

**VIETJET AVIATION JOINT STOCK COMPANY**

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

**VIETJET AVIATION JOINT STOCK COMPANY**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

| <b>TABLE OF CONTENTS</b>                                    | <b>PAGE</b> |
|---|-------------|
| Corporate information                                       | 1           |
| Statement of the Board of Management                        | 3           |
| Independent auditor's report                                | 4           |
| Separate balance sheet (Form B 01 – DN)                     | 6           |
| Separate income statement (Form B 02 – DN)                  | 9           |
| Separate cash flow statement (Form B 03 – DN)               | 10          |
| Notes to the separate financial statements (Form B 09 – DN) | 12          |

## VIETJET AVIATION JOINT STOCK COMPANY

### 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<br>(from 6 April 2023)                           |
|                             | Vice Chairwoman<br>(until 5 April 2023)                     |
| Mr. Donal Joshep Boylan     | Vice Chairman -<br>Independent member<br>(from 30 May 2022) |
|                             | Member<br>(until 29 May 2022)                               |
| Mrs. Nguyen Thanh Ha        | Member<br>(from 6 April 2023)                               |
|                             | Chairwoman<br>(until 5 April 2023)                          |
| Mr. Nguyen Thanh Hung       | Member<br>(from 28 May 2022)                                |
|                             | Vice Chairman<br>(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<br>(from 28 May 2022)                    |

## VIETJET AVIATION JOINT STOCK COMPANY

### CORPORATE INFORMATION (continued)

|                             |   |   |
|-----------------------------|---|---|
| <b>Board of Management</b>  | Mr. Dinh Viet Phuong  | Chief Executive Officer<br>(from 6 April 2023)<br>Permanent Vice President<br>cum Managing Director<br>(until 5 April 2023) |
|                             | Mrs. Nguyen Thi Phuong Thao   | Chief Executive Officer<br>(until 5 April 2023)   |
|                             | Mr. Micheal Hickey  | Chief Operation Officer<br>(from 1 June 2022)   |
|                             | Mrs. Ho Ngoc Yen Phuong   | Vice President<br>cum Chief Finance Officer   |
|                             | Mr. To Viet Thang<br>Mr. Nguyen Thanh Son                                     | Vice President<br>Vice President  |
| <b>Senior Management</b>    | 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<br>(from 1 June 2022)  |
|                             | Mr. Chu Viet Cuong  | Vice President<br>(from 1 June 2022<br>to 26 October 2022)  |
| <b>Audit Committee</b>      | Mr. Nguyen Anh Tuan   | Chairman<br>(from 27 October 2022)  |
|                             | Mr. Donal Joshep Boylan   | Chairman<br>(until 27 October 2022)   |
|                             | Mr. Luu Duc Khanh   | Member  |
|                             | Mr. Chu Viet Cuong  | Member<br>(from 27 October 2022)  |
|                             | Mr. Nguyen Thanh Hung   | Member<br>(until 27 October 2022)   |
| <b>Legal representative</b> | 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  |
| <b>Registered office</b>    | 302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District<br>Hanoi City, Vietnam |   |
| <b>Auditor</b>              | PwC (Vietnam) Limited   |   |



## VIETJET AVIATION JOINT STOCK COMPANY

### STATEMENT OF THE BOARD OF MANAGEMENT

#### Statement of responsibility of the Board of Management of the Company in respect of the separate financial statements

The Board of Management of VietJet Aviation Joint Stock Company ("the Company") is responsible for preparing the separate financial statements of the Company which give a true and fair view of the separate financial position of the Company as at 31 December 2022, and of the separate results of its operations and its separate cash flows for the year then ended. In preparing these separate 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 separate financial statements on a going-concern basis unless it is inappropriate to presume that the Company 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 separate financial position of the Company and enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or error.

#### Approval of the separate financial statements

We hereby, approve the accompanying separate financial statements as set out on pages 6 to 72 which give a true and fair view of the separate financial position of the Company as at 31 December 2022, and of the separate results of its operations and its separate 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 separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

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 separate financial statements of VietJet Aviation Joint Stock Company ("the Company") which were prepared on 31 December 2022 and approved by the Board of Management of the Company on 10 April 2023. The separate financial statements comprise the separate balance sheet as at 31 December 2022, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 6 to 72.

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

### **Auditor's Responsibility**

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

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

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





### Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2022, its separate financial performance and its separate 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 separate 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: HCM13859  
Ho Chi Minh City, 10 April 2023

## SEPARATE BALANCE SHEET

| Code       | ASSETS  | Note     | As at 31 December         |                           |
|------------|---|----------|---------------------------|---------------------------|
|            |   |          | 2022<br>VND               | 2021<br>VND               |
| <b>100</b> | <b>CURRENT ASSETS</b>                                   |          | <b>30,357,899,211,669</b> | <b>22,023,531,877,174</b> |
| <b>110</b> | <b>Cash and cash equivalents</b>                        | <b>3</b> | <b>1,840,277,216,149</b>  | <b>1,846,031,657,278</b>  |
| 111        | Cash  |          | 880,301,435,125           | 971,083,527,902           |
| 112        | Cash equivalents  |          | 959,975,781,024           | 874,948,129,376           |
| <b>120</b> | <b>Short-term investments</b>                           |          | <b>678,000,000,000</b>    | <b>855,000,000,000</b>    |
| 121        | Trading securities                                      | 4(a)     | 990,000,000,000           | 990,000,000,000           |
| 122        | Provision for diminution in value of trading securities | 4(a)     | (490,000,000,000)         | (135,000,000,000)         |
| 123        | Investments held to maturity                            | 4(a)     | 178,000,000,000           | -                         |
| <b>130</b> | <b>Short-term receivables</b>                           |          | <b>26,541,952,082,774</b> | <b>18,453,855,667,885</b> |
| 131        | Short-term trade accounts receivable                    | 5        | 9,059,907,782,848         | 6,796,741,549,961         |
| 132        | Short-term prepayments to suppliers                     | 6        | 1,626,413,101,409         | 100,126,970,605           |
| 135        | Short-term lendings                                     | 7        | 657,000,000,000           | 657,000,000,000           |
| 136        | Other short-term receivables                            | 8(a)     | 15,198,631,198,517        | 10,899,987,147,319        |
| <b>140</b> | <b>Inventories</b>                                      |          | <b>982,716,071,675</b>    | <b>811,247,030,655</b>    |
| 141        | Inventories   | 9        | 982,716,071,675           | 811,247,030,655           |
| <b>150</b> | <b>Other current assets</b>                             |          | <b>314,953,841,071</b>    | <b>57,397,521,356</b>     |
| 151        | Short-term prepaid expenses                             | 10(a)    | 163,938,267,289           | 16,306,514,272            |
| 152        | Value added tax ("VAT") to be reclaimed                 | 15(a)    | 125,868,210,154           | 41,091,007,084            |
| 153        | Tax and other receivables from the State                | 15(a)    | 25,147,363,628            | -                         |

The notes on pages 12 to 72 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET  
(continued)

| Code       | ASSETS (continued)                  | Note  | As at 31 December         |                           |
|------------|-------------------------------------|-------|---------------------------|---------------------------|
|            |                                     |       | 2022<br>VND               | 2021<br>VND               |
| <b>200</b> | <b>LONG-TERM ASSETS</b>             |       | <b>28,599,108,745,204</b> | <b>23,918,136,563,432</b> |
| <b>210</b> | <b>Long-term receivable</b>         |       | <b>15,426,702,194,537</b> | <b>16,097,617,489,750</b> |
| 215        | Long-term lending                   |       | 55,145,921,500            | -                         |
| 216        | Other long-term receivables         | 8(b)  | 15,371,556,273,037        | 16,097,617,489,750        |
| <b>220</b> | <b>Fixed assets</b>                 |       | <b>5,696,170,178,204</b>  | <b>1,150,549,548,863</b>  |
| 221        | Tangible fixed assets               | 11(a) | 5,680,038,769,815         | 1,149,483,138,769         |
| 222        | Historical cost                     |       | 6,111,598,991,827         | 1,509,787,640,988         |
| 223        | Accumulated depreciation            |       | (431,560,222,012)         | (360,304,502,219)         |
| 227        | Intangible fixed assets             | 11(b) | 16,131,408,389            | 1,066,410,094             |
| 228        | Historical cost                     |       | 47,055,308,433            | 30,845,669,020            |
| 229        | Accumulated amortisation            |       | (30,923,900,044)          | (29,779,258,926)          |
| <b>240</b> | <b>Long-term asset in progress</b>  |       | <b>205,173,460,148</b>    | <b>353,832,538,752</b>    |
| 242        | Construction in progress            | 12    | 205,173,460,148           | 353,832,538,752           |
| <b>250</b> | <b>Long-term investments</b>        |       | <b>230,917,024,400</b>    | <b>230,917,024,400</b>    |
| 251        | Investments in subsidiaries         | 4(b)  | 81,500,000,000            | 81,500,000,000            |
| 252        | Investments in associates           | 4(b)  | 60,000,000,000            | 60,000,000,000            |
| 253        | Investments in other entities       | 4(b)  | 149,417,024,400           | 149,417,024,400           |
| 254        | Provision for long-term investments | 4(b)  | (60,000,000,000)          | (60,000,000,000)          |
| <b>260</b> | <b>Other long-term assets</b>       |       | <b>7,040,145,887,915</b>  | <b>6,085,219,961,667</b>  |
| 261        | Long-term prepaid expenses          | 10(b) | 6,635,875,340,125         | 6,085,219,961,667         |
| 262        | Deferred income tax assets          | 22    | 404,270,547,790           | -                         |
| <b>270</b> | <b>TOTAL ASSETS</b>                 |       | <b>58,957,007,956,873</b> | <b>45,941,668,440,606</b> |

The notes on pages 12 to 72 are an integral part of these separate financial statements.



