

Back to the Sky



vietjetair.com

ANNUAL REPORT | 2020



**ANNUAL REPORT
2020**

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LIST OF ACRONYMS

Acronyms	Terms
ACI	Airport Council International
AFTK	Available Freight Tonne Kilometers
ASK	Available Seat Kilometers
ASL	Average Stage Length
ATO	Approved Training Organization
ATPL	Air Transport Pilot License
BH	Block Hours (h/aircraft/day)
BOD	Board of Directors
CAPA	Center for Asia Pacific Aviation
Charter Flight	Charter Flight
CAAV	Civil Aviation Authority of Vietnam
CAGR	Compound annual growth rate
CASK	Cost per Available Seat Kilometers
CRM	Customer Relationship Management
Dry Lease	Dry Lease
EBITDAR	Earnings before interest, taxes, depreciation, amortization, and rent costs
ESOP	Employee Stock Ownership Plan
CASK Ex-fuel	Ex-fuel Cost per Available Seat Kilometers
FDAP	Flight Data Analysis Program
FDM	Flight Data Monitoring
FTK	Freight Tonne Kilometers
FSC	Full-services Carrier
GSM	General Shareholders Meeting
GO	Ground Operations

Acronyms	Terms
HOSE	Ho Chi Minh Stock Exchange
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
LOSA	Line Operation Safety Audit
LF	Load Factor
LCC	Low-cost Carrier
OTP	On-time Performance
PY	Passenger Yield
RPK	Revenue Passenger Kilometers
RASK	Revenue per Available Seat Kilometers
RTK	Revenue Tonne Kilometers
SIM	Simulator
SPI	Safe Performance Indicators
SSQA	Safe Security Quality Assurance
SFC02	Safran SFC02
SLB	Sale-Lease Back
TRTO	Type Rating Training Organization
T- shares	Treasury Shares
ULD	Unit Load Devices
VJAA	Vietjet Aviation Academy
VJC	Vietjet Aviation JSC
VJGS	Vietjet Ground Service
Wet Lease	Wet Lease



01

Power to overcome the storms 2020

In 2020, Aviation was one of the economic sectors most severely affected by Covid-19 and Vietjet was no exception. However, with continuous efforts and strategic business plans in each period, Vietjet has recorded positive marks during the past year.

I

CORPORATE INFORMATION

Proudly being a new generation airline with a modern fleet, Vietjet has contributed significantly to meet the rising demand for travel of tens of millions of domestic and international passengers in 2019. We were honored with the title of "Asia Pacific Low-Cost Airline of the Year" by CAPA. In 2020, the aviation industry faced challenges due to the impact of the Covid-19 epidemic, Vietjet is one of the few airlines that made a profit, did not lay off employees and strictly implemented the measures to prevent epidemics when operated commercial flights and rescue flights repatriating Vietnamese citizens.



01. _____

VISSION, MISSION, CORE VALUES

VISION

To become a global airline group with an extensive regional and worldwide flight network, providing not only airline services but also consumer services across advanced e-commerce platforms; a trusted and highly prestigious brand in the eyes of travelers all over the world.

MISSION

- Exploiting and expand our flight network nationally, regionally and globally.
- To bring innovation to airline services.
- To make air travel the most popular form of transportation for Vietnamese and all people around the world.
- To bring happiness and satisfaction to our customers by offering outstanding services, always with a friendly smile.

CORE VALUE



2. MESSAGE FROM THE CHAIRWOMAN

Dear Shareholders and Investors!

2020 is a difficult and challenging year for the global economy, including the aviation industry. But with the determination of the entire team, Vietjet has spectacularly overcome the pandemic.

Vietjet's success originated from the Board of Directors' wise decisions to quickly change business strategy to deal with the pandemic; from the drastic and close direction of the Board of Management; from the execution with the great efforts of all employees and the support as well as the trust of our shareholders and investors.

As we all know, Covid-19 has led to a fundamental impact on the travel and aviation industry, causing a sharp decline in travel demand. There are times when the aviation industry must "close the sky" to serve the prevention of pandemics. Responding to the pandemic, Vietjet has flexibly shifted to air cargo, expanding its network to deliver goods around the world, of which there are destinations that the airline had only previously planned, thereby contributing to an increase in revenue, helping the company to stand firm and overcome the pandemic. This success demonstrates that Vietjet did not consider the pandemic a difficulty but viewed it as a challenge and a new opportunity to re-assess its capabilities and promote its potential strengths.

It will also become one of the very few airlines that did not lay off staff during the pandemic, instead, it continued to create more jobs for employees with the launch and operation of Vietjet Ground Service Center (VJGS). VJGS has taken care of all Vietjet ground services at Noi Bai International airport, helping the airline to improve service quality, synchronize brand identity and manage operating costs well.

Vietjet has launched many products and services, both helping the airline increase revenue and offer passengers new conveniences.

Difficulties from the Covid-19 pandemic are also an opportunity for Vietjet to consolidate the solutions that it has consistently implemented over the years to build a leading airline in the region. Vietjet has constantly introduced drastic cost-saving campaigns, buying fuel reserves, transferring portfolios and some assets that have been accumulated in the past to gather capital, focus cash, and nurtures resources to recover when aviation bounces back up.

In 2020, Vietjet has continued to bring more value to the community through many volunteer activities including rescue, relief aid flights for people in areas damaged by storms and floods, and hand over gifts for households in extremely difficult circumstances...

Dear Shareholders and Investors!

After more than a year of fighting the pandemic, scientists have successfully researched and produced vaccine to prevent the epidemic. The global economy has bounced back. Many countries, including Vietnam, have planned to reopen international routes. Currently, Vietjet is also ready for the Back to the Sky campaign.

In 2021, Vietjet celebrates its 10th anniversary, we affirm that with its optimism, responsibility and talent, Vietjet will be one of the airlines in the world to rise strongly after the pandemic, **CONTINUE THE CULMINATION FOR NEW SUCCESS** as it has been in the past 10 years.

With the trust in Vietjet, we understand that shareholders and investors will always accompany Vietjet in future journeys.

Best regards!

Chairwoman of the Board



NGUYEN THANH HA

“ In 2021, Vietjet celebrates its 10th anniversary, we affirm that with its optimism, responsibility and talent, Vietjet will be one of the airlines in the world to rise strongly after the pandemic, **CONTINUE THE CULMINATION FOR NEW SUCCESS** as it has been in the past 10 years.



MESSAGE FROM CHIEF EXECUTIVE OFFICER

Dear Shareholders and Investors!

2020 has been a turbulent year, when the Covid-19 has last longer than expected, impacted significantly on all economic sectors including aviation. But Covid-19 has brought an opportunity for Vietjet to demonstrate its intrinsic capabilities.

In 2020, Vietjet has operated on average more than 44 aircraft per month, operated more than 78 thousand flights with over 140 thousand safe flight hours, carried safely more than 15 million passengers.

Vietjet has recorded positive operating results such as load factor of over 80%, on-time performance of over 90% - a high rate in the world. Vietjet is an airline with technical reliability of 99.64%, ranked 7/7 stars in safety, and was voted by Airlineratings as the safest low-cost airline in the world by 2020.

When the epidemic affects travel demand, Vietjet comes up with suitable business solutions to quickly adapt. Vietjet is the first airline in Vietnam to change direction to boost freight transportation. After being approved by the Civil Aviation Authority of Vietnam on Cargo In Passenger Cabin (CIPC) capability, Vietjet has deployed cargo operations in the passenger cabin with a total cargo tonnage of up to 23 tons/ flight, 4 times higher than traditional cargo transport in the belly of the aircraft.

In 2020, Vietjet transported more than 60 thousand tons of goods between countries, reporting a 75% increase compared to 2019. Through the codeshare agreements, Vietjet's goods went to the Americas and Europe - destinations that the airline had only previously planned.

Payload Asia, an international magazine for the air freight industry, awards Vietjet as 'the Low-Cost Carrier of the Year' and 'the Belly Carrier of the Year' for its outstanding cargo transportation in 2020.

Vietjet has come a long way and marked an important milestone in the development process when the Vietjet Ground Services Center (VJGS) was put into operation to self-handle ground services at Noi Bai International Airport. VJGS on one hand creates job opportunities for hundreds of workers in the epidemic season, on the other hand improves service quality, and contributes to an increase in company revenue.

Vietjet also continues its plan to build resources for the future by maintaining training activities at Vietjet Aviation Academy. Thousands of courses for tens of thousands of students, including online courses, have been organized.

