

vietjet Air.com

ANNUAL REPORT **2017**



vietjet Air.com



BUSINESS INFORMATION

- **Company name**

English name: VIETJET AVIATION JOINT STOCK COMPANY

Short name: VIETJET., JSC

Trade name: VIETJETAIR

- **Number and issuance date of Business Registration Certificate of the Joint Stock Company:**

Business code No. 0102325399 issued by Hanoi Authority for Planning and Investment

First registration dated July 23rd, 2007

26th amendment registration dated January 24th, 2018

- **Head Office:** 302/3, Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District, Hanoi, Vietnam

- **Tel:** (84-24) 7108 6668;

- **Fax:** (84-24) 3728 1838

- **Website:** www.vietjetair.com

- **Representative office:** 8th Floor, CT Plaza, 60A Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam

- **Charter Capital:** VND 4,513,432,840,000 (Four thousand five hundred and thirteen billion, four hundred and thirty two million, eight hundred and forty thousand Vietnamese dong)

- **Total number of shares:** 451,343,284 shares (Four hundred and fifty one million, three hundred and forty three thousand, two hundred and eighty four shares)

- **Stock code:** VJC

- **Air Transport Business License** No. 04/2016/GPKDVCHK dated 30/12/2016

- **List of subsidiaries and associated companies of Vietjet:**

Vietjet has six subsidiaries and two associated companies

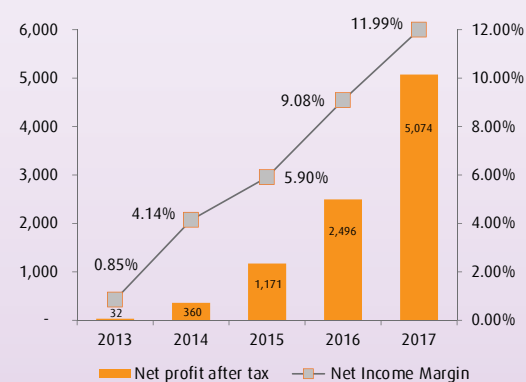




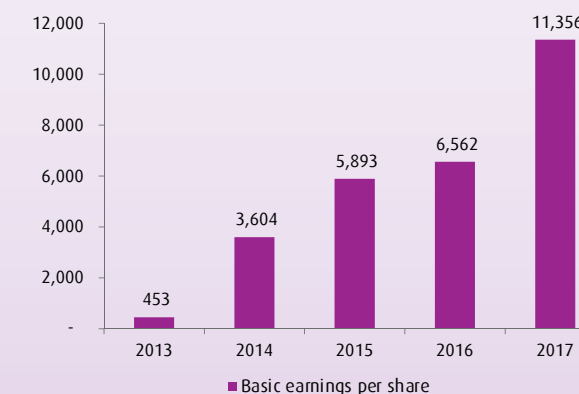
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FINANCIAL SITUATION IN GENERAL

Consolidation						
In VND Billion	2013	2014	2015	2016	2017	CAGR
Total Revenue	3,790	8,699	19,845	27,499	42,303	82.8%
Profit Before Tax	1	444	1,168	2,703	5,303	694.1%
Profit Afer Tax	32	360	1,171	2,496	5,074	254.3%
Profit for shareholders of the company	32	360	1,170	2,496	5,073	254.8%
Earnings per share (VND)	453	4,505	5,893	9,586	11,356	123.8%
Total Asset	2,948	7,677	12,045	20,063	31,658	81.0%
Equity	605	967	2,147	4,734	10,594	104.6%
Share Capital	800	800	1,450	3,000	4,513	54.1%
Total Liabilities	2,343	6,710	9,897	15,329	21,064	73.2%
Equity/Total Asset	20.53%	12.59%	17.83%	23.60%	33.46%	
ROE	10.6%	45.9%	75.2%	72.5%	66.2%	
ROA	2.3%	6.8%	11.9%	15.5%	19.6%	



Separate						
In VND Billion	2013	2014	2015	2016	2017	CAGR
Total Revenue	3,790	6,939	11,013	15,884	22,644	56.3%
Profit Before Tax	1	412	649	1,622	2,045	525.8%
Profit Afer Tax	32	328	651	1,416	1,817	174.1%
Total Asset	2,948	7,688	12,023	18,512	29,166	77.4%
Equity	605	933	1,585	3,072	5,681	75.0%
Share Capital	800	800	1,450	3,000	4,513	54.1%
Total Liabilities	2,343	6,755	10,438	15,440	23,485	77.9%
Equity/Total Asset	20.53%	12.14%	13.18%	16.59%	19.48%	
Total Liabilities/Total Asset	79.47%	87.86%	86.82%	83.41%	80.52%	
ROE	6.59%	42.68%	51.73%	60.82%	41.51%	
ROA	1.56%	6.27%	6.71%	9.37%	7.72%	



VISION



- To become a multinational airline group with an expanded regional and global flight network, providing not only air transportation services but also consumer demanded goods and services across advanced e-commerce platforms.
- To become one of the world's most beloved, trusted and highly prestigious brands in the eyes of travelers all over the world.

MISSION



- To continuously expand our flight network globally, so we can create more and more flight opportunities for people all over the world.
- To make a breakthrough in terms of the innovative services that an airline offers through the adoption of e-commerce platforms.
- To make air travel the most popular form of transportation for the Vietnamese people and all citizens around the world.
- To bring happiness and satisfaction to our customers by offering outstanding services, always with a friendly smile.
- To maximize the benefits that our customers, shareholders and employees receive.

CORE VALUES



- **SAFE**
- **FUN**
- **AFFORDABLE**
- **PUNCTUAL**

CORPORATE CULTURE

- Safety First Approach
- Integrity
- Innovation, Inspiration
- Hardwork, Resourcefulness
- Happiness, Strength and Dynamic

SAFETY CULTURE

All leaders and staff members at Vietjet are wholeheartedly committed to safety and quality policies. They are core values in the workplace and everyone's responsibility at Vietjet. Safety and Quality assurance are essential to all of our aviation activities and will ensure the company sustainably develops.

"Our customers are the reason Vietjet exists and will continue to develop sustainably".

SAFETY AND QUALITY POLICY

Vietjet leaders and staff members are wholeheartedly committed to:

- Strictly complying to requirements outlined by CAAV and all relevant aviation authorities.
- Strictly applying a quality management system as outlined in our quality management manual.
- Ensuring that each Vietjet employee strictly complies with requirements and regulations for all operations, maintenance procedures, and all other services, in an effort to not only maintain but continuously improve Safety and Quality standards.
- Providing all necessary and sufficient resources and meeting all other required conditions for conducting policy and meeting targets.
- Continuously improving management systems, creating a reliable working environment with our greatest responsibility being to satisfy customers' expectations.
- Establish a fluid information system to ensure that all employees are informed about safety-quality data adequately and in a timely manner.



The pride named Vietjet is formed by corporate culture, which is the decisive factor for the success of every action plans.

MESSAGE OF VIETJET CHAIRWOMAN

Together, we will create a superior aviation ecosystem for the sake of everyone, for the endless happiness and joy.



Dear our shareholders and investors,

On behalf of Board of Directors of Vietjet, I am very delighted to thank our shareholders and investors who trust in our development of the company.

After having successfully listed its shares on HOSE, VJC stock is continuously breaking new peaks, playing an important role as the main driving force for the domestic stock market. Vietjet has continually expanded, reached further, magically grown by 30% per year, become a robust phenomenon in the aviation market, been prominent over the world. The shape of a Consumer Airline has been increasingly evident, promising to bring a new life trend, a brighter future in the sky to customers when the aviation industry and e-commerce are boosting together.

A global airline, serving for integration and growth is an ambition, but our dream and aspirations - we are Vietnamese entrepreneurs having global visions in the context of the country's deep integration into the open sky and flat world. We carry out the sacred mission to

bring the flight opportunities to everyone from anywhere, contributing to promote the development of local economies and tourism with the pride named Vietjet. It is the pride of contributing to the growth of our nation in general, our economy and aviation industry in particular, bringing forth the new position, new voice to our domestic aviation industry. In addition, we continually implement the responsibilities to protect the environment, fulfil the corporate social responsibility with our nation. A series of social charity campaigns, medical examinations, health care insurance cards allocation for the poor, free sweet flights for the poor back home for Tet, environment protection, good working days, etc. have been launched in the whole system; therefore, each Vietjet employee works with the pride, dedicated spirit and whole-hearted heart, aiming toward humanity, goodness which have been Vietjet people's beauty and pride.

In 2018, the local and global aviation industries will welcome new opportunities, as well as challenges from the higher fuel prices to the accelerating development of

aviation infrastructure. However, with our strong desire and business spirit, break-through strategy, continually growth and achievements creation, we are strongly convinced that Vietjet will achieve a successful business season as expected, bringing the highest values and benefits to our shareholders, investors, community and society.

We thank you very much - our esteemed shareholders, investors for your trust and company with our great aspirations. Together, we will create a superior aviation ecosystem for the sake of everyone, for the endless happiness and joy.

Sincerely,

*Vietjet Chairwoman
Nguyen Thanh Ha*



OVERVIEW



- Our History and Development
- Business
- Organizational Structure and Key Personnel
- Investor Relations
- Current Risk Factors
- Overview of 2017
- 2018 Outlook
- Business Development Strategy
- Awards

Vietjet continually grows, contributes to not only Vietnamese economic growth but also the overall development of economy, tourism trade industry in Asia - Pacific



OUR HISTORY AND DEVELOPMENT

Vietjet Aviation Joint Stock Company (Vietjet) was established on July 23rd, 2007 with business license number 0103018485.

Vietjet is the Vietnam's first private airline which was granted operations permit and AOC (Air Operator's Certificate) for domestic and international flight network.

Aiming to the safe flights with the internationally recognized service quality, within four years Vietjet invested in the preparation of resources, systems and finance to

ensure sustainable business development, contribute to the development of the aviation and tourism industries as well as economic growth in the region.

For more than 6 years of taking off, Vietjet has achieved important milestones in the journey of sky conquering and bringing the innovation to the world's aviation industry.

Our milestone are as follows:

2007

- Obtained an Air Certificate "AOC" no. 01/0103018458



2011



- Launched the first commercial flight from HCMC to Hanoi on December 24th.

2012

- Launched Vietjet's new slogan "Enjoy Flying".
- Expanded domestic flight network to 7 new destinations including Vinh, Danang, Nha Trang, Dalat, Phu Quoc, and Hai Phong.



2013



- Implemented ForYourSmile program for customer services quality management.
- Inaugurated the first international route from Ho Chi Minh City to Bangkok (Thailand).
- Inaugurated 4 new domestic routes and 2 new destinations including Quy Nhon, and Buon Ma Thuot.

2014

- Signed a MOU to purchase 100 Airbus aircraft at Singapore Airshow.
- Signed an agreement to purchase 100 aircraft with the aircraft manufacturer group Airbus.
- Received the first aircraft from the firm order placed to Airbus.
- Launched Vietjet Cargo Joint Stock Company.
- Launched Thai Vietjet Joint Stock Company.
- Inaugurated 5 new domestic routes and 2 new destinations including Thanh Hoa, and Can Tho.
- Inaugurated 3 new international routes to Singapore, South Korea, and Taiwan.



2015



- Inaugurated Vietjet Training Center.
- Achieved IATA Operation Safety Audit certificate from International Air Transport Association (IATA).
- Inaugurated 9 new domestic routes and 3 new destinations including Dong Hoi, Chu Lai, and Pleiku.
- Inaugurated 2 new international routes and 1 new destination to Yangon (Myanmar).

2016

- Signed an agreement to establish an Airbus Training Center in Vietnam.
- Signed a contract with Boeing to purchase 100 B737 MAX 200 Aircraft.
- Signed a contract for purchasing 20 new A321 CEOs and NEOs from Airbus.
- Officially became a member of International Air Transport Association (IATA).
- Inaugurated 9 new domestic routes and 2 new destinations including Can Tho, and Hue.
- Inaugurated international routes to new destinations including China, Taiwan, South Korea, and Malaysia.



2017



- Listed company's shares on Ho Chi Minh Stock Exchange (HOSE).
- Groundbreaking ceremony of construction of Vietjet Aviation Academy project.
- Attended APEC Da Nang Summit.
- Inaugurated new routes to increase the total number of domestic routes to 38.
- Inaugurated new international routes to many destinations in Thailand, China, Cambodia, Taiwan, South Korea, Myanmar which increasing the total number of international routes to 44.

BUSINESS

1. Passenger air transport: Air transport; passenger air transport (scheduled and non-scheduled air transport) for local and international markets;

2. Other supporting services relating to transportation (train, automobile, ship, air ticket agent);

3. Advertising (not including tobacco advertising);

4. Trading real estate, land-use rights (owned by owner, user or leaseholder) - to invest in housing or building, construction projects for sale, lease and lease/purchase; to invest in improving land and invest in infrastructure on leased land in order to lease the infrastructure, including land;

5. Other means of transport by road;

6. Car rental and other vehicles powered by engines for rent;

7. Supporting services relating to tourism promotion and tour arrangement: services to accommodate travellers (not including bar, karaoke and discotheque services);

8. Tour operator;

9. Travel agency;

10. Short-stay accommodation services: Hotel (hotel of a certain star standard; not located at the Head Office); villas or apartments for short-

stay rent;

11. Construction of other civil engineering projects (to construct and exploit facilities for aircraft maintenance; to construct and exploit a flight operation center; to construct and exploit facilities for airport terminals);

12. Other education services (to offer practical training for pilots, technicians and engineers and other professional staffs);

13. To transport goods by air (to deliver regular goods for general public with transportation services; domestically and internationally);

14. Direct supporting services for air transport (Ground operation services include passenger services, maintenance services, cleaning and other services for aircraft parking in terminal, technical support services, catering services, scheduled and unscheduled aircraft maintenance service; aircraft spare parts supply service; aircraft refuelling services);

15. Other supporting services: to operate large capacity aircraft, general aviation aircraft (fixed wing aircraft and helicopter), on land and water; to operate leased aircraft provided that the permit has been granted by competent authorities of the government);

16. General Wholesale (to trade Duty Free goods);

17. Act as agents, brokers, auctions (to be an agent for machinery, industrial equipment, ships, aircraft);

18. Insurance Agent operations and insurance broker;

19. To lease machinery, equipment and other tangible assets (to lease aviation transport equipment without pilot: aircraft);

20. Other specialized wholesale services (to sell aircraft);

21. To retail other new goods in specialized stores (to retail souvenirs, knit products, fine-art products in specialized stores);

22. Restaurant and mobile food and beverage services;

23. Other food and beverage services (not including services at bar, karaoke or discotheque);

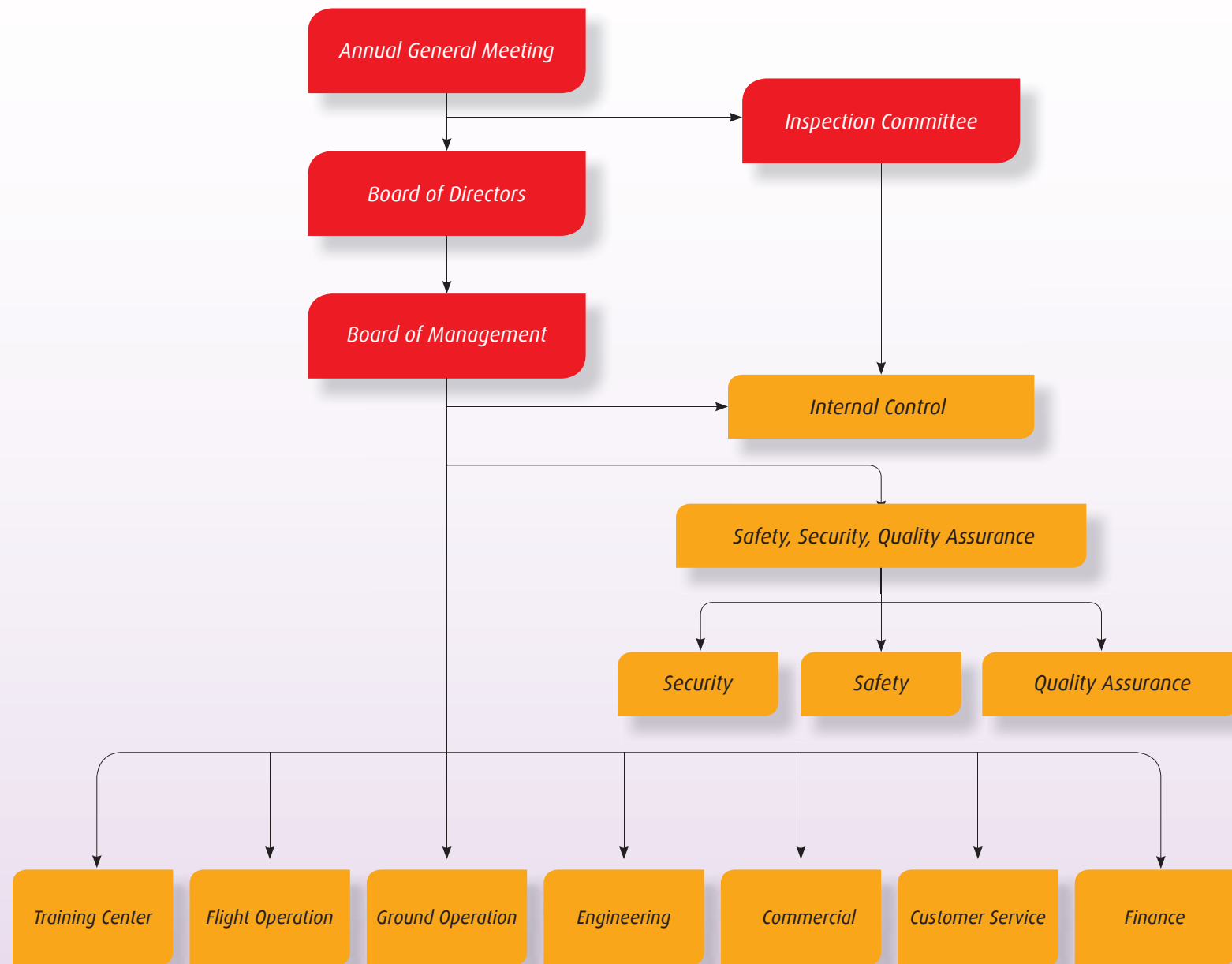
24. Other beverage services;

25. Other services: as required by the Company from time to time and in accordance with the applicable law.



ORGANIZATIONAL STRUCTURE AND KEY PERSONNEL

ORGANIZATIONAL STRUCTURE



ORGANIZATIONAL STRUCTURE AND KEY PERSONNEL

CURRENTLY, THE BOARD OF DIRECTORS CONSISTS OF SIX MEMBERS

Madam Nguyen Thanh Ha

Madam Nguyen Thanh Ha is one of the founders of Vietjet. She was appointed Chairwoman of the Company's Board in 2007. She has extensive experience in the aviation industry in Vietnam. Prior to joining the Company, Madam Ha was Deputy Head of Civil Aviation Administration of Vietnam (CAAV). She was the head of the Planning & Investment department at Vietnam Airlines before joining CAAV. Madam Ha obtained her bachelor's degree in Physics from National Science University, a bachelor's degree in Economics from the National Economic University and a master's degree in Economics.

Madam Nguyen Thi Phuong Thao

Madam Nguyen Thi Phuong Thao is the founder of Vietjet in 2002. She was appointed Vice-Chairwoman of the Board of Directors in 2007. She is also the Company's Chief Executive Officer (CEO). She has many successes in business and is an experienced manager in Vietnam and abroad, especially in the banking-finance sector. She was also a founder and a member of the Board of Directors of several commercial banks in Vietnam prior to joining the Ho Chi Minh City Development Joint Stock Commercial Bank (HD Bank) as Standing Vice Chairwoman of the Board of Directors, where she helped to develop HD Bank to become one of Vietnam's leading commercial banks during her tenure. Madam Thao obtained a Doctor of Philosophy (Ph.D.) in Economic Cybernetics from the Mendeleev Institute, a bachelor's degree in Credit-Finance from the Moscow Commerce Institute, and a bachelor's degree in Labour Economic Management from the Moscow National Economics College. She is also a founding member of the System Research Academy of the Russian Federation.

Dr. Nguyen Thanh Hung

Dr. Nguyen Thanh Hung was appointed Vice-Chairman of the Board of Directors in July 2007. Dr. Hung is the Founder and Chairman of Sovico. He is currently Chairman of Furama Resort & Residence Danang - one of the premier five star resorts and holiday residences in Vietnam - and is Chairman of Saigon Sovico Phu Quoc Company. Dr. Hung was the first Vietnamese member to join the Young Global Leaders in 2007 at the Davos World Economic Forum. He is also a member of Asia Pacific Economics Cooperation (APEC) Business Advisory Council and Vice Chairman of the Japan-Vietnam Business Forum. Dr. Hung holds an Electrical Engineering degree from Kharkov University and a Ph.D. degree in Cybernetics from the former Soviet Union's Academy of Science.