SEPARATE BALANCE SHEET  
(continued)

| Code       | RESOURCES  | Note   | As at 31 December         |                           |
|------------|--|--------|---------------------------|---------------------------|
|            |  |        | 2022<br>VND               | 2021<br>VND               |
| <b>300</b> | <b>LIABILITIES</b>                                 |        | <b>54,562,326,234,754</b> | <b>38,954,387,458,942</b> |
| <b>310</b> | <b>Short-term liabilities</b>                      |        | <b>31,904,440,007,081</b> | <b>19,722,290,704,933</b> |
| 311        | Short-term trade accounts payable                  | 13     | 9,850,796,142,818         | 3,225,625,657,657         |
| 312        | Short-term advances from customers                 | 14     | 2,240,798,216,080         | 593,136,306,365           |
| 313        | Tax and other payables to the State                | 15(b)  | 361,331,715,430           | 288,786,201,884           |
| 314        | Payable to employees                               |        | 183,009,403,971           | 76,828,088,897            |
| 315        | Short-term accrued expenses                        | 16     | 822,241,895,740           | 910,026,134,815           |
| 318        | Short-term unearned revenue                        | 17     | 3,503,454,041,287         | 381,579,736,840           |
| 319        | Other short-term payables                          | 18     | 4,488,246,329,798         | 5,284,553,082,384         |
| 320        | Short-term borrowings                              | 19(a)  | 8,549,901,782,085         | 7,320,070,386,166         |
| 321        | Provision for short-term liabilities               | 20     | 1,758,368,694,808         | 1,314,535,033,134         |
| 322        | Bonus and welfare fund                             | 21     | 146,291,785,064           | 327,150,076,791           |
| <b>330</b> | <b>Long-term liabilities</b>                       |        | <b>22,657,886,227,673</b> | <b>19,232,096,754,009</b> |
| 337        | Other long-term payables                           |        | 5,662,224,160             | 5,636,355,880             |
| 338        | Long-term borrowings                               | 19(b)  | 10,309,745,847,108        | 8,140,241,446,768         |
| 341        | Deferred income tax liabilities                    | 22     | -                         | 154,517,071,443           |
| 342        | Provision for long-term liabilities                | 20     | 12,342,478,156,405        | 10,931,701,879,918        |
| <b>400</b> | <b>OWNERS' EQUITY</b>                              |        | <b>4,394,681,722,119</b>  | <b>6,987,280,981,664</b>  |
| <b>410</b> | <b>Capital and reserves</b>                        |        | <b>4,394,681,722,119</b>  | <b>6,987,280,981,664</b>  |
| 411        | Owners' capital                                    | 23, 24 | 5,416,113,340,000         | 5,416,113,340,000         |
| 411a       | - Ordinary shares with voting rights               |        | 5,416,113,340,000         | 5,416,113,340,000         |
| 412        | Share premium                                      | 24     | 247,483,117,899           | 247,483,117,899           |
| 421        | (Accumulated losses)/undistributed earnings        | 24     | (1,268,914,735,780)       | 1,323,684,523,765         |
| 421a       | - Undistributed post-tax profits of previous years |        | 1,323,684,523,765         | 1,330,922,686,515         |
| 421b       | - Post-tax loss of current year                    |        | (2,592,599,259,545)       | (7,238,162,750)           |
| <b>440</b> | <b>TOTAL RESOURCES</b>                             |        | <b>58,957,007,956,873</b> | <b>45,941,668,440,606</b> |

Pham Ngoc Thoa  
Chief Accountant

Ho Ngoc Yen Phuong  
Vice President cum  
Chief Finance Officer

Dinh Viet Phuong  
Chief Executive Officer  
10 April 2023



## SEPARATE INCOME STATEMENT

| Code | Note  | Year ended 31 December |                      |
|------|---|------------------------|----------------------|
|      |   | 2022<br>VND            | 2021<br>VND          |
| 01   | Revenue from sales of goods and rendering of services     | 33,077,353,157,675     | 9,064,540,013,208    |
| 02   | Less deductions   | -                      | -                    |
| 10   | Net revenue from sales of goods and rendering of services | 33,077,353,157,675     | 9,064,540,013,208    |
| 11   | Cost of goods sold and services rendered                  | (36,509,084,802,874)   | (11,149,212,614,522) |
| 20   | Gross loss from sales of goods and rendering of services  | (3,431,731,645,199)    | (2,084,672,601,314)  |
| 21   | Financial income  | 3,062,706,458,235      | 4,006,098,731,871    |
| 22   | Financial expenses  | (2,477,565,275,788)    | (847,642,151,061)    |
| 23   | - Including: Interest expense                             | (1,383,641,245,573)    | (804,782,847,259)    |
| 25   | Selling expenses  | (974,354,663,543)      | (664,292,574,365)    |
| 26   | General and administration expenses                       | (506,943,134,799)      | (339,129,946,085)    |
| 30   | Net operating (loss)/profit                               | (4,327,888,261,094)    | 70,361,459,046       |
| 31   | Other income  | 1,422,661,965,892      | 9,420,716,960        |
| 32   | Other expenses  | (77,019,583,576)       | (328,042,456)        |
| 40   | Net other income  | 1,345,642,382,316      | 9,092,674,504        |
| 50   | Net accounting (loss)/profit before tax                   | (2,982,245,878,778)    | 79,454,133,550       |
| 51   | Corporate income tax ("CIT") - current                    | (169,141,000,000)      | -                    |
| 52   | CIT - deferred  | 558,787,619,233        | (86,692,296,300)     |
| 60   | Net loss after tax  | (2,592,599,259,545)    | (7,238,162,750)      |

Pham Ngoc Thoa  
Chief Accountant

Ho Ngoc Yen Phuong  
Vice President cum  
Chief Finance Officer

Dinh Viet Phuong  
Chief Executive Officer  
10 April 2023





**SEPARATE CASH FLOW STATEMENT**  
**(Indirect method)**

|   |  | Year ended 31 December     |                            |
|---|--|----------------------------|----------------------------|
| Code  | Note   | 2022<br>VND                | 2021<br>VND                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |  |                            |                            |
| 01  | <b>Net accounting (loss)/profit before tax</b>                                 | <b>(2,982,245,878,778)</b> | <b>79,454,133,550</b>      |
|   | Adjustments for:   |                            |                            |
| 02  | Depreciation and amortisation  | 35 78,125,673,057          | 91,115,455,446             |
| 03  | Provisions   | 1,915,036,223,300          | 1,291,024,305,647          |
| 04  | Unrealised foreign exchange (gains)/losses                                     | 29, 30 (162,687,537,609)   | 220,705,175,268            |
| 05  | Profits from investing activities  | (1,248,639,305,905)        | (260,528,048,013)          |
| 06  | Interest expense   | 1,383,641,245,573          | 804,782,847,259            |
| 08  | <b>Operating (loss)/profit before changes in working capital</b>               | <b>(1,016,769,580,362)</b> | <b>2,226,553,869,157</b>   |
| 09  | Increase in receivables  | (6,136,525,021,616)        | (5,729,974,863,545)        |
| 10  | Increase in inventories  | (171,469,041,020)          | (99,153,768,528)           |
| 11  | Increase/(decrease) in payables  | 7,113,442,195,299          | (1,768,042,326,845)        |
| 12  | Increase in prepaid expenses   | (472,901,434,663)          | (865,457,431,313)          |
| 14  | Interest paid  | (1,399,077,113,144)        | (546,700,781,758)          |
| 15  | CIT paid   | (133,855,197,457)          | -                          |
| 17  | Other payments on operating activities   | (180,858,291,727)          | (53,526,042,557)           |
| 20  | <b>Net cash outflows from operating activities</b>                             | <b>(2,398,013,484,690)</b> | <b>(6,836,301,345,389)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b> |  |                            |                            |
| 21  | Purchases of fixed assets  | (1,185,532,622,511)        | (176,141,780,739)          |
| 22  | Proceeds from disposals of fixed assets  | 992,769,031                | -                          |
| 23  | Loans granted, purchases of debt instruments of other entities                 | (233,145,921,500)          | (657,000,000,000)          |
| 24  | Collection of loans, proceeds from sales of debt instruments of other entities | -                          | 6,556,181,818              |
| 25  | Investments in other entities  | -                          | (22,500,000,000)           |
| 27  | Dividends and interest received  | 308,511,535,296            | 259,660,977,989            |
| 30  | <b>Net cash outflows from investing activities</b>                             | <b>(1,109,174,239,684)</b> | <b>(589,424,620,932)</b>   |

The notes on pages 12 to 72 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT (continued)  
(Indirect method)

|                                      |  | Year ended 31 December |                      |
|--------------------------------------|--|------------------------|----------------------|
| Code                                 | Note   | 2021<br>VND            | 2020<br>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      | (27,372,335,238)       | (1,032,582,955,535)  |
| 60                                   | Cash and cash equivalents at beginning of year | 1,846,031,657,278      | 2,895,810,907,792    |
| 61                                   | Effect of foreign exchange differences         | 21,617,894,109         | (17,196,294,979)     |
| 70                                   | Cash and cash equivalents at end of year       | 1,840,277,216,149      | 1,846,031,657,278    |

Additional information relating to the separate cash flow statement is presented in Note 37.

  
Pham Ngoc Thoa  
Chief Accountant

  
Ho Ngoc Yen Phuong  
Vice President cum  
Chief Finance Officer

  
Dinh Viet Phuong  
Chief Executive Officer  
10 April 2023



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 are to provide passenger and cargo transportation services on domestic and international air routes, airline-related support services.

The normal business cycle of the Company is 12 months.

# VIETJET AVIATION JOINT STOCK COMPANY

Form B 09 – DN

## 1 GENERAL INFORMATION (continued)

As at 31 December 2022, the Company had 7 direct subsidiaries, 2 indirect subsidiaries and 2 associates as presented in Note 4(b)(ii) – 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

Form B 09 – DN

## 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 Company has significant influence over these companies because the Company has the right to appoint members of the Board of Directors of these companies.

As at 31 December 2022, the Company had 5,835 employees (as at 31 December 2021: 5,286 employees).



