

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

Consolidated Financial Statements
Quarter IV 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 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 cum Managing Director Vice President cum Chief Financial Officer 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
Statement of the Board of Directors

The Board of Directors of VietJet Aviation Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (together referred to as “the Group”) for the year ended 31 December 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 37 give a true and fair view of the consolidated financial position of the Group as at 31 December 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, 31 March 2022

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 December 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	31/12/2021 VND	01/01/2021 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		27,375,787,370,013	25,382,768,751,524
Cash and cash equivalents	110	5	1,868,273,468,458	2,926,425,627,363
Cash	111		983,304,817,181	1,240,956,976,086
Cash equivalents	112		884,968,651,277	1,685,468,651,277
Short-term financial investments	120	6(a)	859,475,421,096	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		(135,000,000,000)	(390,000,000,000)
Held-to-maturity investments	123		4,475,421,096	4,000,000,000
Accounts receivable – short-term	130		23,770,128,605,410	20,896,413,814,943
Accounts receivable from customers	131	7	11,600,873,803,004	8,595,121,205,429
Prepayments to suppliers	132	8	653,240,344,019	163,063,451,513
Other short-term receivables	136	9(a)	11,516,014,458,387	12,138,229,158,001
Inventories	140	10	811,247,030,655	712,093,262,127
Other current assets	150		66,662,844,394	243,836,047,091
Short-term prepaid expenses	151	14(a)	16,306,514,271	212,806,066,718
Deductible value added tax	152	16(b)	50,356,330,123	2,665,999,116
Taxes receivable from State Treasury	153	16(b)	-	28,363,981,257
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		24,408,991,156,547	19,814,061,480,237
Accounts receivable – long-term	210		13,533,579,509,650	12,969,528,319,817
Loans receivable	215		789,648,322,692	499,159,644,000
Other long-term receivables	216	9(b)	12,743,931,186,958	12,470,368,675,817
Fixed assets	220		1,159,099,431,039	850,496,391,339
Tangible fixed assets	221	11	1,150,354,396,311	849,424,949,655
Cost	222		1,511,188,985,876	1,123,923,896,200
Accumulated depreciation	223		(360,834,589,565)	(274,498,946,545)
Intangible fixed assets	227	12	8,745,034,728	1,071,441,684
Cost	228		39,927,046,228	30,834,110,655
Accumulated amortisation	229		(31,182,011,500)	(29,762,668,971)
Long-term work in progress	240	13	275,760,695,887	804,241,395,933
Construction in progress	242		275,760,695,887	804,241,395,933
Long-term financial investments	250	6(b)	3,777,398,284,108	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		3,585,710,400,000	6,556,181,818
Other long-term assets	260		5,663,153,235,863	4,991,551,307,222
Long-term prepaid expenses	261	14(b)	5,663,153,235,863	4,991,551,307,222
TOTAL ASSETS (270 = 100 + 200)	270		51,784,778,526,560	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 31 December 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	31/12/2021 VND	01/01/2021 VND
RESOURCES				
LIABILITIES (300= 310 + 330)	300		34,909,978,249,799	30,218,431,246,643
Current liabilities	310		16,809,453,111,729	19,833,798,568,095
Accounts payable to suppliers	311	15	4,343,513,634,358	3,421,611,923,374
Advances from customers	312		657,181,421,427	772,902,367,939
Taxes payable to State Treasury	313	16(a)	288,573,309,414	293,546,908,739
Payables to employees	314		81,631,536,906	62,911,822,426
Accrued expenses	315	17	1,000,005,089,275	867,910,965,757
Unearned revenue – short-term	318	18	381,579,736,840	867,654,596,914
Other short-term payables	319	19	611,921,025,986	1,588,286,971,646
Short-term borrowings	320	20(a)	7,253,739,906,166	10,094,815,636,734
Provisions – short-term	321	21	1,864,157,374,566	1,864,157,374,566
Bonus and welfare funds	322		327,150,076,791	-
Long-term liabilities	330		18,100,525,138,070	10,384,632,678,548
Other long-term payables	337		50,852,726,178	42,376,777,401
Loans and borrowings	338	20(b)	8,206,571,926,768	1,347,040,509,856
Deferred tax liabilities	341		140,106,467,571	67,824,775,143
Provisions – long-term	342	21	9,702,994,017,553	8,927,390,616,148
EQUITY (400 = 410)	400		16,874,800,276,761	14,978,398,985,118
Owners' equity	410	22	16,874,800,276,761	14,978,398,985,118
Share capital	411	23	5,416,113,340,000	5,416,113,340,000
Share premium	412		247,483,117,899	245,949,492,805
Treasury share capital	415	23	-	(2,347,121,362,620)
Foreign exchange differences	417		(110,730,393,251)	73,551,097,850
Retained profits	421		11,302,022,545,015	11,589,250,587,139
<i>Retained profits brought forward</i>	<i>421a</i>		<i>11,208,574,467,791</i>	<i>11,520,659,436,312</i>
<i>Retained profit for the year</i>	<i>421b</i>		<i>93,448,077,224</i>	<i>68,591,150,827</i>
Non-controlling interest	429		19,911,667,098	655,829,944
TOTAL RESOURCE (440 = 300 + 400)	440		51,784,778,526,560	45,196,830,231,761