In addition to commercial activities, Vietjet shows its social responsibility through many volunteer activities - a part of the corporate culture - to spread the spirit of mutual love, good life

spirit of Vietjet people, spread the values of shareholders and investors to the community. Vietjet has conducted hundreds of flights to rescue tens of thousands of passengers from areas affected by the pandemic; transported thousands of tons of essential goods and necessities to areas affected by the epidemic, by floods and storms for free. Vietjet also gave thousands of gifts to poor people in many provinces and cities across the country and donated millions of masks to prevent epidemic diseases for the people of America, the UK, France and Germany.

Dear Shareholders and Investors!

Vietjet achieved positive business results in 2020 with consolidated Net Profit After Tax of VND 69 billion, becoming one of the few profitable airlines in the world.

The results of 2020 will be a solid premise for Vietjet to thrive in 2021 - to celebrate its 10-year anniversary. Vietjet will continue to focus on customers; implement a comprehensive digital transformation, integrate technology into all services, change the way of operation, speed up business operations to improve productivity and quality of customer services. Vietjet will also actively participate in social activities, demonstrating the human spirit of Vietjet's kindness.

In 2021, Vietjet aims for 100 thousand safe flights with the load factor of over 80%, the on-time performance of over 90%, the total number of passengers over 18 million, a growth of 25 %-30% over the previous year.

Vietjet will add new aircraft, including wide-body long-range aircraft to improve the passenger capacity and operate on longer routes; promote the transportation of goods on international flight networks; put into operation automatic cargo stacking line to save cost, labor and manpower, ensure turnaround time for each flight; promote Vietjet Aviation Academy to become the leading international training center, which plays an important role in the sustainable development plan of the airline and the aviation industry.

Vietjet will play an important role in connecting all domestic and regional activities, connecting Vietnam with other countries and become a leading factor that promotes investment and infrastructure development to turn Vietnam into major aviation and logistic center of the region and the world.

Vietjet has been back to the sky with a mind ready for a strong growth to make VIETJET DEVELOP SUSTAINABLY.

Best regards!

Chief Executive Office



NGUYEN THI PHUONG THAO

“

Vietjet has been back to the sky with a mind ready for a strong growth to make VIETJET DEVELOP SUSTAINABLY.

KEY HIGHLIGHTS AND AWARDS IN 2020

KEY AWARDS

In less than 10 years, Vietjet has conquered the same prestigious awards as longtime reputable airlines do.

01

Legion of Honour



02

Asia Pacific Low-Cost Airline of the Year 2019



03

World's 50 best airlines for healthy financing and operations



04

Best Ultra Low-Cost Airline for 2020



05

Best Low-Cost Carrier in Vietnam – SkyTrax 2019 World Airline Awards World Airline Awards



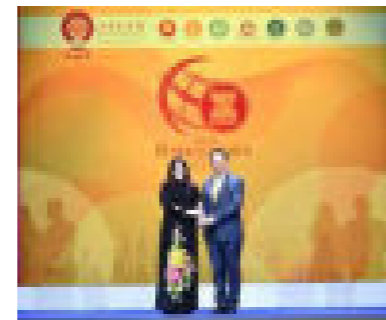
06

The fastest tourism-growing airline – Vietnam National Administration of Tourism



07

Best Aviation Enterprise at 2019 ASEAN Business Awards – ASEAN Business Advisory Council (ASEAN-BAC)



08

The Best Service Foreign Low-Cost Carrier - Korea Prestige Brand Awards 2019



09

50 best listed companies in Vietnam – Forbes



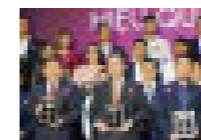
10

Top 50 most valuable brands in Vietnam in 2019 – Brand Finance

Brand Finance®

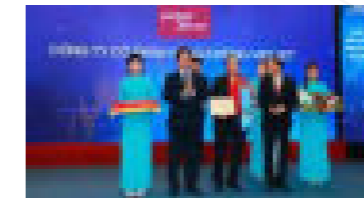
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Top 50 best-performing companies in Vietnam - The Business Review



12

Top 10 outstanding corporate governance companies on the Vietnamese stock exchange in 2019 – VCCI



13

Top 20 of HOSE listed companies that have the best sustainable development scores – HOSE



14

Top 10 reliable listed companies – Vietnam Report



15

Top 10 best budget airlines – Smarttravelasia



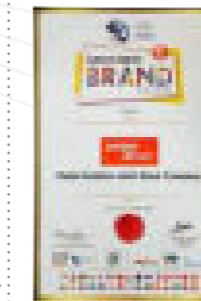
16

Top 100 Vietnam Best Places to Work - Anphabe and Intage, a market research company



17

Best Brand in Asia – CMO Asia



19

Best place to work in Asia 2019 – HR Asia Awards

18

Merit of the Government for the contribution to community - Prime Minister of Vietnam Nguyen Xuan Phuc



20

Vietjet has been recognized as the low-cost carrier of the year and the belly carrier of the year for its outstanding cargo transport in 2020 by Payload Asia - an international magazine for the air freight industry.





02

Heroes with no capes

Along with the promotion of domestic operations for a bustling summer, Vietjet's "heroes with no capes" take up positions for important and urgent missions to carry out rescue and repatriation flights.

II

GENERAL INFORMATION ABOUT VIETJET



01.

CORPORATE INFORMATION



English Name

VIETJET

AVIATION JOINT STOCK COMPANY

Vietjet was registered under the Law of Enterprises with the Business Registration Certificate **No. 0102325399** issued by Ha Noi Department for Planning and Investment.

First registration: **27 November 2007**

28th amendment: **08 January 2020**



Charter Capital

5,416,113,340,000

VND

(Five trillion, four hundred sixteen billion, one hundred thirteen million and three hundred forty thousand Vietnam Dong)



Equity Capital
(at 31/12/2020):

14,978,398,985,118

VND



Head Office

302/3, Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District, Ha Noi.



Operating Office

VIETJET PLAZA
60a Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.



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Hotline

19001886



Website

www.vietjetair.com



Stock Code

vjc

(listed on Ho Chi Minh City Stock Exchange - HOSE)

Face Value

10,000 VND/ Share



The Fiscal Year

from January 1 to December 31st



Financial Statements Auditor

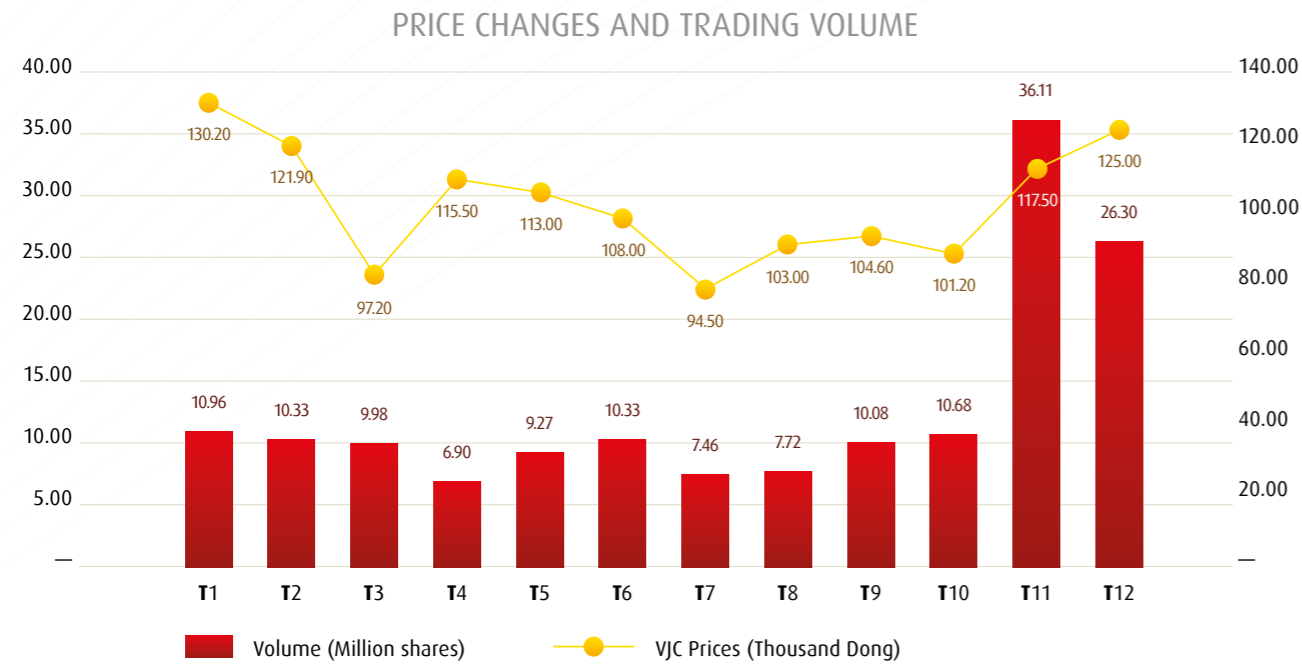
- » Curently:
PwC (Vietnam) Company Limited
- » Former:
KPMG Vietnam Company Limited