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

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements. The separate financial statements have been prepared under the historical cost convention.

The accompanying separate financial statements are not intended to present the separate financial position and separate results of operations and separate 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 separate financial statements in the Vietnamese language are the official statutory separate financial statements of the Company. The separate financial statements in the English language have been translated from the Vietnamese version.

Separately, the Company has also prepared consolidated financial statements of the Company and its subsidiaries (together, referred to as “the Group”), in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiary undertakings, which are those companies over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Group for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

**2.2 Fiscal year**

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

**2.3 Currency**

The separate financial statements are measured and presented in Vietnamese Dong (“VND” or “Dong”).

**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 Company regularly transacts. The Company 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 result 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 separate income statement.



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

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

**2.5 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.

**2.6 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.

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

**2.7 Maintenance reserves of leased aircraft**

Under the terms of aircraft operating lease agreements, the Company 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 Company 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 Company could utilise maintenance and repair expenses from the reserves from the separate balance sheet date.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 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 Company 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.

**2.9 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 separate 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 Company 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 separate income statement. The costs of trading securities disposed are determined by using the moving weighted average method.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Investments (continued)****(b) Investments held to maturity**

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

Investments held to maturity include term deposits. 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 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.

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

**(c) Investments in subsidiaries**

Subsidiaries are all entities over which the Company 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 Company controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition plus other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

**(d) Investments in associates**

Associates are investments that the Company has significant influence but not control over and the Company would generally have from 20% to less than 50% of the voting rights of the investee.

Investments in associates are accounted for at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investments. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

**(e) Investment in other entities**

Investment in other entities is investment in equity instruments of other entity without controlling rights or co-controlling rights, or without significant influence over the investee. This investment is 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.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Investments (continued)****(f) Provision for investments in subsidiaries, associates and other entities**

Provision for investments in subsidiaries, associates, and other entity is made when there is a diminution in value of the investments at the year end.

Provision for investments in subsidiaries and associates is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries and associates.

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.

**2.10 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 separate balance sheet based on the remaining term of the lendings as at the separate balance sheet date.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 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 separate 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 separate 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.

**2.12 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 separate income statement on either a straight-line basis over the term of the lease or using another calculation method if it is more reasonable.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the separate 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. These 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 2.18 to these separate financial statements.

**(ii) Major inspection and overhaul expenses**

Major inspection and overhaul expenses for leased aircraft are stated 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 Company 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.

**2.14 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 separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.15 Borrowings**

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

Borrowings are classified into short-term and long-term borrowings on the separate balance sheet based on the remaining term from the separate 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 used for the purpose of construction or production of any qualifying assets, the Company 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 Company's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the separate income statement when incurred.

**2.16 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.

**2.17 Accrued expenses**

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

**2.18 Provisions**

Provisions are recognised when the Company 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 in the scope of maintenance reserves and provisions for cost to make good on leased assets.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Provisions (continued)****(a) Provisions for periodic maintenance costs in the scope of maintenance reserves**

In accordance with the Company's policy:

- with respect to the Company'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 separate 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 Company and its lessors, and according to the requirements of Vietnam Aviation Authority, the Company 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 Company's cost while the periodic maintenance is covered by the maintenance reserves.

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

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

The provisions for LLP and LDG are determined by the estimated future cost of maintenance and replacement of these components, equipment based on the current fleet plan. At the beginning of lease and during the term of lease, the estimated costs of maintenance and replacement for the next maintenance are recognised as a provision with a corresponding asset in long-term prepaid expenses. The long-term prepaid expenses are amortised in the separate 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 separate 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.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Provisions (continued)****(b) Provisions for cost to make good on leased assets**

In accordance with the Company's policy:

- with respect to JOLCO contracts, cost of returning leased assets is recognized in the separate interim 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 Company 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 Company 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 Company'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 separate income statements on a straight-line basis over the term of the lease.

**2.19 Unearned revenue**

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

**2.20 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 Company 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 Company's profit after CIT at the reporting date.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Appropriation of profit**

The Company's dividends are recognised as a liability in the Company's separate financial statements in the year 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 Company's charter and Vietnamese regulations. The General Meeting of Shareholders authorizes the Board of Directors to decide on the implementation time.

The Company's fund is as below:

**Bonus and welfare fund**

Bonus and welfare fund is appropriated from the Company'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 separate 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.

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

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

**(b) Ancillary revenue**

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

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

Revenue from baggage service is recognised in the separate 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 separate income statement when charged to passengers.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Revenue recognition (continued)****(b) Ancillary revenue (continued)**

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the merchandises;
- The Company 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 Company; 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 separate 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 separate income statement on a straight-line basis over the term of the lease.

**(e) Sales and leaseback transactions**

The Company's asset sales and leaseback transaction is a transaction where an asset is sold then leased back by the Company. 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 selling price is at fair value, there is a normal sale transaction and any profit or loss is recognised immediately.
- If the selling 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 year for which the asset is expected to be used.
- If the selling price is above fair value, the excess over fair value shall be deferred and amortised over the year 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Revenue recognition (continued)****(f) Revenue from sales of aircraft's components**

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the aircraft's components;
- The Company 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 Company; 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.

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

Revenue from rendering of other services is recognised in the separate 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 the rendering of services is only recognised when the 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 Company;
- The percentage of completion of the transaction at the separate 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.

**(h) Interest income**

Interest income is recognised on an earned basis.

**(i) Dividend income**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 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.

**2.24 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.

**2.25 Selling expenses**

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

**2.26 General and administration expenses**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.27 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 separate 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 separate 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.

**2.28 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 Company, including holding companies, subsidiaries and associates are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the Board of Directors, the Board of Management, Senior 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 Company considers the substance of the relationships not merely the legal form.

**2.29 Segment reporting**

A segment is a component which can be separated by the Company 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 Company's business segment and the Company's geographical segment.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.30 Critical accounting estimates**

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate 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 separate 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 2.11 and 11);
- Provision for maintenance cost and cost to make good on leased assets (Notes 2.18 and 20); and
- Deferred income tax assets (Notes 2.27 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 Company and that are assessed by the Board of Management to be reasonable under the circumstances.

**3 CASH AND CASH EQUIVALENTS**

|                      | 2022<br>VND              | 2021<br>VND              |
|----------------------|--------------------------|--------------------------|
| Cash on hand         | 7,130,527,359            | 9,036,089,209            |
| Cash at banks        | 873,170,907,766          | 962,047,438,693          |
| Cash equivalents (*) | 959,975,781,024          | 874,948,129,376          |
|                      | <u>1,840,277,216,149</u> | <u>1,846,031,657,278</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 (ss 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 Company had current and term deposit accounts with total balance of VND468 billion (as at 31 December 2021: VND792 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank (Note 38(b)).



**4 INVESTMENTS****(a) Short-term****(i) Trading securities**

|                               | 2022               |                 |                 |                   |
|-------------------------------|--------------------|-----------------|-----------------|-------------------|
|                               | Quantity of shares | Cost value VND  | Fair value VND  | Provision VND     |
| Petro Vietnam Oil Corporation | 50,000,000         | 990,000,000,000 | 500,000,000,000 | (490,000,000,000) |

|                               | 2021               |                 |                 |                   |
|-------------------------------|--------------------|-----------------|-----------------|-------------------|
|                               | Quantity of shares | Cost value VND  | Fair value VND  | Provision VND     |
| Petro Vietnam Oil Corporation | 50,000,000         | 990,000,000,000 | 855,000,000,000 | (135,000,000,000) |

The Company 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 separate financial statements, the Company 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.

**(ii) Investments held to maturity**

|                   | 2022            |                     | 2021           |                     |
|-------------------|-----------------|---------------------|----------------|---------------------|
|                   | Cost value VND  | Carrying amount VND | Cost value VND | Carrying amount VND |
| Term deposits (*) | 178,000,000,000 | 178,000,000,000     | -              | -                   |

(\*) 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 earn interest at rates of 5.3% 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.

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS (continued)

(b) Long-term

|  | 2022           |                 |                  | 2021           |                 |                  |
|--|----------------|-----------------|------------------|----------------|-----------------|------------------|
|  | Ownership<br>% | Cost<br>VND     | Provision<br>VND | Ownership<br>% | Cost<br>VND     | Provision<br>VND |
| <b>i. Investments in subsidiaries (*)</b>              |                |                 |                  |                |                 |                  |
| Vietjet Air IVB No. I Limited (i)                      | 100            | -               | -                | 100            | -               | -                |
| Vietjet Air IVB No. II Limited (i)                     | 100            | -               | -                | 100            | -               | -                |
| Vietjet Air Singapore Pte.Ltd.(i)                      | 100            | -               | -                | 100            | -               | -                |
| Vietjet Air Ireland No. 1 Limited (i)                  | 100            | -               | -                | 100            | -               | -                |
| Galaxy Pay Company Limited                             | 100            | 50,000,000,000  | -                | 100            | 50,000,000,000  | -                |
| Swift 247 Joint Stock Company                          | 67             | 31,500,000,000  | -                | 67             | 31,500,000,000  | -                |
| VietJet Ground Services Limited                        | 100            | -               | -                | 100            | -               | -                |
| Liability Company (ii)                                 |                |                 |                  |                |                 |                  |
|  |                | 81,500,000,000  | -                |                | 81,500,000,000  | -                |
| <b>ii. Investments in associates (*)</b>               |                |                 |                  |                |                 |                  |
| Thai Vietjet Air Joint Stock Co., Ltd. (i)             | 9              | -               | -                | 9              | -               | -                |
| Cam Ranh International Terminal<br>Joint Stock Company | 10             | 60,000,000,000  | (60,000,000,000) | 10             | 60,000,000,000  | (60,000,000,000) |
|  |                | 60,000,000,000  | (60,000,000,000) |                | 60,000,000,000  | (60,000,000,000) |
| <b>iii. Investments in other entities (**)</b>         |                |                 |                  |                |                 |                  |
| Sai Gon Ground Services Joint<br>Stock Company         | 9.1            | 149,417,024,400 | -                | 9.1            | 149,417,024,400 | -                |