Mr. Chu Viet Cuong

Mr. Chu Viet Cuong has been on the Board of Directors since 2011. He is also the Chairman of the Insurance Committee of the Company. Mr. Cuong is the Chief Operation Officer of Sovico Holding and a director of the Board of HD Bank. Mr. Cuong has previously served as Director of BNP Paribas-Pervoir JV, Deputy General Director of Prudential Assurance Ltd. and Chairman of Dai A Bank. Mr. Cuong is a senior expert in banking and finance as well as insurance. His domestic experience has been strengthened by two years of working abroad at the Southeast Asian Strategy Institute in Singapore, which was established by the former Singapore Prime Minister Lee Kuan Yew. Mr. Cuong graduated with a master's degree in Business Administration (MBA) from Massachusetts Institute of Technology in the U.S. in addition to a master's degree in International Business from Sussex University in London in the United Kingdom. He holds a bachelor's degree of Economics from Khaccop University (former Soviet Union).

Mr. Luu Duc Khanh

Mr. Luu Duc Khanh was appointed a member of the Board of Directors and chosen as Managing Director in April 2011. Mr. Khanh is an expert in the financial sector with more than 20 years of experience in senior management roles. He held prominent positions in prestigious banks such as Strategy Director at HSBC Vietnam, Vice President at Techcombank and CEO at ABBank. Mr. Khanh graduated with a bachelor's degree in economics at The University of Economics HCMC and received a MBA degree from New England University in Australia.

Mr. Dinh Viet Phuong

Mr. Dinh Viet Phuong has been a Vice President in charge of Business Development since 2012. Mr. Phuong has many years of management experience in senior positions at reputable companies in Vietnam including Head of Sovico's representative office in Vietnam; and Deputy General Director of Sovico, Deputy General Director and member of the board of directors of Vietnam Motors Industry Corporation - the Ministry of Transport; member of the board of directors of Petechim JSC - Petro Vietnam. He holds an engineering degree from the University of the Vietnam Maritime. He graduated with an MBA degree from Centre Franco-Vietnamien de formation à la Gestion (France) and holds a Ph.D. in transportation from Moscow State Academy of Water Transport.



ORGANIZATIONAL STRUCTURE AND KEY PERSONNEL

SUPERVISORY BOARD



Ms. Tran Duong Ngoc Thao - Head of Supervisory Board

Ms. Tran Duong Ngoc Thao was elected Head of the Supervisory Board of the Company for the term 2017 - 2022. She is also currently a member of the Supervisory Boards of Saigon Ground Services Joint Stock Company and Cam Ranh International Airport Joint Stock Company. She has vast experience in aviation internal auditing, corporate finance advisory, restructuring and M&A. She has a MBA from Asian Institute of Technology, a Master's degree in European Business from EM Lyon-France business school, certificate of Quality Management System for airlines; IATA Aviation Internal Audit and IATA Lead Auditor certificates.

Ms. Doan Thu Huong - Member of Supervisory Board

Ms. Doan Thu Huong is a member of the Supervisory Board of the Company for the term 2017 - 2022. She is currently Chief Accountant of Vinh Tri Trading Company Limited in 2016. She is also a member of the Supervisory Boards of Sai Gon Vi Na Real Estate Joint Stock Company. Previously, she held positions in accounting and finance departments of several companies operating in various sectors, ranging from the technology

to pharmacy. She had experience as Chief Accountant for the construction company for many years. She has a bachelor's degree in accounting from the Hanoi University of Finance and Accountancy, as well as other professional qualifications such as Chief Accountant Qualification from the Hanoi University of Economics.

Mr. Pham Van Dau - Member of Supervisory Board

Mr. Pham Van Dau is a member of the Supervisory Board of the Company for the term 2017 - 2022, he more than 15-years experience in Finance and Banking. He is also currently appointed as Chief Financial Officer of Ho Chi Minh City Development Joint Stock Commercial Bank. He has a thorough knowledge of credit, accounting, finance, capital management and planning. He is the person in charge of the HD Bank financial department. His role is not only ensuring the capital resource is effectively used but also elaborating detailed plans for the future development of HD Bank. He received master's degree of Economics from the University of Economics of Ho Chi Minh City.



CEO'S MESSAGE



It is Vietjet's strategy to build a consumer airline that serves the consumption requirements of passengers, combining e-commerce and distribution systems of consumer goods.

Dear shareholders and investors,

The domestic and global aviation industries have entered into a new development cycle with many challenges, inspirational opportunities and immense potential. We are truly delighted and proud that Vietjet is a part of this story and significantly contributing to these outstanding changes and developments.

Vietjet has become the largest domestic carrier in Vietnam, providing travel transport services for over 30 million local and foreign travelers to date, operating 82 routes, creating travel opportunities with modern means of transport at affordable pricing for all travelers. Vietjet has placed purchasing orders for 221 aircraft.

Vietjet continues to foster local economic

development and tourism development, while creating a new trend in the aviation service market with a global vision: to build a multi-national company with a multi-cultural environment comprising more than 40 nationalities under the slogan "Sky Connection".

Vietjet will implement robust plans to enhance service quality and continue conquering local and international markets. Among others, reaching out to the international markets will be our first priority in parallel with local markets.

Accordingly, Vietjet plans to build an interconnecting global network through interline and code share agreements with other carriers. In the coming time, Vietjet's passengers will be able to fly all over the world. It is Vietjet's strategy to build a consumer airline that serves the consumption requirements of passengers, combining e-commerce and distribution systems of consumer goods. Vietjet is truly a pioneer airline applying innovative digital solutions and automation as part of the industrial revolution 4.0 - this is a very important factor in terms of our growth connections.

In addition to our targets of achieving efficient business results, providing better service quality, by building a modern fleet, Vietjet has officially announced to the world that it is taking a lead on environmental protection activities for our green planet by practical actions which

will run in parallel with our social responsibility campaigns that the airline will implement in 2018.

We are strongly convinced of our capabilities to maintain a continued rate of rapid growth, strong development and maximum profitability, bringing more added values on a more popular and higher quality platform, especially in the context that e-commerce and low cost carriers are booming worldwide, and in Vietnam - a market of over 90 million people.

I wish to express my most sincere gratitude and deepest appreciation to our shareholders for your trust in the Board of Management's leadership and management. With an experienced and aspirational team who whole-heartedly create new values for the community, I believe that Vietjet will continue to keep up this impetus, writing more of this "speedy" growth story, bringing more and more flight opportunities for global citizens, and bringing forth promising profits. We are heading forward to a brighter future in the sky, making exciting sky connections with the pride named Vietjet.

Yours sincerely,

Nguyen Thi Phuong Thao
The President & CEO



BOARD OF MANAGEMENT

The Board of Management consists of executive directors namely, Chief Executive Officer - Nguyen Thi Phuong Thao, Managing Director - Luu Duc Khanh, Vice President - Dinh Viet Phuong, other Vice Presidents and the Chief Financial Officer:

Mr. Luong The Phuc

Mr. Luong The Phuc is the Company's Vice President in charge of flight operations with more than 30 years of experience in the aviation industry. Before joining the Company, Mr. Phuc served in the Vietnam Air Force as the Director of Vietnam Air Force Academy. He also worked for 16 years at Vietnam Airlines during which he was Standing Vice President. He was Chairman of Pacific Airline for 10 years. He was educated as a Military Pilot from the Military Pilot Training school in the former Soviet Union. He obtained a graduate degree in Directorship from the Defence Academy, a bachelor's degree in Business Administration from Ho Chi Minh City University of Economics and received graduate training from the INSEAD business school.

Mrs. Nguyen Thi Thuy Binh

Mrs. Nguyen Thi Thuy Binh is Vice President of the Company, who is in charge of commercial developing, market expansion and brand value development strategies of the Company in both domestic and international markets. She has had many years of experience working in the communication industry and successfully launched the annual activities of the Global Mobile Marketing Association in Vietnam since 2012, contributing to the development of modern media in Vietnam. In 2008, Mrs. Binh served as Jetstar Pacific's Chief Commercial Officer. Mrs. Binh obtained a Bachelor's degree in Russian and English interpretation from Hanoi Foreign Language University, a Bachelor's degree in Electronics and Telecommunications Engineering at Hanoi Polytechnical University, and an MBA in

Business Management from Vietnam - Belgium Co-operation Programme of National Economic University and Université libre de Bruxelles.

Mr. To Viet Thang

Mr. To Viet Thang is Vice President of the Company and Director of the Safety Security Quality and Assurance Department (SSQA) responsible for the safety of flights, ground operations, and the implementation and maintenance of the Company's safety and quality programme. He is the project leader for the Company's IOSA certification process and become a Member of IATA. He has nearly 20 years of working experience in the aviation industry including for Vietnam Airlines Corporation. From 2008 to 2014, Mr. Thang served as Deputy Director of SSQA department at Vietnam Airlines. He has extensive experience in Vietnam's aviation industry regulatory matters relating to safety, quality and security. Mr. Thang received an Engineering diploma with distinction in Aircraft Technics from Czech Technical University in Prague, Czech Republic, and certificates of IATA, Lufthansa and AQS relating to aviation safety and security, airlines management and quality assurance management.

Mr. Nguyen Duc Thinh

Mr. Nguyen Duc Thinh is the company's Vice President and in charge of technical operations and maintenance department. He is Director of the engineering division, which is responsible for store and supply, planning and maintenance, and also involves the purchase of aircraft, reviewing

aircraft leasing contracts, planning maintenance, planning production and production control. He has 30 years of experience working in the airline engineering industry and 25 years of experience in aircraft overhaul and line maintenance with Vietnam Airlines. From 1993 to 2014, Mr. Thinh served as Vietnam Airline's deputy director of the technical department. Under the management of Mr. Nguyen Duc Thinh, the technical department achieved excellence with a technical reliability rating of 99.57%, the highest reliability of A320/A321 of any airline in Asia Pacific. He received a master's degree in Civil Aviation Engineering, and an MBA and IATA certificates for airline engineering.

Mr. Tran Hoai Nam

Mr. Tran Hoai Nam was appointed Vice President of the Company in 2015 and placed in charge of aircraft financing and other financial market related businesses for the company. He was appointed Vice President of Finance in November, 2016. He has vast experience in the banking and finance sector, especially in wholesale banking and financial institutions. Mr. Nam is Deputy CEO of HD Bank and is in charge of developing and managing large corporate clients as well as developing businesses between HD Bank and domestic and foreign financial institutions. He has previously held management-level positions at Citibank and Vietnam International Bank. Mr. Nam has a bachelor's degree from Hanoi University of Science and Technology and a master's degree from the Asian Institute of Technology (Thailand).

Mr. Nguyen Duc Tam

Mr. Nguyen Duc Tam joined the Company in 2007 and served as the first CEO of the Company. Mr. Tam has more than 47 years of extensive experience in the aviation industry. He was Vice President at Vietnam Airlines for 11 years, Head of the Information Technology department at CAAV, Deputy Head of the Technical Materials department at CAAV. Mr. Tam holds an Aviation Engineer degree from Harbin Military Engineering Institute (China), a bachelor's degree in English from Hanoi University of Foreign Language Teachers, an aircraft type-rating certificate from Ulianop Aviation School (Soviet Union) and other certificates related to aviation and airline engineering.

Mr. Do Xuan Quang

Mr. Do Xuan Quang is a Vice President of Vietjet and CEO of Vietjet Air Cargo - a sister company under Vietjet that specializes in air-cargo



and airfreight business. Mr. Quang has great experience having worked for more than 27 years in the air-cargo and airfreight industry. He is an expert in airfreight forwarding and logistics. He was the Chairman of Vietnam Logistics Business Association (VLA) from 2010-2015 and is currently the Vice Standing Chairman of VLA. Mr. Quang was Chairman of ASEAN Freight Forwarders Association (AFFA) from 2012-2015. Mr. Quang had successfully build up Vector Aviation company and served as CEO for this company from 2004-2014 before joining Vietjet Air in August 2014. Vector Aviation have been operating as a General Sales and Services Agency (GSSA) in cargo and passenger services for more than 52 international airlines in Vietnam and Southeast Asia. From 1994 to 2000, Mr. Quang was airfreight director of the Vinatrans group of companies under Ministry of Trade. He served as executive vice president of Vinafreight from 2000-2004 and Chairman of this company from 2009-2014. In 1989, Mr. Do Xuan Quang completed a

Bachelor Degree in Law from Kishinev University, and in 2002 he received a Master's in Law from the National Institute of State and Law in Hanoi and in 2004 he received an MBA from Maastricht School of Management in The Netherlands.

Mr. Nguyen Thanh Son

Mr. Nguyen Thanh Son is Vice President who leads the commercial activities of the Company, including product creations, sales and distribution, marketing and communications, as well as revenue management. Mr. Son was appointed as Vice President of Commerce as of April 1st, 2018. He has had more than 20 years of experience in commercial activities at both international and domestic airlines. Mr. Son obtained a Master's degree in Business Administration from University of Economics Ho Chi Minh City.

INVESTOR RELATIONS

In order to update information, expand channels of communication with investors and shareholders, in 2017, Vietjet attended 72 major conferences and events for domestic and international investors in Hongkong, Singapore, South Korea, United Kingdom, United States, and Thailand. Vietjet welcomed and worked with over 600 investors both local and international at different scales.

The participation of Vietjet senior leaders in activities above helped investors and shareholders gain a better understanding of Vietjet's direction and development strategy.

Vietjet provided shareholders and investors accurate and timely information of the company's business activities on the official website: ir.vietjetair.com displayed in both Vietnamese and English. Vietjet ensures that its shareholders in both domestic and international are treated equally by the honesty and transparency of the information system.

Attempts in expanding connection to investors and shareholders were recognized by the Platinum Media Association of America's 2016 Annual Report, and honored as Vietnam's top 50 listed companies in 2017 by Forbes Magazine Vietnam, and Best Vietnam Deal award in 2017 by Finance Asia.

Till the end of 2017, Vietjet has over 5,400 domestic and foreign shareholders.





INVESTOR RELATIONS



SHARES AND SHAREHOLDER INFORMATION

- Charter Capital: 4,513,432,840,000 VND
- Number of shares outstanding: 451,343,284 shares
- Common shares: 451,343,284
- Treasury shares: 0
- Par value: 10,000VND/share
- Listed on Ho Chi Minh Stock Exchange: 451,343,284 shares

- Major shareholders:
 - + Sunflower Sunny Investment Company Limited: 128,950,134 shares (28.57%)
 - + Sovico Holdings: 34,255,000 shares (7.59%)
 - + Madame Nguyễn Thị Phương Thảo: 39,559,095 shares (8.76%)

- Institution shareholders: 163, hold 66.61% total shares
- + Individual: 5,170, hold 33.39% total shares

- Foreign room of Vietjet is limit at 30%

- + Foreign Shareholders: 419, hold 26.9% total shares
- + Domestic Shareholders: 4,919, hold 73.1% total shares

- No State Shareholder

- At the beginning of 2017, charter capital of Vietjet is 3,000,000,000 VND, in 2017, Vietjet increased its charter capital twice.

- + Private offering for Sunny Huong Duong Sunny 22,388,060 shares increased share capital by 223,888,060 VND

- + Increased share capital from Owners' Equity: 40% equivalent with 1,289,552,240,000 VND. By the end of 2017, share capital of Vietjet is 4,513,432,840,000 VND

- No treasury and no treasury share transaction in 2017

CURRENT RISK FACTORS

■ Economic growth and the aviation industry

As a business operating in the aviation industry, the growth of our business operations of the company has accompanied the growth of the region and Vietnamese aviation industry. Over the next four years, IATA also forecasts that Vietnam will be the fastest growing aviation market in the world, and in Southeast Asia, reaching the level of carrying 150 million passengers in the year 2035. Accordingly, Vietjet also has revenue growth and market share in line with the growth momentum of the domestic aviation market, the company has always maintained sustainable growth. In 2017, total revenue of the company increased by 53.82% year on year. Board of Management always consider carefully when making development decisions at markets in line with the general economic growth rate in each developing areas.

■ Fluctuations in fuel prices

In the cost structure of the air transportation, fuel costs account for the largest share of the total cost of the Company. Fuel prices depend on a lot of economic and political factors around the world and are completely out of control of the Company. Fuel prices have undergone many fluctuations in the past, and may fluctuate in the future.

To overcome and mitigate this risk, Vietjet implemented various strategies to limit adverse fluctuations in fuel prices through many action programs including maintaining a young fleet, having the optimal fuel consumption ratio; implementing a fuel economy program with the engine manufacturer partners applicable for operation, engineering and maintenance departments.

At the end of 2017, the company received the first A320/321 NEO to save up to 15% of its fuel consumption. The company plans to sign derivatives contracts at the right time. This facilitates the company to control costs by purchasing fuel at a predetermined price, which will be delivered on a future date to protect and mitigate the risks of rising fuel prices.

■ Competition in the Aviation

The airlines are facing increasing fierce competition when there are new entrants in the domestic markets, and foreign carriers have increasingly expanded their network to different destinations in Vietnam while travel market develops so fast and the open aviation policy prevails.

Vietjet clearly recognizes these competitive risks and is focused on building its own direction, focusing on exploiting new customers and products for the niche market, providing competitive utility services, and avoiding price competition to minimize risks.

■ Interest rate risk

Interest rates are an extremely important financial indicator that the Company must follow and up-to-date to make sound investment strategies. Not any one enterprise will have an amount of capital large enough to conduct organizational business production which mostly have to raise more from outside sources, including a popular channel through loans and bears interest rate of use of loans. As interest rates increase, it will directly affect the business situation of enterprises.

Vietjet mainly uses loans from domestic and foreign banks to make the purchase of new aircraft. Credit Suppliers for the Company are long-term partners with the Company, so the Company regularly enjoys preferential policies. In addition, the management of the Company has always been cautious and deliberate before making decisions on the use of loans from banks, so the interest rate risk is also controlled and limited by the Company.



skyBOSS

Phong cách Người dẫn đầu
Wings The Leaders

NHANH! NHANH! NHANH!
FASTER! SMARTER! BETTER!

Không xếp hàng!
No queuing!
Luôn nhanh nhất!
Always ahead!
Giá tiết kiệm nhất!
Best prices!



- 1 Làm thủ tục check-in
Priority check-in
- 2 Phòng chờ sang trọng
Luxury lounge
- 3 Xe đưa đón riêng SkyBoss ra máy bay
Priority private vehicle
- 4 Miễn phí 30kg hành lý (Đã gồm 1 bộ chơi Golf)
& 10 kg hành lý xách tay
- 5 Chỗ ngồi trên máy bay
Priority seat selection
- 6 Thay đổi lịch trình bay
No fee for schedule change
- 7 Đồ ăn, uống miễn phí trên chuyến bay
Food & beverage served onboard
- 8 Free checked baggage 30 kg
(including 1 golf set) and 10 kg checked baggage

Hãy cùng trải nghiệm dịch vụ hàng không cao cấp mới của Vietjet, hội tụ nhiều tiện ích dành riêng cho những người dẫn đầu, tận hưởng các chuyến bay vui vẻ, thoải mái với chi phí tiết kiệm bất ngờ.

Let's experience a modern luxury flight service with converged advantages; enjoy fun, comfortable flight at a reasonable expense.

DỊCH VỤ HÀNG KHÔNG CAO CẤP / LUXURY FLIGHT SERVICE

skyBOSS

Bạn là người sành điệu và luôn tiên phong trong xã hội

You are always stylish and proactive in society

Bạn là ông bà chủ của doanh nghiệp

You are the business owner

Bạn là người nổi tiếng, tự tin và thành công trên nhiều phương diện

You are famous, confident and successful in many ways

Bạn luôn muốn tận hưởng mỗi phút thời gian quý giá của mình

You wish to enjoy every minute of your precious time



Vietjet mang đến cho bạn những trải nghiệm dịch vụ hàng không chất lượng, tận hưởng các chuyến bay trên tàu bay mới, ghế da sang trọng, tiếp viên phục vụ thân thiện, chuyên nghiệp, thường thức 9 món ăn nóng ngon miệng, cùng nhiều chương trình thú vị, bất ngờ với chi phí tiết kiệm nhất.

It's our pleasure to offer you the experience of high quality services with the new aircraft, luxury leather seats, dedicated friendly flight attendants and perfect your flight with 9 delicious hot dishes and many interesting programs at the most competitive price.

PHÒNG CHỜ SANG TRỌNG

LUXURY WAITING LOUNGE:

Bạn được tiếp đón trong không gian sang trọng, trẻ trung để thư giãn, làm việc và giải trí với các tiện nghi sẵn sàng:

A warm welcome awaits all our passengers in such an elegant lounge to relax, work and entertain with available facilities:

- Khu vực riêng tư và yên tĩnh
Private and quiet space
- Nội thất sang trọng
Luxurious environment
- Mạng Internet, wifi
Free Internet access
- Danh mục ấn phẩm báo/ tạp chí đa dạng
Diversity of newspapers/ magazines
- Các tiện nghi phục vụ công việc, giải trí
Entertainment facilities
- Dịch vụ quầy bar, đồ ăn nhẹ
Food and Beverages
- Đội ngũ phục vụ chuyên nghiệp
Professional service agents

DỊCH VỤ ƯU TIÊN DÀNH RIÊNG CHO BẠN

FOR YOUR PRIORITY:

- Phòng chờ sang trọng
Luxury lounge
- Làm thủ tục check-in
Priority check-in
- Chỗ ngồi trên máy bay
Priority seat selection
- Thay đổi lịch trình bay
No fee for schedule change
- Xe đưa đón riêng SkyBoss ra máy bay
Priority private vehicle
- Đồ ăn, uống miễn phí trên chuyến bay
Food & beverage served onboard
- Miễn phí 30kg hành lý (Đã gồm 1 bộ chơi Golf)
& 10 kg hành lý xách tay
Free checked baggage 30 kg (including 1 golf set) and 10 kg checked baggage

MUA VÉ Ở ĐÂU?