31 March 2022

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
cum 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 fourth quarter ended 31 December 2021

Form B 02 – DN

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

	Code	Note	Quarter IV		For the year ended 31/12/2021	
			Current year VND	Previous year VND	Current year VND	Previous year VND
Revenue from sales of goods and provision of services	10	25	2,788,564,173,004	4,429,932,083,395	12,998,433,570,461	18,220,292,888,526
Cost of sales	11	26	2,418,952,090,558	3,935,837,965,196	14,951,629,831,766	19,632,221,357,027
Gross profit/(loss) (20 = 10 - 11)	20		369,612,082,446	494,094,118,199	(1,953,196,261,305)	(1,411,928,468,501)
Financial income	21	27	122,671,668,442	104,312,572,480	3,920,047,929,433	970,429,628,494
Financial expenses	22	28	297,554,859,412	(28,698,633,710)	798,184,197,579	419,415,685,869
<i>In which: Interest expense</i>	23		<i>267,054,235,839</i>	<i>118,338,369,633</i>	<i>799,143,695,832</i>	<i>452,572,729,500</i>
Share of loss in an associate	24		-	(41,698,321,757)	-	(17,729,140,292)
Selling expenses	25	29	143,958,016,935	215,949,428,763	607,756,237,934	764,076,040,739
General and administration expenses	26	30	132,858,519,812	107,745,881,788	383,335,271,851	374,847,317,582
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		(82,087,645,271)	261,711,692,081	177,575,960,764	(2,017,567,024,489)
Other income	31		7,812,756,404	745,378,220,308	16,629,964,449	1,779,506,069,100
Other expenses	32		7,444,972,207	1,454,323,309	7,778,986,800	6,431,815,059
Results of other activities (40=31-32)	40		367,784,197	743,923,896,999	8,850,977,649	1,773,074,254,041
Accounting profit before tax (50 = 30 + 40)	50		(81,719,861,074)	1,005,635,589,080	186,426,938,413	(244,492,770,448)
Income tax expense – current	51	31	(2,928,926,357)	-	13,895,982,395	13,462,059,245
Income tax (benefit)/expense - deferred	52	31	14,571,110,838	10,960,889,705	72,281,692,428	(326,620,164,827)
Net profit after tax (60 = 50 - 51 - 52)	60		(93,362,045,555)	994,674,699,375	100,249,263,590	68,665,335,134
Attributable to:						
Equity holders of the Company	61		(101,806,251,987)	995,214,723,739	95,174,863,511	68,591,150,827
Non-controlling interest	62		8,444,206,432	(540,024,364)	5,074,400,079	74,184,307
Earnings per share						
Basic earnings per share	70		(190)	1,899	177	131