**4 INVESTMENTS (continued)****(c) Investments in other entities**

- (\*) As at 31 December 2022 and 31 December 2021, the Company could not determined the fair value of these investments in subsidiaries and investments in associates to disclose in the separate financial statements as these investments are not quoted in the market. The fair value of such investments may differ from their book values.
- (\*\*) 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).
- (i) As at 31 December 2022, the Company has not yet contributed the capital in these subsidiaries and associates. These companies's operations are mainly supported by the Company.
- (ii) As at 31 December 2022, the Company has not yet contributed the capital in this subsidiary and this company has not been put into operation yet.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

|  | 2022<br>VND              | 2021<br>VND              |
|--|--------------------------|--------------------------|
| <b>Third parties</b>                             |                          |                          |
| Zhejiang Lixi International Travel Co., Ltd. (*) | 1,032,679,300,000        | 1,003,427,440,000        |
| Hangzhou BaoLi Co., Ltd. (*)                     | 267,277,192,695          | 541,741,115,480          |
| Others   | 315,289,120,577          | 195,189,335,299          |
|  | <u>1,615,245,613,272</u> | <u>1,740,357,890,779</u> |
| <b>Related parties (Note 38(b))</b>              | 7,444,662,169,576        | 5,056,383,659,182        |
|  | <u>9,059,907,782,848</u> | <u>6,796,741,549,961</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 Company and these customers, the Board of Management assessed that the outstanding receivables are collectible when the aviation market recovers entirely.



**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

|                                     | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>    |
|-------------------------------------|--------------------------|------------------------|
| <b>Third parties</b>                |                          |                        |
| Rockwell Collins                    | 26,388,709,000           | 22,336,477,282         |
| Thales Solutions Asia Pte. Ltd.     | -                        | 12,294,328,523         |
| Others                              | 248,857,876,583          | 65,103,820,687         |
|                                     | <u>275,246,585,583</u>   | <u>99,734,626,492</u>  |
| <b>Related parties (Note 38(b))</b> | 1,351,166,515,826        | 392,344,113            |
|                                     | <u>1,626,413,101,409</u> | <u>100,126,970,605</u> |

**7 SHORT-TERM LENDING**

| <b>Borrower</b>                                      | <b>Currency</b> | <b>Annual<br/>interest<br/>rate</b> | <b>Year<br/>of<br/>maturity</b> | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>    |
|--|-----------------|-------------------------------------|---------------------------------|------------------------|------------------------|
| Truong Son Plaza Joint<br>Stock Company (Note 38(b)) | VND             | 9%                                  | 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.

**8 OTHER RECEIVABLES****(a) Short-term**

|  | <b>2022</b>               |                          | <b>2021</b>               |                          |
|--|---------------------------|--------------------------|---------------------------|--------------------------|
|  | <b>Book value<br/>VND</b> | <b>Provision<br/>VND</b> | <b>Book value<br/>VND</b> | <b>Provision<br/>VND</b> |
| <b>Third parties</b>   |                           |                          |                           |                          |
| Maintenance reserves of leased aircraft                        | 1,485,171,706,801         | -                        | 1,824,881,774,817         | -                        |
| Deposits for aircraft purchases within next 12 months (i)      | 1,807,805,631,328         | -                        | 1,585,033,816,020         | -                        |
| Receivables from share transfer (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   | 762,264,157,386           | -                        | 752,227,858,264           | -                        |
|  | <u>6,157,466,505,536</u>  | <u>-</u>                 | <u>5,415,820,910,031</u>  | <u>-</u>                 |
| <b>Related parties (Note 38(b))</b>                            | <u>9,041,164,692,981</u>  | <u>-</u>                 | <u>5,484,166,237,288</u>  | <u>-</u>                 |
|  | <u>15,198,631,198,517</u> | <u>-</u>                 | <u>10,899,987,147,319</u> | <u>-</u>                 |

- (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 Company 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 agreement, the transfer amount will be settled in 30 months (Note 29). As at the approval date of these separate financial statements, the amount of VND777 billion had been collected with respect to the shares transfer.

**8 OTHER RECEIVABLES (continued)****(b) Long-term**

|   | <b>2022</b>               |                          | <b>2021</b>               |                          |
|---|---------------------------|--------------------------|---------------------------|--------------------------|
|   | <b>Book value<br/>VND</b> | <b>Provision<br/>VND</b> | <b>Book value<br/>VND</b> | <b>Provision<br/>VND</b> |
| <b>Third parties</b>  |                           |                          |                           |                          |
| Maintenance reserves of<br>leased aircraft (iv)                 | 9,261,664,412,149         | -                        | 7,095,851,249,114         | -                        |
| Deposit for aircraft<br>purchases after next 12<br>months (iii) | 3,248,651,248,296         | -                        | 5,149,203,195,069         | -                        |
| Deposit for aircraft leases                                     | 1,385,265,877,334         | -                        | 1,272,927,219,320         | -                        |
| Received from shares<br>transferred (ii)                        | 666,000,000,000           | -                        | -                         | -                        |
| Deposit for ground<br>handling services                         | 149,392,198,866           | -                        | 124,722,383,225           | -                        |
| Others  | 93,454,296,708            | -                        | 34,966,454,979            | -                        |
|   | <u>14,804,428,033,353</u> | <u>-</u>                 | <u>13,677,670,501,707</u> | <u>-</u>                 |
| <b>Related parties<br/>(Note 38(b))</b>                         | 567,128,239,684           | -                        | 2,419,946,988,043         | -                        |
|   | <u>15,371,556,273,037</u> | <u>-</u>                 | <u>16,097,617,489,750</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**

|                    | <b>2022</b>            |                          | <b>2021</b>            |                          |
|--------------------|------------------------|--------------------------|------------------------|--------------------------|
|                    | <b>Cost<br/>VND</b>    | <b>Provision<br/>VND</b> | <b>Cost<br/>VND</b>    | <b>Provision<br/>VND</b> |
| 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>                 |



**10 PREPAID EXPENSES****(a) Short-term**

|                      | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>   |
|----------------------|------------------------|-----------------------|
| Tools and supplies   | 118,760,173,915        | 2,885,682,222         |
| Software license fee | 14,213,790,811         | 4,788,606,405         |
| Others               | 30,964,302,563         | 8,632,225,645         |
|                      | <u>163,938,267,289</u> | <u>16,306,514,272</u> |

**(b) Long-term**

|  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>      |
|--|--------------------------|--------------------------|
| 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   | 266,882,921,837          | 182,277,326,033          |
| Others                                 | 241,723,764,157          | 30,413,797,029           |
|  | <u>6,635,875,340,125</u> | <u>6,085,219,961,667</u> |

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09 – DN

10 PREPAID EXPENSES (continued)

(b) Long-term (continued)

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

|  | Maintenance costs<br>VND | Costs to make good<br>on leased assets<br>VND | Major inspection and<br>overhaul expenses<br>VND | Rotable parts, tools<br>and instruments<br>VND | Others<br>VND    | Total<br>VND        |
|--|--------------------------|---|--|--|------------------|---------------------|
| As at 31 December 2021                               | 5,065,554,996,522        | 632,155,195,498                               | 174,818,646,585                                  | 182,277,326,033                                | 30,413,797,029   | 6,085,219,961,667   |
| Increase   | 692,655,542,194          | 77,371,593,378                                | 557,885,544,084                                  | 70,345,901,783                                 | 16,168,728,218   | 1,414,427,309,657   |
| Transfers from inventory                             | -                        | -   | -  | 242,667,349,245                                | -                | 242,667,349,245     |
| Transfers from construction<br>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)                                | (228,407,655,224)                              | (30,244,457,902) | (1,242,173,143,090) |
| 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                                  | 266,882,921,837                                | 241,723,764,157  | 6,635,875,340,125   |

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09 – DN

11 FIXED ASSETS

(a) Tangible fixed assets

|                                 | Aircraft and<br>aircraft engines<br>VND | Buildings and<br>structures<br>VND | Machinery and<br>equipment<br>VND | Motor vehicles<br>VND | Office<br>equipment<br>VND | Total<br>VND      |
|---------------------------------|---|------------------------------------|-----------------------------------|-----------------------|----------------------------|-------------------|
| <b>Historical cost</b>          |   |                                    |                                   |                       |                            |                   |
| As at 1 January 2022            | 896,813,994,227                         | 387,463,400,057                    | 101,519,334,255                   | 70,323,378,062        | 53,667,534,387             | 1,509,787,640,988 |
| New purchases                   | 4,559,748,057,333                       | 21,090,214,441                     | 14,711,160,547                    | 7,679,346,300         | 4,378,260,786              | 4,607,607,039,407 |
| Disposal                        | -                                       | -                                  | -                                 | (5,733,188,568)       | (62,500,000)               | (5,795,688,568)   |
| 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                   | 71,772,397,783        | 55,422,102,658             | 6,111,598,991,827 |
| <b>Accumulated depreciation</b> |   |                                    |                                   |                       |                            |                   |
| As at 1 January 2022            | 249,823,689,576                         | 18,172,790,992                     | 42,437,409,523                    | 27,189,790,354        | 22,680,821,774             | 360,304,502,219   |
| Charge for the year             | 44,632,670,799                          | 8,215,990,955                      | 12,508,997,259                    | 7,492,094,067         | 4,131,278,859              | 76,981,031,939    |
| Disposal                        | -                                       | -                                  | -                                 | (5,662,812,146)       | (62,500,000)               | (5,725,312,146)   |
| 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                    | 28,404,693,799        | 31,285,003,512             | 431,560,222,012   |
| <b>Net book value</b>           |   |                                    |                                   |                       |                            |                   |
| As at 1 January 2022            | 646,990,304,651                         | 369,290,609,065                    | 59,081,924,732                    | 43,133,587,708        | 30,986,712,613             | 1,149,483,138,769 |
| As at 31 December 2022          | 5,162,105,691,185                       | 382,512,215,884                    | 67,916,059,616                    | 43,367,703,984        | 24,137,099,146             | 5,680,038,769,815 |



**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 Company (Note 19(b)(iii)).

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2022 was VND55 billion (as at 31 December 2021: VND53 billion).