TICKET CHANNEL

Website: www.vietjetair.com

Mobile: <https://m.vietjetair.com>

Facebook: www.facebook.com/vietjetvietnam

Tổng đài bán vé: 1900 1886

Call Center

Các đại lý/phòng vé Vietjet

Vietjet's authorized ticket outlets

**Tùy thuộc cơ sở hạ tầng của từng sân bay, một số tiện nghi nêu trên có thể được linh hoạt thay đổi*

**The above facilities can be subject to change depending on the infrastructure of each airport.*

Xem thông tin chi tiết về điều kiện và chính sách

hạng vé skyboss tại website: www.vietjetair.com

For information and policies of SkyBoss Service: www.vietjetair.com

vietjet Air.com

AN OVERVIEW OF 2017

■ In 2017, the Asia-Pacific economy continued to develop favorably with growth of 5.6% coming as a result of the rapid upturn of consumption, exports, and investment. The more-than-expected rise of China, Japan, and ASEAN countries is mainly accounted for this amazing growth rate.

■ In the ASEAN region, the economies of Indonesia, Malaysia, Philippines, Singapore, and Thailand increased by 5.2%, 5.4%, 6.6%, 2.5% and 3.3% respectively. Last but not least, Vietnam was one of the fastest, stably-growing economies as the consequence of a surge of 6.81%, which was higher than the country's average annual growth during 2011 - 2017 (the projected growth for 2017 had been 6.7%). The service and transportation sectors significantly contributed to the sustainable macro-economy of the country in 2017.

■ For the aviation transportation industry in 2017, Asia-Pacific airlines transported approximately 1.214 billion passengers, accounting for one third of global air traffic. China, India, and ASEAN are the largest markets. With more than 8,500 currently-operating aircraft, Asia-Pacific is now a major customer of airplane manufacturers and many more orders for different types of aircraft have been signed in recent years. We have also seen a clear diversification in terms of the business models being operated by airlines across multiple dynamic economies in Asia-Pacific. Especially, the low-cost carrier model, or so-called new-age and economic model, which has been developing annually at 22% and has started being profitable. These airlines impressively contributed to the massive seat capacity that has been generated by new-age and economic airlines globally.

■ Recently, Vietnam's air transport industry has been dramatically expanding compared to previous years. It has led to more attention being paid to the need for improvement of infrastructure in order to meet the growth of air transportation. With a total of 60 million domestic and international passengers, which is equivalent to 20% growth rate, Vietnam is becoming one of the largest air traffic centers in the region. Vietjet by itself delivered service to more than 16.3 million passengers. In the last month of 2017, Vietjet's domestic market share reached 43% making it the biggest airline in Vietnam's domestic market.

AN
INCREASE
OF
20%

IN PASSENGERS
CARRIED AS
COMPARED TO
2016





2018 OUTLOOK

Asia-Pacific will continue to be the world's fastest growing region. However, the expanding rate of the economy will deeply depend on politics and international commerce. The CPTPP, for which Japan has a lead role, will be the determining factor for the region's success in 2018. Japan, South Korea, and China are together establishing a politically stable region, making Asia-Pacific a reliable and promising region for businesses to comfortably invest, build infrastructure, and develop the service sector. At the same time, the upturn of many major economies in Asia, such as India, Singapore, Thailand, Malaysia, and Indonesia, will likely play an important role and be a driving force for the development of the region as a whole.

■ In the center of Asia-Pacific, Vietnam is projected to have a GDP growth rate exceeding 7% in 2018, and in addition to this motivating force, we will see further development of exports and domestic consumption, and also a great variety of foreign investment funds coming in.

■ Joining in this region-wide development, the air transport industry, on a mission to enlarge the commerce between economic regions, will continually play an important role for economic development through 2018. Newly opened air routes and an increase in the frequency of existing air routes will create many more jobs for the region. Air transport will especially grow in China, South Korea, Japan, India, and Vietnam. According to Boeing, up to 40% of global transportation and more than 50% growth contribution will come from Asia-Pacific.

■ Vietnam will have one of the fastest growing air transport industries in the region, and the world, in the next several years. The growth rate will remain a two-digit number, further facilitated by friendly policies from the government aimed at attracting tourists and investors from around the world; other contributing factors include the country's dynamically developing economy, and an increase in population of over 1% per year, which generates increasing demand for international and domestic travel.

■ In Vietnam, the domestic airlines have their fleet expansion plan for the period of 2016 - 2020. With these growth rates, the total passengers of the

domestic airlines will maintain the average growth rate around 20.3% per year and reach to around 102 million passengers in 2020, doubling the volume of 2016, an increase of 24% compared to the Aviation Transport Development Plan by 2020.

■ According to the Aviation Administration of Vietnam, by 2020, Vietnamese aviation industry in particular and Vietnamese economy in general will own a regional and world-class fleet of over 250-270 aircraft. With this fleet, Vietnamese aviation industry will really have a voice, a great impact on the market, on the international aviation map, better the position of Vietnamese aviation industry. Vietnamese aviation industry will play a role in associations, conventions, investment issues, finance, aviation industry, market share division.

■ Under the transport development strategy, Vietnam will have 26 airports by 2020 and currently in the expanding process of Noi Bai and Tan Son Nhat International Airports, along with the construction of the new international airport - Long Thanh which will be expectedly put into operation in 2020. With a population of more than 90 millions, and the incomes have been ranked at the average level, the potential of Vietnamese aviation market is highly appreciated.

FORECAST OF
AN INCREASE OF

20,3%

AIRLINES CAN
CARRY UP TO
100 MILLION
PASSENGERS
IN 2020





BUSINESS DEVELOPMENT STRATEGY

VIETJET'S MEDIUM & LONG-TERM PILLAR STRATEGIES

- Continue expanding our domestic and international network: open new routes connecting different commercial airports and optimize our frequency on local routes; set a priority for markets in North Asia, Northwest Asia, ASEAN and China.
- Maintain Vietjet's strong brand health to develop our reputation and credit with passengers and partners as well as nurturing sustainable values for the company.
- Develop new services and products on e-commerce platforms to enhance values and benefits for passengers and bring economic benefits for the company.
- Diversify our capital portfolio from domestic and international sources to efficiently serve the company's financial activities.
- Implement supporting solutions to enhance our cost management and deploy high-tech appliances for our daily operations.
- Continually develop our fleet of brand new, modern and fuel-efficient aircraft.
- Participate in various investment projects for terminals and airport infrastructure to enhance our quality of service and cost management.
- Nurture an internationally integrated working environment and continually implement resource development programs for the company's long-term development.

AWARDS



DOMESTIC AWARDS

1. Received the Third-class Labor Medal from State President Tran Dai Quang
2. Top 100 Best Places to Work in Vietnam voted by Anphabe and Nelsen
3. The Most Favourite Airline in Vietnam voted by Vietnam Economic Times
4. Top 10 Most Famous Trademarks/brands in Vietnam as voted by the International Intellectual Property Institute
5. Top 50 Best Listed Companies in Vietnam 2017 voted by Forbes Vietnam
6. Vietnam's 50 Best Performing Companies in 2017 voted by Nhip Cau Dau Tu magazine
7. The Fastest Growing Airline for Tourists in Vietnam in 2017 as acknowledged by Ministry of Culture, Sports and Tourism
8. Received the Platinum Award at Vision Awards Annual Report Competition 2016 as voted by League of American Communications Professionals - LACP
 - Ranked 4th among the Asia Pacific region
 - Ranked the 11th out of 100 worldwide

INTERNATIONAL AWARDS

9. Best IPO of the year 2016-2017 and The Company with Best Public Disclosure of the year 2016-2017 voted by the M&A Vietnam 2017 Forum
10. Named Best Low Cost Carrier by Department of Tourism of Ho Chi Minh City
11. Received Pioneering Airline Award at The Guide Awards 2017
12. The Most Favorite Airline in 2017 at the 2017 Trust and Use Award ceremony
13. Top 10 Sustainable Development Businesses as recognized by Vietnam Economic Times' Editorial Board and readers
1. Received My Favorite New LCC Award in Hong Kong from the popular online travel platform, Flyagain.la
2. Honored at Best Employer Brand Asia Awards 2017
3. Named Best Ultra Low-Cost Airline 2018 by AirlineRatings.com
4. Received Best Vietnam Deal 2017 Award from Finance Asia



PERFORMANCE 2017

- Business and Performance in 2017
- Flight Network Expansion
- Fleet Expansion
- Product - Service
- Human Resources
- Subsidiaries & Associates
- Typical Events of the year 2017
- Financial Situation of 2017

*Vietjet pioneered and created the new traveling trend
with the global vision*

The year 2017 witnessed Vietjet's robust acceleration of the airline's 2016 - 2020 business plan. In the midst of challenging market factors, including strong competitions in the industry, and high fuel prices, Vietjet still achieved outstanding business results. With the aim of optimizing the airline's revenue and costs, Vietjet added 17 more A321s, increasing its fleet to 51 aircraft - an increase of 24.39% compared to 2016. There were 17.11 million passengers carried over the year - an increase of 21.77% compared to previous period. Thanks to a newly opened local route and sixteen new international routes, Vietjet managed to remain its average load factor of 88.05%, which in turn contributed to the airline's market share of 43% late 2017. This figure crowned Vietjet as the leading airline in Vietnam.

Within the context of high GDP growth rate and uptrend of investment and trade exchange in 2017, Vietjet managed to take advantage of business opportunities via fleet development, network expansion toward international markets, upgrading of services with a focus on SkyBoss products and facilitating air travel to popularity. Vietjet has successfully implemented the "New Age Carrier" model based on high-quality services with a young and modern fleet. With an average age of 2.75 years, Vietjet's fleet consisted of 24 A320s and 27 A321s, which conducted 98,805 flights on 38 domestic routes and 44 international routes. Aiming to diversify the flight products, Vietjet cooperated comprehensively with Japan Airlines and Qatar Airways on an interline basis which optimized the globalflight network.

Promotion, marketing programs at

international markets were deployed strongly with the increase of flight frequency which result in the great effect on the company's revenue and profit. In 2017, Vietjet recorded VND42,303 billion in total revenue and VND5,303 billion in profit before tax, increases of 53.83% and 96.19% year-on-year, respectively. Those increases resulted from development of sales promotion for international routes, chartered flights, ancillary activities, and improvements on efficient cost management. Vietjet also retained its brand awareness of 99% in the domestic and regional aviation thanks to continually promotional campaigns, marketing events, communication in both domestic and international.

Human resource development was one of the company's projects of great interest and developed for the period up to 2020. In the past few years, the quality of human resources has been improved through the recruitment of new knowledge, experienced and skilled employees and annual training in both domestic and international. Till the end of 2017, Vietjet had 3,162 employees and 50 foreign experts from more than 35 countries in the world, including 499 pilots, 1,046 cabin crews and 592 engineers.

The Vietjet Aviation Academy Project, regarded as a highlight of Vietnamese aviation, is expected to start operating in 2018 with an Airbus Full-Flight Simulator. Our Vietjet Training Center was also re-granted certificates for Approved Training Organization (ATO), and continued to recruit and train 174 pilots, 415 cabin crews, 96 ground staff, and 48 engineers. The center also coordinated with Airbus, Boeing, IATA, ICAO and other international organizations to provide intensive courses

for employees to meet the rising demand of Vietjet development in coming years.

Applying advanced technologies helps speed up Vietjet's development. Vietjet continued to be a pioneer for Vietnamese aviation when installing check-in kiosks and launching web check-in and mobile check-in systems, which

82
ROUTES

38 DOMESTIC
AND 44
INTERNATIONAL
ROUTES



further facilitate travel. Vietjet has continued to set new standards for Vietnamese and international aviation with its safe flights. Our safe and efficient operations in 2017 lowered aircraft insurance costs under international standards by 30% as compared to 2016.

In 2017 Vietjet has achieved a technical

reliability of 99.66%, the highest of any airline in the Asia Pacific region. Moreover, Vietjet utilized Flight Data Monitoring (FDM) to analyze trends and early identification of hazard and risk management, and to provide information and flight data for fuel saving programs.

In February 2017, Vietjet listed successfully

its shares on the stock exchange with the increase of market capitalization from USD1.2 billion at first time to USD2.8 billion.

Furthermore, Vietjet will invest in long-term projects to increase its revenues, profits and shareholders' returns.

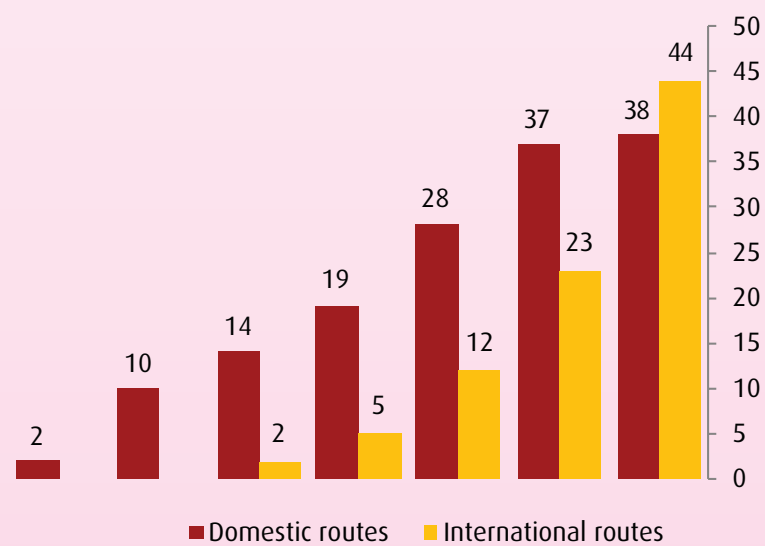
FLIGHT NETWORK EXPANSION

■ In 2017, Vietjet retained its leading position in Vietnam's domestic market with a more reasonable resource allocation as dictated by market demand from time to time. Company coordinated flexibly its fleet using for domestic and international flight plans to optimize the company's profit. At the low seasons in 2017, Vietjet implemented wet leasing activities or deployed maintenance activities for its fleet periodically.

■ By end of 2017, Vietjet flew to all domestic airports in Vietnam that could support A320s and A321s. Its five main bases, Tan Son Nhat, Cam Ranh, Danang, Cat Bi and Noi Bai improved the flight network connecting new domestic and international destinations including South Korea and China.

■ Locally, in 2017 Vietjet opened one new domestic route connecting Hanoi and Dong Hoi in Quang Binh province, and focused on international route development, especially those in Northeast Asia, for example China, South Korea and Taiwan. Vietjet became the leading passenger carrier between Vietnam and China in 2017. The number of international routes being launched last year were 21, increased the total number of international routes to 44, up 91.3% compared to 2016.

■ In addition to 82 routes including 38 domestic routes and 44 international routes, in 2017 Vietjet operated 37 chartered routes with over 1,000 domestic and international flights mainly to markets such as Japan, South Korea, especially China.



FLEET EXPANSION

■ In 2017, Vietjet continued to operate A320s and A321s - the most effective aircraft for under six hour flights. By the end of 2017, Vietjet's fleet stood at 51 aircraft, including 27 A321s (220s/230s), equivalent to 53% of its fleet, and 24 A320s, equivalent to 47%. Especially, in December 2017, Vietjet became the first airline in the region to operate the A321 Neo aircraft, utilizing its cost effectiveness and supply of seats (230 - 240 seats), saving 15% fuel consumption.

■ Vietjet is restructuring its fleet, adding more A321s (230 seats) to increase its average seats-per-aircraft from 193 in 2016 to 203 in 2017. With this growing fleet, Vietjet will have lower its cost per seat and provide more attractive ticket price in the market.

51
AIRCRAFT

24 A320 &
27 A321



PRODUCT - SERVICE

■ In 2017, Vietjet's main products, including Eco and SkyBoss (the airline's premium class) were complimented with more services to maximize benefits for passengers. Added services were offered, such as check-in priority, boarding priority, hot meals, pre-ordered beverages, and much more, were made available.

■ Travel insurance products to minimize travel risks were adjusted and sold to passengers via www.vietjetair.com.

■ Our Skyshop continued to improve its services. Apart from hot meals and typical Vietjet souvenirs, many seasonal products were purchased onboard by passengers, for example, summertime products, wintertime products, Tet (Lunar New Year) holiday products, and more.

■ Duty-free products proved popular on Vietjet's international flights; a wide-range of cosmetics, perfumes, alcohols, cigarettes, and more, were sold at reasonable prices.



HUMAN RESOURCES

54

■ VietJet's staffs are mainly aviation specialized such as managers, pilots, aircraft technicians, flight attendants, ground staff, flight attendants ... are recruited and Training in the country and from abroad. In addition to the available human resources, VietJet also recruits from universities, colleges and other specialized aviation training institutions in the country and abroad. The number of employees will continue to be trained following the aviation industry standards at VietJet Training Center before joining the mining chain.

■ The goal of VietJet is to "Become a multi-national airline corporation with wide regional and international network." Therefore, VietJet's staffs are recruited from more than 30 different countries to fully meet the capacity and experience of aeronautical specialties (especially pilots, aircraft maintenance engineers, cabin crews). Based on the strong cultural background, the foreign labor force and Vietnamese labor forces create a professional, international and efficient working environment. That is one of the core values contributing to the development of VietJet over the past 5 years.

■ VietJet currently has an approved Training Center that meets the on-site training needs of pilots, cabin crews, technical staffs and ground operation staffs. In addition, the cooperation program with Airbus to build VietJet Institution equipped with Full Flight Simulator will be operated from 2018 will contribute to further improve the capacity and effectiveness of pilot training of VietJet.

AWARDS:

1. Name as one of Top 100 Best Places to Work 2017 by Anphabe (for fourth consecutive year)

2. Top 50 most attractive employer brands 2017 by Anphabe

3. Asia's Best Employer Brand 2017 by World HRD Congress (second consecutive year)

Number of employees, average income:

Total number of staff at VietJet is 3,162 as of 31 December, 2017 (62 staffs per aircraft), an increase of 26% compared to 2016

Average monthly income is nearly VND15 million/ staff and VND 180 million/pilot

Employee policy:

VietJet strictly follows a social and health insurance policy for all employees that is complies with Vietnam's social and health insurance laws. The cost for this insurance is around 7% of employees' total salary cost for the year.

All VietJet staff (newly-joined and currently-employed) are trained to learn about VietJet's working culture; they also receive training in other professional skills as well as management skills (for management level only). The average total of training taken by each member of staff is 2% of a staff member's working hours per year.

In 2017, VietJet organized 691 training courses for 12,123 employees in all aviation specialized



TRAINING

691

COURSES

12,123
STUDENTS
IN 2017

SUBSIDIARIES & ASSOCIATES

56

PERFORMANCE 2017

VIETJET TRAINING CENTER

Vietjet Training Center (VTC) was established following decision No. 12-12/ VJC-HĐQT-QĐ on 3rd July, 2012 by Board of Director of Vietjet Joint Stock Company. With 123 instructors, certificated by IATA and CAAV with high experience in aviation industry.

In October 2015, VTC was approved by CAAV as an Approved Training Organization (ATO) that provides professional training for Pilot, Cabin crew, Technical staff, Ground Operation Staff and Dispatchers.

In 2016, Vietjet and Airbus made an agreement to provide flight and maintenance training services in Ho Chi Minh City. With this agreement, VTC will conduct training for pilots, engineers, dispatchers and instructors complying with Airbus and EASA's standards from the first quarter of 2018.

APPROVED MAINTENANCE ORGANIZATION

VJC's Approved Maintenance Organization (AMO) carried out maintenance work on airplanes, basic technical and planning tasks, and ensured the airworthiness of all aircraft. VJC performed its own line maintenance work at five major airports in Vietnam: Hanoi, Hai Phong, Ho Chi Minh, Da Nang and Cam Ranh, replacing engines and repairing defects. The contents of base maintenance must still be outsourced due to lack of space for a hangar. In 2017, the Technical Department provided 100% safe flight with 99.63% technical reliability. On the other hand, the construction and commissioning of the structural repair workshop was built and contributed to save much of the costs previously outsourced. The work of human resources was focused on meeting the requirements of operation and maintenance in the coming years, fleet growth as well as receiving new aircraft such as A321NEO and B737MAX.



SUBSIDIARIES & ASSOCIATES



THAIVIETJET

ThaiVietjet is an airline operating under a franchising agreement with Vietjet. The carrier is operating four A320s (all with 180 seat configuration). ThaiVietjet has extended its flight network to five domestic routes - from Bangkok to Phuket, Changmai, Changrai and Krabi; and from Phuket to Changrai - and one international route from Bangkok to Dalat (Vietnam). In addition, ThaiVietjet has cooperated with tour operators to operate charter flights to destinations in Vietnam such as Can Tho, Thanh Hoa, Vinh and to Bodh Gaya in India.