31 March 2022

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
cum Managing Director*

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

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the fourth quarter ended 31 December 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	For the year ended	
		2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	186,426,938,413	(244,492,770,448)
Adjustments for:			
Depreciation and amortisation	02	592,616,049,338	141,435,349,577
Allowances and provisions	03	(288,242,391,946)	(119,581,017,648)
Unrealised foreign exchange losses/(gains)	04	188,802,721,537	30,763,613,923
Profits from investing activities	05	(249,195,524,993)	(741,818,692,497)
Dividend	05	(3,060,822,000)	-
Interest expense	06	799,143,695,832	452,572,729,500
Operating profit before changes in working capital	08	1,226,490,666,181	(481,120,787,593)
Change in trade receivables	09	(3,534,315,265,842)	152,828,360,719
Change in other receivables	09	366,662,552,170	(1,185,037,434,459)
Change in inventories	10	(99,153,768,528)	35,805,417,710
Change in trade and other payables	11	(974,704,088,095)	(824,443,624,713)
Change in prepaid expenses	12	10,615,198,199	(218,645,374,852)
Interest paid	14	(537,518,751,060)	(432,836,309,700)
Income tax paid	15	(6,500,003,320)	(254,507,686,710)
Net cash flows from operating activities	20	(3,548,423,460,295)	(3,207,957,439,598)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(172,381,083,868)	(293,759,925,297)
Proceeds from disposals of fixed assets and other long-term assets	22	-	397,277,400,299
Payments for term deposits to bank, purchase of debt instruments of other entities, and co-operation contracts	23	(475,421,096)	-
Proceeds for term deposits to bank, purchase of debt instruments of other entities, and co-operation contracts	24	6,556,181,818	709,756,800,000
Payments for investments in other entities	25	(5,279,310,400,000)	-
Proceeds from disposals of investment in other entities	26	1,692,418,780,002	-
Receipts of interest	27	33,198,267,012	329,815,665,506
Receipts of dividend	27	3,060,822,000	-
Net cash flows from investing activities	30	(3,716,932,854,132)	1,143,089,940,508

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 fourth quarter ended 31 December 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	For the year ended	
		2021 VND	2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issued or capital contributed by owners	31	15,500,000,000	-
Purchase Treasury share	32	2,348,654,987,714	-
Proceeds from borrowings	33	17,350,605,421,440	17,804,330,775,879
Proceeds from Bond & Long term loans	34	(13,306,117,398,362)	(18,173,617,597,912)
Net cash flows from financing activities	40	6,408,643,010,792	(369,286,822,033)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(856,713,303,635)	(2,434,154,321,123)
Cash and cash equivalents at 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	(201,438,855,270)	(3,469,856,094)
Cash and cash equivalents at end of the year (70 = 50 + 60 + 61)	70	1,868,273,468,458	2,926,425,627,363

31 March 2022

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
cum Managing Director

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 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 year 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 31 December 2021, the Group has 9 subsidiaries and 2 associates (01/01/2021: 7 subsidiaries and 2 associates) as follows:

Name	Country of incorporation	Principal activities	Business Registration Certificate	% equity owned/ voting right	
				31/12/2021	01/01/2021
Directly Subsidiaries					
Swift247 Joint Stock Company <i>(iv)</i>	Vietnam	To provide cargo transportation and related support services.	No. 0315524536 dated 23 February 2020	67%	0%
Vietjet Air IVB No. I Limited <i>(i)</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>(i)</i>	British Virgin Islands	To trade and lease aircrafts.	No. 1825613 dated 27 May 2014	100%	100%
Vietjet Air Singapore Pte. Ltd., <i>(i)</i>	Singapore	To trade aircrafts.	No. 201408849N dated 27 March 2014	100%	100%
Vietjet Air Ireland No.1 Limited <i>(i)</i>	Ireland	To trade and lease aircrafts.	No. 544879 dated 3 June 2014	100%	100%
VietjetAir Cargo Joint Stock Company	Vietnam	To provide cargo transportation and related support services.	No. 0312759089 dated 27 August 2014	-	90%
Galaxy Pay Company Limited	Vietnam	To provide e-wallet service	No.0316368255 dated 08 July 2020	100%	-
Vietjet Ground Services Limited Liability Company	Vietnam	To provide directly supporting service activities for air freight	No.0109783334 dated 19 Oct 2021	100%	-

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2021
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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1. Reporting entity (continued)

(d) Group's structure (continued)

Name	Country of incorporation	Principal activities	Business Registration Certificate	% equity owned/ voting right	
				31/12/2021	01/01/2021
<i>Indirectly Subsidiaries</i>					
VietjetAir Cargo Joint Stock Company	Vietnam	To provide cargo transportation and related support services.	No. 0312759089 dated 27 August 2014	67%	-
Skymate Limited (i)	Cayman Islands	To trade aircrafts.	No. 327015 dated 15 September 2017	100%	100%
<i>Associates</i>					
Thai Vietjet Air Joint Stock Co.,Ltd. (i) (ii) (iii)	Thailand	To provide transportation and transfer of goods and passengers and other related services.	No. 0105556100551 dated 25 June 2013	9%	9%
Cam Ranh International Terminal JSC (ii)	Vietnam	To provide support services for airline transportation.	No. 4201676638 dated 5 February 2016	10%	10%

(i) As at 31 December 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 31 December 2021, the Group has 5,322 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.

(b) Basis of measurement

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

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2021
(continued)

Form B 09 – DN/HN
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2. Basis of preparation (continued)

(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.