**(b) Intangible fixed assets****Software  
VND****Historical cost**

|                      |                |
|----------------------|----------------|
| As at 1 January 2022 | 30,845,669,020 |
| New purchases        | 16,209,639,413 |

|                        |                |
|------------------------|----------------|
| As at 31 December 2022 | 47,055,308,433 |
|------------------------|----------------|

**Accumulated amortisation**

|                      |                |
|----------------------|----------------|
| As at 1 January 2022 | 29,779,258,926 |
| Charge for the year  | 1,144,641,118  |

|                        |                |
|------------------------|----------------|
| As at 31 December 2022 | 30,923,900,044 |
|------------------------|----------------|

**Net book value**

|                      |               |
|----------------------|---------------|
| As at 1 January 2022 | 1,066,410,094 |
|----------------------|---------------|

|                        |                |
|------------------------|----------------|
| As at 31 December 2022 | 16,131,408,389 |
|------------------------|----------------|

The historical cost of intangible fixed assets that were fully amortised but still in use as at 31 December 2022 was VND30 billion (as at 31 December 2021: VND27 billion).

**12 CONSTRUCTION IN PROGRESS**

Details of construction in progress by projects are as follows:

|   | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>    |
|---|------------------------|------------------------|
| Purchase costs of aircraft and aircraft engines | 112,225,001,569        | 123,229,560,504        |
| Major inspection and overhaul expenses          | 72,883,904,312         | -                      |
| Others  | 20,064,554,267         | 230,602,978,248        |
|   | <u>205,173,460,148</u> | <u>353,832,538,752</u> |

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

|   | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>    |
|---|------------------------|------------------------|
| Beginning of year                       | 353,832,538,752        | 693,772,535,906        |
| New purchases                           | 76,726,618,208         | 171,457,329,639        |
| Transfers to long-term prepaid expenses | (225,385,696,812)      | -                      |
| Transfers to tangible fixed assets      | -                      | (387,463,400,057)      |
| Other movements                         | -                      | (123,933,926,736)      |
| End of year                             | <u>205,173,460,148</u> | <u>353,832,538,752</u> |

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09 – DN

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

|  | 2022              |                              | 2021              |                              |
|--|-------------------|------------------------------|-------------------|------------------------------|
|  | Value<br>VND      | Able-to-pay<br>amount<br>VND | Value<br>VND      | Able-to-pay<br>amount<br>VND |
| <b>Third parties</b>                         |                   |                              |                   |                              |
| Petrolimex Aviation Fuel Joint Stock Company | 2,496,227,675,244 | 2,496,227,675,244            | 665,792,259,190   | 665,792,259,190              |
| Airports Corporation of Vietnam              | 1,520,378,879,754 | 1,520,378,879,754            | 737,485,155,668   | 737,485,155,668              |
| CFM International SA                         | 145,046,296,908   | 145,046,296,908              | 360,094,721,342   | 360,094,721,342              |
| Others                                       | 4,431,769,740,633 | 4,431,769,740,633            | 1,248,303,728,218 | 1,248,303,728,218            |
|  | 8,593,422,592,539 | 8,593,422,592,539            | 3,011,675,864,418 | 3,011,675,864,418            |
| <b>Related parties (Note 38(b))</b>          |                   |                              |                   |                              |
|  | 1,257,373,550,279 | 1,257,373,550,279            | 213,949,793,239   | 213,949,793,239              |
|  | 9,850,796,142,818 | 9,850,796,142,818            | 3,225,625,657,657 | 3,225,625,657,657            |

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



**14 SHORT-TERM ADVANCES FROM CUSTOMERS**

|  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>    |
|--|--------------------------|------------------------|
| <b>Third parties</b>                                 |                          |                        |
| Angelica Aviation Capital Vietnam Company Limited    | 395,000,000,000          | -                      |
| Beijing China International Travel Service Co., Ltd. | 70,638,001,410           | 112,933,609,524        |
| DAEJOO Air Co., Ltd.                                 | 49,623,248,714           | 103,994,116,213        |
| Others   | 844,245,862,569          | 274,420,050,805        |
|  | <u>1,359,507,112,693</u> | <u>491,347,776,542</u> |
| <b>Related parties (Note 38(b))</b>                  | 881,291,103,387          | 101,788,529,823        |
|  | <u>2,240,798,216,080</u> | <u>593,136,306,365</u> |

**VIETJET AVIATION JOINT STOCK COMPANY**

**Form B 09 – DN**

**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<br>VND  | Receivable/payable<br>during the year<br>VND | Payment<br>during the year<br>VND | Reclassification<br>VND    | Others<br>VND           | As at 31.12.2022<br>VND |
|--------------------------|------------------------|--|-----------------------------------|----------------------------|-------------------------|-------------------------|
| <b>a) Tax receivable</b> |                        |  |                                   |                            |                         |                         |
| Deductible VAT           | 41,091,007,084         | 1,654,453,202,240                            | -                                 | (1,558,925,061,001)        | (10,750,938,169)        | 125,868,210,154         |
| Foreign contractor tax   | -                      | -  | -                                 | 25,147,363,628             | -                       | 25,147,363,628          |
|                          | <u>41,091,007,084</u>  | <u>1,654,453,202,240</u>                     | <u>-</u>                          | <u>(1,533,777,697,373)</u> | <u>(10,750,938,169)</u> | <u>151,015,573,782</u>  |
| <b>b) Tax payables</b>   |                        |  |                                   |                            |                         |                         |
| CIT                      | 138,784,864,775        | 169,141,000,000                              | (133,855,197,457)                 | -                          | (4,929,667,318)         | 169,141,000,000         |
| Personal income tax      | 45,443,343,148         | 379,597,560,929                              | (233,131,968,422)                 | -                          | -                       | 191,908,935,655         |
| VAT                      | 82,693,553,374         | 1,594,853,332,837                            | (118,621,825,210)                 | (1,558,925,061,001)        | -                       | -                       |
| Foreign contractor tax   | 21,864,440,587         | 21,590,293,681                               | (20,723,766,299)                  | 25,147,363,628             | (47,878,331,597)        | -                       |
| Other tax                | -                      | 140,038,037,376                              | (139,756,257,601)                 | -                          | -                       | 281,779,775             |
|                          | <u>288,786,201,884</u> | <u>2,305,220,224,823</u>                     | <u>(646,089,014,989)</u>          | <u>(1,533,777,697,373)</u> | <u>(52,807,998,915)</u> | <u>361,331,715,430</u>  |

**16 SHORT-TERM ACCRUED EXPENSES**

|   | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>    |
|---|------------------------|------------------------|
| 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                                  | 228,296,330,300        | 46,994,379,009         |
|   | <u>822,241,895,740</u> | <u>910,026,134,815</u> |

**17 SHORT-TERM UNEARNED REVENUE**

|   | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>    |
|---|--------------------------|------------------------|
| 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 SHORT-TERM OTHER PAYABLES**

|                                     | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>      |
|-------------------------------------|--------------------------|--------------------------|
| <b>Third party</b>                  |                          |                          |
| Purchase of shares (i)              | 960,000,000,000          | -                        |
| Airport fees and charges payables   | 884,921,481,267          | 700,704,487,828          |
| Others                              | 1,298,527,025,120        | 297,617,335,968          |
|                                     | <u>3,143,448,506,387</u> | <u>998,321,823,796</u>   |
| <b>Related parties (Note 38(b))</b> | <u>1,344,797,823,411</u> | <u>4,286,231,258,588</u> |
|                                     | <u>4,488,246,329,798</u> | <u>5,284,553,082,384</u> |

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



**VIETJET AVIATION JOINT STOCK COMPANY**

**Form B 09 – DN**

**19 BORROWINGS**

**(a) Short-term**

|  | As at 1.1.2022<br>VND    | Increase<br>VND           | Decrease<br>VND             | Reclassification       | Revaluation<br>VND      | As at 31.12.2022<br>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 38(b))    | 700,000,000,000          | 45,000,000,000            | (700,000,000,000)           | -                      | -                       | 45,000,000,000           |
|  | <u>7,320,070,386,166</u> | <u>26,780,827,382,993</u> | <u>(26,177,921,993,857)</u> | <u>712,211,246,869</u> | <u>(85,285,240,086)</u> | <u>8,549,901,782,085</u> |

**19 BORROWINGS (continued)****(a) Short-term (continued)****(i) Borrowings from banks**

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

| <b>Lenders</b>  | <b>Currency</b> | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>      |
|---|-----------------|--------------------------|--------------------------|
| <b>Secured loans</b>  |                 |                          |                          |
| Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (Note 38(b))(*) | USD             | 2,918,027,095,639        | 2,384,576,498,152        |
| <b>Unsecured loans</b>  |                 |                          |                          |
| 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 (**)   | USD             | 699,859,102,940          | 187,669,268,452          |
| Woori Bank Vietnam Limited, Ho Chi Minh City Branch                                       | VND             | 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 Company'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 3.75% per annum (for the year ended 31 December 2021: from 3.3% to 4.3% per annum) for borrowings in USD.

