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ANNUAL REPORT 2019



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CORPORATE GOVERNANCE REPORT

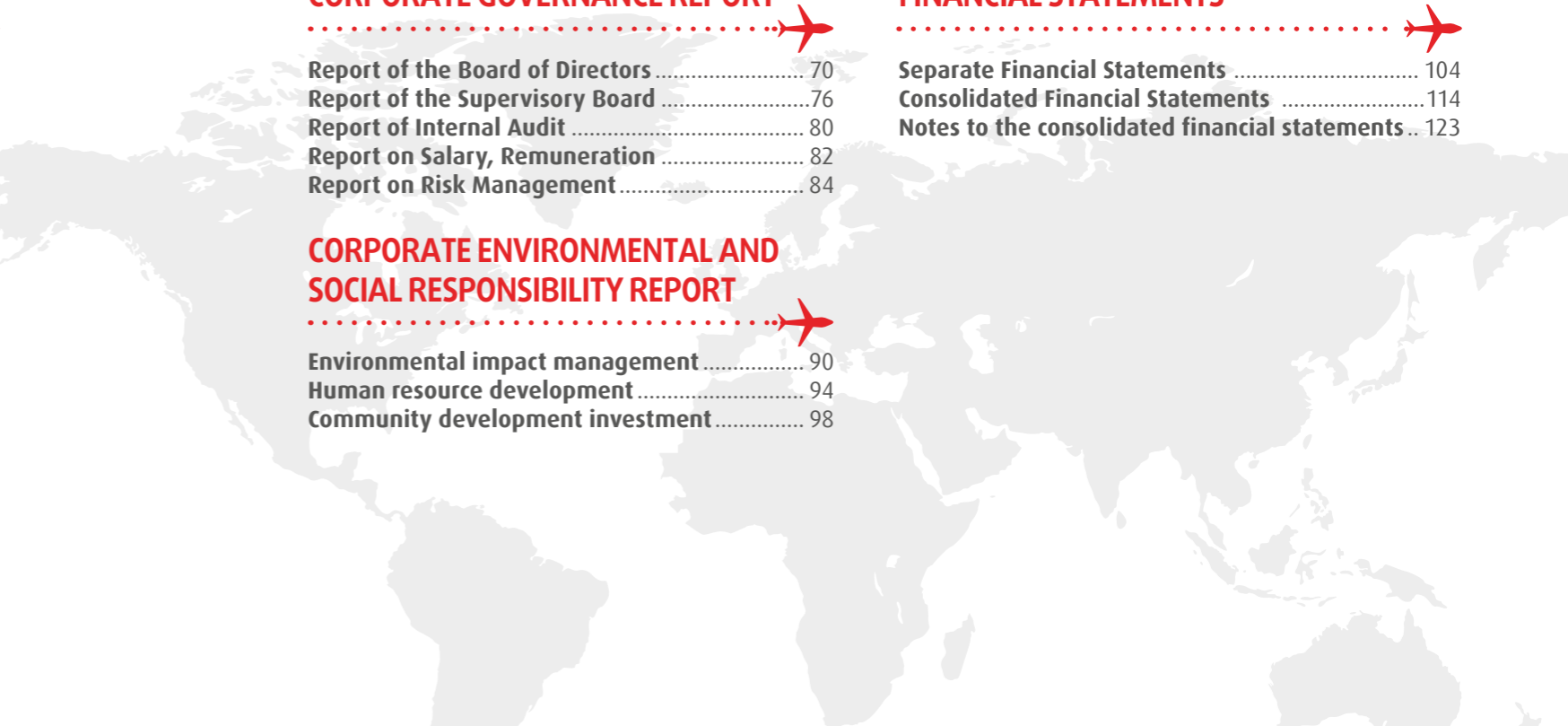
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Corporate information

Proudly being a new generation airline with a modern fleet, Vietjet has contributed significantly to meet rising demand for travel of 25 million domestic and international passengers in 2019. We were honored with the title of "Asia Pacific Low Cost Airline of the Year" by CAPA.





VISION

- To become a global airline group with an extensive regional and worldwide flight network, providing not only airline services but also consumer services across advanced e-commerce platforms; a trusted and highly prestigious brand in the eyes of travelers all over the world.

MISSION

- To continuously expand our flight network nationally, regionally and globally;
- To bring innovation to airline services;
- To make air travel the most popular form of transportation for Vietnamese and all people around the world;
- To bring happiness and satisfaction to our customers by offering outstanding services, always with a friendly smile.

MESSAGE FROM THE CHAIRWOMAN

Dear Shareholders and Investors!

In 2019, Vietjet was very proud to realize the “floral dream”, bringing the flying opportunity to the 100 millionth passenger - a milestone marking Vietjet’s indispensable role and position in the aviation industry. 100 million passengers are also 100 million beliefs for Vietjet, because only with Vietjet, the “floral dream” of every Vietnamese can truly spread its aroma all over 139 routes covering Vietnam and other countries worldwide.

We all know that 2019 is a challenging year for Vietnam’s aviation industry. Such challenges came from the lack and decay of infrastructure, including airport stations, landing ground, runways and soaring fuel prices,... All of these factors have greatly affected aviation operations.

Even so, Vietjet still stood firmly and grew strongly with the flight network expansion of over 30%. Consolidated revenue in 2019 was VND 50,602 billion, in which revenue from air transport reached VND 41,252 billion, an increase of 22% over the same period last year, profit before tax of the parent company reached VND 3,868 billion, an increase of 27% year-on-year. Vietjet continues to maintain its leading position in domestic market with 25 million passengers, an increase of 8% compared to 2018. We are very happy to be awarded the highest ranking for safety with 7 stars by AirlineRatings be honored as “Best Ultra Low-Cost Airline 2020”; and be named as “Asia Pacific Low Cost Airline of the Year 2019”. Vietjet is the special foreign enterprise and the first low-cost carrier in the world to join Japan Federation of Economic Organizations (Keidanren)...

In the journey of 2019, Vietjet’s success not only brought value to its shareholders and investors, but, together, Vietjet also kept our commitment toward social responsibility, helping the community understand that we always head towards the best for country. Vietjet implemented a lot of charity programs and environmental protection activities in all provinces and cities across the country. Especially, in 2019, Vietjet accompanied the I Love My Fatherland Journey through many sacred places of the Country, spreading the love of homeland, spreading the stories of kindness to people all over the country. Vietjet’s companion in the I Love My Country Journey is also a bridge to bring the value of our shareholders and investors to the community.

Vietjet has affirmed its role as a new generation airline, always pioneers for the newest best things, pioneers in administrative reforms, improving quality of service; pioneers in investing in aircraft, equipment, and modern and advanced infrastructure; pioneers in recruiting

talented human resources ... to head toward sustainable value for the community, to shareholders and investors.

Dear Shareholders and Investors!

The year 2020 begins with enormous challenges when the Covid-19 pandemic breaks out globally. But Vietjet’s team is always confident, optimistic and calm, turns risks into opportunities, quickly implements a suitable strategy to the situation. In addition to rescue flights for passengers in the affected areas, Vietjet has boosted its cargo services, transported thousands of tons of essential goods, and medical equipment to help prevent and control the epidemic. All passengers, crew, vehicles, aircraft are absolutely safe.

Along with that, Vietjet is focusing on improving the organizational structure; enhancing savings, organizing work more scientifically to ensure workflow, safety and life for officials and employees; deploys online courses for leaders and employees; focuses on renewing aircraft fleets; reinforces all factors to prepare for the leap after the pandemic ... We always appreciate the sharing of Vietjet team and support from shareholders, investors during difficult period of early 2020, it will be an important launching pad for Vietjet to raise phenomenally after the pandemic. In the ceremony to announce 2 new routes to Japan, taking place in Tokyo, July 2019, Prime Minister Nguyen Xuan Phuc declared: “We always appreciate the sharing of Vietjet team and supports from shareholders, investors during the difficult period of early 2020, it will be an important launching pad for Vietjet to raise phenomenally after the pandemic. With the expansion of the international and domestic network as well as the high quality fleet, Vietjet will become a strong carrier in the region”.

The Prime Minister’s affirmation is also our commitment to our shareholders and investors that Vietjet will constantly innovate to PIONEER, SUSTAINABLY DEVELOPE, embrace the beliefs that shareholders and investors has completely put into Vietjet.

Best regards!

Chairwoman of the Board
NGUYEN THANH HA



“ Vietjet has affirmed its role as a new generation airline, always pioneers for the newest best things in the latest, pioneers in administrative reforms, improving quality of service; pioneers in investing in aircraft, equipment, and modern and advanced infrastructure; pioneers in recruiting talented human resources ... to head toward sustainable values for the community, to shareholders and investors.

CORPORATE INFORMATION

General information

English name: VIETJET AVIATION JOINT STOCK COMPANY

Abbreviated name: VIETJET., JSC

Trade name: VIETJET AIR

Business code No. 0102325399 issued by Ha Noi Department for Planning and Investment

• **First registration:** 27 November 2007

• **27th amendment:** 01 August 2018

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

Head Office: 302/3, Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District, Ha Noi, Vietnam

Operating Office: Vietjet Plaza, 60A Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam

Tel: (84-24) 7108 6668

Fax: (84-24) 3728 1838

Website: www.vietjetair.com

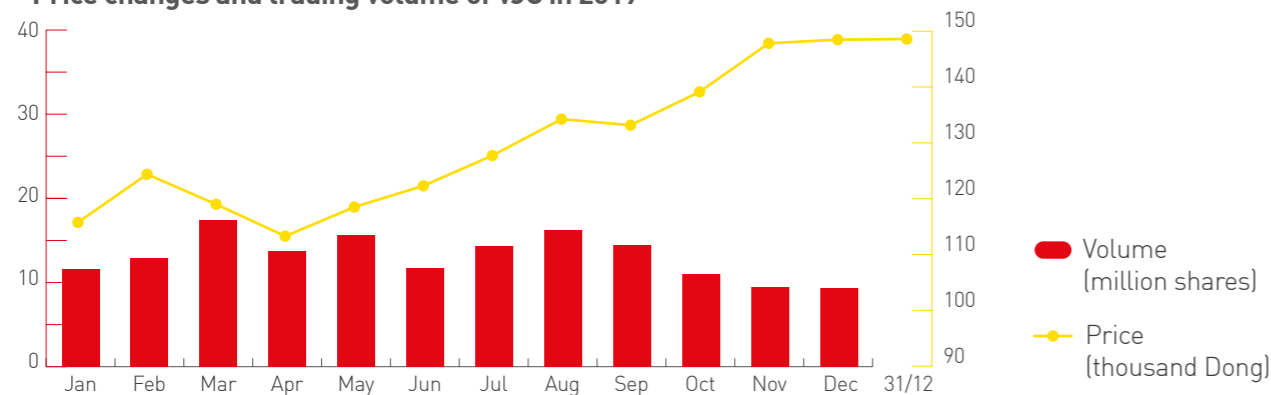
Charter Capital: VND 5,416,113,340,000 (Five trillion, four hundred sixteen billion, one hundred thirteen million and three hundred forty thousand Vietnam Dong)

Total common shares: 541,611,334 shares (Five hundred forty-one million, six hundred eleven thousand, three hundred and thirty four shares)

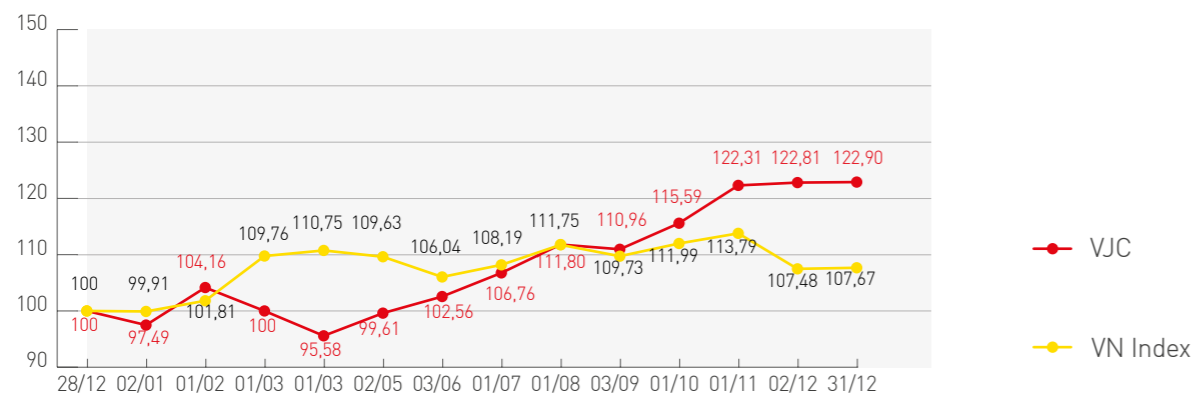
Stock code: VJC

Information on VJC stock

Price changes and trading volume of VJC in 2019

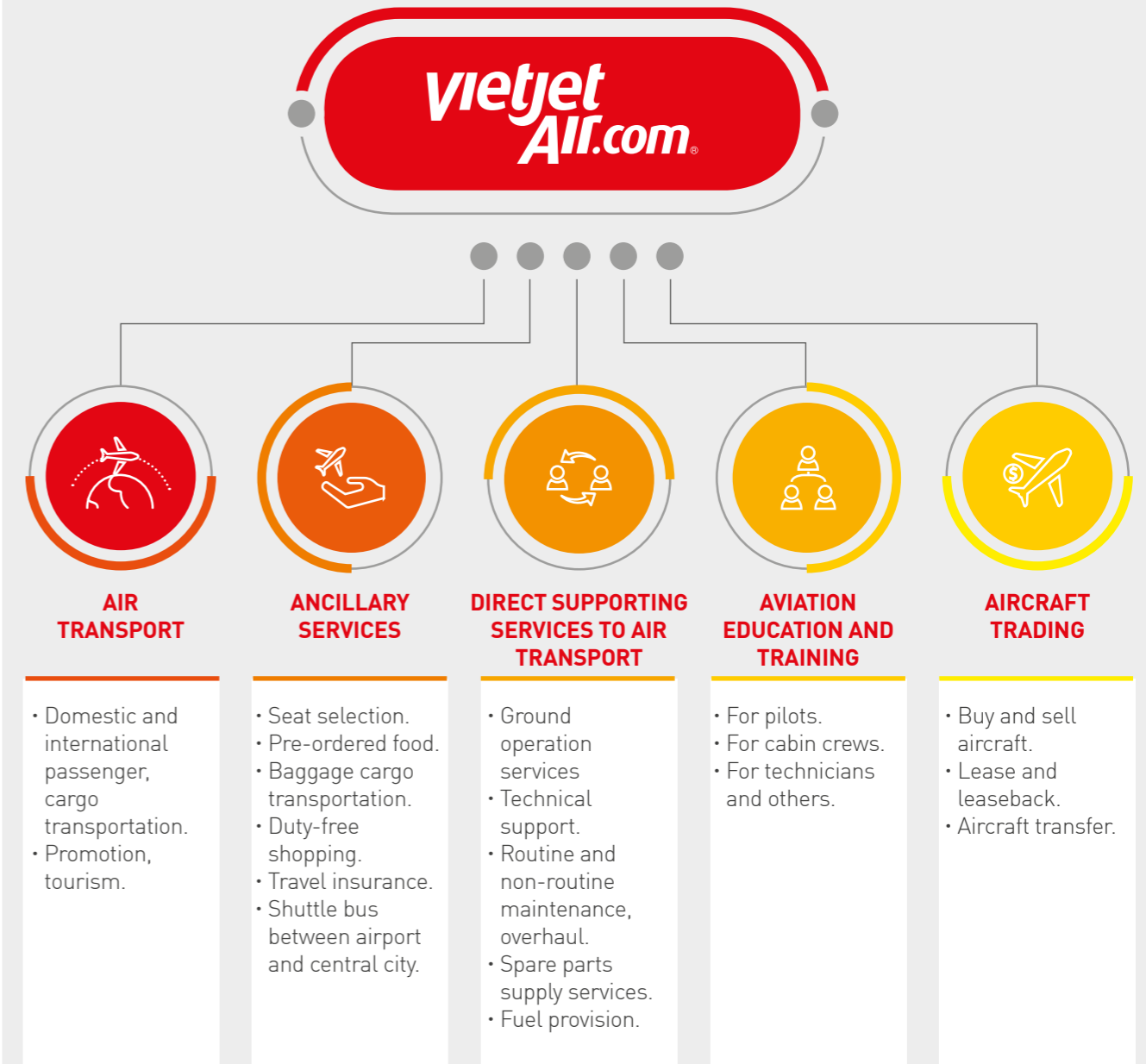


Price comparison between VJC and VN-Index



Business activities

Vietjet focuses on five main business activities:



Geographic coverage

Vietjet has expanded the route network throughout Southeast Asia and Northeast Asia with 139 routes, including 44 domestic routes and 95 international routes. We cover over 70 destinations in 14 countries including China, South Korea, Japan, Hong Kong, Macau, Taiwan, Indonesia, Malaysia, Myanmar, Thailand, India, Cambodia and Singapore.

OUR HISTORY AND DEVELOPMENT

Vietjet Aviation Joint Stock Company (Vietjet) was established on 23 July 2007 with the business license number 0103018458 issued by the Planning and Investment Department of Ha Noi.

Aiming for safe flights with international standard service quality, Vietjet had invested 4 years in preparation for resources, systems and financial capability to ensure sustainable development, contribute to the development of aviation and tourism industries as well as the economic growth within region.

Since the first commercial flight, Vietjet has achieved important milestones in the journey of conquering the sky and bringing innovation to Vietnam's aviation industry.



- Launched Vietjet's new slogan "Enjoy Flying".
- Expanded domestic flight network to six new destinations including Vinh, Da Nang, Nha Trang, Da Lat, Phu Quoc, and Hai Phong.

vietjetair.com

Obtained an Air Operator Certificate No. 01/0103018458.

2007

2011

Launched the first commercial flight from Ho Chi Minh City to Ha Noi on 24 December.



2012

2013

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



100 AIRBUS

- Signed an agreement to purchase 200 aircraft with one of the largest aircraft manufacturer 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 five new domestic routes and two new destinations including Thanh Hoa, and Can Tho.
- Inaugurated three new international routes to Singapore, South Korea, and Taiwan.

2014



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

2016

2015

- Inaugurated Vietjet Training Center.
- Achieved IATA Operational Safety Audit certificate from International Air Transport Association (IATA).
- Inaugurated nine new domestic routes and three new destinations including Dong Hoi, Chu Lai, and Pleiku.
- Inaugurated two new international routes and one new destination to Yangon (Myanmar).



- Opened flight routes to Tokyo and Osaka, Japan.
- Signed MOU (Memorandum of Understanding) for long-term engine maintenance service with CFM International. Signed a USD 7.3 billion agreement with Safran - CFM, GECAS in France.

2018

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 increasing the total number of international routes to 44.



2019

- Inaugurated new routes between Vietnam - Japan.
- Reached the milestone of 100 million domestic and international passengers.
- Expanded flight network with 139 routes including 44 domestic routes and 95 international routes.
- The fleet was upgraded to 78 aircrafts with young average age.
- Signed a purchase contract for 20 new generation A321XLR aircrafts with Airbus.
- Officially became a member of the Japan Business Federation - Keidanren.

100 million passengers



PRODUCTS – SERVICES



Lounge

Vietjet has a system of modern and luxury lounges at airports to serve Skyboss passengers. Passengers can relax, entertain, work and meet business partners in private space and with well-equipped facilities: private screen providing flight information, lavish buffet, a bar with variety of special wines and publications such as newspapers/ magazines, free internet/ wifi access and other facilities for work and entertainment needs.

Private jet

Vietjet is known for guaranteed quality services not only in Vietnam but also in surrounding countries. Vietjet has been selected and trusted to provide private jet services, carrying famous artists and business families from Mumbai (India) to Phu Quoc (Vietnam) to attend the wedding party of an famous Indian billionaire couple.



In-flight meals

In-flight meals served with a diversity of seasonal menu include nine hot dishes, instant food and snacks, accompanying more than 20 types of hot and cold drinks in European and Asia styles, prepared by five-star restaurant chefs. In addition, Vietjet also serves vegan diet and dietary meals specially ordered by passengers.

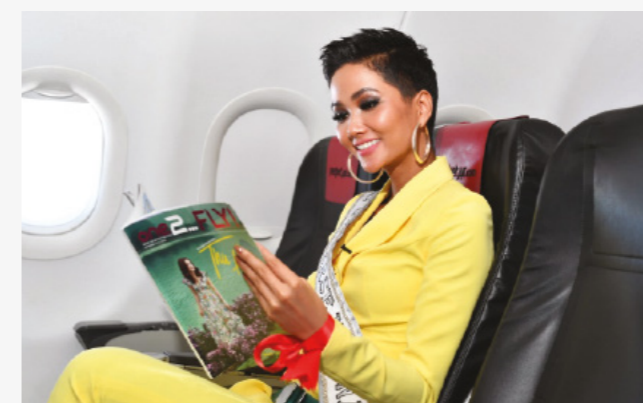
Unlimited entertainment with high-tech equipment

Vietjet's aircrafts are equipped with hi-tech devices to meet the need of passengers. Passengers can watch latest movies, play interactive games, listen to music in flights.



Flight entertainment activities

Interact with passengers on aircraft and implement entertainment activities such as Carnival Dance, Gangnam-style dance, wedding on airplane, etc with the participation of famous singers and artists. Vietjet also gives out gifts during special occasions such as Lucky money for Tet Holiday, small gifts of free tickets for Christmas, Women's day, Children's day, etc... to customers.



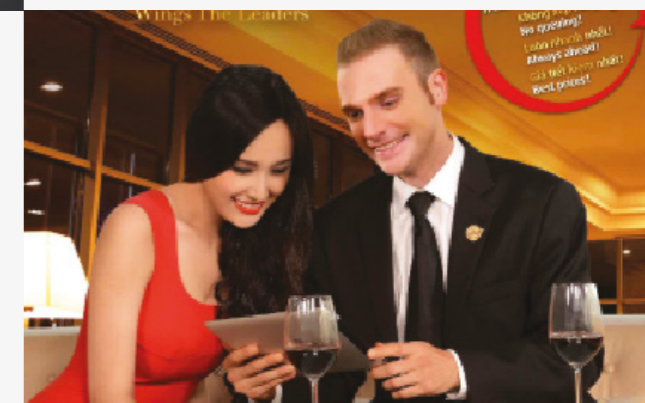
Shopping for unique souvenirs and talking with One 2 Fly

Provide unique souvenirs and travel publication One 2 Fly - one of luxury travel publications.

SKYBOSS – Style of leaders

Vietjet's high-class services provide many special services to leading passengers, including:

- Priority check-in;
- Luxury lounges;
- Priority seat;
- Flexible ticket;
- Private transportation to aircraft;
- Free in-flight meals and beverage;
- Free 30kg of checked baggage and a set of golf bag.



Marketing and distribution

Main distribution channels of Vietjet includes:

- Website and mobile apps;
- Ticket agents;
- Ticket offices;
- Vietjet helpdesk for customer service;
- Retail units and correspondent banks with more than 3,000 transaction points.

BUSINESS MODEL

Vietjet is based on the low-cost airline business model with specific features such as point-to-point flight, focusing on operating short-haul routes with high frequency, focusing on cost control and web-based distribution channel. To create a difference in the quality of products and services provided to customers, Vietjet continuously makes innovation and has succeeded in building a New Age Airline model: low cost but with superior service quality to meet 4.0 industrial standard and serve the needs of diverse customers.



KEY PARTNERS

Vietjet establishes close and balanced business relationships with two leading aircraft manufacturers, Airbus and Boeing, through large purchase orders with the total of 371 new generation aircrafts.

Suppliers in the aviation value chain: companies operating in aircraft lease, airports, aviation service providers (ground serving, air servicing, maintenance center), travel agents, shipping services.

Shareholders, investors, domestic and foreign financial institutions with strong financial positions have accompanied Vietjet in early stages and vibrant development.

KEY RESOURCES

Aircraft: New, modern and young fleet is one of Vietjet's competitive advantages that differentiate our business model from others.

Staff: A total of 5,092 qualified, outstanding, experienced, young, active and enthusiastic employees.

Advanced technology: Vietjet currently uses advanced software solutions for flight management and operation management such as AMOS, AIMS, AirFase, SFC02, Intellysis, etc.

The Company also built a platform for e-commerce and will continue to invest in developing ERP solutions for corporate administration and operation under the "E-Company" model.

VALUE PROPOSITIONS

Vietjet is keen on its brand positioning as a New Age Airline: offering competitive fares with products and services of outstanding quality, demonstrating core values: Safety – Fun and Friendly - Affordable price - Punctuality. Vietjet's mission is to make air travel become the popular means of transportation in Vietnam and in the world, and bring innovation to aviation services.

KEY ACTIVITIES

Provision of passenger transport services. Vietjet is always a pioneer in developing new domestic and international routes, a wide network to the regions of South-East Asia and North-East Asia. The aviation services have shown a strong annual growth rate and is the core services as prescribed in the airline's orientational plan from the first day of establishment until now.

COST STRUCTURE

As a low-cost carrier, cost control is always an important goal to create competitive advantages against other competitors in the industry. Major expenses for Vietjet are fuel, aircraft rental, flight operation, ground handling, maintenance and technical expenses, accounting for a large proportion of the Company's cost structure. Vietjet's Cost per Available Seat-Kilometer (CASK) is currently the best in class, capable of competing with well-known airlines in regional and global markets.

REVENUE STREAM

Vietjet's major stream of revenue comes from passenger transportation, charter flights and aircraft wet lease, air freight and ancillary activities. Ancillary revenue is generated from luggage services, seat selection, hot meal services, duty-free goods and inflight advertising. Ancillary revenue with good profit margin is seen as one of the major sources of revenue in the next stages of development. Vietjet also has strategies to provide passengers with diverse in-flight services in order to increase ancillary revenue per passenger and increase the proportion of ancillary revenue in total annual revenue.

DISTRIBUTION CHANNELS

The distribution system includes agents and general sale agents located both within the country and abroad.

Online channels (websites, mobile booking application etc) are key channels that show the highest growth rate and take the largest proportion of revenue in Vietjet's sales channels.

CUSTOMER SEGMENTS

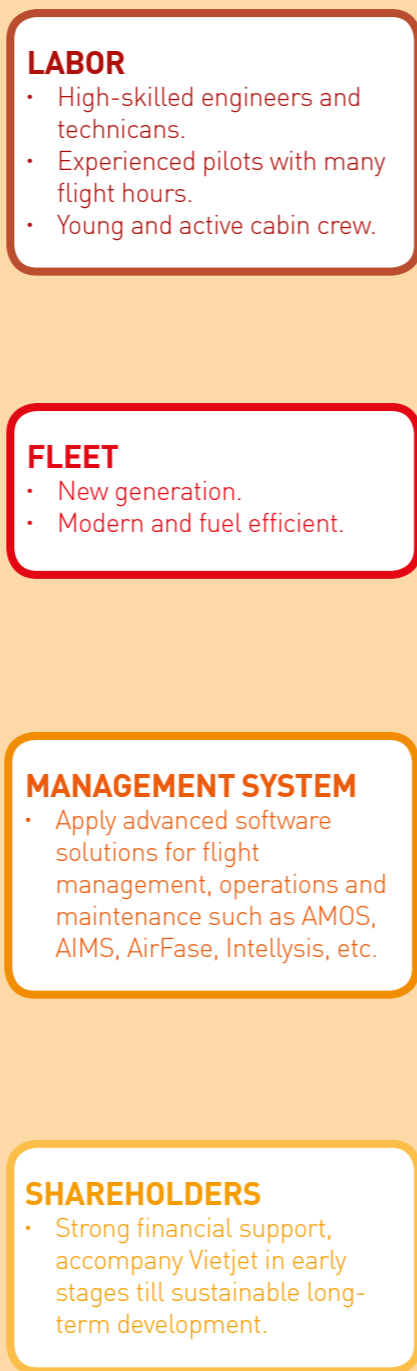
By absolute advantage of air travel, Vietjet has successfully attracting new customer groups from other types of transportation (bus, rail, etc). 30 percent of Vietjet's passengers is first time air travellers

VALUE CHAIN

INPUT



CORE VALUE



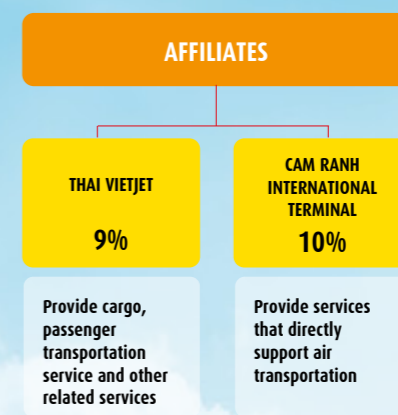
BUSINESS ACTIVITIES



SUSTAINABLE VALUE



ORGANIZATIONAL CHART



KEY HIGHLIGHTS 2019



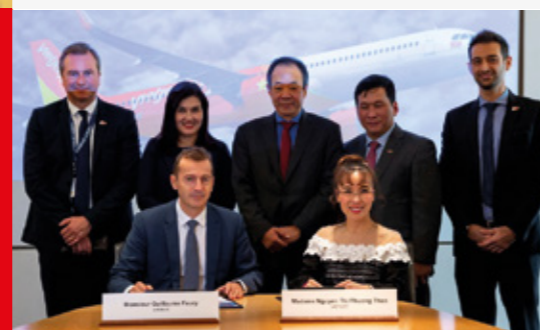
1 Vietjet's President and CEO Nguyen Thi Phuong Thao was on "The World's 100 Most Powerful Women 2019" list, one of the most powerful businesswomen in Asia and the APAC CEO of the Year 2019

2 Leaders of Vietjet appeared prominently at the Vietnam Business Forum 2019, the Vietnam Private Sector Economic Forum, the Vietnamese Labour Forum, the Vietnam Travel & Tourism Summit, the Conference on "Tourism Development in the region of Central Highlands", the Conference on "Cashless Society: Policy and Practical situations in Vietnam" and the World Air Transport Summit organized by International Air Transport Association (IATA), etc.



