

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CORPORATE INFORMATION

Business registration certificate

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

Enterprise registration certificate

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

Investment registration certificate

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

Board of Directors

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

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CORPORATE INFORMATION (continued)

Board of Management	Mr. Dinh Viet Phuong	Chief Executive Officer (from 6 April 2023) Permanent Vice President cum Managing Director (until 5 April 2023)
	Mrs. Nguyen Thi Phuong Thao	Chief Executive Officer (until 5 April 2023)
	Mr. Micheal Hickey	Chief Operation Officer (from 1 June 2022)
	Mrs. Ho Ngoc Yen Phuong	Vice President cum Chief Finance Officer
	Mr. To Viet Thang Mr. Nguyen Thanh Son	Vice President Vice President
Senior Management	Mr. Luong The Phuc	Vice President
	Mrs. Nguyen Thi Thuy Binh	Vice President
	Mr. Nguyen Duc Thinh	Vice President
	Mr. Do Xuan Quang	Vice President
	Mr. Nguyen Thai Trung	Vice President (from 1 June 2022)
	Mr. Chu Viet Cuong	Vice President (from 1 June 2022 to 26 October 2022)
Audit Committee	Mr. Nguyen Anh Tuan	Chairman (from 27 October 2022)
	Mr. Donal Joshep Boylan	Chairman (until 27 October 2022)
	Mr. Luu Duc Khanh	Member
	Mr. Chu Viet Cuong	Member (from 27 October 2022)
	Mr. Nguyen Thanh Hung	Member (until 27 October 2022)
Legal representative	Mrs. Nguyen Thi Phuong Thao	Chairwoman of the Board of Directors
	Mr. Dinh Viet Phuong	Chief Executive Officer
	Mrs. Nguyen Thanh Ha	Member of the Board of Directors
Registered office	302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District Hanoi City, Vietnam	
Auditor	PwC (Vietnam) Limited	

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

STATEMENT OF THE BOARD OF MANAGEMENT

Statement of responsibility of the Board of Management of the Company in respect of the consolidated financial statements

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

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

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

Approval of the consolidated financial statements

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

On behalf of the Board of Management



Dinh Viet Phuong
Chief Executive Officer

Ha Noi City, SR Vietnam
10 April 2023



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VIETJET AVIATION JOINT STOCK COMPANY

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

Responsibility of the Board of Management

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

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

Other Matter

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

For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran
Audit Practising Licence No.
0048-2023-006-1
Authorised signatory

Tram Tu Mai Anh
Audit Practising Licence No.
3546-2021-006-1

Report reference number: HCM13860
Ho Chi Minh City, 10 April 2023

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 01 – DN/HN
CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		33,587,472,621,916	26,866,732,678,773
110	Cash and cash equivalents	3	1,858,261,735,520	1,868,252,946,557
111	Cash		895,285,954,496	983,304,817,181
112	Cash equivalents		962,975,781,024	884,948,129,376
120	Short-term investments		687,775,421,096	859,475,421,096
121	Trading securities	4(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	4(a)	(490,000,000,000)	(135,000,000,000)
123	Investments held to maturity	4(b)	187,775,421,096	4,475,421,096
130	Short-term receivables		29,729,804,064,103	23,261,094,436,070
131	Short-term trade accounts receivable	5(a)	12,402,309,894,689	11,452,445,071,396
132	Short-term prepayments to suppliers	6(a)	1,626,225,517,323	100,108,467,605
135	Short-term lendings	7(a)	657,000,000,000	657,000,000,000
136	Other short-term receivables	8(a)	15,044,268,652,091	11,051,540,897,069
140	Inventories		982,716,071,675	811,247,030,655
141	Inventories	9	982,716,071,675	811,247,030,655
150	Other current assets		328,915,329,522	66,662,844,395
151	Short-term prepaid expenses	10(a)	164,682,034,869	16,306,514,272
152	Value added tax ("VAT") to be reclaimed	15(a)	139,358,572,943	50,356,330,123
153	Tax and other receivables from the State	15(a)	24,874,721,710	-

The notes on pages 12 to 75 are an integral part of these consolidated financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 01 – DN/HN
**CONSOLIDATED BALANCE SHEET
(continued)**

Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
200	LONG-TERM ASSETS		34,449,491,811,396	24,786,971,332,567
210	Long-term receivables		21,238,145,855,696	16,889,287,027,947
211	Long-term trade accounts receivable	5(b)	3,863,320,000,000	-
212	Long-term prepayments to suppliers	6(b)	1,132,635,253,054	-
215	Long-term lendings	7(b)	868,221,855,860	789,648,322,692
216	Other long-term receivables	8(b)	15,373,968,746,782	16,099,638,705,255
220	Fixed assets		5,709,719,496,248	1,158,451,949,883
221	Tangible fixed assets	11(a)	5,681,333,704,196	1,150,354,396,311
222	Historical cost		6,113,532,845,752	1,511,188,985,876
223	Accumulated depreciation		(432,199,141,556)	(360,834,589,565)
227	Intangible fixed assets	11(b)	28,385,792,052	8,097,553,572
228	Historical cost		61,941,976,858	39,171,240,479
229	Accumulated amortisation		(33,556,184,806)	(31,073,686,907)
240	Long-term asset in progress		308,749,694,497	500,760,695,887
242	Construction in progress	12	308,749,694,497	500,760,695,887
250	Long-term investment		149,417,024,400	149,417,024,400
253	Investment in other entities	4(d)	149,417,024,400	149,417,024,400
260	Other long-term assets		7,043,459,740,555	6,089,054,634,450
261	Long-term prepaid expenses	10(b)	6,639,189,192,765	6,089,054,634,450
262	Deferred income tax assets	22	404,270,547,790	-
270	TOTAL ASSETS		68,036,964,433,312	51,653,704,011,340

The notes on pages 12 to 75 are an integral part of these consolidated financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET
(continued)

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

Pham Ngoc Thoa
Chief Accountant

Ho Ngoc Yen Phuong
Vice President
cum Chief Finance Officer

Dinh Viet Phuong
Chief Executive Officer
10 April 2023



The notes on pages 12 to 75 are an integral part of these consolidated financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services	40,141,863,488,029	12,874,919,725,450
02	Less deductions	-	-
10	Net revenue from sales of goods and rendering of services	28 40,141,863,488,029	12,874,919,725,450
11	Cost of goods sold and services rendered	29 (42,135,151,389,707)	(14,913,724,210,509)
20	Gross loss from sales of goods and rendering of services	(1,993,287,901,678)	(2,038,804,485,059)
21	Financial income	30 2,246,221,465,280	4,032,772,056,932
22	Financial expenses	31 (2,483,054,483,054)	(806,254,583,608)
23	- Including: Interest expense	31 (1,383,641,245,573)	(804,782,847,259)
24	Share of losses from associate	-	(42,270,859,708)
25	Selling expenses	32 (936,343,663,352)	(607,756,237,934)
26	General and administration expenses	33 (534,452,104,416)	(365,729,158,499)
30	Net operating (loss)/profit	(3,700,916,687,220)	171,956,732,124
31	Other income	1,316,105,112,282	16,201,777,600
32	Other expenses	(263,847,335,532)	(7,778,986,800)
40	Net other income	34 1,052,257,776,750	8,422,790,800
50	Net accounting (loss)/profit before tax	(2,648,658,910,470)	180,379,522,924
51	Corporate income tax ("CIT") - current	35 (172,103,552,548)	(14,027,919,315)
52	CIT - deferred	35, 22 558,787,619,233	(86,692,296,300)
60	Net (loss)/profit after tax	(2,261,974,843,785)	79,659,307,309
Attributable to:			
61	Shareholders of the Company	(2,262,499,009,854)	74,584,907,230
62	Non-controlling interests	524,166,069	5,074,400,079
70	Basic (losses)/earnings per share	26(a) (4,177)	139
71	Diluted (losses)/earnings per share	26(b) (4,177)	139

Pham Ngoc Thoa
Chief Accountant

Ho Ngoc Yen Phuong
Vice President
cum Chief Finance Officer

Dinh Viet Phuong
Chief Executive Officer
10 April 2023



The notes on pages 12 to 75 are an integral part of these consolidated financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 03 – DN/HN
**CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)**

