

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

Consolidated Financial Statements
Quarter IV 2022

**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 Directors	Nguyen Thanh Ha Nguyen Thi Phuong Thao Donal Joshep Boylan Nguyen Thanh Hung Dinh Viet Phuong Luu Duc Khanh Chu Viet Cuong Nguyen Anh Tuan	Chairwoman Permanent Vice Chairwoman Vice Chairman - Independent Member Member Member Member Member Independent Member
Board of Management	Nguyen Thi Phuong Thao Dinh Viet Phuong Michael Hickey Ho Ngoc Yen Phuong To Viet Thang Nguyen Thanh Son	Chief Executive Officer Permanent Vice President cum Managing Director Executive Vice President Executive Vice President cum Chief Financial Officer Executive Vice President Executive Vice President
Senior Management	Luong The Phuc Nguyen Thi Thuy Binh Nguyen Duc Thinh Do Xuan Quang Nguyen Thai Trung	Vice President Vice President Vice President Vice President Vice President
Audit Committee	Nguyen Anh Tuan Luu Duc Khanh Chu Viet Cuong	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 then ended 31 December 2022.

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:

- (a) The consolidated financial statements set out on pages 3 to 41 give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of 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; and
- (b) At the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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



Nguyen Thi Phuong Thao
Chief Executive Officer

Ho Chi Minh City, 30th January 2023

VietJet Aviation Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 December 2022

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

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		31,047,872,934,405	26,866,732,678,773
110	Cash and cash equivalents	5	1,858,261,735,520	1,868,252,946,557
111	Cash		895,285,954,496	983,304,817,181
112	Cash equivalents		962,975,781,024	884,948,129,376
120	Short-term investments		687,775,421,096	859,475,421,096
121	Trading securities	6(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	6(a)	(490,000,000,000)	(135,000,000,000)
123	Investments held to maturity		187,775,421,096	4,475,421,096
130	Short-term receivables		26,928,983,183,585	23,261,094,436,070
131	Short-term trade accounts receivable	7	14,253,407,756,176	11,452,445,071,396
132	Short-term prepayments to suppliers	8	2,064,286,286,755	100,108,467,605
135	Short-term lending	9(a)	657,000,000,000	657,000,000,000
136	Other short-term receivables	10(a)	9,954,289,140,654	11,051,540,897,069
140	Inventories	11	982,716,071,675	811,247,030,655
141	Inventories		982,716,071,675	811,247,030,655
150	Other current assets		590,136,522,529	66,662,844,395
151	Short-term prepaid expenses	14(a)	440,027,011,417	16,306,514,272
152	Value Added Tax to be reclaimed		150,109,511,112	50,356,330,123

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 2022 (continued)

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

Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
200	LONG-TERM ASSETS		36,098,931,070,315	24,786,971,332,567
210	Long-term receivables		22,121,135,796,687	16,889,287,027,947
212	Long-term prepayments to suppliers	14(b)	1,132,635,253,054	-
215	Long-term lending	9(b)	818,221,855,860	789,648,322,692
216	Other long-term receivables	10(b)	20,170,278,687,773	16,099,638,705,255
220	Fixed assets		5,827,316,201,964	1,158,451,949,883
221	Tangible fixed assets	12(a)	5,798,930,409,912	1,150,354,396,311
222	Historical cost		6,205,088,152,854	1,511,188,985,876
223	Accumulated depreciation		(406,157,742,942)	(360,834,589,565)
227	Intangible fixed assets	12(c)	28,385,792,052	8,097,553,572
228	Historical cost		61,941,976,858	39,171,240,479
229	Accumulated amortisation		(33,556,184,806)	(31,073,686,907)
240	Long-term assets in progress		534,135,391,286	500,760,695,887
242	Construction in progress	13	534,135,391,286	500,760,695,887
250	Long-term investments	6(b)	149,417,024,400	149,417,024,400
253	Investments in other entities		149,417,024,400	149,417,024,400
260	Other long-term assets		7,466,926,655,978	6,089,054,634,450
261	Long-term prepaid expenses	14(b)	7,228,154,288,804	6,089,054,634,450
262	Deferred income tax assets	24	238,772,367,174	-
270	TOTAL ASSETS		67,146,804,004,720	51,653,704,011,340

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 2022 (continued)