(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.

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2021
(continued)

Form B 09 – DN/HN
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3. Summary of significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

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

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

(ii) Foreign operations

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

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

(c) Cash and cash equivalents

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

(d) Investments

(i) Trading securities

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

(ii) Held-to-maturity investments

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

(iii) Investments in equity instruments of other entities

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

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3. Summary of significant accounting policies (continued)

(e) Accounts receivable

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

(f) Maintenance reserves of leased aircrafts

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

(g) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(h) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

- Aircraft and components 10 – 20 years
- Machinery and equipment 3 – 10 years
- Office equipment 3 – 5 years
- Motor vehicles 6 years
- Buildings and infrastructures 20 – 50 years
- Other fixed assets 5 – 7 year

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3. Summary of significant accounting policies (continued)

(i) Intangible fixed assets

Software

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

(j) Construction in progress

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

(k) Long-term prepaid expenses

(i) Major inspection and overhaul expenditure

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

(ii) Rotable parts

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

(iii) Tools and instruments

Tools and instruments include assets held for use by the Group in the normal course of business whose costs of individual items are less than 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.

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3. Summary of significant accounting policies (continued)

(m) Provisions (continued)

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

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.

(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.

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3. Summary of significant accounting policies (continued)

(p) Taxation

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

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

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

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

(q) Revenue and other income

(i) Passenger transportation

Revenue from passenger transportation is recognised in the consolidated statement of income when the transportation is provided or when the ticket expires. The value of unused passenger tickets and miscellaneous charges is recorded in current 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) Cargo transportation

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

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3. Summary of significant accounting policies (continued)

(q) Revenue and other income (continued)

(iv) Ancillary revenue

Ancillary revenue includes baggage service and utilizing cabin, 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 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 are 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

(v) 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.

(vi) 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.

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3. Summary of significant accounting policies (continued)

(q) Revenue and other income (continued)

(vii) 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.

(viii) 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.

(ix) Interest income

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

(x) 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, ancilliary services, aircraft rental and advertising on aircrafts (referred to as “aviation services”); and
- Sales of aircrafts and related assets.

Except those indicated above, the Group has no other operating segments being aggregated to form a reportable operating segment. Segmental information for total revenue and cost of sales is shown in Note 25 and Note 26 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:

	2021	2020
	VND	VND
In Vietnam	4,905,157,319,602	9,226,682,948,573
Outside Vietnam	8,093,276,250,859	8,993,609,939,953
	12,998,433,570,461	18,220,292,888,526

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

5. Cash and cash equivalents

	31/12/2021	01/01/2021
	VND	VND
Cash on hand	9,204,594,362	14,145,044,804
Cash in banks	974,100,222,819	1,226,811,931,282
Cash equivalents	884,968,651,277	1,685,468,651,277
	1,868,273,468,458	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.

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6. Investments

(a) Short-term investments

Trading securities included the investments in securities as follows:

	31/12/2021		01/01/2021	
	% of equity owned/voting rights	VND	% of equity owned/voting rights	VND
Investment in trading securities				
▪ 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		(135,000,000,000)		(390,000,000,000)
▪ Term deposit – loans and receivables		4,475,421,096		4,000,000,000
		859,475,421,096		604,000,000,000

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

(b) Long-term investments

	31/12/2021		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
Held-to-maturity investments				
▪ Term deposits at banks		-		6,000,000,000
▪ Business co-operation contract		-		556,181,818
▪ Others		3,585,710,400,000		-
		3,585,710,400,000		6,556,181,818
		3,777,398,284,108		198,244,065,926

(i) As at 31 December 2021, the Group has not yet contributed capital in this company

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7. Trade accounts receivable

Short-term trade accounts receivable	31/12/2021	01/01/2021
	VND	VND
Zhejiang Lixi International Travel Co., Ltd	1,656,923,858,350	1,779,951,531,840
Hangzhou BaoLi Co., Ltd	1,622,690,160,000	1,594,045,975,206
Other customers	8,321,259,784,654	5,221,123,698,383
	11,600,873,803,004	8,595,121,205,429

The Company collected VND 800,000,000,000 of receivables from counterparties in March 2022. Based on historical payments as well as strategic cooperation relationship between the Group and those companies, the Company's management assesses that those receivables are collectible when aviation market recovers.

