



**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.

<b>Board of Management</b>	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)

<b>Board of Directors</b>	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	

**VietJet Aviation Joint Stock Company  
Corporate Information (continued)**

<b>Supervisory Board</b>	Tran Duong Ngoc Thao Doan Thu Huong Pham Van Dau	Head of the Board Member Member
--------------------------	--	---------------------------------------

<b>Registered Office</b>	302/3 Kim Ma Street Ngoc Khanh Ward, Ba Dinh District Hanoi City Vietnam
--------------------------	---

<b>Auditor</b>	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

  
Nguyễn Thị Phương Thảo  
Chief Executive Officer

Ho Chi Minh City, 30 April 2020





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

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders VietJet Aviation Joint Stock Company**

We have audited the accompanying consolidated financial statements of VietJet Aviation Joint Stock Company ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 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 balance sheet as at 31 December 2019**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>24,458,549,292,502</b>	<b>19,079,292,916,555</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>5,364,049,804,580</b>	<b>7,164,923,007,451</b>
Cash	111		3,823,871,167,200	3,648,963,007,451
Cash equivalents	112		1,540,178,637,380	3,515,960,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>1,144,756,800,000</b>	<b>816,900,000,000</b>
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	1,400,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>16,755,814,490,657</b>	<b>10,272,635,073,584</b>
Accounts receivable from customers	131	7	7,614,990,981,534	2,910,376,745,299
Prepayments to suppliers	132		187,271,445,833	129,927,091,931
Loans receivable	135	8(a)	499,482,168,000	499,804,692,000
Other short-term receivables	136	9(a)	8,454,069,895,290	6,732,526,544,354
<b>Inventories</b>	<b>140</b>	<b>10</b>	<b>747,898,679,837</b>	<b>468,729,305,585</b>
<b>Other current assets</b>	<b>150</b>		<b>446,029,517,428</b>	<b>356,105,529,935</b>
Short-term prepaid expenses	151	14(a)	382,337,666,788	299,977,931,264
Deductible value added tax	152		533,971,429	976,845,974
Taxes receivable from State Treasury	153	16(b)	63,157,879,211	55,150,752,697
<b>Long-term assets</b> <b>(200 = 210 + 220 + 240 + 250 + 260)</b>	<b>200</b>		<b>24,400,204,516,009</b>	<b>20,006,886,184,114</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>14,969,725,059,773</b>	<b>10,577,336,637,830</b>
Prepayments to suppliers	212		-	701,500,000,000
Loans receivable	215	8(b)	701,500,000,000	-
Other long-term receivables	216	9(b)	14,268,225,059,773	9,875,836,637,830
<b>Fixed assets</b>	<b>220</b>		<b>1,304,424,116,769</b>	<b>1,646,373,479,969</b>
Tangible fixed assets	221	11	1,302,137,079,158	1,643,191,617,368
Cost	222		1,688,544,748,056	1,935,603,226,243
Accumulated depreciation	223		(386,407,668,898)	(292,411,608,875)
Intangible fixed assets	227	12	2,287,037,611	3,181,862,601
Cost	228		30,818,110,655	29,952,011,655
Accumulated amortisation	229		(28,531,073,044)	(26,770,149,054)
<b>Long-term work in progress</b>	<b>240</b>		<b>1,318,401,443,379</b>	<b>1,233,005,676,006</b>
Construction in progress	242	13	1,318,401,443,379	1,233,005,676,006
<b>Long-term financial investments</b>	<b>250</b>		<b>215,973,206,218</b>	<b>68,424,629,818</b>
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
<b>Other long-term assets</b>	<b>260</b>		<b>6,591,680,689,870</b>	<b>6,481,745,760,491</b>
Long-term prepaid expenses	261	14(b)	6,591,680,689,870	6,481,745,760,491
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>48,858,753,808,511</b>	<b>39,086,179,100,669</b>

