

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

Consolidated Financial Statements
Quarter III 2021

VietJet Aviation Joint Stock Company and its subsidiaries

Corporate Information

Business Registration Certificate No.	0103018458	23 July 2007
Enterprise Registration Certificate No.	0102325399	19 April 2011
	The Company's Business Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0102325399 dated 08 October 2020. The Business Registration Certificate, the Enterprise Registration Certificate and updates were issued by Hanoi Department of Planning and Investment.	
Investment Registration Certificate No.	2357762445	30 December 2016
	The Investment Registration Certificate was issued by the Board of Management of Saigon Hi-Tech Park and is valid for 50 years from the date of the Investment Registration Certificate.	
Board of Management	Nguyen Thanh Ha Nguyen Thi Phuong Thao Nguyen Thanh Hung Chu Viet Cuong Luu Duc Khanh Dinh Viet Phuong Donal Joshep Boylan	Chairwoman Vice Chairwoman Vice Chairman Member Member Member Member
Board of Directors	Nguyen Thi Phuong Thao Dinh Viet Phuong Ho Ngoc Yen Phuong - Chief Financial Officer To Viet Thang Luong The Phuc Nguyen Duc Thinh Nguyen Thanh Son Nguyen Thi Thuy Binh Tran Hoai Nam Do Xuan Quang	Chief Executive Officer Permanent Vice President - Managing Director Vice President Vice President Vice President Vice President Vice President Vice President Vice President
Audit Committee	Established on October 1, 2021 by Decision No 24-21/QD-VJC- BOD as follows:	
	Donal Boylan Luu Duc Khanh Nguyen Thanh Hung	Chairman Member Member
Registered Office	302/3 Kim Ma Street Ngoc Khanh Ward, Ba Dinh District Hanoi City Vietnam	

VietJet Aviation Joint Stock Company and its subsidiaries

Statement of the Board of Directors

The Board of Directors of VietJet Aviation Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (together referred to as “the Group”) for the period ended 30 September 2021.

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

In the opinion of the Board of Directors, the consolidated financial statements set out on pages 3 to 38 give a true and fair view of the consolidated financial position of the Group as at 30 September 2021, and of the consolidated results of operations and the consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

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

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

On behalf of the Board of Directors

(Signed)

Nguyen Thi Phuong Thao
Chief Executive Officer

Ho Chi Minh City, 10 December 2021

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 Sep 2021

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

	Code	Note	30/09/2021 VND	01/01/2021 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		26,132,963,139,252	25,382,768,751,524
Cash and cash equivalents	110	5	1,638,909,844,223	2,926,425,627,363
Cash	111		553,941,192,946	1,240,956,976,086
Cash equivalents	112		1,084,968,651,277	1,685,468,651,277
Short-term financial investments	120	6(a)	714,310,000,000	604,000,000,000
Trading securities	121		990,000,000,000	990,000,000,000
Allowance for diminution in the value of trading securities	122		(280,000,000,000)	(390,000,000,000)
Held-to-maturity investments	123		4,310,000,000	4,000,000,000
Accounts receivable – short-term	130		22,884,713,767,985	20,896,413,814,943
Accounts receivable from customers	131		9,901,555,708,319	8,595,121,205,429
Prepayments to suppliers	132	7	642,408,653,853	163,063,451,513
Other short-term receivables	136	8(a)	12,340,749,405,813	12,138,229,158,001
Inventories	140	9	806,392,035,193	712,093,262,127
Other current assets	150		88,637,491,851	243,836,047,091
Short-term prepaid expenses	151	13(a)	69,033,435,304	212,806,066,718
Deductible value added tax	152	15(b)	5,721,854,377	2,665,999,116
Taxes receivable from State Treasury	153	15(b)	13,882,202,170	28,363,981,257
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		24,815,715,760,749	19,814,061,480,237
Accounts receivable – long-term	210		17,069,606,968,185	12,969,528,319,817
Loans receivable	215		787,581,180,486	499,159,644,000
Other long-term receivables	216	8(b)	16,282,025,787,699	12,470,368,675,817
Fixed assets	220		801,386,907,008	850,496,391,339
Tangible fixed assets	221	10	799,933,765,095	849,424,949,655
Cost	222		1,126,525,456,000	1,123,923,896,200
Accumulated depreciation	223		(326,591,690,905)	(274,498,946,545)
Intangible fixed assets	227	11	1,453,141,913	1,071,441,684
Cost	228		32,512,501,655	30,834,110,655
Accumulated amortisation	229		(31,059,359,742)	(29,762,668,971)
Long-term work in progress	240		868,188,387,355	804,241,395,933
Construction in progress	242	12	868,188,387,355	804,241,395,933
Long-term financial investments	250	6(b)	191,687,884,108	198,244,065,926
Investments in associates	252		42,270,859,708	42,270,859,708
Equity investments in other entities	253		149,417,024,400	149,417,024,400
Held-to-maturity investments	255		-	6,556,181,818
Other long-term assets	260		5,884,845,614,093	4,991,551,307,222
Long-term prepaid expenses	261	13(b)	5,884,845,614,093	4,991,551,307,222
TOTAL ASSETS (270 = 100 + 200)	270		50,948,678,900,001	45,196,830,231,761

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

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 Sep 2021 (continued)