3 Vietjet signed a purchase agreement with Boeing on the occasion of the US-North Korea Summit in Hanoi.

4 Vietjet signed a contract for purchasing 20 new generation A321XLR aircraft with Airbus.



5 Officially became a member of the Japan Business Federation - Keidanren.

6 Signed Memorandum of Understanding with Vietnam National Administration of Tourism - Ministry of Culture, Sports & Tourism



7 Inaugurated new domestic routes to Can Tho, Phu Quoc and international routes between Vietnam - Japan, Vietnam - South Korea, Ho Chi Minh City - Bali (Indonesia) and direct flights connecting Vietnam and the 1.3-billion-population market - India.

8 Launched a new version mobile app integrated Vietjet SkyClub membership program, launched an express delivery services cooperated with Grab and Swift247.



9 Accompanied Vietnam Youth Federation on "I love my Fatherland" 2019 and "Let's clean up the ocean" journey, joined 'Action against plastic waste' activities, accompanied Youth Theatre on "Flying dreams" projects, partnered with Flying Eye Hospital bring light to millions of eyes, etc.

10 Participated in the Kizuna Ekiden Relay Race 2019, the Terry Fox Run Charity Event, The Futsal Championship Southeast Asia 2019, Asia's Got Talent 2019, Miss Universe Vietnam, Miss Vietnam, Dalat Flower Festival 2019, rewarded "one year of free flight" to the men's and women's football teams and their families following the gold medals win at the SEA Games 30.



AWARDS

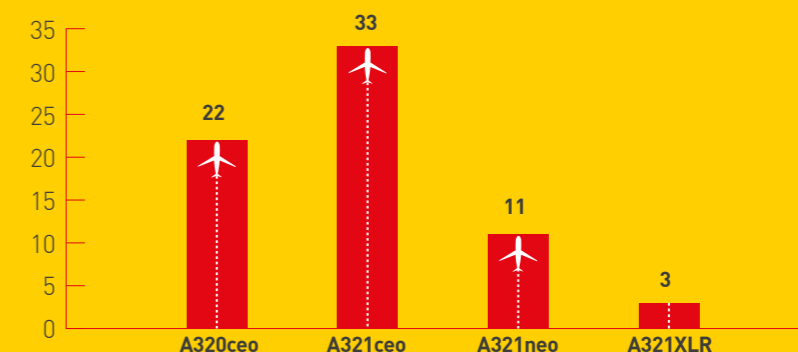


- 1 **Asia Pacific Low Cost Airline of the Year 2019**
- Centre for Asia Pacific Aviation (CAPA).
- 2 **Best Ultra Low-Cost Airline for 2019** - International rating site AirlineRatings.
- 3 **World's 50 best airlines for healthy financing and operations**
- Airfinance Journal
- 4 **Best Low-Cost Carrier in Vietnam** - SkyTrax 2019 World Airline Awards
- 5 **The fastest tourism-growing airline**
- Vietnam National Administration of Tourism
- 6 **Best Aviation Enterprise at 2019 ASEAN Business Awards**
- ASEAN Business Advisory Council (ASEAN-BAC)
- 7 **The Best Service Foreign Low-Cost Carrier** - Korea Prestige Brand Awards 2019
- 8 **50 best listed companies in Vietnam** - Forbes
- 9 **Top 50 most valuable brands in Vietnam in 2019** - Brand Finance
- 10 **Top 50 best-performing companies in Vietnam** - The Business Review
- 11 **Top 10 outstanding corporate governance companies on the Vietnamese stock exchange in 2019**
- VCCI
- 12 **Top 20 of HOSE listed companies that have the best sustainable development scores**
- HOSE
- 13 **Top 10 reliable listed companies** - Vietnam Report
- 14 **Top 10 best budget airlines** - Smarttravelasia
- 15 **Top 100 Vietnam Best Places to Work** - Anphabe and Intage, a market research company.
- 16 **Best place to work in Asia 2019** - HR Asia Awards
- 17 **Best Brand in Asia** - CMO Asia
- 18 **Merit of the Government for the contribution to community**
- Prime Minister of Vietnam Nguyen Xuan Phuc
- 19 **APAC CEO of The Year 2019** - 2019 Aviation 100 Awards

OUR FLEET

99.64%

Technical Reliability rate of Vietjet is well rated by Airbus and always higher than the industry average.



Airbus A320ceo

Capacity: 180 seats

With a versatile cabin that can be configured for a variety of seating options, usually from 140 to a maximum capacity of 180 travellers.

A320ceo shares the same fly-by-wire digital flight controls and cabin management systems and this consistency makes life easier for pilots and cabin crew and allows them to focus on looking after passengers. Cockpit commonality also reduces training and maintenance costs.

Airbus A321ceo

Capacity: 220 seats

A321ceo is the most efficient member of Airbus' best-selling, single-aisle A320 Family, offers the lowest fuel burn, emissions and noise footprint. Its stretched fuselage – measuring 146 feet longer than the A320, makes the A321 the longest and widest among all single-aisle aircraft. It can accommodate more seats and cargo, providing enhanced passenger comfort.

Airbus A321neo

Capacity: 230 seats

Advanced technology of new engine (PW-1133GA-JM), together with Sharklet design offer an additional range of up to 500 nautical miles ("nm")/ 900 km or 2 tonnes of extra payload. Aerodynamic-enhancing Sharklets on the wings and fuel-efficient engines ensure outstanding environmental performance: 20% lower fuel burn per seat and 5,000 tonnes less CO2 per year.

Airbus A321XLR

Capacity: 240 seats

The A321neo ACF is the next evolutionary step for the A321neo Family, with a service entry planned in 2023. It will offer even more range – up to 4,700 nm (8,700 km) and 30% lower fuel burn compared to other family members.

INTRODUCTION TO THE BOARDS

MEMBERS OF THE BOARD OF DIRECTORS



“ Vietjet focuses on improving our organizational structure, increasing savings, creating productive work schedule, refreshing the fleet, strengthening every aspect of our business to prepare for the leap after the pandemic, etc. We always understand that the sharing of our employees and the support of our shareholders and investors in this difficult time of 2020 is critical for Vietjet’s extraordinary development after the pandemic.”



MEMBERS OF THE BOARD OF DIRECTORS

(continue)

1. Madame NGUYEN THANH HA

Chairwoman of the Board of Directors

Madame Nguyen Thanh Ha is one of the founders and was appointed Chairwoman of the Board of Directors (BOD) in 2007. She is an expert with 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 and Investment Department in Vietnam Airlines before joining CAAV. Madame 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.

2. Madame NGUYEN THI PHUONG THAO

Vice Chairwoman of the Board of Directors

Madame Nguyen Thi Phuong Thao is the founder from 2002. She was appointed Vice Chairwoman of the BOD in 2007. She is also the Company's President and CEO. She has had many successes in business and is an experience leader in Vietnam and abroad, especially in the banking-finance sector. She was also a Founder and a member of the BOD 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 BOD, where she helped develop HD Bank to become one of Vietnam's leading commercial banks during her tenure.

Madame Thao holds a PhD 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 Moscow National Economics College. She is a founding member of the System Research Academy of the Russian Federation.

3. Dr. NGUYEN THANH HUNG

Vice Chairman of the Board of Directors

Mr. Nguyen Thanh Hung has been appointed Vice Chairman of the BOD since July 2007. Mr. Hung is the Co-Founder and Chairman of Sovico. Dr. Hung was honored as Young Global Leader at the Davos World Economic Forum in 2007. He is also a member of Asia-Pacific Economic Cooperation (APEC) Business Advisory Council (ABAC Vietnam) which is appointed by Vietnamese Prime Minister in 2006. Dr. Hung holds a Bachelor of Science in Electrical Engineering at Kharkov University and a PhD in Cybernetics at the Russian Academy of Sciences.

4. Mr. LUU DUC KHANH

Member of the BOD cum Managing Director

Mr. Luu Duc Khanh was appointed a member of the BOD cum Managing Director from 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 an MBA from New England University in Australia.

5. Mr. DINH VIET PHUONG

Member of the BOD cum Vice President in charge of Business Development

Mr. Dinh Viet Phuong has been the 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 BOD of Vietnam Motors Industry Corporation – the Ministry of Transport; member of the BOD of Petechim JSC – Petro Vietnam. He holds an engineering degree from the Vietnam Maritime University. He graduated with an MBA degree from Centre Franco-Vietnamien de formation à la Gestion (France) and a PhD in transportation from the Moscow State Academy of Water Transport.

6. Mr. DONAL JOSEPH BOYLAN

Independent member of the BOD

Mr. Donal was elected as a member of the Board of Directors on April 19, 2019. He used to hold the position of Vice Chairman of listed company Bohai Capital Holdings. He is the CEO of a Hong Kong conglomerate's subsidiary, owning international assets including Avolon - the world's third largest aircraft leasing company and SEACO - the second largest leasing company in the world regarding freight transport by sea. Before that, Donal held the position of CEO of CDB Aviation Lease Finance, a company listed on the Hong Kong Stock Exchange with a value of USD 25 billion. He held the position of Director at Path Investment Company in the oil and gas industry and listed on the London Stock Exchange in 2017. He was also the co-founder of RBS Aviation Capital (now SMBC Aviation Finance Company) in 2001, the company rose to the top 3 in the world in just 5 years. He has 30 years of experience in the aerospace industry including manufacturers, airlines and aircraft leasing parties where he holds senior commercial and technical positions.

7. Mr. CHU VIET CUONG

Member of the BOD cum Chairman of the Insurance Committee

Mr Chu Viet Cuong has been a director of the Board since 2011. He is also the Chairman of the Insurance Committee of the Company. MrCuong 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 the banking and finance, insurance field. 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 an MBA from Massachusetts Institute of Technology in the United States, in addition to a Master's degree in International Business from Sussex University in the United Kingdom. He holds a Bachelor's degree in Economics from Khaccop University (former Soviet Union)

MEMBERS OF THE BOARD OF MANAGEMENT



“By the end of 2019, Vietjet operated a young fleet of new-generation 78 aircrafts with the average age of 3.2 years, the technical reliability index reached 99.64%, among top airlines with the highest operational safety index in Asia-Pacific



MEMBERS OF THE BOARD OF MANAGEMENT

(continue)

1. Madame NGUYEN THI PHUONG THAO

President and CEO

See Page "Members of the Board of Directors"

2. Mr. LUU DUC KHANH

Managing Director

See Page "Members of the Board of Directors"

3. Mr. DINH VIET PHUONG

Vice President

See Page "Members of the Board of Directors"

4. Mr TO VIET THANG

Vice President

Mr. To Viet Thang is the Vice President and Director of the Safety Security Quality and Assurance Department (SSQA). He is the project leader for the Company's IOSA certification process and a Member of IATA. He has nearly 20 years of work experience in the aviation industry including for Vietnam Airlines. Mr. Thang received an Engineering diploma with distinction in Aircraft Technic from Czech Technical University (Prague – Czech Republic), and certificates of IATA, Lufthansa and AQS relating to aviation safety and security, airlines management and quality assurance management.

5. Ms. HO NGOC YEN PHUONG

Vice President – CFO

Ms. Ho Ngoc Yen Phuong is the Vice President cum Chief Financial Officer of Vietjet. She has more than 20 years of leadership experience in financial and accounting field at many reputable international corporations in different industries, such as Oil and Gas, Telecommunication, Industrial production, etc. Especially Ms. Phuong has great experience in treasury and cash management, M&A, financial management, accounting and internal audit. She acquired a Master's degree in International Finance and Accounting from Swinburne University, Australia.

6. Mr. NGUYEN THANH SON

Vice President

Mr. Nguyen Thanh Son is the 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 1 April 2018. He has more than 20 years of experience in commercial activities at both international and domestic airlines. Mr. Son obtained an MBA from the University of Economics Ho Chi Minh City.

7. Mr. NGUYEN DUC THINH

Vice President

Mr. Nguyen Duc Thinh is the Vice President in charge of the technical and maintenance, including store and supply, technical maintenance, purchasing of aircraft, reviewing aircraft leasing contracts, planning production and production control. Mr. Thinh 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. He received a Master's degree in Civil Aviation Engineering, an MBA and IATA certificates relating to airline engineering.

8. Mr. LUONG THE PHUC

Vice President

Mr. Luong The Phuc is the 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 and was 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 ten 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 graduate training from the INSEAD business school.

9. Ms. NGUYEN THI THUY BINH

Vice President

Ms. Nguyen Thi Thuy Binh is the Vice President in charge of commercial development, market expansion and brand value development strategies of the Company in both domestic and international markets. She has many years of experience working in the communications 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, Ms. Binh served as Jetstar Pacific's Chief Commercial Officer. Ms. 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 from Vietnam – Belgium Co-operation Program of National Economic University and Université Libre de Bruxelles.

10. Mr. TRAN HOAI NAM

Vice President

Mr. Tran Hoai Nam is the Vice President in 2015, 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 the 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).

11. Mr. NGUYEN DUC TAM

Vice President

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 at Harbin Military Engineering Institute (China), a Bachelor's degree in English from Hanoi University of Foreign Languages Teachers, an aircraft type-rating certificate from Ulianop Aviation School (Soviet Union) and other certificates in airworthiness and airline engineering.

12. Mr. DO XUAN QUANG

Vice President

Mr. Do Xuan Quang is Vice President in charge of air cargo and air freight. Mr. Quang has more than 27 years of experience in air freight forwarding and logistics. He was the Chairman of Vietnam Logistics Business Association (VLA) from 2010- 2015 and now is Vice Standing Chairman of VLA. Mr. Quang was elected as Chairman of ASEAN Freight Forwarders Association (AFFA) from 2012-2015. Mr. Quang holds a Bachelor Degree from Law faculty of Kishinev University (USSR) in 1989, a Master's degree in Law from the National Institute of State and Law, Hanoi in 2002 as well as an MBA from Maastricht School of Management, the Netherlands, in 2004.

MEMBERS OF THE SUPERVISORY BOARD



✈️ 1. 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 audit, 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, Diploma of Airline Quality Management; IATA Aviation Internal Audit and IATA Lead Auditor certificates.

✈️ 2. 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 A&B Sai Gon Corporation. 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 and real estate company for many years. Ms. Doan Thu Huong has a Master degree in Accounting from the Hochiminh City University of Economics.

✈️ 3. 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, has 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 operations. His role is not only ensuring the capital resource is effectively used but also elaborating detailed plans for future development of HD Bank. He received master's degree of Economics from the University of Economics of Ho Chi Minh City.

INFORMATION ON SHAREHOLDERS

Share ownership percentage of Board members

Name of member	Position	%	Name of member	Position	%
Nguyen Thanh Ha	Chairwoman	0.06	Nguyen Thi Thuy Binh	Vice President	0.09
Nguyen Thi Phuong Thao	Vice Chairwoman	8.76	Nguyen Duc Thinh	Vice President	0.08
Nguyen Thanh Hung	Vice Chairman	0.99	To Viet Thang	Vice President	0.06
Chu Viet Cuong	Member of the BOD	0.01	Tran Hoai Nam	Vice President	0.03
Luu Duc Khanh	Member of the BOD	0.19	Nguyen Thanh Son	Vice President	0.02
Dinh Viet Phuong	Member of the BOD	0.12	Do Xuan Quang	Vice President	0.004
Donal Joseph Boylan	Member of the BOD	0	Tran Duong Ngoc Thao	Head of the SB	0.005
Nguyen Duc Tam	Vice President	0.02	Doan Thu Huong	Member of the SB	0.047
Luong The Phuc	Vice President	0.05	Pham Van Dau	Member of the SB	0.009

Information on common stocks and treasury stocks

Charter Capital (unit: thousand VND)	5,416,113,340
Number of issued shares	541,611,334
Number of shares outstanding	523,838,594
Number of treasury stocks	17,772,740
Number of restricted stocks	0
Type of share	Common
Par value per share	VND10,000

Treasury stock transactions in 2019

Buyback period	26/07/2019 - 23/08/2019
Average buying price of repurchased shares	VND132,063 per share
Trading method	Order matching and put-through
Target shareholders of buyback transaction	Institutions and individuals who are holding and in need of selling VJC stocks through order matching and/or put-through on the stock exchange

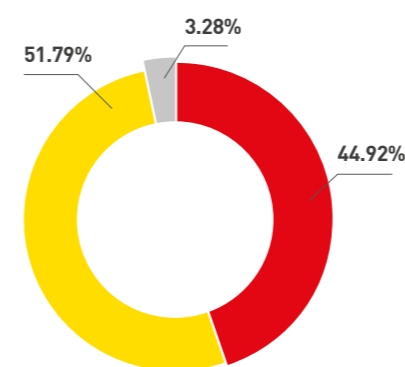
Dividend payment and stock issuance

	Closing date	%	Type	Description	No. of shares	Value of shares (VND)
1	17/03/2017		Private offering		322,388,060	
2	10/05/2017	10%	Cash	Dividend payment 2/2016	300,000,000	300,000,000,000
3	31/07/2017	20%	Cash	Dividend payment 1/2017	322,388,060	644,776,120,000
4	25/09/2017	40%	Stock	Increase share equity	451,343,284	
5	23/01/2018	10%	Cash	Dividend payment 2/2017	451,343,284	451,343,284,000
6	10/05/2018	10%	Cash	Dividend payment 3/2017	451,343,284	451,343,284,000
7	02/07/2018	20%	Stock	Increase share equity	541,611,334	
8	06/09/2018	20%	Cash	Dividend payment 1/2018	541,611,334	1,083,222,668,000
9	24/04/2019	10%	Cash	Dividend payment 2/2018	541,611,334	541,611,334,000

Shareholder structure

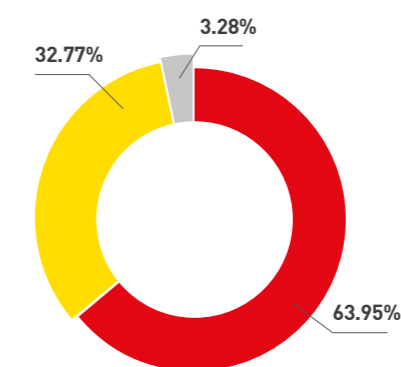
* In 2019, Vietjet did not increase equity/ issue securities which resulted to the change in owner's equity.

Classified by nature



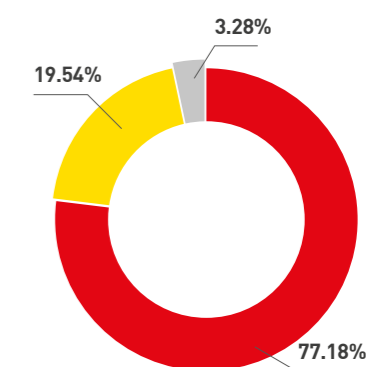
Major shareholders
Minor shareholders
Treasury stocks

Classified by type



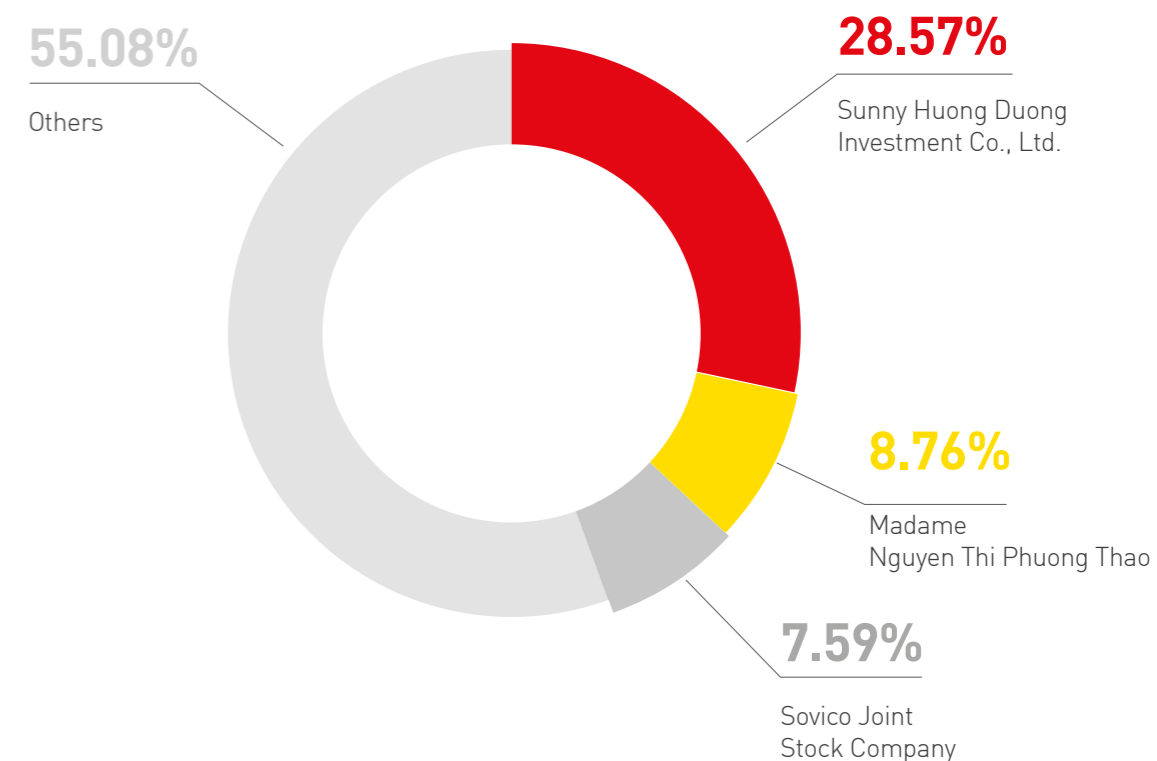
Institutions
Individuals
Treasury stocks

Classified by territory



Local shareholders
Foreign shareholders
Treasury stocks

List of major shareholders as of 31 December 2019



Report of Board of Management

Vietjet continues to expand and grow its core business of air transport in 2019, the Company's revenue increased by 22% and profit before tax increased by 27%, maintaining its leading position in domestic market (dominate 44% of market share) and continuing to expand its international flight network to new markets.



REPORT OF BOARD OF MANAGEMENT



BUSINESS RESULTS OF 2019

Vietjet continues to expand and grow its core business of air transport in 2019. Being consistent with the goal of becoming the leading airline in the domestic market and reaching the image of multinational aviation group, Vietjet focused on flight network expansion, serving more than 25 million passengers with nearly 140 thousand domestic and international flights. Revenue and profit before tax from core business activities reached VND 41,252 billion and VND 3,869 billion, respectively, increased by 22% and 27% year-on-year. In 2019, Vietjet received 7 aircrafts from Airbus, corresponding to the revenue from aircraft trading of VND 12,014 billion. As a result, the consolidated revenue and profit before tax in 2019 reached VND 50,603 billion and VND 4,569 billion respectively.

Aviation market

The dynamic of aviation industry over the last few years has brought the world closer. According to a report from IATA, the number of scheduled passengers boarded by the global airline industry reached over 4.5 billion people, increased by 3.7% over the same period. Asia Pacific region remains the largest market in the world with a market share of 34.7%, Revenue Passenger Kilometers (RPK) of 3.5% over the previous year. Main driver for the growth was from low-cost carrier segment.

Besides, the report stated that Southeast Asia is the focus for development of aviation industry in Asia - Pacific region. Accordingly, Vietnam is forecasted to be the 5th fastest growing aviation market in the world and expected to reach an average growth rate of 7% - 8% per year, carrying 150 million passengers by 2035.

	World share	RPK	ASK	PLF [%-pt] ⁽¹⁾	PLF (level) ⁽²⁾
TOTAL MARKET	100.0%	4.5%	2.1%	1.9%	82.3%
Asia Pacific	34.7%	3.5%	2.5%	0.8%	81.6%
Europe	26.8%	2.5%	0.5%	1.6%	82.8%
North America	22.3%	8.6%	4.4%	3.3%	85.9%
Middle East	9.0%	5.9%	-0.4%	4.7%	78.0%
Latin America	5.1%	1.5%	0.8%	0.6%	82.5%
Africa	2.1%	5.4%	5.1%	0.2%	72.4%

Note: (1): Year-on-year change in load factor; (2): Load factor level

Operating activities

In 2019, the aviation industry continues to grow significantly, passenger transportation reached 115.5 million people, both local and international, increased by 11.8% year-on-year, whilst cargo transportation reached 1.5 million tons, increased by 11% year-on-year. In 2019, Vietnamese airlines carried nearly 55 million passengers and 435 thousand tons of goods, an increase of 11.4% and 7.6% from the previous year, respectively. Thus, the aviation industry growth rate continues to maintain double-digit growth in recent years.

within region with high performance and fuel efficiency. The technical reliability rate of Vietjet's fleet reached 99.64% - one of the highest index in the Asia Pacific. Vietjet was also awarded a 7-star ranking, the world's highest rate for safety, by AirlineRatings.

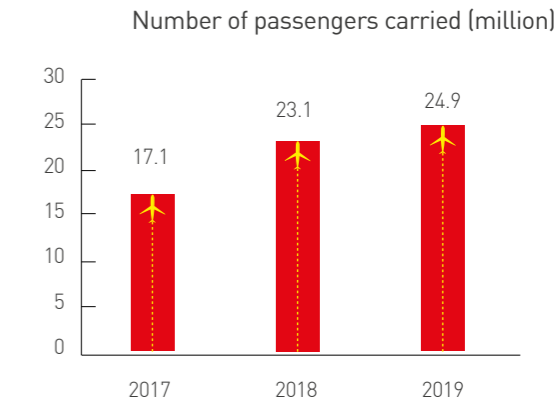
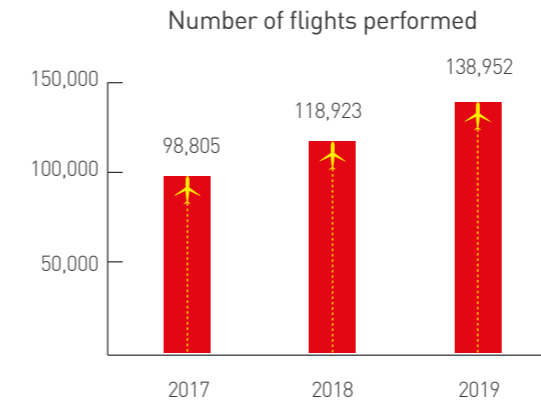
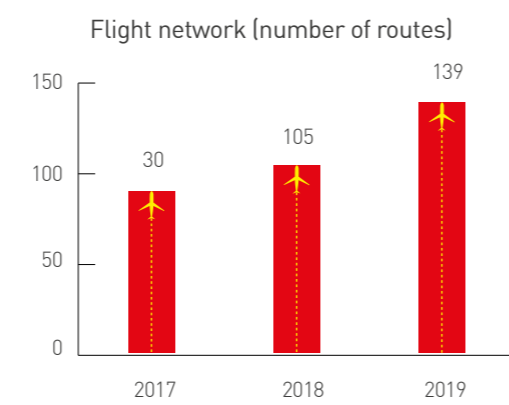
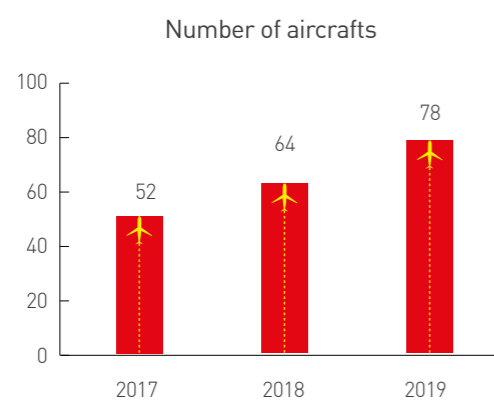
Vietjet maintained its leading position in domestic market, serving nearly 25 million passengers throughout the network, accounting for 44% of the total number of air passengers in Vietnam. Number of flights performed reached 138,000 with 321,000 safe flying hours, load factor was 87% and the On-Time Performance (OTP) was 83.4%.

