the Group is presented in respect of the Group's business segments and geographical segments.

## (a) Business segments

For management purposes, the Group has 2 business segments as follows:

- Providing passenger and cargo transportation services, ancillary services, aircraft leasing and in-flight advertising (referred to as "aviation services"); and
- Buying and selling aircraft and related assets.

Except as indicated above, the Group has no other business segments being aggregated to form a reportable business segment. Segmental information for total revenue and cost of sales is shown in Notes 27 and 28 to the consolidated financial statements. There is no internal revenue between business segments. All the Group's assets, liabilities, financial income and financial expenses, selling expenses, general and administration expenses, other income and other expenses are unallocated.

## (b) Geographical segments

The Group's revenue is presented by geographical areas (by country of destination) as follows:

	Unit: VND	
	2022	2021
In Vietnam	21,745,457,801,463	5,740,197,168,895
Outside Vietnam	18,396,405,686,566	7,134,722,556,555
	<u>40,141,863,488,029</u>	<u>12,874,919,725,450</u>

The Group has no other geographical segments, except for revenue because the Board of Management of the Company determines that the Group's management decisions are based primarily on revenue by geographical areas. Segment assets and capital expenditure are not presented since most of assets are in Vietnam.

## 38 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

## Non-cash transactions affecting the consolidated cash flow statement

	Unit: VND	
	Year ended 31 December	
	2022	2021
Net-off payables for purchase of fixed assets with other short-term and long-term receivables	2,129,910,369,840	-
Transfer of long-term receivables to purchase fixed assets	1,013,410,674,517	-
Purchase fixed assets which not paid	371,689,630,160	-

## 39 RELATED PARTY DISCLOSURES

During the year, the Group incurred major transactions and balances with the following related parties:

Related party	Relationship
Sovico Holdings Joint Stock Company	Major shareholder
Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank)	Major shareholder
Thai Vietjet Air Joint Stock Co., Ltd.	Associate
Cam Ranh International Terminal Joint Stock Company	Associate
Saigon Ground Services Joint Stock Company	Other related party
Truong Son Plaza Joint Stock Company	Other related party
Cong Hoa Commercial Investment Joint Stock Company	Other related party
Sovico Group Joint Stock Company	Other related party
Menas Company Limited	Other related party
Angelica Holding Limited	Other related party
Angelica Aircraft Assets Limited	Other related party
Apricot Aircraft Company (Ireland) 8577 Limited	Other related party
Apricot Aircraft Company (Ireland) 8592 Limited	Other related party
Apricot Aircraft Company (Ireland) 8605 Limited	Other related party
Apricot Aircraft Company (Ireland) 8670 Limited	Other related party
Apricot Aircraft Company (Ireland) 8676 Limited	Other related party
Apricot Aircraft Assets Limited	Other related party
Apricot Aircraft Assets No.1 Limited	Other related party
Apricot Holding Limited	Other related party
AAA Aircraft Company Limited	Other related party
AAA Aircraft Asset Company Limited	Other related party
AAA Golden Aircraft Star No.1 Limited	Other related party
AAA Golden Aircraft Star No.2 Limited	Other related party
AAA Golden Aircraft Star No.3 Limited	Other related party
AAA Golden Aircraft Star No.4 Limited	Other related party
AAA Golden Aircraft Star No.5 Limited	Other related party
World Go International Limited	Other related party
IBH JSC	Other related party
Conasi JSC	Other related party
Victoria Academy Company Limited	Other related party
HD Saison Finance Co., Ltd	Other related party
HD Insurance Company Limited	Other related party
GalaxyOne Company Limited	Other related party
Doctor Aibolit Co., Ltd	Other related party
BStar Solutions Company Limited	Other related party
Galaxy Joy Joint Stock Company	Other related party
Galaxy Digital Holdings Co., Ltd	Other related party
Key management personnel including the Board of Directors, the Board of Management, Senior Management and Audit Committee of the Company	Key management

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**39 RELATED PARTY DISCLOSURES (CONTINUED)****a) Related party transactions**

During the year, the following major transactions were carried out with related parties:

	Unit: VND	
	2022	2021
<b>(i) Revenue from aircraft dry leases</b>		
Associate	1,198,309,663,845	1,022,878,715,600
Other related party	362,932,649,312	292,251,589,700
	<u>1,561,242,313,157</u>	<u>1,315,130,305,300</u>
<b>(ii) Revenue from sales of aircraft and purchase right option</b>		
Other related party	9,983,078,350,000	-
<b>(iii) Other revenue</b>		
Associate	234,989,073,794	55,430,218,259
Major shareholder	20,778,662	50,528,100
Other related party	101,041,828,830	300,029,748,989
	<u>336,051,681,286</u>	<u>355,510,495,348</u>
<b>(iv) Aircraft operating lease expenses</b>		
Other related party	1,373,646,527,394	882,616,623,347
<b>(v) Purchase of services</b>		
HDBank	886,816,194	-
Major shareholder	10,133,843,913	8,378,243,913
Other related parties	574,478,844,464	250,231,571,236
	<u>585,499,504,571</u>	<u>258,609,815,149</u>
<b>(vi) (Receipts) and payment on behalf, net cashflows</b>		
Associate	182,782,243,309	396,681,892,333
<b>(vii) Financing activities</b>		
<b>Interest income</b>		
HDBank	12,700,149,431	17,178,157,424
Associate	231,861,202,013	190,410,491,676
Other related parties	59,292,000,000	44,788,482,432
	<u>303,853,351,444</u>	<u>252,377,131,532</u>
<b>Interest expense</b>		
HDBank	105,638,061,951	68,494,378,852
Other related parties	25,859,589,042	156,855,342,466
	<u>131,497,650,993</u>	<u>225,349,721,318</u>