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

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND
300	LIABILITIES		52,905,348,036,674	34,799,493,690,860
310	Short-term liabilities		30,822,468,393,678	15,522,180,566,553
311	Short-term trade accounts payable	15	9,801,516,841,596	3,241,429,731,841
312	Short-term advances from customers	16	1,843,104,055,915	544,895,468,268
313	Tax and other payables to the State Budget	17	955,291,059,522	288,705,246,334
314	Payable to employees		190,125,532,153	81,631,536,906
315	Short-term accrued expenses	18	1,673,345,897,620	929,357,469,634
318	Short-term unearned revenue	19	3,503,454,041,287	381,579,736,840
319	Other short-term payables	20	2,188,722,038,202	1,092,825,880,639
320	Short-term borrowings and finance lease liabilities	21(a)	7,173,459,139,590	7,320,070,386,166
321	Provision for short-term liabilities	22	3,211,841,211,002	1,314,535,033,134
322	Bonus and welfare funds	23	281,608,576,791	327,150,076,791
330	Long-term liabilities		22,082,879,642,996	19,277,313,124,307
337	Other long-term payables		69,101,133,676	50,852,726,178
338	Long-term borrowings and finance lease liabilities	21(b)	10,309,745,847,108	8,140,241,446,768
341	Deferred income tax liabilities	24	-	154,517,071,443
342	Provision for long-term liabilities	22	11,704,032,662,212	10,931,701,879,918
400	OWNERS' EQUITY		14,241,455,968,046	16,854,210,320,480
410	Capital and reserves		14,241,455,968,046	16,854,210,320,480
411	Owners' capital	25, 26	5,416,113,340,000	5,416,113,340,000
411a	- Ordinary shares with voting rights		5,416,113,340,000	5,416,113,340,000
412	Share premium	26	247,483,117,899	247,483,117,899
417	Foreign exchange differences	26	(552,152,454,149)	(110,730,393,251)
421	Undistributed earnings	26	9,109,576,131,129	11,281,432,588,734
421a	- Undistributed post-tax profits of previous years		11,281,432,588,734	11,208,574,467,791
421b	- (Post-tax loss)/post-tax profits of current year		(2,171,856,457,605)	72,858,120,943
429	Non-controlling interests		20,435,833,167	19,911,667,098
440	TOTAL RESOURCES		67,146,804,004,720	51,653,704,011,340

30 January 2023

Prepared by:



Pham Ngoc Thoa
Chief Accountant

Approved by:



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 2022

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

Code	Note	Quarter IV		Year ended	
		This year VND	Previous year VND	This year VND	Previous year VND
01		11,807,303,383,097	2,788,564,173,004	39,342,331,391,411	12,874,919,725,450
10	28	11,807,303,383,097	2,788,564,173,004	39,342,331,391,411	12,874,919,725,450
11	29	(15,650,424,183,045)	(2,418,952,090,558)	(41,509,237,739,246)	(14,913,724,210,509)
20		(3,843,120,799,948)	369,612,082,446	(2,166,906,347,835)	(2,038,804,485,059)
21	30	2,063,603,351,980	122,671,668,442	2,481,565,002,058	4,032,772,056,932
22	31	(1,352,507,561,136)	(297,554,859,412)	(2,732,699,430,380)	(806,254,583,608)
23	31	(408,501,422,062)	(267,054,235,839)	(1,359,767,921,102)	(804,782,847,259)
24		-	-	-	(42,270,859,708)
25	32	(430,245,796,547)	(143,958,016,935)	(938,025,328,460)	(607,756,237,934)
26	33	(183,335,354,918)	(132,858,519,812)	(526,776,370,819)	(365,729,158,499)
30		(3,745,606,160,569)	(82,087,645,271)	(3,882,842,475,436)	171,956,732,124
31		1,624,992,325,101	7,812,756,404	2,102,389,899,508	16,201,777,600
32		(6,052,449,670)	(7,444,972,207)	(38,166,043,485)	(7,778,986,800)
40		1,618,939,875,431	367,784,197	2,064,223,856,023	8,422,790,800
50		(2,126,666,285,138)	(81,719,861,074)	(1,818,618,619,413)	180,379,522,924
51		(572,516,082,652)	2,928,926,357	(746,003,110,740)	(14,027,919,315)
52		340,368,661,114	(14,571,110,838)	393,289,438,617	(86,692,296,300)
60		(2,358,813,706,676)	(93,362,045,555)	(2,171,332,291,536)	79,659,307,309
61		(2,356,212,535,935)	(101,806,251,987)	(2,171,856,457,605)	74,584,907,230
62		(2,601,170,741)	8,444,206,432	524,166,069	5,074,400,079
70	35	(4,350)	(190)	(4,010)	139
71		(4,350)	(190)	(4,010)	139

30 January 2023

Prepared by:



Pham Ngoc Thoa
Chief Accountant



Ho Ngoc Yen Phuong
Vice President
cum Chief Financial Officer

Approved by:



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 2022
(Indirect method)

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

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net (loss)/profit before tax	(1,818,618,619,413)	180,379,522,924
	Adjustments for:		
02	Depreciation and amortisation	79,611,029,294	53,389,435,131
03	Provisions	2,706,113,733,277	(118,552,971,930)
04	Unrealised foreign exchange (gains)/losses	(136,990,163,144)	77,543,082,119
05	Profits from investing activities	(404,321,395,671)	(150,542,400,506)
06	Interest expense	1,359,767,921,102	532,089,459,994
08	Operating profit before changes in working capital	1,785,562,505,445	574,306,127,732
09	Increase in receivables	(8,286,620,489,324)	(5,076,134,078,396)
10	Increase in inventories	(171,469,041,020)	(94,298,773,066)
11	Increase/(decrease) in payables	12,542,017,374,878	(735,873,469,926)
12	(Increase)/decrease in prepaid expenses	(1,562,820,151,499)	223,470,529,023
14	Interest paid	(1,375,710,041,907)	(361,246,356,148)
15	Business income tax paid	(140,404,792,269)	-
17	Other payments on operating activities	(45,541,500,000)	-
20	Net cash inflows/(outflows) from operating activities	2,745,013,864,304	(5,469,776,020,781)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(4,750,044,598,756)	(117,909,447,344)
23	Loans granted, purchases of debt instruments of other entities	(183,300,000,000)	(310,000,000)
24	Collection of loans, proceeds from sales of debt instruments of other entities	-	6,556,181,818
27	Dividends and interest received	53,376,522,760	26,591,038,493
30	Net cash outflows from investing activities	(4,879,968,075,996)	(85,072,227,033)