8. Prepayments to suppliers – short-term

	31/12/2021	01/01/2021
	VND	VND
Prepayments for engine repair services	49,263,445,480	24,841,903,084
Prepayment for aircraft leasing	-	35,561,613,801
Prepayment for airport services	17,284,382,214	-
Others	586,692,516,325	102,659,934,628
	653,240,344,019	163,063,451,513

9. Other receivables

(a) Other short-term receivables

	31/12/2021	01/01/2021
	VND	VND
Deposits for aircraft purchases	3,212,741,334,318	4,189,158,334,254
Maintenance reserves of leased aircrafts	1,824,881,774,817	1,824,881,774,817
Expenses paid on behalf of Thai Vietjet Air JSC Ltd.	1,582,229,193,939	1,187,455,488,698
Purchase discounts receivable	660,820,286,965	689,174,934,689
Claim receivables from MR of leased aircrafts	592,857,173,965	232,782,861,484
Interest income	2,329,046,575	2,587,221,918
Dividend receivable	11,250,000,000	11,250,000,000
Deposits for other services	21,422,301,999	21,755,864,909
Other related parties	2,529,641,463,591	2,471,275,235,459
Others	1,077,841,882,218	1,507,907,441,773
	11,516,014,458,387	12,138,229,158,001

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9. Other receivables (continued)

(b) Other long-term receivables

	31/12/2021	01/01/2021
	VND	VND
Deposits for aircraft purchases	3,521,495,676,771	3,515,188,352,836
Maintenance reserves of leased aircrafts	7,283,160,325,671	7,026,517,796,249
Deposits for aircraft leases	1,308,951,987,320	1,279,246,427,485
Expenses paid on behalf of Thai Vietjet Air JSC Ltd.	468,344,946,987	468,344,946,987
Deposits for other services agreement	124,722,383,225	129,268,494,725
Others	37,255,866,984	51,802,657,535
	12,743,931,186,958	12,470,368,675,817
	12,743,931,186,958	12,470,368,675,817

10. Inventories

	31/12/2021	01/01/2021
	VND	VND
Tools and supplies	805,356,705,318	681,234,137,484
Merchandise inventories	5,890,325,337	30,859,124,643
	811,247,030,655	712,093,262,127
	811,247,030,655	712,093,262,127

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11. Tangible fixed assets

	Aircrafts and components VND	Aircrafts and components VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Cost							
Opening balance	896,813,994,227	-	102,504,743,597	27,706,532,445	67,293,981,762	29,604,644,169	1,123,923,896,200
Additions	-	-	-	695,819,800	3,029,396,300	92,981,252	3,818,197,352
Transfer from CIP	-	387,463,400,057	-	-	-	-	387,463,400,057
Write-off	-	-	(985,409,342)	(3,031,098,391)	-	-	(4,016,507,733)
Closing balance	<u>896,813,994,227</u>	<u>387,463,400,057</u>	<u>101,519,334,255</u>	<u>25,371,253,854</u>	<u>70,323,378,062</u>	<u>29,697,625,421</u>	<u>1,511,188,985,876</u>
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	44,877,940,212	17,825,407,659	15,307,235,896	1,512,563,244	7,877,649,092	2,951,354,650	90,352,150,753
Write-off	-	-	(985,409,342)	(3,031,098,391)	-	-	(4,016,507,733)
Closing balance	<u>249,823,689,576</u>	<u>17,825,407,659</u>	<u>42,143,357,490</u>	<u>16,769,780,326</u>	<u>27,631,806,551</u>	<u>6,640,547,963</u>	<u>360,834,589,565</u>
Net book value							
Opening balance	691,868,244,863	-	74,683,212,661	9,418,216,972	47,539,824,303	25,915,450,856	849,424,949,655
Closing balance	<u>646,990,304,651</u>	<u>369,637,992,398</u>	<u>59,375,976,765</u>	<u>8,601,473,528</u>	<u>42,691,571,511</u>	<u>23,057,077,458</u>	<u>1,150,354,396,311</u>

Included in the cost of tangible fixed assets were assets costing VND 52,676 million which were fully depreciated as at 31 December 2021 (01 January 2021: VND 47,719 million), but which are still in active use.

As at 31 December 2021, tangible fixed assets with carrying value of VND 646,990 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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12. Intangible fixed assets

	Software VND
Cost	
Opening balance	30,834,110,655
Additions	10,447,078,420
Write-off	<u>(1,354,142,847)</u>
Closing balance	<u>39,927,046,228</u>
Accumulated depreciation	
Opening balance	29,762,668,971
Charge for the year	2,017,679,627
Write-off	<u>(598,337,098)</u>
Closing balance	<u>31,182,011,500</u>
Net book value	
Opening balance	1,071,441,684
Closing balance	<u>8,745,034,728</u>

Included in the cost of intangible fixed assets was assets costing VND 27,106 million which were fully amortised as at 31 December 2021 (01 January 2021: VND 25,856 million), but which are still in active use.