With the opening of 11 international routes and 5 domestic routes, Vietjet expanded the flight network to 139 routes, which comprises 44 domestic routes and 95 international routes, covering many domestic destinations in Vietnam and other worldwide destinations in Japan, Hong Kong, Singapore, Korea, Taiwan (China), Thailand, Myanmar, Malaysia, China, Indonesia and Cambodia.

With 7 newly received and 9 wet-lease aircrafts to meet the demand of expanding flight network in 2019, Vietjet maintained young fleet of 78 modern aircrafts with the average age of 3.2 years, becoming the youngest fleet

To expand and diversify our services, Vietjet has implemented a series of solutions such as expanding cargo transportation services, developing SkyBoss products and ancillary services. In addition, the Civil Aviation Administration of Vietnam granted Vietjet permission to service its planes at Noi Bai International Airport, which helps the Company take the initiative in operating activities, reduce costs, increase ancillary revenue as well as improve the quality of customer services.

REPORT OF BOARD OF MANAGEMENT (continue)



REPORT OF BOARD OF MANAGEMENT (continue)

Human resources

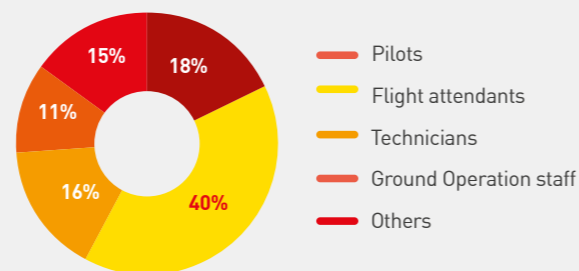
Vietjet always focuses on the development of human resources because human being is a fundamental factor in the development and success of the Company. Vietjet creates good, healthy and professional working environment for employees by adopting appropriate and constantly improved remuneration policies, which help the Company attract top-notch talents in domestic and international markets. In addition to basic benefits such as insurance, appropriate holiday and annual leave, periodic salary review, bonus on performance every 6 months, etc. Vietjet also takes care of its employees and their family members by offering free tickets - Staff Flight Coupon (SFC), networking and team building activities, etc.

As of December 31, 2019, total number of Vietjet employees reached 5,092, an increase of 29.3% from the previous year. During the year, Vietjet recruited 1,696 employees including 284 pilots, 861 flight attendants and other personnel at the Director, management and staff level. The Company also promoted from within through the 78 appointments.

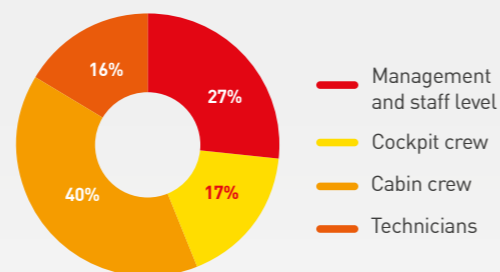
Foreign employees account for nearly 22% of the total staff at Vietjet, particularly pilot crew has up to 79% foreigners. Pilots, flight attendants and experts at Vietjet have many years of experience in various fields. Their participation in working, cooperating and learning in Vietjet environment creates a diverse workplace with different nationalities, ethnicities and culture. Foreign human resources are focused to develop because their knowledge and sharing, skills and experience can positively contribute to the rapid and sustainable development of the Company.

High-quality aviation human resources, especially pilots and skilled technicians, are highly competitive and in shortage both domestically and internationally, therefore job-hopping has become frequent in this industry. To avoid this situation, Vietjet took a lot of measures to enhance the efficiency of human resource management based on employee's market value and their talents, which include developing and completing remuneration mechanisms and policies, evaluating and rewarding employees, standardizing recruitment, training, transfer, appointment and performance evaluation process.

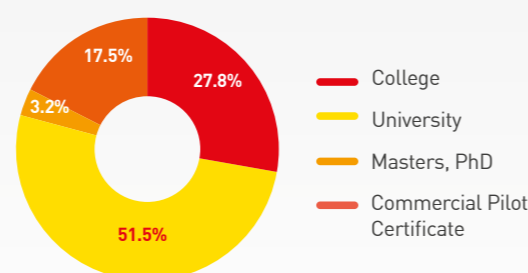
Human resources structure



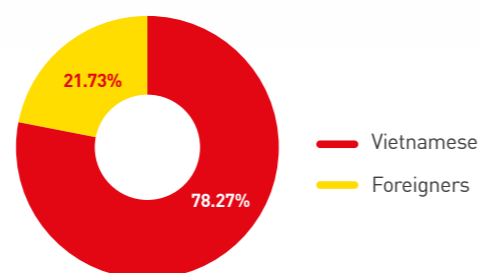
Classified by position



Classified by level of education



Classified by nationality



"As of December 31, 2019, Vietjet has 5,092 employees in total, majority of whom are high-quality aviation human resources. For 5 consecutive years, the Company has always been in the Top 100 best workplaces in Vietnam - Anphabe and Intage Market Research Company, and is considered as the Best Asian Workplace in 2019 - HR Asia Awards."



Training

Training policy is essential for quality improvement of human resources, it is therefore among the top priorities at Vietjet, meeting the needs of the Company's development and employee career orientation.

In 2019, Vietjet organized more than 93 thousand training hours for pilots, 344 thousand training hours for flight attendants, 125 thousand training hours for technicians and more than 100 thousand training hours for Vietjet's employees.

Vietjet continues to expand online training program with 544 courses, training 19,936 students, accounting for 59% of all training courses. This training form is effective since it requires less time and costs.

In addition, on the occasion of signing a contract for 20 brand-new A321neo ACF aircraft on October 31, Vietjet also signed an agreement with Airbus for two additional A320/A321 aircraft Simulators (SIM) for pilot and technician training, increasing the manufacturer's investment to Vietjet Aviation Academy to three SIMs, helping increase the productivity of on-site training as well as training for third parties in the near future.

With the support from Airbus, Vietjet provides the most advanced training solutions to ensure safe, reliable and economically efficient operations on all Airbus aircraft throughout their lifecycle. Airbus is also on-hand to offer support every step of the way with a comprehensive and tailored training portfolio designed and developed by Airbus for Vietjet's pilots, cadets, cabin crews, performance & operations engineers, maintenance personnel and structure & repair specialists.

REPORT OF BOARD OF MANAGEMENT (continue)

Safety, Security, and Quality Assurance (SSQA) activities

At Vietjet, Safety, Security, and Quality Assurance (SSQA) are always at the top priorities of flight operation management. Vietjet proactively enhances aviation quality - safety - security through excellent resources management, efficient use of quality management systems, data analysis systems and safety management systems. Throughout the years, Vietjet has been proud to be the leader in the application of flight data analysis system and actively partners with Airbus to implement Safety Management System, meeting aviation safety standards in accordance with the regulations of the International Civil Aviation Organization (ICAO), aviation authorities, associations, alliances to which Vietjet is a member to minimize potential risks, preventing incidents that may occur in operation activities.

- Typical results of SSQA performance achieved in 2019:
- The index of analysis quality of the system reached 96.34% - a very high level (Airbus's recommendation is 90%).
 - Successfully completed the Line Operations Safety Audit on the cockpit and cabin to strengthen the effectiveness of risk management.
 - Performed 100% safety observations for pilot training activities in the Full Flight Simulator.
 - Prepared 100% mandatory safety incident reports sent to the CAAV.
 - Inspected and handled safety incidents report for all line operation activities.
 - 100% of newly-recruited employees were trained about the Safety Management System.
 - 100% of aviation staff was preliminarily and periodically trained about the Safety Management System.

SSQA Department issued warnings, recommendations and instructions on safety to full line operation systems of Vietjet to raise awareness of safety and compliance in line operation activities.



Engineering and maintenance activities

Vietjet has more than 800 technicians who are formally trained to standards and meet all the requirements of the CAAV as well as the requirements of aircraft manufacturers, engine manufacturers or aviation authorities such as the U.S. Federal Aviation Administration (FAA) and the European Aviation Safety Agency (EASA).

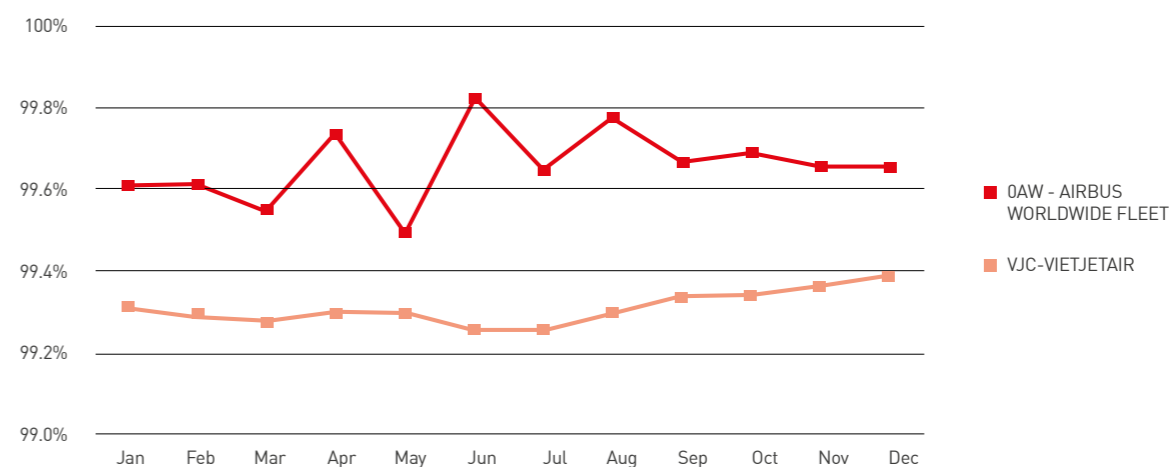
In addition, Vietjet's Engineering Department regularly participates in professional training courses, updates new information from aircraft manufacturers, engine manufacturers in order to make appropriate

improvements to improve longevity, operational quality, enhance the reliability of aircraft, engines as well as aircraft equipment.

Vietjet continues to apply advanced IT systems in engineering management such as AMOS, AIMS... and in failure management, materials management, maintenance management as well as data transmission during flights.

Specifically, Vietjet's reliability reached 99.64%, see the chart below showing the comparison of reliability with other airlines in the world.

Dispatch Reliability Comparison 2019



Investment activities

In 2017, Vietjet completed its first phase of investment and put into use the Vietjet Aviation Academy at the High-Tech Park, Ho Chi Minh City. The initial investment of US \$ 170 million, when put into operation, will help Vietjet take initiative in gaining more comprehensive personnel with international standards in the near future including pilots, flight attendants and technicians and other support personnel.

The highlight of the project is the Full Flight Simulator (SIM) system. In cooperation with the world's leading aircraft manufacturer Airbus, in 2018 Vietjet was able to put this system into operation and it has been very efficient so far. In addition, from July to December, 2019, Vietjet has received a full set of emergency training equipment for pilots and flight attendants. And those equipment has been effectively taken used such as CEET emergency training equipment, passenger cabin mock-up device - Service Mock-up, Door

Trainer - aircraft door opening/closing training device, passenger cabin fire training device - Fire Trainer and wave pool.

In addition, to improve the Company's value chain in the aviation field, Vietjet is continuing to research and prepare relevant documents for investing in aircraft hangar at some ports which have huge potential. The average investment budget is in average from US \$ 10 - 20 million / port, promising great efficiency thanks to proactively developing technical staff and improving operational efficiency.

Moreover, after investing and developing functions, in Q2 2019, Vietjet officially started using the AIMS system to manage the operation of aircraft, pilots, flight attendants, as well as to integrate with other core systems used by commercial and operational departments such as AMOS, Intellysis, etc.

REPORT OF BOARD OF MANAGEMENT (continue)

Results of business activities

With the expanded flight network, Vietjet maintained its leading position in domestic transport market with 25 million passengers. Revenue from core business of air transport reached VND 41,252 billion, up 22% and profit before tax reached VND 3,868 billion, up 27% compared to the previous year.

In 2019, Vietjet received 7 aircrafts compared to 16 aircrafts in the previous year. Accordingly, audited revenue from aircraft trading reached VND 9,350 billion. As a result, the Company's consolidated revenue and profit before tax in 2019 reached VND 50,602 billion and VND 4,569 billion, respectively.

Unit: VND billion

Parent company business result	2017	2018	2019	% '19 vs. '18
Revenue from air transport	22,644	33,867	41,252	21.8%
Cost of goods sold and services provided	19,332	29,081	36,691	26.2%
Gross profit	3,311	4,785	4,562	-4.7%
EBITDAR	7,772	11,779	12,910	9.6%
Profit before tax	2,045	3,045	3,869	27.0%

Revenue

	2017	2018	2019	Revenue structure	% '19 vs. '18
Revenue from passenger transport	16,956	24,681	25,905	62.8%	5.0%
Domestic	10,783	12,827	10,753	26.1%	-16.2%
International	5,789	11,121	14,692	35.6%	32.1%
Charter	383	733	461	1.1%	-37.2%
Ancillary revenue	5,471	8,340	11,340	27.5%	36.0%
Other revenue from passenger transport	216	846	4,007	9.7%	373.8%
Revenue from air transport	22,644	33,867	41,252	100.0%	21.8%

Revenue from air transport increased by 22% over the previous year, of which ticket revenue reached VND 25,905 billion, up 5.0% year-on-year. Revenue from international routes witnessed strong growth with revenue of VND 14,692 billion, up 32.1% year-on-year. The proportion of revenue from international routes in total air transport revenue increased from 45.2% in 2018 to 56.7% in 2019.

Ancillary revenue reached 11,340 billion, an increase of 36.0% from the previous year. Growth in ancillary revenue

was mainly contributed from checked baggage service, surcharges, in-flight sales and on-board advertising revenue. In 2019, Vietjet boosted ancillary revenue by offering travel insurance and by diversifying in-flight sale items.

The Company's consolidated revenue reached VND 50,602 billion, including revenue from aircraft trading of VND 12,014 billion and sales of air traffic rights granted to the aircraft.

Unit: VND billion

Cost

	2017	2018	2019	Cost structure (2019)	% '19 vs. '18
Flight Operation Division	16,284	24,224	30,087	78.1%	24.2%
Technical Division	1,391	2,158	3,753	9.7%	73.9%
Ground Operation Division	1,658	2,698	2,851	7.4%	5.6%
Net financial expenses	401	599	256	0.7%	-57.3%
Selling expenses	654	868	1,165	3.0%	34.1%
General and administrative expenses	215	278	422	1.1%	51.7%
Air transport operating expenses	20,603	30,827	38,533	100%	25.0%

For airline, operating costs were VND 38,533 billion, an increase of 25% year-on-year thanks to the expansion of flight network and the increase of flight frequency.

airports, takeoff and landing costs, up 6% year-on-year and accounted for 7% of total operating expenses and equivalent to VND 2,851 billion.

Flight operating expenses reached VND 30,087 billion, including aircraft rental fee, fuel consumption, airspace fee and others, increased by 24% and accounted for 78% of the total operating expenses. Technical expenses including repair and maintenance increased by 74% due to an increase in provision and accounted for 10% of the total cost, equivalent to VND 3,753 billion. The cost of ground operation mainly includes service costs related to

Selling and marketing expenses accounted for 3% of total expenses and increased by 34% compared to the same period last year, mainly due to the expansion of flight network. At the same time, general and administrative expenses were VND 422 billion, up 51% due to human resource development.



REPORT OF BOARD OF MANAGEMENT (continue)

Fuel costs

Fuel costs are a significant expense for an airline. In airline industry, the average proportion of fuel expenses in total operating expenses is about 40%. Industry fuel cost average is about 40% of operating costs. In 2019, Vietjet's fuel costs reached VND 15 trillion, up 13.4% year-on-year whereas number of operating hours increased more by 23%, thanks to the decrease of Jet A-1 price of nearly 9% compared to last year. Apart from Jet A-1 price, import duties and environmental protection tax also attribute significantly to the total costs of fuel bills.

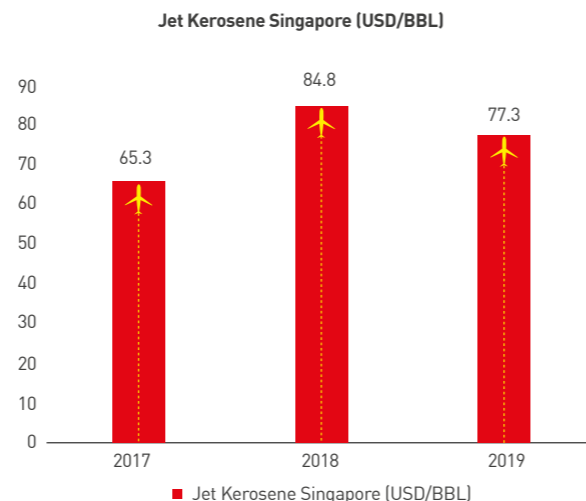
Other operating expenses and financial expenses

Operating costs excluding fuel costs mainly include operating and technical expenses (maintenance, airspace, salaries and allowances for pilots and flight attendants ...), ground operation costs (take-off and landing fees ...), aircraft rental and amortization expenses related to maintenance reserves.

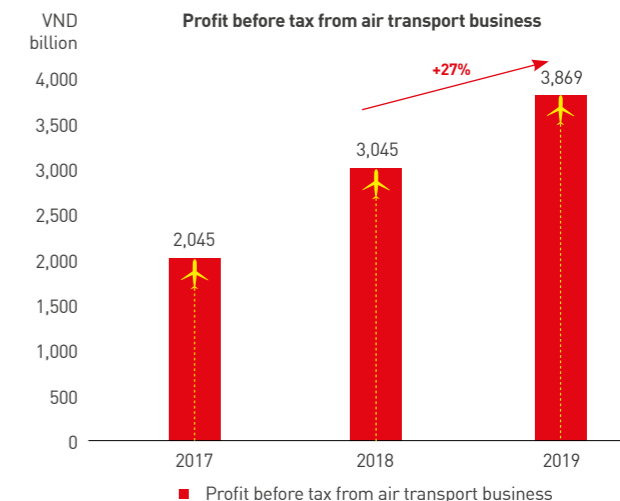
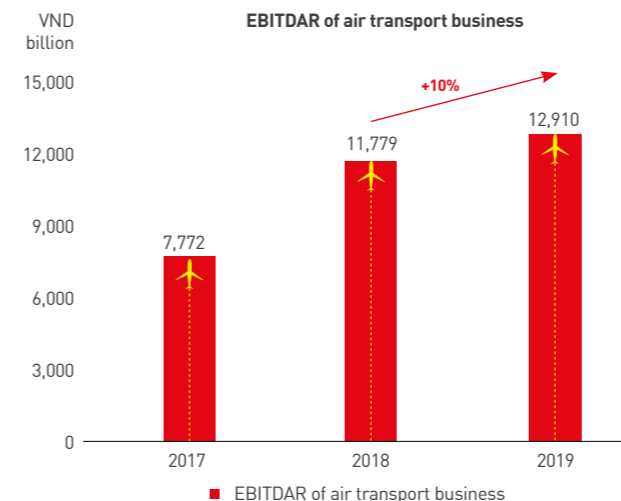
In 2019, operating expenses excluding fuel expenses were recorded at VND 21,652 billion, an increase of 37% compared to 2018, mainly attributed to the operation of additional 14 aircrafts (including wet lease and dry lease), an increase of 22.7% of block hours (BH) from 262 thousand hours in 2018 to 321 thousand hours in 2019, and an increase of 16.3% of flights from 118.9 to 138.9 thousand flights.

In terms of exchange rates, the average exchange rate in 2019 increased by 1.5% compared to the previous year, reaching 23,173 VND/USD (buying rate) and 23,286 VND/USD (selling rate), in which the profit difference was realized exchange rate +175 billion and realized profit +44 billion, offset with unrealized forex loss -63 billion.

Selling expenses were recorded at VND 1,165 billion, up 34.1% and G&A expenses and other expenses were recorded at VND 422 billion, up 51.7% mainly attributed to the expansion of operation. On average per ASK, selling expenses increased by 8.7% compared to 2018, equivalent to 0.11 cents and G&A costs increased by 11.4%, corresponding to an increase of 0.01 cents compared to 2018.



Operating profit



In 2019, EBITDAR reached VND 12,910 billion, an increase of 10% year-on-year as a result of fleet expansion from 64 to 78, flight network expansion and the increase of aircraft operating frequency. The EBITDAR margin remained high at 31.3%.

In October 2019, the AirFinance Journal published its aviation finance report in 2019, according to which Vietjet continues to rank among the top 50 airlines in the world, based on the evaluation of financial ratios and fleet. The ranking results are based on the assessment of 139 airlines, in which, Vietjet's EBITDAR margin is highly rated, reaching the top 7 position compared to other airlines in the world. This is an important index in the industry, clearly showing the performance of an airline, and is one of the valuation indicators used by investors.

Business results, profit before tax of airline is VND 3,869 billion, increased by 27% compared to the same period last year. Accordingly, the rate of profit margin of cargo transportation remained at 10%, an increase of 1% over the same period last year of 9.0%.

12,910

EBITDAR reached VND 12,910 billion, an increase of 10% year-on-year as a result of fleet expansion from 64 to 78, flight network expansion and the increase of aircraft operating frequency. The EBITDAR margin remained high at 31.3%.

REPORT OF BOARD OF MANAGEMENT (continue)

Financial index analysis

Total Assets & Capital Structure

	2017	2018	2019	Structure (2019)	% 2019 vs. 2018
Assets	31,658	39,086	48,859	100.0%	25.0%
Current assets	17,669	19,079	24,459	50.1%	28.2%
Cash and cash equivalent	6,862	7,165	5,364	11.0%	-25.1%
Accounts receivable - short-term	10,223	10,273	16,756	34.3%	63.1%
Other short-term assets	584	1,642	2,339	4.8%	42.5%
Long term assets	13,990	20,007	24,400	49.9%	22.0%
Accounts receivable - long-term	7,153	10,577	14,970	30.6%	41.5%
Fixed assets	1,529	1,646	1,304	2.7%	-20.8%
Other long-term assets	5,308	7,783	8,126	16.6%	4.4%
Total sources of resources	31,658	39,086	48,859	100.0%	25.0%
Current liabilities	13,912	14,941	19,170	39.2%	28.3%
Long-term liabilities	7,153	10,107	14,786	30.3%	46.3%
Owner's equity	10,594	14,039	14,903	30.5%	6.2%
Total sources of resources	4,513	5,416	5,416	11.1%	0.0%
Capital surplus	246	246	246	0.5%	0.0%
Treasury stocks			(2,347)	-4.8%	
Retained earnings	5,809	8,256	11,521	23.6%	39.6%
Others	26	121	67	0.1%	-44.4%

Total assets reached VND 48,859 billion, an increase of 25% from last year. The proportion of short-term and long-term assets in total assets was maintained at 50.1% - 49.9% in 2019, representing the stability in the financial structure. The future financial strategy is that Vietjet will gradually increase ownership of aircrafts to increase long-term operating efficiency.

Short-term assets increased by 28.2% compared to the same period last year, mainly attributed to short-term receivables and bond investments. Other short-term receivables were VND 16,756 billion, accounting for 34.3% of total assets, mainly deposits to receive aircrafts in the next 12 months and contributions to maintenance reserve fund.

Long-term assets were VND 24,400 billion, up 22% over the same period last year, accounting for 49.9% of the total asset. In particular, long-term receivables reached 14,970 billion, up 41.5% year-on-year and accounted for 30.6% of total assets, mainly attributed to increased contributions to the aircraft maintenance reserve fund +825 billion, deposits for aircraft received after 12 months +2,780 billion, deposits for aircraft lease +176 billion, corresponding to the development of the fleet in the year, deposits for rental of

offices and commercial centers +623.5 billion. This is the value of leased assets shown on Vietjet's Balance Sheet.

Capital has gradually increased owners' equity over the years thanks to retained earnings. In 2019, owners' equity including treasury stocks accounted for 35.3% of total assets, in which retained earnings was main reason of the increase +3,265 billion.

Current liabilities was VND 19,170 billion, an increase of 28.3% over the same period last year and accounted for 39.2% of total assets, mainly attributed to increase of short-term loan of VND 3,203 billion, and an increase in unearned ticket revenue, will be recognized within the next 12 months is +452 billion. By the end of the year, the unrealized revenue balance was VND 3,184 billion, expected to be realized and allocated in the next 12 months.

Long-term liabilities until the end of 2019 was VND 14,786 billion, an increase of + 46.3% over the same period last year, mainly due to increase in the provision for aircraft maintenance + VND +1,484 billion, increase in long-term loan of VND 2,492 billion and increase in long-term bonds +600 billion.



Loans and liquidity indicators

	2017	2018	2019
Debt / Equity includes treasury shares	1.99	1.78	1.97
Borrowings / Equity includes treasury shares	0.71	0.39	0.69
Current payment index	1.48	1.56	1.53

Total borrowings in the end of 2019 was VND 11,823 billion, up 113.8% year-on-year, mainly from short-term loans + VND3,204 billion and long-term VND2,492 billion and increase in issuance of long-term bond +600 billion. In the structure of debt, short-term borrowing is VND 8,161 billion, accounting for 69% of total borrowings due to credit lines with low interest banks, helping Vietjet take the initiative in cash flow and optimize costs.

In 2019, the net interest expense is -200 billion, including the total interest payable is 351 billion, offset with income from deposits of 551 billion. In 2019, Vietjet bought treasury shares of VND 2,347 billion, if excluding treasury stocks, the Debt/Equity index is 1.97 in 2019, a small change compared to 1.78 in 2018. The Debt/Equity ratio increased from 0.39 in 2018 to 0.69 in 2019 due to increased debt.

In terms of liquidity, the current ratio in 2019 was 1.53 (2018 is 1.56 and 2017 is 1.48), showing a good ratio in ensuring the payment of short-term debts.

Similarly, cash and cash equivalents by the end of 2019 were VND 5,364 billion and accounted for 11% of total assets.

During the year, Vietjet purchased treasury stocks of VND 2,347 billion, equivalent to the Debt/Equity ratio including treasury stocks of 1.97 times in 2019, a negligible change compared to 1.78 times in 2018. With total assets increased by 25%, Debt/Equity ratio also increased from 0.39 times to 0.69 times in 2019.



The proportion of short-term - long-term assets was maintained at 50.1% - 49.9% in 2019 shows, representing the stability in the financial structure.

REPORT OF BOARD OF MANAGEMENT (continue)

Assessment of the BoD on the results of business activities:

Operational targets:

Content	Unit	2017	2018	2019	Projected 2019	% vs. Projected 2019	% vs. 2018
1	Number of Aircraft	Aircraft	52	64	78	76	102.6%
2	Number of routes	Routes	90	105	139	134	103.7%
3	Number of flights	flights	98,805	118,923	138,952	145,870	95.2%
4	Passenger transport	Million	17.1	23.1	24.9	27.7	89.9%
5	Load Factor	%	88.05%	88.06%	86.78%	88.06%	108.0%

Business results:

Content	Unit	2017	2018	2019	Projected 2019	% vs. Projected 2019	% vs. 2018
Total Revenue	VND billion	42,303	53,577	50,603	58,393	86.7%	94.5%
Revenue from air transport	VND billion	22,644	33,867	41,252	42,250	97.6%	121.8%
Profit before tax	VND billion	2,045	3,045	3,869	3,800	101.8%	127.0%



2019 witnessed a strong growth of Vietnam's aviation industry, with the growth rate maintains double-digit. The competition in airline industry continues to intensify, pushing companies to optimize their operating costs in order to reduce ticket prices and bringing more benefits to customers.

Vietjet continues to remain the leading low-cost carrier in the domestic market of Vietnam. The 44% of Vietjet's domestic market share acknowledges the efforts and perseverance of the Executive Board in pursuing its goals and plans.

Revenue from air transport reached VND 41,252 billion, up 21.4% over the previous year and reaching 97.6% of the plan. In 2019, RASK reached 4.39 cents, down 4.9% year-on-year, corresponding to the lower fare prices.

Compared to 2018, Vietjet opened 34 more routes, bringing the total number of routes to 139 routes, achieved 104% of the plan, mainly focusing on international routes to Japan, Hong Kong and Indonesia, India, South Korea. International routes often have large room for market expansion, good profit margin thanks to ancillary growth as well as low fuel price advantage, and an increase in foreign currency. Correspondingly, the number of international visitors reached 27% with over 8 million visitors. The financial report recognizes that the proportion of international revenue has surpassed domestic revenue and reached 61% of total airline revenue.

The growth and restructuring of international revenue reflect Vietjet's strategic direction in developing and expanding business opportunities in regional and international markets. Meanwhile, the domestic market has almost been filled with the supply capability of current infrastructure. Even some key airport ports such as Noi Bai and Tan Son Nhat are currently overloaded, with the exploitation capacity exceeding the design.