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

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019 (continued)**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>33,955,921,978,450</b>	<b>25,047,675,864,087</b>
<b>Current liabilities</b>	<b>310</b>		<b>19,169,599,306,127</b>	<b>14,940,720,495,496</b>
Accounts payable to suppliers	311	15	1,894,934,971,369	923,662,972,703
Advances from customers	312		669,963,368,463	688,665,229,378
Taxes payable to State Treasury	313	16(a)	469,282,981,764	204,549,133,354
Accrued expenses	315	17	1,145,215,966,220	1,937,678,519,133
Unearned revenue	318	18	3,184,286,840,374	2,732,382,333,601
Other short-term payables	319	19	1,619,834,618,924	1,585,059,989,261
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
<b>Long-term liabilities</b>	<b>330</b>		<b>14,786,322,672,323</b>	<b>10,106,955,368,591</b>
Other long-term payables	337		70,758,354,580	16,177,476,792
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
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>14,902,831,830,061</b>	<b>14,038,503,236,582</b>
<b>Owners' equity</b>	<b>410</b>	<b>23</b>	<b>14,902,831,830,061</b>	<b>14,038,503,236,582</b>
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)	-
Foreign exchange differences	417		64,819,738,693	119,103,575,688
Retained profits	421		11,520,659,436,312	8,255,509,576,829
Non-controlling interests	429		2,411,184,871	1,827,251,260
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>48,858,753,808,511</b>	<b>39,086,179,100,669</b>

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

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



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Consolidated statement of income for the year ended 31 December 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
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>27</b>	<b>50,602,936,007,389</b>	<b>53,577,241,462,140</b>
<b>Cost of sales</b>	<b>11</b>	<b>28</b>	<b>44,980,140,698,282</b>	<b>46,085,422,009,499</b>
<b>Gross profit (20 = 01 - 11)</b>	<b>20</b>		<b>5,622,795,309,107</b>	<b>7,491,819,452,641</b>
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
<b>Net operating profit</b> {30 = 20 + (21 - 22) + 24 - (25 + 26)}	<b>30</b>		<b>3,847,640,456,131</b>	<b>5,808,899,148,021</b>
Other income	31	33	721,382,385,427	7,856,232,457
Other expenses	32		371,826,584	826,270,723
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>721,010,558,843</b>	<b>7,029,961,734</b>
<b>Accounting profit before tax</b> (50 = 30 + 40)	<b>50</b>		<b>4,568,651,014,974</b>	<b>5,815,929,109,755</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>35</b>	<b>741,648,874,040</b>	<b>253,597,027,514</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>35</b>	<b>19,657,013,840</b>	<b>227,241,605,086</b>
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>3,807,345,127,094</b>	<b>5,335,090,477,155</b>
<b>Attributable to:</b>				
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
<b>Earnings per share</b>				
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

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



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>4,568,651,014,974</b>	<b>5,815,929,109,755</b>
<b>Adjustments for</b>			
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
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>5,176,384,763,731</b>	<b>6,739,249,025,742</b>
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
		<b>(1,232,998,427,336)</b>	<b>4,791,209,088,437</b>
Interest paid	14	(322,342,594,337)	(254,235,595,773)
Income tax paid	15	(471,622,340,241)	(108,000,000,000)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(2,026,963,361,914)</b>	<b>4,428,973,492,664</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(3,100,578,407,758)</b>	<b>(177,602,680,373)</b>

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

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 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
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>3,399,795,942,851</b>	<b>(4,014,591,041,456)</b>
<b>Net cash flows during the year</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>(1,727,745,826,821)</b>	<b>236,779,770,835</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>7,164,923,007,451</b>	<b>6,861,601,955,584</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(18,843,539,055)</b>	<b>(16,175,268,283)</b>
<b>Currency translation differences</b>	<b>61</b>	<b>(54,283,836,995)</b>	<b>82,716,549,315</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 5)</b>	<b>70</b>	<b>5,364,049,804,580</b>	<b>7,164,923,007,451</b>

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

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



## VietJet Aviation Joint Stock Company and its subsidiaries

### Notes to the consolidated financial statements for the year ended 31 December 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
<b>Subsidiaries</b>					
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 dated 27 May 2014	100%	100%
Vietjet Air Singapore Pte. Ltd. (i)	Singapore	To trade aircrafts.	No. 201408849N dated 27 March 2014	100%	100%

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Name	Country of incorporation	Principal activities	Business registration certificate	% equity owned/ voting right	
				31/12/2019	1/1/2019
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%
<i>Associates</i>					
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%

- 
- (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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(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.