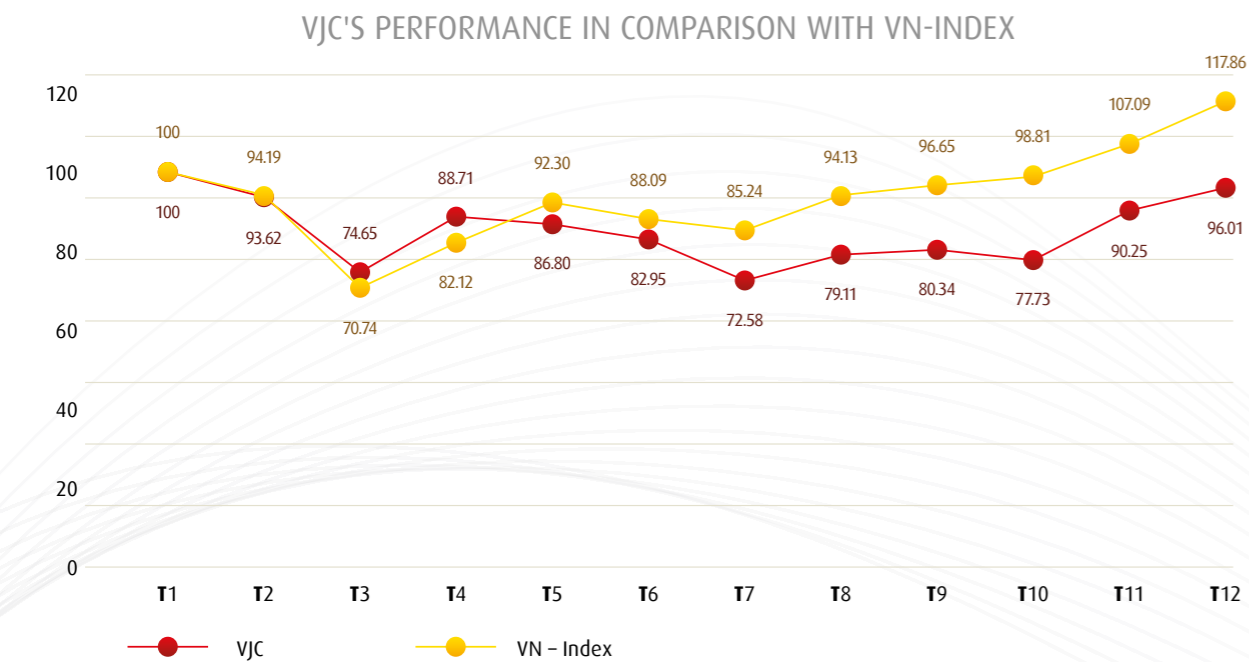
VJC Stock transaction in 2020

- » Opening price at the beginning of the period:
VND **146,200**/share (December 31, 2019)
- » Closing price at the end of the period:
VND **125,000**/share (December 31, 2020)
- » Average trading volume:
426,553 shares/session

INFORMATION ON VJC STOCK IN 2020



Prices changes and trading volume of VJC in 2020]



PRICE COMPARISON BETWEEN VJC AND VN-INDEX IN 2020

BUSINESS MODEL

3.1 BUSINESS MODEL AND COMPETITIVE ADVANTAGES

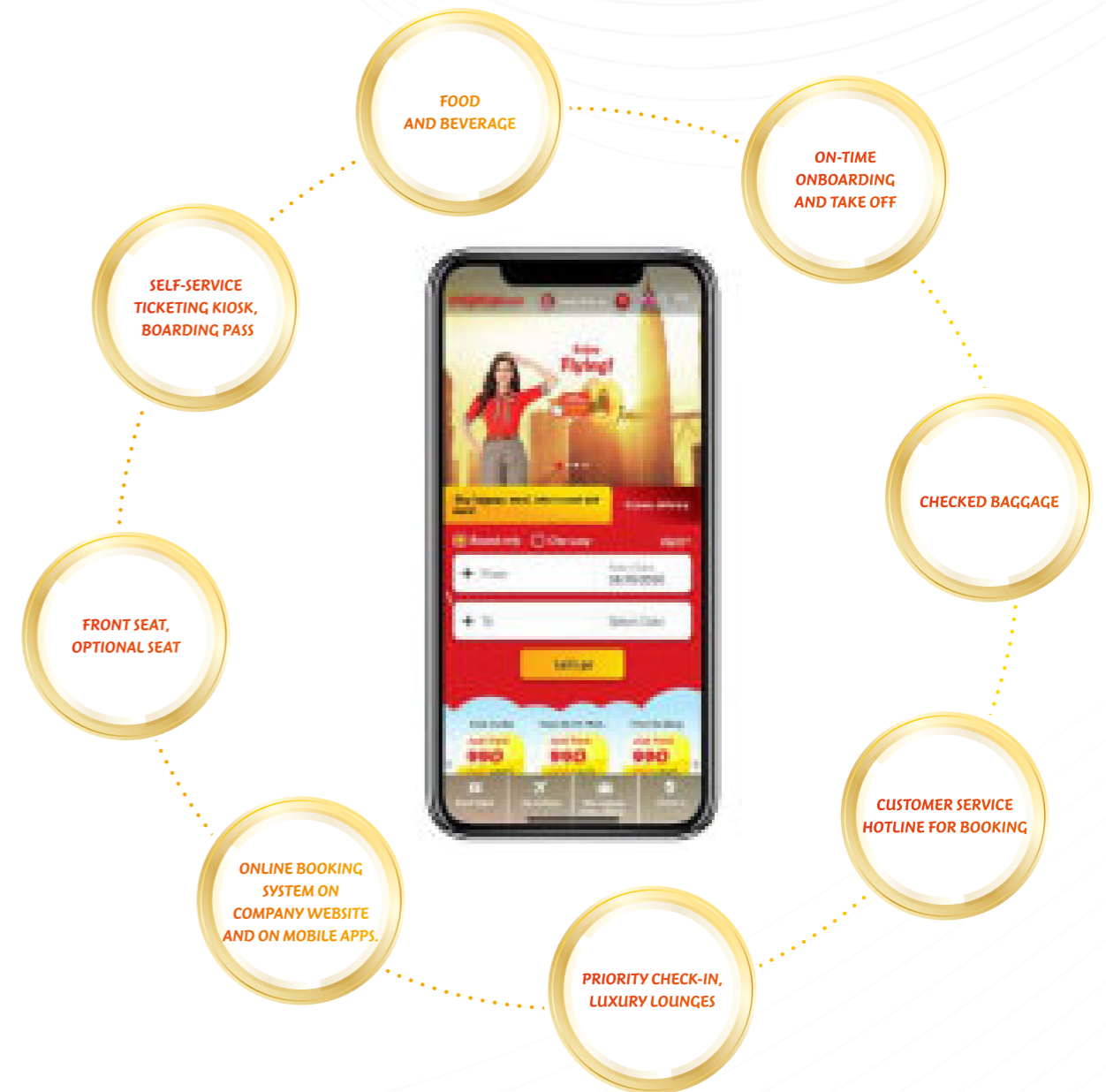
Vietjet continuously makes innovations to create a difference in the quality of products and services provided to customers. Vietjet has succeeded in building a New Age Airline model of low cost yet superior service quality that

meets the 4.0 technology platform and serves the needs of diverse portfolio of customers.

With the slogan "Enjoy flying" Vietjet is a familiar brand name to most domestic and international passengers who wish to travel by air. Vietjet has made

many Vietnamese citizens' dreams of "flying by plane" come true.

The unbundled product and services policy make Vietjet fares more competitive.