The growth in international routes has also helped Vietjet improve its ancillary service structure. Accordingly, ancillary revenue reached VND 11,306 billion, up 35% compared to the previous year. On average, ancillary revenue per guest reached 19.4 USD, up 13.9% over the previous year. Accordingly, ancillary revenue structure accounts for 29.3% of total passenger revenue. Key ancillary revenue activities include baggage revenue and surcharges, cargo sales (cargo), aircraft sales (food, drinks, souvenirs) and advertising revenue.

Vietjet has achieved some encouraging results in cost optimization, helping to maintain its advantage of being a new generation low cost carrier. In particular, Vietjet has

successfully implemented the AIMS system to manage and operate flight operations from Q2 / 2020, supporting the Executive Board in making decisions and optimizing operations.

The SFCO2 program, which has been implemented since 2017, continues to bring many practical benefits to Vietjet. This is a comprehensive program, including specific instructions and various solutions to optimize engine performance, save fuel and reduce greenhouse gas emissions. The results of the SFCO2 program in 2019 saved 5.4 million kg of flight fuel, equivalent to a reduction of 17 million tons of CO2 equivalent.

In 2019, Vietjet organized 1,327 initial, regular, promotion courses for 47,109 internal students, members of member companies, companies serving the ground operation for Vietjet.

Vietjet Aviation Academy, including a simulated cockpit (SIM) in cooperation with Airbus, up to now, the simulation training system has brought a lot of effectiveness in pilot training, saving a lot of time. travel expenses, with over 5,500 simulated flight hours a year.

On the occasion of the IATA annual meeting in June 2019, Vietjet's Board of Directors also worked and talked with leaders of Boeing, Airbus, CFM International, Safran, Pratt Whitney, GE, Spring Air, EVA Air, Qatar ... to promote cooperation in the development of high-tech fields, preparing for the future when air transport demand is increases.

The cost of the airline activities in 2019 is 38,238 billion VND, corresponding to the average cost per ASK (CASK) of 3.9 cents, down 5% from the previous year. Compared to the industry, the average cost per unit of ASK in 2019 increased by 4 - 5% due to the fluctuation of raw material and labor costs (IATA sources, 2019), while the reduction of 5% in Vietjet thanks to the increased cost optimization is a number of the Executive Board's efforts.

Regarding financial activities, in the first year Vietjet implemented the use long-term capital mobilization through the International Long-term Syndication (Syndication loan) and Domestic Business Bonds to finance long-term asset investment of the Company. These are new capital mobilization channels that Vietjet first approached and implemented, provided the terms were positively evaluated and the interest rate was competitive. This is the basis for Vietjet to access diverse capital sources at competitive costs in the future, additional resources for the long-term development of the Company.

REPORT OF BOARD OF MANAGEMENT (continue)

In 2019, Vietjet implemented the use long-term capital mobilization through the International Long-term Syndication (Syndication loan) and Domestic Business Bonds to finance long-term asset investment of the Company. These are new capital mobilization channels that Vietjet first approached and implemented, provided the terms were positively evaluated and the interest rate was competitive. This is the basis for Vietjet to access diverse capital sources at competitive costs in the future, additional resources for the long-term development of the Company.



BoM assessed that the management, optimization of debts were always monitored carefully, so that despite total loan growth compare the same period last year, the ratio of debt to total assets accounted for 24%. but net interest expense was negative VND 200 billion because Vietjet has implemented many measures to optimize capital. In particular, renegotiation of payment time with suppliers, continuously prepare forecasts of cash flow from which to plan appropriate capital use. With the leading position and a major user of the services, Vietjet has a better position to price and payment terms, thereby optimizing operating cash flow.

In addition, Vietjet has strictly controlled the exchange rate risk through solutions such as: forecasting cash flow, daily/ week / week / month / quarter / year payment demand; use derivative financial instruments such as CCS, IRS, SWAP to hedge risks and improve financial profitability. Besides, the cash flow plan and strict management of debt collection is frequently updated helped the Company manage the risk of interest rate differences, exchange rates and optimize the use of debt. loans from time to time.

2019 is a dynamic and challenging year for the aviation industry, and closed with Vietjet's positive results. Vietjet is considered as one of the enterprises with the best management and financial capacity of listed companies, among the top 50 most effective business companies in Vietnam according to Nhip Cau Investment magazine, top 50 best listed companies in Vietnam according to Forbes Magazine ... Ho Chi Minh Stock Exchange assessed and selected VJC shares into the basket of 20 stocks with sustainable development over the period from August 5, 2019 to July 31, 2020.

Although the aviation market is always challenging, there are always many opportunities for businesses to improve, develop capacity and continue to bring values and efficiency to investors, creating momentum to implement the mission of a destiny where everyone has a opportunity to fly and become a regional and world class airline.

REPORT OF BOARD OF MANAGEMENT (continue)

Action plans in 2020

ACTION PLANS IN 2020

The outbreak of the corona virus pandemic from the beginning of 2020 has been affecting the world economy, including the aviation industry. As soon as the epidemic spread, Vietjet launched the Emergency Prevention and Control Committee on January 21, 2020 to organize a campaign for foreign passengers to come home, with 626 flights carrying 142,000 passengers, ensuring said no guests were left behind. All passengers, crew and aircraft are absolutely safe according to the recommendations of the World Health Organization, the authorities of the countries and the highest international standards in the prevention of epidemics.

Vietjet has provided many free flights for the delegations and the medical team, showing a high sense of responsibility to the community. Vietjet has contributed a part of its efforts to solve safe transportation for passengers and to control the spread of disease. The Emergency Prevention and Control Committee continues to focus on operating, service, financial matters ...

Facing the challenges of 2020, Vietjet's BoM proactively implemented a series of drastic measures in its operational and business activities to cope with and minimize the effects of the pandemic. Pandemic is an objective factor and the aviation industry is the most directly and heavily affected, but Vietjet has been working to turn challenges into opportunities.

Vietjet believes that with the Government's support with practical solutions, including easing monetary policy, reducing interest rates, extending repayment periods, reducing fee taxes, exempting/reducing import tax and Environmental taxes for flight fuel, reduced take-off costs, etc. will help businesses and Vietjet maintain their operations and stabilize their employees' lives. In addition to the support of the Government, Vietjet actively implements many business solutions in enhancing Skyboss service quality, expanding and developing cargo transportation (cargo) service, implementing solutions, commercial measures, aircraft financing and implementation of measures to control operating costs.

At the same time, during the period affected by pandemics, cash flow optimization strategies and solutions are always top priority. Vietjet initially reached an agreement with the partner to extend the payment time; as well as working with banks to receive support following the Circular No. 01 / TT-NHNN dated March 13, 2020 of the Vietnamese National Bank. In addition, Vietjet deployed and focused the management of cash flow by day / week / month to balance the cash flow, supporting the BoM in making decisions.

With the above drastic actions, the Board of Management is focusing on developing the business and production plan for 2020 on the basis of assumptions about the aviation market, disease developments, implementation solutions and submitting to the General Meeting of Shareholders for approval at the next shareholders' meeting.



Vietjet actively implements many business solutions to improve the quality of services, expand cargo transportation network, finance aircraft and optimize operating expenses.



REPORT OF BOARD OF MANAGEMENT (continue)

Action plans in 2020

Safety management

Update the new version of SMS documents in compliance with current regulations of CAAV, ICAO and related organizations; At the same time, ensure that the document system is up to date and fully compliant with international regulations and standards.

- Ensure all safety indicators (SPI) are measured and monitored according to acceptable safety level - SSP approved by CAAV.
- Continue to effectively implement the Operational Safety Assessment - LOSA program for cabin and passenger cabin operations
- Continue cooperation with Airbus / Navblue in flight data analysis - FDM, ensuring the effective identification and management of risks and hazards.
- Continue to analyze, evaluate, determine the level of risk (HIRA) and control all safety issues (Safety Issue)
- Ensure initial training / re-training in SMS awareness, Safety Culture development throughout the system
- Begin the use of new Quality - Safety management software (Coruson) to support the reporting, analysis and evaluation of safety issues.
- Strengthen international cooperation on safety work by hosting the Asia-Pacific Safety Conference - APASS and attending Safety conferences (organized by IATA, AAPA, Airbus).

Implemented the Safety Management System Assessment program for all internal departments of Vietjet. Ensure that the ATCL management system does not have a level 1 nonconformity with respect to the assessments of Aviation Authorities.

Human Resources

Vietjet focuses on the key tasks:

Strengthening human resource development:

Recruiting pilots through socialization policies, cooperating with companies that provide pilots rental services, direct recruitment, continue to maintain a policy of full pay for transfer type training courses, periodically for the pilot team.

Develop cooperation programs with universities, colleges, training centre at home and abroad, and have policies to invest and foster students at universities, colleges in order to timely supply quality human resources like engineers and technicians. In addition, Vietjet also cooperates with other foreign organizations in recruiting skilled experts.

Competency building and investment in development of training organization:

Development of a training center certified as "Level 2 Aviation Training Organization" - an organization that uses qualified simulation equipment and is approved by CAAV. Recruit and develop qualified teachers to meet the needs of training and human resource development for Vietjet. For pilot / flight attendant training: continue to invest in 2 more Full Flight Simulator - FFS for piloting and periodic training for pilots, investing 1 model Ditching Mock - up, A320 / 321 aircraft door training equipment (A320 / 321 Door Trainer), Fire Fighting Trainer for emergency practice flight crews is expected to be in use in mid-2019.

For technical training: building a practical training workshop for aircraft repair and maintenance engineers B1 / B2 (expected to invest in 2019), continue to invest in



training centers, standard classrooms, modern teaching equipment that meet the standards of the European Aviation Safety Agency (EASA).

Develop a plan and implement the "Project of basic pilot training" to provide the main labor force for Vietjet in particular and the aviation industry in general (2019-2020).

Strengthening human resource management:

Standardize the processes of recruitment, training, transfer, appointment, performance evaluation, according to market principles and talent appreciation.

Develop a comprehensive mechanisms and policies for remuneration, evaluation and reward of employees, including: policies and salary system to ensure competitiveness in the labor market, a system of evaluating employees (competency), performance evaluation (KPIs), salary policy, payroll regulations, improvement of working conditions and quality of work at Vietjet.

Focusing on training, periodic training, changing types, upgrading staff and improving the qualifications of the management team according to international standards, focusing on improving foreign language skills and handling skills with passenger, especially with employees which are dealing with customers directly.

Maintain corporate culture, create cohesive power:

Besides the business strategy, the strength of the business from the corporate culture brings a competitive advantage to the development. Vietjet focuses on building the Corporate Culture as an identity and deep trust to every employee. The dedication and loyalty of each employee in the company, the teamwork spirit in every job and the

trust of employees in the decisions and policies of Vietjet. At that time, Vietjet's culture will make a difference and be a competitive advantage in the aviation human resource market.

Financial resource:

Vietjet develops a cash flow plan and a capital arrangement plan for the period of 2020-2021 with the goal of maintaining healthy financial health, ensuring operational capital and investment capital are at the most competitive cost. Solutions to ensure financial resources include:

- Optimize working capital and cash flow through the implementation of integrated and advanced cash flow and payment integration solutions based on modern technology of international banks. head.
- Flexible use of capital market tools (stocks, bonds, loans ...) to diversify short, medium and long-term capital arrangements to meet Vietjet's capital needs.
- Deploying effective aircraft financing options based on advanced models in the world such as SLB, JOLCO, ECA, insurance financing from manufacturers ... through banks, international financial institutions have a high reputation and long operating history such as JPM, Citibank, HSBC, Credit Union, ING, SMBC, MUFG ...
- Heading to attract capital from the international market through the mobilization of equity, international bonds and loans.

Brand development

Focusing on developing Vietjet brand associated with superior service quality and reasonable ticket prices. Vietjet continues to inspire its passengers to experience convenient, playful services, and many promotions. The brand image shows the personality and lifestyle of the generation of smart consumer customers, towards a beautiful life, loving connection, which is the "Vietjet generation".

Vietjet has been and will always be the spirit of entrepreneurship, creativity and dynamism to become the favorite new generation airline and the choice of many passengers not only in Vietnam but also in the region. Vietjet continues its mission of realizing the flying dream of the community, becoming the People's Airline with a super-economical price-saving strategy for passengers, constantly contributing to the development of Vietnam's aviation industry & area.



PERSPECTIVES AND STRATEGIES



01.
Firmly expand and develop domestic and international flight network

- Increase growth of domestic market share and efficient expansion of international routes.
- Develop freight transport services.
- Guarantee to lead the domestic market share.
- Ensure routes are profitable.
- Implement cost-saving solutions.
- Prepare resources to catch up when the market recovers (cash flow, aircraft, flight crew)

Strengthen the position of leading domestic air transport company and increase the exploitation of efficient international routes

02.
Strengthen Vietjet Air's brand

- Increase brand value on the basis of outstanding service quality (focusing on ground service, Skyboss and passenger cabin), operating safety and ensuring the press has correct information about VJ activities .
- Build brand awareness and reputation in providing high quality services.

Continue to develop loyal customer groups and enhance financial performance

03.
Complete operating system, regulations process of operation

- Continue standardizing and automating operational processes, 100% of operations activities are based on advanced processes.
- Organize and operate the risk management system. Strict cost control.
- Build and implement a comprehensive digital strategy. Complete IT projects for Operation, Finance, Human Resources.

Apply advanced technology in flight operation and management.

04.
Focus on cost management, operational efficiency

- Cost savings, a reduction of 3% - 5% of the total cost per BH, increase operational efficiency next year over the previous year, including: Reduce 3% of operating expenses / BH through fuel saving (ii) a 10% reduction in technical costs / BH through increased internal technical maintenance, (iii) a 10% reduction in pilot and cabin crew expenses through optimal flight efficiency and (iv) a reduction in 10% of the cost through cost-saving programs.

Maintain a leading position in cost per unit ASK and the most efficient in the industry

05.
Maintain high standards for quality, safety and security

- Commit flight safety according to IOSA with leading indicators of Asia Pacific airlines
- Maintain LCC aviation operational standards.

Commitment to high standards of quality, safety and security

06.
Optimize operation

- Optimize operation through scientific organization of flight network, fleet and flight crew.

Optimize business costs and business efficiency

07.
Diversify sources of funding

- Organize efficient aircraft financing work according to the world's advanced models.
- Deploy financial arrangements, effective cash flow balance.
- Manage financial indicators effectively.

Diversify financing options

08.
Concentrate on human resources

- Improve the competencies of executive management staff and the ability to work in teams. Continue to implement a strategic project on human resources, implementing the Aviation Academy model.
- Strengthen recruitment and training programs, continuing to well implement the company's culture and developing succession team.

Build an international and professional working environment, and encourage creativity and passion from employees



Corporate governance report

Vietjet always ensures adherence with corporate governance policies in accordance with best practices and current regulations including listing regulations of Ho Chi Minh Stock Exchange. This is not only access to the core value as well as a significant requirement to ensure growth goals, but also affirms brands and helps Vietjet integrate successfully.

REPORT OF THE BOARD OF DIRECTORS

I. ACTIVITIES OF THE GENERAL MEETING OF SHAREHOLDERS

Information on meetings and resolutions / decisions of the General Meeting of Shareholders (including the resolutions of the General Meeting of Shareholders adopted in the form of written comments):

Resolutions/Decisions No.	Date	Content
1 01-19/VJC-DHCD-NQ	19/04/2019	Resolution of Annual General Meeting (AGM) 2019

II. THE BOARD OF DIRECTORS (BOD)

1. Information about members of the Board of Directors

Name of member	Position	Day of becoming/ no longer member of the Board of Directors	Number of attendance	Percentage [%]	Reasons for absence
1 Nguyen Thanh Ha	Chairwoman	20/04/2017	61/61	100	
2 Nguyen Thi Phuong Thao	Vice Chairwoman	20/04/2017	61/61	100	
3 Nguyen Thanh Hung	Vice Chairman	20/04/2017	60/61	99	Business trip
4 Chu Viet Cuong	Member	20/04/2017	61/61	100	
5 Luu Duc Khanh	Member	20/04/2017	61/61	100	
6 Dinh Viet Phuong	Member	20/04/2017	61/61	100	
7 Donal Joseph Boylan	Member	19/04/2019	15/61	25	Business trip



2. Supervision of BOD over BOM

Based on the company's charter and corporate governance regulations, the Board of Directors has well supervised the activities of the Board of Management along with other managers in implementing the resolution of the General Meeting of Shareholders.

The Board of Directors also directs and supports the Board of Management to strictly implement the guidelines and decisions of the Board of Directors.

In addition to supervision, the Board of Directors also cooperates with the Board of Management in planning and giving methods to handle the corporate governance in the most effective way.

3. Activities of the independent member of BOD

Operating in particular aviation field, Vietjet requires that the independent member of the BOD to meet specific criteria and have deep understanding of aviation industry. The elements of ability, experience, moral qualities, integrity and objectivity are given top priorities as assessing independent member of BOD. In 2019, Vietjet implemented to elect an independent member of the BOD after finding suitable people at the 2019 Annual General Meeting of Shareholders. With the following experience, creative and integrity since joining the Board of Management, the independent member gave good ideas to increase the efficiency and balance benefits of the parties. Currently, the independent member perfectly has been performing their role in charge of independent part according to international practices that it is applicable to listed companies.

4. Report Of The Committees Under The BOD

The committees established by BOD strictly adhered to the operating principles of the committee, thereby maintaining operations in accordance with the regulations. Periodically, the committees meet BOD and report the results directly to BOD. Head of committees and members of each committee are proactive, positively perform their responsibilities, have practical contributions to corporate governance as well as the general development of the Company.

4.1. Aviation Safety Committee

Aviation Safety Committee is responsible for ensuring aviation safety. This committee collaborated with relevant departments to monitor closely and implement

properly the provisions in the Safety Management System manual of the Company. In particular:

- Regularly reporting on aviation security to the CAAV and the National Traffic Safety Committee;
- Directing and monitoring the training programs of flight teams, flight attendants and technical staffs to be implemented in accordance with the international standards on safety at facilities approved by the CAAV;
- Monitoring safety activities including:
 - The Line Operation Safety Audit - Cockpit
 - The Line Operation Safety Audit - Cabin
 - Analysis of flight data,
 - Monitoring occurrence reports in the whole operation system, applying hazard identification and risk assessment for each safety issue determined and disseminated to the relevant departments for implementation and further improvement.
- Giving directions in ensuring safety in the whole operation system to achieve IATA Operational Safety Audit renewal in 2019.

4.2. Aviation Security Committee

The Aviation Security Committee assists the BOD in ensuring the aviation security of Vietjet. During last years, the Committee has cooperated with relevant departments to monitor closely and implement properly the provisions of the Aviation Security Program, including:

- Reporting, coordinating and actively implementing the directions of the National Aviation Security Committee, at the same time sending staff, experts to participate in training courses on the following contents: identifying counterfeit documents, aviation security management, anti-terrorist, network security, training and rehearsals for handling and dealing with emergency situations in aviation security;
- Coordinating with police and security departments to deploy security activities of Vietjet, in which, it is necessary to review the identity of personnel, staff and coordinating in handling immigration-related cases.
- Implementing communication programs for educating and strengthening security responsibilities to managers, including staff management and others. The Security Committee gives necessary



REPORT OF THE BOARD OF DIRECTORS (continue)

direction to Security Department and Media Centre to coordinate and sponsor for national safety programs organised by the CAAV, improving safety culture across the Company.

- Developing the regulations on information security according to ISO27000 standard at the same time, directing the IT Department and related units to coordinate in drafting the Network Security Program and submit it to and get approval from the Aviation Security Committee for implementation including active security measures to prevent network attacks and contingency plan in case of attack occurrence.

4.3. Organization and HR Committee

The Organization and HR Committee has the right to decide on strategic issues related to the Company's personnel organization, including organizational structure, salary etc to suit the development situation of the company. HR Committee will constantly monitor changes in work force and labor market to make right decision on remuneration adjustment, employee reward policies and other ways to effectively motivate employees as well as other welfare programs to building Vietjet where is one of the businesses with the best working environment in Vietnam.

4.4. Emergency Response Management 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. The Committee completed the following tasks:

- Training courses to respond emergency cases
- Reviewing and implementing the Comprehensive Emergency Plan and at the same time building new emergency plans for Vietjet at the airports;

- Emergency Response Rehearsals for Aviation Security and Emergency Response Rehearsal for Aviation Safety;
- Incident handling, ensuring to minimize damage to passengers, and at the same time, quickly return to normal activities in the shortest time.

4.5. Risk Management Committee

The Risk Management Committee is responsible for assisting the BOD in improving the risk management system, ensuring business operations and effective use of resources and assets. The committee shall build a risk management strategy, risk appetite, risk management policy, risk management process and performing necessary inspection and assessment activities to ensure that risk management is fully implemented.

4.6. Insurance Committee

The Insurance Committee is responsible for organizing and selecting insurers who offer the best insurance services to the Company, holding training courses on insurance operations for all employees and controlling and monitoring compensation for incidents. In particular:

- Renewal of the insurance programs in 2019 - 2020 at the best rates for top reinsurers in international markets;
- Organizing training courses and attending conferences: the training course of the IATA, Emergency Response Preparedness (ERP) and training course for Globally Harmonized System of Classification and Labeling of Chemicals (GHS), training on ISO/IOS management system, participating in the insurance conference of Asia Pacific annually held by Willis.

5. Resolutions/Decisions of the Board of Directors

	Resolutions/Decisions No.	Date	Content
1	12-19/VJC-HDQT-NQ	12/03/2019	Cut-off date to attend AGM 2019
2	18-19/VJC-HDQT-NQ	08/04/2019	Organize AGM 2019
3	19-19/VJC-HDQT-NQ	08/04/2019	Cut-off shareholder list to interim dividend of 2nd 2018
4	28-19/VJC-HDQT-NQ	09/07/2019	Resolution of buying treasury stocks

III. SUPERVISORY BOARD

1. Information about members of Supervisory Board:

	Members of Supervisory Board	Position	Day becoming/ no longer member of the Supervisory Board	Number of attendance	Percentage (%)	Reasons for absence
1	Tran Duong Ngoc Thao	Head	20/04/2017	3/3	100	-
2	Doan Thu Huong	Member	20/04/2017	3/3	100	-
3	Pham Van Dau	Member	20/04/2017	3/3	100	-

2. Surveillance activities of the Supervisory Board toward the Board of Management, Board of Directors and shareholders:

- Supervise the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors.
- Supervise information disclosure activities, implementing rights and shareholder relations of the Company.
- Reviewing the results of internal audit activities of the Company in 2019.
- Checking and evaluating the Company's departments in 2019.

3. The coordination among the Supervisory Board with the Board of Directors, Board of Management and managers:

- In 2019, the Board of Directors regularly discussed with the Board of Supervisors when issuing resolutions, decisions and implementing resolutions of the Annual General Meeting of Shareholders.

- The Board of Management and other departments of the Company provided the financial data fully and on time about operational informations when this departments were required by the Supervisory Board.

4. Other activities of the Supervisory Board (if any):

Review and comments on the Company's rules, regulations and procedures

IV. TRAINING ON CORPORATE GOVERNANCE:

Members of the BOM, members of the Supervisory Board, CEO, other managers company secretary was involved in corporate governance courses under the guidance of 155 Circular, 71 Decree and the Laws, other decrees and circulars as well as participating in classes to be organized by HOSE to apply to corporate governance.



REPORT OF THE BOARD OF DIRECTORS (continue)

V. TRANSACTION BETWEEN RELATED PARTIES

1. Transactions between the company and the affiliated persons or between the company and major shareholders, internal persons and related person of internal person : No

2. Transaction between internal person of listed company and company's subsidiaries, or the company in which listed company takes controlling power: No

3. Transactions between the company and other objects:
3.1. Transactions between the company and the company that members of Board of Management, members of the Supervisory Board, Director (CEO) has been a founding member or members of Board of Management, Director (CEO) in three (03) years (calculated at the time of reporting):

Company	Type of transaction
1 Sovico Group Joint Stock Company	- Buying or Selling air ticket - Renting of Sovico's Office at 302 Kim Ma, Ba Dinh ward, Hanoi - Advisory services (invest, purchase, public relationship)
2 HDBank	- Credit transactions (loan, buying and selling foreign currencies, letter of credit) - Transactions in deposits, term deposits - Buying and Selling air tickets - Advertising Services - Financial advisory service
3 Indochina Beach Hotel Joint Stock Company	- Buying or Selling air ticket
4 Vietjetair Cargo Company	- Freight services - Buying and Selling air tickets - Receiving deposits from Cargo agents - Other collection or payment transactions
5 Thai Vietjet Air Joint Stock Company Limited	- Collection or payment transactions
6 VietJet Air IVB No. I Limited	- Trading and leasing aircrafts and aircraft components
7 VietJet Air IVB No. II Limited	- Trading and leasing aircrafts
8 VietJet Air Singapore Pte Ltd	- Trading aircrafts
9 VietJet Air Ireland No. I Limited	- Buying or Selling or Leasing Aircraft
10 Sunflower Sunny Investment Company Limited	- Trading and leasing aircrafts

3.2. Transactions between the company and the company that related person of members of Board of Management, members of the Supervisory Board, Director (CEO) as a member of Board of Management, Director (CEO): No

3.3. Other transactions of the company (if any) may be beneficial material or immaterial for members of Board of Management, members of the Supervisory Board, Director (CEO): No

VI. TRANSACTIONS OF INTERNAL PERSONS AND RELATED PERSON OF INTERNAL PERSON:

Performer	Relation to the internal staff	Percentage of ownership (%)		Reasons for increase, decrease (purchase, sale, transfer, bonus etc)
		Opening period	Closing period	
1 Do Kim Thinh	Relation to Mr. Nguyen Duc Tam – Vice President	0.07	0.037	Portfolio renewal
2 Nguyen Thi Bao Anh	Relation to Mr. Nguyen Duc Tam – Vice President	0.03	0.02	Portfolio renewal
3 Le Viet Anh	Relation to Board Chairwoman	0.08	0.00	Sold for personal use
4 Chu Viet Cuong	Board Member	0.03	0.01	Sold for personal use
5 Tran Duong Ngoc Thao	Head of BOS	0.007	0.005	Sold for personal use
6 Do Xuan Quang	Vice President	0.01	0.004	Sold for personal use

VII. OTHER CONCERNS: No

REPORT OF THE SUPERVISORY BOARD

1. ORGANIZATION, ALLOWANCE AND BENEFITS OF THE SUPERVISORY BOARD

The Supervisory Board (BOS) elected for the term 2017 – 2022 comprises of 3 members:

	Members	Positions	Shares owned
1	Tran Duong Ngoc Thao	Head – Fulltime	26.680
2	Doan Thu Huong	Member	253.680
3	Pham Van Dau	Member	50.400



2. PERFORMANCE OF SUPERVISORY BOARD IN 2019

Supervisory Board (BOS) has completed its duties for the year 2019 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 2019.

In 2019 the BOS held 03 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. Member of the BOS successfully completed their assigned tasks.

	Participants	Main content
Meeting 1: 08/04/2019	3/3	- Review and approve the 2018 Supervisory Report - Actions plan for 2019 - Tasks assigned for Supervisory members
Meeting 2: 19/07/2019	3/3	- Review and evaluation of internal control & audit activities in 1st half 2019 - Updates of corrective actions at the audited departments
Meeting 3: 19/07/2019	3/3	- Review and evaluation of internal control & audit activities in 2nd half 2019. - Check the execution of AGM's and BOD's resolutions; information disclosures activities in 2019 - Actions plan for 2020

3. RESULTS OF MONITORING THE COMPANY'S OPERATIONAL AND FINANCIAL PERFORMANCE

a. Executions of AGM's resolutions:

- Executing resolutions of AGM 2019 for profit allocations, the Company has advanced the 2nd dividend payment 2018 of 10% by cash in April 2019, making up total paid dividend to 30% of cash.
- The Company purchased treasury stocks using shares' premium and retained earnings according to the audited consolidated financial statements as of December 31, 2018 with the number of 17,772,740 shares, equivalent to 3.28 % charter capital.
- Consolidated revenue is VND 50.603 billion, fulfilling 105,1.% of 2019 plan; consolidated profit after tax is VND 3.807 billion; Owner equity is VND 14.903 billion.
- Authorized by the AGM, 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 standards.

- In 2019, the Company paid remuneration to BOD and Supervisory Board in accordance with the budget of General Meeting Shareholders.
- The Company has fulfilled all taxation duties to the State.

b. Supervision of financial result of 2019

- 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 2019 reflect actual financial position as of 31/12/2019, actual results of operations of the fiscal year, and in compliance with the current Vietnamese accounting system and related legal regulations, and was audited and KPMG Vietnam

REPORT OF THE SUPERVISORY BOARD (continue)

c. 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.

Supported the Company to complete the internal audit activities in accordance with the Decree 05/2019/ND-CP issued on 22/01/2019.