By end of 2017, ThaiVietjet had carried more than 1.2 million passengers on more than 9,200 domestic and international flights.

VIETJET CARGO

In 2017, Vietjet via Vietjet Cargo, completed a series of important missions assigned by the Board of Management for cargo sales and handling services. With strong support from Vietjet, including management resources, all the tasks and roles were reviewed and improved, namely commercial issues, revenue management, customer relationship, services supervision at the warehouse

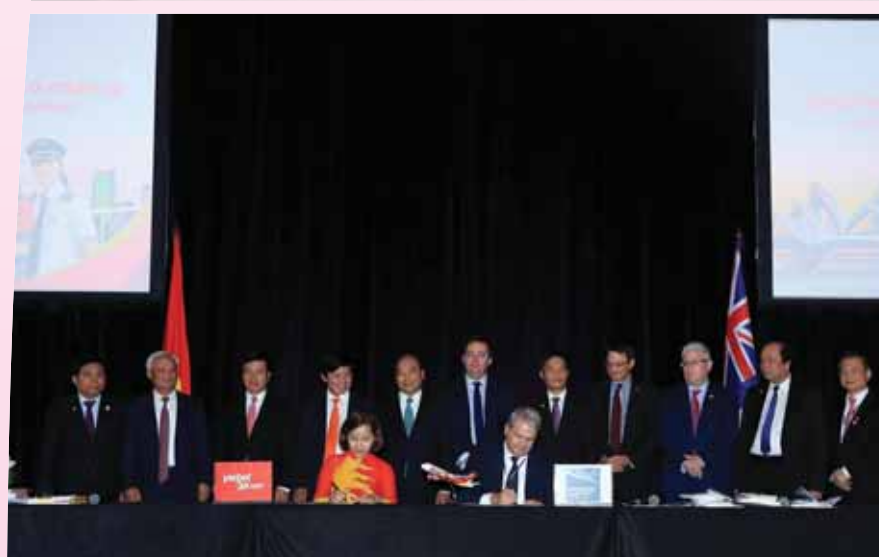
an airside, training and refreshment for safety and security qualification, cost control assurance, and more besides. These missions helped to bring more revenue to Vietjet as an important ancillary income, fairly placing the carrier as a strong competitor in the country and region against the other major and experienced carriers. Vietjet's profile and position in the industry, as well as its business efficiency (via cooperation with other airlines) was also boosted when the airline received membership in IATA MITA (cargo) and interline with almost 40 carriers worldwide. Internal relationships within the mother company were also refreshed with great support from Vietjet's unit departments, all complying with the organization's standards and regulations, regarding turn-around time and equipment maintenance, while positive business results were successfully ensured. In the calendar year of 2017, Vietjet Cargo was recorded transporting 68,800 tons of cargo, earning VND746 billion in terms of revenue; the former is a 25.3% improvement on 2016, and the latter a 11% year-on-year increase. The domestic market remains the focal point of business, accounting for 57,500 tons, and market share, as per CAAV's report, 35% for this year.

In 2017, Board of Management assigned a special team to run a freighter operation, leading to the launch of Vietnam's first ever cargo airline. A list of roles were placed across certain departments, with a target of creating a freighter and independent AOC within 2018-2019. By the end of 2017, research started to look into the development of infrastructure for the transport of cargo at airports in Vietnam's major cities, namely Tan Son Nhat (Ho Chi Minh City), Noi Bai (Hanoi), Cat Bi (Hai Phong) and Cam Ranh (Nha Trang, Khanh Hoa province). A projection for seasonal, long-haul route development is also under process to accommodate wide-body long-range aircraft chartered to US, Europe and Australia.

The business development role for Vietjet in the cargo industry with 2018 - 2019 is a challenge for all teams, with a targeted volume of cargo set at 95,000 tons, 40% up from 2017's performance; 2018 will also be an important year, moving from services supplier to a professional cargo carrier alongside with reliable cargo services of passenger aircraft. The task requires a proactive and constructive action plan for both the cargo team and mother company as well.

TYPICAL EVENTS OF THE YEAR 2017

1. Signed USD7.3 billion agreements with Safran - CFM, GECAS in France.
2. Announced the launching of direct route connecting Vietnam and India at Vietnam - India Business Forum.
3. Signed an agreement to open a direct route connecting Vietnam and Australia at Sydney, Australia.
4. Being awarded the Third-Grade Labor Order of State President for outstanding achievements in charity and humanitarian work and contributions to the country's development.
5. Secretary of the HCMC Party Committee Nguyen Thien Nhan visited Vietjet on the first working day of the Lunar New Year 2018.
6. Signing many important cooperation agreements with the world's leading partners including Pratt & Whitney, Qatar Airways, Japan Airlines, Mitsubishi UFJ, GOAL, etc.
7. Leaders of Vietjet participated in the APEC Vietnam 2017.
8. Ground-breaking of Vietjet Aviation Academy at Saigon Hi-Tech Park in District 9, Ho Chi Minh city.
9. Welcomed the first Airbus A321Neo in the South East Asia.
10. Received Air Operator Certificate (AOC) recertification of affiliated company in Thailand.
11. Attended many domestic and international business forums, including Nghe An, Danang Investment Forum, Gateway to Vietnam, Vietnam Access Day, and international business forums and conferences.
12. Officially listed on Ho Chi Minh Stock Exchange on February 28th, 2017.
13. Welcomed the aircraft featuring the official logo for the 45th anniversary of diplomatic relations between Vietnam and France.
14. Celebrated the third anniversary of the Vietnam-Taiwan service operation.
15. Accompanied with Miss Universe Vietnam and Miss Vietnam.
16. Opening the domestic route connecting Hanoi to Quang Binh, international routes including Ho Chi Minh City (HCMC) - Taichung (Taiwan), HCMC - Phnom Penh (Cambodia), HCMC - Phuket (Thailand), HCMC - Changmai (Thailand), Hanoi - Siem Reap (Cambodia), Hanoi - Singapore, Hanoi - Yangon (Myanmar), Hanoi - Kaohsiung, Da Nang - Seoul, Nha Trang - Seoul, and Bangkok - Dalat.



FINANCIAL SITUATION IN GENERAL

In VND Billion	2014	2015	2016	2017
Total Asset	7,677	12,045	20,063	31,658
Equity	967	2,147	4,734	10,594
Total Revenue	8,699	19,845	27,499	42,303
Net Operating Profit	412	1,160	2,671	5,298
Profit Before Tax	444	1,168	2,703	5,303
Profit After Tax	360	1,171	2,496	5,074

	2014	2015	2016	2017
1. Liquidity Ratio				
Current Ratio	1.00x	0.98x	0.98x	1.27x
Quick Ratio	0.98x	0.95x	0.96x	1.25x
2. Capital Structure Ratio				
Debt/Total Asset (%)	87.4%	82.2%	76.4%	66.5%
Debt/Equity (%)	694%	461%	324%	199%
3. Capacity Utilization Ratio				
Revenue/ Total Asset	1.6x	2.0x	1.7x	1.6x
4. Profitability Ratio				
ROE	45.9%	75.2%	72.5%	66.2%
ROA	6.8%	11.9%	15.5%	19.6%

ENVIRONMENTAL IMPACT REPORT



ENVIRONMENTAL IMPACT REPORT

Vietjet has a vision and goal to provide high quality air services at low cost while respecting sustainable development and contributing to environmental protection. This spirit is always taken care of by the company in a uniform and consistent manner in all its operation and business activities, contributing to reducing emissions, noise and other natural resources.

Since its inception, Vietjet has always prioritized the strategy of developing a modern fleet of aircraft with efficiently fuel consumption, and low noise level. After more than 6 years of operation, Vietjet's fleets consists of 23 A320s and 31 A321s. Among them, some CEO aircraft with the sharklet wingtip can save 5% of fuel consumption and the NEO aircraft can save more than 15% of fuel consumption and significantly reduces cabin noise as well as noise to the outside environment.

Not only maintain a modern and young fleet and constantly receive new aircraft, but also has Vietjet actively implemented a comprehensive fuel saving program through the contract SFCO2 signed with the Safran Group at Paris Airshow 2017. This program helps Vietjet improve operation efficiency by reducing the consumption of fuel as well as reducing CO2 emissions.

Applying advanced technology and environment friendly solution in daily operation is one of the top priorities of Vietjet. By analyzing both operational and maintenance aspects, Safran's SFCO2® service develops procedures and recommendations to address airlines' need for greater fuel efficiency which can reduce Vietjet fuel consumption up to 5%.

By 2017, the first phase of the SFCO2 program saved 1,855,115 kilograms of fuel (equivalent to 1,855,115 USD), thereby reducing 5,843,612 kilograms of CO2 emissions.

ASSESSMENT OF BOARD OF MANAGEMENT

- Assessment of Business Results
- Business Plan 2018



ASSESSMENT OF BUSINESS RESULTS

■ In 2017, with dedicated contributions from all Vietjet's employees and leadership, Vietjet overcame many challenges and continued to achieve positive growth rates in revenues and profits. Vietjet records a total of 42,303 billion VND in total revenues and 5,303 billion VND in profits before tax, respectively increased by 53.83% and 96.19% compared to previous year. This performance resulted from increases in international passengers and charter flights and a correspondent growth in ancillary activities thanks to the expansion of fleet and number of flights.

■ In 2017, total revenue increased by 0.7%. Profits before and after taxes increase 40.6% and 49.5% respectively as compare to 2017 budget. These increases can be attributed to Vietjet's management capacities which in turn helps reduce cost and raise profits.

	2016	2017	2016 vs 2017	2017	Actual vs KPI 2017
Air Transport Revenue (billion vnd)	15,917	22,548	41.66%	21,589	4.44%
Company Net Revenue (billion vnd)	15,884	22,644	42.56%	21,274	6.44%
Consolidated Net Revenue (billion vnd)	27,499	42,303	53.83%	42,018	0.68%
Company Profit before tax (billion vnd)	1,622	2,045	26.08%	2,291	-10.74%
Consolidated Profit before tax (billion vnd)	2,703	5,303	96.19%	3,772	40.59%
Company Profit after tax (billion vnd)	1,416	1,817	28.32%	2,062	-11.88%
Consolidated Profit after tax (billion vnd)	2,496	5,074	103.29%	3,395	49.46%



BUSINESS PLAN 2018

IN THE YEAR 2018, THE CARRIER FOCUSES ON THE MAIN TARGETING ACTIVITIES AS FOLLOWINGS:

- Maintain the leadership position in the domestic market share.
- Continue to expand our network to feasibly international markets such as China, South Korea, Japan, Taiwan as well as develop more ancillary products and service to increase profit for the company.
- Implement 4.0 technological program thoroughly across the system.
- Develop our human resource via upgraded training programs and put Vietjet Aviation Academy into operations.
- Maintain and develop a transparent and fair working environment to attract international and highly qualified employees.





REPORTS OF BOARD OF DIRECTORS AND SUPERVISORY BOARD

- Assessment of Company and Board of Management performance
- Orientation plan of Board of Directors in 2018
- Performance of Board of Directors
- Committees
- Performance of Supervisory Board
- Risk Management
- Internal Transactions

We believe that connection makes an ecosystem serving people and economic growth, bringing a brighter future.

ASSESSMENT OF COMPANY AND BOARD OF MANAGEMENT PERFORMANCE

Assessment of Company Performance

2017 played a meaningful role in Vietjet history when marking the airlines' 10th anniversary of foundation and 1st of being listed in the stock market (IPO on 28 Feb., 2017).

Company exceeded its 2017 KPI:

- Operated 38 domestic and 44 international routes;
- Carried 17.11 million passengers have been carried, an increase of 22% (including 12% domestic increase and 91% international increase.)
- Operated 51 aircraft, with average age of 2.75 years old, Vietjet's fleet was among the youngest in the world.
- Operated 98,805 safe flights whose operation safety indicators ranked top of the region; contribute to local and regional tourism.
- Average Load Factor 2017: 88.05%
- Net revenue (billion VND): 42,303
- Profit (billion VND): 5,303
- Basic earnings per share: 11,356 VND
- Total asset (billion VND): 31,658
- Owners' Equity (billion VND): 10,594
- Profit after tax (billion VND): 5,809
- Taxes paid to State Treasury (billion VND): 4,200
- Taxes paid/each employee (billion VND): 1.4
- Last year, company increased its charter capital 2 times, from 3,000 billion VND to 3,223 billion VND by private offering 22,388,060 shares for Sunflower Sunny Investment Company Limited, and to 4,513 billion VND by offering dividend as bonus shares.

It is highlighted that VJC shares's price increased over triple just after one year of being listed on HOSE Stock Exchange, which added up to the firm's market value of more than 4 billion USD.

Beside business operation, Vietjet's leaders put high eyes on working environment, created motive for young employees. Vietjet was granted "Top 100 Companies having Best working environment" for the 5th time.

Vietjet also cared about community oriented activities. Vietjet's charity teams footed in difficult places to help poor residents and to build up a "for other spirit" within the company.

Assessment of Board of Management Performance (BOM)

Board of Management accomplished their assigned tasks in 2017. All resolutions from shareholders Committee and Board of Directors were well carried out.

Complements are hereby given to the Board of Management's effort, determination and unity spirit in raising Vietjet to a higher level of development.

However, Board of Management needs to improve the following in the year 2018:

- Human resource organization, major factor of success of company
- Continue to synchronize procedures, regulations, targets in the Corporate Governance System.
- Improving employees' working skills by the training policies and the payroll system following efficient business contribution.

ORIENTATION PLAN OF BOD IN 2018

In 2018, BOD has nine main targets:

1. Increasing the frequency of domestic and international routes, which are being operated effectively; maintaining the leading position in terms of passenger volume; ensuring all routes are profitable; increasing ancillary revenue; maintaining load factor.
2. Maintaining strong brand recognition; meeting high-class international quality standards equivalent to Japan Airlines and Qatar Airlines.
3. Completing, standardizing, and automating operational processes; 100% operational activities to be based on advanced SOPs; building and implementing a technology strategy that is comprehensively and synchronously applied throughout the company and all member companies.
4. Maintaining a fresh, young, dynamic, transparent and cost-conscious working environment for all employees; saving 5% Operating Costs (excluding fuel costs) compared to 2017; controlling the discrepancies of fuel pumping ratio.
5. Ensuring safe operations; meeting and exceeding all of the operation targets, especially indicators of productivity and efficiency, on time, safety. Being ready for operating B737MAX aircraft.
6. Improving management capacity, enhance management system, management qualification and teamwork ability. Organizing and well operating the risk management system of the company and the member companies.
7. Corporate governance in accordance with international standards of listing.
8. Continuing to implement strategic projects about training and human resources; investing infrastructure for training, ground operations, technical operations; creating a centralized and automatic management system.
9. Contributing to the development of aviation industry and legal documentations related to aviation industry; participating in the propaganda of civilized aviation for the passengers and the community, the security and safety regulations; contributing to the national tourism program and the development of local economy.

BOARD OF DIRECTORS' REPORT

No.	Decision	Date	Content
1	01-17/VJC-HDQT-NQ	05/01/2017	BOD Approve Charter Capital increase by issuing 22,388,060 shares to Sunflower Sunny Investment Company Limited at the price of 84,600 VND/share.
2	01a-17/VJC-HDQT-NQ	12/01/2017	BOD approve the selection of CCB as partner of 10 Airbus A321 aircrafts ownership transfer and lease back scheduled to be delivered in year 2017, 2018 and 2019.
3	01b-17/VJC-HDQT-NQ	03/02/2017	BOD approve the selection of partner to transfer aircraft ownership and lease back for year 2017.
4	01b.1-17/VJC-HDQT-NQ	03/02/2017	BOD approve the selection of partner to transfer aircraft ownership and lease back for year 2017.
5	01b.2-17/VJC-HDQT-NQ	03/02/2017	BOD approve the selection of partner to transfer aircraft ownership and lease back for year 2017.
6	01b.3-17/VJC-HDQT-NQ	03/02/2017	BOD approve the selection of partner to transfer aircraft ownership and lease back for year 2017.
7	01b.4-17/VJC-HDQT-NQ	03/02/2017	BOD approve the selection of partner to transfer aircraft ownership and lease back for year 2017.
8	02-17/VJC-HDQT-NQ	15/02/2017	Appoint Mr Tony Quek As Director of GO Department from 01/03/2017
9	03-17/VJC-HDQT-NQ	06/03/2017	Approve plan for AGM 2016
10	04-17/VJC-HDQT-NQ	01/03/2017	Approve wet-lease (02) A320-232 from BH Air
11	05-17/VJC-HDQT-NQ	02/03/2017	BOD Approve Agreement Number 10 with Airbus
12	06-17/VJC-HDQT-NQ (hủy)	10/03/2017	BOD approved Charter Capital increase from 3,223 billion VND to 4,513 billion VND by issuing 128,955,224 shares to current shareholders from Owners' Equity
13	07-17/VJC-HDQT-NQ	20/03/2017	BOD approve AGM 2017 program
14	08-17/VJC-HDQT-NQ	20/03/2017	Approve wet-lease Agreement with Freebird Airlines
15	09-17/VJC-HDQT-NQ	20/03/2017	Approve wet-lease Agreement with Myanmar Airways International (MAI)
16	10-17/VJC-HDQT-NQ	23/03/2017	Approve the change of Owner and Lessor of 1 aircraft Airbus A320-200 (MSN6341).
17	11-17/VJC-HDQT-NQ	07/04/2017	Date for AGM
18	12-17/VJC-HDQT-NQ	13/04/2017	Approve the Amendment No. 3 with CFM

19	13-17/VJC-HDQT-NQ	13/04/2017	Nomination of BOD and Board of Supervisors members for the Term 2017 - 2022.
20	14-17/VJC-HDQT-NQ	24/04/2017	Cut-off date for cash dividend 2016 (10%).
21	15-17/VJC-HDQT-NQ	03/05/2017	Approve the selection of re-insurance brokers and local insurer for Vietjet Fleet Aviation insurance program year 2017-2018
22	16-17/VJC-HDQT-NQ	29/4/2017	Adjustment of Remuneration
23	16a-17/VJC-HDQT-NQ	26/5/2017	Adjustment "Location and Dimension of new VTC project"
24	17-17/VJC-HDQT-NQ	6/6/2017	Plan if issuing shares 100:40
25	17a-17/VJC-HDQT-NQ	6/6/2017	Interim cash dividend 2017 (20%)
26	18,19-17/VJC-HDQT-NQ	29/5/2017	CFM engines for 100 Boeing Aircraft.
27	20,21-17/VJC-HDQT-NQ	29/5/2017	CFM Engine for 98 Airbus Aircraft
28	22-17/VJC-HDQT-NQ	5/6/2017	Appointed Deputy Director of SSQA
29	24-17/VJC-HDQT-NQ	27/6/2017	Stop Appointed CFO
30	25-17/VJC-HDQT-NQ	30/6/2017	Change Spoke-man
31	26-17/VJC-HDQT-NQ	30/6/2017	Interim cash dividend 2017 (10%)
32	29-17/VJC-HDQT-NQ	14/07/2017	Interim cash dividend 2017 (10%)
33	36-17/VJC-HDQT-QĐ	30/08/2017	Cut-off date for receiving new shares.
34	38-17/VJC-HDQT-NQ	29/09/2017	Approve plan for issuing 128.955.224 shares
35	39-17/VJC-HDQT-NQ	29/09/2017	Settle odd shares
36	40-17/VJC-HDQT-NQ	29/11/2017	Cut-off date to set shareholders opinions.

BOARD OF DIRECTORS' REPORT

No.	Member	Title	Begin/End Date of BOD member	No. of meeting attended	%	Reason
1	Madam Nguyễn Thanh Hà	Chairwoman		35/35	100%	
2	Madam Nguyễn Thị Phương Thảo	Vice- chairwoman		35/35	100%	
3	Dr. Nguyễn Thanh Hùng	Vice- chairman		35/35	100%	
4	Mr. Chu Việt Cường	Member		35/35	100%	
5	Mr. Lưu Đức Khánh	Member		35/35	100%	
6	Mr. Lương Thế Phúc	Member	No more BOD member since 20/4/2017	13/35	37%	
7	Mr. Đinh Việt Phương	Member	BOD member since 20/04/2017	22/35	63%	

Vietjet has six members in Board of Directors, including one independent member. Each member in the Board was assigned the following tasks:

- Madam Nguyen Thanh Ha (Chairwoman) and Dr. Nguyen Thanh Hung (Vice-Chairman) are in-charge of strategy, policy making, foreign affairs and infrastructure projects.
- Madam Nguyen Thi Phuong Thao and Mr. Luu Duc Khanh are in-charge of operations.
- Mr. Chu Viet Cuong is in charge of Insurance, PR and Investor Relations.
- Mr. Dinh Viet Phuong is in charge of infrastructure projects.

Madam Nguyen Thanh Ha is a non-executive independent member. She has performed her role properly, ensured the inspection and supervision of the Company's general activities and ensured that the shareholders received their benefits.