		Year ended 31 December	
Code	Note	2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting (loss)/profit before tax	(2,648,658,910,470)	180,379,522,924
	Adjustments for:		
02	Depreciation and amortisation	79,733,663,056	98,078,009,402
03	Provisions	1,915,036,223,300	1,248,753,445,939
04	Unrealised foreign exchange (gains)/losses	(159,921,609,696)	220,650,652,715
05	Profits from investing activities	(431,107,961,858)	(244,838,291,866)
06	Interest expense	1,383,641,245,573	804,782,847,259
08	Operating profit before changes in working capital	138,722,649,905	2,307,806,186,373
09	Increase in receivables	(10,296,343,168,616)	(5,591,418,282,646)
10	Increase in inventories	(171,469,041,020)	(99,153,768,528)
11	Increase/(decrease) in payables	10,128,853,566,700	(1,689,496,549,248)
12	Increase in prepaid expenses	(473,124,382,100)	(866,941,322,443)
14	Interest paid	(1,399,077,113,144)	(546,700,781,758)
15	CIT paid	(140,133,402,011)	(11,391,168,246)
17	Other payments on operating activities	(180,858,291,727)	(53,526,042,557)
20	Net cash outflows from operating activities	(2,393,429,182,013)	(6,550,821,729,053)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(1,217,474,531,281)	(174,908,809,761)
22	Proceeds from disposals of fixed assets	1,018,509,772	802,487,001
23	Loans and term deposits granted	(238,445,921,500)	(954,307,071,788)
24	Collection of loans, proceeds from sales of debt instruments of other entities	-	6,556,181,818
25	Investments in other entities	-	(21,806,385,793)
27	Dividends and interest received	336,906,630,740	260,368,105,967
30	Net cash outflows from investing activities	(1,117,995,312,269)	(883,295,492,556)

The notes on pages 12 to 75 are an integral part of these consolidated financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 03 – DN/HN

CONSOLIDATED CASH FLOW STATEMENT (continued)
(Indirect method)

		Year ended 31 December	
Code	Note	2022 VND	2021 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from sale of treasury shares	-	2,348,654,987,714
33	Proceeds from borrowings	29,657,737,382,993	17,361,032,360,990
34	Repayments of borrowings	(26,177,921,993,857)	(13,316,544,337,918)
40	Net cash inflows from financing activities	3,479,815,389,136	6,393,143,010,786
50	Net decrease in cash and cash equivalents	(31,609,105,146)	(1,040,974,210,823)
60	Cash and cash equivalents at beginning of year	1,868,252,946,557	2,926,425,627,363
61	Effect of foreign exchange differences	21,617,894,109	(17,198,469,983)
70	Cash and cash equivalents at end of year	1,858,261,735,520	1,868,252,946,557

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

 _____ Pham Ngoc Thoa Chief Accountant	 _____ Ho Ngoc Yen Phuong Vice President cum Chief Finance Officer	 _____ Dinh Viet Phuong Chief Executive Officer 10 April 2023
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 GENERAL INFORMATION

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

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

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

The normal business cycle of the Group is 12 months.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09 – DN/HN

1 GENERAL INFORMATION

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

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

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

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

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

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

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

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

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

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

2.2 Fiscal year

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

2.3 Currency

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

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

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

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

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

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

2.5 Basis of consolidation**Subsidiaries**

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****Non-controlling transactions and interests**

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

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

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

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

Associates

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

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

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

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

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

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

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

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

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

2.7 Cash and cash equivalents

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

2.8 Receivables

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Maintenance reserves of leased aircraft**

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

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

2.10 Inventories

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

The Group applies the perpetual system for inventories.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Investments****(a) Trading securities**

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

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

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

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

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

(b) Investments held-to-maturity

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

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

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

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

(c) Investments in associates

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Investments (continued)****(d) Investments in other entities**

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

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

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

2.12 Lendings

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Fixed assets***Tangible and intangible fixed assets*

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

Depreciation and amortisation

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

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

Disposals

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

Construction in progress

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

2.14 Leased assets

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.15 Prepaid expenses**

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

(a) Short-term prepaid expenses

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

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

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

(ii) *Major inspection and overhaul expenses*

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

(iii) *Rotable parts*

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

(iv) *Tools and instruments*

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

(v) *Other long-term prepaid expenses*

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Payables**

Classifications of payables are based on their nature as follows:

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

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

2.17 Borrowings

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

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

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

2.18 Bonds issued - Straight bonds

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

2.19 Accrued expenses

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

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

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

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

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

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

In accordance with the Group's policy:

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Provisions (continued)****(a) Provisions for periodic maintenance costs in the scope of maintenance reserves (continued)**

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

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

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

In accordance with the Group's policy:

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

2.21 Unearned revenue

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Capital and reserves**

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

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

Treasury shares

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

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

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

2.23 Appropriation of profit

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

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

The Group's fund is as below:

Bonus and welfare fund

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Revenue recognition (continued)****(b) Ancillary revenue**

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

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

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

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

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

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

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

(c) Revenue from charter flights

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

(d) Revenue from aircraft leasing

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Revenue recognition (continued)****(e) Sales and leaseback transaction**

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

For a transaction that results in an operating lease:

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

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

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

(g) Revenue from sales of aircraft's components

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Revenue recognition (continued)****(h) Revenue from rendering of other services**

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

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

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

(i) Interest income

Interest income is recognised on an earned basis.

(j) Dividend income

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 Cost of goods sold and services rendered**

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

2.26 Financial expenses

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

2.27 Selling expenses

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

2.28 General and administration expenses

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

2.29 Current and deferred income tax

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.30 Related parties**

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

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

2.31 Segment reporting

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

2.32 Critical accounting estimates

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

The areas involving significant estimates and assumptions are as follows:

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

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

3 CASH AND CASH EQUIVALENTS

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

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

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

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

4 INVESTMENTS**(a) Trading securities**

	2022			
	Quantity of shares	Cost value VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	500,000,000,000	(490,000,000,000)
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>500,000,000,000</u>	<u>(490,000,000,000)</u>
	2021			
	Quantity of shares	Cost value VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	855,000,000,000	(135,000,000,000)
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>855,000,000,000</u>	<u>(135,000,000,000)</u>

The Group signed a non-cancellation agreement to sell the purchase right option of 50 million shares of Petro Vietnam Oil Corporation ("PV Oil") for the consideration of VND500 billion. As at the approval date of these consolidated financial statements, the Group fully collected this consideration. Accordingly, the buyer will have an option to purchase these PV Oil's shares at the pre-determined price in the specific required period before 11 June 2023.

4 INVESTMENTS (continued)**(b) Investments held to maturity**

	2022		2021	
	Cost value VND	Carrying amount VND	Cost value VND	Carrying amount VND
Term deposit (*)	187,775,421,096	187,775,421,096	4,475,421,096	4,475,421,096

(*) As at 31 December 2022, investments held to maturity mainly include term deposits in VND at banks with their original maturity from 6 months to 12 months and earn interest at rates from 4.6% to 9.5% per annum.

As at 31 December 2022, included in short-term investments held to maturity were VND178 billion pledged at Vietnam Joint Stock Commercial Bank of Industry and Trade to guarantee for payment obligations from the issuance of letter of credit.

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4 INVESTMENTS (continued)

(c) Investments in associates (*)

	2022			2021		
	Ownership %	Cost VND	Net value owned by the Group VND	Ownership %	Cost VND	Net value owned by the Group VND
Thai Vietjet Air Joint Stock Co., Ltd. (i)	9	-	-	9	-	-
Cam Ranh International Terminal Joint Stock Company	10	60,000,000,000	-	10	60,000,000,000	-
		<u>60,000,000,000</u>	<u>-</u>		<u>60,000,000,000</u>	<u>-</u>

(*) As at 31 December 2022 and 31 December 2021, the Group could not determine the fair value of these investments to disclose in the consolidated financial statements as these investments are not quoted in the market. The fair value of such investments may differ from their book values.