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

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

| <b>Lenders</b>                   | <b>Currency</b> | <b>2022<br/>VND</b>   | <b>2021<br/>VND</b>    |
|----------------------------------|-----------------|-----------------------|------------------------|
| <b>Unsecured loans</b>           |                 |                       |                        |
| 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)



**VIETJET AVIATION JOINT STOCK COMPANY**

**Form B 09 – DN**

**19 BORROWINGS (continued)**

**(b) Long-term**

|                             | As at 1.1.2022<br>VND    | Increase<br>VND          | Reclassification<br>VND  | Revaluation<br>VND   | As at 31.12.2022<br>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        |
|                             | <u>8,140,241,446,768</u> | <u>2,876,910,000,000</u> | <u>(712,211,246,869)</u> | <u>4,805,647,209</u> | <u>10,309,745,847,108</u> |

**(iii) Borrowings from banks**

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

| Lenders  | Currency | Maturity      | 2022  |                        | 2021  |                        |
|--|----------|---------------|---|------------------------|---|------------------------|
|  |          |               | Current portion<br>of long-term<br>borrowings | Long-term<br>VND       | Current portion<br>of long-term<br>borrowings | Long-term<br>VND       |
| Military Commercial Joint Stock Bank (*)                           | USD      | June 2028     | 68,298,400,000                                | 309,745,847,108        | 66,330,480,000                                | 367,151,446,768        |
| Woori Bank - Singapore Branch                                      | USD      | December 2022 | -   | -                      | 375,054,537,120                               | -                      |
| Industrial and Commercial Bank of China Limited - Hong Kong Branch | USD      | December 2022 | -   | -                      | 375,054,537,120                               | -                      |
| KEB Hana Bank - Hong Kong Branch                                   | USD      | December 2022 | -   | -                      | 166,690,925,760                               | -                      |
|  |          |               | <u>68,298,400,000</u>                         | <u>309,745,847,108</u> | <u>983,130,480,000</u>                        | <u>367,151,446,768</u> |

**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 Company's tangible fixed assets with the carrying amount as follows:

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

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09 – DN

19 BORROWINGS (continued)

(b) Long-term (continued)

(iv) Straight bonds

Detailed 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.



**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 PROVISIONS FOR LIABILITIES**

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

|                                | Provision for periodic<br>maintenance costs<br>VND | Provision for cost<br>to make good on<br>leased assets<br>VND | Total<br>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<br>VND       | 2021<br>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:

|  | <b>2022<br/>VND</b>        | <b>2021<br/>VND</b>        |
|--|----------------------------|----------------------------|
| 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>   |
|  | <b>2022<br/>VND</b>        | <b>2021<br/>VND</b>        |
| 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:

|  | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>      |
|--|------------------------|--------------------------|
| Beginning of year                          | (154,517,071,443)      | (67,824,775,143)         |
| Income statement charge/(credit) (Note 34) | 558,787,619,233        | (86,692,296,300)         |
| End of year                                | <u>404,270,547,790</u> | <u>(154,517,071,443)</u> |

The Company 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:

|   | <b>2022</b>                | <b>2021</b>                |
|---|----------------------------|----------------------------|
|   | <b>VND</b>                 | <b>VND</b>                 |
| <b>Details of deferred tax assets</b>                 |                            |                            |
| Provision for maintenance costs                       | 2,573,781,289,048          | 2,220,480,314,450          |
| Tax losses carried forward                            | 892,155,495,309            | 281,890,836,012            |
| Provision for return of leased assets                 | 246,388,081,195            | 228,767,068,161            |
| Provision for diminution in the financial investments | 110,000,000,000            | 12,000,000,000             |
| Revaluation amounts denominated in foreign currencies | -                          | 63,495,168,435             |
|   | <u>3,822,324,865,552</u>   | <u>2,806,633,387,058</u>   |
| <b>Details of deferred tax liabilities</b>            |                            |                            |
| Maintenance reserves                                  | (2,208,298,416,955)        | (1,821,608,420,097)        |
| Prepaid aircraft maintenance                          | (1,004,752,218,180)        | (1,013,110,999,304)        |
| Leased return costs                                   | (121,632,784,560)          | (126,431,039,100)          |
| Revaluation amounts denominated in foreign currencies | (83,370,898,067)           | -                          |
|   | <u>(3,418,054,317,762)</u> | <u>(2,961,150,458,501)</u> |
|   | <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 Company'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 separate financial statements. The estimated amount of tax losses available for offset against the Company's future taxable profit is:

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



**23 OWNERS' CAPITAL****(a) Number of shares**

|  | <b>2022</b>            |                          | <b>2021</b>            |                          |
|--|------------------------|--------------------------|------------------------|--------------------------|
|  | <b>Ordinary shares</b> | <b>Preference shares</b> | <b>Ordinary shares</b> | <b>Preference shares</b> |
| 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**

|  | <b>2022</b>            |          | <b>2021</b>            |          |
|--|------------------------|----------|------------------------|----------|
|  | <b>Ordinary shares</b> | <b>%</b> | <b>Ordinary shares</b> | <b>%</b> |
| 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**

|   | <b>Number of shares</b> | <b>Ordinary shares VND</b> |
|---|-------------------------|----------------------------|
| 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 Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09 – DN

24 MOVEMENTS IN OWNERS' EQUITY

|   | Owners' capital<br>VND | Share premium<br>VND | Treasury shares<br>VND | Undistributed earnings/<br>(Accumulated losses)<br>VND | Total<br>VND        |
|---|------------------------|----------------------|------------------------|--|---------------------|
| As at 1 January 2021                              | 5,416,113,340,000      | 245,949,492,805      | (2,347,121,362,620)    | 1,711,598,805,863                                      | 5,026,540,276,048   |
| Net loss for the year                             | -                      | -                    | -                      | (7,238,162,750)  | (7,238,162,750)     |
| Appropriation to 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   |
| As at 31 December 2021                            | 5,416,113,340,000      | 247,483,117,899      | -                      | 1,323,684,523,765                                      | 6,987,280,981,664   |
| Net loss for the year                             | -                      | -                    | -                      | (2,592,599,259,545)                                    | (2,592,599,259,545) |
| As at 31 December 2022                            | 5,416,113,340,000      | 247,483,117,899      | -                      | (1,268,914,735,780)                                    | 4,394,681,722,119   |

Pursuant to the Resolution No. 02-22/VJ-DHCD-DD dated 25 May 2022, the General Meeting of Shareholders of the Company approved the share dividends to its existing shareholders at the rate of 20% on the total par value of existing shares in circulation. The General Meeting of Shareholders authorized the Board of Directors to decide the timing of issuance plan after getting the approval of the State Securities Committee.

**25 DIVIDEND PAYABLES**

|   | <b>2022<br/>VND</b>   | <b>2021<br/>VND</b>   |
|---|-----------------------|-----------------------|
| The balance as at the beginning/end of the year | <u>57,789,721,550</u> | <u>57,789,721,550</u> |

**26 OFF BALANCE SHEET ITEMS****(a) Foreign currencies**

|     | <b>2022</b>    | <b>2021</b>      |
|-----|----------------|------------------|
| USD | 9,411,017      | 6,489,725        |
| SGD | 10,239,704,671 | 1,054,978        |
| MYR | 126,283,863    | 1,135,970        |
| KRW | 409,254        | 183,813,624      |
| JPY | 43,940         | 24,653,243       |
| EUR | 1,955          | 44,425           |
| 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 | <u>279,800</u> | <u>2,864,650</u> |

**(b) Operating lease assets**

The future minimum lease receipts under non-cancellable operating leases were presented in Note 39(a)(ii).



**27 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

|   | <b>2022<br/>VND</b>       | <b>2021<br/>VND</b>      |
|---|---------------------------|--------------------------|
| Passenger and cargo transportation revenue:                                   |                           |                          |
| - Domestic passenger transportation   | 10,927,622,320,416        | 1,989,321,073,633        |
| - International passenger transportation<br>including regular charter flights | 3,850,959,121,800         | 459,811,583,737          |
| - Ancillary and cargo transportation<br>revenue                               | 12,987,533,607,422        | 4,923,384,773,547        |
|   | <u>27,766,115,049,638</u> | <u>7,372,517,430,917</u> |
| Aircraft dry leases (Note 38(a)(i))   | 1,554,608,165,764         | 1,299,734,338,747        |
| Assignment fees for purchase right option<br>(Note 38(a)(ii))                 | 2,990,947,200,000         | -                        |
| Revenue from sales of engines   | 420,189,000,000           | -                        |
| Others  | 345,493,742,273           | 392,288,243,544          |
|   | <u>33,077,353,157,675</u> | <u>9,064,540,013,208</u> |

**28 COST OF GOODS SOLD AND SERVICES RENDERED**

|   | <b>2022<br/>VND</b>       | <b>2021<br/>VND</b>       |
|---|---------------------------|---------------------------|
| Flight operation section expenses                           | 29,833,264,136,014        | 8,889,677,791,066         |
| 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   | 411,251,291,000           | -                         |
| Safety, security, quality and assurance<br>section expenses | 381,949,160,377           | 39,833,540,936            |
| Cargo expenses  | 48,470,683,792            | 42,930,020,601            |
| Others  | 580,927,249,889           | 405,255,027,510           |
|   | <u>36,509,084,802,874</u> | <u>11,149,212,614,522</u> |

**29 FINANCIAL INCOME**

|  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>      |
|--|--------------------------|--------------------------|
| Income from shares transferred (*)                     | 1,260,000,000,000        | 3,584,000,000,000        |
| Profit shared (Note 38(a)(x))                          | 845,705,000,000          | -                        |
| Realised foreign exchange gains                        | 389,381,918,700          | 152,696,267,438          |
| Interest income from deposits and lendings             | 376,859,858,296          | 255,936,815,013          |
| Net gain from foreign currency translation at year-end | 162,687,537,609          | -                        |
| Dividend income (Note 38(a)(viii))                     | 25,152,055,000           | 4,591,233,000            |
| Others   | 2,920,088,630            | 8,874,416,420            |
|  | <u>3,062,706,458,235</u> | <u>4,006,098,731,871</u> |

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

**30 FINANCIAL EXPENSES**

|  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>    |
|--|--------------------------|------------------------|
| Interest expense   | 1,383,641,245,573        | 804,782,847,259        |
| Realised foreign exchange losses   | 595,635,359,495          | 31,267,761,933         |
| Provision/(reversal of provision) for diminution in value of trading securities and long-term investment | 355,000,000,000          | (212,729,140,292)      |
| Unwinding discount of provisions   | 132,113,144,440          | (436,501,752)          |
| Net loss from foreign currency translation at year-end   | -                        | 220,705,175,268        |
| Others   | 11,175,526,280           | 4,052,008,645          |
|  | <u>2,477,565,275,788</u> | <u>847,642,151,061</u> |