There are five committees under control of the Board.

- These Committees implemented their respective tasks properly and reported regularly to the Board and played effectively the roles of the Committees.

- All members in the Board have company training certificates.
- All Board members have extensive practical experience in Corporate Governance practice and have attended many other management programs.
- BOD carried out their tasks effectively, guiding the company in important directions, for example, buying aircraft, improving Company Organization Chart, etc...
- BOD maintained regular activities (quarterly meetings and unexpected meetings as required). BOD always worked closely with Company Board of Management to make on-time decisions.
- Board members completed all their assigned tasks and attended all Board Meetings.

COMMITTEES:

● **The Aviation Safety Committee** is responsible for ensuring aviation safety of the Company. The Aviation Safety Committee co-ordinates with relevant departments to supervise and to comply with regulations set forth in the Company's Safety Management System. The Company's CEO, Madam Nguyen Thi Phuong Thao, serves as the Chairwoman and SSQA; Vice President, Mr. To Viet Thang, acts as the Standing Vice Chairman of the Aviation Safety Committee. Two additional members serve as Vice Chairman, Mr. Luu Duc Khanh and Mr. Luong The Phuc.

● **The Aviation Security Committee** is in charge of ensuring the aviation security for the Company by coordinating with relevant departments to manage and execute all control activities as stipulated in the Aviation Security Program of the Company. Madam Nguyen Thanh Ha, Chairwoman Chairs the Aviation Security Committee and Madam Nguyen Thi Phuong Thao, CEO and Vice Chairwoman, serves as Vice Chairwoman. VP Operation, Mr. Luong The Phuc is member to the Aviation Security Committee. - The Organization and Personnel Committee addresses and decides on issues relating to personnel of the Company, including but not limited to, identifying organizational issues and reviewing employee salaries. The Committee consists of four members: Chairwoman madam Nguyen Thanh Ha as Committee Chairwoman, madam Nguyen Thi Phuong Thao as Vice Chairwoman and Mr Luu Duc Khanh as member of the committee.

● **The Emergency Response Management Committee** is responsible for managing all activities relating to emergency response of the Company, collaborating with other departments to supervise and fulfill all requirements of the Company's Emergency Response Plan. This committee is chaired by Mr. Luu Duc Khanh, with assistance of Mr. Luong The Phuc

● **The Risk Management Committee** is responsible for assisting the BODs by providing an independent and objective assurance to its management and shareholders of the continuous improvement of the Company's risk management systems, business operations and the proper safeguarding and use of its resources and assets. The Risk Management Committee provides a general evaluation of and assistance in the overall improvement of its risk management, control and governance processes. The Risk Management Committee comprises of nine members and is chaired by Madam Nguyen Thi Phuong Thao. Mr. Luu Duc Khanh serves as Vice Chairman.

PERFORMANCE OF SUPERVISORY BOARD

● PERFORMANCE OF SUPERVISORY BOARD

No.	Member	Position	Commission (VND)	Share ownership
1.	Tran Duong Ngoc Thao	Head of Internal Control		45,000
2.	Doan Thu Huong	Member		211,400
3.	Pham Van Dau	Member		42,000

Supervisory Board (BOS) completed its duties for the year 2017 with the following activities:

- Monitoring the executions of Shareholders' Annual General Meeting (AGM) by directly checking documents and reviewing reports of BOD and BOM.
- Supervising management activities of BOD and BOM.
- Attending extended and on-demand BOD meetings to capture business performance and development strategies of the Company.
- Cooperating with Internal Auditors and KPMG's External Auditors to assess financial & accounting operations as well as auditing financial reports for 2017.

In 2017 the BOS held three regular meetings with 100% attendance. In addition, members of the Board regularly communicated by telephone, email, to timely handle with unexpected work or related operational issues.

Meetings	Participants	Agenda
Meeting 1: 20/04/2017	3/3	- Election of Head of Supervisory Board - Assigning tasks within the Supervisory Board
Meeting 2: 06/10/2017	3/3	- Review internal audit activities in the 1st half of 2017 - Review the Company's overtime control - Review information disclosure activities of six months after the listing - Finalize supervisory activities for the 4th quarter in 2017
Meeting 3: 20/12/2017	3/3	- Review safety management of Company's operations - Review finance & accounting activities - Check the execution of AGM's resolutions of 2017 - Review performance of Supervisory Board and Internal Audit department in 2017

● ALL CONCLUSIONS AND RECOMMENDATIONS OF SUPERVISORY BOARD WERE PROVIDED TO THE BOD, BOM AND RELEVANT DEPARTMENTS, SOME MAIN POINTS:

To amend and supplement the Company charter and Corporate governance policy to submit AGM for approval.

To speed up the digitization programs (Technology 4.0) in all Company's activities, ensuring the achievement of building Vietjet into an advanced consumer airline with a strong e-commerce platform.

● RESULTS OF MONITORING THE COMPANY'S OPERATIONAL AND FINANCIAL PERFORMANCE

Executions of AGM's resolutions

The Company completed all resolutions of AGM 2017 in listing shares to Ho Chi Minh stock exchange, issuance of new shares to increase charter capital, allocations of profit, changes of head office address and supplement business activities in 2017.

- The company listed its 300 million shares on Ho Chi Minh Stock Exchange on 28/02/2017 with the starting price of 90,000 VND / stock, the capitalization amounted to 27 trillion dong. As of 31/12/2017, the market price was 145,000 dong per share, bringing the market capitalization to over 65 trillion dong.

- In 2017, the Company successfully completed two issuances of capital: the private placement to increase chartered capital to VND 3,223,880,600,000 in March 2017 and the issuance of 40% additional shares from equity to increase chartered capital to VND4,513,432,840,000 in October 2017, following AGM's resolutions.

- The Company has advanced the first dividend payment of 20% by cash in July 2017, the second dividend payment with the rate of 10% in cash in February 2018 in accordance with the AGM's resolutions.

- Consolidated revenue is VND42,303 billion, fulfilling 100% of 2017 plan and 53.8% growth compared to 2016; consolidated profit after tax was VND5,073 billion, completed 150% of 2017 plan and increased 103.3% compared to 2016;

Owner equity is VND10,594 billion, increased by 123.8% compared to 2016 fiscal year.

- Authorized by the AGM 2017, the Board of Directors discussed with the Supervisory Board, to conclude auditing contract for semi-annual and audited financial statements with KPMG Auditing Limited Company based on Vietnamese accounting standard and international accounting standards (IFRS).

- In 2017, the Company did not issue yet shares under the employee's stock option program (ESOP).

- The increase in foreign ownership limit has not been implemented in 2017.

In 2017, the Company paid remuneration to BOM and BOS in accordance with the budget approved by the General Meeting of Shareholders.

- The Company has fulfilled all taxation duties to the State.

Supervision of financial result of 2017

The BOS reviewed the Company's semi-annual financial statements and annual financial statements, and regularly discussed with the independent auditor on the internal control and risk management of the Company.

Audited financial statements for the year 2017 reflect actual financial position as of 31/12/2017, actual results of operations of the fiscal year, and in compliance with the current Vietnamese accounting system and related legal regulations, and was audited by KPMG Vietnam.

Besides, in 2017, the Company also conducted the review for semi-annual financial statements and the audit of fiscal financial statement based on IFRS standards.

Supervision of the Company's business activities. BOS supervised the Company's business activities by directing internal audit activities of the Company, promptly reported all findings and identified risks to the BOM in order to conduct corrective actions and preventive actions.

In 2017, an Internal Audit completed the approved inspection and audit plan:

- Completion of all periodic audits of departments and affiliated companies, 2017's audit result shows that the company complied with the established internal control system.

- The results of periodical audits recorded a decrease in the number of findings by 70% compared to 2016 due to the fact that audited departments successfully corrected the identified issues.

- Completing a monthly audit of the reservation system to ensure detection of irregular transactions and to recommend the relevant management taking timely corrective measures.

- In addition, the BOS proposed to improve and update internal control procedures and manuals to improve the effectiveness of the Company-wide management system.

12 P.M

IT'S TIME TO VIETJET

Promotion
time
12h - 14h
From just
www.vietjetair.com



SUPERVISION BOARD'S REPORT

RESULTS OF MONITORING THE BOD AND BOM

1. Supervision of BOD activities

In 2017, the Board of Directors complied with the Company's Charter and Corporate Governance Policy:

- Completed the execution of 2017 AGM's resolutions.
- Deployed BOD meetings and extended meetings with the BOM, to agree on strategies, growth directions and business plans, to direct management activities within the authority of the Board in order to achieve business objectives in accordance with the business plan approved by the AGM.
- Participated meetings of the Aviation Safety Committee, Aviation Security, Risk Management Committee, Human Resources Committee, etc. to provide guidance to ensure safety operations of the Company.
- Issued resolutions, decisions and supervising the BOM in implementing resolutions of the AGM and in the investment and business development activities.
- Promulgated the Corporate Governance Policy and the Regulation on disclosure of information following the standards applied to listed joint-stock companies.
- Decided other issues within the authority of the Board of Directors.

2. Supervision of BOM activities

The BOM directly managed the business according to the functions and duties prescribed. Based on the resolutions of the AGM and the BOD, BOM has performed the following tasks:

- Directed and managed the operations and business activities according to business plans and key performance indicators (KPI) assigned by the BOD.
- Organized daily operation meetings, weekly management meetings, and timely updated the operations' situation and business activities in order to make strategic business decisions which reflect the development of aviation industry.
- Directed the preparation of the Company's procedures and regulations to ensure that all activities are in compliance with all current applicable laws and regulations; executed the application of technology for all operations and commercial activities of the Company.

- Decided other issues with the authority of the BOM.

In 2017, the BOS has not recorded any violations in the management and administration of the BOM and other management positions of the Company.

CO-ORDINATION BETWEEN SUPERVISORY BOARD, BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

- During the supervision and control activities of the BOS, BOD, BOM and other departments of the Company supported and coordinated well with the BOS, all requested documents were timely and sufficiently provided.
- The BOS frequently provided comments on corporate governance and the system of procedures and regulations to the BOD and, thereby contributing to solving difficulties arising from management activities of the Company.
- In 2017, the BOS did not receive any complaints from shareholders about the Company's business and management.

SUPERVISORY BOARD'S PLANS FOR 2018

In 2018, the BOS will continue to improve its operations, strengthen the inspection and supervision of the company's operations and commercial activities by supervising activities of the BOD and BOM:

- Monitor the Company's compliance with current applicable laws, regulations of aviation, Company charter and Corporate Governance Policy.
- Check the implementation of the AGM's resolutions.
- Examine and review mid-year financial statements and annual financial statements. Maintain regular contact with independent external auditors to improve the quality of audited financial statements.
- Strengthen BOS's performance by focusing on risk management, controlling and detecting significant and potential risk factors so that the Company can timely apply preventive measures.
- Monitor the implementation of information disclosure activities to ensure compliance with current regulations.
- Direct the internal audit activities; improve auditing processes and procedures and strengthen the audit of software applications in the Company, apply automated solutions to the current audit tasks in order to increase efficiency of monitoring and control.
- Regularly attend meetings of the BOD and give advise for risk management to increase effectiveness of management.



BREAKDOWN OF RESPONSIBILITIES FOR RISK MANAGEMENT ACTIVITIES AT VIETJET

Responsibilities of the Board of Directors:

- Decide on the risk management structure of the Company, including its components, personnel involved in risk management; decides on roles, responsibilities and relationships of these departments in risk management; complete forms on reporting on risk;
- Approve, promulgate, and adjust the Operational Risk Management Regulations;
- Supervise, monitor and evaluate the effectiveness of Operational Risk Management in the whole system of VJC;
- The Board of Directors establishes a Risk Management Committee and assigns full-time members to join the board to help the Board fulfill these responsibilities.

Responsibilities of the Risk Management Committee:

- Building risk management strategies and policies to submit to the BOM for approval;
- Supervising the implementation of approved risk management strategies and policies;
- Ensuring all HODs and staffs of the Company are trained and knowledgeable about risk management;
- Periodically reporting to the BOD on issues related to risk management, on the effectiveness of risk management activities of the Company

Responsibilities of the Board of Management:

- Issue specific instructions for the implementation of regulations on management of operational risks;

- Set up and maintain the organizational structure for Operational Risk Management Regulations;
- Supervise the implementation of the operational risk management regulation throughout the system and report to the BOD.

Responsibilities of Head of Departments

- To be responsible for the Operational Risk Management Regulations in their respective departments;
- Disseminate, organize and implement effectively the regulations and guidelines on Operational Risk Management Regulations at the unit;
- Encourage, promote the culture of Operational Risk Management Regulations in their respective departments.

INTERNAL TRANSACTIONS:

In 2017, there were 5 internal transactions (the detailed information were showed in the audited financial statement 2017).





SUSTAINABLE DEVELOPMENT



There will be a bright future for the world, and we are continually making efforts to touch it sooner

SUSTAINABLE DEVELOPMENT

FUTURE IN THE AIR - WINGS OF HOPE

Four years ago, some research by Nielsen revealed some reasons for optimism. According to their survey, 73% people living in Vietnam, would be willing to pay higher prices for products of companies with good corporate social responsibility (CSR) reputations. This means that customers, in particular, and people, in general, are paying special attention not only to products and services they are using but above all they look for core values and responsibilities, which companies have been building and contributing to society.

With that strong support, the majority of reputable, sustainably developing companies have a strong sense of what they can do for society.

The “pyramid” of CSR, according to Dr. Archie B. Carroll, a professor of business management at University of Georgia (United States), has been considered the most comprehensive and widely used model for CSR, one that includes legal, economic, ethical and philanthropic responsibilities. In over 10 years, since its establishment and over the course of its development, Vietjet has incorporated these four core values and responsibilities to become the global’s favourite airline.

Focused on economic growth and development, Vietjet has completed and balanced our corporate administration objectives in line with social, volunteering and environmental goals.

As a new-age airline, Vietjet determinedly seeks sustainable development which can only be fulfilled when economic and financial targets are secured, bringing long-term benefits for our customers, shareholders, employees and the community. Vietjet always ensures economic growth with strong indicators, such as total assets, revenue, profits all showing stable growth and gradually increasing over the years.

Economic growth has also helped Vietjet increase its contribution to society. We contribute to the State budget, secure the financial interests for shareholders, and create jobs for the local labour force.



SUSTAINABLE DEVELOPMENT

Besides receiving the Third Labour Medal from the State President, Vietjet also celebrated its first anniversary of being listed on Ho Chi Minh Stock Exchange (HOSE). Vietjet shares have become one of the most popular stocks, being listed at VN30 with a market capitalization of more than US\$4 billion. For two consecutive years our CEO, Madam Nguyen Thi Phuong Thao has been on the list of world's billionaires released by Forbes Magazine (US) with a wealth of US\$3.1 billion. In 2017 Vietjet also received new aircraft including the first A321neo aircraft to ever operate in Southeast Asia, allowing the airline to open new international routes.

With a new-age airline's strategic vision and mission, and aiming to follow a "Consumer Airline" model, while continually making innovative breakthroughs with aviation services, Vietjet continues to bring pleasure and satisfaction to customers through our outstanding, luxury services and friendly smiles not to mention our many incentives as well as attractive promotions that allow travelers to travel at highly affordable prices.

With our important human resources - we have more than 3,000 employees, pilots, cabin crews of above 30 different nationalities - Vietjet continues to maintain, actively disseminate and implement meaningful and far-reaching charity programs.

Besides bringing millions of flying opportunities to people at reasonable prices, Vietjet also actively shares and contributes to spreading good values across society. Sharing with the poor, disadvantaged children has been a big part of the Vietjet family's life. It's also part of our sustainable development program that Vietjet's leaders have devoted their hearts to and vowed to build and develop.

Specifically, for the past years, Vietjet has launched and donated more than 10,000 health insurance cards to the poor and needy across the country.

On the occasion of the Lunar New Year and Mid-Autumn Festival of 2017, for the second year consecutively, Vietjet staff organized "Warm Tet" and "Warm Mid-Autumn Festival - Spread the Love" programs to bring happy festive moments to hundreds of disadvantaged children at Thi Nghe disabled orphan patronage center (Binh Thanh District, HCMC). Making Tet cakes, visiting Spring Flower Festival, receiving lucky money, celebrating the party with mid-autumn lanterns, singing, exchanging, and much more besides, these were unforgettable activities that Vietjet's leaders and staff got to share with these children.

From the north to the south, beside the Thi Nghe disabled orphan patronage center (HCMC), the Social work center of Lao Cai or S.O.S Village Nha Trang, S.O.S Village Danang also received timely sharing from Vietjet's employees. The practical gifts, necessities and cash, all worth hundreds of millions of VND, were donated to support the spirit of these children, contribute to their joy, and bring laughter to their faces.



SUSTAINABLE DEVELOPMENT

Besides Vietnam-based activities, for many years, our staffs have made pilgrimages and charity trips to Bodh Gaya in India. Vietjet staffs and volunteers arrived Suryapru village, visited and gifted to more than 100 poor households here. The members handed out cash and gifts worth USD2,000 to poor households. A further US\$2,200 was donated to Nun Tu Tam, a local who teaches the local children with the help of Indian youths. Nun would manage this fund to support lives of villagers.

Besides, Vietjet volunteer group also visited the Siddhartha school which was built by Nun Tu Tam and gave 10 desktop computers and 1,000 lucky money gifts; the group also attended the inaugural ceremony of the school's computer lab and tailoring training room, which will all contribute to supporting and bringing knowledge to the poor and needy.

Recognized by Asia Guinness as "The airline with most creative entertainment on board", Vietjet is a dynamic and inspirational brand for meaningful social activities. A special aircraft brought the national U23 team, who came second at AFC U23 Championship 2018 in China. Vietjet also cooperated with the Vietnam Youth Union to organize a special flight as part of our "Spread the love" program, supporting 150 poor workers and students by taking them all back home from HCMC to Hanoi for Tet Holiday. These special flights all had a special meaning and received support from the community.

In addition, Vietjet continuously supported many more meaningful community activities and programs including, the Vu A Dinh scholarship fund, Youth Career Day, Olympic Day Run for public health, "As if we never parted" TV show, offering support to students during exam season, the International Hot Air Balloon Festival 2017, Musical tributes for Trinh Cong Son, IRONMAN 70.3 Vietnam, beauty pageants such as Miss Universe Vietnam, Miss Vietnam and The Face, the Dalat Flower Festival, and more.

Moreover, Vietjet has a great awareness and shown great support for programs to better protect and improve the environment through its business operations and internal activities. Accordingly, Vietjet cooperates with reputable aircraft manufacturers, such as Airbus and Boeing, to build a new, modern and friendly environment fleet, especially with the addition of the new A321neo aircraft. With outstanding fuel efficiency and reduced emissions, the new fleet contributes to improve the company's performance and protect the environment.

Additionally, Vietjet always looks to raise awareness of our employees about environmental protection and actively respond to issues relating to climate change with many effective and practical measures, including: reusing of stationery, economically and effectively; cleaning the workplace, planting trees in our offices; turning off unnecessary lighting equipment, computers, air conditioners, electrical appliances, using water economically; at the same time, we continue to promote the "5S" program to build a clean, green and scientific working environment, especially at our maintenance stations, warehouses, material warehouses.



A modern office interior featuring a long, dark table with a row of colorful chairs (white, green, and red) along its length. The room has large windows on the left side, providing a view of a city skyline. The ceiling is equipped with several large, circular, yellow and red pendant lights. A large potted plant is visible in the foreground on the right, and another one is on the left. The floor is highly reflective, mirroring the chairs and lights.

FINANCIAL STATEMENTS



*Let's make impossible possible,
make dreams come true*



**VietJet Aviation Joint Stock Company
and its subsidiaries**

Consolidated Financial Statements
for the year ended 31 December 2017



**VietJet Aviation Joint Stock Company
Corporate Information**

Business Registration Certificate No.	0103018458	23 July 2007
Corporate Registration Certificate No.	0102325399	19 April 2011
	The Company's Corporate Registration Certificate has been amended several times, the most recent of which is by Corporate Registration Certificate No. 0102325399 dated 24 January 2018. The Business Registration Certificate, the Corporate Registration Certificate and updates were issued by Hanoi Department of Planning and Investment.	
Investment Registration Certificate No.	2357762445	30 December 2016
	The Investment Registration Certificate was issued by the Board of Management of Saigon Hi-Tech Park and is valid for 50 years from the date of the Investment Registration Certificate.	
Board of Management	<p>Nguyen Thanh Ha Nguyen Thi Phuong Thao Nguyen Thanh Hung Chu Viet Cuong Luu Duc Khanh Dinh Viet Phuong</p> <p>Luong The Phuc</p>	<p>Chairwoman Vice Chairwoman Vice Chairman Member Member Member (from 21 April 2017) Member (until 20 April 2017)</p>
Board of Directors	<p>Nguyen Thi Phuong Thao Luu Duc Khanh Nguyen Duc Tam Luong The Phuc Dinh Viet Phuong Nguyen Thi Thuy Binh To Viet Thang Nguyen Duc Thinh Tran Hoai Nam Do Xuan Quang</p> <p>Nguyen Thanh Son</p> <p>Noraesyah Yvonne Binti Abdullah</p>	<p>Chief Executive Officer Managing Director Vice President Vice President Vice President Vice President Vice President Vice President Vice President Vice President (from 23 January 2018) Vice President (from 1 April 2018) Chief Financial Officer (until 30 June 2017)</p>





VietJet Aviation Joint Stock Company
Corporate Information (continued)

Supervisory Board	Tran Duong Ngoc Thao Doan Thu Huong Pham Van Dau Pham Minh Ha	Head of the Board Member Member (from 21 April 2017) Member (until 20 April 2017)
Registered Office	302/3 Kim Ma Street Ngoc Khanh Ward, Ba Dinh District Hanoi City Vietnam	
Auditor	KPMG Limited Vietnam	

VietJet Aviation Joint Stock Company
Statement of the Board of Directors

The Board of Directors of VietJet Aviation Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (together referred to as “the Group”) for the year ended 31 December 2017.