(d) Investments in other entities

	2022				2021			
	Ownership %	Cost VND	Fair value VND	Provision VND	Ownership %	Cost VND	Fair value VND	Provision VND
Sai Gon Ground Services Joint Stock Company (ii)	9.1	149,417,024,400	191,913,539,400	-	9.1	149,417,024,400	217,012,279,800	-
Angelica Holding Limited (iii)	10	-	-	-	10	-	-	-
		<u>149,417,024,400</u>	<u>191,913,539,400</u>	<u>-</u>		<u>149,417,024,400</u>	<u>217,012,279,800</u>	<u>-</u>

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4 INVESTMENTS (continued)

(d) Investments in other entities (continued)

- (i) As at 31 December 2022, the Group has not yet contributed the capital in this associate. This company's operations are mainly supported by the Group.
- (ii) The fair value of investments in other entities is its share price which is determined by referencing to the closing prices on the Ho Chi Minh City Stock Exchange (HOSE). As at 31 December 2022, the fair value of the investments in Sai Gon Ground Services Joint Stock Company is VND192 billion (as at 31 December 2021: VND217 billion).
- (iii) As at 31 December 2022, the Group has not yet contributed the capital in this company, which is incorporated in Cayman Islands. The principal activities of this company are to provide consultancy services and lease aircraft.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

(a) Short-term

	2022 VND	2021 VND
Third parties		
Hangzhou Star International Travel Service Co., Ltd.	1,735,832,800,000	1,687,690,160,000
Zhejiang Lixi International Travel Co., Ltd. (*)	1,604,766,900,000	1,559,031,160,000
Hangzhou BaoLi Co., Ltd. (*)	944,712,915,295	1,599,657,504,140
Yuejie (Hangzhou) Freight Forwarding Co., Ltd.	677,564,250,000	-
Fadle Chem Private Limited	609,847,600,000	-
Others	241,188,842,598	114,063,659,076
	<u>5,813,913,307,893</u>	<u>4,960,442,483,216</u>
Related parties (Note 39(b))	6,588,396,586,796	6,492,002,588,180
	<u>12,402,309,894,689</u>	<u>11,452,445,071,396</u>

- (*) As at 31 December 2022 and 31 December 2021, the short-term trade accounts receivable from these customers have been past due for more than 3 years. Based on the historical collection record and the strategic partnership between the Group and these customers, the Board of Management assessed that the outstanding receivables are collectible when the aviation market recovers entirely.

(b) Long-term

Balance as at 31 December 2022 represents receivables from transferring purchase right option of aircraft to other related party (Note 39(b)).

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6 PREPAYMENTS TO SUPPLIERS
(a) Short-term

	2022 VND	2021 VND
Third parties		
Rockwell Collins	26,388,709,000	22,336,477,282
Thales Solutions Asia Pte. Ltd.	-	12,294,328,523
Others	248,670,292,497	65,085,317,687
	<u>275,059,001,497</u>	<u>99,716,123,492</u>
Related parties (Note 39(b))	<u>1,351,166,515,826</u>	<u>392,344,113</u>
	<u><u>1,626,225,517,323</u></u>	<u><u>100,108,467,605</u></u>

(b) Long-term

Balance as at 31 December 2022 represents long-term prepayment for advertising contract with Hangzhou BaoLi Co., Ltd.

7 LENDINGS
(a) Short-term

Borrower	Currency	Annual interest rate	Year of maturity	2022 VND	2021 VND
Truong Son Plaza Joint Stock Company (Note 39(b))	VND	9.0%	2023	<u>657,000,000,000</u>	<u>657,000,000,000</u>

Short-term lending balance represents a loan to Truong Son Plaza Joint Stock Company, a related party under Contract No. 100921/HDV/VJC-TSP dated 10 September 2021 to provide financial support for working capital of this company. The loan is unsecured and will mature on 9 September 2023.

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7 LENDINGS (continued)
(b) Long-term

Borrower	Currency	Annual interest rate	Year of maturity	2022 VND	2021 VND
AAA Aircraft Asset Company Limited (*)	USD	2.5%	2025	512,689,557,018	492,816,672,000
Apricot Aircraft Assets No. 1 Limited (**)	USD	5%	2033	300,386,377,342	296,831,650,692
Board of Management (Note 39(b))	VND	5.8%	2027	25,000,000,000	-
Board of Director (Note 39(b))	VND	5.8%	2027	25,000,000,000	-
Others	VND	5%	2025	5,145,921,500	-
				<u>868,221,855,860</u>	<u>789,648,322,692</u>

(*) The balance represents lending of USD21,501,600 to AAA Aircraft Asset Company Limited, a related party, to provide financial support for aircraft purchases and related purchase costs. The loan is unsecured and will mature in 2025.

(**) The balance represents lending of USD12,950,770 to Apricot Aircraft Assets No. 1 Limited, a related party, to provide financial support for aircraft purchases and related purchase costs. The loan is unsecured and will mature in 2033.

8 OTHER RECEIVABLES
(a) Short-term

	2022		2021	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties				
Maintenance reserves of leased aircraft	1,485,171,706,801	-	1,824,881,774,817	-
Deposits for aircraft purchases within next 12 months (i)	1,807,805,631,328	-	1,585,033,816,020	-
Receivables from shares transferred (ii)	1,554,000,000,000	-	-	-
Claim receivables from maintenance reserves of leased aircraft	442,633,214,126	-	592,857,173,965	-
Purchase discounts receivable	105,591,795,895	-	660,820,286,965	-
Others	884,783,640,594	-	1,112,554,327,394	-
	<u>6,279,985,988,744</u>	<u>-</u>	<u>5,776,147,379,161</u>	<u>-</u>
Related parties (Note 39(b))	8,764,282,663,347	-	5,275,393,517,908	-
	<u>15,044,268,652,091</u>	<u>-</u>	<u>11,051,540,897,069</u>	<u>-</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
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8 OTHER RECEIVABLES (continued)
(a) Short-term (continued)

- (i) This balance represents a deposit to Airbus S.A.S for the aircraft which are expected to be delivered within 12 months.
- (ii) During the year, the Group entered into agreements to purchase and transfer shares in Pacific Star Investment and Development Company to a third party for a total amount of VND2.220 billion. In accordance with the aforementioned transfer agreements, the transfer amount will be settled in 30 months (Note 30). As at the approval date of these consolidated financial statements, the amount of VND777 billion had been collected with respect to the shares transfer.

(b) Long-term

	2022		2021	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties				
Maintenance reserves of leased aircraft	9,261,664,412,149	-	7,095,851,249,114	-
Deposit for aircraft purchases after next 12 months (i)	3,248,651,248,296	-	5,149,203,195,069	-
Received from shares transferred (ii)	666,000,000,000	-	-	-
Deposit for aircraft leases	1,385,265,877,334	-	1,272,927,219,320	-
Deposit for ground handling services	149,392,198,866	-	124,722,383,225	-
Others	95,866,770,453	-	36,987,670,484	-
	<u>14,806,840,507,098</u>	<u>-</u>	<u>13,679,691,717,212</u>	<u>-</u>
Related parties (Note 39(b))				
	567,128,239,684	-	2,419,946,988,043	-
	<u>15,373,968,746,782</u>	<u>-</u>	<u>16,099,638,705,255</u>	<u>-</u>

- (iii) The amounts represent deposits for aircraft purchases from 2024 to 2028 to Airbus S.A.S and Boeing Company.

9 INVENTORIES

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Tools and supplies	944,247,619,321	-	783,597,166,041	-
Merchandise	38,468,452,354	-	27,649,864,614	-
	<u>982,716,071,675</u>	<u>-</u>	<u>811,247,030,655</u>	<u>-</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
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10 PREPAID EXPENSES
(a) Short-term

	2022 VND	2021 VND
Tools and supplies	118,760,173,915	2,885,682,222
Software license fee	14,213,790,811	4,788,606,405
Others	31,708,070,143	8,632,225,645
	<u>164,682,034,869</u>	<u>16,306,514,272</u>

(b) Long-term

	2022 VND	2021 VND
Maintenance costs	5,023,761,090,900	5,065,554,996,522
Costs to make good on leased assets	608,163,922,799	632,155,195,498
Major inspection and overhaul expenses	495,343,640,432	174,818,646,585
Rotable parts, tools and instruments	267,207,414,543	182,890,430,569
Others	244,713,124,091	33,635,365,276
	<u>6,639,189,192,765</u>	<u>6,089,054,634,450</u>



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10 PREPAID EXPENSES (continued)

(b) Long-term

Movements in long-term prepaid expenses during the year are as follows:

	Maintenance costs VND	Costs to make good on leased assets VND	Major inspection and overhaul expenses VND	Rotating parts, tools and instruments VND	Others VND	Total VND
As at 31 December 2021	5,065,554,996,522	632,155,195,498	174,818,646,585	182,890,430,569	33,635,365,276	6,089,054,634,450
Increase	692,655,542,194	77,371,593,378	557,885,544,084	70,321,938,834	17,168,107,527	1,415,402,726,017
Transfers from inventory	-	-	-	242,667,349,245	-	242,667,349,245
Transfers from construction in progress (Note 12)	-	-	-	-	225,385,696,812	225,385,696,812
Allocation	(654,143,517,148)	(92,016,962,579)	(237,360,550,237)	(228,672,304,105)	(31,476,045,524)	(1,243,669,379,593)
Decrease	(80,305,930,668)	(9,345,903,498)	-	-	-	(89,651,834,166)
As at 31 December 2022	5,023,761,090,900	608,163,922,799	495,343,640,432	267,207,414,543	244,713,124,091	6,639,189,192,765