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

	Code	Note	30/09/2021 VND	01/01/2021 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		34,020,066,147,572	30,218,431,246,643
Current liabilities	310		17,058,375,018,255	19,833,798,568,095
Accounts payable to suppliers	311	14	3,602,549,696,017	3,421,611,923,374
Advances from customers	312		579,182,774,280	772,902,367,939
Taxes payable to State Treasury	313	15(a)	220,564,547,244	293,546,908,739
Payable to employees	314		33,097,685,608	62,911,822,426
Accrued expenses	315	16	990,435,076,172	867,910,965,757
Unearned revenue	318	17	249,107,207,310	867,654,596,914
Other short-term payables	319	18	2,423,822,053,662	1,588,286,971,646
Short-term borrowings	320	19(a)	6,822,504,030,322	10,094,815,636,734
Provisions – short-term	321	20	1,804,991,310,826	1,864,157,374,566
Bonus and welfare funds	322		332,120,636,814	-
Long-term liabilities	330		16,961,691,129,317	10,384,632,678,548
Other long-term payables	337		45,608,013,638	42,376,777,401
Long-term borrowings and bonds	338	19(b)	6,648,892,517,326	1,347,040,509,856
Deferred tax liabilities	341		125,535,356,733	67,824,775,143
Provisions – long-term	342	20	10,141,655,241,620	8,927,390,616,148
EQUITY (400 = 410)	400		16,928,612,752,429	14,978,398,985,118
Owners' equity	410	21	16,928,612,752,429	14,978,398,985,118
Share capital	411	22	5,416,113,340,000	5,416,113,340,000
Share premium	412		247,483,117,899	245,949,492,805
Treasury shares	415	22	-	(2,347,121,362,620)
Foreign exchange differences	417		(150,279,963,138)	73,551,097,850
Retained profits	421		11,402,929,923,469	11,589,250,587,139
Undistributed earnings accumulated prior year-end	421a		11,208,574,467,791	11,520,659,436,312
Undistributed earnings of this period	421b		194,355,455,678	68,591,150,827
Non-controlling interests	429		12,366,334,199	655,829,944
TOTAL RESOURCES (440 = 300 + 400)	440		50,948,678,900,001	45,196,830,231,761

10 December 2021

Prepared by:

Approved by:

(Signed)

(Signed)

(Signed)

Pham Ngoc Thoa
Chief Accountant

Ho Ngoc Yen Phuong
Vice President cum
Chief Financial Officer

Dinh Viet Phuong
Permanent Vice President -
Managing Director

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

VietJet Aviation Joint Stock Company and its subsidiaries
Statement of the Board of Directors

	Code Note		Quarter III		Nine -month period ended	
			Current year VND	Previous year VND	Current year VND	Previous year VND
Revenue from sales of goods and provision of services	1	24	2,653,835,381,018	2,809,498,694,891	10,209,869,397,457	13,779,843,497,667
Cost of sales	11	25	2,094,826,896,500	3,421,461,737,420	12,532,677,741,208	15,846,970,526,807
Gross profit (20 = 01 - 11)	20		559,008,484,518)	(611,963,042,529)	(2,322,808,343,751)	(2,067,127,029,140)
Financial income	21	26	21,340,815,527	92,530,513,337	3,797,376,260,991	928,199,096,883
Financial expenses	22	27	297,174,675,047	138,034,872,570	500,629,338,167	588,034,815,450
<i>In which: Interest expense</i>	23		<i>250,444,381,295</i>	<i>102,004,364,989</i>	<i>532,089,459,993</i>	<i>334,234,359,867</i>
Share of losses in associates	24		-	(28,098,651,250)	-	(93,410,226,250)
Selling expenses	25	28	119,122,071,087	156,727,134,736	463,798,220,999	553,943,051,161
General and administration expenses	26	29	61,033,542,042	85,566,523,866	250,476,752,039	283,378,896,008
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		103,019,011,869	(927,859,711,614)	259,663,606,035	(2,657,694,921,126)
Other income	31		98,653,197	4,600,708,831	8,817,208,045	1,782,772,944,591
Other expenses	32		46,252,191	7,737,015,167	334,014,593	7,758,069,698
Results of other activities (40 = 31 - 32)	40		52,401,006	(3,136,306,336)	8,483,193,452	1,775,014,874,893
Accounting profit before tax (50 = 30 + 40)	50		103,071,412,875	(930,996,017,950)	8,483,193,452	1,775,014,874,893
Income tax expense – current	51	30	3,598,957,825	-	16,824,908,752	18,368,316,325
Income tax expense – deferred	52	30	27,694,166,185	40,251,548,720	57,710,581,590	23,553,601,607
Net profit after tax (60 = 50 - 51 - 52)	60		71,778,288,865	(971,247,566,670)	193,611,309,145	(924,601,964,165)
Attributable to:						
Shareholders of the Company	61		72,901,557,649	(971,356,122,047)	196,981,115,498	(925,216,172,836)
Non-controlling interests	62		(1,123,268,784)	108,555,377	(3,369,806,353)	614,208,671
Earnings per share						
Basic earnings per share	70	31	137	1,962	370	(1,766)

10 December 2021

Prepared by:

Approved by:

(Signed)

Pham Ngoc Thoa
Chief Accountant

(Signed)

Ho Ngoc Yen Phuong
*Vice President cum
Chief Financial Officer*

(Signed)

Dinh Viet Phuong
*Permanent Vice President -
Managing Director*

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

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated statement of income for the quarter ended 30 Sep 2021