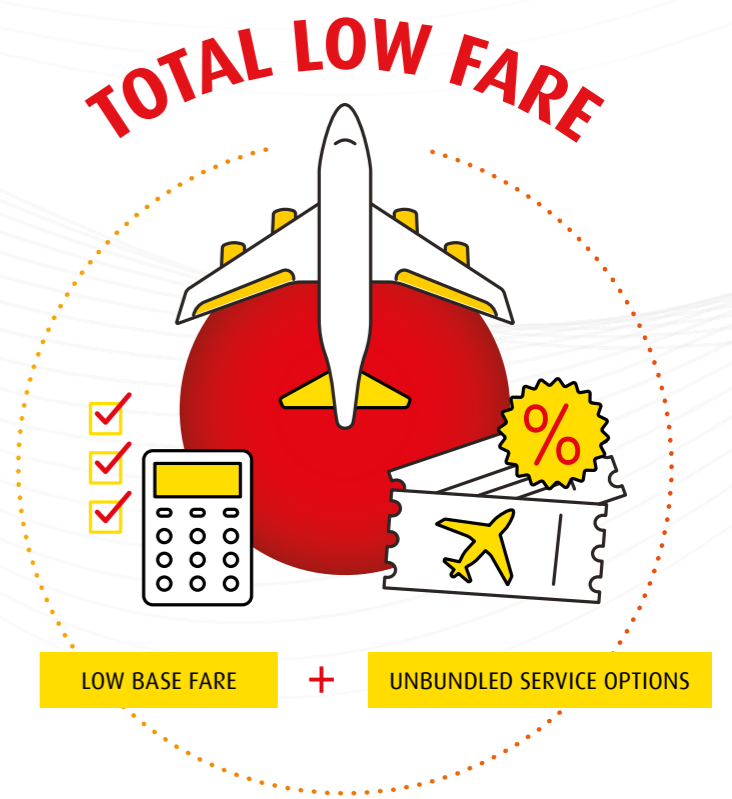


Ticket policy separates optional services from airline tickets to help increase customer experience and reduce the price.



Aviation market share has changed significantly since Vietjet joined in 2011. After 5 years of operation, Vietjet has become one of the major domestic carriers and continues to maintain its leading market share in recent years.

In 2020
40%
 Market share



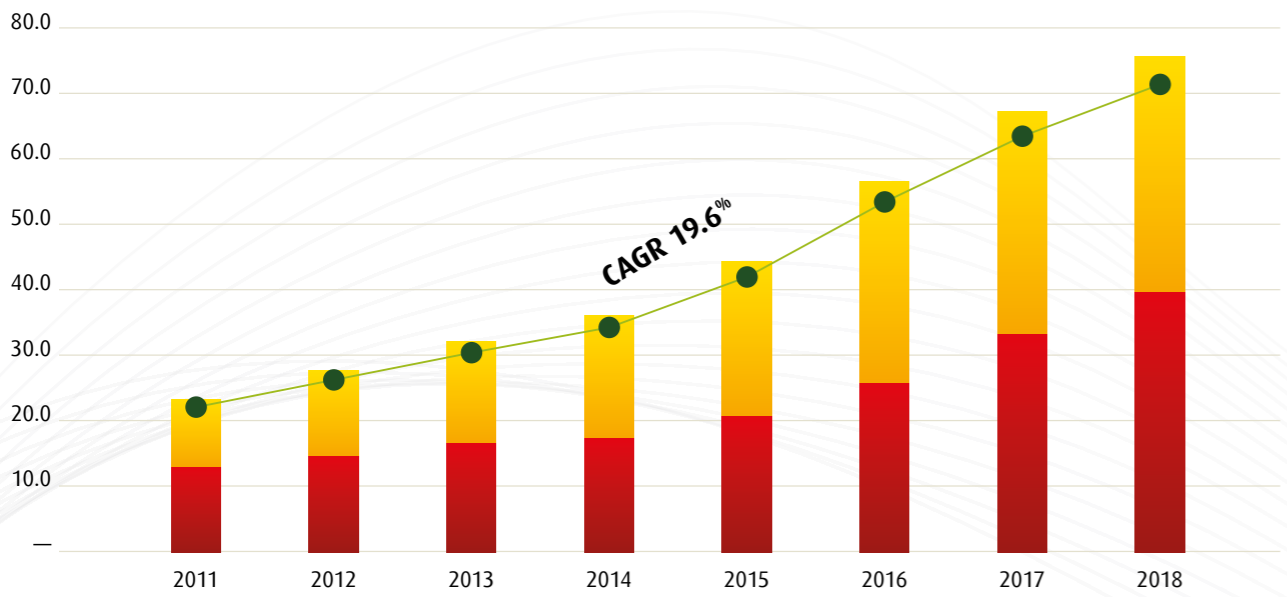
Low fare policy plays a strategic role in Vietjet's success.

Due to low operating costs, Vietjet offers a basic fare that is much lower than that of other airlines even when fully including ancillary services - meals and checked baggage 20kg.

The arrival of carrier Vietjet has made Vietnam's aviation market among the fastest growing in the world in both domestic and international markets. When Vietjet joined, the aviation market

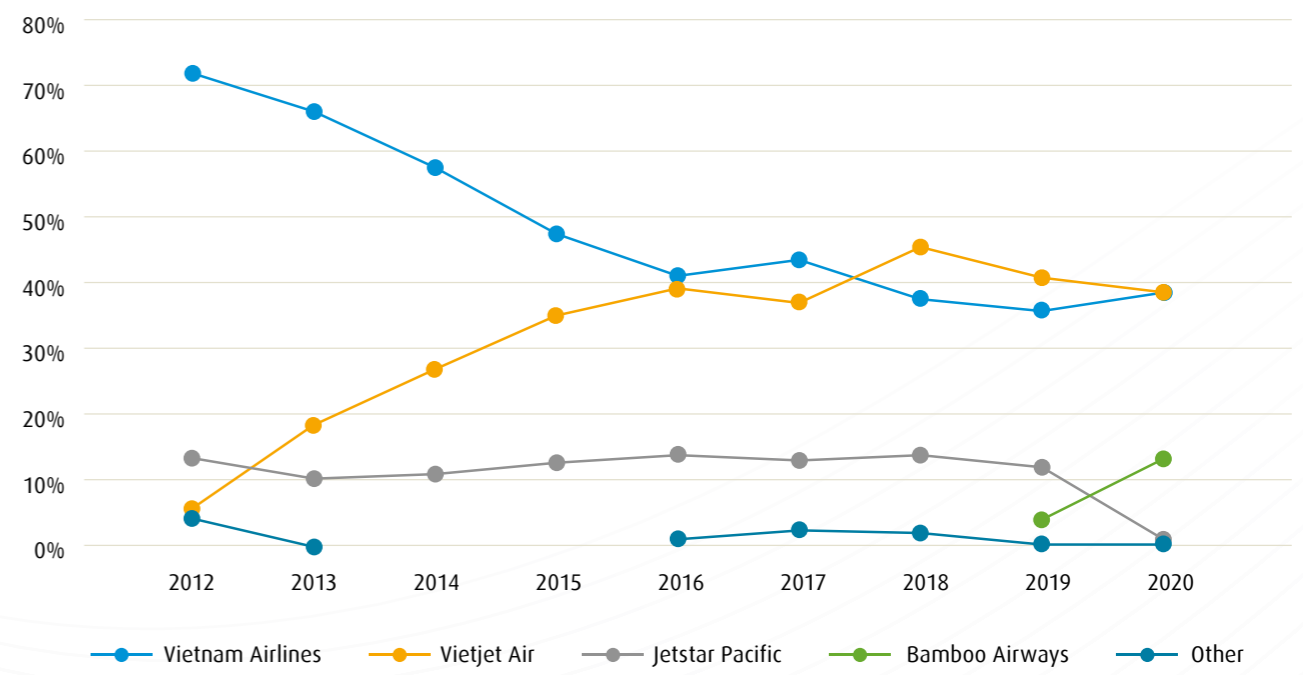
in Vietnam witnessed the most booming period. The growth rate of total domestic passenger transport in the period 2012-2018 reached CAGR of 19.6%/ year, the whole domestic market reached 18.4%/ year.

NUMBER OF PASSENGERS



Vietjet contributes to the double growth of domestic passengers by 19.6% / year

MARKET SHARE



Source: CAPA

3.2 COMPETITIVE ADVANTAGES

After more than 8 years since the first flight, Vietjet has affirmed itself and created several important competitive advantages.

Competitive advantage	Description
Leading market share	In 2018, Vietjet inaugurated new routes, increase flight frequencies, connect routes and reduce operating costs per Kilometers, Vietjet has become the airline with the highest domestic market share. By 2020, the Covid-19 became a pandemic spreading around the world and Vietjet quickly stabilized with new business conditions, focusing on safe operation with quality customer service come first.
Key partners	Vietjet establishes and maintain strategic relationships with partners: <ul style="list-style-type: none"> » Leading aircraft manufacturer Airbus and financial institutions, the world's leading aircraft leasing organization. » Suppliers: the world's leading suppliers of supplies, engine maintenance and aircraft equipment, aviation service providers such as ground services, airline meals, travel agency etc.
Absolute support	The companionship of shareholders, investors, domestic and foreign financial institutions helps Vietjet achieve the socio-economic goals adopted by the 2020 Annual General Meeting of Shareholders.
Effective management	<ul style="list-style-type: none"> » Vietjet always ensures absolute safety flights and has succeeded in controlling operational costs and efficiency to create a competitive advantage in cost and efficiency in the air transport industry. » Vietjet's Cost of Available Seat per Kilometers (CASK) is currently at a reasonable level, completely able to compete with major airlines in the region and in the world.
Proactive human resources	A total staff of over 5,500 highly qualified, and experienced, employees who have been with Vietjet through the Covid-19 is a huge advantage for Vietjet to overcome many more difficulties and challenges ahead.
Scale advantage	Current scale and position allow Vietjet to invest in prestigious specialized technology applications to support business management such as: AMOS, AIMS, AirFase, SFCO2, Intellysis, etc.
Proactive service	By self-handling its ground operation at Noi Bai International Airport, Vietjet has proactively manage its risks, quality of ground services and customer service policy.