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11 FIXED ASSETS

(a) Tangible fixed assets

	Aircraft and aircraft engines VND	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost						
As at 1 January 2022	896,813,994,227	387,463,400,057	101,519,334,255	70,323,378,062	55,068,879,275	1,511,188,985,876
New purchases	4,559,748,057,333	21,090,214,441	14,711,160,547	7,679,346,300	5,319,251,075	4,608,548,029,696
Disposals	-	-	-	(6,048,688,568)	(155,481,252)	(6,204,169,820)
Others	-	-	3,058,330,526	(497,138,011)	(2,561,192,515)	-
As at 31 December 2022	5,456,562,051,560	408,553,614,498	119,288,825,328	71,456,897,783	57,671,456,583	6,113,532,845,752
Accumulated depreciation						
As at 1 January 2022	249,823,689,576	18,172,790,992	42,437,409,523	27,189,790,354	23,210,909,120	360,834,589,565
Charge for the year	44,632,670,799	8,215,990,955	12,508,997,259	7,611,460,707	4,282,045,437	77,251,165,157
Disposals	-	-	-	(5,792,595,448)	(94,017,718)	(5,886,613,166)
Others	-	(347,383,333)	(3,573,641,070)	(614,378,476)	4,535,402,879	-
As at 31 December 2022	294,456,360,375	26,041,398,614	51,372,765,712	28,394,277,137	31,934,339,718	432,199,141,556
Net book value						
As at 1 January 2022	646,990,304,651	369,290,609,065	59,081,924,732	43,133,587,708	31,857,970,155	1,150,354,396,311
As at 31 December 2022	5,162,105,691,185	382,512,215,884	67,916,059,616	43,062,620,646	25,737,116,865	5,681,333,704,196

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11 FIXED ASSETS (continued)

(a) Tangible fixed assets (continued)

As at 31 December 2022, tangible fixed assets with carrying value of VND602 billion (as at 31 December 2021: VND647 billion) were pledged at Military Commercial Joint Stock Bank as collateral assets for long-term borrowings granted to the Group (Note 19(b)(iii)).

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2022 was VND55 billion (as at 31 December 2021: VND57 billion).

(b) Intangible fixed assets

	Software VND
Historical cost	
As at 1 January 2022	39,171,240,479
New purchases	22,144,823,998
Transfers from construction in progress (Note 12)	625,912,381
	<hr/>
As at 31 December 2022	61,941,976,858
	<hr/>
Accumulated amortisation	
As at 1 January 2022	31,073,686,907
Charge for the year	2,482,497,899
	<hr/>
As at 31 December 2022	33,556,184,806
	<hr/>
Net book value	
As at 1 January 2022	8,097,553,572
	<hr/>
As at 31 December 2022	28,385,792,052
	<hr/>

The historical cost of intangible fixed assets that were fully amortised but still in use as at 31 December 2022 was VND31 billion (as at 31 December 2021: VND27 billion).

12 LONG-TERM CONSTRUCTION IN PROGRESS

Details of long-term construction in progress by projects are as follows:

	2022 VND	2021 VND
Purchase costs of aircraft and aircraft engines	191,600,755,991	270,157,717,639
Major inspection and overhaul expenses	72,883,904,312	-
Software	24,200,479,927	-
Others	20,064,554,267	230,602,978,248
	<u>308,749,694,497</u>	<u>500,760,695,887</u>

Movements in construction in progress during the year are as follows:

	2022 VND	2021 VND
Beginning of year	500,760,695,887	804,241,395,933
New purchases	101,792,352,104	162,685,145,738
Transfers to long-term prepaid expenses (Note 10(b))	(225,385,696,812)	-
Transfers to tangible fixed assets	-	(387,463,400,057)
Transfers to intangible fixed assets (Note 11(b))	(625,912,381)	(35,000,000)
Others	(67,791,744,301)	(78,667,445,727)
End of year	<u>308,749,694,497</u>	<u>500,760,695,887</u>

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13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2022		2021	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Petrolimex Aviation Fuel Joint Stock Company	2,496,227,675,244	2,496,227,675,244	665,792,259,190	665,792,259,190
Airports Corporation of Vietnam	1,520,378,879,754	1,520,378,879,754	737,485,155,668	737,485,155,668
CFM International SA	145,046,296,908	145,046,296,908	360,094,721,342	360,094,721,342
Others	4,414,034,236,867	4,414,034,236,867	1,264,244,710,942	1,264,244,710,942
	8,575,687,088,773	8,575,687,088,773	3,027,616,847,142	3,027,616,847,142
Related parties (Note 39(b))				
	1,084,248,868,096	1,084,248,868,096	213,812,884,699	213,812,884,699
	9,659,935,956,869	9,659,935,956,869	3,241,429,731,841	3,241,429,731,841

As at 31 December 2022 and 31 December 2021, there is no other short-term trade account payable from third parties which had balance above 10% of the total short-term trade accounts payable.

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14 SHORT-TERM ADVANCES FROM CUSTOMERS

	2022 VND	2021 VND
Third parties		
Angelica Aviation Capital Vietnam Company Limited	395,000,000,000	-
Beijing China International Travel Service Co., Ltd.	70,638,001,410	112,933,609,524
DAEJOO Air Co., Ltd.	49,623,248,714	103,994,116,213
Others	901,786,352,503	316,904,295,492
	<u>1,417,047,602,627</u>	<u>533,832,021,229</u>
Related parties (Note 39(b))	569,611,453,288	11,063,447,039
	<u>1,986,659,055,915</u>	<u>544,895,468,268</u>

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15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in tax and other receivables from/payables to the State during the year are as follows:

	As at 1.1.2022 VND	Receivable/payable during the year VND	Payment during the year VND	Net-off during the year VND	Others VND	As at 31.12.2022 VND
a) Tax receivable						
Deductible VAT	50,356,330,123	1,701,830,425,780	-	(1,602,077,244,791)	(10,750,938,169)	139,358,572,943
Foreign contractor tax	-	-	-	24,874,721,710	-	24,874,721,710
	50,356,330,123	1,701,830,425,780	-	(1,577,202,523,081)	(10,750,938,169)	164,233,294,653
b) Tax payables						
CIT	138,353,828,365	172,103,552,548	(140,133,402,011)	-	(4,979,122,589)	165,344,856,313
VAT	82,693,553,374	1,638,005,516,627	(118,621,825,210)	(1,602,077,244,791)	-	-
Personal income tax	45,647,196,536	384,980,711,451	(237,836,508,040)	-	-	192,791,399,947
Foreign contractor tax	22,010,668,059	21,955,071,149	(20,962,129,321)	24,874,721,710	(47,878,331,597)	-
Other tax	-	140,106,901,023	(139,825,121,248)	-	-	281,779,775
	288,705,246,334	2,357,151,752,798	(657,378,985,830)	(1,577,202,523,081)	(52,857,454,186)	358,418,036,035

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16 SHORT-TERM ACCRUED EXPENSES

	2022 VND	2021 VND
Technical and aircraft related expenses	348,923,487,758	533,958,452,256
Interest expense	146,092,701,141	296,216,239,953
Maintenance	98,929,376,541	32,857,063,597
Others	261,139,108,814	66,325,713,828
	<u>855,084,674,254</u>	<u>929,357,469,634</u>

17 SHORT-TERM UNEARNED REVENUE

	2022 VND	2021 VND
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	3,431,102,413,796	381,579,736,840
Others	72,351,627,491	-
	<u>3,503,454,041,287</u>	<u>381,579,736,840</u>

18 OTHER PAYABLES
(a) Short-term

	2022 VND	2021 VND
Third party		
Purchase of shares (i)	960,000,000,000	-
Airport fees and charges payables	884,921,481,267	700,704,487,828
Others	1,323,388,048,121	301,819,330,782
	<u>3,168,309,529,388</u>	<u>1,002,523,818,610</u>
Related parties (Note 39(b))	240,769,516,501	90,302,062,029
	<u>3,409,079,045,889</u>	<u>1,092,825,880,639</u>

- (i) As at the approval date of these consol financial statements, the Group fully settled the purchase of shares purchased of Pacific Star Investment and Development Company.

(b) Long-term

The balances as at 31 December 2022 and as at 31 December 2021 mainly represent long-term deposits received from the Group's business partners.