Form B 03 – DN/HN

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

	Code	Nine-month period ended Current year VND	Previous year VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	268,146,799,488	(882,680,046,233)
Adjustments for:			
Depreciation and amortisation	02	53,389,435,131	109,599,957,056
Allowances and provisions	03	(118,552,971,930)	34,653,327,126
Unrealised exchange (gains)/losses arising from revaluation	04	77,543,082,119	(172,017,097,335)
Gain from investment activities	05	(150,542,400,506)	(1,933,678,328,960)
Share of losses in associates	05	-	93,410,226,250
Dividend income	05	-	(4,292,104,766)
Interest expense	06	532,089,459,993	334,234,359,867
Operating profit before changes in working capital	08	662,073,404,295	(2,420,769,706,995)
Change in receivables	09	(5,076,134,078,396)	(1,145,325,010,649)
Change in inventories	10	(94,298,773,066)	68,015,870,642
Change in payables and other liabilities	11	(735,873,469,926)	(1,019,526,653,573)
Change in prepaid expenses	12	223,470,529,023	1,351,268,205,195
Interest paid	14	(361,246,356,148)	(350,638,684,110)
Income tax paid	15	-	(196,653,118,043)
Net cash flows from operating activities	20	(5,382,008,744,218)	(3,713,629,097,533)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(117,909,447,344)	(272,542,055,017)
Proceeds from disposals of fixed assets and other long-term assets	22	-	1,297,000,000,000
Payments for term deposits at banks, loans receivable and corporate bonds	23	(310,000,000)	(39,000,000,000)
Receipts from term deposits at bank, loans receivable, collection of corporate bonds	24	6,556,181,818	712,078,115,068
Receipts of interests	27	26,591,038,493	221,885,182,260
Net cash flows from investing activities	30	(85,072,227,033)	1,919,421,242,311

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

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the quarter ended 30 Sep 2021
(Indirect method – continued)

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

	Code	Nine-month period ended	
		Current year	Previous year
		VND	VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase Treasury Stock	32	2,348,654,987,714	-
Proceeds from borrowings	33	13,598,003,191,418	13,884,711,103,269
Payment for borrowings		(11,525,839,352,904)	(15,280,678,746,403)
Net cash flows from financing activities	40	4,420,818,826,228	(1,395,967,643,134)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(1,046,262,145,023)	3,190,175,498,356
Cash and cash equivalents at the beginning of the year	60	2,926,425,627,363	5,364,049,804,580
Effect of exchange rate fluctuations on cash and cash equivalents	61	(241,253,638,117)	124,901,500,249
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 5)	70	1,638,909,844,223	2,298,775,806,473

10 December 2021

Prepared by:

Approved by:

(Signed)

(Signed)

(Signed)

Pham Ngoc Thoa
Chief Accountant

Ho Ngoc Yen Phuong
Vice President cum
Chief Financial Officer

Dinh Viet Phuong
Permanent Vice President -
Managing Director

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

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 Sep 2021
Form B 09 – DN/HN

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

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

1. Reporting entity

(a) Ownership structure

VietJet Aviation Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam.

The consolidated financial statements of the Company for the nine-month period ended 30 Sep 2021 comprises the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

(b) Principal activities

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

(c) Normal operating cycle

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

(d) Group’s structure

As at 30 Sep 2021, the Group has 7 subsidiaries and 2 associates (01/01/2021: 7 subsidiaries and 2 associates) as follows:

Name	Country of incorporation	Principalactivities	Business registration certificate	% equity owned/ voting right 30/09/2021 01/01/2021	
<i>Directly Subsidiaries</i>					
Swift247 Joint Stock Company (iv)	Vietnam	To provide cargo transportation and related support services.	No. 0315524536 dated 23 Febuary 2020	67%	0%
Vietjet Air IVB No. I Limited (i)	British Virgin Islands	To trade and lease aircrafts and aircraft components.	No. 1825671 dated 27 May 2014	100%	100%
Vietjet Air IVB No. II Limited (i)	British Virgin Islands	To trade and lease aircrafts.	No. 1825613 dated 27 May 2014	100%	100%
Vietjet Air Singapore Pte. Ltd, (i)	Singapore	To trade aircrafts.	No. 201408849N dated 27 March 2014	100%	100%
Vietjet Air Ireland No.1 Limited (i)	Ireland	To trade and lease aircrafts.	No. 544879 dated 3 June 2014	100%	100%

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 Sep 2021
Form B 09 – DN/HN

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

Name	Country of incorporation	Principal activities	Business registration certificate	% equity owned/ voting right	
				30/09/2021	01/01/2021
Skymate Limited (i)	Cayman Islands	To trade aircrafts.	No. 327015 dated 15 September 2017	100%	100%
Galaxy Pay Company Limited	Vietnam	To provide e-wallet service	No.0316368255 dated 08 July 2020	100%	-
Indirectly Subsidiaries					
VietjetAir Cargo Joint Stock Company	Vietnam	To provide cargo transportation and related support services.	No. 0312759089 dated 27 August 2014	63,7%	90%
Associates					
Thai Vietjet Air Joint Stock Co., Ltd, (i) (ii) (iii)	Thailand	To provide transportation and transfer of goods and passengers and other related services.	No. 0105556100551 dated 25 June 2013	9%	9%
Cam Ranh International Terminal JSC (ii)	Vietnam	To provide support services for airline transportation.	No, 4201676638 dated 5 February 2016	10%	10%

- (i) As at 30 September 2021, the Group has not yet contributed capital in these subsidiaries and the associates. These companies' operations are mainly financed by the Company.
- (ii) The Company has significant influence over these companies because the Company has right to appoint members of the Board of Management of these companies.
- (iii) On 25 September 2018, the Company signed an agreement with Quince Investment Limited, and Asia Aero Services and Infrastructure Co.Ltd, for a purchase option to increase the ownership in Thai Vietjet Air Joint Stock Co.Ltd, to 38% by 2021. The price of transferred share is equal with par value.
- (iv) In January 2021, the Company restructured and innovated its air transport operations through the merger of VietjetAir Cargo Joint Stock Company ("VietjetAir Cargo") with Swift247 Joint Stock Company ("Swift247"). After that, Swift247 Company was additionally contributed capital by the Company and some other shareholders. After these restructuring transactions, VietjetAir Cargo Company became an indirect subsidiary of the Company.