Internal Audit has completed the approved inspection and audit plan:

- Completing of all periodic audits of departments and affiliated companies, 2019's audit result showing that the company has complied with the established internal control system.
- The operation regulations of departments completed in 2018, the financial decentralization and SOP also updated and issued in 2019.
- The results of periodical audits recorded a decrease in number of findings by 10% compared to 2018 due to the fact that audited departments had successfully corrected the identified issues.
- In addition, the BOS proposed to improve and update internal control procedures and manuals to improve the effectiveness of the Company-wide management system

d. Audit & consulting fees

- In 2019, Vietjet selected KPMG Co., Ltd., Branch in Ho Chi Minh City - Vietnam to provide auditing services for the 2019 financial statements, including the separate financial statements of the parent company and the consolidated financial statements according to the Vietnamese Accounting Standards (VAS).
- Vietjet's management always focuses on building an efficient corporate governance system, not only complying with legal regulations but also meeting international norms and practices. The consultancy services that Vietjet used throughout the year, including consultancy packages and upgrade of IT applications in line operations, business management consulting services, and legal services with the costs incurred in the year, as follows:

Consultancy and Audit services	VND million
Consulting services on corporate governance and IT	13.843
External auditing	3.400
Legal services	2.090
Total	19.333

4. RESULTS OF MONITORING THE BOD AND BOM

a. Supervision of BOD activities

In 2019, the Board of Directors has complied with the Company's Charter and Corporate Governance Policy:

- Executed AGM's resolutions.
- Deployed BOD meetings and extended meetings with the BOM, to agree on strategies, growth directions and business plans, to direct the management activities within the authority of the Board in order to achieve the 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

b. Supervision of BOM activities

The BOM has 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 Board of Directors.
- 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 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 2019, the BOS has not recorded any violations in the management and administration of the BOM and other management positions of the Company

5. CO-ORDINATION BETWEEN SUPERVISORY BOARD, BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SHAREHOLDERS

- During the supervision and control activities of the BOS, BOD, BOM and departments of the Company have supported and coordinated well with the BOS, all requested documents were timely and sufficiently provided.
- The BOS has 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 2019, the BOS did not receive any complaints from shareholders about the Company's business and management

6. SUPERVISORY BOARD'S PLAN FOR 2020

In 2020, the Supervisory Board 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.
- Co-ordinate with BOD to check customer services quality and operational management of stations.
- 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 Board of Directors and give advise for risk management to increase effectiveness of management



INTERNAL AUDIT'S REPORT

Apart from the functions and duties prescribed by the Enterprise Law that Supervisory Board must perform to strengthen the function of managing operations and governance based on the characteristics of the aviation industry, Vietjet also pioneered to build the Department of Auditing and Internal Control right from the first days of establishment. The Department of Auditing and Internal Control operates independently and reports directly to the CEO/MD and Head of Supervisory Board to perform the tasks of controlling the operational compliance of units/ departments in the Company, assisting them in building risk management systems, and inspect and control high-risk operations.

The Department of Internal Control & Audit consists of seven auditors with many years of experience working in international auditing firms (Big4), granted with the Lead Auditor certificates, trained in risk management and internal audit system according to COSO standards and annually granted certificates of specialized training in aviation audit by the IATA

I. INTERNAL CONTROL AND AUDITING METHOD

Method of implementing internal control and auditing is a risk- based approach, concentrating the sources on inspecting and controlling units, departments, processes which are assessed to have a high level of risk.

Head of Internal Control & Audit department is responsible for working with Vietjet's Board of Management and the heads of Divisions/ Departments/Committees to identify, analyze, evaluate risks and develop risk profile for each activity of Vietjet.

Depending on size, growth, risk levels of activities and existing resources (human resources, finance), the Director of Internal Control and Auditing will build an annual plan for internal control and audit (divided by months, quarters). Vietjet's annual internal control and auditing plan must meet the following requirements:

- Risk-based approach: Based on the impact assessment, the possibility of such risks in processes and departments, risks are divided into high, medium or low risk. High risk activities will be prioritized to concentrate more resources and time to perform the control in advance and regularly to limit mitigate the risk level. Any medium and low risk activities will be periodically controlled.

- Ensuring comprehensiveness: Vietjet's business processes, units, departments are controlled. For processes and departments having the lowest risk in general must be controlled at least once a year.
- Allowing adequate time to carry out non-scheduled audits and inspections immediately upon request of the Board of Management and the BOD; or being aware of frauds, signs of high risk in the applicable subjects.

The internal control and auditing plan must be updated, amended and adjusted subject to the occurrences and changes in Vietjet's activities and the change of associated risks

II. INTERNAL CONTROL AND AUDITING ACTIVITIES IN 2019

Completed the Operation Regulations for internal control & audit, in accordance with the Decree 05/2019/ ND-CP issued on 22/01/2019.

Completed the system audit manual for current softwares & applications of the Company.

Performed monthly audits to improve and advance compliance as well as prevent and minimize risks.

Systems and applications are regularly updated to limit risks from the system and advance cyber security to catch up with the Industry 4.0.

Evaluated and monitored customer service quality at airports as well as inflight services to ensure that operational procedures are fully complied.

Conducted re-fueling audit to ensure the company cost-saving program effectively operates.

Completed periodic audits at Departments/Division level to ensure that the operational procedures/regulations are fully complied. According to internal audit reports, the non-compliance cases decreased by 10% compared to 2018.

III. ACTION PLAN FOR 2020

Complete the approved annual audit plan and continuously conduct system audits. Ensuring the Internal Audit processes are followed COSO standards.

Internal audit manuals are annually updated to fully reflect audit procedures for an effective audit and minimization of possible operational risks.

Planning to incorporate the International Enterprise Risk Management System together with the applications of Industry 4.0 into internal control by automating audit systems/applications to improve the effectiveness of the internal audit. Developing and improving current human resources based on IATA training programs



REPORT ON SALARY, REMUNERATION

I. REPORT ON SALARY AND REMUNERATION OF THE BOARD OF MANAGEMENT, BOARD OF DIRECTORS AND THE SUPERVISORY BOARD

1. Salary and remuneration of the Board of Directors

	Name	Position	Salary	Remuneration
1	Nguyen Thanh Ha	Board Chairwoman		100%
2	Nguyen Thi Phuong Thao	Board Vice Chairwoman	100%	
3	Nguyen Thanh Hung	Board Vice Chairman		100%
4	Chu Viet Cuong	Board Member		100%
5	Luu Duc Khanh	Board Member	88%	12%
6	Dinh Viet Phuong	Board Member	75%	25%
7	Donal Joseph Boylan	Board Member		100%

2. Salary and remuneration of the Supervisory Board

	Name	Position	Salary	Remuneration
1	Tran Duong Ngoc Thao	Head	78%	22%
2	Doan Thu Huong	Member		100%
3	Nguyen Van Dau	Member		100%

3. Salary and remuneration of the Board of Management

	Name	Position	Salary	Remuneration
1	Nguyen Thị Phuong Thao	President	100%	
2	Luu Duc Khanh	CEO	88%	12%
3	Dinh Viet Phuong	Vice President	75%	25%
4	Nguyen Duc Tam	Vice President	100%	
5	Luong The Phuc	Vice President	100%	
6	Nguyen Thi Thuy Binh	Vice President	100%	
7	Nguyen Duc Thinh	Vice President	100%	
8	To Viet Thang	Vice President	100%	
9	Tran Hoai Nam	Vice President	100%	
10	Nguyen Thanh Son	Vice President	100%	
11	Do Xuan Quang	Vice President	100%	
12	Ho Ngoc Yen Phuong	Vice President - CFO	100%	

II. REPORT ON INTERNAL TRANSACTIONS

1. Internal transactions in 2019

Number of internal shareholders to make transactions in 2019 as following:

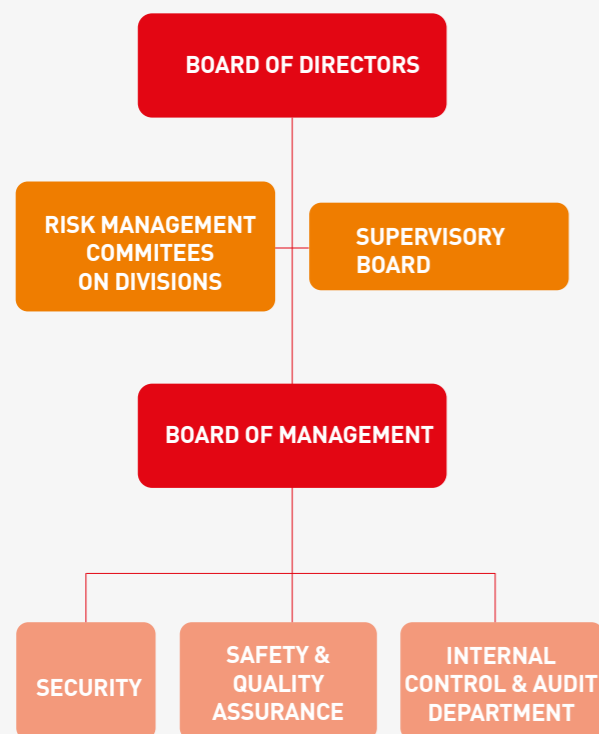
Performer	Relation to the internal staff	Percentage of ownership (%)		Reasons for increase, decrease (purchase, sale, transfer, bonus etc)
		Opening period	Closing period	
1 Do Kim Thinh	Relation to Mr. Nguyen Duc Tam – Vice President	0.07	0.037	Portfolio renewal
2 Nguyen Thi Bao Anh	Relation to Mr. Nguyen Duc Tam – Vice President	0.03	0.02	Portfolio renewal
3 Le Viet Anh	Relation to Board Chairwoman	0.08	0.00	Sold for personal use
4 Chu Viet Cuong	Board Member	0.03	0.01	Sold for personal use
5 Tran Duong Ngoc Thao	Head of BOS	0.007	0.005	Sold for personal use
6 Do Xuan Quang	Vice President	0.01	0.004	Sold for personal use

2. Transactions between Related parties

Transactions between the Company and the companies that members of Board of Management, members of the Supervisory Board, Director (CEO) has been a founding member or members of Board of Management, Director (CEO) in three (03) years (calculated at the time of reporting):

Company	Type of transaction
1 Sovico Group Joint Stock Company	- Buying or Selling air ticket - Renting of Sovico's Office at 302 Kim Ma, Ba Dinh ward, Hanoi - Advisory services (invest, purchase, public relationship)
2 HDBank	- Credit transactions (loan, buying and selling foreign currencies, letter of credit) - Transactions in deposits, term deposits - Buying and Selling air tickets - Advertising Services - Financial advisory service
3 Indochina Beach Hotel Joint Stock Company	- Buying or Selling air ticket
4 Vietjetair Cargo Company	- Freight services - Buying and Selling air tickets - Receiving deposits from Cargo agents - Other collection or payment transactions
5 Thai Vietjet Air Joint Stock Company Limited	- Collection or payment transactions
6 VietJet Air IVB No. I Limited	- Trading and leasing aircrafts and aircraft components
7 VietJet Air IVB No. II Limited	- Trading and leasing aircrafts
8 VietJet Air Singapore Pte Ltd	- Trading aircrafts
9 VietJet Air Ireland No. I Limited	- Trading and leasing aircrafts
10 Sunflower Sunny Investment Company Limited	- Credit transactions

REPORT ON RISK MANAGEMENT



The aviation industry is extremely sensitive to economic change. Especially, unfavorable and unpredictable economic conditions make business results of airline companies to be effected. Industry features include large fixed costs, high operating costs and was strictly controlled by authorities but market demand is difficult to identify along with potential industry risks. Awareness of the importance of risks, Vietjet's Board of Directors always upholds and devotes resources to risk management. As a result, Vietjet has carefully prepared for the risks that it might face, creating initiative when face to face with unexpected situations. Some of the top risks are identified as follows:

RISKS IN BUSINESS

Vietjet's business development strategy always focuses on the core activities, which are defined clearly and transparently. In the process of implementation, Vietjet has identified potential risks impacting on strategic objectives and provide key solutions to handle them. These solutions have important implications for the company when the world's economy and politics have many changes and domestic and regional airlines face dramatic competition. The central risk prevention measures include:

- Planning and focusing resources on the core activities of the Company which is to provide quality and safe air transport services
- Effective management and application of cost saving measures, one of the key actions of the low-cost airlines
- Developing a medium and long-term financial strategy to ensure the operating cash flows for the Company, developing plans to cope with market changes
- Building and strengthening the value chain to create competitive and value added advantages for customers
- Continuous improvement of corporate governance and application of the world's advanced management principles and practices for optimizing internal resources.
- Promoting Vietjet's prestigious image and brand in the country and the region. Maintain a professional working style for all employees., contributing to creating a professional working environment and culture for Vietjet.

FLIGHT OPERATION RISK MANAGEMENT

Since Vietjet joined Aviation Business, air travel has increasingly become the most popular transport mean in Vietnam. Customers and our local society in general, has been more confident and convenient with Vietjet in terms of choice for air travelling. In order to earn such high credibility and loyalty perceived by our passengers and local society, Vietjet has always ensured and prioritized the safety of travelling passengers and the value of the service provided at the highest quality as possible. Vietnam's flight operation environment has been uplifted since Vietnam achieved CAT I Degree from FAA - United State of America. In 2019, Vietjet's aviation safety was ranked the highest (scored 7/7) by AirlineRatings.com - the most reliable airline rating in terms of aviation safety and products rating in global aviation. To receive such achievement as mentioned above, Vietjet has fully applied the following solutions:

- Establish the Safety and Quality Control Committee which consist of personels of the highest experience and expertise in the field who are highly responsible and always ready for any emergency situation;
- Comply fully regulation set by International Air Transport Association (IATA), Vietnam Civil Aviation Authority (Vietnam CAA) and other requirements from other associated aviation authorities;
- Safety, Security and Quality Assurance (SSQA) conduct has been regardfully composed which includes the implementation of latest and the best in class safety management systems;
- Develop the company's own Safety manuals, policy, and other safety operational procedures; frequently organize drills of incidents situation, and other training and media courses to raise the safety awareness to all Vietjet's staffs.
- Actively implement and comply all insurance obligations through reputable insurance organizations in aviation industry.
- Safety and Quality Control department has initially implemented training courses and involved other departments within the Company in annual safety and quality assessment and planning, organized performance assessment and completed assessment profile on Coruson system. In addition, Safety and Quality Control department has created the Safety report form MOR, OSR and is on trial process on operation. Vietjet's foreseeable plan is to implement Corusion to determine and to assess risks.

As an aviation business with strong operation in many neighboring countries in the region, Vietjet have faced many operational risks related to the change in economy, politics, and environment. Mainly operated in Southeast Asia region where the typical weather condition is tropical, Vietjet have fully prepared with alternative, flexible flight plans dealing with tropical depression, storms etc. In 2019, Vietjet has been proactive in dealing and responding with such cases by suspending flights to unsafe locations, as well as quickly put forward substitution of flights plan after weather and climate change impact.

At the end of 2019, Vietjet continuously updated and assessed the impact from the protest in Hong Kong, thereby proactively reduce flights from Ho Chi Minh - Hong Kong (China) - Ho Chi Minh and temporarily suspend ground operation at Hong Kong airport when it announced closed. In order to minimize the impact of political instability of flight operation, Vietjet has

focused on investing in projecting more flights to better political situation market such as Japan, South Korea; with noticeably routes can be listed as Da Lat, Can Tho - Seoul (Incheon), Ha Noi, Ho Chi Minh, Da Nang - Nagoya, Fukuoka, Kagoshima.

In December 2019, when an outbreak of acute respiratory infection caused by a new type of corona virus (nCoV) was first detected in Wuhan City, Hubei Province, China, Vietjet responded promptly by equipping protective equipments such as masks, gloves, sterilizing treatment, etc. for flight crew and passengers. At the same time, the Company worked closely with government authorities in other countries to keep track on the situation, ensuring the validity of current safty regulations as well as to actively adjust the actual operation.

TECHINICAL RISK MANAGEMENT

In recent year, Vietjet has always maintained high utilization rate of flight hours per Aircraft to achieve the efficiency in flight operation. High utilization rate of current fleets help Vietjet increase its revenue per Aircraft. In addition, high utilization in Aircraft used also result in unit cost deduction, reduce flight disruptions and provide more reliable services. In contrast, despite the high frequent utilization in Aircraft, technical factors need to be held accountable in line with the standards set by regulatory agencies. The bellowing points are some of the technical risks that can affect flight operation and business and Vietjet's practice that taken into account to manage and mitigate the risks:

a. Average age of Vietjet's Fleet:

The everage age of Vietjet's fleet shows a young group of operating Aircraft comparing with other Airline in aviation market. However, our engineering crew has developed a plan to monitor the status of important parts of the Aircraft as well as main Engine, auxiliary power unit (APU) and has signed an maintenance service contract by flight hours with reputable engine manufacturer (such as CFM, PW) for main engine and Honeywell - for APU.

At the same time, Reassessment and reliability program is also developed in order to assess repeated failures of the Aircraft system or other equipment blocks. On such basis, number of specific action plans are put in place and are scheduled to replace the failure parts or increase spare parts of inventory to avoid the lack of replacement supplies or to make improvements according to the flight manufacturer's instructions.

REPORT ON RISK MANAGEMENT

(continue)

A321 NEO

Exploiting and operating with the new generation of Airbus A321 NEO, saving up to 16% in fuel consumption.

b. Aligned growth rate of technical resources with the growth of Vietjet's fleet

Skilled technical personnel is one of the critical factors in our business's achievement.

Currently, the training program of domestic skilled labor has yet met the requirement of rapid development of highly skilled technical staffs. Therefore, Vietjet has regularly recruited new comers from other domestic technical training academy, coordinated with Vietjet Aviation Academy to organize practical training to prepare for adjacent human resources for the next few years.

c. Technical Service and Facility:

As the nature of aviation industry, it requires large areas in the airport, especially Aircraft parking areas for maintenance service, warehouse for spare parts and tools, offices.

FINANCIAL RISKS AND OTHER RISKS

Vietjet has operated proactively in many countries with 40 destinations at 12 different territories. Therefore, the Company's financial risks mainly come from (i) exchange rate; (ii) fuel prices; and (iii) social – political instability.

a. Fuel price risks:

The financial risks from fuel price fluctuation would impact significantly on Airline industry in general due to the significant volatility and high portion of cost in Airline's cost structure (approximately 35% of total cost). In recent years, Vietjet has been implementing many effective measures, as following:

- Using young Aircraft crew which has high fuel efficiency rate.
- Implementing fuel-saving program with engine manufacturer – CFM International.
- Exploiting and operating with the new generation of Airbus A321 NEO, saving up to 16% in fuel consumption.
- The outbreak of Covid-19 has weakened the demand for fuel, especially in China's market, factories were not in operation, resulted in thousand of cancelled flights. The fact that fuel supplier did not have a consent on the fuel policy has caused the fuel prices to drop significantly, creating opportunities for Airlines including Vietjet to take advantage of current low-cost energy bills and derivative commodities to optimize long-term fuel prices.

b. Foreign exchange Risks:

The foreign exchange risks also affects heavily on Airline using borrowings to finance the fleet through its financial lease activities. Apart from the main cost such as fuel cost, Aircraft purchase fees and rental fees are paid by USD. According to the Company's business

direction, Vietjet focuses on increasing international routes which will gradually increase foreign currency income, accounts for higher proportion in the Company's flight revenue.

The Company's ongoing and planned method to prevent foreign exchange risks include:

- Developing medium to long-term financial plans, strictly managing the budget by weekly/monthly/quarterly/annually forecasted cashflow, manipulating the cashflow in consistency with the demand of production and business activities, optimizing cashflow, minimizing opportunity costs, and maximizing financial income.
- Negotiating with reputable Credit/Financial institutions to receive a discounted interest rate and cost of capital;
- Negotiating with customers to sign service contracts that pay in USD to create a source of foreign income.
- Monitoring closely the movement of financial and interest market to make warnings and proposes countermeasures through the use of derivative tools such as currency swap, option contract ... to secure foreign currency, especially USD whenever necessary.

c. Social-political instability Risks

The social instability risks caused by the outbreak of Covid-19 pandemic have impacted on the safety of the industry as well as the psychological aspects of passengers. Many countries in the region such as China, Korean, India etc.. has introduced timely solutions such as restricted entry to the countries, flight travel restrictions, the self-concern from passengers somehow cope with those solutions. The sharp decline in cash inflow from ticket sales creates difficulties for Airlines in general and Vietjet in particular to maintain the liquidity due to the specific business nature. Monthly operating cost and the use of fixed assets still have to be paid regularly at high payable amounts.

In respond to this situation, Vietjet promptly introduced temporary solution to reduce operating costs including delay, temporarily postpone the investment of Fixed Assets, suspend recruitment, encourage employees members to take voluntary leave, work closely with government agencies to apply for tax support and preferential policies. Within short to medium terms, such measurements will help the company to maintain its operations and minimize the impact of the pandemic. To maintain the liquidity of the Company's cashflow, along with passenger flight service and cargo service, Vietjet has proactively negotiated to reduce 30-70% of supplier's cost, extend the dealines of payment with key suppliers, international aircraft financial institutions and domestic and foreign banking partners.



Environmental and social responsibility report

Vietjet has been saving resources to strive for the strategic sustainable growth, which aims to create a strong connection between human resources, environment and society with clear direction, thereby making appropriate adjustments in line with the vision, strategic development and resource allocation plan of the Company.



CORPORATE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT

1. ENVIRONMENTAL IMPACT MANAGEMENT

a. Materials

Monitoring and managing the environmental impact is one of the key tasks for business sustainable operation at Vietjet in terms of reducing the environmental impact, optimal material management and fuel efficiency. These factors have a direct impact on operating costs and ensure the safety in operation. Vietjet's strategy of maintaining young fleet also helps the Company meet the environmental standards, reduce maintenance costs as well as the materials used.

Vietjet's input materials are used as spare parts for maintenance activities of aircrafts. Vietjet is using different practices to optimize costs as well as ensuring the availability of spare parts and material supply. At Vietjet, materials management practices in global airlines around the world along with the conditions of Vietjet's aviation industry are considered to apply the best practice for the company. Materials are classified into two categories: rotating spare parts and recycling consumables.

All rotating spare parts and recycling consumables are not disposed into the environment. Vietjet use AMOS Software from Technical Department to trace the rate of turnover of the spareparts and disposing materials controlled at warehouse level, to plan the scheduled maintenance activities and to determine the supply of materials if failures incurred. In 2019, the average number of rotating spareparts is 2,400 devices, with the average frequency of rotating time is approximately 11,900 times. In particular, Vietjet had 11,556 successful repairs, equivalent to 97% of material turnover and recycle process.

One time consumable goods are solid wastes which are sent to disposal under agreements between functional units at each Airport. Replaceable materials are specified, referred by Aircraft manufacturer list and are purchased from foreign suppliers. In 2019, Vietjet exported 100,000 items of consumable supplies

For any wastes generated during daily operations, Vietjet has signed the waste treatment with operating airports to comply with environmental requirements. In general, after every flight, wastes are gathered to specific area as prescribed by the Airport authorities, and then will be treated in accordance to the waste treatment agreement between Airport and other environmental and urban companies. In terms of other factors such as price, quality, creditability and brand image, Vietjet strictly request suppliers to provide the waste treatment plan, environmental projection presentation which the suppliers will be held accountable for.

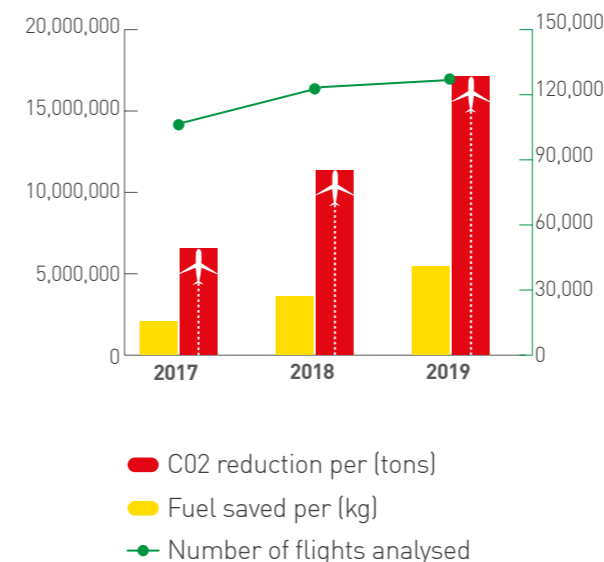
During on going operation, Vietjet have fully comply with legal requirements on environmental projection while the company increasingly raise the environmental awareness level from its employees and prepare to cope with climate change with practical measures such as: economical programs on the use of resources in office building, reuse of stationery in economical and efficient manners, frequent cleaning of the workplace and plants of greens in the office; use water resources in economical manners; increasingly promote the "5S" program to build a friendly environmental work place in office building, maintenance stations and warehouses.

b. Fuel

Fuel cost accounts the most in total operating cost in Airline industry in general and therefore by strictly monitoring and controlling fuel consumption, the company will not only reduce the fuel waste to the environment but also gain substantial economical benefits. In Vietjet's cost structure, annual fuel cost accounts for 38% to 45% of total operating expenditure of the Company.

Not only relying cost saving practice to minimise the risks from fuel prices such as fuel surcharges or hedging programs (Vietjet has yet implemented the policy of fuel surcharge on ticket prices), Vietjet has focused more attention to the goal of buiding a comprehensive, long-lasting, and efficient fuel economy program. Since 2017, Vietjet has cooperated with Safran Group (France) to develop and implement the optimized fuel consumption program (SFC02). This is a comprehensive project that includes different solutions including providing specific instructions and details for pilots to control the operation of the engines from rolling to the runway and taking off, or when it comes to raising/lowering altitude during flights and during landing and rolling the Aircraft into the parking lot. These instructions help optimize the engine's operating capacity, allowing pilots to choose the appropriate configuration to reduce the adversed force/draws when landing and taking off, thereby reducing fuel consumption but still maintaining the safety of the passengers. In addition, the programs from this project also helps to identify the payload of passengers, luggage as well as the amount of spare fuel remained in the fuel tank which helps the Company to determine the exact fuel recharged amount. Through SFC02 program, Vietjet was able to track and optimize the fuel consumption for each flight, enhancing fleet efficiency. In 2019, it is estimated that SFC02 program has saved 5,4 million kilograms of fuel while raising the awareness of utilizing cost to all Vietjet's employees.

c. Fuel saving results



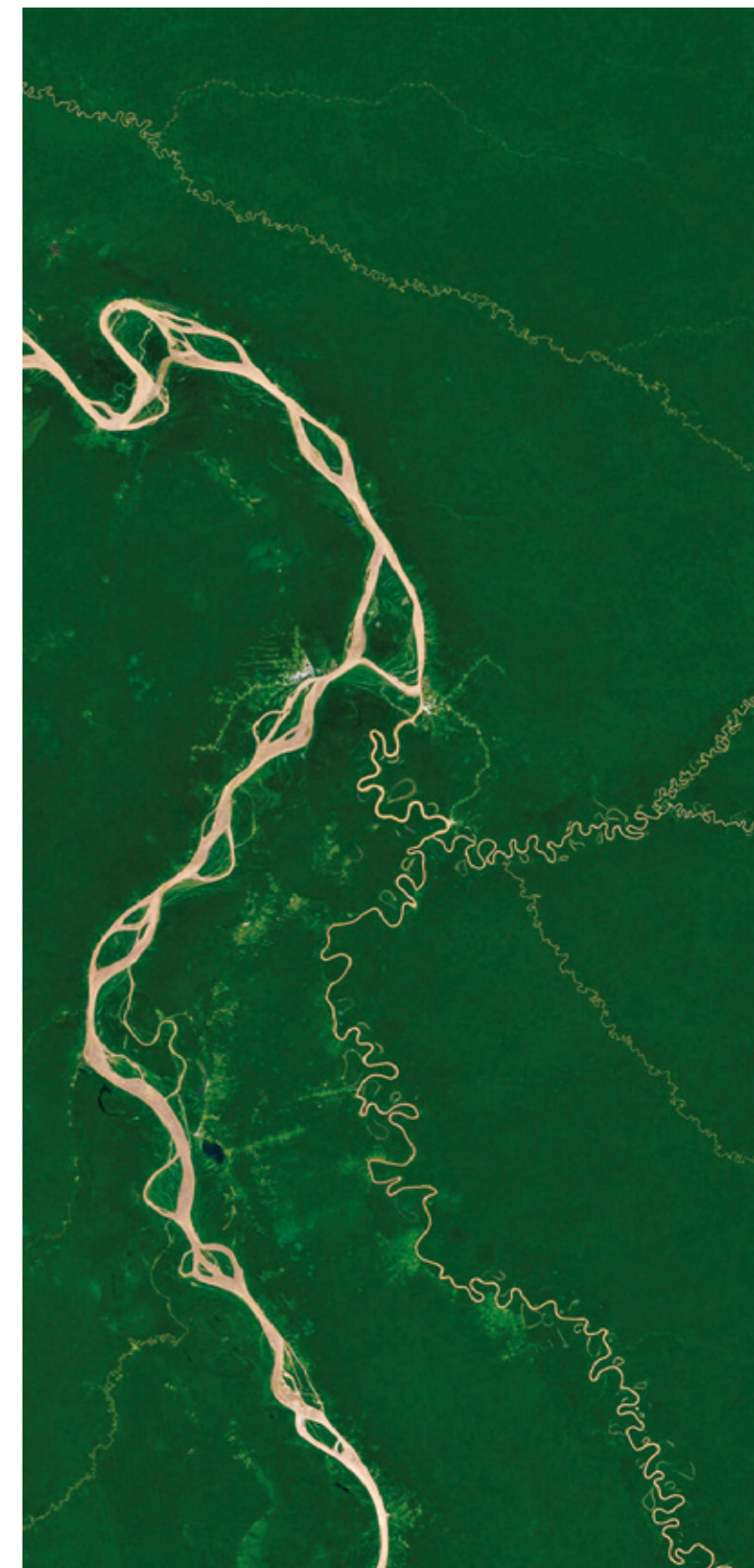
d. Emission

Vietjet has implemented the program from International Civil Aviation Organization (ICAO). Civil Aviation Authority of Vietnam is currently working with many Airlines to develop a program to manage CO2 emissions for domestic air transport activities. Previously, Vietjet has already developed proactively a method of calculating fuel consumption under the guidance of ICAO's regulations which is the fundamental basis for CO2 emission calculation. Participating SFC02 program is the initial step of Vietjet in reduce emissions and project the environment.