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Directors:

- (a) the consolidated financial statements set out on pages 6 to 54 give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of the consolidated results of operations and the consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these accompanying consolidated financial statements for issue.

On behalf of the Board of Directors

Nguyen Thi Phuong Thao
Chief Executive Officer

Ho Chi Minh City, 20 April 2018





KPMG Limited Branch
 10th Floor, Sun Wah Tower
 115 Nguyen Hue Street, Ben Nghe Ward
 District 1, Ho Chi Minh City, Vietnam
 +84 (28) 3821 9266 | kpmg.com.vn

INDEPENDENT AUDITOR'S REPORT

**To the Shareholders
 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 comprise the consolidated balance sheet as at 31 December 2017, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 20 April 2018, as set out on pages 6 to 54.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of 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 these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

KPMG Limited Branch in Ho Chi Minh City, a branch of KPMG Limited, a Vietnamese one member limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of VietJet Aviation Joint Stock Company and its subsidiaries as at 31 December 2017 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
 Audit Report No.: 17-01-258-2

 Chong Kwang Puay
 Practicing Auditor Registration
 Certificate No. 0864-2018-007-1
 Deputy General Director



Tran Dinh Vinh
 Practicing Auditor Registration
 Certificate No. 0339-2018-007-1

Ho Chi Minh City, 20 April 2018.



VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 December 2017

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2017 VND	1/1/2017 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		17,668,643,983,650	10,313,466,695,796
Cash and cash equivalents	110	5	6,861,601,955,584	2,741,341,465,691
Cash	111		2,824,391,955,584	1,086,741,465,691
Cash equivalents	112		4,037,210,000,000	1,654,600,000,000
Short-term financial investments	120		1,400,000,000	1,400,000,000
Held-to-maturity investments	123		1,400,000,000	1,400,000,000
Accounts receivable – short-term	130		10,223,453,944,832	7,128,756,627,068
Accounts receivable from customers	131	6	1,447,857,870,382	1,758,360,196,227
Prepayments to suppliers – short-term	132	7(a)	533,003,878,162	91,313,966,035
Loans receivable	135	8	487,333,764,000	-
Other short-term receivables	136	9(a)	7,755,258,432,288	5,279,082,464,806
Inventories	140	10	267,181,519,500	137,930,296,755
Other current assets	150		315,006,563,734	304,038,306,282
Short-term prepaid expenses	151	15(a)	218,686,791,604	241,502,028,011
Deductible value added tax	152		881,949,735	5,682,750,824
Taxes receivable from State Treasury	153	17(b)	95,437,822,395	56,853,527,447

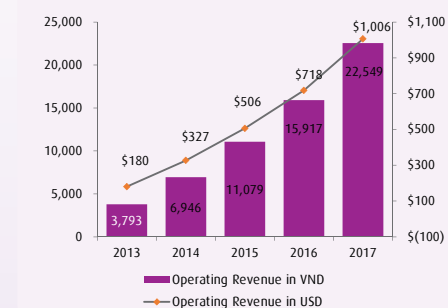
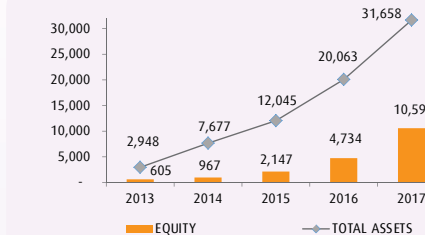
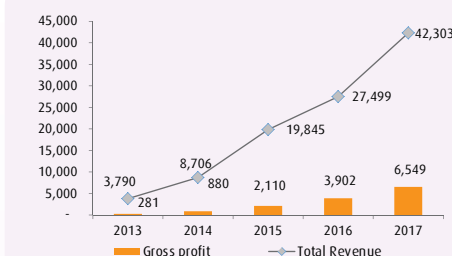
The accompanying notes are an integral part of these consolidated financial statements

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 December 2017 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2017 VND	1/1/2017 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		13,989,621,257,774	9,749,234,828,931
Accounts receivable – long-term	210		7,152,674,330,646	5,104,774,400,197
Prepayments to suppliers – long-term	212	7(b)	701,500,000,000	701,500,000,000
Other long-term receivables	216	9(b)	6,451,174,330,646	4,403,274,400,197
Fixed assets	220		1,528,720,840,609	1,047,218,102,390
Tangible fixed assets	221	11	1,523,538,521,104	1,039,794,508,192
Cost	222		1,676,961,819,773	1,102,569,142,629
Accumulated depreciation	223		(153,423,298,669)	(62,774,634,437)
Intangible fixed assets	227	12	5,182,319,505	7,423,594,198
Cost	228		29,680,011,655	27,580,216,155
Accumulated amortisation	229		(24,497,692,150)	(20,156,621,957)
Long-term work in progress	240		222,031,597,270	181,302,243,599
Construction in progress	242	13	222,031,597,270	181,302,243,599
Long-term financial investments	250	14	68,424,629,818	68,424,629,818
Investments in associates	252		60,000,000,000	60,000,000,000
Equity investments in other entities	253		7,868,448,000	7,868,448,000
Held-to-maturity investments	255		556,181,818	556,181,818
Other long-term assets	260		5,017,769,859,431	3,347,515,452,927
Long-term prepaid expenses	261	15(b)	5,017,769,859,431	3,347,515,452,927
TOTAL ASSETS (270 = 100 + 200)	270		31,658,265,241,424	20,062,701,524,727

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





VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 December 2017 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2017 VND	1/1/2017 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		21,064,130,723,313	15,328,679,347,088
Current liabilities	310		13,911,511,198,702	10,570,076,600,330
Accounts payable to suppliers	311	16	560,253,025,326	391,117,403,830
Advances from customers	312		456,356,000,505	306,908,790,544
Taxes payable to State Treasury	313	17(a)	93,848,331,921	197,975,487,841
Accrued expenses	315	18	1,366,768,242,056	492,497,152,683
Unearned revenue	318	19	1,964,462,207,817	1,306,836,634,360
Other short-term payables	319	20	1,105,583,155,915	528,665,316,650
Short-term borrowings	320	21(a)	6,897,226,897,293	6,102,386,845,285
Provisions – short-term	321	22	1,467,013,337,869	1,243,688,969,137
Long-term liabilities	330		7,152,619,524,611	4,758,602,746,758
Other long-term payables	337		13,702,723,680	17,436,536,908
Long-term borrowings	338	21(b)	626,905,284,322	694,840,299,644
Deferred tax liabilities	341	23	147,546,321,044	82,471,339,722
Provisions – long-term	342	22	6,364,465,195,565	3,963,854,570,484
EQUITY (400 = 410)	400		10,594,134,518,111	4,734,022,177,639
Owners' equity	410	24	10,594,134,518,111	4,734,022,177,639
Share capital	411	25	4,513,432,840,000	3,000,000,000,000
Share premium	412		245,949,492,805	-
Foreign exchange differences	417		23,916,098,372	29,673,324,403
Retained profits	421		5,809,062,955,579	1,702,862,911,199
Non-controlling interests	429		1,773,131,355	1,485,942,037
TOTAL RESOURCES (440 = 300 + 400)	440		31,658,265,241,424	20,062,701,524,727

Prepared by:

Hoang Manh Ha
Acting Chief Accountant

20 April 2018

Approved by:

Luu Duc Khanh
Managing Director



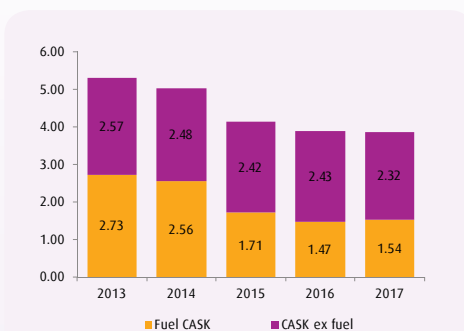
The accompanying notes are an integral part of these consolidated financial statements

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated statement of income for the year ended 31 December 2017

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2017 VND	2016 VND
Revenue from sales of goods and provision of services	01	28	42,302,758,277,806	27,499,296,237,637
Revenue deductions	02	28	185,595,188	-
Net revenue (10 = 01 - 02)	10	28	42,302,572,682,618	27,499,296,237,637
Cost of sales	11	29	35,753,175,886,701	23,597,459,394,556
Gross profit (20 = 10 - 11)	20		6,549,396,795,917	3,901,836,843,081
Financial income	21	30	118,683,815,564	144,656,340,136
Financial expenses	22	31	520,764,518,091	653,948,554,956
<i>In which: Interest expense</i>	23		237,597,428,875	180,732,739,883
Share of losses in associates	24		(44,276,615,962)	(14,605,462,081)
Selling expenses	25	32	578,782,913,704	517,790,332,496
General and administration expenses	26	33	225,808,906,918	188,801,029,582
Net operating profit (30 = 20 + (21 - 22) + 24 - (25 + 26))	30		5,298,447,656,806	2,671,347,804,102
Other income	31		5,745,444,926	31,852,848,762
Other expenses	32		1,554,224,633	54,588,241
Results of other activities (40 = 31 - 32)	40		4,191,220,293	31,798,260,521
Accounting profit before tax (50 = 30 + 40)	50		5,302,638,877,099	2,703,146,064,623
Income tax expense – current	51	35	163,912,482,079	156,246,350,074
Income tax expense – deferred	52	35	65,074,981,322	50,912,671,620
Net profit after tax (60 = 50 - 51 - 52)	60		5,073,651,413,698	2,495,987,042,929

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

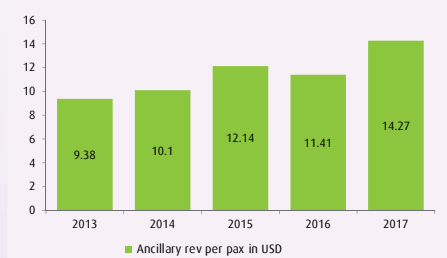
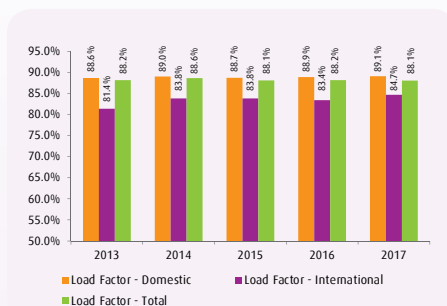




VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated statement of income for the year ended 31 December 2017 (continued)

Form B 02 – DN/HN
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2017 VND	2016 VND
Net profit after tax	60		5,073,651,413,698	2,495,987,042,929
Attributable to:				
Shareholders of the Company	61		5,073,364,224,380	2,495,640,185,684
Non-controlling interests	62		287,189,318	346,857,245
Earnings per share				
Basic earnings per share	70	36	11,356	6,562



20 April 2018

Prepared by:

Hoang Manh Ha
 Acting Chief Accountant

Approved by:

Luu Duc Khanh
 Managing Director



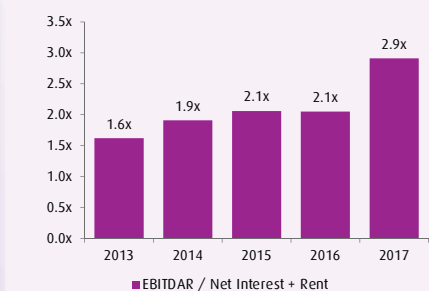
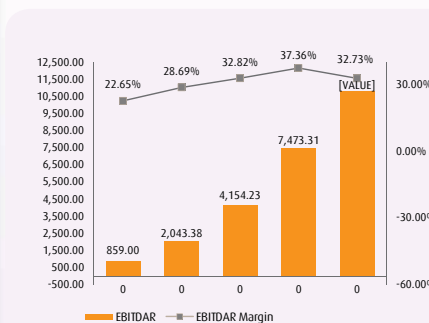
The accompanying notes are an integral part of these consolidated financial statements

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2017
(Indirect method)

Form B 03 – DN/HN
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

	Code	2017 VND	2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	5,302,638,877,099	2,703,146,064,623
Adjustments for			
Depreciation and amortisation	02	94,989,734,425	45,873,196,847
Allowances and provisions	03	-	53,085,360,121
Unwinding discount of provisions	03	277,580,251,779	442,283,153,862
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	5,586,837,437	(50,494,265,652)
Interest income	05	(70,603,613,358)	(55,494,512,525)
Share of losses in associates	05	44,276,615,962	14,605,462,081
Dividend income	05	(3,068,690,000)	(1,180,266,000)
Interest expense	06	237,597,428,875	180,732,739,883
Operating profit before changes in working capital	08	5,888,997,442,219	3,332,556,933,240
Change in receivables	09	(2,794,306,394,758)	(2,628,501,734,577)
Change in inventories	10	(129,251,222,745)	26,497,826,117
Change in payables and other liabilities	11	1,824,012,605,198	848,242,406,191
Change in prepaid expenses	12	1,344,397,355,809	275,392,428,650
		6,133,849,785,723	1,854,187,859,621
Interest paid	14	(236,852,306,374)	(177,942,929,579)
Income tax paid	15	(318,798,833,058)	(40,220,855,647)
Net cash flows from operating activities	20	5,578,198,646,291	1,636,024,074,395
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(325,491,665,092)	(1,859,421,262,131)
Payments for deposits to purchase aircrafts	21	(2,296,535,249,533)	(1,286,462,375,174)
Payments for term deposits	23	-	(1,400,000,000)
Payments for granting loans	23	(487,333,764,000)	-
Receipts from collecting debt instruments of other entities	24	-	270,000,000,000
Payments for investments in other entities	25	-	(60,000,000,000)
Receipts of interests	27	64,280,330,441	105,910,808,415
Receipts of dividends	27	3,068,690,000	1,180,266,000
Net cash flows from investing activities	30	(3,042,011,658,184)	(2,830,192,562,890)

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



VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2017
(Indirect method – continued)

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	Code	2017 VND	2016 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued	31	1,759,382,332,805	71,500,000,000
Proceeds from borrowings	33	25,899,054,643,065	21,249,914,036,344
Payments to settle loan principals	33	(25,184,711,574,405)	(18,035,136,049,967)
Payments to settle business co-operation contracts	34	-	(300,000,000,000)
Payments of dividends	36	(876,827,065,550)	-
Net cash flows from financing activities	40	1,596,898,335,915	2,986,277,986,377
Net cash flows during the year (50 = 20 + 30 + 40)	50	4,133,085,324,022	1,792,109,497,882
Cash and cash equivalents at the beginning of the year	60	2,741,341,465,691	923,512,917,695
Effect of exchange rate fluctuations on cash and cash equivalents	61	(7,067,608,098)	6,624,195,754
Currency translation differences	61	(5,757,226,031)	19,094,854,360
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 5)	70	6,861,601,955,584	2,741,341,465,691

Prepared by: 20 April 2018

Hoang Manh Ha
Acting Chief Accountant



Approved by:

Lau Duc Khanh
Managing Director

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

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2017

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

1. Reporting entity

(a) Ownership structure

VietJet Aviation Joint Stock Company ("the Company") is a joint stock company incorporated in Vietnam. The consolidated financial statements of the Company for the year ended 31 December 2017 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

According to Decision No. 29/QĐ-SGDHCM dated 6 February 2017 of Ho Chi Minh Stock Exchange, the Company's share were officially listed on Ho Chi Minh Stock Exchange, with trading code VJC, on 28 February 2017.

(b) Principal activities

The principal activities of the Company and its subsidiaries are to provide passenger and cargo transportation services on domestic and international air routes, airline related support services and to trade aircrafts.

(c) Normal operating cycle

The normal operating cycle of the Group is generally within 12 months.

(d) Group's structure

As at 31 December 2017, the Group has 5 subsidiaries and 2 associates (1/1/2017: 5 subsidiaries and 2 associates) as follows:

Name	Country of incorporation	Principal activities	Business registration certificate	% ownership interest/voting right	
				31/12/2017	1/1/2017
<i>Subsidiaries</i>					
Vietjet Air Cargo Joint Stock Company	Vietnam	To provide cargo transportation and related support services.	No. 0312759089 dated 27 August 2014	90%	90%
Vietjet Air IVB No. 1 Limited	British Virgin Islands	To trade aircrafts.	No. 1825671 dated 27 May 2014	100%	100%

(*)

VietJet Aviation Joint Stock Company and its subsidiaries
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(continued)

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Name	Country of incorporation	Principal activities	Business registration certificate	% ownership interest/ voting right	
				31/12/2017	1/1/2017
Vietjet Air IVB No. II Limited (*)	British Virgin Islands	To trade aircrafts.	No. 1825613 dated 27 May 2014	100%	100%
Vietjet Air Singapore Pte. Ltd. (*)	Singapore	To trade aircrafts.	No. 201408849N dated 27 March 2014	100%	100%
Vietjet Air Ireland No. 1 Limited (*)	Ireland	To trade aircrafts.	No. 544879 dated 3 June 2014	100%	100%
Skymate Lintied (*)	Cayman Islands	To trade aircrafts.	No.327015 dated 15 September 2017	100%	-
<i>Associates</i>					
Thai Vietjet Air Joint Stock Company Limited (*) (**)	Thailand	To provide transportation and transfer of goods and passengers, operate the business of tours and other related services.	No. 0105556100551 dated 25 June 2013	9%	9%
Cam Ranh International Terminal Joint Stock Company (**)	Vietnam	To provide support services for airline transportation.	No. 4201676638 dated 5 February 2016	10%	10%

(*) As at 31 December 2017, the Group has not yet contributed capital in these subsidiaries and the associates. These companies operations are mainly financed by the Company.

(**) The Company has significant influence over these companies because the Company has right to appoint members of the Board of Management of these companies.

As at 31 December 2017, the Group has 3,162 employees (1/1/2017: 2,494 employees).

VietJet Aviation Joint Stock Company and its subsidiaries
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2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost basis. The consolidated statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Group is from 1 January to 31 December.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for the consolidated financial statements presentation purpose.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

VietJet Aviation Joint Stock Company and its subsidiaries
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(ii) **Non-controlling interests**

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

(iii) **Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of income. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the consolidated financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

(iv) **Associates**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

(v) **Transactions eliminated on consolidation**

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associates.

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(b) **Foreign currency**

(i) **Foreign currency transactions**

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of the account transfer buying rates and selling rates at the end of the annual accounting period quoted by the commercial bank where the Group's entities most frequently conducts transactions.

All foreign exchange differences are recorded in the consolidated statement of income.

(ii) **Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to VND at exchange rates at the end of the annual accounting period. The income and expenses of foreign operations are translated to VND at exchange rates at the dates of transactions.

Foreign currency differences arising from the translation of foreign operations are recognised in the consolidated balance sheet under the account "Foreign exchange differences" in equity.

(c) **Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(d) **Investments**

(i) **Held-to-maturity investments**

Held-to-maturity investments are those that the management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks, investments in business cooperation contracts and loans receivable held-to-maturity. These investments are stated at costs less allowance for doubtful debts.

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(ii) **Investments in equity instruments of other entities**

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such loss was anticipated by the management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) **Accounts receivable**

Trade and other receivables are stated at cost less allowance for doubtful debts.

(f) **Maintenance reserves of leased aircrafts**

Under the terms of its aircraft operating lease agreements, the Group is legally and contractually responsible for maintenance and repair of the leased aircrafts throughout the lease period and is also required to make maintenance reserves with the lessors. The maintenance reserves are recorded as other short-term and long-term receivables when there is no significant uncertainty regarding recovery of the reimbursement from lessors. Maintenance reserves made to lessors are typically calculated based on a performance measure, 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. If there are excess amounts on maintenance reserves at the expiration of the leases, the lessors are entitled to retain such excess amounts.

(g) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Group applies the perpetual method of accounting for inventories.

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(h) **Tangible fixed assets**

(i) **Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Manufacturers' discounts, if any, are deducted from the value of the related asset. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul cost, is charged to the consolidated statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) **Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ aircraft and components	20 years
▪ machinery and equipment	3 – 10 years
▪ office equipment	3 – 5 years
▪ motor vehicles	6 years

(i) **Intangible fixed assets**

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 3 years.

(j) **Construction in progress**

Construction in progress represents the cost of construction and acquiring aircrafts which have not been fully completed. No depreciation is provided for construction in progress during the period of construction.