As at 30 September 2021, the Group has 5,842 employees (01/01/2021: 5,504 employees).

2. Basis of preparation

(a) Statement of compliance

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

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 Sep 2021
(continued)

Form B 09 – DN/HN
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(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

(iii) Loss of control

When losing of control in a subsidiary, the Group stops to record the assets and liabilities of the subsidiary as well as non-controlling interests and other equity components. Any gain or loss resulting from this event is recognized in the quarterly consolidated income statement. After divestment, the remaining interest in the previous subsidiary (if any) is recognized at the carrying amount of the investment in the separate financial statements of the parent company, after adjusting for proportionately to the changes in equity since the date of acquisition if the Group retains significant influence in the investee, or stated at cost of the remaining investment if there was insignificant influence.

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 Sep 2021
(continued)

Form B 09 – DN/HN
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(iv) Associates

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

(v) Transactions eliminated on consolidation

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

(b) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in currencies other than VND are translated into VND, except for items hedged by financial instruments, at the average of the account transfer buying rates and selling rates at the end of the annual accounting period quoted by the commercial bank where the Group's entities most frequently conducts transactions.

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

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to VND at exchange rates at the end of the annual accounting period. The income and expenses of foreign operations are translated to VND at exchange rates at the dates of transactions.

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

(c) Cash and cash equivalents

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

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 Sep 2021
(continued)

Form B 09 – DN/HN
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(d) Investments

(i) Trading securities

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

(ii) Held-to-maturity investments

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

(iii) Investments in equity instruments of other entities

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

(e) Accounts receivable

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

(f) Maintenance reserves of leased aircrafts

Under the terms of its aircraft operating lease agreements, the Group is legally and contractually responsible for maintenance and repair of the leased aircrafts throughout the lease period and is also required to make maintenance reserves with the lessors. The maintenance reserves are recorded as other short-term and long-term receivables when there is no significant uncertainty regarding recovery of the reimbursement from lessors. Maintenance reserves made to lessors are typically calculated based on a performance measure, such as flight hours or cycles, and are contractually required to be reimbursed to the Group upon the completion of the required maintenance of the leased aircraft including replacement of life limited parts, engine performance restoration, airframe major structural inspection, landing gear overhaul and auxiliary power unit (APU) heavy repair. If there are excess amounts on maintenance reserves at the expiration of the leases, the lessors are entitled to retain such excess amounts.

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(g) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(h) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

▪ aircraft and components	10 – 20 years
▪ machinery and equipment	3 – 10 years
▪ office equipment	3 – 5 years
▪ motor vehicles	6 years
▪ other fixed assets	5 – 7 years

(i) Intangible fixed assets

Software

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

(j) Construction in progress

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

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(k) Long-term prepaid expenses

(i) Major inspection and overhaul expenditure

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

(ii) Rotable parts

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

(iii) Tools and instruments

Tools and instruments include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND 30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over a period from 2 years to 5 years.

(l) Trade and other payables

Trade and other payables are stated at their costs.

(m) Provisions

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

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

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

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

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

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

(n) Bonds issued

Straight bonds

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

(o) Share capital

(i) Ordinary shares

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of ordinary shares, net of tax effects. Such costs are recognised as a deduction from share premium.

(ii) Shares premium

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

(iii) Repurchase of ordinary shares (treasury shares)

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

(p) Taxation

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

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

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

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

(q) Revenue and other income

(i) Passenger transportation

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

(ii) Charter flights

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

(iii) Ancillary revenue

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

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

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

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

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

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

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(iv) Aircrafts leasing

Revenue from aircrafts leasing under operating lease arrangements is recognised in consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised in the consolidated statement of income as an integral part of the total lease revenue.

(v) Sales of aircrafts and aircraft engines

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

Sales and leaseback transaction

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

For a transaction that results in an operating lease:

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

(vi) Sales of purchase right option

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

(vii) Other services

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

(viii) Interest income

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

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(ix) Dividend income

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

(r) Borrowing costs

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

(s) Operating lease payments

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

(t) Earnings per share

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

(u) Segment reporting

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

(v) Related parties

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

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4. Segment reporting

(a) Business segment

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

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

Except those indicated above, the Group has no other operating segments being aggregated to form a reportable operating segment. Segmental information for total revenue and cost of sales is shown in Note 24 and Note 25 to the consolidated financial statements. There is no intersegment revenue between operating segments. All the Group’s assets, liabilities, financial income and financial expenses, general and administration expenses, selling expenses, other income and other expenses are unallocated.

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

(b) Geographical segment

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

	Quarter III 2021	Quarter III 2020
	VND	VND
In Vietnam	2,546,820,182,852	1,907,667,021,388
Outside Vietnam	107,015,198,166	901,831,673,503
	2,653,835,381,018	2,809,498,694,891

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

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5. Cash and cash equivalents

	30/09/2021	01/01/2021
	VND	VND
Cash on hand	9,696,040,912	14,145,044,804
Cash in banks	544,245,152,034	1,226,811,931,282
Cash equivalents	1,084,968,651,277	1,685,468,651,277
	1,638,909,844,223	2,926,425,627,363

Cash equivalents mainly included term deposits in VND at banks with maturities of less than 3 months from their replacement dates.