Within the next step, Vietjet will continuously develop and complete the emission control program through the following solutions:

- Automatic, accurate and direct data extraction from the Aircraft to ensure the completeness, accuracy and timeliness of the data for fuel consumption analysis.
- Establishment of specialized units to manage the amount of fuel consumed, based on analysis and synthesis will have recommendations to enhance the work of saving fuel consumption as well as reducing CO2 emissions into the environment.
- Coordination with Civil Aviation Authority to participate and develop a program to manage and control CO2 emissions as recommended by ICAO.

Continue to work on SFC02 fuel efficiency program.



CORPORATE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT (continue)

e. Environmental projection

Heading towards to a green future, projecting Mother Earth and preserving the natural resources for future generation, apart from conducting environmental friendly flights, fuel saving plan, reduction of waste emission and noise pollution with newly modern aircraft, Vietjet has also cooperated with Vietnam Youth Union to implement the program called "Let's clean the sea" executing in 28 sea routed-provinces and cities from Northern to Southern region of Vietnam. Launched in June 2018, with meaningful results have been achieved, "Let's clean the sea" program continues to be implemented by Vietjet and Youth Union with more activities such as giving mobile phone, vehicles, clothings and other tools for the core volunteers to raise the awareness of the environments, and place more trash bins in public places.

In response to "Say no to plastic waste movement" – a program within the campaign to make the world cleaner in 2019 proposed by the Ministry of Nature Resources and Environment, Vietjet has positively contributed by creating a benefits mechanism to reward encouraging breakthrough ideas applicable in production and business operation in order to protect environment in general, limit the progress to stop using disposable plastic products and develop a community without plastic used. In June 2019, Vietjet joined and became one of the first members of the Union against plastic waste which was chaired by Prime Minister Nguyen Xuan Phuc.

Across Vietjet's office, at every bases and airports where the company operates, the 5S program has been implemented in harmony to build a clean, systematic and environment friendly working spaces from Vietjet's office to maintenance stations and warehouses. At Vietjet, each of individuals is highly aware of environmental projection, well prepared with client change with many effective and practical measures in everyday activities such as reuse of stationery, sanitation working, planting more trees, saving electricity and consuming equipments and other resources with proper manners. On Vietjet's flights, appliances are recyclable and reusable which the priority of Vietjet operation. In September 2019, Vietjet introduce the first A321 NEO ACF fleet in the globe for flight operation, helping the company to reduce fuel consumption by at least 16%, reduce noise pollution by 75% and CO2 emission to environment by 50%.



"Say no to plastic waste movement"

June 2019, Vietjet joined and became one of the first members of the Union against plastic waste which was chaired by Prime Minister Nguyen Xuan Phuc.

CORPORATE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT (continue)

2. HUMAN RESOURCE DEVELOPMENT

a. Human resource

In order to build adequate human resources for strategic growth, Vietjet proactively focused our resources on, qualitative training. Developing remuneration policy and plan to enhance employee's life and creating healthy and professional working environment, which help the Company attracts top-notch employees domestically and internationally. Vietjet also actively implemented professional training courses and practical training programs to equip its employees with management skills. The Company built strong relationship with top universities in Vietnam for talent recruitment such as Ho Chi Minh City University of Technology, Ha Noi University of Science and Technology, Vietnam Aviation Academy.

The lack of and competitive market for highly skilled workforce for Airline industry, especially pilots and skilled technicians with well trained and practical experience has created a high employee's turnover in domestic and international human resource. However, the rate of turnover at Vietjet has not been high in recent years showing a strong working environment from the Company.

b. Gender equality in Human resource structure:

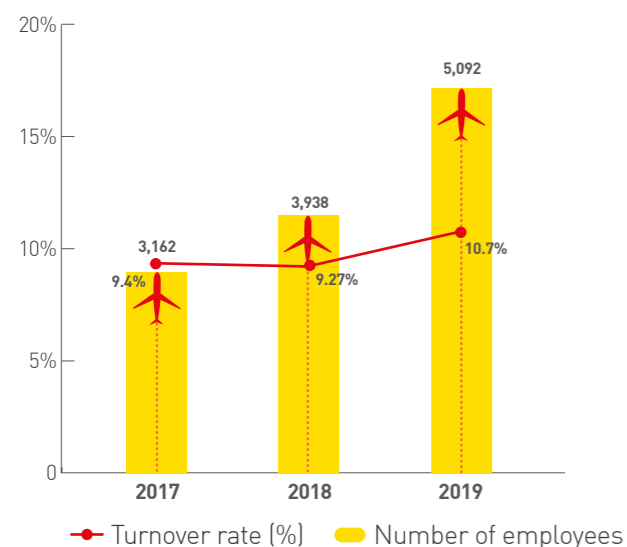
Vietjet pays special attention on the equality and diversity

in career opportunities in the company's operation where female employees are always encouraged to grow and learn to improve their career path and experience in order to complete their assignment. In the labor force structure, the percentage of female employees accounted for 37.5% (an increase by nearly 4% compared to its figure in 2018), female employees also accounted for 34% (an increase of nearly 5% compared to 2018) in the management team running and managing Vietjet.

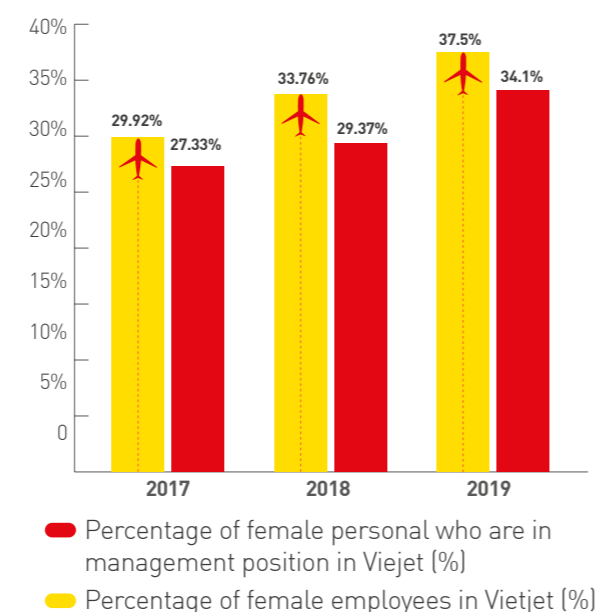
At the same time, Vietjet implements other activities that ensure the equality, fairness in working environment

	Number of Employees	Percentage over total Vietjet's population (%)
Male	3,182	62.5
Female	1,910	37.5

where every employee can grow and have the same career opportunity regardless of their gender, origin, social status, regions. The company's salary, remuneration policies are result driven and based on actual achievements that motivate employees to maximum their work effectiveness.



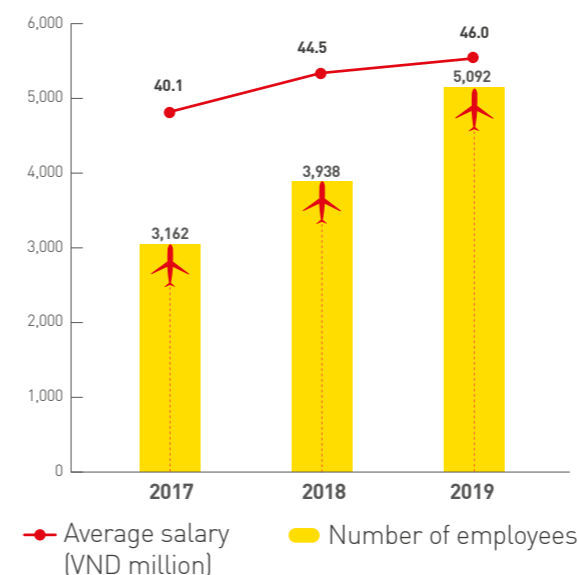
Turn over ratio



Percentage of female by year

c. Salary and remuneration policy

Salary and remuneration policy at Vietjet ensure the fairness in terms of treatment with employees on an international benchmark. In order to enhance the efficiency of human resource management, Vietjet is developing and completing remuneration mechanism and policies to assess and reward highly skilled employees include: competitive salary scheme, systematic evaluation of employee's performance. Vietjet's salary and remuneration plans have been improved which includes standard social benefits such as insurance, holiday leaves, annual leave, and frequent salary raise. Especially, Company has attractive bonus scheme for any highly skilled individuals, outstanding collective group, individuals with technical innovations in operation that create business efficiency to the Company every 6 months. In addition, Vietjet also develop other competitive policies to treat employees such as free airline tickets for employee and relatives, networking activities and other team building.



Average salary by year



CORPORATE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT (continue)

d. Training

Training is one of the important policy to increase the quality of human resources which Vietjet has prioritize to the employees to ensure it meets the requirement of the company business growth, such as:

- Ensure stable and long-term employment for employees.
- Career orientation and expansion of future career's path and opportunity for employees at the Company.
- Create trusts, convience and long-term commitments of employees towards company environment
- Motivate employees to improve work quality and performance.

The objective of the training is to ensure that the personnel have professional qualifications, the skills to meet the requirements of the Aviation Industry and associated with the Vietjet Development Strategy which ensures stable jobs for employees. , improve the stability and quality of the workforce according to the standards of the position they are in charge of.

In 2019, Vletjet initially organized 1,327 annual training courses for 47,109 participants from Vietjet, its member companies, ground services companies...From which, basic training courses were set up and providing additional resources for Operation departments, specifically:

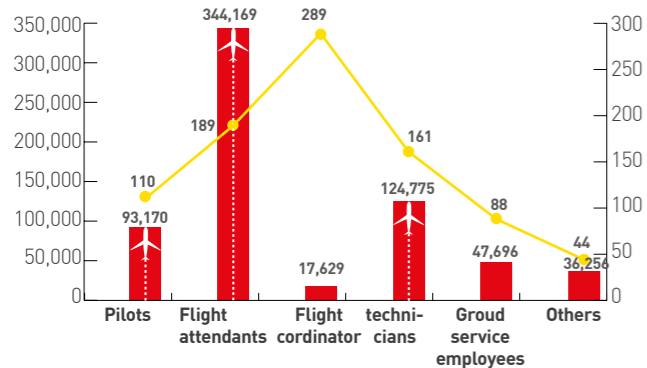
- 19 pilot advanced courses with 236 participants;
- 6 pilot beginner courses (cadets) with 151 students/ 06 advance courses for 62 captains.
- 44 courses for flight attendants with 892 trainees / 11

- courses for 187 chief flight attendants.
- 3 courses for aircraft maintenance technician with 87 participants;
- 5 ground service course with 71 students;
- 2 flight dispatching courses with 46 participants;
- Organized 23 courses of "Vietjet intergration culture" for 1,435 students and 51 courses of "Entering aviation" for 1,018 new employees of the Company.
- ICAO standard English proficiency assessment for 140 crew members.
- Complete drafting and editing of 102/122 specialized training curriculum.

Vietjet has also continued to expand and upgrade online training facility which is effective and time saving with a total of 544 courses/training for over 19,936 students, accounted for 59%.

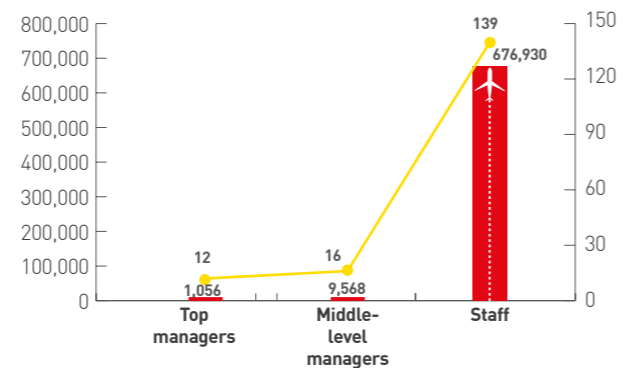
Vietjet also shows strong interest in the training and developing skilled instructors with 125 instructors responsible for all training capacity to meet the labor needs for aviation business.

In addition to maintaining the approval of eligible organizations to lecture and train for the Flight and Ground Services Division, along with training equipment, in November 2019, Vietjet continues to coordinate with Airbus has successfully approved the Level 2 Pilot Transfer Training Organization issued by the Civil Aviation Authority of Vietnam (CAAV) and the European Aviation Safety Agency (EASA), which guarantees pilots training Stable and cost saving as well as time.



— Average training hours per employees in 2019 ■ Total of traning hours in 2019

Traning hours by employees



— Average training hours per employees in 2019 ■ Total of traning hours in 2019

Training hours by level

e.PMS evaluation

Standard performance evaluation system helps to manage and evaluate the work of each employee and each department according to specific criteria to create fairness, equality and improve job performance for each individual. The company is completing a competency standard form which is a platform for monitoring and evaluating employee development, contributing to Vietjet's competitiveness.

The performance evaluation program is implemented in December and June every year is designed to evaluate the achievement of each department against the assigned objectives. The evaluation of work performance is the basis for distributing work performance rewards to departments and nominate, praising employees with outstanding achievements.

f.Building the next management generation

As part of the plan, Vietjet is focusing on developing the young leadership team to ensure its readiness to

meet mission requirements in the coming period. The program prioritizes the development of leaders and managers in sufficient quantity and quality, focusing on training managers according to the title standard, ensuring 100% of the ministries are trained and upgraded. High leadership and management skills. The training program focuses on soft skills such as: decision-making skills, leadership skills, planning skills, effective communication skills and courses to improve professional knowledge by reasoning. theory and practical work at the Company.

The program is built in accordance with the actual work and professional development orientation of each title position. In addition to the training courses of experts in each field, there are training course taught by senior leaders of the company. The leaders are both Aviation expert in their field and understand deeply the Company's business which support significantly to training.



CORPORATE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT (continue)

3.COMMUNITY DEVELOPMENT INVESTMENT

With a journey to conquer the open sky, bring the opportunity to fly for everyone; Vietjet now is the Aviation business for everyone and travellers both locally and internationally. Achieving the flying dreams, Vietjet flights bring smiles, joy and outstanding flight experience to customers and above all, bring the best values to our community and society.

Proud to become a game changer, bringing a new revolution in Aviation industry in Vietnam market, Vietjet also make bold impression on international level. Vietjet aircraft with the symbol of the golden star along with a melody from Hello Vietnam has taken off to the international sky which is welcomed by many customers and partners from all over the world, attracting a lot of investment, tourism and promote a new Vietnam as a new, intergrated part, one of the most dynamic region in Asia and in the the world.

With the pioneering private enterprise position, Vietjet not only contributes to economic development, changes the image of the localities to wherever the airline flies to, but also associates itself with the mission of

sharing love, bringing the better and new values for the society and to share with others who in disadvantaged circumstances, so that no one will ever be left behind in the development journey, positioning the country and the people of Vietnam to international market. Our volunteering activities have become a culture, an inseparable part of all business activities, in the daily life of more than 5,000, employees, pilots, flight attendants from More than 40 countries and territories of Vietjet. Civilized values and cultural beauty have helped Vietjet realize our sustainable development strategy and therefore has been nurtured, built and developed.

In 2019, Vietjet continued the journey of connecting love, spreading our national pride towards to the community by many meaningful activities.

In collaboration with the Vietnam Youth Union, Vietjet is the companion of the "I Love My Fatherland" journey in 63 provinces and cities across the country with the goal of educating the patriot traditional, national pride, love of the Fatherland, compatriots.... Vietjet aircraft bearing "I Love My Fatherland" symbol have made the mission

to connect the destinations in the journey of the elite youth union members to Hanoi, Ho Chi Minh City, Da Nang, Khanh Hoa, Nghe An. , Phu Tho, Dien Bien, Ha Giang, Kon Tum, Ca Mau ... The journey was supported by numerous, youth union members, spreading the sense of responsibility to the community, the Fatherland love over the country. Every young Vietnamese in particular, the Vietnamese people in general.

Along with "I Love My Fatherland" message, Vietjet's youth union members have participated in many meaningful activities such as visiting the memorial monument of Bac Son martyrs, attending the flag-raising ceremony at Ba Dinh Square along with announce the dedication to Uncle Ho, participate in volunteer activities at the Pediatric Department, K Hospital; Visiting and giving gifts to Hanoi Nursing Center for People with meritorious services No. 2 ...

Winging the talent, dreams and the pride of Vietnam
Following the success of "Flying Dreams" 2018, the series of "Flying Dreams" 2019 organized by Vietjet in

collaboration with Youth Theater, held throughout the year with 80 shows, free of charge for all children in Hanoi and Ho Chi Minh City.

"Flying Dreams" has become an educative playground, a bridge to convey human values, nurture and foster our children's ambitions, and a motivation to reach children's artistic dreams. Coming to the program, the children will not only enjoy the musical works and variety shows such as Blue Bird, Son Tinh – Thuy Tinh etc but also participate in many fun activities such as singing, incarnation into success.

In 2019, Vietnam for the first time in history became the champion in both men's and women's football at the SEA Games 30. Pride and the respect for the dedication of the U22 Vietnam team and the Women national team, Vietjet has decided to present one year of free flights across Asia for all members, coaches of two teams. The gift of Vietjet is applied on all 130 domestic and international routes covering destinations in Asia such as India, Japan, Korea, China, and Singapore.



REPORT ON RESPONSIBILITY TOWARDS ENVIRONMENT AND SOCIETY (continue)

Vietjet always pays attention and closely accompanies Vietnamese sports, including two divisions of men's football and women's football, Futsal, and chess, etc.. through events accompanying the national team, the Vietnamese youth team and fans. This award is a honorable and respectful gift that the new generation airline sends to the young people who have sacrificed and devoted themselves to the colors of the jersey and the pride of Vietnam.



Vietjet also proudly accompanies the Flying Eye Hospital - Orbis International with the aim to bring bright eyes to Vietnamese people. In the journey of traveling around the world to exchange and improve our knowledge in countries and to support difficult cases, Orbis Flying Eye Hospital program has been brought to Vietnam 10 times and conducted in 6 provinces and cities including: Ho Chi Minh City, Hanoi, Da Nang, Binh Dinh, Can Tho and Thua Thien Hue.



With the goal of supporting more than 2 million cases in the next 3 years, Vietjet signed a long-term cooperation agreement with Orbis in a project called "Bright eyes for Vietnamese". The US \$ 1 million project will start with the construction of a Retinal Center for Preterm Babies in Dak Lak and Thanh Hoa provinces. Vietjet will accompany Orbis education programs, events and propaganda activities to improve knowledge about prevention of eye diseases in nationwide scale. In this long-term project, Vietjet and Orbis expect to double the results of activities that Orbis has achieved in Vietnam, thereby pioneering the social activities of businesses in general and prevention. blind in particular.



In addition, Vietjet also participates in many other meaningful community activities such as the scholarship program to Light up dreams, Community Disaster Prevention Fund, Red Flower Program, Hoa Binh Fund, and other programs. Warm New Year of Love, warm Mid-Autumn Festival ..., tens of thousands of meaningful gifts for the disadvantaged people in society are sentiments that thousands of Vietjet employees share with the community. , society, the desire to bring joy, smile, warmth to everyone.

In 2019, Vietjet received a certificate of merit from the Government for its contributions to the community, a special award recognizing what the new generation airline has pioneered, built and contributed.

Achieving the flying dreams, Vietjet flights bring smiles, joy and outstanding flight experience to customers and above all, bring the best values to our community and society.





Financial Statements

Vietjet's financial statements were prepared in accordance with the Vietnamese Accounting Standards (VAS), the Vietnamese accounting policy for enterprises and legal regulations. The truthfulness, transparency and accountability are the key for sustainable relationship between Vietjet and stakeholders.

VIETJET AVIATION JOINT STOCK COMPANY

Separate Financial Statements for the year ended 31 December 2019

VietJet Aviation Joint Stock Company
Corporate Information**Business Registration****Certificate No.** 0103018458 23 July 2007**Enterprise Registration****Certificate No.** 0102325399 19 April 2011

The Company's Business Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0102325399 dated 1 August 2018. The Business Registration Certificate, the Enterprise Registration Certificate and its 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

Nguyen Thanh Ha	Chairwoman
Nguyen Thi Phuong Thao	Vice Chairwoman
Nguyen Thanh Hung	Vice Chairman
Chu Viet Cuong	Member
Luu Duc Khanh	Member
Dinh Viet Phuong	Member
Donal Joshep Boylan	Member

(from 19 April 2019)

Board of Directors

Nguyen Thi Phuong Thao	Chief Executive Officer
Luu Duc Khanh	Managing Director
Dinh Viet Phuong	Vice President
Ho Ngoc Yen Phuong	Vice President
To Viet Thang	Vice President
Luong The Phuc	Vice President
Nguyen Duc Thinh	Vice President
Nguyen Thanh Son	Vice President
Nguyen Thi Thuy Binh	Vice President
Tran Hoai Nam	Vice President
Nguyen Duc Tam	Vice President
Do Xuan Quang	Vice President

Supervisory Board

Tran Duong Ngoc Thao	Head of the Board
Doan Thu Huong	Member
Pham Van Dau	Member

Registered Office302/3 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 separate financial statements of the Company for the year ended 31 December 2019.

The Board of Directors is responsible for the preparation and fair presentation of the separate 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, the separate financial statements set out on pages 6 to 48 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2019, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company 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.

As at the date of this report, the Company's management has actively imposed numerous drastic measures in running the Company's business activities to respond to and to mitigate the impact from COVID-19. We had received support from banks, counter parties and suppliers and had implemented numerous business measures which included, but are not limited to improving Skyboss program quality, expanding and developing cargo business, executing the scheme of financing and trading of aircrafts and controlling and optimising the Company's operation costs. We are confident that the Company will overcome this difficult period and will be well prepared for the recovery period after the COVID-19 pandemic.

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

On behalf of the Board of Directors



Nguyen Thi Phuong Thao
Chief Executive Officer

Ho Chi Minh City, 30 April 2020



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

INDEPENDENCE AUDITOR'S REPORT

To the Shareholders
VietJet Aviation Joint Stock Company

We have audited the accompanying separate financial statements of VietJet Aviation Joint Stock Company ("the Company"), which comprise the separate balance sheet as at 31 December 2019, the separate 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 30 April 2020, as set out on pages 6 to 48.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of these separate 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 separate 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 separate 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 separate financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the separate 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 separate 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 separate financial statements.

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



Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of VietJet Aviation Joint Stock Company as at 31 December 2019 and of its unconsolidated results of operations and its unconsolidated 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.

Emphasis of Matter

We draw attention to Note 38 of the separate financial statements, which discloses the impact of the development of COVID-19 pandemic on the Company's operation subsequent to the year end. The validity of the going concern assumption fundamentally depends on the Company's ability to generate sufficient operating cash flows to finance its operation as stated in Note 38. These conditions, along with the impact of country travel restrictions and recovery of air travel demand between countries, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our audit opinion is not modified in respect of this matter.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Audit Report No: 19-01-00297-20-1

CHI NHÁNH
CÔNG TY TNHH
KPMG
Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2018-007-1
Deputy General Director

Ho Chi Minh City, 30 April 2020

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

VIETJET AVIATION JOINT STOCK COMPANY

Separate balance sheet as at 31 December 2019

Form B 01 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		19,600,590,305,525	16,727,030,230,311
Cash and cash equivalents	110	5	5,355,816,155,352	7,156,359,241,738
Cash	111		3,815,637,517,972	3,640,399,241,738
Cash equivalents	112		1,540,178,637,380	3,515,960,000,000
Short-term financial investments	120		1,144,756,800,000	815,500,000,000
Trading securities	121	6(a)	990,000,000,000	990,000,000,000
Allowance for diminution in the value of trading securities	122	6(a)	(555,000,000,000)	(174,500,000,000)
Held-to-maturity investments	123	6(c)	709,756,800,000	-
Accounts receivable – short-term	130		11,906,623,124,337	7,931,509,214,723
Accounts receivable from customers	131	7	3,334,187,094,292	1,220,013,565,836
Prepayments to suppliers	132		186,825,273,966	129,927,091,931
Other short-term receivables	136	9(a)	8,385,610,756,079	6,581,568,556,956
Inventories	140	10	747,898,679,837	468,729,305,585
Other current assets	150		445,495,545,999	354,932,468,265
Short-term prepaid expenses	151	14(a)	382,337,666,788	299,977,931,225
Taxes receivable from State Treasury	153	16(b)	63,157,879,211	54,954,537,040
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		24,341,596,232,410	19,955,201,908,719
Accounts receivable – long-term	210		14,964,049,145,778	10,575,666,223,835
Prepayments to suppliers	212		-	701,500,000,000
Loans receivable	215	8	701,500,000,000	-
Other long-term receivables	216	9(b)	14,262,549,145,778	9,874,166,223,835
Fixed assets	220		1,303,160,396,122	1,645,095,006,520
Tangible fixed assets	221	11	1,301,038,091,839	1,642,189,535,533
Cost	222		1,687,120,867,140	1,934,434,945,327
Accumulated depreciation	223		(386,082,775,301)	(292,245,409,794)

VIETJET AVIATION JOINT STOCK COMPANY

Separate balance sheet as at 31 December 2019 (continued)

Form B 01 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
Intangible fixed assets	227	12	2,122,304,283	2,905,470,987
Cost	228		29,907,717,155	29,077,618,155
Accumulated amortisation	229		(27,785,412,872)	(26,172,147,168)
Long-term work in progress	240		1,258,338,717,091	1,175,977,845,586
Construction in progress	242	13	1,258,338,717,091	1,175,977,845,586
Long-term financial investments	250		224,973,206,218	77,424,629,818
Investments in subsidiaries	251	6(b)	9,000,000,000	9,000,000,000
Investments in associates	252	6(b)	60,000,000,000	60,000,000,000
Equity investments in other entities	253	6(b)	149,417,024,400	7,868,448,000
Held-to-maturity investments	255	6(c)	6,556,181,818	556,181,818
Other long-term assets	260		6,591,074,767,201	6,481,038,202,960
Long-term prepaid expenses	261	14(b)	6,591,074,767,201	6,481,038,202,960
TOTAL RESOURCES (440 = 300 + 400)	440		43,942,186,537,935	36,682,232,139,030

VIETJET AVIATION JOINT STOCK COMPANY

Separate balance sheet as at 31 December 2019 (continued)

Form B 01 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		37,462,639,184,568	30,422,594,983,854
Current liabilities	310		22,741,438,510,945	20,326,158,485,235
Accounts payable to suppliers	311	15	1,888,419,058,403	913,707,485,181
Advances from customers	312		725,581,455,476	731,957,225,384
Taxes payable to State Treasury	313	16(a)	468,548,742,197	204,303,773,014
Accrued expenses	315	17	1,128,067,820,011	1,911,683,033,277
Unearned revenue	318	18	3,184,286,840,374	2,732,382,333,601
Other short-term payables	319	19	5,160,454,035,471	6,963,402,316,712
Short-term borrowings	320	20(a)	8,161,089,248,187	4,957,780,032,953
Provisions – short-term	321	21	2,024,991,310,826	1,910,942,285,113
Long-term liabilities	330		14,721,200,673,623	10,096,436,498,619
Other long-term payables	337		5,636,355,880	5,658,606,820
Long-term borrowings and bonds	338	20(b)	3,661,872,522,217	572,231,674,577
Deferred tax liabilities	341	22	394,444,939,970	374,787,926,130
Provisions – long-term	342	21	10,659,246,855,556	9,143,758,291,092
EQUITY (400 = 410)	400		6,479,547,353,367	6,259,637,155,176
Owners' equity	410	23	6,479,547,353,367	6,259,637,155,176
Share capital	411	24	5,416,113,340,000	5,416,113,340,000
Share premium	412		245,949,492,805	245,949,492,805
Treasury shares	415	24	(2,347,121,362,620)	-
Retained profits	421		3,164,605,883,182	597,574,322,371
TOTAL RESOURCES (440 = 300 + 400)	440		43,942,186,537,935	36,682,232,139,030