Competitive advantage	Description
Diversified revenue	<ul style="list-style-type: none"> » Diversify revenue from ancillary services such as express freight, sales of goods and services in-flights, priority customer service (Sky boss), aircraft repair services for new airlines. » Revenue from financial investment activities includes aircraft trading, financial leasing of aircraft and investment in foreign airlines (Thai Vietjet). » Revenue from other air transport services: Expanding air services. » Financial revenue: Expanding financial investment and development projects. » Other revenue: Advertising services, aircraft repair and engineering services.
Distribution channels	<ul style="list-style-type: none"> » Through the OTA sales channel on e-commerce platforms (both website and mobile) or through the Hotline 19001886, customers around the world can proactively register for the services and purchase tickets for themselves and others easily and quickly. » Vietjet also has a network of nearly 40,000 domestic and foreign agents and outlets.
Value propositions	Vietjet has been honored for the fifth consecutive time among Forbes' top 50 leading Vietnamese brands with a brand value of \$108.9 million, nearly doubling its value of \$63.4 million in the first time being ranked in 2016. This shows the intrinsic value and confidence of investors in Vietjet's future.
Lowest CASK	<ul style="list-style-type: none"> » The low Cost per Available Seat-Kilometer allows Vietjet to develop a lower fare policy than the market average. » In the near future, when the number of Vietjet aircraft increases, the advantage of scale will help Vietjet reduce CASK significantly.
New fleet	New, modern, young, and synchronized fleet includes 22 A320, 35 A321ceo, 14 A321neo.



99.64%

Technical Reliability rate of Vietjet is well rated by Airbus and always higher than the industry average.



AIRBUS A321 NEO (14)



Capacity

230 - 240

Advanced technology of new engine (PW1133GA-JM), together with Airbus' Sharklet design offer an additional range of up to 500 nautical miles ("nm")/ 900 km or 2 tonnes of extra payload.

Aerodynamic-enhancing Sharklets on the wings and fuel-efficient engines ensure outstanding environmental performance: 20% lower fuel burn per seat and 5,000 tonnes less CO2 per year.



AIRBUS A321 CEO (35)



Capacity

220

A321CEO is the most efficient member of Airbus' best-selling, single-aisle A320 Family, offers the lowest fuel burn, emissions and noise footprint. Its stretched fuselage – measuring 146 feet longer than the A320, makes the A321 the longest and widest among all single-aisle aircraft. It can accommodate more seats and cargo, providing enhanced passenger comfort.



AIRBUS A320CEO (22)



Capacity

180

» With a versatile cabin that can be configured for a variety of seating options, usually to a maximum capacity of 180 travelers.

» A320CEO shares the same fly-by-wire digital flight controls and cabin management systems and this consistency makes life easier for pilots and cabin crew and allows them to focus on looking after passengers. Cockpit commonality also reduces training and maintenance costs.

OUR HISTORY AND DEVELOPMENT

Vietjet Aviation Joint Stock Company is the first private airline in Vietnam. Vietjet is an official member of the International Air Transport Association (IATA) with the IATA Operational Safety Audit (IOSA).

Since the first commercial flight, Vietjet has achieved important milestones in the journey of conquering the sky and bringing innovation to Vietnam's aviation industry.

>> Signed an agreement to **purchase 200 aircraft** with one of the largest aircraft manufacturer **AIRBUS**

>> Launched Vietjet **Cargo Joint Stock Company** and **Thai Vietjet Joint Stock Company**.

>> Inaugurated 5 new domestic routes and 2 new destinations including Thanh Hoa and Can Tho.

>> Inaugurated 3 new international routes to Singapore, South Korea, and Taiwan.

2014

>> Vietjet Training Center (VJAA) is approved by CAAV as a Qualified Aviation Staff Training Facility.

>> Achieved IATA Operational Safety Audit certificate from International Air Transport Association (IATA).

>> Inaugurated 9 new domestic routes and 3 new destinations including Dong Hoi, Chu Lai, and Pleiku.

>> Inaugurated 2 new international routes and 1 new destination to Yangon (Myanmar).

2015

>> Vietjet Training Center (VJAA) is approved by CAAV as a Qualified Aviation Staff Training Facility.

>> Achieved IATA Operational Safety Audit certificate from International Air Transport Association (IATA).

>> Inaugurated 9 new domestic routes and 3 new destinations including Dong Hoi, Chu Lai, and Pleiku.

>> Inaugurated 2 new international routes and 1 new destination to Yangon (Myanmar).

>> Listed on Ho Chi Minh **Stock Exchange (HOSE)**.

>> Groundbreaking Ceremony of construction of **Vietjet Aviation Academy** project.

>> Attended **APEC** Da Nang Summit.

>> Inaugurated new routes to increase the total number of domestic routes to **38 routes**.

>> Inaugurated new international routes to many destinations in Thailand, China, Cambodia, Taiwan, South Korea, Myanmar. The total number of international routes increases to **44 routes**.

2017

>> Vietjet Training Center (VJAA) is approved by CAAV as a Qualified Aviation Staff Training Facility.

>> Achieved IATA Operational Safety Audit certificate from International Air Transport Association (IATA).

>> Inaugurated 9 new domestic routes and 3 new destinations including Dong Hoi, Chu Lai, and Pleiku.

>> Inaugurated 2 new international routes and 1 new destination to Yangon (Myanmar).

2019

>> Inaugurated new routes between Vietnam - Japan.

>> Reached the milestone of **100 million domestic** and international passengers

>> Expanded flight network with **143 routes** including 48 domestic routes and 95 international routes.

>> The fleet was upgraded to **71 aircrafts** with average age of 2.82 years old.

>> Signed a purchase contract for 20 new generation A321XLR aircrafts with Airbus.

>> Officially became a member of the Japan Business Federation - Keidanren.

Keidanren
Japan Business Federation

2018

>> Opened routes to **Tokyo** and **Osaka**, Japan.

>> Signed MOU (Memorandum of Understanding) for long-term engine maintenance service with **CFM International**. Signed a USD 7.3 billion agreement with **Safran - CFM, GECAS** in France.

>> Signed an agreement to open a non-stop route between Vietnam and Sydney, Australia

2016

>> Signed an agreement to establish an Airbus Training Center in Vietnam.

>> Signed a contract for purchasing 20 new A321 CEOs and NEOs from Airbus.

>> Officially became a member of International Air Transport Association (IATA).

>> Inaugurated **9 new domestic** routes and **2 new destinations** including Can Tho and Hue.

>> Inaugurated international routes to new destinations including **China, Taiwan, South Korea, and Malaysia**.

2020

>> Set up its own ground handling services at Noi Bai airport (Hanoi) from September 4, 2020 instead of having to outsource as before.

>> Vietjet has been recognised as the **"Best low-cost carrier of the year"** and the **"Best belly carrier of the year"** for its outstanding cargo transport in 2020 by Payload Asia - an international magazine for the air freight industry.

>> Certified with seven-stars, the world's highest rating for global airlines by AirlineRatings a prestigious organization that reviews the safety and products of global airlines.

>> Vietjet was one of the airlines that guarantees stable employment for more than 5,000 employees but still ensures to fulfill the targets assigned by the General Meeting of Shareholders in 2020, which is a profitable consolidated business activity.

2012

>> Launched Vietjet's new slogan **"Enjoy Flying"**.

>> **Expanded domestic flight network** to six 7 destinations including Vinh, Da Nang, Nha Trang, Da Lat, Phu Quoc, and Hai Phong.

2011

Launched the **first commercial flight** from Ho Chi Minh City to Ha Noi on 24 December.

2007

Obtained an Air Operator Certificate No. 01/0103018458 and VietjetAir is the **first Vietnamese private carrier** licensed to fly domestic and international routes.

BUSINESS ACTIVITIES AND GEOGRAPHIC COVERAGE

Vietjet has built a closed and connected supply chain of aviation services from upstream operations to core operations and downstream operations and continuously invests in quality.



5.1. BUSINESS ACTIVITIES



Commercial aircraft

- » Negotiate and order new aircrafts with two leading aircraft manufacturers, Airbus and Boeing
- » Negotiate and agree on strategic agreements with partners on mutual support to overcome the Covid-19 pandemic.