VietJet Aviation Joint Stock Company and its subsidiaries
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(k) Long-term prepaid expenses

(i) Major inspection and overhaul expenditure

Major inspection and overhaul expenditure for leased aircrafts are deferred and amortised over the shorter of the period to the next major inspection event and the remaining term of the lease.

(ii) 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.

(iii) 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.

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Provisions for maintenance costs in the scope of maintenance reserves

According to the aircraft leasing agreements between the Group and its lessors and the requirements of Vietnam Aviation Authority, the Group has to perform the routine maintenance and periodic maintenance for leased aircrafts based on its own Maintenance Planning Development ("MPD") which was constructed based on the guidance of airline manufacturers. The routine maintenance will be performed at the Group's cost while the periodic maintenance will be covered by maintenance reserves. The provisions for maintenance expenses in the scope of maintenance reserves is determined by discounting the expected future costs of maintenance for the leased aircrafts, having regard to the current fleet plan. During the period of leasing, the estimated costs are recorded in provisions with the corresponding debit to long-term prepaid expenses. The estimated costs in long-term prepaid expenses are amortised on the basis of flight hours or cycles for the next maintenance event. The effect of unwinding discount of the provisions is recorded as financial expenses.

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(ii) Provisions for cost to make good on leased assets

With respect to aircraft operating lease agreements where the Group is required to return the aircraft with adherence to certain maintenance conditions, cost to make good on leased assets is estimated at the inception of the lease based on the present value of the future expected costs at the expiration of the lease in order for the Group to meet the certain 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 and return of the aircraft to a specified location. At the inception of the lease, the estimated cost is recorded in provisions with the corresponding debit to long-term prepaid expenses. The estimated costs in long-term prepaid expenses are amortised on a straight-line basis over the term of the leases. The effect of unwinding discount of the provisions is recorded as financial expenses.

(n) Share capital

(i) Ordinary shares

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of ordinary shares, net of tax effects, are recognised as a deduction from share premium.

(ii) Shares premium

The difference between proceeds from issuance of shares over the par value is recorded in share premium.

(o) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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(p) Revenue and other income

(i) Passenger transportation

Revenue from passenger transportation is recognised in the consolidated statement of income when the transportation is provided or when the ticket expires. The value of unused passenger tickets and miscellaneous charges is recorded in current 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 of passenger transportation is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Ancillary revenue

Ancillary revenue includes cargo transportation, baggage service, other revenue related to passenger transportation, sale of in-flight and duty free merchandise, advertising and commission. No 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 statement of income when the service is provided.

Revenue from baggage service is recognised in the consolidated statement of income 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 they are recognised in the consolidated statement of income when charged to passengers.

Sales of in-flight and duty free merchandise is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer.

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

(iii) Charter flights

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

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(iv) Aircrafts leasing

Revenue from aircrafts leasing is recognised in consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised in the consolidated statement of income as an integral part of the total lease expense. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(v) Sales of aircrafts

Revenue from the sales of aircrafts is recognised in consolidated statement of income 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 aircrafts.

Aircraft sales and leaseback transaction

The Group's aircraft sales and leaseback transaction is a transaction where an aircraft 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 lease payment and sale price are 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 aircraft 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 aircraft 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 aircraft, a loss equal to the amount of the difference between the carrying amount and fair value shall be recognised immediately.

(vi) Other services

Revenue from services rendered is recognised in consolidated statement of income in proportion to the stage of completion of the transaction at the end of the annual accounting period. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(vii) Interest income

Interest income is recognised on the time proportion basis with reference to the principal outstanding and the applicable interest rate.

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(viii) **Dividend income**

Dividend income is recognised when the right to receive dividend is established. Share dividends are not recognised as income. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(q) **Borrowing costs**

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(r) **Operating lease payments**

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense.

(s) **Earnings per share**

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The Company does not have potential dilutive ordinary share.

(t) **Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.

(u) **Related parties**

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Group and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

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4. **Segment reporting**

(a) **Business segment**

For management purpose, the Group has 2 reportable operating segments as follows:

- Providing passenger and cargo transportation, ancilliary services, aircraft rental and advertising on aircrafts (referred to as "aviation services"); and
- Sales of aircrafts.

Except those indicated above, the Group has no other operating segments being aggregated to form a reportable operating segments. Segmental information for total revenue and cost of sales is shown in Note 28 and Note 29 to the consolidated financial statements. There is no intersegment revenue between operating segments. All the Group's assets, liabilities, financial income and financial expenses, general and administration expenses, selling expenses, other income and other expenses are unallocated.

The Board of Directors determined the operating segments based on reports that are reviewed and used to make strategic decisions.

(b) **Geographical segment**

The Group's revenue is presented by geographical area (by country of destination) as follows:

	2017 VND	2016 VND
In Vietnam	14,164,060,449,620	11,383,297,393,344
Outside Vietnam	28,138,512,232,998	16,115,998,844,293
	<hr/>	<hr/>
	42,302,572,682,618	27,499,296,237,637

The Group's fixed assets and capital expenditure are primarily located in Vietnam.



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5. Cash and cash equivalents

	31/12/2017 VND	1/1/2017 VND
Cash on hand	8,740,285,221	2,543,172,753
Cash in banks	2,407,681,670,363	1,084,198,292,938
Cash in transits	407,970,000,000	-
Cash equivalents	4,037,210,000,000	1,654,600,000,000
	<u>6,861,601,955,584</u>	<u>2,741,341,465,691</u>

Cash equivalents represented term deposits at banks with maturities of less than 3 months and earned interest at rates ranging from 5.3% to 5.5% per annum during the year (2016: from 4.5% to 5.6%) for deposits in VND and no interest for deposits in USD.

Included in cash equivalents as at 31 December 2017 was VND300,000 million (1/1/2017: VND175,000 million) pledged as security for borrowings granted by Ho Chi Minh City Development Joint Stock Commercial Bank to the Group.

6. Accounts receivable from customers – short-term

(a) Accounts receivable from customers detailed by significant customers

	31/12/2017 VND	1/1/2017 VND
Hangzhou BaoLi Co., Ltd	1,206,074,957,438	1,556,774,827,960
Aviation Solutions (Thailand) Co., Ltd	72,928,310,709	72,860,587,484
World Go International Co., Ltd	20,050,350,612	38,556,753,163
Other customers	148,804,251,623	90,168,027,620
	<u>1,447,857,870,382</u>	<u>1,758,360,196,227</u>

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(b) Accounts receivable from customers who are related parties

	31/12/2017 VND	1/1/2017 VND
World Go International Co., Ltd, an other related party	20,050,350,612	38,556,753,163
Thai Vietjet Air Joint Stock Company Limited, an associate	192,134,116	-
Ho Chi Minh City Development Joint Stock Commercial Bank, an other related party	60,199,199	-
Indochina Beach Hotel Joint Stock Company, an other related party	3,432,000	51,342,000
Ariyana Hotel and Tourism Joint Stock Company, an other related party	-	16,500,000
	<u>-</u>	<u>-</u>

The amounts due from related parties were unsecured, interest free and are receivable on demand.

7. Prepayments to suppliers

(a) Prepayments to suppliers – short-term

	31/12/2017 VND	1/1/2017 VND
Related parties		
Prepayments for consultancy services to Angelica Holding Limited, an other related party (*)	442,728,000,000	-
Prepayments for office building construction to Indochina ACM Corporation, an other related party (**)	14,601,834,620	3,432,794,454
Prepayments for flight services to Thai Vietjet Air Joint Stock Company Limited, an associate (**)	-	14,757,791,669
Third parties		
Prepayments for engine repair services	6,124,891,332	27,143,242,096
Others	69,549,152,210	45,980,137,816
	<u>533,003,878,162</u>	<u>91,313,966,035</u>

(*) The prepayments were refunded on 19 April 2018 by the related party (Refer to Note 40(b)).

(**) The prepayments to the related parties were unsecured and interest free.

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(b) Prepayments to suppliers – long-term

	31/12/2017 VND	1/1/2017 VND
Business co-operation contract	701,500,000,000	701,500,000,000

Prepayments to suppliers – long-term represented the Group's contribution to develop an office and residential complex building in 18E Cong Hoa, Ward 4, Tan Binh District, Ho Chi Minh City in accordance with Contract No. 01/2016/VJA-TDDB dated 2 June 2016 with Thuy Duong – Duc Binh Commercial Joint Stock Company. The Group will receive 15,547 m² office area and 13,409 m² residential area and use these areas as the Group's office and dormitory upon completion of the project, which is expected within 3 years from the date of the contract. As at 31 December 2017, the construct is in the progress as planned.

8. Loans receivable

Loans receivable represented loans provided to AAA Aircraft Asset Company Limited, an other related party amounted to USD21,501,600 to finance its purchase of aircrafts and related acquisition costs. The loans are unsecured and bore interest at rate of 2.5% per annum.

9. Other receivables

(a) Other short-term receivables

	31/12/2017 VND	1/1/2017 VND
Related party		
Expenses paid on behalf of Thai Vietjet Air Joint Stock Company Limited, an associate	410,572,971,721	447,296,489,780
Third parties		
Deposits for aircraft purchases within next 12 months	5,299,354,253,466	3,462,539,158,419
Maintenance reserves of leased aircrafts	1,620,541,614,727	901,462,143,692
Purchase discounts receivable	207,075,437,945	299,790,648,188
Advances to employees	68,562,678,338	40,451,553,468
Claims receivables from maintenance reserves of leased aircrafts	36,240,516,195	14,573,306,867
Cabin modification receivables	9,030,285,032	12,079,587,527
Interest income	8,029,352,361	1,706,069,444
Advances share issuance costs	-	32,409,850,138
Other short-term deposits	52,829,252,297	30,296,462,087
Others	43,022,070,206	36,477,195,196
	<u>7,755,258,432,288</u>	<u>5,279,082,464,806</u>

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The amounts due from related parties were unsecured, interest free and are receivable on demand.

(b) Other long-term receivables

	31/12/2017 VND	1/1/2017 VND
Related party		
Expenses paid on behalf of Thai Vietjet Air Joint Stock Company Limited, an associate	468,344,946,987	-
Third parties		
Deposits for aircraft purchases after next 12 months	2,129,312,445,671	1,669,592,291,185
Maintenance reserves of leased aircrafts	2,931,845,978,926	2,099,900,362,116
Deposits for aircraft leases	869,006,090,209	614,849,191,414
Others	52,664,868,853	18,932,555,482
	<u>6,451,174,330,646</u>	<u>4,403,274,400,197</u>

In accordance with agreement in September 2017, repayment term of VND468 billion due from Thai Vietjet Air Joint Stock Company Limited has been extended to 31 December 2019.

10. Inventories

	31/12/2017		1/1/2017	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Tools and supplies	257,446,699,070	-	133,562,282,327	-
Merchandise inventories	9,734,820,430	-	4,368,014,428	-
	<u>267,181,519,500</u>	<u>-</u>	<u>137,930,296,755</u>	<u>-</u>

As at 31 December 2017, inventories with carrying value of VND267,182 million (1/1/2017: VND137,930 million) were pledged as security for borrowings granted by Vietnam Joint Stock Commercial Bank for Industry and Trade to the Group.

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11. Tangible fixed assets

	Aircraft and components VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
Cost					
Opening balance	1,014,972,823,421	57,248,469,944	15,409,457,798	14,938,391,466	1,102,569,142,629
Additions	-	-	3,070,846,745	3,103,636,999	6,174,483,744
Transfer from construction in progress	497,848,193,400	70,370,000,000	-	-	568,218,193,400
Closing balance	1,512,821,016,821	127,618,469,944	18,480,304,543	18,042,028,465	1,676,961,819,773
Accumulated depreciation					
Opening balance	30,816,828,145	13,011,087,353	11,313,367,599	7,633,351,340	62,774,634,437
Charge for the year	77,672,093,630	8,780,555,539	1,231,492,582	2,964,522,481	90,648,664,232
Closing balance	108,488,921,775	21,791,642,892	12,544,860,181	10,597,873,821	153,423,298,669
Net book value					
Opening balance	984,155,995,276	44,237,382,591	4,096,090,199	7,305,040,126	1,039,794,508,192
Closing balance	1,404,332,095,046	105,826,827,052	5,935,444,362	7,444,154,644	1,523,538,521,104

Included in the cost of tangible fixed assets were assets costing VND16,105 million which were fully depreciated as at 31 December 2017 (1/1/2017: VND11,455 million), but which are still in active use.

As at 31 December 2017, tangible fixed assets with carrying value of VND851,835 million (1/1/2017: VND888,585 million) were pledged as security for borrowings granted by Military Commercial Joint Stock Bank to the Group.

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12. Intangible fixed assets

	Software VND
Cost	
Opening balance	27,580,216,155
Additions	2,099,795,500
Closing balance	29,680,011,655
Accumulated amortisation	
Opening balance	20,156,621,957
Charge for the year	4,341,070,193
Closing balance	24,497,692,150
Net book value	
Opening balance	7,423,594,198
Closing balance	5,182,319,505

Included in the cost of intangible fixed assets was assets costing VND10,898 million which were fully amortised as at 31 December 2017 (1/1/2017: VND6,613 million), but which are still in active use.

13. Construction in progress

	2017 VND	2016 VND
Opening balance	181,302,243,599	137,353,932,965
Additions during the year	800,463,744,628	1,007,477,052,467
Transfer to tangible fixed assets	(568,218,193,400)	(913,682,191,969)
Transfer to cost of aircrafts sold	(191,516,197,557)	(49,846,549,864)
Closing balance	222,031,597,270	181,302,243,599

During the year, borrowing costs capitalised into construction in progress amounted to VND34,905 million (2016: VND23,050 million).

Construction in progress at the reporting date mainly represented the costs of acquiring aircrafts.

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14. Long-term financial investments

	31/12/2017		1/1/2017	
	% of equity owned/voting rights	VND	% of equity owned/voting rights	VND
Equity investments in:				
• Associates				
- Thai Vietjet Air Joint Stock Company Limited	9%	-	9%	-
- Cam Ranh International Terminal Joint Stock Company	10%	60,000,000,000	10%	60,000,000,000
		<u>60,000,000,000</u>		<u>60,000,000,000</u>
• Other entity				
- Sai Gon Ground Services Joint Stock Company	4%	7,868,448,000	4%	7,868,448,000
- Angelica Holding Limited (*)	10%	-	-	-
		<u>7,868,448,000</u>		<u>7,868,448,000</u>
Held-to-maturity investments in:				
• Business co-operation contract		556,181,818		556,181,818
		<u>556,181,818</u>		<u>556,181,818</u>
		<u>68,424,629,818</u>		<u>68,424,629,818</u>

(*) As at 31 December 2017, the Group has not yet contributed capital in this company, which is incorporated in Cayman Islands. The principal activities of this company and its subsidiaries are to provide consultancy services and lease aircrafts.

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15. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2017 VND	1/1/2017 VND
Prepayments for aircraft leases	201,055,142,423	227,656,900,271
Prepayments for maintenance expenses	14,643,249,582	13,212,911,483
Others	2,988,399,599	632,216,257
	<u>218,686,791,604</u>	<u>241,502,028,011</u>

(b) Long-term prepaid expenses

	Maintenance costs VND	Cost to make good on leased assets VND	Major inspection and overhaul expenditure VND	Rotable parts, tools and instruments VND	Others VND	Total VND
Opening balance	2,797,822,490,216	172,072,300,904	166,521,757,016	210,909,450,415	189,454,376	3,347,515,452,927
Additions during the year	2,840,102,738,976	151,733,786,930	49,520,498,975	94,109,284,258	545,461,111	3,136,011,770,250
Charge for the year	(1,020,988,125,060)	(3,094,968,923)	(110,144,260,547)	(168,109,508,121)	(280,466,454)	(1,302,617,329,105)
Written off	(163,140,034,641)	-	-	-	-	(163,140,034,641)
Closing balance	<u>4,453,797,069,491</u>	<u>320,711,118,911</u>	<u>105,897,995,444</u>	<u>136,909,226,552</u>	<u>454,449,033</u>	<u>5,017,769,859,431</u>



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16. Accounts payable to suppliers – short-term

Accounts payable to suppliers detailed by significant suppliers:

	31/12/2017 Cost/Amount within repayment capacity VND	1/1/2017 Cost/Amount within repayment capacity VND
SR Technics Switzerland Ltd	107,542,055,719	-
Petrolimex Aviation Fuel Joint Stock Company	25,305,914,761	243,481,418,499
Airports Corporation of Vietnam	93,936,585,717	-
The Civil Aviation Administration of China's Settlement Center	65,201,167,522	9,586,272,790
Vietnam Air Petrol Company Limited	-	21,849,959,094
Other suppliers	268,267,301,607	116,199,753,447
	<u>560,253,025,326</u>	<u>391,117,403,830</u>

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17. Taxes

(a) Taxes payable to State Treasury

	1/1/2017 VND	Incurred VND	Paid VND	Netted-off VND	Reclassified VND	31/12/2017 VND
Value added tax	64,969,047,604	1,574,334,339,392	(612,781,648,093)	(956,982,891,090)	-	69,538,847,813
Personal income tax	16,980,945,810	266,691,772,560	(259,372,753,119)	-	-	24,299,965,251
Foreign contractor tax	-	71,426,557,278	(71,149,994,774)	(276,562,504)	-	-
Corporate income tax	116,025,494,427	163,912,482,079	(318,798,833,058)	-	38,860,856,552	-
Other taxes	-	3,371,449,305	(3,361,931,348)	-	900	9,518,857
	<u>197,975,487,841</u>	<u>2,079,736,600,614</u>	<u>(1,265,465,160,392)</u>	<u>(957,259,453,594)</u>	<u>38,860,857,452</u>	<u>93,848,331,921</u>

(b) Taxes receivable from State Treasury

	1/1/2017 VND	Netted-off VND	Reclassified VND	31/12/2017 VND
Foreign contractor tax	56,853,527,447	(276,562,504)	-	56,576,964,943
Corporate income tax	-	-	38,860,856,552	38,860,856,552
Other taxes	-	-	900	900
	<u>56,853,527,447</u>	<u>(276,562,504)</u>	<u>38,860,857,452</u>	<u>95,437,822,395</u>



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18. Accrued expenses

	31/12/2017 VND	1/1/2017 VND
Aircraft related expenses	1,133,907,718,337	409,026,251,553
Maintenance expenses	98,874,443,293	6,587,341,493
13 th month salary	46,385,852,941	34,312,991,844
Interest expense	5,609,006,900	4,863,884,399
Others	81,991,220,585	37,706,683,394
	<u>1,366,768,242,056</u>	<u>492,497,152,683</u>

19. Unearned revenue

	31/12/2017 VND	1/1/2017 VND
Passenger transportation and ancillary revenue received in advance, to be realised within next 12 months	1,964,462,207,817	1,306,836,634,360

20. Other short-term payables

	31/12/2017 VND	1/1/2017 VND
Related parties		
Dividends payable to shareholders	90,337,114,450	-
Amounts due to other related parties	1,692,894,632	7,676,125,320
Third parties		
Airport tax payables	725,686,963,581	399,300,619,575
Short-term deposits received	281,103,539,996	107,423,263,649
Others	6,762,643,256	14,265,308,106
	<u>1,105,583,155,915</u>	<u>528,665,316,650</u>

The amounts due to related parties were unsecured, interest free and are payable on demand.

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21. Borrowings

(a) Short-term borrowings

	1/1/2017 Carrying amount/ Amount within repayment capacity VND	Movements during the year	31/12/2017 Carrying amount/ Amount within repayment capacity VND		
		Additions VND	Repayments VND		
			Revaluation VND		
Short-term borrowings	6,036,432,585,285	25,899,054,643,065	(25,104,729,049,962)	1,136,668,905	6,831,894,847,293
Current portion of long-term borrowings (Note 21(b))	65,954,260,000	79,360,314,443	(79,982,524,443)	-	65,332,050,000
	<u>6,102,386,845,285</u>	<u>25,978,414,957,508</u>	<u>(25,184,711,574,405)</u>	<u>1,136,668,905</u>	<u>6,897,226,897,293</u>



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Terms and conditions of short-term borrowings were as follows:

Lenders	Currency	31/12/2017 VND	1/1/2017 VND
Secured loans			
Ho Chi Minh City Development Joint Stock Commercial Bank ("HDBank") (i)			
Loan 1	VND	-	106,812,385,443
Loan 2	USD	873,584,591,673	-
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank") (ii)			
Loan 3	VND	1,913,772,674,679	1,647,157,457,453
Loan 4	USD	1,071,313,513,020	334,867,496,106
Unsecured loans			
Joint Stock Commercial Bank For Foreign Trade of Vietnam			
Loan 5	VND	141,151,969,667	340,862,342,163
Loan 6	USD	386,495,000,000	682,060,978,753
Petrolimex Group Commercial Joint Stock Bank			
Loan 7	VND	-	118,684,487,400
Military Commercial Joint Stock Bank			
Loan 8	VND	1,029,431,351,660	770,578,961,161
Loan 9	USD	-	79,764,999,999
Maritime Commercial Joint Stock Bank			
Loan 10	USD	325,269,962,608	128,315,091,936
Bank for Investment and Development of Vietnam			
Loan 11	VND	-	894,341,373,335
An Binh Commercial Joint Stock Bank			
Loan 12	USD	529,374,865,825	433,497,690,959
HSBC Bank (Vietnam) Ltd			
Loan 13	VND	561,500,918,161	166,665,685,684
Tien Phong Commercial Joint Stock Bank			
Loan 14	USD	-	332,823,634,893
		6,831,894,847,293	6,036,432,585,285

During the year, the above loans bore annual interest at rates ranging from 3.7% to 5.5% for loans in VND (2016: 2.4% to 5.5%) and from 1.4% to 3.5% for loans in USD (2016: 1.4% to 5%).