**(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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(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.

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(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.

**(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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(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.

**(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.

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

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 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.

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(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.
- 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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(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.

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(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.

**4. Segment reporting**

**(a) Business segment**

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

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

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

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

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
(continued)

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**5. Cash and cash equivalents**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
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:

	<b>Quantity</b>	<b>Cost</b>	<b>31/12/2019</b>	<b>Fair value</b>
		<b>VND</b>	<b>Allowance for</b>	<b>VND</b>
			<b>diminution in value</b>	<b>VND</b>
			<b>VND</b>	
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	555,000,000,000	435,000,000,000
	<b>Quantity</b>	<b>Cost</b>	<b>1/1/2019</b>	<b>Fair value</b>
		<b>VND</b>	<b>Allowance for</b>	<b>VND</b>
			<b>diminution in value</b>	<b>VND</b>
			<b>VND</b>	
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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
(continued)

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**(b) Equity investments**

	31/12/2019		1/1/2019	
	% of equity owned/voting rights	VND	% of equity owned/voting rights	VND
<b>Equity investments in associates</b>				
▪ Thai Vietjet Air Joint Stock Co., Ltd.	9%	-	9%	-
▪ Cam Ranh International Terminal Joint Stock Company	10%	60,000,000,000	10%	60,000,000,000
		60,000,000,000		60,000,000,000
<b>Equity investments in other entities</b>				
▪ Sai Gon Ground Services Joint Stock Company	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

- (i) 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
<b>Short-term</b>		
▪ Corporate bonds	709,756,800,000	-
▪ Term deposits at banks	-	1,400,000,000
	709,756,800,000	1,400,000,000
<b>Long-term</b>		
▪ 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

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.

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**7. Accounts receivable from customers – short-term**

**(a) Accounts receivable from customers detailed by significant customers**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
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
	<hr/>	
	7,614,990,981,534	2,910,376,745,299
	<hr/>	

**(b) Accounts receivable from customers who are related parties**

	<b>Note</b>	<b>31/12/2019</b>	<b>1/1/2019</b>
		<b>VND</b>	<b>VND</b>
<b>Associate</b>			
Thai Vietjet Air Joint Stock Co., Ltd.	(i)	1,092,199,590,330	412,080,273,720
<b>Other related parties</b>			
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
		<hr/>	

- (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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
(continued)

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**8. Loans receivable**

**(a) Short-term loans receivables**

<b>Borrower</b>	<b>Currency</b>	<b>Annual interest rate</b>	<b>Year of maturity</b>	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
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.

**(b) Long-term loans receivables**

<b>Borrower</b>	<b>Currency</b>	<b>Annual interest rate</b>	<b>Year of maturity</b>	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
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.

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**9. Other receivables**

**(a) Other short-term receivables**

	Note	31/12/2019 VND	1/1/2019 VND
<b>Related parties</b>			
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	-
<b>Third parties</b>			
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

- (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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(b) Other long-term receivables**

	Note	31/12/2019 VND	1/1/2019 VND
<b>Related parties</b>			
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	-
<b>Third parties</b>			
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 of 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.

**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

VietJet Aviation Joint Stock Company and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)

Form B 09 – DN/HN  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**11. Tangible fixed assets**

	Aircraft and components VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
<b>Cost</b>					
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
<b>Accumulated depreciation</b>					
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
<b>Net book value</b>					
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



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

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.

**12. Intangible fixed assets**

	<b>Software VND</b>
<b>Cost</b>	
Opening balance	29,952,011,655
Additions	866,099,000
	30,818,110,655
<b>Closing balance</b>	
	30,818,110,655
<b>Accumulated amortisation</b>	
Opening balance	26,770,149,054
Charge for the year	1,760,923,990
	28,531,073,044
<b>Closing balance</b>	
	28,531,073,044
<b>Net book value</b>	
Opening balance	3,181,862,601
Closing balance	2,287,037,611
	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.