13. Construction in progress

	31/12/2021 VND	01/01/2021 VND
Opening balance	804,241,395,933	1,318,401,443,379
Additions	193,509,281,318	293,743,925,297
Transfer to Fixed assets	(387,463,400,057)	(778,062,904,128)
Reclassification	(334,526,581,307)	(29,841,068,615)
	<u>275,760,695,887</u>	<u>804,241,395,933</u>

14. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2021 VND	01/01/2021 VND
Prepayments for aircraft leases	-	195,438,728,811
Prepayments for maintenance expenses	14,898,505,827	15,481,112,313
Others	1,408,008,444	1,886,225,594
	<u>16,306,514,271</u>	<u>212,806,066,718</u>

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14. Prepaid expenses (continued)

(b) Long-term prepaid expenses

	Maintenance costs	Cost to make	Major inspection and	Rotable parts, tools	Others	Total
	VND	good on leased assets	overhaul expenditure	and instruments	VND	VND
		VND	VND	VND	VND	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	951,587,516,606	34,376,276,745	196,350,606,081	163,720,023,015	2,931,725,152	1,348,966,147,599
Revert	(177,118,000,000)	-	-	-	-	(177,118,000,000)
Charge for the year	(214,638,921,785)	(65,401,508,392)	(137,623,864,024)	(72,881,628,159)	(9,700,296,598)	(500,246,218,958)
Closing balance	4,825,374,446,690	446,434,346,743	170,579,053,273	196,341,480,577	24,423,908,580	5,663,153,235,863

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15. Accounts payable to suppliers – short-term

Accounts payable to suppliers detailed by significant suppliers

	31/12/2021	01/01/2021
	VND	VND
Petrolimex Aviation Fuel JSC ("Petrolimex")	665,792,259,190	913,978,963,695
Others	3,677,721,375,168	2,507,632,959,679
	4,343,513,634,358	3,421,611,923,374

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16. Taxes

(a) Taxes payable to State Treasury

	01/01/2021 VND	Incurred VND	Paid VND	Net-off VND	Reclassified VND	31/12/2021 VND
Value added tax	103,888,422,189	515,315,158,502	-	(500,573,932,347)	(35,936,094,970)	82,693,553,374
Personal income tax	53,916,323,935	40,195,090,548	(48,464,217,947)	-	-	45,647,196,536
Foreign contractor tax	25,085,319	18,429,735,412	(229,431,711)	(28,363,981,257)	-	22,010,668,059
Corporation income tax	135,717,077,296	9,004,817,469	(6,500,003,320)	-	-	138,221,891,445
	293,546,908,739	582,944,801,931	(55,193,652,978)	(528,937,913,604)	(3,786,834,674)	288,573,309,414

(b) Taxes receivable from State Treasury

	01/01/2021 VND	Incurred VND	Paid VND	Net-off VND	Reclassified VND	31/12/2021 VND
Value added tax	2,665,999,116	570,708,669,839	(22,444,406,485)	(500,573,932,347)	-	50,356,330,123
Foreign contractor tax	28,363,981,257	-	-	(28,363,981,257)	-	-
Corporation income tax	-	-	-	-	-	-
	31,029,980,373	570,708,669,839	(22,444,406,485)	(528,937,913,604)	-	50,356,330,123

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17. Accrued expenses

	31/12/2021	01/01/2021
	VND	VND
Aircraft related expenses	537,038,346,035	569,186,857,946
Maintenance expenses	32,857,063,597	156,345,907,814
Interest expense	319,315,283,608	57,690,338,836
Others	110,794,396,035	84,687,861,161
	1,000,005,089,275	867,910,965,757

18. Unearned revenue

	31/12/2021	01/01/2021
	VND	VND
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	381,579,736,840	867,654,596,914

19. Other short-term payables

	31/12/2021	01/01/2021
	VND	VND
Amount due to related parties	40,924,031,547	561,947,782,929
Airport tax payables	224,855,797,558	623,345,822,167
Short-term deposits received	62,278,065,804	74,003,924,865
Dividends payable to shareholders	57,787,553,550	57,787,553,550
Others	226,075,577,527	271,201,888,135
	611,921,025,986	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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20. Borrowings and bonds