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 2022
(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	Note	For the nine-month period ended	
		30.9.2022 VND	30.6.2021 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
32	Payments for share returns and repurchases	-	2,348,654,987,714
33	Proceeds from borrowings	28,281,294,740,498	13,598,003,191,418
34	Repayments of borrowings	(26,177,921,993,857)	(11,525,839,352,904)
40	Net cash inflows from financing activities	2,103,372,746,641	4,420,818,826,228
50	Net increase in cash and cash equivalents	(31,581,465,051)	(1,134,029,421,586)
60	Cash and cash equivalents at beginning of year	1,868,252,946,557	2,926,425,627,363
61	Effect of foreign exchange differences	21,590,254,014	(241,253,638,117)
70	Cash and cash equivalents at end of year	1,858,261,735,520	1,551,142,567,660

30 January 2023

Prepared by:



Pham Ngoc Thoa
Chief Accountant



Ho Ngoc Yen Phuong
Vice President
cum Chief Financial Officer

Approved by:



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
Notes to the consolidated financial statements for the period ended 31 December 2022

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

1.1 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 period ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

1.2 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.

1.3 Normal operating cycle

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

1.4 Group’s structure

As at 31 December 2022, the Group has 9 subsidiaries and 2 associates (01/01/2022: 7 subsidiaries and 2 associates) as follows:

Name	Country of incorporation	Principal activities	Business Registration Certificate	% equity owned/ voting right	
				31/12/2022	01/01/2022
<i>Directly Subsidiaries</i>					
Swift247 Joint Stock Company <i>(iv)</i>	Vietnam	To provide cargo transportation and related support services.	No. 0315524536 dated 23 February 2020	67%	67%
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%
Galaxy Pay Company Limited	Vietnam	To provide e-wallet service	No.0316368255 dated 08 July 2020	100%	100%
Vietjet Ground Services Limited Liability Company <i>(i)</i>	Vietnam	To provide directly supporting service activities for air freight	No.0109783334 dated 19 Oct 2021	100%	100%

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the period ended 31 December 2022
(continued)

Form B 09 – DN/HN
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1 REPORTING ENTITY (continued)

1.4 Group's structure (continued)

Name	Country of incorporation	Principal activities	Business Registration Certificate	% equity owned/ voting right	
				30/9/2022	01/01/2022
<i>Indirectly Subsidiaries</i>					
VietjetAir Cargo Joint Stock Company	Vietnam	To provide cargo transportation and related support services.	No. 0312759089 dated 27 August 2014	64%	64%
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 2022, 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 2022, the Group has 6,026 employees (01/01/2021: 5,322 employees).

2. BASIC OF PREPARATION

2.1 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.

2.2 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 period ended 31 December 2022
(continued)

Form B 09 – DN/HN
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2 BASIC OF PREPARATION (continued)

2.3 Annual accounting period

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

2.4 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.

3.1 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 period ended 31 December 2022
(continued)

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 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.

3.3 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.

3.4 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)

3.5 Accounts receivable

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

3.6 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.

3.7 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.

3.8 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:

Buildings and infrastructures	20 – 50 years
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

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 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.

3.10 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.

3.11 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.

3.12 Trade and other payables

Trade and other payables are stated at their costs.

3.13 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)

3.13 Provisions (continued)

(ii) 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.

(iii) 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.

3.14 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.

3.15 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)

3.16 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.

3.17 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)

3.17 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.

(vii) 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)

3.18 Revenue and other income (continued)

(viii) 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.

(ix) 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.

(x) Interest income

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

(xi) 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.

3.19 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.

3.20 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.

3.21 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.

3.22 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.

3.23 Related parties

Parties 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

4.1 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 28 and Note 29 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.