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**13. Construction in progress**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
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)	-
	<hr/>	<hr/>
Closing balance	1,318,401,443,379	1,233,005,676,006
	<hr/>	<hr/>

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:

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
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
	<hr/>	<hr/>
	1,318,401,443,379	1,233,005,676,006
	<hr/>	<hr/>

**14. Prepaid expenses**

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

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
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
	<hr/>	<hr/>
	382,337,666,788	299,977,931,264
	<hr/>	<hr/>



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(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	5,782,829,060,991	590,235,202,338	103,156,115,556	114,854,388,316	605,922,669	6,591,680,689,870

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**15. Accounts payable to suppliers – short-term**

**Accounts payable to suppliers detailed by significant suppliers**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>Cost/Amount</b>	<b>Cost/Amount</b>
	<b>within payment</b>	<b>within payment</b>
	<b>capacity</b>	<b>capacity</b>
	<b>VND</b>	<b>VND</b>
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
	<b>1,894,934,971,369</b>	<b>923,662,972,703</b>



VietJet Aviation Joint Stock Company and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)

Form B 09 – DN/HN  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**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)	-	-	-
	204,549,133,354	3,182,001,874,018	(1,534,493,056,582)	(1,390,978,311,197)	8,203,342,171	469,282,981,764

**(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)	-	-
	55,150,752,697	(196,215,657)	8,203,342,171	63,157,879,211

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**17. Accrued expenses**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Aircrafts related expenses	1,002,323,973,201	1,609,617,893,751
13 <sup>th</sup> 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
	<hr/>	<hr/>
	1,145,215,966,220	1,937,678,519,133
	<hr/>	<hr/>

**18. Unearned revenue**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
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
	<hr/>	<hr/>

**19. Other short-term payables**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
<b>Related parties</b>		
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
<b>Third parties</b>		
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
	<hr/>	<hr/>
	1,619,834,618,924	1,585,059,989,261
	<hr/>	<hr/>

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



VietJet Aviation Joint Stock Company and its subsidiaries  
 Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)

Form B 09 – DN/HN  
 (Issued under Circular No. 202/2014/TT-BTC  
 dated 22 December 2014 of the Ministry of Finance)

**20. Borrowings and bonds**

**(a) Short-term borrowings**

	1/1/2019 Carrying amount VND	Movements during the year		31/12/2019 Carrying amount VND	
		Additions VND	Repayments VND		Revaluation 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
	4,957,780,032,953	34,516,701,705,521	(31,317,610,606,550)	4,218,116,263	8,161,089,248,187
Amount within repayment capacity	4,957,780,032,953				8,161,089,248,187

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

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

<b>Lenders</b>	<b>Currency</b>	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
<b>Secured loans</b>			
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party	USD	1,366,643,484,671	1,224,380,942,780
<b>Unsecured loans</b>			
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
		8,093,861,628,187	4,892,447,982,953



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

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	-
	<hr/>	<hr/>
	3,729,100,142,217	637,563,724,577
Amount repayable within 12 months	(67,227,620,000)	(65,332,050,000)
	<hr/>	<hr/>
Amount repayable after 12 months	3,661,872,522,217	572,231,674,577
	<hr/>	<hr/>

**(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
			<hr/>	<hr/>
			3,129,100,142,217	637,563,724,577
			<hr/>	<hr/>

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

- (\*) 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:

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
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:

<b>Underwriter</b>	<b>Currency</b>	<b>Annual interest rate</b>	<b>Year of maturity</b>	<b>31/12/2019</b>	<b>1/1/2019</b>
				<b>VND</b>	<b>VND</b>
<i>Ho Chi Minh Securities Corporation</i>					
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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**21. Provisions**

Movements of provisions during the year were as follows:

	<b>Provision for maintenance expenses VND</b>	<b>Provision to make good on leased assets VND</b>	<b>Total VND</b>
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)
	<hr/>	<hr/>	<hr/>
Closing balance	11,735,385,118,489	948,853,047,893	12,684,238,166,382
	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>
	11,735,385,118,489	948,853,047,893	12,684,238,166,382
	<hr/>	<hr/>	<hr/>