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19 BORROWINGS

(a) Short-term

	As at 1.1.2022 VND	Increase VND	Decrease VND	Reclassification VND	Revaluation VND	As at 31.12.2022 VND
Borrowings from banks (i)	5,036,939,906,166	26,735,827,382,993	(23,900,878,666,988)	-	(85,285,240,086)	7,786,603,382,085
Current portion of long-term borrowings (Note 19(b))	983,130,480,000	-	(977,043,326,869)	62,211,246,869	-	68,298,400,000
Current portion of long-term bonds (Note 19(b))	600,000,000,000	-	(600,000,000,000)	650,000,000,000	-	650,000,000,000
Borrowings from related parties (ii) (Note 39(b))	700,000,000,000	45,000,000,000	(700,000,000,000)	-	-	45,000,000,000
	7,320,070,386,166	26,780,827,382,993	(26,177,921,993,857)	712,211,246,869	(85,285,240,086)	8,549,901,782,085

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19 **BORROWINGS (continued)**

(a) **Short-term (continued)**

(i) Borrowings from banks

Details of short-term borrowings from banks are as follows:

Lenders	Currency	2022 VND	2021 VND
Secured loans			
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (Note 39(b))(*)	USD	2,918,027,095,639	2,384,576,498,152
Unsecured loans			
Vietnam Joint Stock Commercial Bank of Industry and Trade (**)	VND	2,146,440,768,211	1,860,409,702,905
Military Commercial Joint Stock Bank	VND	1,072,567,986,932	-
Vietnam Maritime Commercial Joint Stock Bank (***)	VND	699,859,102,940	187,669,268,452
Woori Bank Vietnam Limited, Ho Chi Minh City Branch	USD	649,714,086,079	254,548,640,905
Petrolimex Group Commercial Joint Stock Bank	VND	299,994,342,284	349,735,795,752
		<u>7,786,603,382,085</u>	<u>5,036,939,906,166</u>

(*) As at 31 December 2022, this loan was secured by the estimated receivables arising from the Group's sales of flight tickets in the future of VND6,665 billion (as at 31 December 2021: VND3,875 billion).

(**) Including an usance payable at sight letter of credit (UPAS L/C) with a credit contract fee.

During the year, these borrowings bear interest at rates ranging from 4.2% to 11% per annum (for the year ended 31 December 2021: from 3.5% to 7.1% per annum) for borrowings in VND, and from 3.3% to 5.75% per annum (for the year ended 31 December 2021: from 3.3% to 4.3% per annum) for borrowings in USD.

(ii) Details of short-term borrowings from related parties are as follows:

Lenders	Currency	2022 VND	2021 VND
Unsecured loans			
Victoria Academy Company Limited	VND	45,000,000,000	-
Sovico Group Joint Stock Company	VND	-	700,000,000,000
		<u>45,000,000,000</u>	<u>700,000,000,000</u>

During the year, these borrowings bear interest at rates ranging from 5% to 10.5% per annum (for the year ended 31 December 2021: from 10.5% per annum).

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19 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2022 VND	Increase VND	Reclassification VND	Revaluation VND	As at 31.12.2022 VND
Borrowings from banks (iii)	367,151,446,768	-	(62,211,246,869)	4,805,647,209	309,745,847,108
Straight bonds (iv)	7,773,090,000,000	2,876,910,000,000	(650,000,000,000)	-	10,000,000,000,000
	8,140,241,446,768	2,876,910,000,000	(712,211,246,869)	4,805,647,209	10,309,745,847,108

(iii) Borrowings from banks

Details of long-term borrowings from banks are as follows:

Lenders	Currency	Maturity	2022 Current portion of long-term borrowings VND	2021 Current portion of long-term borrowings VND	Long-term borrowings VND
Military Commercial Joint Stock Bank (*)	USD	June 2028	68,298,400,000	309,745,847,108	367,151,446,768
Woori Bank - Singapore Branch	USD	December 2022	-	375,054,537,120	-
Industrial and Commercial Bank of China Limited - Hong Kong Branch	USD	December 2022	-	375,054,537,120	-
KEB Hana Bank - Hong Kong Branch	USD	December 2022	-	166,690,925,760	-
			68,298,400,000	983,130,480,000	367,151,446,768

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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19 BORROWINGS (continued)

(b) Long-term (continued)

(iii) Borrowings from banks (continued)

- (*) The principal of this borrowing is repayable in 17 equal semi-annual instalments of USD1.4 million (equivalent to VND33 billion) each and a final instalment of USD1.5 million (equivalent to VND35 billion) on 13 June 2028. The borrowing bears interest at a rate from 2.99% to 7.88% per annum (for the year ended 31 December 2021: 2.99% per annum) and is secured by the Group's tangible fixed assets with the carrying amount as follows:

	2022 VND	2021 VND
Aircraft No. A320 MSN7167, VNA675 (Note 11(a))	<u>602,357,633,852</u>	<u>646,990,304,651</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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19 BORROWINGS (continued)

(b) Long-term (continued)

(iv) Straight bonds

Terms and conditions of long-term straight bonds are as follows:

	Currency	Annual interest	Year of maturity	2022		2021	
				Current portion of long-term bonds VND	Long-term VND	Current portion of long-term bonds VND	Long-term VND
Bonds issued at par value, maturing after 60 months (*)	VND	7,8% - 9,5%	2026	-	5,000,000,000,000	-	5,000,000,000,000
Bonds issued at par value, maturing after 36 months (**)	VND	8,1% - 9,5%	2024	-	5,000,000,000,000	-	2,123,090,000,000
Bonds issued at par value, maturing after 36 months (***)	VND	7,8% - 9%	2023	650,000,000,000	-	-	650,000,000,000
Bonds issued at par value, maturing after 36 months (****)	VND	7.8%	2022	-	-	600,000,000,000	-
				650,000,000,000	10,000,000,000,000	600,000,000,000	7,773,090,000,000

(*) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9.5% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

(**) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9.5% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
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19 BORROWINGS (continued)
(b) Long-term (continued)

(iv) Straight bonds (continued)

(***) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

(****) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

20 PROVISION FOR LIABILITIES

Movements of provision for liabilities during the year are as follows:

	Provision for periodic maintenance costs VND	Provision for cost to make good on leased assets VND	Total VND
As at 31 December 2021	11,102,401,572,249	1,143,835,340,803	12,246,236,913,052
Provision made during the year	2,086,436,320,059	106,997,461,249	2,193,433,781,308
Utilisation of provision	(109,806,404,540)	-	(109,806,404,540)
Decrease	(210,125,042,529)	(18,892,396,078)	(229,017,438,607)
As at 31 December 2022	12,868,906,445,239	1,231,940,405,974	14,100,846,851,213
Short-term	1,737,862,342,615	20,506,352,193	1,758,368,694,808
Long-term	11,131,044,102,624	1,211,434,053,781	12,342,478,156,405
	12,868,906,445,239	1,231,940,405,974	14,100,846,851,213

21 BONUS AND WELFARE FUND

Movements of bonus and welfare fund during the year are as follows:

	2022 VND	2021 VND
Beginning of year	327,150,076,791	-
Appropriation during the year	-	380,676,119,348
Utilisation during the year	(180,858,291,727)	(53,526,042,557)
End of year	146,291,785,064	327,150,076,791

22 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. Details are as follows:

	2022 VND	2021 VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	3,360,651,126,590	2,468,231,211,996
Deferred tax assets to be recovered within 12 months	461,673,738,962	338,402,175,062
	<u>3,822,324,865,552</u>	<u>2,806,633,387,058</u>
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	(3,037,649,078,335)	(2,596,174,103,538)
Deferred tax liabilities to be recovered within 12 months	(380,405,239,427)	(364,976,354,963)
	<u>(3,418,054,317,762)</u>	<u>(2,961,150,458,501)</u>
Net-off	<u>3,822,324,865,552</u>	<u>2,806,633,387,058</u>
Net deferred income tax receivable/ (deferred income tax payable)	<u>404,270,547,790</u>	<u>(154,517,071,443)</u>

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	2022 VND	2021 VND
Beginning of year	(154,517,071,443)	(67,824,775,143)
Consolidated income statement charge/(credit) (Note 35)	558,787,619,233	(86,692,296,300)
End of year	<u>404,270,547,790</u>	<u>(154,517,071,443)</u>

The Group uses tax rate of 20% in the year 2022 (2021: 20%) to determine deferred income tax assets and deferred income tax liabilities.