4.2 Geographical segment

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

	2022	2021
	VND	VND
In Vietnam	19,530,436,543,780	5,740,197,168,895
Outside Vietnam	19,811,894,847,631	7,134,722,556,555
	<u>39,342,331,391,411</u>	<u>12,874,919,725,450</u>

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

5 CASH AND CASH EQUIVALENTS

	2022	2021
	VND	VND
Cash on hand	9,872,547,293	9,204,594,362
Cash at bank	885,211,616,848	974,100,222,819
Cash in transit	201,790,355	-
Cash equivalents	962,975,781,024	884,948,129,376
	<u>1,858,261,735,520</u>	<u>1,868,252,946,557</u>

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6 INVESTMENTS

(a) Short-term investments

	2022			
	Quantity	Cost VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	390,000,000,000	600,000,000,000
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>390,000,000,000</u>	<u>600,000,000,000</u>
	2021			
	Quantity	Cost VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	855,000,000,000	135,000,000,000
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>855,000,000,000</u>	<u>135,000,000,000</u>

(b) Long-term investments

	31/12/2022		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. <i>(i)</i>		-		-
▪ Cam Ranh International Terminal Jsc	10%	60,000,000,000	10%	60,000,000,000
		<u>60,000,000,000</u>		<u>60,000,000,000</u>
Equity investments in other entities				
▪ Sai Gon Ground Services Jsc <i>(i)</i>	9,1%	149,417,024,400	9,1%	149,417,024,400
▪ Angelica Holding Limited <i>(ii)</i>		-		-
		<u>149,417,024,400</u>		<u>149,417,024,400</u>

(i) As at 31 December 2022, the Group has not yet contributed capital in this associate. This company's operations are mainly financed by the Group

(ii) As at 31 December 2022, the Group has not yet contributed capital in this company, which is incorporated in Caymen Islands. The principal activities of this company are to provide consultancy services and lease aircraft

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7 TRADE ACCOUNTS RECEIVABLE

	2022	2021
	VND	VND
Zhejiang Lixi International Travel Co., Ltd.	1,599,037,232,000	1,559,031,160,000
Hangzhou BaoLi Co., Ltd.	1,006,271,578,050	1,599,657,504,140
Others	11,648,098,946,126	8,293,756,407,256
	<u>14,253,407,756,176</u>	<u>11,452,445,071,396</u>

8 PREPAYMENTS TO SUPPLIERS

(a) Short-term investments

	2022	2021
	VND	VND
Rockwell Collins	26,388,709,000	22,336,477,282
Others	2,037,897,577,755	77,771,990,323
	<u>2,064,286,286,755</u>	<u>100,108,467,605</u>

(b) Long-term

	2022	2021
	VND	VND
Hangzhou BaoLi Co., Ltd.	<u>1,132,635,253,054</u>	<u>-</u>

9. LENDING

(a) Short-term

Borrower	Currency	Annual interest rate	Year of maturity	31.12.2022	31.12.2021
				VND	VND
Truong Son Plaza Joint Stock Company	VND	9.0%	2022	<u>657,000,000,000</u>	<u>657,000,000,000</u>

(b) Long-term

Borrower	Currency	Annual interest rate	Year of maturity	31.12.2022	31.12.2021
				VND	VND
AAA Aircraft Asset Company Limited	USD	2.5%	2025	507,437,760,000	492,816,672,000
Apricot Aircraft Assets No. 1 Limited	USD	5%	2033	305,638,174,360	296,831,650,692
Mr. Ha Nang Viet	VND	5%	2025	5,145,921,500	-
				<u>818,221,855,860</u>	<u>789,648,322,692</u>

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10 OTHER RECEIVABLES

(a) Other short-term receivables

	2022	2021
	VND	VND
Purchase discounts receivable	483,805,992,111	660,820,286,965
Deposits for aircraft purchases within next 12 months	1,807,805,631,328	1,585,033,816,020
Maintenance reserves of leased aircraft	4,430,805,957,839	1,824,881,774,817
Claim receivables from maintenance reserves of leased aircraft	442,633,214,126	592,857,173,965
Others	2,789,238,345,250	6,387,947,845,302
	<u>9,954,289,140,654</u>	<u>11,051,540,897,069</u>

(b) Other long-term receivables

	2022	2021
	VND	VND
Maintenance reserves of leased aircraft	6,522,100,016,834	7,095,851,249,114
Deposit for aircraft purchases after next 12 months	3,248,651,248,296	5,149,203,195,069
Deposit for aircraft leases	1,315,645,057,892	1,272,927,219,320
Deposit for ground handling services	134,989,847,894	124,722,383,225
Others	8,948,892,516,857	2,456,934,658,527
	<u>20,170,278,687,773</u>	<u>16,099,638,705,255</u>