**22. Deferred tax liabilities**

	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
Deferred tax assets:		
Provisions	2,536,847,633,276	2,210,940,115,241
Accrued expenses	38,065,045,146	43,733,453,444
	<hr/>	<hr/>
Total deferred tax assets	2,574,912,678,422	2,254,673,568,685
	<hr/>	<hr/>
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)
	<hr/>	<hr/>
Total deferred tax liabilities	(2,969,357,618,392)	(2,629,461,494,815)
	<hr/>	<hr/>
Net deferred tax liabilities	(394,444,939,970)	(374,787,926,130)
	<hr/>	<hr/>

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**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
<b>Balance as at 1 January 2018</b>	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
<b>Balance as at 1 January 2019</b>	<b>5,416,113,340,000</b>	<b>245,949,492,805</b>	<b>-</b>	<b>119,103,575,688</b>	<b>8,255,509,576,829</b>	<b>1,827,251,260</b>	<b>14,038,503,236,582</b>
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)
<b>Balance as at 31 December 2019</b>	<b>5,416,113,340,000</b>	<b>245,949,492,805</b>	<b>(2,347,121,362,620)</b>	<b>64,819,738,693</b>	<b>11,520,659,436,312</b>	<b>2,411,184,871</b>	<b>14,902,831,830,061</b>



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

## 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
<b>Authorised share capital</b>				
Ordinary shares	541,611,334	5,416,113,340,000	541,611,334	5,416,113,340,000
<b>Issued share capital</b>				
Ordinary shares	541,611,334	5,416,113,340,000	541,611,334	5,416,113,340,000
<b>Treasury shares</b>				
Ordinary shares	17,772,740	2,347,121,362,620	-	-
<b>Shares in circulation</b>				
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.

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	451,343,284	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	541,611,334	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).

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**26. Off balance sheet items**

**(a) Lease receivables**

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

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
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:

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
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**

	<b>31/12/2019</b>		<b>1/1/2019</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
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

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(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:

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
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

- (i) 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.



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
(continued)

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**27. Revenue from sales of goods and provision of services**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
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
	<hr/>	<hr/>
	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
	<hr/>	<hr/>
Total revenue	50,602,936,007,389	53,577,241,462,140

**28. Cost of sales**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
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
	<hr/>	<hr/>
	44,980,140,698,282	46,085,422,009,499

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
(continued)

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**29. Financial income**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
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
	<hr/> <b>780,495,784,919</b>	<hr/> <b>331,576,806,364</b> <hr/>

**30. Financial expenses**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
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
	<hr/> <b>1,024,667,417,427</b>	<hr/> <b>918,059,279,654</b> <hr/>

**31. Selling expenses**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
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
	<hr/> <b>1,003,521,966,058</b>	<hr/> <b>712,929,844,155</b> <hr/>

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**32. General and administration expenses**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
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
	<hr/>	<hr/>
	435,654,189,800	294,777,399,221
	<hr/>	<hr/>

**33. Other income**

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

**34. Business costs by elements**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
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
	<hr/>	<hr/>



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**35. Income tax**

**(a) Recognised in the consolidated statement of income**

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

**(b) Reconciliation of effective tax rate**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	4,568,651,014,974	5,815,929,109,755
	<hr/>	<hr/>
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)
	<hr/>	<hr/>
	761,305,887,880	480,838,632,600
	<hr/>	<hr/>

**(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 Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

*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**

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

**(b) Weighted average number of ordinary shares**

	<b>Number of shares</b>	
	<b>2019</b>	<b>2018</b>
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

**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**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
<b>Major shareholders</b>		
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
<b>Associates</b>		
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
<b>Other related parties</b>		
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
<b>Members of Board of Management, Board of Directors and Supervisory Board</b>		
Salary and compensations	42,721,583,529	30,932,611,019



**VietJet Aviation Joint Stock Company and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
(continued)

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**38. Non-cash investing and financing activities**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
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
	-	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*