**31 SELLING EXPENSES**

|                                    | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>    |
|------------------------------------|------------------------|------------------------|
| External service expenses          | 582,443,867,463        | 221,601,331,608        |
| Advertising and marketing expenses | 218,780,021,451        | 363,790,695,950        |
| Staff costs                        | 129,795,597,225        | 55,983,491,716         |
| Depreciation and amortisation      | 336,808,758            | 223,610,695            |
| Others                             | 42,998,368,646         | 22,693,444,396         |
|                                    | <u>974,354,663,543</u> | <u>664,292,574,365</u> |

**32 GENERAL AND ADMINISTRATION EXPENSES**

|                               | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>    |
|-------------------------------|------------------------|------------------------|
| Staff costs                   | 234,812,126,800        | 132,880,295,631        |
| External service expenses     | 195,164,425,629        | 113,603,234,296        |
| Depreciation and amortisation | 4,164,969,862          | 4,634,896,744          |
| Others                        | 72,801,612,508         | 88,011,519,414         |
|                               | <u>506,943,134,799</u> | <u>339,129,946,085</u> |

**33 OTHER INCOME AND OTHER EXPENSES**

|  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>  |
|--|--------------------------|----------------------|
| <b>Other income</b>  |                          |                      |
| Income from the increase of purchase considerations (Note 38(a)(x))(*) | 1,280,000,000,000        | -                    |
| Compensation income (**)   | 131,617,408,000          | -                    |
| Others   | 11,044,557,892           | 9,420,716,960        |
|  | <u>1,422,661,965,892</u> | <u>9,420,716,960</u> |
| <b>Other expenses</b>  |                          |                      |
| Adjustments of purchase discounts receivable                           | (39,144,000,000)         | -                    |
| Penalty  | (35,831,279,413)         | -                    |
| Others   | (2,044,304,163)          | (328,042,456)        |
|  | <u>(77,019,583,576)</u>  | <u>(328,042,456)</u> |
| <b>Net other income</b>  | <u>1,345,642,382,316</u> | <u>9,092,674,504</u> |

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

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



**34 CORPORATE INCOME TAX**

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

|  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>   |
|--|--------------------------|-----------------------|
| Net accounting (loss)/profit before tax  | (2,982,245,878,778)      | 79,454,133,550        |
| Tax calculated at a rate of 20%          | (596,449,175,756)        | 15,890,826,710        |
| Effect of:                               |                          |                       |
| Expenses not deductible for tax purposes | 211,832,967,523          | 71,719,716,190        |
| Income not subject to tax                | (5,030,411,000)          | (918,246,600)         |
| CIT (credit)/charge (*)                  | <u>(389,646,619,233)</u> | <u>86,692,296,300</u> |
| Charged/(credited) to income statement:  |                          |                       |
| CIT – current                            | 169,141,000,000          | -                     |
| CIT – deferred (Note 22)                 | (558,787,619,233)        | 86,692,296,300        |
|  | <u>(389,646,619,233)</u> | <u>86,692,296,300</u> |

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

**35 COSTS OF OPERATION BY FACTOR**

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

|                                     | <b>2022<br/>VND</b>       | <b>2021<br/>VND</b>       |
|-------------------------------------|---------------------------|---------------------------|
| 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                         | 3,702,289,258,456         | 1,578,304,136,579         |
| Depreciation and amortisation       | 78,125,673,057            | 91,115,455,446            |
| External service and other expenses | 8,610,319,095,280         | 3,306,355,043,337         |
|                                     | <u>37,579,131,310,216</u> | <u>12,152,635,134,972</u> |

**36 SEGMENT REPORTING**

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

**(a) Business segments**

For management purpose, the Company has one reportable business segment which is to provide passenger and cargo transportation services, ancillary services, aircraft leasing and in-flight advertising (referred to as "aviation services").

Except as indicated above, the Company 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 separate financial statements. All the Company'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 Company's revenue is presented by geographical areas (by country of destination) as follows:

|                 | <b>2022</b><br><b>VND</b> | <b>2021</b><br><b>VND</b> |
|-----------------|---------------------------|---------------------------|
| In Vietnam      | 21,725,285,765,002        | 4,862,205,073,501         |
| Outside Vietnam | 11,352,067,392,673        | 4,202,334,939,707         |
|                 | <u>33,077,353,157,675</u> | <u>9,064,540,013,208</u>  |

The Company has no other geographical segments, except for revenue because the Board of Management of the Company determines that the 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.

**37 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE SEPARATE CASH FLOW STATEMENT**

**Non-cash transactions affecting the separate cash flow statement**

|   | Year ended 31 December |             |
|---|------------------------|-------------|
|   | 2022<br>VND            | 2021<br>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      | -           |
| Net-off receivables from profit sharing with other short-term payables                        | 845,705,000,000        | -           |
| Purchase fixed assets which not paid  | 371,689,630,160        | -           |



**38 RELATED PARTY DISCLOSURES**

Detailed of subsidiaries and associates are presented in Note 4.

During the year, the Company had transactions and balances with the following related parties:

| <b>Related parties</b>   | <b>Relationship</b> |
|--|---------------------|
| Sovico Holdings Company  | Major shareholder   |
| Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank)  | Major shareholder   |
| Vietjet Air IVB No. I Limited  | Subsidiary          |
| Vietjet Air IVB No. II Limited   | Subsidiary          |
| Vietjet Air Ireland No. I Limited  | Subsidiary          |
| Vietjet Air Singapore Pte. Ltd.  | Subsidiary          |
| Vietjet Air Cargo Joint Stock Company  | Subsidiary          |
| Galaxy Pay Company Limited   | Subsidiary          |
| Swift 247 Joint Stock Company  | Subsidiary          |
| Skymate Limited  | Subsidiary          |
| VietJet Ground Services Limited Liability Company  | Subsidiary          |
| Thai Vietjet Air Joint Stock Co., Ltd.   | Associate           |
| Cam Ranh International Terminal Joint Stock Company  | Associate           |
| Truong Son Plaza Joint Stock Company   | Other related party |
| Sai Gon Ground Services 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 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 Limited Company   | Other related party |
| HD Saison Finance Co., Ltd   | Other related party |
| HD Insurance Company Limited   | Other related party |
| Galaxy One Company Limited   | Other related party |
| Doctor Aibolit Company Limited   | Other related party |
| Key management personnel including the Board of Directors, the Board of Management, Senior Management and Audit Committee of the Group | Key management      |

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

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

|  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>      |
|--|--------------------------|--------------------------|
| <b>i) Revenue from aircraft dry leases</b>           |                          |                          |
| Subsidiary   | 1,134,809,718,632        | 951,746,616,647          |
| Associate  | 56,865,797,820           | 55,736,132,400           |
| Other related party                                  | 362,932,649,312          | 292,251,589,700          |
|  | <u>1,554,608,165,764</u> | <u>1,299,734,338,747</u> |
| <b>ii) Assignment fees for purchase right option</b> |                          |                          |
| Subsidiary   | <u>2,990,947,200,000</u> | <u>-</u>                 |
| <b>iii) Cargo activity</b>                           |                          |                          |
| Subsidiary:  |                          |                          |
| - Revenue  | 705,717,394,187          | 1,292,831,826,497        |
| - Commission expenses                                | <u>72,578,384,607</u>    | <u>84,507,618,039</u>    |
| <b>iv) Revenue from charter cargo</b>                |                          |                          |
| Subsidiary   | <u>1,436,581,057,839</u> | <u>1,554,232,484,000</u> |
| <b>v) Other revenues</b>                             |                          |                          |
| Associate  | 234,989,073,794          | 55,430,218,259           |
| Other related party                                  | <u>100,944,361,112</u>   | <u>300,029,748,989</u>   |
|  | <u>335,933,434,906</u>   | <u>355,459,967,248</u>   |
| <b>vi) Aircraft operating lease expenses</b>         |                          |                          |
| Other related party                                  | <u>1,373,646,527,394</u> | <u>882,616,623,347</u>   |

## 38 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

|   | 2022<br>VND              | 2021<br>VND                |
|---|--------------------------|----------------------------|
| <b>vii) Purchase of services</b>                                    |                          |                            |
| HDBank  | 886,816,194              | -                          |
| Major shareholder   | 10,133,843,913           | 8,378,243,913              |
| Other related parties   | 558,297,227,441          | 224,817,645,938            |
|   | <u>569,317,887,548</u>   | <u>233,195,889,851</u>     |
| <b>viii) (Receipts) and payment on behalf, net cashflows</b>        |                          |                            |
| Subsidiary  | 499,244,860,682          | 211,974,586,230            |
| Associate   | 182,782,243,309          | 396,681,892,333            |
|   | <u></u>                  | <u></u>                    |
| <b>ix) Financing activities</b>                                     |                          |                            |
| <b><i>Interest income</i></b>                                       |                          |                            |
| HDBank  | 12,025,726,026           | 16,476,182,630             |
| Associate   | 231,861,202,013          | 190,410,491,676            |
| Other related party   | 59,292,000,000           | 18,914,506,849             |
|   | <u>303,178,928,039</u>   | <u>225,801,181,155</u>     |
| <b><i>Interest expense</i></b>                                      |                          |                            |
| HDBank  | 105,638,061,951          | 68,494,378,852             |
| Other related parties   | 25,859,589,042           | 156,855,342,466            |
|   | <u>131,497,650,993</u>   | <u>225,349,721,318</u>     |
| <b><i>Proceeds from borrowings</i></b>                              |                          |                            |
| 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>   |
| <b><i>Repayment borrowings</i></b>                                  |                          |                            |
| 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>   |
| <b><i>Term deposits and certificate of deposits with HDBank</i></b> |                          |                            |
| Term deposits   | 2,175,004,077,000        | 4,060,000,000,000          |
| Collection of term deposits   | (2,325,004,077,000)      | (5,135,000,000,000)        |
|   | <u>(150,000,000,000)</u> | <u>(1,075,000,000,000)</u> |