11 INVENTORIES

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

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12 FIXED ASSETS

(a) Tangible fixed assets

	Aircraft and components VND	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost						
As at 1 January 2022	896,813,994,227	387,463,400,057	101,519,334,255	70,323,378,062	55,068,879,275	1,511,188,985,876
New purchases	5,059,856,978,933	21,090,214,441	15,171,810,304	7,679,346,300	4,858,601,318	5,108,656,951,296
Reclassification	-	-	3,058,330,526	(497,138,011)	(2,561,192,515)	-
Disposals	-	(408,553,614,498)	(315,500,000)	(5,733,188,568)	(155,481,252)	(414,757,784,318)
As at 31 December 2022	<u>5,956,670,973,160</u>	<u>-</u>	<u>119,433,975,085</u>	<u>71,772,397,783</u>	<u>57,210,806,826</u>	<u>6,205,088,152,854</u>
Accumulated depreciation						
As at 1 January 2022	249,823,689,576	18,172,790,992	42,437,409,523	27,189,790,354	23,210,909,120	360,834,589,565
Charge for the year	44,632,670,799	8,214,677,741	12,678,633,051	7,370,773,519	4,231,776,285	77,128,531,395
Reclassification	-	(347,383,333)	(3,573,641,070)	(614,378,476)	4,535,402,879	-
Disposals	-	(26,040,085,400)	(161,301,020)	(5,541,491,598)	(62,500,000)	(31,805,378,018)
As at 31 December 2022	<u>294,456,360,375</u>	<u>-</u>	<u>51,381,100,484</u>	<u>28,404,693,799</u>	<u>31,915,588,284</u>	<u>406,157,742,942</u>
Net book value						
As at 1 January 2022	<u>646,990,304,651</u>	<u>369,290,609,065</u>	<u>59,081,924,732</u>	<u>43,133,587,708</u>	<u>31,857,970,155</u>	<u>1,150,354,396,311</u>
As at 31 December 2022	<u><u>5,662,214,612,785</u></u>	<u><u>-</u></u>	<u><u>68,052,874,601</u></u>	<u><u>43,367,703,984</u></u>	<u><u>25,295,218,542</u></u>	<u><u>5,798,930,409,912</u></u>

Included in the cost of tangible fixed assets were assets costing VND 55,093 million which were fully depreciated as at 31 December 2022 (01 January 2022: VND 52,676 million), but which are still in active use.

As at 31 December 2022, tangible fixed assets with carrying value of VND 602,358 million (01 January 2022: VND 646,990 million) were pledged as security for borrowings granted by Military Commercial Joint Stock Bank to the Group.

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12 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Software VND
Historical cost	
As at 01 January 2022	39,171,240,479
New purchases	22,770,736,379
	61,941,976,858
Accumulated amortisation	
As at 01 January 2022	31,073,686,907
Charge for the year	2,482,497,899
	33,556,184,806
Net book value	
As at 01 January 2022	8,097,553,572
	28,385,792,052

Included in the cost of intangible fixed assets was assets costing VND 27,936 million which were fully amortised as at 30 September 2022 (01 January 2022: VND 27,178 million), but which are still in active use.

13 CONSTRUCTION IN PROGRESS

	2022 VND	2021 VND
Costs relating to aircraft and components	273,748,519,512	270,157,717,639
Others	260,386,871,774	230,602,978,248
	534,135,391,286	500,760,695,887

14 PREPAID EXPENSES

(a) Short-term prepaid expenses

	2022 VND	2021 VND
Fuselage insurance	207,026,956,348	-
Others	233,000,055,069	16,306,514,272
	440,027,011,417	16,306,514,272

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14 PREPAID EXPENSES (continued)

(b) Long-term prepaid expenses

	Prepayments for maintenance VND	Costs to make good on leased assets VND	Major inspection and overhaul expenditure VND	Rotating parts, tools and instruments VND	Others VND	Total VND
As at 01 January 2022	5,065,554,996,522	632,155,195,498	174,818,646,585	182,890,430,569	33,635,365,276	6,089,054,634,450
Increase	1,284,586,570,994	65,030,368,084	361,268,619,153	25,569,001,447	269,676,680,157	2,006,131,239,835
Transfers from inventory	-	-	275,156,650	340,477,851,041	3,615,372,259	344,368,379,950
Allocation	(653,985,455,360)	(92,016,962,579)	(145,493,509,655)	(226,663,177,695)	(60,117,220,685)	(1,178,276,325,974)
Others	-	(22,490,790,695)	(8,567,067,535)	(2,065,781,227)	-	(33,123,639,457)
As at 31 December 2022	<u>5,696,156,112,156</u>	<u>582,677,810,308</u>	<u>382,301,845,198</u>	<u>320,208,324,135</u>	<u>246,810,197,007</u>	<u>7,228,154,288,804</u>

15 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2022		2021	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Other short-term trade accounts payable	<u>9,801,516,841,596</u>	<u>9,801,516,841,596</u>	<u>3,241,429,731,841</u>	<u>3,241,429,731,841</u>

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16 SHORT-TERM ADVANCES FROM CUSTOMERS

	2022	2021
	VND	VND
Beijing China International Travel Service Co., Ltd.	70,638,001,410	112,933,609,524
Others	1,772,466,054,505	431,961,858,744
	1,843,104,055,915	544,895,468,268

17 TAXES

	As at 01.01.2022	(Receivable)/payable	Payment/net-off	Others	As at 31.12.2022
	VND	during the year	during	VND	VND
		VND	the year		
			VND		
a) Tax receivable					
Deductible VAT	50,356,330,123	1,701,710,202,802	(1,601,957,021,813)	-	150,109,511,112
	50,356,330,123	1,701,710,202,802	(1,601,957,021,813)	-	150,109,511,112
b) Tax payables					
CIT	138,353,828,365	746,003,110,740	(140,404,792,269)	(4,737,876,923)	739,214,269,913
VAT	82,693,553,374	1,711,718,014,950	(1,794,411,568,324)	-	-
Personal income tax	45,647,196,536	385,912,058,425	(238,518,039,514)	-	193,041,215,447
Foreign contractor tax	22,010,668,059	21,841,842,036	(21,098,715,708)	-	22,753,794,387
Other taxes	-	42,447,224,333	(42,165,444,558)	-	281,779,775
	288,705,246,334	2,907,922,250,484	(2,236,598,560,373)	(4,737,876,923)	955,291,059,522