30 April 2020
Prepared by:Hoang Manh Ha
Chief Accountant

Approved by:

Ho Ngoc Yen Phuong
Vice President cum Chief Financial OfficerLuu Duc Khanh
Managing Director

VIETJET AVIATION JOINT STOCK COMPANY

Separate statement of income for the year ended 31 December 2019

Form B 02 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2019 VND	1/1/2019 VND
Revenue from sales of goods and provision of services	01	27	41,252,356,172,059	33,866,663,626,058
Cost of sales	11	28	36,690,522,532,276	29,081,230,936,008
Gross profit (20 = 01 - 11)	20		4,561,833,639,783	4,785,432,690,050
Financial income	21	29	1,625,451,448,981	317,974,861,113
Financial expenses	22	30	1,024,010,617,800	917,353,597,510
<i>In which: Interest expense</i>	23		351,417,652,590	257,505,446,656
Selling expenses	25	31	1,164,676,266,939	868,275,625,696
General and administration expenses	26	32	422,057,125,583	278,263,940,261
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		3,576,541,078,442	3,039,514,387,696
Other income	31	33	292,304,818,107	5,872,706,313
Other expenses	32		342,823,079	107,090,542
Results of other activities (40 = 31 - 32)	40		291,961,995,028	5,765,615,771
Accounting profit before tax (50 = 30 + 40)	50		3,868,503,073,470	3,045,280,003,467
Income tax expense – current	51	35	740,203,164,819	253,461,727,751
Income tax expense – deferred	52	35	19,657,013,840	227,241,605,086
Net profit after tax (60 = 50 - 51 - 52)	60		3,108,642,894,811	2,564,576,670,630

30 April 2020
Prepared by:Hoang Manh Ha
Chief Accountant

Approved by:

Ho Ngoc Yen Phuong
Vice President cum Chief Financial OfficerLuu Duc Khanh
Managing Director

VIETJET AVIATION JOINT STOCK COMPANY

Separate statement of cash flows for the year ended 31 December 2019
(Indirect method)

Form B 03 – DN

(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	2019 VND	2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	3,868,503,073,470	3,045,280,003,467
Adjustments for			
Depreciation and amortisation	02	174,849,307,557	146,219,233,505
Allowances and provisions	03	1,059,651,891,643	174,500,000,000
Unwinding discount of provisions	03	229,491,749,908	434,733,395,693
Unrealised exchange (gains)/losses arising from revaluation	04	(43,926,035,073)	50,614,755,161
Interest income	05	(538,876,600,525)	(208,253,201,298)
Dividend income	05	(867,681,380,532)	(2,832,636,000)
(Gains)/losses from disposals and written off of fixed assets and construction in progress	05	(265,522,141,962)	10,506,525,264
Gains from disposals of subsidiaries	05	-	(16,271,500,000)
Interest expense	06	351,417,652,590	257,505,446,656
Operating profit before changes in working capital	08	3,967,907,517,076	3,892,002,022,448
Change in receivables	09	(6,606,943,013,649)	(4,120,317,632,175)
Change in inventories	10	(279,169,374,252)	(201,547,786,085)
Change in payables and other liabilities	11	2,480,561,799,101	3,641,557,158,774
Change in prepaid expenses	12	(970,160,905,361)	2,077,145,525,269
		(1,407,803,977,085)	5,288,839,288,231
Interest paid	14	(322,342,594,337)	(254,235,592,773)
Income tax paid	15	(471,000,000,000)	(108,000,000,000)
Net cash flows from operating activities	20	(2,201,146,571,422)	4,926,603,695,458
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(62,205,236,161)	(798,424,965,557)
Deposits to purchase aircrafts, net cash flows	21	(2,410,035,573,876)	1,545,988,562,283
Placements of corporate bonds and term deposits at banks	23	(715,756,800,000)	-
Payments for investments in other entities	25	-	(1,132,840,350,000)
Receipts of interests and dividends	27	207,648,691,277	208,888,284,390
Net cash flows from investing activities	30	(2,980,348,918,760)	(176,388,468,884)

VIETJET AVIATION JOINT STOCK COMPANY

Separate statement of cash flows for the year ended 31 December 2019
(Indirect method – continued)


Form B 03 – DN

(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	2019 VND	2018 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to repurchase treasury shares	32	(2,347,121,362,620)	-
Proceeds from bonds issued	33	600,000,000,000	-
Proceeds from borrowings	33	37,007,640,045,521	33,529,973,247,843
Payments to settle loan principals	34	(31,317,610,606,550)	(35,527,608,459,899)
Payments of dividends	36	(543,112,133,500)	(2,016,955,829,400)
Net cash flows from financing activities	40	3,399,795,942,851	(4,014,591,041,456)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(1,781,699,547,331)	735,624,185,118
Cash and cash equivalents at the beginning of the year	60	7,156,359,241,738	6,436,910,324,903
Effect of exchange rate fluctuations on cash and cash equivalents	61	(18,843,539,055)	(16,175,268,283)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 5)	70	5,355,816,155,352	7,156,359,241,738

30 April 2020

Prepared by:



Hoang Manh Ha
Chief Accountant

Approved by:



Ho Ngoc Yen Phuong
Vice President cum Chief Financial Officer



Luu Duc Khanh
Managing Director

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Consolidated Financial Statements for the year ended 31 December 2019

VietJet Aviation Joint Stock Company
Corporate Information**Business Registration****Certificate No.** 0103018458 23 July 2007**Enterprise Registration****Certificate No.** 0102325399 19 April 2011

The Company's Business Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0102325399 dated 1 August 2018. The Business Registration Certificate, the Enterprise 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

Nguyen Thanh Ha	Chairwoman
Nguyen Thi Phuong Thao	Vice Chairwoman
Nguyen Thanh Hung	Vice Chairman
Chu Viet Cuong	Member
Luu Duc Khanh	Member
Dinh Viet Phuong	Member
Donal Joshep Boylan	Member
	(from 19 April 2019)

Board of Directors

Nguyen Thi Phuong Thao	Chief Executive Officer
Luu Duc Khanh	Managing Director
Dinh Viet Phuong	Vice President
Ho Ngoc Yen Phuong	Vice President
To Viet Thang	Vice President
Luong The Phuc	Vice President
Nguyen Duc Thinh	Vice President
Nguyen Thanh Son	Vice President
Nguyen Thi Thuy Binh	Vice President
Tran Hoai Nam	Vice President
Nguyen Duc Tam	Vice President
Do Xuan Quang	Vice President

Supervisory Board

Tran Duong Ngoc Thao	Head of the Board
Doan Thu Huong	Member
Pham Van Dau	Member

Registered Office302/3 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 2019.

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, the consolidated financial statements set out on pages 6 to 51 give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, 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.

As at the date of this report, the Company's management has actively imposed numerous drastic measures in running the Group's business activities to respond to and to mitigate the impact from COVID-19. We had received support from banks, counter parties and suppliers and had implemented numerous business measures which included, but are not limited to improving Skyboss program quality, expanding and developing cargo business, executing the scheme of financing and trading of aircrafts and controlling and optimising the Group's operation costs. We are confident that the Group will overcome this difficult period and will be well prepared for the recovery period after the COVID-19 pandemic.

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, 30 April 2020



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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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 2019, 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 30 April 2020, as set out on pages 6 to 51.

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 consolidated 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.



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 2019 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.

Emphasis of Matter

We draw attention to Note 39 of the consolidated financial statements, which discloses the impact of the development of COVID-19 pandemic on the Group's operation subsequent to the year end. The validity of the going concern assumption fundamentally depends on the Group's ability to generate sufficient operating cash flows to finance its operation as stated in Note 39. These conditions, along with the impact of country travel restrictions and recovery of air travel demand between countries, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our audit opinion is not modified in respect of this matter.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam

Audit Report No: 19-01-00297-20-2



Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2018-007-1
Deputy General Director


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

Ho Chi Minh City, 30 April 2020

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Consolidated statement of income for the year ended 31 December 2019

Form B 02 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2019 VND	2018 VND
Revenue from sales of goods and provision of services	01	27	50,602,936,007,389	53,577,241,462,140
Cost of sales	11	28	44,980,140,698,282	46,085,422,009,499
Gross profit (20 = 01 - 11)	20		5,622,795,309,107	7,491,819,452,641
Financial income	21	29	780,495,784,919	331,576,806,364
Financial expenses	22	30	1,024,667,417,427	918,059,279,654
<i>In which: Interest expense</i>	23		351,417,652,590	257,505,446,656
Share of losses in associates	24		(91,807,064,610)	(88,730,587,954)
Selling expenses	25	31	1,003,521,966,058	712,929,844,155
General and administration expenses	26	32	435,654,189,800	294,777,399,221
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		3,847,640,456,131	5,808,899,148,021
Other income	31	33	721,382,385,427	7,856,232,457
Other expenses	32		371,826,584	826,270,723
Results of other activities (40 = 31 - 32)	40		721,010,558,843	7,029,961,734
Accounting profit before tax (50 = 30 + 40)	61		3,806,761,193,483	5,335,036,357,250
Income tax expense – current (51 = 30 + 40)	51	35	741,648,874,040	253,597,027,514
Income tax expense – deferred	52	35	19,657,013,840	227,241,605,086
Net profit after tax (60 = 50 - 51 - 52)	60		3,807,345,127,094	5,335,090,477,155
Attributable to:				
Shareholders of the Company	61		3,806,761,193,483	5,335,036,357,250
Non-controlling interests	62		583,933,611	54,119,905
Earnings per share				
Basic earnings per share	70	36	7,107	9,850

30 April 2020
Prepared by:**Hoang Manh Ha**
Chief Accountant

Approved by:

Ho Ngoc Yen Phuong
Vice President cum Chief Financial Officer**Luu Duc Khanh**
Managing Director

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Consolidated statement of cash flows for the year ended 31 December 2019
(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	2019 VND	2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	4,568,651,014,974	5,815,929,109,755
Adjustments for			
Depreciation and amortisation	02	175,155,660,359	146,514,029,742
Allowances and provisions	03	1,059,651,891,643	174,500,000,000
Unwinding discount of provisions	03	229,491,749,908	434,733,395,693
Unrealised exchange (gains)/losses arising from revaluation	04	(43,926,035,073)	51,320,437,305
Interest income	05	(550,933,281,288)	(221,386,370,627)
Share of losses in associates	05	91,807,064,610	88,730,587,954
Dividend income	05	(10,332,636,000)	(2,832,636,000)
(Gains)/losses from disposal and written off of fixed assets and construction in progress	05	(694,598,317,992)	10,506,525,264
Gains from disposals of subsidiaries	05	-	(16,271,500,000)
Interest expense	06	351,417,652,590	257,505,446,656
Operating profit before changes in working capital	08	5,176,384,763,731	6,739,249,025,742
Change in receivables	09	(7,459,149,825,284)	(5,284,489,946,127)
Change in inventories	10	(279,169,374,252)	(201,547,786,085)
Change in payables and other liabilities	11	2,298,995,278,929	1,460,880,367,204
Change in prepaid expenses	12	(970,059,270,460)	2,077,117,427,703
		(1,232,998,427,336)	4,791,209,088,437
Interest paid	14	(322,342,594,337)	(254,235,595,773)
Income tax paid	15	(471,622,340,241)	(108,000,000,000)
Net cash flows from operating activities	20	(2,026,963,361,914)	4,428,973,492,664
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(184,002,065,357)	(799,749,729,193)
Deposits to purchase aircrafts, net cash flows	21	(2,410,035,573,876)	1,545,988,562,283
Placements of corporate bonds and term deposits at banks	23	(715,756,800,000)	-
Collections of term deposits at banks	24	1,400,000,000	-
Payments for investments in other entities	25	-	(1,132,840,350,000)
Receipts of interests and dividends	27	207,816,031,475	208,998,836,537
Net cash flows from investing activities	30	(3,100,578,407,758)	(177,602,680,373)

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Consolidated statement of cash flows for the year ended 31 December 2019
(Indirect method - continued)

Form B 03 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	2019 VND	2018 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to repurchase treasury shares	32	(2,347,121,362,620)	-
Proceeds from bonds issued	33	600,000,000,000	-
Proceeds from borrowings	33	37,007,640,045,521	33,529,973,247,843
Payments to settle loan principals	34	(31,317,610,606,550)	(35,527,608,459,899)
Payments of dividends	36	(543,112,133,500)	(2,016,955,829,400)
Net cash flows from financing activities	40	3,399,795,942,851	(4,014,591,041,456)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(1,727,745,826,821)	236,779,770,835
Cash and cash equivalents at the beginning of the year	60	7,164,923,007,451	6,861,601,955,584
Effect of exchange rate fluctuations on cash and cash equivalents	61	(18,843,539,055)	(16,175,268,283)
Currency translation differences	61	(54,283,836,995)	82,716,549,315
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 5)	70	5,364,049,804,580	7,164,923,007,451

30 April 2020
Prepared by:

Hoang Manh Ha
Chief Accountant

Approved by:

Ho Ngoc Yen Phuong
Vice President cum Chief Financial Officer



Luu Duc Khanh
Managing Director

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2019

Form B 09 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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 2019 comprises the Company and its subsidiaries (together referred to as "the Group") and the Group's interest in associates.

(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 and components.

(c) Normal operating cycle

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

(d) Group's structure

As at 31 December 2019, the Group has 6 subsidiaries and 2 associates (1/1/2019: 6 subsidiaries and 2 associates) as follows:

Name	Country of incorporation	Principal activities	Business registration certificate	% equity owned/ voting right	
				31/12/2019	1/1/2019
Subsidiaries					
VietjetAir 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. I Limited (i)	British Virgin Islands	To trade and lease aircrafts and aircraft components.	No. 1825671 dated 27 May 2014	100%	100%
Vietjet Air IVB No. II Limited (i)	British Virgin Islands	To trade and lease aircrafts.	No. 1825613	100%	100%
Vietjet Air Singapore Pte. Ltd. (i)	Singapore	To trade aircrafts.	No. 201408849N dated 27 March 2014	100%	100%
Vietjet Air Ireland No. 1 Limited (i)	Ireland	To trade and lease aircrafts.	No. 544879 dated 3 June 2014	100%	100%
Skymate Limited (i)	Cayman Islands	To trade aircrafts.	No. 327015 dated 15 September 2017	100%	100%
Associates					
Thai Vietjet Air Joint Stock Co., Ltd. (i) (ii) (iii)	Thailand	To provide transportation and transfer of goods and passengers and other related services.	No. 0105556100551 dated 25 June 2013	9%	9%
Cam Ranh International Terminal Joint Stock Company (ii)	Vietnam	To provide support services for airline transportation.	No. 4201676638 dated 5 February 2016	10%	10%

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- (i) As at 31 December 2019, the Group has not yet contributed capital in these subsidiaries and the associates. These companies' operations are mainly financed by the Company.
- (ii) The Company has significant influence over these companies because the Company has right to appoint members of the Board of Management of these companies.
- (iii) On 25 September 2018, the Company signed an agreement with Quince Investment Limited, and Asia Aero Services and Infrastructure Co., Ltd. for a purchase option to increase the ownership in Thai Vietjet Air Joint Stock Co., Ltd. to 38% by 2021. The price of transferred share is equal with par value.

As at 31 December 2019, the Group has 5,092 employees (1/1/2019: 3,938 employees).

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.

(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) 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.

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(iv) 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.

(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, except for items hedged by financial instruments, 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 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) Trading securities**

Trading securities are those held by the Group for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(ii) Held-to-maturity investments

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

(iii) 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. 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.

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(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.

(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 for purchases of tangible fixed assets, 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	10 – 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 costs of construction and acquiring aircrafts which have not been fully completed. No depreciation is provided for construction in progress during the period of construction.

(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.

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(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 costs.

(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

During the year, the Group has changed its accounting policy for maintenance costs for engine performance restoration and auxiliary power unit in the scope of maintenance reserves retrospectively to provide more relevant information about the effects of transaction in the consolidated financial statements.

Policy applicable in the consolidated financial statements for the year ended 31 December 2018

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. 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 was 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 were recorded in provisions with the corresponding debit to long-term prepaid expenses. The estimated costs in long-term prepaid expenses were amortised on the basis of flight hours or cycles for the next maintenance event. If effect of time value of money is material, unwinding discount of the provisions was recorded as financial expenses.

Policy applicable in the consolidated financial statements for the year ended 31 December 2019

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 which was constructed based on the guidance of airline manufacturers. 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 the maintenance reserves, except for engine performance restoration and auxiliary power unit heavy repair, 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 to the next maintenance event. If effect of time value of money is material, unwinding discount of the provisions is recorded as financial expenses.

The estimated costs of engine performance restoration and auxiliary power unit heavy repair are accrued and charged to the consolidated statement of income over the estimated period between maintenance events using the ratios of actual flying hours or cycles and estimated flying hours or cycles between maintenance events.

The change in accounting policy did not have significant impact to consolidated balance sheet as at 1 January 2019 and consolidated statements of income and cash flows for the year ended 31 December 2018.

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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 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) Bonds issued**Straight bonds**

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

(o) Share capital**(i) Ordinary shares**

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of ordinary shares, net of tax effects. Such costs 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.

(iii) Repurchase of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity.

(p) 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.

(q) 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

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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 services are 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 buyers.

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 services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iv) Aircrafts leasing

Revenue from aircrafts leasing under operating lease arrangements 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 revenue.

(v) Sales of aircrafts and aircraft engines

Revenue from the sales of aircrafts and aircraft engines 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 or aircraft engines.

Sales and leaseback transaction

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

For a transaction that results in an operating lease:

- If the sale price is at fair value, there has in effect been a normal sale transaction and any profit or loss is recognised immediately.
- If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the aircraft or aircraft engine is expected to be used.

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- 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 or aircraft engine 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 or aircraft engine, a loss equal to the amount of the difference between the carrying amount and fair value shall be recognised immediately.

(vi) Sales of purchase right option

Revenue from the sales of non-refundable purchase right option 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 purchase right option.

(vii) 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.

(viii) Interest income

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

(ix) 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.

(r) 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.

(s) 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.

(t) 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.

(u) 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 segment.

(v) 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, ancillary services, aircraft rental and advertising on aircrafts (referred to as "aviation services"); and
- Sales of aircrafts and related assets.

Except those indicated above, the Group has no other operating segments being aggregated to form a reportable operating segment. Segmental information for total revenue and cost of sales is shown in Note 27 and Note 28 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:

	2019 VND	2018 VND
In Vietnam	16,385,104,701,503	17,774,736,256,720
Outside Vietnam	34,217,831,305,886	35,802,505,205,420
	50,602,936,007,389	53,577,241,462,140

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

5. Cash and cash equivalents

	31/12/2019 VND	1/1/2019 VND
Cash on hand	13,463,976,090	8,101,759,707
Cash in banks	3,810,407,191,110	3,640,861,247,744
Cash equivalents	1,540,178,637,380	3,515,960,000,000
	5,364,049,804,580	7,164,923,007,451

Cash equivalents mainly included term deposits in VND at banks with maturities of less than 3 months from their replacement dates and earned interest at rate from 4.7% to 5.5% per annum during the year.

As at 31 December 2019, the Group has current and term deposit accounts of VND3,275 billion (1/1/2019: VND1,749 billion) and no certificate of deposits (1/1/2019: VND700 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank, a related party at normal trading terms.

6. Investments

(a) Trading securities

Trading securities included the investments in securities as follows:

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	31/12/2019			
	Quantity	Cost	Allowance for diminution in value	Fair value
		VND	VND	VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	555,000,000,000	435,000,000,000
	1/1/2019			
	Quantity	Cost	Allowance for diminution in value	Fair value
		VND	VND	VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	174,500,000,000	815,500,000,000

Fair value of listed shares was determined by reference to the closing price on Ho Chi Minh City Stock Exchange.

(b) Equity investments

	31/12/2019		1/1/2019	
	% of equity owned/ voting rights	VND	% of equity owned/ voting rights	VND
Equity investments in associates				
- Thai Vietjet Air Joint Stock Co., Ltd.	9%	-	9%	-
- Cam Ranh International	10%	60,000,000,000	10%	60,000,000,000
- Terminal Joint Stock Company				
		60,000,000,000		60,000,000,000
Equity investments in other entities				
- Sai Gon Ground Services Joint	9.1%	149,417,024,400	4%	7,868,448,000
- Angelica Holding Limited (i)	10%	-	10%	-
		149,417,024,400		7,868,448,000

As at 31 December 2019, 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.

(c) Held-to-maturity investments

	31/12/2019 VND	1/1/2019 VND
Short-term		
- Corporate bonds	709,756,800,000	-
- Term deposits at banks	-	1,400,000,000
	709,756,800,000	1,400,000,000
Long-term		
- Term deposits at banks	6,000,000,000	-
- Business co-operation contract	556,181,818	556,181,818
	6,556,181,818	556,181,818

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Corporate bonds had coupon interest rate at 8.9% per annum during the year. Subsequent to the year end, the Group had liquidated these bonds in January 2020.

7. Accounts receivable from customers – short-term

(a) Accounts receivable from customers detailed by significant customers

	31/12/2019 VND	1/1/2019 VND
Angelica Holding Limited	2,820,220,496,340	-
Hangzhou BaoLi Co., Ltd	1,545,177,939,150	1,542,729,107,253
Zhejiang Lixi International Travel Co., Ltd	1,309,827,000,000	-
Thai Vietjet Air Joint Stock Co., Ltd.	1,092,199,590,330	412,080,273,720
World Go International Co., Ltd	42,361,233,011	38,456,118,847
Apricot Aircraft Company (Ireland) 8605 Limited	857,241,126	299,279,375,000
Aviation Solutions (Thailand) Co., Ltd	-	442,061,960
Other customers	804,347,481,577	617,389,808,519
	7,614,990,981,534	2,910,376,745,299

(b) Accounts receivable from customers who are related parties

	Note	31/12/2019 VND	1/1/2019 VND
Associate			
Thai Vietjet Air Joint Stock Co., Ltd.	(i)	1,092,199,590,330	412,080,273,720
Other related parties			
Angelica Holding Limited	(ii)	2,820,220,496,340	-
World Go International Co., Ltd	(iii)	42,361,233,011	38,456,118,847
Apricot Aircraft Company (Ireland) 8605 Limited	(iii)	857,241,126	299,279,375,000
Ho Chi Minh City Development Joint Stock Commercial Bank	(iii)	-	8,186,200
Indochina Beach Hotel Joint Stock Company	(iii)	-	25,738,288

(i) The amounts due from an associate were unsecured, interest free and are receivable on demand.

(ii) The amounts due from the related party were unsecured, interest free and are receivable within 6 to 12 months from the transaction date.

(iii) The amounts due from the related parties were unsecured, interest free and are receivables on demand.

8. Loans receivable

(a) Short-term loans receivables

Borrower	Currency	Annual interest rate	Year of maturity	31/12/2019 VND	1/1/2019 VND
AAA Aircraft Asset Company Limited	USD	2.5%	2020	499,482,168,000	499,804,692,000

Loans provided to AAA Aircraft Asset Company Limited, a related party amounted to USD21,501,600 to finance its purchase of aircrafts and related acquisition costs. The loans were unsecured. During the year, the repayment term of the loans has been extended.

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(b) Long-term loans receivables

Borrower	Currency	Annual interest rate	Year of maturity	31/12/2019 VND	1/1/2019 VND
Thuy Duong – Duc Binh Commercial Joint Stock Company	VND	9%	2022	701,500,000,000	-

In 2016, the Group agreed to cooperate with Thuy Duong – Duc Binh Commercial Joint Stock Company, a related party, for 3 years to receive the product in Republic Plaza project.

In accordance with Appendix No. 02/PL/01/2016/VJA-TĐĐB dated 15 September 2019, the contract term has been extended for another 3 years and instead of transferring products of the project, the Group has an option to exercise lease right in the project and the counter party will pay capital utilisation cost of 9% per annum until the lease option is exercised. If the lease option is not exercised, the counter party will refund the contribution to the Group.

9. Other receivables

(a) Other short-term receivables

	Note	31/12/2019 VND	1/1/2019 VND
Related parties			
Expenses paid on behalf of Thai Vietjet Air Joint Stock Co., Ltd. and related interest income	(i)	1,497,295,868,392	682,477,343,933
Other receivables from Angelica Holding Limited (Note 9(b))		147,875,000,000	147,875,000,000
Receivables from disposals of subsidiaries from Angelica Aircraft Assets Limited	(ii)	16,271,500,000	16,271,500,000
Expenses paid on behalf of Apricot Aircraft Company (Ireland) 8577 Limited	(ii)	15,933,828,183	13,457,758,507
Expenses paid on behalf of Apricot Aircraft Company (Ireland) 8605 Limited	(ii)	18,852,469,619	10,822,745,608
Expenses paid on behalf of Apricot Aircraft Company (Ireland) 8592 Limited	(ii)	14,159,505,296	11,492,488,965
Expenses paid on behalf of Apricot Aircraft Company (Ireland) 8937 Limited	(ii)	13,663,861,670	-
Expenses paid on behalf of Apricot Aircraft Company (Ireland) 8670 Limited	(ii)	12,730,983,649	-
Expenses paid on behalf of Apricot Aircraft Company (Ireland) 8676 Limited	(ii)	12,730,983,649	-
Interest income from loans receivable from Thuy Duong – Duc Binh Commercial Joint Stock Company	(ii)	221,293,863,014	-
Third parties			
Deposits for aircraft purchases within next 12 months	(iii)	3,105,297,136,367	3,475,240,954,627
Maintenance reserves of leased aircrafts		2,078,881,774,817	1,184,688,761,520
Purchase discount receivables		482,424,813,352	523,752,417,852
Claim receivables from maintenance reserves of leased aircrafts		282,879,455,806	237,582,261,399
Deposits for ground handling services		125,182,456,527	57,512,041,265
Interest income		34,043,550,823	23,249,522,451
Assignment for investments on behalf of the Group	(iv)	19,426,390,810	-
Deposits for securities purchases		-	142,840,350,000
Others		355,126,453,316	205,263,398,227
		8,454,069,895,290	6,732,526,544,354

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(i) The amounts due from an associate were unsecured, earned interest at rate of 5.5% per annum during the year (2018: Nil) and are receivable on demand.

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

(iii) The amounts represented deposits for aircraft purchases in 2020 to Airbus S.A.S.

(iv) The amounts represented the assignment to employees for purchasing of equity investments on behalf of the Group. As at 31 December 2019, the acquisition has not been completed.

(b) Other long-term receivables

	Note	31/12/2019 VND	1/1/2019 VND
Related parties			
Expenses paid on behalf of Thai Vietjet Air Joint Stock Co., Ltd.	(i)	468,344,946,987	468,344,946,987
Other receivables from Angelica Holding Limited	(ii)	295,750,000,000	295,750,000,000
Maintenance reserves of leased aircrafts to Apricot Aircraft Assets Limited	(iii)	175,334,729,490	109,056,626,997
Deposits for aircraft leases to Apricot Aircraft Assets Limited	(iii)	36,772,632,000	36,844,236,000
Deposits for office and retail space leases	(iv)	623,500,000,000	-
Third parties			
Maintenance reserves of leased aircrafts		6,219,507,324,321	5,460,891,081,018
Deposits for aircraft purchases after next 12 months	(v)	5,187,416,574,363	2,407,437,182,227
Deposits for aircraft leases		1,222,663,033,075	1,046,702,306,276
Others		38,935,819,537	50,810,258,325
		14,268,225,059,773	9,875,836,637,830

(i) The amounts due from the associate were unsecured, interest free and are receivable in full on 31 December 2021.

(ii) The amounts due from the related party were unsecured, interest free and are receivable within 3 years from 2019 to 2021. The current portion amounting to VND148 billion is receivable in full by 15 December 2020. During the year, the repayment term of these amounts has been extended.

(iii) In accordance with leasing contracts, the deposits to the related party were unsecured, interest free and will be reimbursed to the Group at the end of leasing contracts for deposits for aircraft leases and upon completion of required maintenance activities for deposits for maintenance reserves.

(iv) In accordance with leasing contracts, the deposits to the related party were unsecured, interest free and will be netted off with rentals from the effective date of the leasing contracts from June 2020.

(v) The amounts represented deposits for aircraft purchases from 2021 to 2026 to Airbus S.A.S and Boeing Company. As at 31 December 2019, deposits to Airbus S.A.S amounted to VND2,995 billion.