22 DEFERRED INCOME TAX (continued)

Details of deferred income tax assets and deferred income tax liabilities are as below:

	2022 VND	2021 VND
Details of deferred tax assets		
Provision for maintenance costs	2,573,781,289,048	2,220,480,314,450
Tax losses carried forward	892,155,495,309	281,890,836,012
Provision for return of leased assets	246,388,081,195	228,767,068,161
Provision for diminution in the financial investments	110,000,000,000	12,000,000,000
Revaluation amounts denominated in foreign currencies	-	63,495,168,435
	<u>3,822,324,865,552</u>	<u>2,806,633,387,058</u>
Details of deferred tax liabilities		
Maintenance reserves	(2,208,298,416,955)	(1,821,608,420,097)
Prepaid aircraft maintenance	(1,004,752,218,180)	(1,013,110,999,304)
Leased return costs	(121,632,784,560)	(126,431,039,100)
Revaluation amounts denominated in foreign currencies	(83,370,898,067)	-
	<u>(3,418,054,317,762)</u>	<u>(2,961,150,458,501)</u>
Net deferred income tax assets/(deferred income tax payables)	<u>404,270,547,790</u>	<u>(154,517,071,443)</u>

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

The Group's tax losses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in the consolidated financial statements. The estimated amount of tax losses available for offset against the Group's future taxable income is:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2020	Outstanding	2,414,670,803,135	(1,005,216,623,073)	1,409,454,180,062
2022	Outstanding	3,051,323,296,483	-	3,051,323,296,483

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
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23 OWNERS' CAPITAL
(a) Number of shares

	2022		2021	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	541,611,334	-	541,611,334	-
Number of shares issued	541,611,334	-	541,611,334	-
Number of existing shares in circulation	541,611,334	-	541,611,334	-

(b) Details of owners's shareholding

	2022		2021	
	Ordinary shares	%	Ordinary shares	%
Sunflower Sunny Investment Company Limited	154,740,160	29%	154,740,160	29%
Ms. Nguyen Thi Phuong Thao	47,470,914	9%	47,470,914	9%
Sovico Holdings Company	41,106,000	8%	41,106,000	8%
Others	298,294,260	55%	298,294,260	55%
	541,611,334	100%	541,611,334	100%

(c) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2021	523,838,594	5,238,385,940,000
Sale of treasury shares	17,772,740	177,727,400,000
As at 31 December 2021 and 31 December 2022	541,611,334	5,416,113,340,000

Par value per share: VND10,000.

Each share is entitled to one vote at the Shareholders' meetings of the Company. Shareholders are entitled to receive dividend as declared each specified time. All ordinary shares are ranked equally with regard to the Group's residual assets. In respect of shares bought back by the Group, all rights are suspended until those shares are reissued.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Foreign exchange difference VND	Post-tax undistributed earnings VND	Non-controlling interests VND	Total VND
As at 1 January 2021	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	73,551,097,850	11,589,250,587,139	655,829,944	14,978,398,985,118
Net profit for the year	-	-	-	-	74,584,907,230	5,074,400,079	79,659,307,309
Business combination	-	-	-	-	-	12,454,650,788	12,454,650,788
Change ownership interest	-	-	-	-	(1,726,786,287)	1,726,786,287	-
Bonus and welfare fund (Note 21)	-	-	-	-	(380,676,119,348)	-	(380,676,119,348)
Sale of treasury shares	-	1,533,625,094	2,347,121,362,620	-	-	-	2,348,654,987,714
Foreign currency conversion differences for overseas activities	-	-	-	(184,281,491,101)	-	-	(184,281,491,101)
As at 31 December 2021	5,416,113,340,000	247,483,117,899	-	(110,730,393,251)	11,281,432,588,734	19,911,667,098	16,854,210,320,480
Net loss for the year	-	-	-	-	(2,262,499,009,854)	524,166,069	(2,261,974,843,785)
Foreign currency conversion differences for overseas activities	-	-	-	306,059,346,789	-	-	306,059,346,789
As at 31 December 2022	5,416,113,340,000	247,483,117,899	-	195,328,953,538	9,018,933,578,880	20,435,833,167	14,898,294,823,484

Pursuant to the Resolution No. 02-22/VJ-ĐHCHĐ-ĐĐ dated 28 May 2022, the General Meeting of Shareholders of the Group approved the share dividends to its existing shareholders at the rate of 20% on the total par value of existing shares in circulation. The General Meeting of Shareholders authorized the Board of Directors to decide the timing of issuance plan after getting the approval of the State Securities Committee.

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25 DIVIDEND PAYABLE

	2022 VND	2021 VND
The balance as at the beginning/end of the year	57,789,721,550	57,789,721,550

26 EARNINGS PER SHARE
(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

	For the year ended 31 December	
	2022	2021
Net profit attributable to shareholders (VND)	(2,262,499,009,854)	74,584,907,230
Weighted average number of ordinary shares in issue (shares)	541,611,334	534,697,008
Basic earnings per share (VND)	(4,177)	139

(b) Diluted earnings per share

The Company did not have any ordinary shares potentially diluted (losses)/earnings per share during the year and up to the approval date of these consolidated financial statements.

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27 OFF CONSOLIDATED BALANCE SHEET ITEMS
(a) Foreign currencies

	2022	2021
USD	9,413,017	6,778,291
SGD	10,239,704,671	1,054,978
MYR	126,283,863	1,135,970
KRW	409,254	183,813,624
JPY	43,940	24,654,663
EUR	1,955	44,430
TWD	54,350	279,800
HKD	10,655,005	54,350
GBP	108,394,060	2,250
IDR	2,864,650	10,225,000
THB	1,135,970	94,420
CNY	203,295	18,478
INR	31,673	135,370
MMK	279,800	2,864,650

(b) Operating lease assets

The future minimum lease receipts under non-cancellable operating leases were presented in Note 40(a)(ii).

28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2022 VND	2021 VND
Passenger and cargo transportation revenue:		
- Domestic passenger transportation	10,927,622,320,416	1,989,321,073,633
- International passenger transportation including regular charter flights	3,850,959,121,800	459,811,583,737
- Ancillary and cargo transportation revenue	13,050,296,047,657	5,035,073,240,719
	<u>27,828,877,489,873</u>	<u>7,484,205,898,089</u>
Aircraft dry leases (Note 39(a)(i))	1,561,242,313,157	1,315,130,305,300
Revenue from sales of aircraft and purchase right option	9,983,078,350,000	3,598,751,409,092
Revenue from sales of engines	420,189,000,000	-
Others	348,476,334,999	476,832,112,969
	<u>40,141,863,488,029</u>	<u>12,874,919,725,450</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
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29 COST OF GOODS SOLD AND SERVICES RENDERED

	2022 VND	2021 VND
Flight operation section expenses	29,557,263,710,383	8,861,800,697,367
Cost of aircraft sold	5,586,687,730,647	3,610,061,262,338
Technical section expenses	3,497,843,675,202	1,309,828,401,380
Ground operation section expenses	1,755,378,606,600	461,687,833,029
Cost of engine sold	409,995,121,284	-
Safety, security, quality and assurance section expenses	381,949,160,377	39,833,540,936
Cargo expenses	256,042,532,365	195,459,783,066
Others	689,990,852,849	435,052,692,393
	<u>42,135,151,389,707</u>	<u>14,913,724,210,509</u>

30 FINANCIAL INCOME

	2022 VND	2021 VND
Income from shares transferred (*)	1,260,000,000,000	3,584,000,000,000
Realised foreign exchange gains	391,940,499,516	152,788,488,938
Interest income from deposits and lendings	405,254,953,740	282,517,918,574
Net gain from foreign currency translation at year-end	159,921,609,696	-
Dividend income	25,152,055,000	4,591,233,000
Others	3,952,347,328	8,874,416,420
	<u>2,246,221,465,280</u>	<u>4,032,772,056,932</u>

(*) The income is related to the transfer of the Group's shares in Pacific Star Investment and Development Company to a third party (Note 8).

31 FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expense	1,383,641,245,573	804,782,847,259
Realised foreign exchange losses	601,124,566,761	31,267,761,933
Provision/(reversal of provision) for diminution in value of investments	355,000,000,000	(255,000,000,000)
Unwinding discount of provisions	132,113,144,440	1,313,056
Net loss from foreign currency translation at year-end	-	220,650,652,715
Others	11,175,526,280	4,552,008,645
	<u>2,483,054,483,054</u>	<u>806,254,583,608</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
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32 SELLING EXPENSES

	2022 VND	2021 VND
External service expenses	583,457,585,937	364,459,430,769
Advertising and marketing expenses	166,819,934,002	155,542,376,390
Staff costs	138,229,187,732	63,053,932,893
Depreciation and amortisation	1,662,692,456	910,259,322
Others	46,174,263,225	23,790,238,560
	<u>936,343,663,352</u>	<u>607,756,237,934</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Staff costs	253,955,857,218	149,436,918,255
External service expenses	198,610,824,743	113,603,234,296
Depreciation and amortisation	4,271,324,679	10,762,004,815
Others	77,614,097,776	91,927,001,133
	<u>534,452,104,416</u>	<u>365,729,158,499</u>

34 NET OTHER INCOME AND OTHER EXPENSES

	2022 VND	2021 VND
Other income		
Income from the increase of purchase considerations (Note 39(a)(viii))(*)	1,280,000,000,000	-
Compensation income (**)	24,848,616,868	-
Others	11,256,495,414	16,201,777,600
	<u>1,316,105,112,282</u>	<u>16,201,777,600</u>
Other expenses		
Adjustments of purchase discounts receivable	(178,481,292,047)	-
Penalty	(35,831,279,413)	-
Others	(49,534,764,072)	(7,778,986,800)
	<u>(263,847,335,532)</u>	<u>(7,778,986,800)</u>
Net other income	<u>1,052,257,776,750</u>	<u>8,422,790,800</u>

(*) This income relates to the increase of purchase considerations of commercial and operational of the Vietjet Plaza Building to a related party.