(a) Short-term borrowings

	01/01/2021	Movement during the year			31/12/2021
	Carrying amount	Addition	Repayments	Revaluation	Carrying amount
	VND	VND	VND	VND	VND
Short-term borrowings	7,471,260,726,734	9,888,215,421,440	(11,613,994,718,362)	(8,541,523,646)	5,736,939,906,166
Current portion of long-term borrowings	2,623,554,910,000	600,000,000,000	(1,692,122,680,000)	(14,632,230,000)	1,516,800,000,000
	10,094,815,636,734	10,488,215,421,440	(13,306,117,398,362)	(23,173,753,646)	7,253,739,906,166

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20. Borrowings and bonds (continued)

(a) Short-term borrowings (continued)

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

Lenders	Currency	31/12/2021 VND	01/01/2021 VND
Ho Chi Minh City Development JSC Commercial Bank, a related party	USD	2,384,576,498,152	1,921,659,266,962
Vietnam JSC Commercial Bank for Industry and Trade	VND	1,860,409,702,905	1,973,275,655,305
Military Commercial Joint Stock Bank	VND	-	1,080,441,555,760
Vietnam Maritime Commercial Joint Stock Bank	USD	187,669,268,452	226,640,066,933
HSBC Bank (Vietnam) Ltd	VND	-	109,900,032,120
United Overseas Bank (Vietnam) - HCM City Branch	VND	-	123,411,192,331
Woori Bank Vietnam	VND	254,548,640,905	586,197,161,571
PG Bank Joint Stock Bank	VND	349,735,795,752	449,735,795,752
Other	VND	700,000,000,000	1,000,000,000,000
		5,736,939,906,166	7,471,260,726,734

(b) Long-term borrowings and bonds

	31/12/2021 VND	01/01/2021 VND
Long-term borrowing (i)	1,350,281,926,768	3,059,895,419,856
Straight bonds (ii)	8,373,090,000,000	910,700,000,000
	9,723,371,926,768	3,970,595,419,856
Repayable within twelve months	1,516,800,000,000	2,623,554,910,000
Repayable after twelve months	8,206,571,926,768	1,347,040,509,856

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20. Borrowings and bonds (continued)

(b) Long-term borrowings and bonds (continued)

(i) Long-term borrowings

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

Lenders	Currency	Year of maturity	31/12/2021 VND	01/01/2021 VND
Woori Bank - Singapore Branch (*)	USD	2021	375,054,545,455	1,044,675,000,000
Industrial and Commercial Bank of China Limited – Hong Kong Branch (*)	USD	2021	375,054,545,455	1,044,675,000,000
KEB Hana Bank-Hong Kong Branch (*)	USD	2021	166,690,909,090	464,300,000,000
Military Commercial Joint Stock Bank (**)	USD	2028	433,481,926,768	506,245,419,856
			1,350,281,926,768	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 three years from drawdown date. The principal of this loan is repayable in four - instalments in 2022. The syndicated loan was unsecured and bore annual interest rate of 1.63% 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 3.04% during the year.

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

	31/12/2021 VND	01/01/2021 VND
Aircraft No, A320 MSN7167 – VNA675	646,990,304,651	691,868,244,863

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20. Borrowings and bonds (continued)

(b) Long-term borrowings and bonds (continued)

(ii) Straight bonds

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

Underwriter	Currency	Year of maturity	31/12/2021 VND	01/01/2021 VND
<i>Ho Chi Minh City Securities Corporation</i>				
Bond issued at par (*)	VND	2022	600,000,000,000	600,000,000,000
<i>HDB Securities Corporation</i>				
Bond issued at par (**)	VND	2023	650,000,000,000	310,700,000,000
<i>HDB Securities Corporation</i>				
Bond issued at par (***)	VND	2026	7,123,090,000,000	-
			8,373,090,000,000	910,700,000,000

(*) 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.