	Unit: VND	
	2022	2021
<b>Proceeds from borrowings</b>		
HDBank	8,037,406,959,482	2,710,411,814,342
Other related parties	45,000,000,000	-
	<u>8,082,406,959,482</u>	<u>2,710,411,814,342</u>
<b>Repayment borrowings</b>		
HDBank	7,434,985,662,395	2,239,034,992,601
Other related parties	700,000,000,000	-
	<u>8,134,985,662,395</u>	<u>2,239,034,992,601</u>
<b>Term deposits and certificate of deposits</b>		
Term deposits	2,193,304,077,000	4,060,000,000,000
Collection of term deposits	(2,345,004,077,000)	(5,135,000,000,000)
<b>(viii) Investment activities</b>		
<b>Dividend income</b>		
Other related parties	7,652,055,000	4,591,233,000
<b>Sales of the commercial and operational rights to other related party</b>		
Income from increase of transfer of the commercial right price	1,280,000,000,000	-
Payments received	-	290,000,000,000
<b>Disposal of right and obligation of a real estate project with other related parties</b>		
Interest income	-	770,506,849
Cash consideration received	-	656,700,000,000
<b>Transfers of shares with other related parties</b>		
Income from transfers of shares	-	5,184,000,000,000
Payments received	-	1,598,289,600,000
<b>Investment in projects with other related parties</b>		
Deposit received	-	1,200,000,000,000
Deposit granted	-	1,990,000,000,000
Interest expense	-	46,772,465,754
<b>Lending</b>		
Board of Management	25,000,000,000	-
Board of Directors	25,000,000,000	-
Other related parties	-	953,831,650,692
	<u>50,000,000,000</u>	<u>953,831,650,692</u>
<b>Purchase of aircraft and engines</b>		
Other related party	3,665,263,945,784	-
<b>(ix) Net salary and other benefits</b>		
Board of Directors	9,345,555,420	7,459,821,964
Board of Management and Senior Management	17,189,738,630	10,453,094,607
	<u>26,535,294,050</u>	<u>17,912,916,571</u>

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**39 RELATED PARTY DISCLOSURES (CONTINUED)****(b) Year-end balances with related parties**

	Unit: VND	
	2022	2021
<b>Cash and cash equivalents (Note 3)</b>		
HDBank	490,494,847,483	814,294,104,391
<b>Short-term trade accounts receivable (Note 5(a))</b>		
HDBank	399,459,043	-
Associate (i)	4,277,852,215,600	2,981,583,703,080
Other related parties (ii)	2,310,144,912,153	3,510,418,885,100
	<u>6,588,396,586,796</u>	<u>6,492,002,588,180</u>
(i) Receivables from aircraft dry leases.		
(ii) The receivable balance mainly includes receivables from sales of engines and receivables from aircraft dry leases.		
<b>Long-term trade accounts receivable (Note 5(b))</b>		
Other related party	3,863,320,000,000	-
<b>Short-term prepayments to suppliers (Note 6)</b>		
Other related party (iii)	1,351,166,515,826	392,344,113
(iii) The prepayment balance mainly includes prepayment for engine purchase and engine leases.		
<b>Short-term lendings (Note 7(a))</b>		
Other related party	657,000,000,000	657,000,000,000
<b>Long-term lendings (Note 7(b))</b>		
Board of Management	25,000,000,000	-
Board of Director	25,000,000,000	-
Other related parties	813,075,934,360	789,648,322,692
	<u>863,075,934,360</u>	<u>789,648,322,692</u>
<b>Other short-term receivables (Note 8(a))</b>		
Major shareholder	1,042,580,000	-
Associates (iv)	2,156,169,990,770	1,595,304,781,031
Other related parties (v)	6,607,070,092,577	3,680,088,736,877
	<u>8,764,282,663,347</u>	<u>5,275,393,517,908</u>

**39 RELATED PARTY DISCLOSURES (CONTINUED)**

- (iv) The receivable balance mainly includes payment on behalf and earns interest at the rate from 9% to 9,5% per annum (2021: 9% per annum),
- (v) The receivable balance mainly includes purchase considerations from sales of the commercial and operational rights of the Vietjet Plaza Building, receivable relating to the disposal of rights and obligations in the Republic Plaza project, lending interests and receivables from transfer of shares of Pacific Star Investment and Development Company,

As at the approval date of these consolidated financial statements, the Group collected VND959 billion from the sales of the commercial and operational rights of the Vietjet Plaza Building.