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18 ACCRUED EXPENSES

	2022	2021
	VND	VND
Technical tools and equipments and aircraft related expenses	62,536,813,397	533,958,452,256
Aircraft rental expenses	827,452,336,973	-
Interest expense	146,092,701,141	296,216,239,953
Staff costs	140,381,248,056	32,857,063,597
Others	496,882,798,053	66,325,713,828
	<u>1,673,345,897,620</u>	<u>929,357,469,634</u>

19 UNEARNED REVENUE

	2022	2021
	VND	VND
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	<u>3,503,454,041,287</u>	<u>381,579,736,840</u>

20 OTHER SHORT-TERM PAYABLES

	2022	2021
	VND	VND
Airport fees and charges payables	1,072,753,201,412	700,704,487,828
Others	1,115,968,836,790	392,121,392,811
	<u>2,188,722,038,202</u>	<u>1,092,825,880,639</u>

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21 BORROWINGS AND BONDS

(a) Short-term borrowings

	As at 01.01.2022	Increase	Decrease	Revaluation	As at 31.12.2022
	VND	VND	VND	VND	VND
Borrowings from banks (i)	5,036,939,906,166	25,359,384,740,498	(23,900,878,666,988)	(85,285,240,086)	6,410,160,739,590
Current portion of long-term borrowings	1,583,130,480,000	111,343,046,869	(977,043,326,869)	868,200,000	718,298,400,000
Borrowings from related parties	700,000,000,000	45,000,000,000	(700,000,000,000)	-	45,000,000,000
	<u>7,320,070,386,166</u>	<u>25,515,727,787,367</u>	<u>(25,577,921,993,857)</u>	<u>(84,417,040,086)</u>	<u>7,173,459,139,590</u>

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21 BORROWINGS AND BONDS (continued)

(a) Short-term borrowings (continued)

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

Lenders	Currency	31.12.2022	31.12.2021
		VND	VND
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party	USD	2,176,675,893,840	2,384,576,498,152
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party	VND	741,351,201,799	-
Military Commercial Joint Stock Bank	VND	1,072,567,986,932	-
Vietnam Joint Stock Commercial Bank of Industry and Trade	VND	1,469,857,228,656	1,860,409,702,905
Woori Bank Vietnam Limited, Ho Chi Minh City Branch	VND	649,714,086,079	254,548,640,905
Vietnam Maritime Commercial Joint Stock Bank	VND	299,994,342,284	187,669,268,452
Petrolimex Group Commercial Joint Stock Bank	VND	-	349,735,795,752
		<u>6,410,160,739,590</u>	<u>5,036,939,906,166</u>

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21 BORROWINGS AND BONDS (continued)

(b) Long-term borrowings (continued)

	As at 01.01.2022 VND	Increase VND	Decrease VND	Revaluation VND	As at 31.12.2022 VND
Borrowings from banks (i)	1,350,281,926,768	-	(977,043,326,869)	4,805,647,209	378,044,247,108
Straight bonds (ii)	8,373,090,000,000	2,876,910,000,000	(600,000,000,000)	-	10,650,000,000,000
Current portion of long-term borrowings	(1,583,130,480,000)	(111,343,046,869)	977,043,326,869	(868,200,000)	(718,298,400,000)
	<u>8,140,241,446,768</u>	<u>2,765,566,953,131</u>	<u>(600,000,000,000)</u>	<u>3,937,447,209</u>	<u>10,309,745,847,108</u>

(i) Long-term borrowing from bank

Lenders	Currency	Maturity	As at 31.12.2022		As at 31.12.2021	
			Current portion of long-term borrowings VND	Long-term borrowings VND	Current portion of long-term borrowings VND	Long-term borrowings VND
Woori Bank - Singapore Branch	USD	December 2022	-	-	375,054,537,120	-
Industrial and Commercial Bank of China Limited - Hong Kong Branch	USD	December 2022	-	-	375,054,537,120	-
KEB Hana Bank - Hong Kong Branch	USD	December 2022	-	-	166,690,925,760	-
Military Commercial Joint Stock Bank (*)	USD	June 2028	68,298,400,000	309,745,847,108	74,909,280,000	358,572,646,768
			<u>68,298,400,000</u>	<u>309,745,847,108</u>	<u>991,709,280,000</u>	<u>358,572,646,768</u>

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21 BORROWINGS AND BONDS (continued)

(b) Long-term borrowings (continued)

(i) Long-term borrowing from bank

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

(*) 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.