21. Provisions

Movements of provisions during the year were as follows:

	Provision for maintenance expenses VND	Provision to make good on leased assets VND	Total VND
Opening balance	9,907,846,005,200	883,701,985,514	10,791,547,990,714
Additions	932,948,499,683	34,376,276,745	967,324,776,428
Revert	(177,118,000,000)	-	(177,118,000,000)
Foreign exchange differences	(54,639,604,813)	40,036,229,790	(14,603,375,023)
Closing balance	10,609,036,900,070	958,114,492,049	11,567,151,392,119
Current	1,804,991,310,826	59,166,063,740	1,864,157,374,566
Non current	8,804,045,589,244	898,948,428,309	9,702,994,017,553

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22. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury Stock VND	Translation difference reserves VND	Retained profits/ (accumulated losses) VND	Non-controlling interests VND	Total equity VND
Balance as at 1 Jan 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	-	-	-	-	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 Dec 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	-	-	-	-	93,448,077,224	19,255,837,154	112,703,914,378
Transferred to Welfare	-	-	-	-	(380,676,119,348)	-	(380,676,119,348)
Treasury Share	-	1,533,625,094	2,347,121,362,620	-	-	-	2,348,654,987,714
Translation of foreign operations	-	-	-	(184,281,491,101)	-	-	(184,281,491,101)
Balance as at 31 Dec 2021	5,416,113,340,000	247,483,117,899	-	(110,730,393,251)	11,302,022,545,015	19,911,667,098	16,874,800,276,761

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23. Share capital

The Company's authorised and issued share capital are:

	31/12/2021		01/01/2021	
	Number of shares	VND	Number of share	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.

(**) Pursuant to the Resolution No.10-21/VJC- HDQT-NQ dated 05 March 2021 of the Board of Directors, the Company completed the sales of 17,772,740 treasury shares at the average price of VND 132,248 per treasury share during period from 30 April to 22 May 2021

24. 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.

25. Revenue from sales of goods and provision of services

	Quarter IV.2021	Quarter IV.2020
	VND	VND
Net revenue from passenger transportation	297,466,548,503	1,097,056,736,027
Net revenue from cargo	1,445,989,507,510	399,718,654,837
Net revenue from ancillary	228,606,478,623	1,327,879,352,203
Net revenue from sale of aircraft and purchase right option	-	1,219,265,166,667
Net revenue from other	816,501,638,368	386,012,173,661
	2,788,564,173,004	4,429,932,083,395

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26. Cost of sales

	Quarter IV.2021	Quarter IV.2020
	VND	VND
Costs of flight operation expenses	2,386,022,558,366	2,661,624,755,958
Depreciation and amortisation	18,343,867,641	16,239,013,956
Costs of aircrafts sold	-	1,219,028,284,814
Other expenses	14,585,664,551	38,945,910,468
	2,418,952,090,558	3,935,837,965,196

27. Financial income

	Quarter IV.2021	Quarter IV.2020
	VND	VND
Interest income	99,408,930,236	77,300,929,805
Realised foreign exchange gains	15,600,948,387	18,972,951,335
Unrealised foreign exchange gains	-	88,015,641
Dividend income	3,060,822,000	-
Other	4,600,967,819	7,950,675,699
	122,671,668,442	104,312,572,480

28. Financial expenses

	Quarter IV.2021	Quarter IV.2020
	VND	VND
Interest expense	273,900,080,007	118,338,369,633
Allowance for diminution in the value of trading securities	(145,000,000,000)	(185,000,000,000)
Realised foreign exchange losses	3,854,935,358	6,456,774,355
Unrealised foreign exchange losses	118,876,705,016	13,850,503,055
Other financial expense	45,923,139,031	17,655,719,247
	297,554,859,412	(28,698,633,710)

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29. Selling expenses

	Quarter IV.2021	Quarter IV.2020
	VND	VND
Sales expenses	23,167,879,121	54,058,574,820
Advertising and marketing expenses	93,290,150,099	121,837,280,890
Staff costs	17,725,961,832	16,825,445,649
Depreciation and amortisation	1,440,609,989	80,855,518
Others	8,333,415,894	23,147,271,886
	143,958,016,935	215,949,428,763

30. General and administration expenses

	Quarter IV.2021	Quarter IV.2020
	VND	VND
Staff costs	36,751,924,711	58,494,815,292
Rental expenses	20,196,490,249	4,998,193,875
Depreciation and amortisation	18,961,361,625	4,486,992,494
Insurance expenses	-	721,535,792
Others	56,948,743,227	39,044,344,335
	132,858,519,812	107,745,881,788

31. Income tax

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.

Galaxy Pay Company Limited

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

Swift247 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 Ground Services Limited Liability 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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31. Income tax

Applicable tax rate

(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.

32. Basic earnings per share

The calculation of basic earnings per share for the year 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

	2021	2020
	VND	VND
Net profit attributable to ordinary shareholders	95,174,863,511	68,591,150,827

(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	12,873,097	-
Weighted average number of ordinary shares	536,711,691	523,838,594

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33. 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.

31 March 2022

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
cum Managing Director