	Unit: VND	
	2022	2021
<b>Other long-term receivables (Note 8(b))</b>		
Associate	15,145,000,000	468,344,946,987
Other related parties (vi)	551,983,239,684	1,951,602,041,056
	<u>567,128,239,684</u>	<u>2,419,946,988,043</u>
(vi) The receivable balance mainly includes maintainance reserves of leased aircraft and engines and deposit for contract fulfillments.		
<b>Short-term trade accounts payable (Note 13)</b>		
HDBank	558,720,558	733,297,968
Major shareholder	25,321,939,928	24,859,785,367
Associate	3,930,367,483	2,335,782,331
Other related parties (vii)	1,054,437,840,127	185,884,019,033
	<u>1,084,248,868,096</u>	<u>213,812,884,699</u>
(vii) The payable balance mainly includes payables for operating leases of aircraft and purchase of aircraft.		
<b>Short-term advances from customers (Note 14)</b>		
HDBank	6,662,900	448,777,861
Associate	8,649,099,558	8,649,099,558
Other related parties (viii)	560,955,690,830	1,965,569,620
	<u>569,611,453,288</u>	<u>11,063,447,039</u>
(viii) The advance from customers balance mainly includes advance purchases of engines.		
<b>Short-term accrued expenses</b>		
HDBank	2,997,476,038	1,712,695,006
Other related parties	1,350,000,000	92,708,021,157
	<u>4,347,476,038</u>	<u>94,420,716,163</u>
<b>Other short-term payables (Note 18(a))</b>		
HDBank	902,801,716	876,788,785
Major shareholders	72,720,004,160	69,869,108,860
Other related parties (ix)	167,146,710,625	19,556,164,384
	<u>240,769,516,501</u>	<u>90,302,062,029</u>



## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 december 2022

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**39 RELATED PARTY DISCLOSURES (CONTINUED)**

(ix) The payable balance mainly includes interest expenses and deposit for contract fulfillments.

Unit: VND

	2022	2021
<b>Short-term borrowings (Note 19(a))</b>		
HDBank	2,918,027,095,639	2,384,576,498,152
Other related parties	45,000,000,000	700,000,000,000
	2,963,027,095,639	3,084,576,498,152

**40 PRINCIPLE AGREEMENTS****(a) Commitments under operating leases****(i) The Group as a lessee**

The Group signs operating lease agreements, the expected future lease payments, according to terms in these agreements, are as follows:

Unit: VND

	2022	2021
Within one year	11,506,559,066,274	8,616,964,284,145
Between one and five years	38,581,623,224,033	37,298,127,372,065
Over five years	19,870,076,281,001	24,811,592,924,072
Total minimum payments	69,958,258,571,308	70,726,684,580,282

**(ii) The Group as a lessor**

The Group signs operating lease agreements, the expected future lease receipts, according to terms in these agreements, are as follows:

Unit: VND

	2022	2021
Within one year	1,333,279,444,266	1,337,091,416,984
Between one and five years	4,099,020,606,476	4,397,115,040,369
Over five years	768,399,362,220	1,389,127,587,327
Total minimum receipts	6,200,699,412,962	7,123,334,044,680

**(b) Other commitments**

The Group signed a principle agreement and related amendments with Airbus S.A.S to purchase 186 aircraft. As at 31 December 2022, the Group has received 72 of the aircraft, with the remaining aircraft being scheduled to be delivered to the Group up to 2028. To power these aircraft, the Group also ordered 106 aircraft engines from CFM International S.A and 128 aircraft engines from United Technologies Corporation (Pratt & Whitney Division), including maintenance service agreements. As at 31 December 2022, pursuant to the aircraft purchase agreement between the Group and Airbus S.A.S, the Group's principal agreements in relation to the pre-delivery payments for aircraft that are to be delivered until 2023 are capped at USD31.6 million. With respect to the aircraft with scheduled delivery from 2024 onwards, the total pre-delivery payments is subject to the manufacturing ability and aircraft delivery schedule of Airbus S.A.S. The Group's agreements with respect to the principle agreement and related amendments are subject to the ability to comply with the aircraft delivery schedule committed by the manufacturer.

The Group also signed a principle agreement and related amendments with Boeing Company to purchase aircraft. As at 31 December 2022, the Group and Boeing Company have agreed to an amendment to adjust the delivery schedule for the aircraft and other terms (including payment and commercial support from the manufacturer) on the basis of conformity with the Group's long-term development strategy.

The consolidated financial statements were approved by the Board of Management on 10 April 2023.



**Pham Ngoc Thoa**  
Chief Accountant



**Ho Ngoc Yen Phuong**  
Vice President  
cum Chief Finance Officer



**Dinh Viet Phuong**  
Chief Executive Officer

The notes on pages 174 to 225 are an integral part of these consolidated financial statements.