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

	31.12.2022	31.12.2021
	VND	VND
Aircraft No. A320 MSN7167, VNA675	602,357,633,852	646,990,304,651

(ii) Straight bonds

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

	Currency	Annual interest	Year of maturity	2022	2021
				VND	VND
Bonds issued at VND100,000 per bond, maturing after 60 months (*)	VND	9.25%	2026	1,000,000,000,000	1,000,000,000,000
Bonds issued at VND100,000 per bond, maturing after 60 months (*)	VND	9.20%	2026	1,000,000,000,000	1,000,000,000,000
Bonds issued at VND100,000 per bond, maturing after 60 months (*)	VND	7.83%	2026	1,000,000,000,000	1,000,000,000,000
Bonds issued at VND100,000 per bond, maturing after 60 months (*)	VND	7.85%	2026	2,000,000,000,000	2,000,000,000,000
Bonds issued at VND100,000 per bond, maturing after 36 months (*)	VND	9.50%	2024	4,000,000,000,000	2,123,090,000,000
Bonds issued at VND100,000 per bond, maturing after 36 months (*)	VND	9.50%	2024	1,000,000,000,000	-
Bonds issued at VND100,000 per bond, maturing after 36 months (**)	VND	7.78%	2023	650,000,000,000	650,000,000,000
Bonds issued at par, maturing after 36 months	VND	7.78%	2022	-	600,000,000,000
				10,650,000,000,000	8,373,090,000,000

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21. BORROWINGS AND BONDS (continued)

(b) Long-term borrowings (continued)

(*) 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 in subsequent years until the maturity date.

(**) 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 for subsequent years until the maturity date.

22 PROVISIONS

Movements of provisions during the period were as follows:

	Provision for maintenance expenses VND	Provision to make good on leased assets VND	Total VND
As at 01 January 2022	11,102,401,572,249	1,143,835,340,803	12,246,236,913,052
Provision made during the year	2,707,079,902,112	109,769,408,488	2,816,849,310,600
Provision decreased during the year	(109,806,404,540)	-	(109,806,404,540)
Foreign exchange difference	-	(37,405,945,898)	(37,405,945,898)
	<hr/>	<hr/>	<hr/>
As at 31 December 2022	13,699,675,069,821	1,216,198,803,393	14,915,873,873,214
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Short-term	3,211,841,211,002	-	3,211,841,211,002
Long-term	10,487,833,858,819	1,216,198,803,393	11,704,032,662,212
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	13,699,675,069,821	1,216,198,803,393	14,915,873,873,214

23 BONUS AND WELFARE FUNDS

	2022 VND	2021 VND
Beginning of period/year	327,150,076,791	-
Appropriation to the fund during the period/year	-	380,676,119,348
Utilization of the fund	(45,541,500,000)	(53,526,042,557)
	<hr/>	<hr/>
	281,608,576,791	327,150,076,791
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24 DEFERRED INCOME TAX

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

	2022	2021
	VND	VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	3,126,123,002,469	2,468,231,211,996
Deferred tax assets to be recovered within 12 months	642,368,242,200	338,402,175,062
	<u>3,768,491,244,669</u>	<u>2,806,633,387,058</u>
	2022	2021
	VND	VND
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	2,560,186,787,860	2,596,174,103,538
Deferred tax liabilities to be recovered within 12 months	969,532,089,635	364,976,354,963
	<u>3,529,718,877,495</u>	<u>2,961,150,458,501</u>
Net off	<u>(3,768,491,244,669)</u>	<u>(2,806,633,387,058)</u>
Net deferred income tax liabilities	<u>(238,772,367,174)</u>	<u>154,517,071,443</u>

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

	2022	2021
	VND	VND
Beginning of year	154,517,071,443	67,824,775,143
Income statement (charge)/credit	(393,289,438,617)	86,692,296,300
End of year	<u>(238,772,367,174)</u>	<u>154,517,071,443</u>

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24 DEFERRED INCOME TAX (continued)

The Company uses tax rate of 20% to determine deferred income tax assets and deferred income tax liabilities.

Deferred income tax assets and deferred income tax liabilities mainly include temporary differences related to deductible temporary differences, taxable temporary differences and tax losses carried forward.

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

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

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2020	Outstanding	2,414,670,803,135	(1,005,216,623,073)	1,409,454,180,062
2022	Outstanding	2,457,128,170,071	-	2,457,128,170,071

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25 OWNERS' CAPITAL

(a) Number of shares

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

(b) Movement of share capital

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

Par value per share: VND10,000.

Each share is entitled to one vote at the Shareholders' meetings of the Company. Shareholders are entitled to receive dividend as declared 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.