6. Investments

(a) Short-term investments

Trading securities included the investments in securities as follows:

	30/09/2021		01/01/2021	
	% of equity owned/voting rights	VND	% of equity owned/voting rights	VND
▪ Petro Vietnam Oil Corporation (*)	4,59%	990,000,000,000	4,59%	990,000,000,000
▪ Allowance for diminution in the value of short-term financial investments		(280,000,000,000)		(390,000,000,000)
▪ Term deposit – loans and receivables		4,310,000,000		4,000,000,000
		714,310,000,000		604,000,000,000

(*) Fair value of listed shares was determined by reference to the closing price on Unlisted Public Company Market.

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(b) Long-term investments

		30/09/2021		01/01/2021
	% of equity owned/voting rights	VND	% of equity owned/voting rights	VND
Equity investments in associates				
▪ Thai Vietjet Air Joint Stock Co., Ltd,		-		-
▪ Cam Ranh International Terminal Jsc	10%	42,270,859,708	10%	42,270,859,708
		42,270,859,708		42,270,859,708
Equity investments in other entities				
▪ Sai Gon Ground Services Jsc	9,1%	149,417,024,400	9,1%	149,417,024,400
▪ Angelica Holding Limited (i)		-		-
		149,417,024,400		149,417,024,400
Long-term				
▪ Term deposits at banks		-		6,000,000,000
▪ Business co-operation contract		-		556,181,818
		-		6,556,181,818

(i) As at 30 Sep 2021, the Group has not yet contributed capital in this company

7. Prepayments to suppliers – short-term

	30/09/2021	01/01/2021
	VND	VND
Prepayments for repaired engine	191,241,315,644	24,841,903,084
Prepayments for aircraft leases	-	35,561,613,801
Prepayment for airport services	17,284,382,214	-
Others	433,882,955,995	102,659,934,628
	642,408,653,853	163,063,451,513

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8. Other receivables

(a) Other short-term receivables

	30/09/2021	01/01/2021
	VND	VND
Deposits for aircraft purchases within next 12 months	2,590,517,958,134	4,189,158,334,254
Maintenance reserves of leased aircrafts	1,808,537,568,462	1,824,881,774,817
Expenses paid on behalf of Thai Vietjet Air Jsc Ltd,	1,973,323,484,007	1,187,455,488,698
Expenses paid on behalf of subsidiaries	867,810,545,113	-
Purchase discounts receivable	661,826,256,523	689,174,934,689
Claim receivables from MR of leased aircrafts	314,853,651,922	232,782,861,484
Interest income	1,807,046,575	2,587,221,918
Dividend receivable	11,250,000,000	11,250,000,000
Deposits for other services agreement	21,425,442,564	21,755,864,909
Other related parties	1,868,720,438,774	2,471,275,235,459
Others	2,220,677,013,739	1,507,907,441,773
	12,340,749,405,813	12,138,229,158,001

(b) Other long-term receivables

	30/09/2021	01/01/2021
	VND	VND
Deposits for aircraft purchases within next 12 months	4,143,719,030,294	3,515,188,352,836
Maintenance reserves of leased aircrafts	7,361,622,047,280	7,026,517,796,249
Deposits for aircraft leases	1,308,975,305,330	1,279,246,427,485
Expenses paid on behalf of Thai Vietjet Air JSC Ltd,	-	468,344,946,987
Deposits for other services agreement	124,507,354,060	129,268,494,725
Others	3,343,202,050,735	51,802,657,535
	16,282,025,787,699	12,470,368,675,817

9. Inventories

	30/09/2021	01/01/2021
	VND	VND
Tools and supplies	796,825,459,897	701,268,173,050
Merchandise inventories	9,566,575,296	10,825,089,077
	806,392,035,193	712,093,262,127

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10. Tangible fixed assets

	Aircraft and components VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Cost						
Opening balance	896,813,994,227	102,595,841,264	27,706,532,445	67,293,981,762	29,513,546,502	1,123,923,896,200
Additions	-	-	795,469,800	1,806,090,000	-	2,601,559,800
Closing balance	896,813,994,227	102,595,841,264	28,502,002,245	69,100,071,762	29,513,546,502	1,126,525,456,000
Accumulated depreciation						
Opening balance	204,945,749,364	27,821,530,936	18,288,315,473	19,754,157,459	3,689,193,313	274,498,946,545
Charge for the year	33,658,455,159	9,420,155,568	915,399,343	5,489,382,508	2,609,351,782	52,092,744,360
Closing balance	238,604,204,523	37,241,686,504	19,203,714,816	25,243,539,967	6,298,545,095	326,591,690,905
Net book value						
Opening balance	691,868,244,863	74,774,310,328	9,418,216,972	47,539,824,303	25,824,353,189	849,424,949,655
Closing balance	658,209,789,704	65,354,154,760	9,298,287,429	43,856,531,795	23,215,001,407	799,933,765,095

Included in the cost of tangible fixed assets were assets costing VND 50,756 million which were fully depreciated as at 30 September 2021 (01 January 2021: VND 47,719 million), but which are still in active use.