(**) This income relates to a compensation entitled from an aircraft manufacturer rights.

35 CORPORATE INCOME TAX (“CIT”)

The Group has an obligation to pay the CIT at the applicable tax rate of 20% of taxable profits, except for the following companies:

Companies incorporated in British Virgin Islands

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

Income or profits generated in the British Virgin Islands are non-taxable.

Companies incorporated in Cayman Islands

Skymate Limited

Income or profits generated in the Cayman Islands are non-taxable.

Company incorporated in Singapore

Vietjet Air Singapore Pte. Ltd.

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

Company incorporated in Ireland

Vietjet Air Ireland No. 1 Limited

Vietjet Air Ireland No. 1 Limited has an obligation to pay CIT at the rate of 25% of taxable profits.

35 CORPORATE INCOME TAX (“CIT”) (continued)

The CIT on the Group’s accounting (loss)/profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2022 VND	2021 VND
Net accounting (loss)/profit before tax	(2,648,658,910,470)	180,379,522,924
Tax calculated at a rate of 20%	(529,731,782,094)	36,075,904,585
Effect of:		
Expenses not deductible for tax purposes	211,913,544,550	71,787,739,290
Effect of difference tax rates applied for subsidiaries	(63,835,418,141)	(6,225,181,660)
Income not subject to tax	(5,030,411,000)	(918,246,600)
CIT (credit)/charge (*)	(386,684,066,685)	100,720,215,615
Charged/(credited) to the consolidated income statement:		
CIT – current	172,103,552,548	14,027,919,315
CIT – deferred (Note 22)	(558,787,619,233)	86,692,296,300
	(386,684,066,685)	100,720,215,615

(*) The CIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

36 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the year from the Group’s operating activities, excluding cost of merchandises for trading activities. Details are as follows:

	2022 VND	2021 VND
Fuel costs	17,097,871,839,398	3,059,363,382,827
Lease expenses	8,090,525,444,025	4,117,497,116,783
Staff costs	3,743,364,549,134	1,614,199,197,656
Depreciation and amortisation	79,733,663,056	98,078,009,402
External service and other expenses	8,596,512,640,215	3,388,010,637,936
	37,608,008,135,828	12,277,148,344,604

37 SEGMENT REPORTING

The Board of Management of the Group determines that the management's decisions of the Group are based primarily on both the types of products and services provided by the Group and the geographic areas in which the Group supplies product and service. As a result, the segment reporting of the Group is presented in respect of the Group's business segments and geographical segments.

(a) Business segments

For management purposes, the Group has 2 business segments as follows:

- Providing passenger and cargo transportation services, ancillary services, aircraft leasing and in-flight advertising (referred to as "aviation services"); and
- Buying and selling aircraft and related assets.

Except as indicated above, the Group has no other business segments being aggregated to form a reportable business segment. Segmental information for total revenue and cost of sales is shown in Notes 27 and 28 to the consolidated financial statements. There is no internal revenue between business segments. All the Group's assets, liabilities, financial income and financial expenses, selling expenses, general and administration expenses, other income and other expenses are unallocated.

(b) Geographical segments

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

	2022 VND	2021 VND
In Vietnam	21,745,457,801,463	5,740,197,168,895
Outside Vietnam	18,396,405,686,566	7,134,722,556,555
	<u>40,141,863,488,029</u>	<u>12,874,919,725,450</u>

The Group has no other geographical segments, except for revenue because the Board of Management of the Company determines that the Group's management decisions are based primarily on revenue by geographical areas. Segment assets and capital expenditure are not presented since most of assets are in Vietnam.

38 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

Non-cash transactions affecting the consolidated cash flow statement:

	Year ended 31 December	
	2022 VND	2021 VND
Net-off payables for purchase of fixed assets with other short-term and long-term receivables	2,129,910,369,840	-
Transfer of long-term receivables to purchase fixed assets	1,013,410,674,517	-
Purchase fixed assets which not paid	371,689,630,160	-

39 RELATED PARTY DISCLOSURES

During the year, the Group incurred major transactions and balances with the following related parties:

Related party	Relationship
Sovico Holdings Joint Stock Company	Major shareholder
Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank)	Major shareholder
Thai Vietjet Air Joint Stock Co., Ltd.	Associate
Cam Ranh International Terminal Joint Stock Company	Associate
Saigon Ground Services Joint Stock Company	Other related party
Truong Son Plaza Joint Stock Company	Other related party
Cong Hoa Commercial Investment Joint Stock Company	Other related party
Sovico Group Joint Stock Company	Other related party
Menas Company Limited	Other related party
Angelica Holding Limited	Other related party
Angelica Aircraft Assets Limited	Other related party
Apricot Aircraft Company (Ireland) 8577 Limited	Other related party
Apricot Aircraft Company (Ireland) 8592 Limited	Other related party
Apricot Aircraft Company (Ireland) 8605 Limited	Other related party
Apricot Aircraft Company (Ireland) 8670 Limited	Other related party
Apricot Aircraft Company (Ireland) 8676 Limited	Other related party
Apricot Aircraft Assets Limited	Other related party
Apricot Aircraft Assets No.1 Limited	Other related party
Apricot Holding Limited	Other related party
AAA Aircraft Company Limited	Other related party
AAA Aircraft Asset Company Limited	Other related party
AAA Golden Aircraft Star No.1 Limited	Other related party
AAA Golden Aircraft Star No.2 Limited	Other related party
AAA Golden Aircraft Star No.3 Limited	Other related party
AAA Golden Aircraft Star No.4 Limited	Other related party
AAA Golden Aircraft Star No.5 Limited	Other related party
World Go International Limited	Other related party
IBH JSC	Other related party
Conasi JSC	Other related party
Victoria Academy Company Limited	Other related party
HD Saison Finance Co., Ltd	Other related party
HD Insurance Company Limited	Other related party
GalaxyOne Company Limited	Other related party
Doctor Aibolit Co., Ltd	Other related party
BStar Solutions Company Limited	Other related party
Galaxy Joy Joint Stock Company	Other related party
Galaxy Digital Holdings Co., Ltd	Other related party
Key management personnel including the Board of Directors, the Board of Management, Senior Management and Audit Committee of the Company	Key management

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions**

During the year, the following major transactions were carried out with related parties:

	2022 VND	2021 VND
i) Revenue from aircraft dry leases		
Associate	1,198,309,663,845	1,022,878,715,600
Other related party	362,932,649,312	292,251,589,700
	<u>1,561,242,313,157</u>	<u>1,315,130,305,300</u>
ii) Revenue from sales of aircraft and purchase right option		
Other related party	<u>9,983,078,350,000</u>	<u>-</u>
iii) Other revenue		
Associate	234,989,073,794	55,430,218,259
Major shareholder	20,778,662	50,528,100
Other related party	101,041,828,830	300,029,748,989
	<u>336,051,681,286</u>	<u>355,510,495,348</u>
iv) Aircraft operating lease expenses		
Other related party	<u>1,373,646,527,394</u>	<u>882,616,623,347</u>
v) Purchase of services		
HDBank	886,816,194	-
Major shareholder	10,133,843,913	8,378,243,913
Other related parties	574,478,844,464	250,231,571,236
	<u>585,499,504,571</u>	<u>258,609,815,149</u>
vi) (Receipts) and payment on behalf, net cashflows		
Associate	<u>182,782,243,309</u>	<u>396,681,892,333</u>