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(i) Loans 1 and 2 from HDBank, a related party, were secured by:

	31/12/2017 VND	1/1/2017 VND
Cash equivalents (Note 5)	300,000,000,000	175,000,000,000

As at 31 December 2017, loan 2 was secured by estimated receivables from the Group's sale of flight tickets in the future amounted to VND1,440 billion.

(ii) Loans 3 and 4 were secured by:

	31/12/2017 VND	1/1/2017 VND
Inventories (Note 10)	267,181,519,500	137,930,296,755

(b) **Long-term borrowings**

Terms and conditions of long-term borrowings were as follow:

Lender	Annual Currency interest rate	Year of maturity	31/12/2017 VND	1/1/2017 VND
Military Commercial Joint Stock Bank	LIBOR 6 months + 2.7%	2017 – 2028	692,237,334,322	760,794,559,644
Repayable within 12 months (Note 21(a))			(65,332,050,000)	(65,954,260,000)
Repayable after 12 months			626,905,284,322	694,840,299,644

Original principal of this loan is repayable in 24 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.

In accordance with Principle Agreement No. 24012017/HDNT/MB-VJ dated 24 January 2017 between the Group and the lender, the Group also entered into currency and interest rate swap transactions with the lender in portion of its borrowings to manage the impact of changes in currency exchange rate and interest rate on these borrowings. Under the Agreement, the Group will receive USD amounts from the lender to settle the due principal and related interest expense; and pay VND equivalent amounts to the lender using the VND/USD exchange rate of 22,575 and fixed interest rate of 7.5% per annum for the period from 24 January 2017 to 13 December 2019. Payments are made at the end of each six-month period and the first payment date was on 13 June 2017.

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Detail of asset pledged as security for this loan was as follows:

	31/12/2017 VND	1/1/2017 VND
Aircraft no. A320 MSN7167, VNA675 (Note 11)	851,835,624,577	888,585,171,422

22. Provisions

Movements of provisions during the year were as follows:

	Provision for maintenance expenses VND	Provision to make good on leased assets VND	Total VND
Opening balance	4,915,553,224,444	291,990,315,177	5,207,543,539,621
Provision made during the year	2,840,102,738,976	151,733,786,930	2,991,836,525,906
Unwinding discount	241,173,031,919	36,407,219,860	277,580,251,779
Utilisation during the year	(632,601,776,460)	-	(632,601,776,460)
Foreign exchange differences	(12,880,007,412)	-	(12,880,007,412)
Closing balance	7,351,347,211,467	480,131,321,967	7,831,478,533,434
Short-term	1,467,013,337,869	-	1,467,013,337,869
Long-term	5,884,333,873,598	480,131,321,967	6,364,465,195,565
	7,351,347,211,467	480,131,321,967	7,831,478,533,434

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23. Deferred tax liabilities

	31/12/2017 VND	1/1/2017 VND
Deferred tax assets:		
Unearned revenue – short-term	-	2,368,124,035
Provisions	1,419,594,372,900	520,754,353,962
Accrued expenses	41,976,111,780	3,431,299,184
Total deferred tax assets	1,461,570,484,680	526,553,777,181
Deferred tax liabilities:		
Long-term prepaid expenses	(852,802,825,175)	(296,989,479,112)
Maintenance reserves of leased aircrafts	(748,423,357,259)	(300,136,250,581)
Unrealised foreign exchange gains	(7,890,623,290)	(11,899,387,210)
Total deferred tax liabilities	(1,609,116,805,724)	(609,025,116,903)
Net deferred tax liabilities	(147,546,321,044)	(82,471,339,722)



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24. Changes in owners' equity

	Share capital VND	Share premium VND	Foreign exchange differences VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance as at 1 January 2016	1,450,000,000,000	-	10,578,470,043	685,722,725,515	1,139,084,792	2,147,440,280,350
Increase share capital by issuance of share dividends from retained profits	978,500,000,000	-	-	(978,500,000,000)	-	-
Issuance of ordinary shares	571,500,000,000	-	-	(500,000,000,000)	-	571,500,000,000
Cash dividends	-	-	-	2,495,640,185,684	346,857,245	(500,000,000,000)
Net profit for the year	-	-	-	-	-	2,495,987,042,929
Currency translation of foreign operations	-	-	19,094,854,360	-	-	19,094,854,360
Balance as at 1 January 2017	3,000,000,000,000	-	29,673,324,403	1,702,862,911,199	1,485,942,037	4,734,022,177,639
Issuance of ordinary shares	223,880,600,000	1,535,501,732,805	-	-	-	1,759,382,332,805
Increase share capital by issuance of share dividends from share premium (Note 25)	1,289,552,240,000	(1,289,552,240,000)	-	(967,164,180,000)	-	(967,164,180,000)
Cash dividends (Note 26)	-	-	-	5,073,364,224,380	287,189,318	5,073,651,413,698
Net profit for the year	-	-	-	-	-	-
Currency translation of foreign operations	-	-	(5,757,226,031)	-	-	(5,757,226,031)
Balance as at 31 December 2017	4,513,432,840,000	245,949,492,805	23,916,098,372	5,809,062,955,579	1,773,131,355	10,594,134,518,111

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25. Share capital

The Company's authorised and issued share capital are:

	31/12/2017		1/1/2017	
	Number of shares	VND	Number of shares	VND
Authorised/ Issued share capital				
Ordinary shares	451,343,284	4,513,432,840,000	300,000,000	3,000,000,000,000
Shares in circulation				
Ordinary shares	451,343,284	4,513,432,840,000	300,000,000	3,000,000,000,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

Movements in share capital during the year were as follows:

	2017		2016	
	Number of shares	VND	Number of shares	VND
Opening balance	300,000,000	3,000,000,000,000	145,000,000	1,450,000,000,000
Shares issued by cash (*)	22,388,060	223,880,600,000	7,150,000	71,500,000,000
Share dividends issued (**)	128,955,224	1,289,552,240,000	97,850,000	978,500,000,000
Shares issued offset against cash dividends	-	-	50,000,000	500,000,000,000
Closing balance	451,343,284	4,513,432,840,000	300,000,000	3,000,000,000,000

(*) On 5 January 2017, the Company's shareholders resolved to issue 22,388,060 ordinary shares to Sunflowers Sunny Investment Company Limited, a related party, at VND84,600 per share. Subsequently, the Company issued these new shares to this shareholder on 17 March 2017.

(**) On 20 April 2017, the general meeting of Company's shareholders resolved to increase share capital from VND3,223 billion to VND4,513 billion by issuance of share dividends at the rate of 40 new shares for each of existing 100 shares from share premium.



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26. Dividends

On 24 April 2017 and 6 June 2017, the Company's Board of Management resolved to distribute cash dividends amounting to VND322,388 million (VND1,000 per share) and VND644,776 million (VND2,000 per share) from retained profits.

27. Off balance sheet items

(a) Lease commitments

The future minimum lease payments under non-cancellable operating leases were:

	31/12/2017 VND	1/1/2017 VND
Within 1 year	4,894,901,836,920	3,329,553,590,024
Within 2 to 5 years	18,313,664,866,549	11,786,025,592,691
More than 5 years	22,347,046,275,866	12,974,577,948,968
	<u>45,555,612,979,335</u>	<u>28,090,157,131,683</u>

(b) Foreign currency

	31/12/2017		1/1/2017	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	262,781,900	5,955,951,758,740	95,442,767	2,168,459,663,514

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(c) Capital commitments

As at the reporting date, the Group had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	31/12/2017 VND	1/1/2017 VND
Approved and contracted (*)	462,500,000,000	462,500,000,000
Approved but not contracted (**)	3,825,000,000,000	3,825,000,000,000
	<u>4,287,500,000,000</u>	<u>4,287,500,000,000</u>

(i) In addition to above commitments, the Group also have following approved and contracted commitments:

Purchases of aircrafts and components and related maintainance services

The Group signed a principle purchase agreement and related amendments with Airbus S.A.S to purchase 119 aircrafts and with Boeing Company to purchase 100 aircrafts. As at 31 December 2017, the Group has received 42 aircrafts, the remaining aircrafts are scheduled to deliver to the Company from 2018 to 2023.

Pursuant to the aircraft purchase agreements, the Group's commitments as at 31 December 2017 in relation to pre-delivery payments for remaining aircrafts to be delivered (including engines) were USD682 million (in respect of Airbus aircrafts) and USD1,052 million (in respect of Boeing aircrafts).

The Group ordered 20 engines to power 10 new aircrafts with CFM International S.A. The value of this agreement, which also includes a long-term maintenance services, is USD580 million at list price. In addition, the Group also signed a principle purchase agreement and related amendments with CFM International S.A to purchase 3 aircraft engines for replacement and with United Technologies Corporation (Pratt & Whitney Division) to purchase 9 aircraft engines for replacement.

On 31 May 2017, the Group signed an agreement with Honeywell Aviation Services for 98 auxiliary power units for Airbus A320 aircrafts. This agreement runs through 2022 and includes maintenance services for 12 years. The value of this agreement is USD180 million at list price.

On 31 May 2017, the Group signed a 12-year maintenance agreement with CFM International S.A to support the engines for Boeing 737 MAX aircrafts scheduled for delivery between 2019 and 2023. The value of this agreement is USD3.5 billion at list price and covers 215 engines.

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Financing arrangements

On 31 May 2017, the Group signed an aircraft financing memorandum of understanding with GE Capital Aviation Services of USD1 billion. GE Capital Aviation Services will finance, purchase and enter into sale and leaseback arrangements for 10 aircrafts.

On 5 June 2017, the Group signed a strategic agreement with Mitsubishi UFJ Lease and Finance Co., Ltd to finance 3 aircraft purchases of USD348 million.

(**) This commitment relates to the development of an aviation technology research and training centre at Saigon Hi-Tech Park, District 9, Ho Chi Minh City in accordance with Investment Registration Certificate No. 2357762445 dated 30 December 2016 issued by the Board of Management of Saigon Hi-Tech Park.

28. Revenue from sales of goods and provision of services

	2017 VND	2016 VND
Total revenue		
Passenger transportation		
▪ Domestic routes	10,783,474,944,053	8,646,255,772,294
▪ International routes	2,424,393,916,235	801,915,629,801
▪ Charter flights and aircraft wet leases	3,646,261,365,525	2,719,886,832,505
	16,854,130,225,813	12,168,058,234,600
Ancillary revenue	5,477,049,982,320	3,552,923,831,576
Aircraft dry leases	96,564,199,433	56,914,200,000
Other revenue	121,011,531,840	139,450,521,121
Sales of aircrafts	19,754,002,338,400	11,581,949,450,340
	42,302,758,277,806	27,499,296,237,637
Less revenue deductions		
▪ Sales discounts	(185,595,188)	-
	42,302,572,682,618	27,499,296,237,637
Net revenue	42,302,572,682,618	27,499,296,237,637
In which:		
Net revenue from aviation services	22,548,570,344,218	15,917,346,787,297
Net revenue from sales of aircrafts	19,754,002,338,400	11,581,949,450,340
	42,302,572,682,618	27,499,296,237,637

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29. Cost of sales

	2017 VND	2016 VND
Ground operation expenses	1,657,602,015,834	1,123,517,651,781
Flight operation expenses	14,391,284,367,610	10,866,887,021,349
Technical expenses	1,443,536,341,114	737,044,632,260
Safety, security, quality and assurance expenses	30,578,861,088	20,575,056,630
Cargo expenses	127,121,920,018	84,883,338,007
Depreciation and amortisation	1,391,067,072,313	668,100,803,990
Others	358,271,541,055	41,120,606,588
Costs of aircrafts sold	16,353,713,767,669	10,055,330,283,951
	35,753,175,886,701	23,597,459,394,556
In which:		
Costs of aviation services	19,399,462,119,032	13,542,129,110,605
Costs of aircrafts sold	16,353,713,767,669	10,055,330,283,951
	35,753,175,886,701	23,597,459,394,556

30. Financial income

	2017 VND	2016 VND
Interest income	70,603,613,358	55,494,512,525
Realised foreign exchange gains	44,210,712,206	37,428,630,925
Unrealised foreign exchange gains	-	50,494,265,652
Dividend income	3,068,690,000	1,180,266,000
Others	800,800,000	58,665,034
	118,683,815,564	144,656,340,136

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31. Financial expenses

	2017 VND	2016 VND
Unwinding discount of provisions	277,580,251,779	442,283,153,862
Interest expense	237,597,428,875	180,732,739,883
Realised foreign exchange losses	-	30,932,661,211
Unrealised foreign exchange losses	5,586,837,437	-
	<u>520,764,518,091</u>	<u>653,948,554,956</u>

32. Selling expenses

	2017 VND	2016 VND
Sales expenses	290,104,149,149	237,253,896,663
Advertising and marketing expenses	211,599,966,466	219,120,948,284
Staff costs	66,580,045,457	57,327,184,911
Depreciation and amortisation	451,670,326	379,588,887
Others	10,047,082,306	3,708,713,751
	<u>578,782,913,704</u>	<u>517,790,332,496</u>

33. General and administration expenses

	2017 VND	2016 VND
Staff costs	97,367,937,767	81,805,573,809
Rental expenses	25,244,550,872	17,887,211,429
Depreciation and amortisation	6,088,320,891	3,001,448,201
Insurance expenses	65,259,737	44,124,246
Others	97,042,837,651	86,062,671,897
	<u>225,808,906,918</u>	<u>188,801,029,582</u>

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34. Business costs by elements

	2017 VND	2016 VND
Fuel costs	8,060,241,634,646	5,369,109,087,358
Costs of purchasing aircrafts	16,353,713,767,669	10,055,330,283,951
Labour costs and staff costs	2,237,138,806,620	1,736,737,890,476
Depreciation and amortisation	94,989,734,425	45,873,196,847
Outside services	7,916,974,068,351	6,253,281,775,262
Other expenses	1,894,709,695,612	843,718,522,740
	<u>27,357,768,607,523</u>	<u>24,348,436,426,634</u>

35. Income tax

(a) Recognised in the consolidated statement of income

	2017 VND	2016 VND
Current tax expense		
Current year	160,648,628,095	156,246,350,074
Under provision in prior years	3,263,853,984	-
	<u>163,912,482,079</u>	<u>156,246,350,074</u>
Deferred tax expense		
Origination and reversal temporary differences	52,932,915,184	50,912,671,620
Effect of change in tax rate	12,142,066,138	-
	<u>65,074,981,322</u>	<u>50,912,671,620</u>
Income tax expense	<u>228,987,463,401</u>	<u>207,159,021,694</u>

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(b) Reconciliation of effective tax rate

	2017 VND	2016 VND
Accounting profit before tax	5,302,638,877,099	2,703,146,064,623
Tax at the Company's tax rate	1,060,527,775,420	540,629,212,925
Effect of difference tax rates applied for subsidiaries	(659,765,059,473)	(305,233,872,706)
Non-deductible expenses	352,402,637	575,054,880
Deferred tax assets not recognised	8,912,692,116	89,892,060,006
Under provision in prior years	3,263,853,984	-
Effect of change in tax rate	12,142,066,138	-
Tax incentives	(196,446,267,421)	(118,703,433,411)
	228,987,463,401	207,159,021,694

(c) Applicable tax rates

(i) Companies incorporated in Vietnam

VietJet Aviation Joint Stock Company

For public passengers and cargo air transportation services, under the terms of current tax regulations and income tax laws, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits for the first 10 years starting from the first year of operation and at usual income tax rate for the succeeding years. However, the current tax regulations also allow the Company to be exempt from income tax for 2 years starting from the first year it generates a taxable profit (2014) and entitled to a 50% reduction in income tax for the 3 succeeding years (2016, 2017 and 2018).

For other activities, under the terms of current income tax regulations, the Company has an obligation to pay the government income tax at usual income tax rate.

The usual income tax rate applicable to the Company before any incentives is 20% of taxable profits.

Vietjet Air Cargo Joint Stock Company

Under the terms of current tax regulations and income tax laws, Vietjet Air Cargo Joint Stock Company has an obligations to pay the government income tax at the rate 20% of taxable profits.

(ii) Companies incorporated in British Virgin Islands

Vietjet Air IVB No. I Limited và Vietjet Air IVB No. II Limited

There are no taxes on income or gains in the British Virgin Islands.

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(iii) Company incorporated in Singapore

Vietjet Air Singapore Pte. Ltd.

Vietjet Air Singapore Pte. Ltd. has an obligation to pay income tax at the rate of 17% of taxable profits.

(iv) Company incorporated in Ireland

Vietjet Air Ireland No. 1 Limited

Vietjet Air Ireland No. 1 Limited has an obligation to pay income tax at the rate of 12.5% of taxable profits.

36. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2017 was based on the profit attributable to ordinary shareholders of the Company and a weighted average number of ordinary shares, as follows:

(a) Net profit attributable to ordinary shareholders

	2017 VND	2016 VND
Net profit attributable to ordinary shareholders	5,073,364,224,380	2,495,640,185,684

(b) Weighted average number of ordinary shares

	Number of shares	
	2017	2016 Restated
Issued ordinary shares at the beginning of the year	300,000,000	145,000,000
Effect of share dividends issued in 2016	-	111,685,616
Effect of share dividends issued in 2017	128,955,224	120,000,000
Effect of shares issued by cash during the year	17,787,774	3,643,562
	446,742,998	380,329,178

The weighted average number of ordinary shares and basic earnings per share for the year ended 31 December 2016 was restated to represent the effect of share dividends issued in 2017.

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37. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the consolidated financial statements, the Group had the following significant transactions with related parties during the year:

	Transaction value	
	2017 VND	2016 VND
Shareholders with significant influence		
Issuance of ordinary shares	1,894,029,876,000	-
Term deposits	7,613,132,376,000	1,180,000,000,000
Interest income	54,601,970,070	10,663,536,965
Borrowings	3,551,832,052,518	758,722,469,930
Interest expense	6,914,005,671	5,960,878,899
Service rendered	13,584,156,988	47,478,830,795
Purchase of consultancy services	1,975,600,000	4,379,100,000
Associates		
Expenses paid on behalf	178,391,832,252	414,042,387,138
Services rendered	124,219,932,630	62,758,730,595
Capital contribution	-	60,000,000,000
Members of Board of Management, Board of Directors and Supervisory Board		
Share-based payments	124,096,200,000	-
Salary and compensations	15,986,506,107	13,109,379,578
Other related parties		
Sales of aircrafts	2,314,686,000,000	-
Prepayments for consultancy services	442,728,000,000	-
Services rendered	259,838,194,701	110,351,533,077
Aircrafts leases rental	18,115,812,000	-
Deposits for aircrafts leases	36,064,548,000	-
Prepayments for office building construction	14,601,834,620	-
Income from investments in corporate bonds	-	14,841,666,667

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38. Share-based payments

The Group has an employee share-based payment plans to award employees based on the assessment of their performance. The issuance of shares under the plan has to be approved by the shareholders at annual general meeting.

In May 2016, the Company issued 7,150,000 shares at par value to a designated shareholder. On 12 January 2017, the shares, which were previously issued to the designated shareholder, were granted to the Company's selected employees under Employee Stock Option Plan.

39. Non-cash investing and financing activities

	2017 VND	2016 VND
Increase share capital by issuance of share dividends from share premium or retained profits	1,289,552,240,000	978,500,000,000
Cash dividends offset with shares issued	-	500,000,000,000
Net-off payables from purchases of fixed assets with other short-term receivables	497,848,193,400	-

40. Post balance sheet events

(a) Dividends declared after the year end

On 9 January 2018, the Company's Board of Management resolved to advance interim cash dividend to existing shareholders from retained profits at the rate of VND1,000 per share. Total value of approved interim cash dividend is VND451,343 million.

(b) Termination of consultancy agreement

In quarter 4 of 2017, the Group made a payment of VND442,728 million (equivalent to USD19.5 million) for a consultancy service agreement with Angelica Holding Limited, an oversea other related party for aircraft delivery management (on-site representation), documentation and system management, technical redelivery services with total contract value of VND816,948 million (equivalent to USD36 million). The payment was presented in prepayments to suppliers as at 31 December 2017 (Note 7(a)). After balance sheet date, on 16 April 2018, the Group and the related party agreed to terminate the service agreement. Accordingly, both parties agreed that the Group does not have any obligation related to this agreement until the date of termination. In addition, the related party also agreed to refund the advances receipts and the Group received this repayment on 19 April 2018.

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41. Corresponding figures

Corresponding figures as at 1 January 2017 were derived from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2016.

20 April 2018

Prepared by:  Approved by: 

Hoang Manh Ha
Acting Chief Accountant

 Luu Duc Khanh
Managing Director

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