As at 30 September 2021, tangible fixed assets with carrying value of VND 658,209 million (01 January 2021: VND 691,868 million) were pledged as security for borrowings granted by Military Commercial Joint Stock Bank to the Group.

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11. Intangible fixed assets

	Software VND
Cost	
Opening balance	30,834,110,655
Additions	1,678,391,000
	<hr/>
Closing balance	32,512,501,655
Accumulated amortisation	
Opening balance	29,762,668,971
Charge for the year	1,296,690,771
	<hr/>
Closing balance	31,059,359,742
Net book value	
Opening balance	1,071,441,684
	<hr/>
Closing balance	1,453,141,913
	<hr/>

Included in the cost of intangible fixed assets was assets costing VND 20,637 million which were fully amortised as at 31 Sep 2021 (01 January 2021: VND 25,856 million), but which are still in active use.

12. Construction in progress

	30/09/2021 VND	01/01/2021 VND
Opening balance	802,552,124,112	1,318,401,443,379
Additions	152,610,816,829	293,743,925,297
Transfers to tangible fixed assets	-	(778,062,904,128)
Disposals	(86,974,553,586)	(29,841,068,615)
	<hr/>	<hr/>
Closing balance	868,188,387,355	804,241,395,933
	<hr/>	<hr/>

13. Prepaid expenses

(a) Short-term prepaid expenses

	30/09/2021 VND	01/01/2021 VND
Prepayments for aircraft leases	52,058,693,797	195,438,728,811
Prepayments for maintenance expenses	14,263,799,827	15,481,112,313
Others	2,710,941,680	1,886,225,594
	<hr/>	<hr/>
	69,033,435,304	212,806,066,718
	<hr/>	<hr/>

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(b) Long-term prepaid expenses

	Maintenance costs VND	Costs to make good on leased assets VND	Major inspection and overhaul expenditure VND	Rotable parts,tools and instruments VND	Others VND	Total VND
Opening balance	4,265,543,851,869	477,459,578,390	111,852,311,216	105,503,085,721	31,192,480,026	4,991,551,307,222
Additions	938,582,594,402	34,409,610,078	199,769,834,112	99,200,616,599	1,303,038,383	1,273,265,693,574
Charge for the year	-	-	-	(1,204,369,894)	-	(1,204,369,894)
Written off	(156,609,526,327)	(50,657,444,107)	(104,527,054,617)	(59,617,982,344)	(7,355,009,414)	(378,767,016,809)
Closing balance	5,047,516,919,944	461,211,744,361	207,095,090,711	143,881,350,082	25,140,508,995	5,884,845,614,093

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14. Accounts payable to suppliers – short-term

Accounts payable to suppliers detailed by significant suppliers

	30/09/2021	01/01/2021
	VND	VND
Petrolimex Aviation Fuel Joint Stock Company	519,164,370,333	913,978,963,695
Other suppliers	3,083,385,325,684	2,507,632,959,679
	<hr/> 3,602,549,696,017	<hr/> 3,421,611,923,374 <hr/>

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15. Taxes

(a) Taxes receivable from State Treasury

	01/01/2021 VND	Incurred VND	Received VND	Net-off VND	Reclassified VND	30/09/2021 VND
Value added tax	103,888,422,189	974,925,706,755	-	(1,050,641,315,484)	-	28,172,813,460
Personal income tax	53,916,323,935	60,197,322,217	(67,934,661,458)	-	50,291,174	46,229,275,868
Foreign contractor tax	25,085,319	204,346,392	(229,431,711)	-	-	-
Corporation income tax	135,717,077,296	15,351,637,519	-	-	(4,906,256,899)	146,162,457,916
	293,546,908,739	1,050,679,012,883	(68,164,093,169)	(1,050,641,315,484)	(4,855,965,725)	220,564,547,244

(b) Taxes payable to State Treasury

	01/01/2021 VND	Incurred VND	Paid VND	Net-off VND	Reclassified VND	30/09/2021 VND
Value added tax	2,665,999,116	1,053,483,511,169	-	(1,050,641,315,484)	213,659,576	5,721,854,377
Corporation income tax	28,363,981,257	(11,965,165,579)	-	-	(2,516,613,508)	13,882,202,170
	31,029,980,373	1,041,518,345,590	-	(1,050,641,315,484)	(2,302,953,932)	19,604,056,547

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16. Accrued expenses

	30/09/2021	01/01/2021
	VND	VND
Aircraft related expenses	620,730,367,393	569,186,857,946
Maintenance expenses	46,430,000,000	156,345,907,814
13th month salary	112,000,000	-
Interest expense	228,533,442,681	57,690,338,836
Others	94,629,266,098	84,687,861,161
	990,435,076,172	867,910,965,757

17. Unearned revenue

	30/09/2021	01/01/2021
	VND	VND
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	249,107,207,310	867,654,596,914

18. Other short-term payables

	30/09/2021	01/01/2021
	VND	VND
Amount due to subsidiaries	590,587,630,742	-
Amount due to related parties	389,089,253,762	561,947,782,929
Airport tax payables	343,681,406,362	623,345,822,167
Short-term deposits received	48,541,837,339	74,003,924,865
Dividends payable to shareholders	57,787,553,550	57,787,553,550
Others	994,134,371,907	271,201,888,135
	2,423,822,053,662	1,588,286,971,646