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10. Inventories

	31/12/2019 VND	1/1/2019 VND
Tools and supplies	747,511,353,298	461,585,964,571
Merchandise inventories	387,326,539	7,143,341,014
	747,898,679,837	468,729,305,585

11. Tangible fixed assets

	Aircraft and components	Machinery and equipment	Office equipment	Motor vehicles VND	Total VND
Cost					
Opening balance	1,869,439,499,382	22,488,636,024	25,135,924,361	18,539,166,476	1,935,603,226,243
Additions	-	1,952,339,600	1,735,073,031	1,299,855,090	4,987,267,721
Transfers from construction in progress	553,403,497,996	-	-	-	553,403,497,996
Disposals	(805,449,243,904)	-	-	-	(805,449,243,904)
Closing balance	1,617,393,753,474	24,440,975,624	26,870,997,392	19,839,021,566	1,688,544,748,056
Accumulated depreciation					
Opening balance	248,308,137,207	16,562,626,105	13,565,763,515	13,975,082,048	292,411,608,875
Charge for the year	164,584,967,879	4,436,893,515	2,326,210,653	2,046,664,322	173,394,736,369
Disposals	(79,398,676,346)	-	-	-	(79,398,676,346)
Closing balance	333,494,428,740	20,999,519,620	15,891,974,168	16,021,746,370	386,407,668,898
Net book value					
Opening balance	1,621,131,362,175	5,926,009,919	11,570,160,846	4,564,084,428	1,643,191,617,368
Closing balance	1,283,899,324,734	3,441,456,004	10,979,023,224	3,817,275,196	1,302,137,079,158

Included in the cost of tangible fixed assets were assets costing VND25,810 million which were fully depreciated as at 31 December 2019 (1/1/2019: VND19,860 million), but which are still in active use.

As at 31 December 2019, tangible fixed assets with carrying value of VND734,166 million (1/1/2019: VND781,624 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	29,952,011,655
Additions	866,099,000
Closing balance	30,818,110,655
Accumulated amortisation	
Opening balance	26,770,149,054
Charge for the year	1,760,923,990
Closing balance	28,531,073,044
Net book value	
Opening balance	3,181,862,601
Closing balance	2,287,037,611

Included in the cost of intangible fixed assets was assets costing VND23,574 million which were fully amortised as at 31 December 2019 (1/1/2019: VND20,637 million), but which are still in active use.

13. Construction in progress

	2019 VND	2018 VND
Opening balance	1,233,005,676,006	222,031,597,270
Additions	957,293,209,486	1,566,189,996,094
Transfers to tangible fixed assets	(553,403,497,996)	(267,427,465,457)
Transfers to trade receivable	(118,470,333,327)	(287,788,451,901)
Disposals	(200,023,610,790)	-
Closing balance	1,318,401,443,379	1,233,005,676,006

During the year, borrowing costs capitalised into construction in progress amounted to VND26,185 million (2018: VND31,729 million).

Major constructions in progress were as follows:

	31/12/2019 VND	1/1/2019 VND
Aircrafts and components	777,003,540,630	723,043,453,818
Aviation Technology Research and Training Centre	524,205,333,744	473,769,722,188
Others	17,192,569,005	36,192,500,000
	1,318,401,443,379	1,233,005,676,006

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14. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2019 VND	1/1/2019 VND
Prepayments for aircraft leases	355,790,339,276	280,592,905,521
Prepayments for maintenance expenses	23,297,293,810	19,375,890,925
Others	3,250,033,702	9,134,818
	<u>382,337,666,788</u>	<u>299,977,931,264</u>

(b) Long-term prepaid expenses

	Maintenance costs VND	Costs 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	5,720,653,521,463	565,982,665,674	108,437,500,275	85,964,515,548	707,557,531	6,481,745,760,491
Additions	1,553,054,020,496	97,899,464,620	109,243,411,064	94,770,289,065	1,957,456,284	1,856,924,641,529
Charge for the year	(1,133,066,562,856)	(64,554,968,724)	(114,524,795,783)	(65,880,416,297)	(2,059,091,146)	(1,380,085,834,806)
Written off	(357,811,918,112)	(9,091,959,232)	-	-	-	(366,903,877,344)
Closing balance	<u>5,782,829,060,991</u>	<u>590,235,202,338</u>	<u>103,156,115,556</u>	<u>114,854,388,316</u>	<u>605,922,669</u>	<u>6,591,680,689,870</u>

15. Accounts payable to suppliers – short-term

Accounts payable to suppliers detailed by significant suppliers

	31/12/2019 Cost/Amount within payment capacity VND	1/1/2019 Cost/Amount within payment capacity VND
Petrolimex Aviation Fuel Joint Stock Company	972,624,163,512	358,790,499,261
Lufthansa Technik Aktiengesellschaft	183,196,167,170	85,225,886,410
SR Technics Switzerland Ltd	173,559,836,354	67,645,408,624
Hong Kong Investment Consulting Limited	128,803,361,492	-
United Technologies Corporation (Pratt & Whitney Division)	83,357,211,093	-
MTU Maintenance Zhuhai Co., Ltd	83,282,185,042	-
CFM International S.A	61,703,327,124	846,652,635
The Civil Aviation Administration of China's Settlement Center	53,573,571,905	52,386,483,371
Hamilton Sundstrand	26,324,258,765	106,774,686,440
Other suppliers	128,510,888,912	251,993,355,962
	<u>1,894,934,971,369</u>	<u>923,662,972,703</u>

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16. Taxes

(a) Taxes payable to State Treasury

	1/1/2019 VND	Incurred VND	Paid VND	Netted-off VND	Reclassified VND	31/12/2019 VND
Value added tax	67,172,238,551	1,692,845,872,086	(338,662,962,632)	(1,390,782,095,540)	-	30,573,052,465
Personal income tax	30,423,288,123	656,785,095,701	(633,356,427,049)	-	-	53,851,956,775
Corporate income tax	106,932,386,619	741,648,874,040	(471,622,340,241)	(196,215,657)	-	376,762,704,761
Foreign contractor tax	21,220,061	90,688,175,937	(90,817,470,406)	-	8,203,342,171	8,095,267,763
Other taxes	-	33,856,254	(33,856,254)	-	-	-
	<u>204,549,133,354</u>	<u>3,182,001,874,018</u>	<u>(1,534,493,056,582)</u>	<u>(1,390,978,311,197)</u>	<u>8,203,342,171</u>	<u>469,282,981,764</u>

(b) Taxes receivable from State Treasury

	1/1/2019 VND	Netted-off VND	Reclassified VND	31/12/2019 VND
Foreign contractor tax	54,954,537,040	-	8,203,342,171	63,157,879,211
Corporate income tax	196,215,657	(196,215,657)	-	-
	<u>55,150,752,697</u>	<u>(196,215,657)</u>	<u>8,203,342,171</u>	<u>63,157,879,211</u>

17. Accrued expenses

	31/12/2019 VND	1/1/2019 VND
Aircrafts related expenses	1,002,323,973,201	1,609,617,893,751
13th month salary	52,869,889,371	45,268,451,601
Interest expense	37,953,919,036	8,878,860,783
Maintenance expenses	16,817,771,642	137,923,043,709
Others	35,250,412,970	135,990,269,289
	<u>1,145,215,966,220</u>	<u>1,937,678,519,133</u>

18. Unearned revenue

	31/12/2019 VND	1/1/2019 VND
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	3,184,286,840,374	2,732,382,333,601

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19. Other short-term payables

	31/12/2019 VND	1/1/2019 VND
Related parties		
Amounts due to Thai Vietjet Air Joint Stock Co., Ltd., an associate	314,047,624,600	12,717,070,372
Dividends payable to shareholders	57,789,721,550	59,290,521,050
Consulting fees payable to Sovico Holdings, a related party	8,853,598,721	7,306,110,821
Amounts due to Ho Chi Minh City Development Joint Stock Commercial Bank, a related party	-	889,221,668
Third parties		
Airport fees and charges payables	1,054,454,791,926	959,306,960,036
Short-term deposits received	163,669,310,988	487,358,535,248
Others	21,019,571,139	58,191,570,066
	<u>1,619,834,618,924</u>	<u>1,585,059,989,261</u>

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

20. Borrowings and bonds**(a) Short-term borrowings**

	1/1/2019 Carrying amount VND	Additions VND	Movements during the year Repayments VND	Revaluation VND	31/12/2019 Carrying amount VND
Short-term borrowings	4,892,447,982,953	34,450,140,045,521	(31,252,987,926,550)	4,261,526,263	8,093,861,628,187
Current portion of long-term borrowings (Note 20(b))	65,332,050,000	66,561,660,000	(64,622,680,000)	(43,410,000)	67,227,620,000
	<u>4,957,780,032,953</u>	<u>34,516,701,705,521</u>	<u>(31,317,610,606,550)</u>	<u>4,218,116,263</u>	<u>8,161,089,248,187</u>
Amount within repayment capacity	<u>4,957,780,032,953</u>				<u>8,161,089,248,187</u>

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

Lenders	Currency	31/12/2019 VND	1/1/2019 VND
Secured loans			
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party	USD	1,366,643,484,671	1,224,380,942,780
Unsecured loans			
Vietnam Joint Stock Commercial Bank of Industry and Trade	VND	2,398,451,410,411	-
HSBC (Vietnam) Limited	VND	950,427,034,104	22,484,736,412
Joint Stock Commercial Bank for Investment and Development of Vietnam	VND	899,694,699,335	1,378,354,608,081
Woori Bank Vietnam Limited, Ho Chi Minh City Branch	VND	617,544,457,880	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	498,769,230,200	-
Citibank, N.A., Ho Chi Minh City Branch	VND	483,399,422,787	317,121,228,150
Military Commercial Joint Stock Bank	VND	291,680,216,686	1,364,639,205,779
Vietnam Maritime Commercial Joint Stock Bank	USD	268,808,055,678	-
JPMorgan Chase Bank, N.A., Ho Chi Minh City Branch	USD	134,342,641,635	-
Vietnam Technological and Commercial Joint Stock Bank	USD	77,771,609,445	-
BNP Paribas, Ho Chi Minh City Branch	VND	54,799,909,203	-
United Overseas Bank (Vietnam) Limited, Ho Chi Minh City Branch	VND	51,529,456,152	135,467,261,751
Satona Financial Investment Joint Stock Company, a related party	VND	-	150,000,000,000
Sunflower Sunny Investment Company Limited, a related party	VND	-	300,000,000,000
		<u>8,093,861,628,187</u>	<u>4,892,447,982,953</u>

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During the year, the above loans bore annual interest at rates ranging from 3.1% to 5.5% for loans in VND (2018: 4.6% to 5.0%) and from 2.7% to 3.4% for loans in USD (2018: 2.7%).

As at 31 December 2019, loan from the related party was secured by the estimated receivables from the Company's sale of flight tickets in the future of VND5,751 billion (1/1/2019: VND4,997 billion).

(b) Long-term borrowings and bonds	31/12/2019 VND	1/1/2019 VND
Long-term borrowings (i)	3,129,100,142,217	637,563,724,577
Straight bonds (ii)	600,000,000,000	-
	3,729,100,142,217	637,563,724,577
Amount repayable within 12 months	(67,227,620,000)	(65,332,050,000)
Amount repayable after 12 months	3,661,872,522,217	572,231,674,577

(i) Long-term borrowings

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

Lenders	Currency	Year of maturity	31/12/2019 VND	1/1/2019 VND
Woori Bank – Singapore Branch (*)	USD	2021	1,045,350,000,000	-
Industrial and Commercial Bank of China Limited – Hong Kong Branch (*)	USD	2021	1,045,350,000,000	-
KEB Hana Bank – Hong Kong Branch (*)	USD	2021	464,600,000,000	-
Millitary Commercial Joint Stock Bank (**)	USD	2028	573,800,142,217	637,563,724,577
			3,129,100,142,217	637,563,724,577

(*) This syndicated loan provided by the three banks has total commitments of USD110 million. The grace period of this loan is two years from drawdown date. The principal of this loan is repayable in 4 instalments in 2021. The syndicated loan was unsecured and bore annual interest rate of 3.29% during the year.

(**) The principal of this loan is repayable in 17 equal semi-annual instalments of USD1.4 million (equivalent to VND33 billion) each and a final instalment of USD1.5 million (equivalent to VND35 billion) on 13 June 2028. The loan bore annual interest rates ranging from 5.02% to 5.59% during the year.

Detail of asset pledged as security for this loan was as follows:	31/12/2019 VND	1/1/2019 VND
Aircraft No. A320 MSN7167, VNA675 (Note 11)	734,165,754,457	781,624,125,287

(ii) Straight bonds

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

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Underwriter	Currency	Annual interest rate	Year of maturity	31/12/2019 VND	1/1/2019 VND
Ho Chi Minh Securities Corporation					
Bonds issued at par, maturing after 12 months	VND	9%	2022	600,000,000,000	-

These bonds were unsecured and bears fixed interest rate of 9% per annum in the first year since issuing date and floating interest rate for subsequent years until maturity.

21. 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	10,251,477,067,489	803,223,508,716	11,054,700,576,205
Provision made during the year	2,330,818,626,053	97,899,464,620	2,428,718,090,673
Unwinding discount	177,927,395,238	51,564,354,670	229,491,749,908
Utilisation during the year	(901,164,746,229)	-	(901,164,746,229)
Written off	(98,612,713,914)	-	(98,612,713,914)
Foreign exchange differences	(25,060,510,148)	(3,834,280,113)	(28,894,790,261)
Closing balance	11,735,385,118,489	948,853,047,893	12,684,238,166,382
Short-term	2,006,489,399,369	18,501,911,457	2,024,991,310,826
Long-term	9,728,895,719,120	930,351,136,436	10,659,246,855,556
	11,735,385,118,489	948,853,047,893	12,684,238,166,382

22. Deferred tax liabilities

	31/12/2019 VND	1/1/2019 VND
Deferred tax assets:		
Provisions	2,536,847,633,276	2,210,940,115,241
Accrued expenses	38,065,045,146	43,733,453,444
Total deferred tax assets	2,574,912,678,422	2,254,673,568,685
Deferred tax liabilities:		
Long-term prepaid expenses	(1,274,612,852,666)	(1,257,327,237,428)
Maintenance reserves of leased aircrafts	(1,694,744,765,726)	(1,350,927,293,907)
Unrealised foreign exchange gains	-	(21,206,963,480)
Total deferred tax liabilities	(2,969,357,618,392)	(2,629,461,494,815)
Net deferred tax liabilities	(394,444,939,970)	(374,787,926,130)

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23. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Foreign exchange differences VND	Retained profits VND	Non-controlling interests VND	Total VND
Balance as at 1 January 2018	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
Shares dividend issued from retained profits	902,680,500,000	-	-	-	(902,680,500,000)	-	-
Cash dividends	-	-	-	-	(1,985,909,236,000)	-	(1,985,909,236,000)
Net profit for the year	-	-	-	-	5,335,036,357,250	54,119,905	5,335,090,477,155
Currency translation of foreign operations	-	-	-	95,187,477,316	-	-	95,187,477,316
Balance as at 1 January 2019	5,416,113,340,000	245,949,492,805	-	119,103,575,688	8,255,509,576,829	1,827,251,260	14,038,503,236,582
Repurchase of treasury shares	-	-	(2,347,121,362,620)	-	-	-	(2,347,121,362,620)
Cash dividends (Note 25)	-	-	-	-	(541,611,334,000)	-	(541,611,334,000)
Net profit for the year	-	-	-	-	3,806,761,193,483	583,933,611	3,807,345,127,094
Currency translation of foreign operations	-	-	-	(54,283,836,995)	-	-	(54,283,836,995)
Balance as at 31 December 2019	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	64,819,738,693	11,520,659,436,312	2,411,184,871	14,902,831,830,061

24. Share capital

The Company's authorised and issued share capital are:

	31/12/2019		1/1/2019	
	Number of shares	VND	Number of shares	VND
Authorised share capital				
Ordinary shares	541,611,334	5,416,113,340,000	541,611,334	5,416,113,340,000
Issued share capital				
Ordinary shares	541,611,334	5,416,113,340,000	541,611,334	5,416,113,340,000
Treasury shares				
Ordinary shares	17,772,740	2,347,121,362,620	-	-
Shares in circulation				
Ordinary shares	523,838,594	5,238,385,940,000	541,611,334	5,416,113,340,000

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. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

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Movements in share capital during the year were as follows:

	2019		2018	
	Number of shares	VND	Number of shares	VND
Opening balance	541,611,334	5,416,113,340,000	4,513,432,840,000	4,513,432,840,000
Treasury shares purchased during the year	(17,772,740)	(177,727,400,000)	-	-
Shares dividend issued	-	-	90,268,050	902,680,500,000
Closing balance	523,838,594	5,238,385,940,000	5,416,113,340,000	5,416,113,340,000

25. Dividends

On 8 April 2019, the Company's Board of Management resolved to distribute cash dividends of VND542 billion (2018: cash dividends of VND1,986 billion and share dividends of VND903 billion).

26. Off balance sheet items

(a) Lease receivables

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

	31/12/2019 VND	1/1/2019 VND
Within 1 year	853,514,225,496	1,964,902,315,523
Within 2 to 5 years	2,989,932,273,234	2,322,518,414,799
More than 5 years	2,180,139,781,986	1,681,262,713,214
	6,023,586,280,716	5,968,683,443,536

(b) Lease commitments

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

	31/12/2019 VND	1/1/2019 VND
Within 1 year	7,176,796,331,855	6,623,172,447,382
Within 2 to 5 years	26,635,211,517,786	24,306,776,163,118
More than 5 years	28,804,407,584,591	29,217,736,273,881
	62,616,415,434,232	60,147,684,884,381

(c) Foreign currencies

	31/12/2019		1/1/2019	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	100,147,841	2,314,430,710,266	116,101,560	2,698,780,761,594
KRW	3,567,799,189	68,751,490,372	7,489,459,430	152,710,077,777
JPY	323,634,514	67,791,721,648	126,213,566	26,961,222,300

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(d) 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:

	31/12/2019 VND	1/1/2019 VND
Approved and contracted (i)	-	462,500,000,000
Approved but not contracted (ii)	3,300,794,666,256	3,324,500,929,909
	3,300,794,666,256	3,787,000,929,909

In addition to above commitments, the Group also has the following approved and contracted commitments:

The Group signed principle purchase agreements and related amendments with Airbus S.A.S to purchase 186 aircrafts and with Boeing Company to purchase aircrafts. As at 31 December 2019, the Group has received 62 aircrafts, the remaining aircrafts are scheduled to be delivered to the Group until 2026. To power these aircrafts, the Group also ordered 106 aircraft engines from CFM International S.A and 90 aircraft engines from United Technologies Corporation (Pratt & Whitney Division), including maintenance services.

Pursuant to the aircraft purchase agreements, the Group's commitments as at 31 December 2019 in relation to pre-delivery payments for remaining aircrafts to be delivered (including aircraft engines) were USD2,837 million.

On 31 May 2017, the Group signed an agreement with Honeywell Aviation Services for 98 auxiliary power units for Airbus aircrafts. This agreement runs through 2022 and includes maintenance services for 12 years.

(ii) 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.

27. Revenue from sales of goods and provision of services

	2019 VND	2018 VND
Passenger transportation		
- Domestic routes	10,752,979,798,311	12,827,108,085,916
- International routes including regular charter flights	14,691,916,365,734	11,121,067,438,510
- Ancillary revenue	11,305,775,201,548	8,339,522,506,065
- Non-regular charter flights and aircraft wet leases	460,526,968,412	665,058,419,753
	37,211,198,334,005	32,952,756,450,244
Revenue from sales of aircrafts and purchase right option	12,013,870,833,333	19,798,460,156,625
Aircraft dry leases	760,279,315,508	437,357,960,486
Other revenue	617,587,524,543	388,666,894,785
Total revenue	50,602,936,007,389	53,577,241,462,140

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28. Cost of sales

	2019 VND	2018 VND
Flight operation expenses	29,969,793,868,192	24,125,562,020,117
Costs of aircrafts sold	8,181,387,074,057	16,850,469,379,635
Technical expenses	3,752,982,327,377	2,160,317,607,335
Ground operation expenses	2,850,656,915,692	2,698,352,086,705
Cargo expenses	159,380,644,325	201,852,794,429
Safety, security, quality and assurance expenses	39,936,425,775	35,102,906,117
Others	26,003,442,864	13,765,215,161
	44,980,140,698,282	46,085,422,009,499

29. Financial income

	2019 VND	2018 VND
Interest income	550,933,281,288	221,386,370,627
Realised foreign exchange gains	175,254,975,576	85,891,072,283
Unrealised foreign exchange gains	43,926,035,073	-
Dividend income	10,332,636,000	2,832,636,000
Gains from disposals of subsidiaries	-	16,271,500,000
Others	48,856,982	5,195,227,454
	780,495,784,919	331,576,806,364

30. Financial expenses

	2019 VND	2018 VND
Unwinding discount of provisions	229,491,749,908	434,733,395,693
Interest expense	351,417,652,590	257,505,446,656
Allowance for diminution in the value of trading securities	380,500,000,000	174,500,000,000
Realised foreign exchange losses	63,258,014,929	-
Unrealised foreign exchange losses	-	51,320,437,305
	1,024,667,417,427	918,059,279,654

31. Selling expenses

	2019 VND	2018 VND
Sales expenses	485,917,726,459	350,027,556,686
Advertising and marketing expenses	375,665,475,855	243,537,206,113
Staff costs	129,485,124,150	87,426,356,482
Depreciation and amortisation	384,117,565	707,978,027
Others	12,069,522,029	31,230,746,847
	1,003,521,966,058	712,929,844,155

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32. General and administration expenses

	2019 VND	2018 VND
Staff costs	206,947,070,334	114,851,498,365
Rental expenses	44,232,097,001	26,900,048,305
Depreciation and amortisation	2,621,530,826	2,415,845,699
Insurance expenses	-	197,811,168
Others	181,853,491,639	150,412,195,684
	435,654,189,800	294,777,399,221

33. Other income

	2019 VND	2018 VND
Gains from disposals of fixed assets and construction in progress	694,598,317,992	-
Others	26,784,067,435	7,856,232,457
	721,382,385,427	7,856,232,457

34. Business costs by elements

	2019 VND	2018 VND
Fuel costs	15,038,709,387,975	13,258,963,486,074
Costs of purchasing aircrafts	8,181,387,074,057	16,850,469,379,635
Labour costs and staff costs	4,780,622,485,492	3,251,843,675,445
Depreciation and amortisation	175,155,660,359	146,514,029,742
Outside services	15,538,950,038,380	11,180,696,348,583
Other expenses	2,704,492,207,877	2,404,642,333,396

35. Income tax**(a) Recognised in the consolidated statement of income**

	2019 VND	2018 VND
Current tax expense		
Current year	741,648,874,040	253,597,027,514
Deferred tax expense		
Origination and reversal temporary differences	19,657,013,840	227,241,605,086
	761,305,887,880	480,838,632,600

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(b) Reconciliation of effective tax rate

	2019 VND	2018 VND
Accounting profit before tax	4,568,651,014,974	5,815,929,109,755
Tax at the Company's tax rate	913,730,202,995	1,163,185,821,951
Effect of difference tax rates applied for subsidiaries	(186,721,720,480)	(571,740,639,087)
Non-deductible expenses	2,806,854,404	613,938,670
Change in deferred tax assets not recognised	33,557,078,161	17,746,117,592
Tax exemption income	(2,066,527,200)	-
Tax incentives	-	(128,966,606,526)
	761,305,887,880	480,838,632,600

(c) Applicable tax rate**(i) Companies incorporated in Vietnam**

VietJet Aviation Joint Stock Company

For public passengers and cargo air transportation services, under the terms of current income tax laws, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits. The current income tax laws 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, the Company has an obligation to pay the government income tax at usual income tax rate of 20% of taxable profit.

Vietjet Air Cargo Joint Stock Company

The company has an obligation to pay the government income tax at the usual income tax rate of 20% of taxable profits.

(ii) Companies incorporated in British Virgin Islands

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

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

(iii) Companies 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) Companies 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 2019 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

	2019 VND	2018 VND
Net profit attributable to ordinary shareholders	3,806,761,193,483	5,335,036,357,250

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(b) Weighted average number of ordinary shares

	Number of shares	
	2019	2018
Issued ordinary shares at the beginning of the year	541,611,334	451,343,284
Effect of shares dividends issued in July 2018	-	90,268,050
Effect of repurchase of treasury shares in September 2019	(5,940,477)	-
Weighted average number of ordinary shares	535,670,857	541,611,334

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	
	2019 VND	2018 VND
Major shareholders		
Placements of term deposits and certificate of deposits	8,306,000,000,000	17,535,922,500,000
Borrowings receipts	8,999,104,198,241	13,475,114,570,820
Payments and receipts on behalf, net cash inflows	1,300,000,000,000	-
Interest income	59,359,990,462	156,014,812,926
Interest expense	36,963,732,200	27,021,197,486
Services rendered	10,465,030,490	15,198,053,711
Purchases of consultancy services	1,755,600,000	1,755,600,000
Associates		
Aircrafts rental income	760,279,315,508	437,357,960,486
Payments on behalf, net cash outflows	256,222,816,844	271,904,372,212
Interest income	121,361,994,427	-
Business service fee and brand licence fee	82,089,969,401	60,105,956,003
Booking service rendered	79,599,211,000	79,281,523,500
Purchases of charter flights	12,776,400,000	-
Dividend income	7,500,000,000	7,500,000,000
Other related parties		
Sales of aircrafts	-	1,189,413,958,333
Sales of aircraft engines	1,611,682,393,420	-
Sales of purchase right option	2,558,370,833,333	-
Services rendered	400,217,008,891	525,273,972,960
Aircrafts rental expenses	844,925,138,187	247,119,461,282
Deposits for maintenance reserves	66,278,102,493	108,477,847,747
Payments on behalf, net cash outflows	52,619,917,986	35,570,220,230
Deposits for office and retail space leases	623,500,000,000	-
Office rental expenses	22,176,853,495	-
Advances	-	443,625,000,000
Borrowings receipts	-	150,000,000,000
Purchases of construction services	-	400,295,994,854
Disposals of subsidiaries	-	16,271,500,000
Members of Board of Management, Board of Directors and Supervisory Board	42,721,583,529	30,932,611,019

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38. Non-cash investing and financing activities

	2019 VND	2018 VND
Disposals of fixed assets and construction in progress not yet received	1,611,682,393,420	-
Net-off payables from purchases of fixed assets with other short-term receivables	779,144,510,850	773,685,995,810
Shares dividend issued from retained profits	-	902,680,500,000

39. Post balance sheet events

The coronavirus ("COVID-19") pandemic has unfavourably affected the global economy, including the aviation industry, since its outbreak. The validity of the going concern assumption fundamentally depends on the Group's ability to generate sufficient operating cash flows from aviation transportation and scheme of financing and trading of aircrafts to finance its operation. The Company's management has actively imposed numerous drastic measures in running the Group's business activities to respond to and to mitigate the impact from COVID-19. The Group had received support from banks, counter parties and suppliers and had implemented numerous business measures which included, but are not limited to improving Skyboss program quality, expanding and developing cargo business, executing the scheme of financing and trading of aircrafts and controlling and optimising the Group's operation costs. Management is of the opinion that the Group will be able to generate sufficient working capital to finance its operations and to meet its obligations as and when they fall due during the COVID-19 pandemic and in the foreseeable future.

Accordingly, the consolidated financial statements for the year ended 31 December 2019 continue to be prepared on a going concern basis.

These conditions, along with the impact of country travel restrictions and recovery of air travel demand between countries, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

40. Corresponding figures

The corresponding figures as at 1 January 2019 were derived from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

30 April 2020
Prepared by:

Hoang Manh Ha
Chief Accountant

Approved by:

Ho Ngoc Yen Phuong
Vice President cum Chief Financial Officer

Luu Duc Khanh
Managing Director



COMMITMENT ABOUT THE TRUTH AND ACCURACY OF THE 2019 ANNUAL REPORT

Vietjet's 2019 Annual Report was not only in compliance with the Circular 155/2015/TT-BTC of the Ministry of Finance regarding information disclosure on securities market but also in accordance with international standards and best practices related to the industry/businesses, corporate governance and sustainable development standards following OECD, ACGS, VCGS and GRI, as well as in reference to the criteria of the Vietnam Sustainability Index (VNSI).

The financial statements attached to Vietjet's Annual Report have been prepared in accordance with the Vietnamese Accounting Standards (VAS), the Vietnamese accounting policy for enterprises and legal regulations related to the preparation and presentation of Financial Statements. Vietjet's financial statements have been audited by KPMG Branch in Ho Chi Minh City. The audited unqualified opinion implies that the report and financials disclosed by Vietjet demonstrate a high level of assurance.

When meeting and complying with the above standards, the annual report expresses Vietjet's commitment to truthfulness, transparency and accountability to stakeholders on performance in key areas.