## 38 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

|  | 2022<br>VND       | 2021<br>VND       |
|--|-------------------|-------------------|
| <b>x) Investment activities</b>  |                   |                   |
| <b><i>Sales of the commercial and operational rights to other related party</i></b>              |                   |                   |
| Income from increase of transfer of the commercial right price                                   | 1,280,000,000,000 | -                 |
| Payments received  | -                 | 290,000,000,000   |
|  |                   |                   |
| <b><i>Disposal of right and obligation of a real estate project to other related parties</i></b> |                   |                   |
| Interest income  | -                 | 770,506,849       |
| Payments received  | -                 | 656,700,000,000   |
|  |                   |                   |
| <b><i>Transfers of shares with other related parties</i></b>                                     |                   |                   |
| Income from transfers of shares  | -                 | 5,184,000,000,000 |
| Cash consideration received  | -                 | 1,598,289,600,000 |
|  |                   |                   |
| <b><i>Investment in projects with other related parties</i></b>                                  |                   |                   |
| Deposit received   | -                 | 1,200,000,000,000 |
| Deposit granted  | -                 | 1,990,000,000,000 |
| Interest expense   | -                 | 46,772,465,754    |
|  |                   |                   |
| <b><i>Lending</i></b>  |                   |                   |
| Board of Management  | 25,000,000,000    | -                 |
| Board of Directors   | 25,000,000,000    | -                 |
| Other related party  | -                 | 657,000,000,000   |
|  | 50,000,000,000    | 657,000,000,000   |
|  |                   |                   |
| <b><i>Purchase of aircraft and engines</i></b>   |                   |                   |
| Subsidiary   | 1,526,823,291,000 | -                 |
| Other related party  | 2,124,000,000,000 | -                 |
|  | 3,650,823,291,000 | -                 |
|  |                   |                   |
| <b><i>Capital contribution</i></b>   |                   |                   |
| Subsidiary   | -                 | 22,500,000,000    |
|  |                   |                   |
| <b><i>Dividend income</i></b>  |                   |                   |
| Other related parties  | 7,652,055,000     | 4,591,233,000     |

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

|   | <b>2022<br/>VND</b>   | <b>2021<br/>VND</b>   |
|---|-----------------------|-----------------------|
| <b>x) Investment activities (continued)</b> |                       |                       |
| <i>Profit transfer (Note 29)</i>            |                       |                       |
| Subsidiary                                  | 845,705,000,000       | -                     |
| <b>xi) Net salary and other benefits</b>    |                       |                       |
| Board of Directors                          | 9,345,555,420         | 7,459,821,964         |
| Board of Management and Senior Management   | 17,189,738,630        | 10,453,094,607        |
|   | <u>26,535,294,050</u> | <u>17,912,916,571</u> |

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

|  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>      |
|--|--------------------------|--------------------------|
| <b>Cash and cash equivalents (Note 3)</b>            |                          |                          |
| HDBank   | 468,437,381,499          | 792,085,060,420          |
| <b>Short-term trade accounts receivable (Note 5)</b> |                          |                          |
| HDBank   | 380,000,000              | -                        |
| Subsidiaries (i)                                     | 6,660,971,000,425        | 4,438,807,528,932        |
| Associate  | 56,971,235,200           | -                        |
| Other related parties (ii)                           | 726,339,933,951          | 617,576,130,250          |
|  | <u>7,444,662,169,576</u> | <u>5,056,383,659,182</u> |

(i) Receivables from aircraft dry leases and charter cargo.

(ii) The receivable balance mainly includes receivables from aircraft dry leases.

**Short-term prepayments to suppliers (Note 6)**

|                            |                          |                    |
|----------------------------|--------------------------|--------------------|
| Subsidiary (iii)           | 682,023,185,205          | -                  |
| Other related parties (iv) | 669,143,330,621          | 392,344,113        |
|                            | <u>1,351,166,515,826</u> | <u>392,344,113</u> |

(iii) The prepayment balance mainly includes prepayment for engine purchase.

(iii) The prepayment balance mainly includes prepayment for engine leases.

**38 RELATED PARTY DISCLOSURES (continued)****(b) Year-end balances with related parties (continued)**

|   | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>      |
|---|--------------------------|--------------------------|
| <b>Short-term lendings (Note 7)</b>             |                          |                          |
| Other related party                             | 657,000,000,000          | 657,000,000,000          |
|   | <u>657,000,000,000</u>   | <u>657,000,000,000</u>   |
| <b>Long-term lendings</b>                       |                          |                          |
| Board of Management                             | 25,000,000,000           | -                        |
| Board of Director                               | 25,000,000,000           | -                        |
|   | <u>50,000,000,000</u>    | <u>-</u>                 |
|   | <u>50,000,000,000</u>    | <u>-</u>                 |
| <b>Other short-term receivables (Note 8(a))</b> |                          |                          |
| Major shareholder                               | 1,042,580,000            | -                        |
| Subsidiaries                                    | 32,136,598,858           | 27,472,128,649           |
| Associate (v)                                   | 2,401,786,316,534        | 1,840,698,245,048        |
| Other related parties (vi)                      | 6,606,199,197,589        | 3,615,995,863,591        |
|   | <u>9,041,164,692,981</u> | <u>5,484,166,237,288</u> |
|   | <u>9,041,164,692,981</u> | <u>5,484,166,237,288</u> |

(v) 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).

(vi) 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 separate financial statements, the Company collected VND959 billion from the sales of the commercial and operational rights of the Vietjet Plaza Building.



**38 RELATED PARTY DISCLOSURES (continued)****(b) Year-end balances with related parties (continued)**

|  | <b>2022</b><br><b>VND</b> | <b>2021</b><br><b>VND</b> |
|--|---------------------------|---------------------------|
| <b>Other long-term receivables (Note 8(b))</b> |                           |                           |
| Associate                                      | 15,145,000,000            | 468,344,946,987           |
| Other related parties (vii)                    | 551,983,239,684           | 1,951,602,041,056         |
|  | <u>567,128,239,684</u>    | <u>2,419,946,988,043</u>  |

(vii) 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            |
| Other major shareholder      | 25,321,939,928           | 24,859,785,367         |
| Subsidiary                   | 175,459,491,143          | 136,908,540            |
| Associate                    | 3,930,367,483            | 2,335,782,331          |
| Other related parties (viii) | 1,052,103,031,167        | 185,884,019,033        |
|                              | <u>1,257,373,550,279</u> | <u>213,949,793,239</u> |

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

**Short-term advances from customers (Note 14)**

|                       |                        |                        |
|-----------------------|------------------------|------------------------|
| HDBank                | 6,662,900              | 448,777,861            |
| Subsidiaries (ix)     | 855,234,650,099        | 90,725,082,784         |
| Associate             | 8,649,099,558          | 8,649,099,558          |
| Other related parties | 17,400,690,830         | 1,965,569,620          |
|                       | <u>881,291,103,387</u> | <u>101,788,529,823</u> |

(ix) The advance from customers balance mainly includes advance for purchases of engines and cargo transportation.

**Short-term accrued expenses**

|                       |                      |                        |
|-----------------------|----------------------|------------------------|
| HDBank                | 2,997,476,038        | 1,712,695,006          |
| Subsidiary            | -                    | 16,606,453,535         |
| Other related parties | 1,350,000,000        | 92,708,021,157         |
|                       | <u>4,347,476,038</u> | <u>111,027,169,698</u> |

**38 RELATED PARTY DISCLOSURES (continued)****(b) Year-end balances with related parties (continued)**

|  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>      |
|--|--------------------------|--------------------------|
| <b>Other short-term payables (Note 18)</b> |                          |                          |
| Major shareholders                         | 72,720,004,160           | 69,869,108,860           |
| Subsidiaries (x)                           | 1,104,931,108,626        | 4,196,805,985,344        |
| Other related parties (xi)                 | 167,146,710,625          | 19,556,164,384           |
|  | <u>1,344,797,823,411</u> | <u>4,286,231,258,588</u> |

(x) The payable balance mainly includes receipt on behalf.

(xi) The payable balance mainly includes interest expenses and deposit for contract fulfillments.

**Other long-term payable**

|            |                      |                      |
|------------|----------------------|----------------------|
| Subsidiary | <u>5,450,000,000</u> | <u>5,450,000,000</u> |
|------------|----------------------|----------------------|

**Short-term borrowings (Note 19(a))**

|                     |                          |                          |
|---------------------|--------------------------|--------------------------|
| HDBank              | 2,918,027,095,639        | 2,384,576,498,152        |
| Other related party | 45,000,000,000           | 700,000,000,000          |
|                     | <u>2,963,027,095,639</u> | <u>3,084,576,498,152</u> |

**39 PRINCIPLE AGREEMENTS****(a) Commitments under operating leases****(i) The Company as a lessee**

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

|                            | <b>2022<br/>VND</b>       | <b>2021<br/>VND</b>       |
|----------------------------|---------------------------|---------------------------|
| 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> |

**39 PRINCIPLE AGREEMENTS (continued)****(a) Commitments under operating leases (continued)****(ii) The Company as a lessor**

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

|                            | <b>2022</b><br><b>VND</b> | <b>2021</b><br><b>VND</b> |
|----------------------------|---------------------------|---------------------------|
| 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>  |

**(b) Other commitments**


The Company signed a principle agreement and related amendments with Airbus S.A.S to purchase 186 aircraft. As at 31 December 2022, the Company has received 72 of the aircraft, with the remaining aircraft being scheduled to be delivered to the Company up to 2028. To power these aircraft, the Company 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 Company and Airbus S.A.S, the Company'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 Company'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 Company also signed a principle agreement and related amendments with Boeing Company to purchase aircraft. As at 31 December 2022, the Company 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 Company's long-term development strategy.

The separate 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