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26 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Foreign exchange difference VND	Post-tax undistributed earnings VND	Non-controlling interests VND	Total VND
As at 1 January 2021	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	73,551,097,850	11,589,250,587,139	655,829,944	14,978,398,985,118
Net profit for the year	-	-	-	-	74,584,907,230	5,074,400,079	79,659,307,309
Business combination	-	-	-	-	-	12,454,650,788	12,454,650,788
Change in ownership interest	-	-	-	-	(1,726,786,287)	1,726,786,287	-
Appropriation to Bonus and Welfare fund	-	-	-	-	(380,676,119,348)	-	(380,676,119,348)
Sale of treasury shares	-	1,533,625,094	2,347,121,362,620	-	-	-	2,348,654,987,714
Foreign currency conversion differences for overseas activities	-	-	-	(184,281,491,101)	-	-	(184,281,491,101)
As at 1 January 2022	5,416,113,340,000	247,483,117,899	-	(110,730,393,251)	11,281,432,588,734	19,911,667,098	16,854,210,320,480
Loss for the year	-	-	-	-	(2,171,856,457,605)	524,166,069	(2,171,332,291,536)
Foreign currency conversion differences for overseas activities	-	-	-	(441,422,060,898)	-	-	(441,422,060,898)
As at 31 December 2022	5,416,113,340,000	247,483,117,899	-	(552,152,454,149)	9,109,576,131,129	20,435,833,167	14,241,455,968,046

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27 DIVIDENDS

	2022 VND	2021 VND
At the beginning/end of the year	57,789,721,550	57,789,721,550

28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Quarter IV.2022 VND	Quarter IV.2021 VND
Passenger transportation		
- Domestic routes	1,292,092,922,268	167,126,932,477
- International routes	1,264,991,367,838	34,112,572,712
- Ancillary revenue	3,037,003,203,653	154,113,778,357
- Revenue from charter flights	4,881,067,515,142	1,614,042,123,542
	<u>10,475,155,008,901</u>	<u>1,969,395,407,088</u>
Revenue from arrangement, transfer of ownership and commercialization of aircraft and engines	654,928,071,230	-
Aircraft dry leases	534,659,858,121	342,662,598,412
Other revenue	142,560,444,845	476,506,167,504
	<u>11,807,303,383,097</u>	<u>2,788,564,173,004</u>

29 COST OF SALES

	Quarter IV.2022 VND	Quarter IV.2021 VND
Costs of flight operation expenses	15,467,858,200,073	2,386,022,558,366
Depreciation and amortisation	103,785,962,314	18,343,867,641
Other expenses	78,780,020,658	14,585,664,551
	<u>15,650,424,183,045</u>	<u>2,418,952,090,558</u>

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30 FINANCIAL INCOME

	Quarter IV.2022	Quarter IV.2021
	VND	VND
Interest income from deposits and lendings	61,791,156,772	99,408,930,236
Realised foreign exchange gains	462,373,420,381	15,600,948,387
Unrealised foreign exchange gains	270,682,851,843	-
Others	1,268,755,922,984	7,661,789,819
	<u>2,063,603,351,980</u>	<u>122,671,668,442</u>

31 FINANCIAL EXPENSES

	Quarter IV.2022	Quarter IV.2021
	VND	VND
Interest expenses	408,501,422,062	273,900,080,007
Realised foreign exchange losses	569,853,831,752	3,854,935,358
Allowance for diminution in the value of trading securities	490,000,000,000	(145,000,000,000)
Unwinding discount of provisions	7,139,946,895	-
Unrealised foreign exchange losses	-	118,876,705,016
Others	(122,987,639,573)	45,923,139,031
	<u>1,352,507,561,136</u>	<u>297,554,859,412</u>

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32 SELLING EXPENSES

	Quarter IV.2022	Quarter IV.2021
	VND	VND
Selling and commission expenses	376,686,558,368	23,167,879,121
Advertising and marketing expenses	(31,469,855,644)	93,290,150,099
Staff costs	49,990,689,889	17,725,961,832
Others	35,038,403,934	9,774,025,883
	430,245,796,547	143,958,016,935
	430,245,796,547	143,958,016,935

33 GENERAL AND ADMINISTRATION EXPENSES

	Quarter IV.2022	Quarter IV.2021
	VND	VND
Staff costs	73,854,588,782	36,751,924,711
Rental expenses	13,568,884,739	20,196,490,249
Depreciation and amortisation	634,408,393	18,961,361,625
Others	95,277,473,004	56,948,743,227
	183,335,354,918	132,858,519,812
	183,335,354,918	132,858,519,812

34 COMPENSATION FOR KEY MANAGEMENT

	Quarter IV.2022
	VND
Board of Directors	2,683,621,707
Average monthly salary per person	111,817,571
	2,683,621,707
Board of Management	4,639,070,999
Average monthly salary per person	128,863,083
	4,639,070,999

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35 BUSINESS 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.

(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.

VietJet Aviation Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the period ended 31 December 2022
(continued)

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35 BASIC EARNINGS PER SHARE

(a) Basic earnings per share

	2022	2021
Net profit attributable to shareholders (VND)	(2,171,856,457,605)	74,584,907,230
Weighted average number of ordinary shares in issue (shares)	541,611,334	534,697,008
Basic earnings per share (VND)	(4,010)	139

(b) Diluted earnings per share

The Company did not have any ordinary shares potentially diluted earnings per share during the period and up to the approval date of these consolidated financial statements

37 COMPARATIVE

The corresponding figures as at 1 January 2022 were delivered from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2021.

30 January 2023

Prepared by:



Pham Ngoc Thoa
 Chief Accountant

Approved by:



Ho Ngoc Yen Phuong
 Vice President
 cum Chief Financial Officer



Dinh Viet Phuong
 Permanent Vice President
 cum Managing Director