Ground operation services

From September 4, 2020, Vietjet officially self-handled its ground operations at Noi Bai International Airport in Hanoi, help Vietjet ensure safety and to improve service quality and increase its flexibility.

Air transport

Passenger transportation accounts for over 80% of the parent company's revenue, charter flights and aircraft wet lease, air freight and ancillary activities.



Air cargo services

In 2020, Vietjet configured some of its passenger aircraft for freight transportation purposes while applying new operational methods to strengthen its cargo service capacity.

Aviation education

In November 2018, Vietjet Aviation Academy (VJAA), jointly developed and operated by Vietjet and Airbus, is the main human resource training center for Vietjet as well as its domestic and foreign partners.



5.2. GEOGRAPHIC COVERAGE

Vietjet has expanded the route network throughout Southeast Asia and Northeast Asia. By the end of 2019, Vietjet has operated 139 routes to more than 70 destinations in 14 countries: China, South Korea, Japan, Hong Kong, Macau, Taiwan, Indonesia, Malaysia, Myanmar, Thailand, India and Singapore. In the domestic market, Vietjet has representative offices at 18 airports, in which the main airports include: HAN, SGN, DAD, PQC, CRX. In 2020, Vietjet focuses on developing and operating in the domestic market by launching 8 new routes connecting tourism cities in the country.



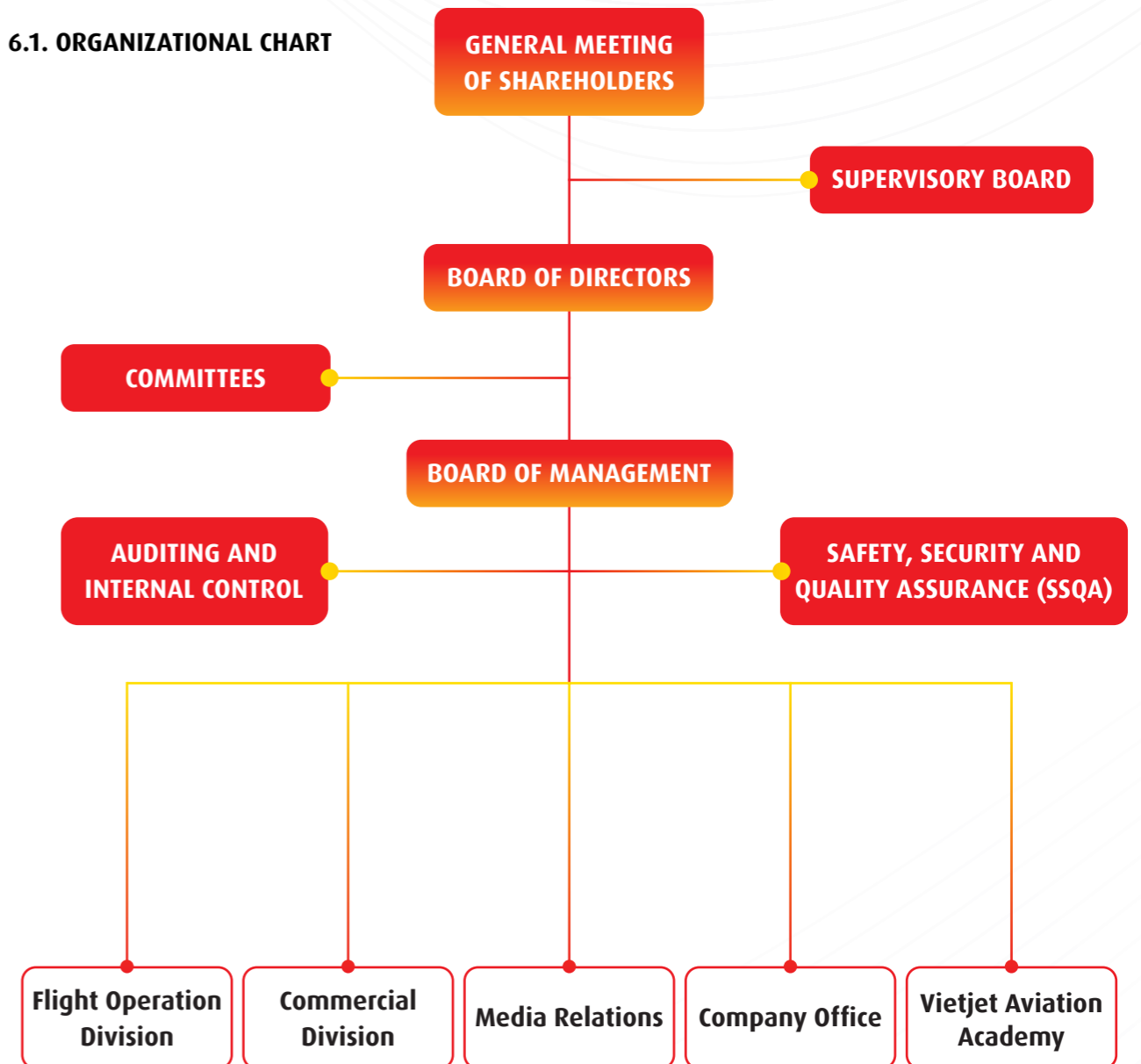
VIETJET'S FLIGHT NETWORK SCHEDULE



06. **CORPORATE GOVERNANCE AND ORGANIZATIONAL STRUCTURE**

The company is organized and operated according to the model as followed: General Meeting of Shareholders, Board of Directors, Supervisory Board and Chief Executive Officer/ Managing Director and Board of Management including Vice Presidents and Chief Accountant. Three legal representatives include: Chairman of the Board of Directors, Chief Executive Officer and Managing Director.

6.1. ORGANIZATIONAL CHART



MEMBERS OF THE
BOARD OF DIRECTORS



6.2. MEMBER OF THE BOARD OF DIRECTORS



Madame NGUYEN THANH HA

Year of birth: 1950

Position: Independent member, appointed Chairwoman of the Board of Directors (BOD) in 2007

Qualification: Bachelor's degree in Physics from National Science University, a bachelor's degree in Economics from the National Economic University and a Master's Degree in Economics.

Share ownership: 297,984 VJC shares, account for 0.06% of charter capital

Madame Nguyen Thanh Ha is one of the founders and was appointed Chairwoman of the Board of Directors (BOD) in 2007. She is an expert with extensive experience in the Aviation industry in Vietnam. Prior to joining the Company, Madam Ha was Deputy Head of Civil Aviation Administration of Vietnam (CAAV). She was the Head of the Planning and Investment Department in Vietnam Airlines before joining CAAV.

Positions held in other organizations: No



Madame NGUYEN THI PHUONG THAO

Year of birth: 1970

Position: Vice Chairwoman of the Board of Directors, Chief Executive Officer since 2007

Qualification: PhD in Economic Cybernetics from the Mendeleev Institute; Bachelor's degree in Credit Finance from the Moscow Commerce Institute. She is a founding member of the System Research Academy of the Russian Federation.

Share ownership: 47,470,914 VJC shares, account for 8.76% of charter capital

She is one of the founding members of Vietjet and was appointed Vice Chairwoman since 2007 and is currently the Chief Executive Officer of the Company. She also joined HDBank in 2008 and is currently the Standing Vice Chairwoman of HDBank's Board of Directors, is the leader of innovation and reform programs at HDBank, making HDBank step by step to become one of Vietnam's leading commercial banks during her tenure. Before joining HDBank, she was a founding member of several commercial banks in Vietnam.

Positions held in other organizations:

- » Vice Chairwoman of the Board of Directors - HD Bank
- » Chairwomen cum CEO – Sovico Group Joint Stock Company
- » Chairwoman of the Members' Council – Galaxy One Company Limited
- » Chairwoman of the Members' Council – Sunflower Sunny Investment Company Limited
- » Chairwoman of the Board of Directors – Sovico Aviation Holding Company



Dr. NGUYEN THANH HUNG

Year of birth: 1967

Position: Vice Chairman of the BOD since July 2007

Qualification: Bachelor of Science in Electrical Engineering from Kharkov University and a PhD in Cybernetics from the Russian Academy of Sciences

Share ownership: 5,358,076 VJC shares, account for 0.99% of charter capital

Mr. Hung is the Co-Founder and Chairman of Sovico specializes in investing in the fields of Finance, Banking, Real Estate, Investment and Resort, Aviation, and Energy. Dr. Hung is a member of Asia-Pacific Economic Cooperation (APEC) Business Advisory Council (ABAC Vietnam) which is appointed by Vietnamese Prime Minister in 2006. He was also honored as Young Global Leader at the Davos World Economic Forum in Switzerland in 2007.