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

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19. Borrowings and bonds

(a) Short-term borrowings

	01/01/2021	Movements during the year			30/09/2021
	Carrying amount	Additions	Repayments	Revaluation	Carrying amount
	VND	VND	VND	VND	VND
Short-term borrowings	7,471,260,726,734	8,258,703,191,418	(10,098,528,012,904)	(18,464,934,926)	5,612,970,970,322
Current portion of long-term borrowings (Note 19(b))	2,623,554,910,000	-	(1,427,311,340,000)	(13,289,490,000)	1,209,533,060,000
	10,094,815,636,734	8,258,703,191,418	(11,525,839,352,904)	(5,175,444,926)	6,822,504,030,322

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

Lenders	Currency	30/09/2021 VND	01/01/2021 VND
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party	USD	2,140,172,378,168	1,921,659,266,962
Vietnam Joint Stock Commercial Bank of Industry and Trade	VND	2,037,463,302,665	1,973,275,655,305
Military Commercial Joint Stock Bank	VND	165,155,897,905	1,080,441,555,760
Vietnam Maritime Commercial Joint Stock Bank	VND	447,672,175,653	226,640,066,933
HSBC Bank (Vietnam) Ltd	VND	-	109,900,032,120
United Overseas Bank (Vietnam) Limited, Ho Chi Minh City Branch	VND	-	123,411,192,331
Wooribank Vietnam Ltd.,	VND	472,771,420,179	586,197,161,571
Petrolimex Group Commercial Joint Stock Bank	VND	349,735,795,752	449,735,795,752
Other short-term borrowings	VND	-	1,000,000,000,000
		5,612,970,970,322	7,471,260,726,734

(b) Long-term borrowings and bonds

	30/09/2021 VND	01/01/2021 VND
Long-term borrowings (i)	1,608,425,577,326	3,059,895,419,856
Straight bonds (ii)	6,250,000,000,000	910,700,000,000
	7,858,425,577,326	3,970,595,419,856
Amount repayable within 12 months	1,209,533,060,000	2,623,554,910,000
Amount repayable after 12 months	6,648,892,517,326	1,347,040,509,856

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(i) Long-term borrowings

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

Lenders	Currency	Year of maturity	30/09/2021 VND	01/01/2021 VND
Woori Bank-Singapore Branch (*)	USD	2021	467,590,909,091	1,044,675,000,000
ICBC Bank – Hong Kong Branch (*)	USD	2021	467,590,909,091	1,044,675,000,000
KEB Hana Bank - Hong Kong Branch (*)	USD	2021	207,818,181,818	464,300,000,000
Millitary Commercial JSC Bank (**)	USD	2028	465,425,577,326	506,245,419,856
			1,608,425,577,326	3,059,895,419,856

(*) This syndicated loan provided by the three banks has total commitments of USD110 million. The grace period of this loan is two years from drawdown date. The principal of this loan is repayable in 4 instalments in 2021. The syndicated loan was unsecured and bore annual interest rate of 1.58% during the year.

(**) The principal of this loan is repayable in 17 equal semi-annual instalments of USD1.4 million (equivalent to VND33 billion) each and a final instalment of USD1.5 million (equivalent to VND35 billion) on 13 June 2028. The loan bore annual interest rates of 2.90% during the year.

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

	30/09/2021 VND	01/01/2021 VND
Aircraft No, A320 MSN7167, VNA675 (Note 10)	658,209,789,704	691,868,244,863

(ii) Straight bonds

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

Underwriter	Currency	Annual interest rate	Year of maturity	30/09/2021 VND	01/01/2021 VND
<i>Ho Chi Minh Securities Corporation</i> Bonds issued at par(*)	VND	9%	2022	600,000,000,000	600,000,000,000
<i>HDB Securities Corporation</i> Bonds issued at par(**)	VND	9%	2023	650,000,000,000	310,700,000,000
<i>HDB Securities Corporation</i> Bonds issued at par(***)	VND	9%	2026	5,000,000,000,000	-
				6,250,000,000,000	910,700,000,000

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(*)The issued bonds are unsecured and bear a fixed interest rate of 9% per year for the first year from the date of issue and a floating interest rate in subsequent years until the maturity date.

(**)The issued bonds are unsecured and bear a fixed interest rate of 9%/year for the first year from the date of issue and a floating rate of interest in subsequent years until the maturity date.

(***)The issued bonds are unsecured and bear a fixed interest rate of 9,5% per year for the first year from the date of issue and a floating interest rate for subsequent years until the maturity date.

20. Provisions

Movements of provisions during the year were as follows:

	Provision for maintenance expenses VND	Provision to make good on leased assets VND	Total VND
Opening balance	9,907,846,005,200	883,701,985,514	10,791,547,990,714
Additions	995,477,332,257	61,761,468,422	1,057,238,800,679
Revert	190,659,329,182	-	190,659,329,182
Foreign exchange differences	(89,920,578,729)	(2,878,989,400)	(92,799,568,129)
Closing balance	11,004,062,087,910	942,584,464,536	11,946,646,552,446
Short-term	1,745,825,247,086	59,166,063,740	1,804,991,310,826
Long-term	9,258,236,840,824	883,418,400,796	10,141,655,241,620