39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2022 VND	2021 VND
vii) Financing activities		
<i>Interest income</i>		
HDBank	12,700,149,431	17,178,157,424
Associate	231,861,202,013	190,410,491,676
Other related parties	59,292,000,000	44,788,482,432
	<u>303,853,351,444</u>	<u>252,377,131,532</u>
<i>Interest expense</i>		
HDBank	105,638,061,951	68,494,378,852
Other related parties	25,859,589,042	156,855,342,466
	<u>131,497,650,993</u>	<u>225,349,721,318</u>
<i>Proceeds from borrowings</i>		
HDBank	8,037,406,959,482	2,710,411,814,342
Other related party	45,000,000,000	-
	<u>8,082,406,959,482</u>	<u>2,710,411,814,342</u>
<i>Repayment borrowings</i>		
HDBank	7,434,985,662,395	2,239,034,992,601
Other related party	700,000,000,000	-
	<u>8,134,985,662,395</u>	<u>2,239,034,992,601</u>
<i>Term deposits and certificate of deposits</i>		
Term deposits	2,193,304,077,000	4,060,000,000,000
Collection of term deposits	(2,345,004,077,000)	(5,135,000,000,000)
	<u></u>	<u></u>

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39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2022 VND	2021 VND
viii) Investment activities		
<i>Dividend income</i>		
Other related parties	7,652,055,000	4,591,233,000
<i>Sales of the commercial and operational rights to other related party</i>		
Income from increase of transfer of the commercial right price	1,280,000,000,000	-
Payments received	-	290,000,000,000
<i>Disposal of right and obligation of a real estate project with other related parties</i>		
Interest income	-	770,506,849
Cash consideration received	-	656,700,000,000
<i>Transfers of shares with other related parties</i>		
Income from transfers of shares	-	5,184,000,000,000
Payments received	-	1,598,289,600,000
<i>Investment in projects with other related parties</i>		
Deposit received	-	1,200,000,000,000
Deposit granted	-	1,990,000,000,000
Interest expense	-	46,772,465,754
<i>Lending</i>		
Board of Management	25,000,000,000	-
Board of Directors	25,000,000,000	-
Other related parties	-	953,831,650,692
	50,000,000,000	953,831,650,692
<i>Purchase of aircraft and engines</i>		
Other related party	3,665,263,945,784	-
ix) Net salary and other benefits		
Board of Directors	9,345,555,420	7,459,821,964
Board of Management and Senior Management	17,189,738,630	10,453,094,607
	26,535,294,050	17,912,916,571

39 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties

	2022 VND	2021 VND
Cash and cash equivalents (Note 3)		
HDBank	490,494,847,483	814,294,104,391
Short-term trade accounts receivable (Note 5(a))		
HDBank	399,459,043	-
Associate (i)	4,277,852,215,600	2,981,583,703,080
Other related parties (ii)	2,310,144,912,153	3,510,418,885,100
	6,588,396,586,796	6,492,002,588,180
(i) Receivables from aircraft dry leases.		
(ii) The receivable balance mainly includes receivables from sales of engines and receivables from aircraft dry leases.		
Long-term trade accounts receivable (Note 5(b))		
Other related party	3,863,320,000,000	-
Short-term prepayments to suppliers (Note 6)		
Other related party (iii)	1,351,166,515,826	392,344,113
(iii) The prepayment balance mainly includes prepayment for engine purchase and engine leases.		
Short-term lendings (Note 7(a))		
Other related party	657,000,000,000	657,000,000,000
Long-term lendings (Note 7(b))		
Board of Management	25,000,000,000	-
Board of Director	25,000,000,000	-
Other related parties	813,075,934,360	789,648,322,692
	863,075,934,360	789,648,322,692

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39 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties (continued)

	2022 VND	2021 VND
Other short-term receivables (Note 8(a))		
Major shareholder	1,042,580,000	-
Associates (iv)	2,156,169,990,770	1,595,304,781,031
Other related parties (v)	6,607,070,092,577	3,680,088,736,877
	<u>8,764,282,663,347</u>	<u>5,275,393,517,908</u>

(iv) The receivable balance mainly includes payment on behalf and earns interest at the rate from 9% to 9.5% per annum (2021: 9% per annum).

(v) The receivable balance mainly includes purchase considerations from sales of the commercial and operational rights of the Vietjet Plaza Building, receivable relating to the disposal of rights and obligations in the Republic Plaza project, lending interests and receivables from transfer of shares of Pacific Star Investment and Development Company.

As at the approval date of these consolidated financial statements, the Group collected VND959 billion from the sales of the commercial and operational rights of the Vietjet Plaza Building.

Other long-term receivables (Note 8(b))

Associate	15,145,000,000	468,344,946,987
Other related parties (vi)	551,983,239,684	1,951,602,041,056
	<u>567,128,239,684</u>	<u>2,419,946,988,043</u>

(vi) The receivable balance mainly includes maintainance reserves of leased aircraft and engines and deposit for contract fulfillments.

Short-term trade accounts payable (Note 13)

HDBank	558,720,558	733,297,968
Major shareholder	25,321,939,928	24,859,785,367
Associate	3,930,367,483	2,335,782,331
Other related parties (vii)	1,054,437,840,127	185,884,019,033
	<u>1,084,248,868,096</u>	<u>213,812,884,699</u>

(vii) The payable balance mainly includes payables for operating leases of aircraft and purchase of aircraft.

39 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties (continued)

	2022 VND	2021 VND
Short-term advances from customers (Note 14)		
HDBank	6,662,900	448,777,861
Associate	8,649,099,558	8,649,099,558
Other related parties (viii)	560,955,690,830	1,965,569,620
	<u>569,611,453,288</u>	<u>11,063,447,039</u>
(viii) The advance from customers balance mainly includes advance purchases of engines.		
Short-term accrued expenses		
HDBank	2,997,476,038	1,712,695,006
Other related parties	1,350,000,000	92,708,021,157
	<u>4,347,476,038</u>	<u>94,420,716,163</u>
Other short-term payables (Note 18(a))		
HDBank	902,801,716	876,788,785
Major shareholders	72,720,004,160	69,869,108,860
Other related parties (ix)	167,146,710,625	19,556,164,384
	<u>240,769,516,501</u>	<u>90,302,062,029</u>
(ix) The payable balance mainly includes interest expenses and deposit for contract fulfillments.		
Short-term borrowings (Note 19(a))		
HDBank	2,918,027,095,639	2,384,576,498,152
Other related parties	45,000,000,000	700,000,000,000
	<u>2,963,027,095,639</u>	<u>3,084,576,498,152</u>

40 PRINCIPLE AGREEMENTS**(a) Commitments under operating leases***(i) The Group as a lessee*

The Group signs operating lease agreements, the expected future lease payments, according to terms in these agreements, are as follows:

	2022 VND	2021 VND
Within one year	11,506,559,066,274	8,616,964,284,145
Between one and five years	38,581,623,224,033	37,298,127,372,065
Over five years	19,870,076,281,001	24,811,592,924,072
Total minimum payments	<u>69,958,258,571,308</u>	<u>70,726,684,580,282</u>

(ii) The Group as a lessor

The Group signs operating lease agreements, the expected future lease receipts, according to terms in these agreements, are as follows:

	2022 VND	2021 VND
Within one year	1,333,279,444,266	1,337,091,416,984
Between one and five years	4,099,020,606,476	4,397,115,040,369
Over five years	768,399,362,220	1,389,127,587,327
Total minimum receipts	<u>6,200,699,412,962</u>	<u>7,123,334,044,680</u>

40 PRINCIPLE AGREEMENTS (continued)**(b) Other commitments**

The Group signed a principle agreement and related amendments with Airbus S.A.S to purchase 186 aircraft. As at 31 December 2022, the Group has received 72 of the aircraft, with the remaining aircraft being scheduled to be delivered to the Group up to 2028. To power these aircraft, the Group also ordered 106 aircraft engines from CFM International S.A and 128 aircraft engines from United Technologies Corporation (Pratt & Whitney Division), including maintenance service agreements. As at 31 December 2022, pursuant to the aircraft purchase agreement between the Group and Airbus S.A.S, the Group's principal agreements in relation to the pre-delivery payments for aircraft that are to be delivered until 2023 are capped at USD31.6 million. With respect to the aircraft with scheduled delivery from 2024 onwards, the total pre-delivery payments is subject to the manufacturing ability and aircraft delivery schedule of Airbus S.A.S. The Group's agreements with respect to the principle agreement and related amendments are subject to the ability to comply with the aircraft delivery schedule committed by the manufacturer.

The Group also signed a principle agreement and related amendments with Boeing Company to purchase aircraft. As at 31 December 2022, the Group and Boeing Company have agreed to an amendment to adjust the delivery schedule for the aircraft and other terms (including payment and commercial support from the manufacturer) on the basis of conformity with the Group's long-term development strategy.

The consolidated financial statements were approved by the Board of Management on 10 April 2023.



Pham Ngoc Thoa
Chief Accountant

Ho Ngoc Yen Phuong
Vice President
cum Chief Finance Officer



Dinh Viet Phuong
Chief Executive Officer