Positions held in other organizations:

- » Chairman of the Board of Directors - Sovico Group Joint Stock Company
- » Vice Chairman of Vietnam - Japan Business Forum.
- » Member of the Vietnam - US Friendship Association.



Mr. DINH VIET PHUONG

Year of birth: 1967

Position: Member of the Board of Directors since 2017, Managing Director since October 2020

Qualification: MBA degree from Centre FrancoVietnamien de formation à la Gestion (France) and a PhD in transportation from the Moscow State Academy of Water Transport.

Share ownership: 672,000 VJC shares, account for 0.12% of charter capital

Mr. Dinh Viet Phuong has been the Vice President in charge of Business Development since 2012. Prior, he was the head of Sovico's representative office in Vietnam, Deputy General Director of Sovico, Deputy General Director and member of the BOD of Vietnam Motors Industry Corporation – the Ministry of Transport; member of the BOD of Petechim JSC – Petro Vietnam and member of the BOD of Dai A Commercial Joint Stock Bank.

Positions held in other organizations: No



Mr. LUU DUC KHANH

Year of birth: 1960

Position: Member of the Board of Directors since April 2011

Qualification: Bachelor's degree in Economics from University of Economics HCMC and an MBA from New England University in Australia

Share ownership: 1,204,440 VJC shares, account for 0.22% of charter capital

He held prominent position as Chief Operating Officer of Vietjet from 2011 to October 2020, and also served as a Vice Chairman of the Board of Directors of HDBank since 2009. He is an expert with more than 30 years in charge senior positions in large organizations such as: Director of Sovico Group Joint Stock Company, Strategy Director at HSBC Vietnam, Vice President at Techcombank and CEO at ABBANK and Vice President - CCL Saigon Company.

- Positions held in other organizations:**
- » Vice Chairman of the Board of Directors of HDBank
 - » Member of the Board of Directors of Sovico Group Joint Stock Company
 - » Member of the Board of Directors of Saigon Ground Services Joint Stock Company (SGN)



Mr. CHU VIET CUONG

Year of birth: 1961

Position: Member of the Board of Directors since 2017

Qualification: MBA from Massachusetts Institute of Technology in the United States, master's degree in International Business from Sussex University in the United Kingdom, a bachelor's degree in Economics from Kharkov University (former Soviet Union)

Share ownership: 68,000 VJC shares, account for 0.01% of charter capital

Mr. Cuong has previously served as Director of BNP Paribas and Pervoir JV, Deputy General Director of Prudential Assurance Ltd. and Chairman of Dai A Bank, Head of E-Banking, Science and Technology of ANZ Vietnam Branch, Deputy General Director of Vietnam Center for Socio-Economic Development, Assistant to Chief Operating Officer of Marubeni Group Japan and was a member of the Institute of Southeast Asia

- Positions held in other organizations:**
- » Vice Chairman of the Board of Directors of HDBank
 - » Member of the Board of Directors of Sovico Group Joint Stock Company
 - » Member of the Board of Directors of Vinafreight Joint Stock Company (VNF)



Mr. DONAL JOSEPH BOYLAN

Year of birth: 1960

Position: Independent member of the Board of Directors since 2019

Qualification: Bachelor's degree from Dublin College. Certificate in Management Accounting, Outstanding Leadership Program of Harvard School of Business

Share ownership: 0 VJC shares, account for 0% of charter capital

He has 30 years of experience in senior technical and commercial positions in the aerospace industry including aircraft manufacturers, airlines and charterers. He was the Chief Executive Officer of Bohai Leasing Co., Ltd, Hong Kong Aviation Capital Company, Non-Executive Chairman of Niche Group Plc, Director of Odyssey Aviation and Head of Aviation and Defense of Royal Bank of Scotland

- Positions held in other organizations:**
- » Founding member of - BCAP Holdings

IN 2020, THE BOARD OF DIRECTORS HAS WORKED CLOSELY WITH THE BOARD OF MANAGEMENT TO SUCCESSFULLY OVERCOME THE COVID-19 PANDEMIC

MEMBERS OF THE BOARD OF MANAGEMENT



vietjetAIR.com

6.3. MEMBERS OF THE BOARD OF MANAGEMENT

The Board of Management includes 01 (one) Managing Director, 01 (one) Chief Executive Officer, 08 (eight) Vice Presidents and Chief Accountant. The Chief Executive Officer is the legal representative of the Company, manage all day-to-day activities of the Company and is responsible to the Board of Directors for the implementation of assigned rights and duties. The Managing Director, Vice Presidents and Chief Accountant directly manage production and business activities, advise the Chief Executive Officer to make strategic decisions for the Company.



UPDATE FROM 2020 MANAGEMENT REPORT

No	Name of member	Position	Qualification	Appointment date	Share ownership	%
1	Nguyen Thi Phuong Thao	CEO	PhD	07/2007	47,470,914	8.76
2	Dinh Viet Phuong	Managing Director	PhD	10/2020	672,000	0.12
3	Ho Ngoc Yen Phuong	Vice President – CFO	Master	08/2018	-	-
4	To Viet Thang	Vice President - COO	Engineer	05/2014	336,000	0.06
5	Nguyen Thi Thuy Binh	Vice President	Master	07/2013	280,000	0.05
6	Nguyen Thanh Son	Vice President	Master	04/2018	134,400	0.02
7	Nguyen Duc Thinh	Vice President	Master	08/2014	420,000	0.08
8	Do Xuan Quang	Vice President	Master	01/2018	20,240	0.004
9	Luong The Phuc	Vice President	Bachelor	12/2011	230,400	0.05
10	Tran Hoai Nam	Vice President	Master	04/2015	168,000	0.03
11	Hoang Manh Ha	Chief Accountant	Master	08/2018	50,400	0.01



CHIEF EXECUTIVE OFFICER – NGUYEN THI PHUONG THAO
- The only Vietnamese person to get recognized as one of 100 People Transforming Business in Asia in 2020 by Business Insider.

Madame NGUYEN THI PHUONG THAO

Year of birth:	1970	Share ownership:	47,470,914 VJC shares, account for 8.76% of charter capital
Position:	Chief Executive Officer since 2007		
Qualification:	PhD in Economic Cybernetics from the Mendeleev Institute; Bachelor's degree in Credit Finance from the Moscow Commerce Institute. She is a founding member of the System Research Academy of the Russian Federation.		She is one of the founding members of Vietjet and was appointed Vice Chairwoman since 2007 and is currently the Chief Executive Officer of the Company. She also joined HDBank in 2008 and is currently the Standing Vice Chairwoman of HDBank's Board of Directors, is the leader of innovation and reform programs at HDBank, making HDBank step by step to become one of Vietnam's leading commercial banks during her tenure. Before joining HDBank, she was a founding member of several commercial banks in Vietnam.



Mr. DINH VIET PHUONG

Year of birth:	1969
Position	Managing Director since October 2020
Qualification:	MBA degree from CFVG (France) and a PhD in transportation from the Moscow State Academy of Water Transport PhD in Transport, Moscow National Academy.
Share ownership:	672,000 VJC share, account for 0.12% of charter capital

Mr. Dinh Viet Phuong has been the Vice President in charge of Business Development since 2012. Before that he was the head of Sovico's representative office in Vietnam; and Deputy General Director of Sovico, Deputy General Director and member of the BOD of Vietnam Motors Industry Corporation – the Ministry of Transport; member of the BOD of Petechim JSC – Petro Vietnam and member of the BOD of Dai A Commercial Joint Stock Bank.



Ms. HO NGOC YEN PHUONG

Year of birth:	1967
Position	Deputy CEO & CFO since 2018, in charge of information disclosure from August 2020
Qualification:	Master's degree in Finance and Accounting from International Swinburne University - Australia. Bachelor's degree in Import-Export Accounting from Foreign Trade University. Certificate of the Linkage 20 conversations - Harvard University. Certificate of Capital Market and Securities, Certificate of American Accounting, Certificate of Chief Accountant.
Share ownership:	0 VJC shares, account for 0% of charter capital

Over 25 years of experience in the position of Senior Leaders in Finance, Accounting and Auditing at large-scale domestic and foreign corporations and companies. Before joining Vietjet, she was the Head of Finance Department of Vietnam Oil and Gas Group (PVN) cum Member of the Board of Directors of PV Drilling, Vice President cum CFO of PVDrilling, Chairwoman of PVD Deepwater, Vice Chairwoman of PVD Baker Hughes Drilling Technology Joint Venture Company Limited. Before that, she was the Chief Operating Officer at SKT- Stelecom (Sfone), Chief Operating Officer of VMEP SYM Company and Financial Controller of Holcim Vietnam Company.