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21. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Foreign exchange differences VND	Retained profits VND	Non-controlling interests VND	Total VND
Balance as at 1 January 2020	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	64,819,738,693	11,520,659,436,312	2,411,184,871	14,902,831,830,061
Net profit for the year	-	-	-	-	68,591,150,827	74,184,307	68,665,335,134
Cash dividends	-	-	-	-	-	(1,829,539,234)	(1,829,539,234)
Translation of foreign operations	-	-	-	8,731,359,157	-	-	8,731,359,157
Balance as at 31 December 2020	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	73,551,097,850	11,589,250,587,139	655,829,944	14,978,398,985,118
Issuing Share	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	194,355,455,678	47,553,339,032	241,908,794,710
Transferred to Wellfare	-	-	-	-	(380,676,119,348)	-	(380,676,119,348)
Treasury Share	-	1,533,625,094	2,347,121,362,620	-	-	(35,842,834,777)	2,312,812,152,937
Translation of foreign operations	-	-	-	(223,831,060,988)	-	-	(223,831,060,988)
Balance as at 30 Sep 2021	5,416,113,340,000	247,483,117,899	-	(150,279,963,138)	10,476,024,130,469	12,366,334,199	16,928,612,752,429

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22. Share capital

The Company's authorised and issued share capital are:

	30/09/2021		01/01/2021	
	Number of shares	VND	Number of shares	VND
Authorised share capital				
Ordinary shares	541,611,334	5,416,113,340,000	541,611,334	5,416,113,340,000
Ordinary shares	541,611,334	5,416,113,340,000	541,611,334	5,416,113,340,000
Treasury shares				
Ordinary shares		-	17,772,740	2,347,121,362,620
Ordinary shares	541,611,334	5,416,113,340,000	523,838,594	5,238,385,940,000

All ordinary shares have a par value of VND 10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

23. Dividends

Pursuant to the Resolution No, 01-20/VJ-DHCD-DD dated 27 June 2020, the General Meeting of Shareholders of the Company approved the share dividends to its existing shareholders at the rate of 50% on the total par value of existing shares in circulation.

24. Revenue from sales of goods and provision of services

	Quarter III 2021 VND	Quarter III 2020 VND
Passenger transportation revenue	1,039,753,182,740	1,300,974,010,628
Ancillary revenue	1,044,574,755,923	1,110,159,619,049
Other revenue	569,507,442,355	398,365,065,214
	2,653,835,381,018	2,809,498,694,891
Less revenue deductions	-	-
Net revenue	2,653,835,381,018	2,809,498,694,891

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25. Cost of sales

	Quarter III 2021	Quarter III 2020
	VND	VND
Flight operation expenses	972,622,522,420	3,128,881,406,465
Depreciation and Amortization expenses	34,464,716,769	271,772,440,941
Costs of aircrafts sold	1,133,018,649,907	-
Others	(45,278,992,596)	20,807,890,014
	2,094,826,896,500	3,421,461,737,420

26. Financial income

	Quarter III 2021	Quarter III 2020
	VND	VND
Interest income	4,753,597,137	82,864,821,022
Realised foreign exchange gains	9,637,625,211	5,226,254,347
Unrealised foreign exchange gains	471,887,647	90,316,967
Dividend income from subsidiaries	-	4,292,104,766
Other	6,477,705,532	57,016,235
	21,340,815,527	92,530,513,337

27. Financial expenses

	Quarter III 2021	Quarter III 2020
	VND	VND
Interest expense	241,835,723,701	102,004,364,989
Foreign exchange losses	29,827,009,727	14,699,871,837
Other	25,511,941,619	21,330,635,744
	297,174,675,047	138,034,872,570

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28. Selling expenses

	Quarter III 2021 VND	Quarter III 2020 VND
Sales expenses	87,472,910,447	43,912,914,606
Advertising and marketing expenses	30,772,207,384	77,607,656,912
Staff costs	1,819,125,147	17,519,057,397
Depreciation and amortisation	11,284,379	96,488,686
Others	(953,456,270)	17,591,017,135
	119,122,071,087	156,727,134,736

29. General and administration expenses

	Quarter III 2021 VND	Quarter III 2020 VND
Staff costs	19,308,210,661	28,778,687,852
Rental expenses	(2,237,206,987)	13,035,908,894
Depreciation and amortisation	1,250,435,241	392,315,428
Insurance expenses	74,266,691	44,560,015
Others	42,637,836,436	43,315,051,677
	61,033,542,042	85,566,523,866

30. Income tax

(a) Applicable tax rate

(i) Companies incorporated in Vietnam

VietJet Aviation Joint Stock Company

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

Vietjet Air Cargo Joint Stock Company

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

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(ii) Companies incorporated in British Virgin Islands

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

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

(iii) Companies incorporated in Singapore

Vietjet Air Singapore Pte. Ltd.

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

(iv) Companies incorporated in Ireland

Vietjet Air Ireland No. 1 Limited

Vietjet Air Ireland No. 1 Limited has an obligation to pay income tax at the rate of 12,5% of taxable profits.

31. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 Sep 2021 was based on the profit attributable to ordinary shareholders of the Company and a weighted average number of ordinary shares, as follows:

(a) Net profit attributable to ordinary shareholders

	Quarter III 2021 VND	Quarter III 2020 VND
Net profit attributable to ordinary shareholders	72,901,557,649	(971,356,122,047)

(b) Weighted average number of ordinary shares

	Number of shares 2021	2020
Issued ordinary shares at the beginning of the year	523,838,594	523,838,594
Effect of repurchase of treasury shares in April 2021	7,892,244	-
Weighted average number of ordinary shares	531,730,838	523,838,594

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32. Corresponding figures

The corresponding figures as at 1 January 2021 were delivered from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2020.

10 December 2021

Prepared by:

Approved by:

(Signed)

Pham Ngoc Thoa
Chief Accountant

(Signed)

Ho Ngoc Yen Phuong
*Vice President cum
Chief Financial Officer*

(Signed)

Dinh Viet Phuong
*Permanent Vice President -
Managing Director*