Mr. TO VIET THANG

Year of Birth: 1968

Position: Vice President & Chief Operating Officer, in charge of the Safety Security Quality and Assurance Department (SSQA)

Qualification: Engineering diploma with distinction in Aircraft Technic from Czech Technical University (Prague – Czech Republic), and certificates of IATA, Lufthansa and AQS relating to aviation safety and security, airlines management and quality assurance management.

Share ownership: 336,000 VJC share, account for 0.06% of charter capital

With more than 25 years of experience in the aviation industry, he contributed to the success of Vietjet in becoming certified with seven-stars the world's highest rating for global airlines by AirlineRatings. This is the third consecutive year that Vietjet has received this prestigious title. He is the project leader for the Company's IOSA certification process and a Member of IATA. Before joining Vietjet in 2014, he was Deputy Director of Safety, Security and Quality Assurance for Vietnam Aviation Corporation where he worked for nearly 20 years.



Ms. NGUYEN THI THUY BINH

Year of Birth: 1973

Position: Vice President in charge of Media relations since 2013, President of Thai Vietjet

Qualification: Bachelor's degree from Hanoi Foreign Language University
Bachelor's degree from Hanoi Polytechnical University
MBA from Vietnam – Belgium Co-operation Program of National Economic University and Université Libre de Bruxelles.

Share ownership: 280,000 VJC share, account for 0.05% of charter capital

She has more than 28 years of experience in the Vietnamese media industry. In 2008, Ms. Binh was Vice President of Jetstar Pacific in charge of commercial business and branding. In 2013, as Vice President of Vietjet, Ms. Binh was in charge of commercial development, market expansion and sales marketing. Currently, she is the Executive Chairwoman of Thai Vietjet. Before joining Vietjet, she implemented the Mobile Marketing project together with the Global Mobile Marketing Association to successfully launch the first Mobile Marketing Forum in Vietnam, bringing significant value to the new marketing trend in Vietnam.



Mr. NGUYEN THANH SON

Year of Birth: 1971

Position: Vice President who leads the commercial and marketing activities of the Company since 2018

Qualification: MBA, Bachelor's degree from Ho Chi Minh City University and Certifications in leadership, coaching, and creative thinking

Share ownership: 134,400 VJC share, account for 0.02% of charter capital

He has more than 20 years of experience in commercial activities at both international and domestic airlines. He joined Vietjet in 2011 as Chief Commercial Officer before being appointed as Vice President in 2018. He played a very important role in helping Vietjet achieve the No. 1 position in the domestic aviation market in 2018 and 2019 before the Covid-19 pandemic changed Vietjet's business development strategy in 2020. Previously, he worked at Pacific Airlines Joint Stock Aviation Company and spent nearly a year working for Qatar Airways Company QCS.



Mr. NGUYEN DUC THINH

Year of Birth: 1961

Position: Vice President in charge of the Technical and Maintenance since 2014

Qualification: Master's degree in Civil Aviation Engineering, an MBA and IATA certificates relating to airline engineering.

Share ownership: 420,000 VJC share, account for 0.08% of charter capital

Mr. Thinh has 35 years of experience working in the airline engineering industry. Under his management, Vietjet's engineering division for many years continuously achieved excellent results with technical reliability of 99.57%, the highest among the A320 / A321 fleet of airlines in Asia Pacific region. Before that, he was Deputy Director in charge of engineering and maintenance at Vietnam Aviation Corporation since 1993 where he joined in 1989 after serving 3 years in the Vietnam Air Force as a Maintenance Engineer.



Mr. DO XUAN QUANG

Year of Birth: 1962

Position: Vice President since 2014, cum Managing Director of Vietjet Air Cargo Joint Stock Company.

Qualification: Bachelor's degree from Law faculty of Kishinev University (USSR) in 1989, a master's degree in Law from the National Institute of State and Law, Hanoi in 2002 as well as an MBA from Maastricht School of Management, the Netherlands.

Share ownership: 20,240 VJC share, account for 0.004% of charter capital.

Mr. Quang has more than 27 years of experience in air freight forwarding and logistics. He was the Founder and Chief Operating Officer of Vector Aviation Company during the period 2004-2014. Before that, he was Air Transport Director of Vinatrans Corporation and Chief Operating Officer and Vice President of Vinafreight Joint Stock Company. He was the Chairman of Vietnam Logistics Business Association (VLA) from 2010- 2015 and now is Vice Standing Chairman of VLA. Mr. Quang was elected as Chairman of ASEAN Freight Forwarders Association (AFFA) from 2012-2015.



Mr. LUONG THE PHUC

Year of Birth: 1948

Position: Vice President in charge of flight operation since 2011.

Qualification: He graduated from National Defense Academy, Bachelor's degree in Business Administration from Ho Chi Minh City University of Economics and completed training courses from the INSEAD School of Economics (France) and the Pilot School of the Russian Federation.

Share ownership: 230,240 VJC share, account for 0.05% of charter capital.

He has over 55 years of experience in Military and Civil Aviation in Vietnam. Before joining Vietjet, he was the Vice President of Vietnam Aviation Corporation from 1993-2009 cum Chairman of the Board of Directors of Pacific Airlines Joint Stock Aviation Company from 1996-2005, Chief Operating Officer of Air Force Academy: Vietnam Air Force, Fighter Pilots, Air Force Regiment Commander, Air Force Division Commander from 1965-1992.



Mr. TRAN HOAI NAM

Year of Birth: 1965

Position: Vice President since 2015, in charge of aircraft financing and other financial market related businesses for the Company.

Qualification: Bachelor's degree from Hanoi University of Science and Technology and a master's degree from the Asian Institute of Technology (Thailand).

Share ownership: 168,000 VJC share, account for 0.03% of charter capital.

He has vast experience in the banking and finance sector, especially in wholesale banking and financial institutions. Mr. Nam is the Deputy CEO of HD Bank and oversees developing and managing large corporate clients as well as developing businesses between HD Bank and domestic and foreign financial institutions. He has previously held management-level positions at Citibank and Vietnam International Bank.



MR. NGUYEN MANH HA

Year of Birth: 1973

Position: Chief Accountant since 2018

Qualification: Master's degree in Economics, Bachelor's degree from Accounting and Trade Finance.

Share ownership: 50,400 VJC shares, account for 0.01% of charter capital

He has over 27 years of experience in Finance, Accounting and Control. He joined Vietjet in 2012 and held the position of Financial Controller until he was appointed Chief Accountant in 2018. Before joining Vietjet, he was the Chief Financial Officer for many corporations such as: Novotel Hotel Group, Sofitel Vinpearl Hotel & Resort Nha Trang, Ha Noi Daewoo Hotel.

MEMBERS OF THE
SUPERVISORY BOARD



6.4. MEMBERS OF THE SUPERVISORY BOARD

The Supervisory Board consists of 3 (three) members, who were appointed by the General Meeting of Shareholders, in charge of examining the reasonableness and legality in the management activities of the Board of Directors, the business administration activities of the CEO; in accounting records and financial statements. The Supervisory Board operates independently from the Board of Directors and the Board of Management.

No	Name of member	Position	Share ownership	(%)
1	Ms. Tran Duong Ngoc Thao	Head	13,440	0.0024
2	Mr. Pham Van Dau	Member	50,400	0.01
3	Ms. Doan Thu Huong	Member	253,680	0.05

Ms. TRAN DUONG NGOC THAO

Year of Birth: 1976

Position: Head of the Supervisory Board

Qualification: MBA from Asian Institute of Technology, a master's degree in European Business from EM Lyon-France business school, Diploma of Airline Quality Management; IATA Aviation Internal Audit and IATA Lead Auditor certificates.

Share ownership: 13,440 VJC shares, account for 0.0024% of charter capital.

Work experience : Vast experience in aviation internal audit, corporate finance advisory, restructuring and M&A.

Positions held in other organizations: Currently a member of the Supervisory Boards of Saigon Ground Services Joint Stock Company and Cam Ranh International Airport Joint Stock Company.



Ms. DOAN THU HUONG

Year of Birth: 1978

Position: Member of Supervisory Board

Qualification: Master's degree in accounting from the Ho Chi Minh City University of Economics, Bachelor's degree from the Academy of Finance and Chief Accountant Certificate, CFO Certificate.

Share ownership: 253,680 VJC shares, account for 0.05% charter capital

Work experience : Had experience as Chief Accountant for the construction and real estate company for many years.

Positions held in other organizations: Currently Chief Accountant of A&B Sai Gon Corporation. She is also a member of the Supervisory Boards of Sai Gon Vi Na Real Estate Joint Stock Company.



Mr. PHAM VAN DAU

Year of Birth: 1973

Position: Member of Supervisory Board

Qualification: Master's degree of Economics from the University of Economics of Ho Chi Minh City, Bachelor's degree from University of Economic Ho Chi Minh City.

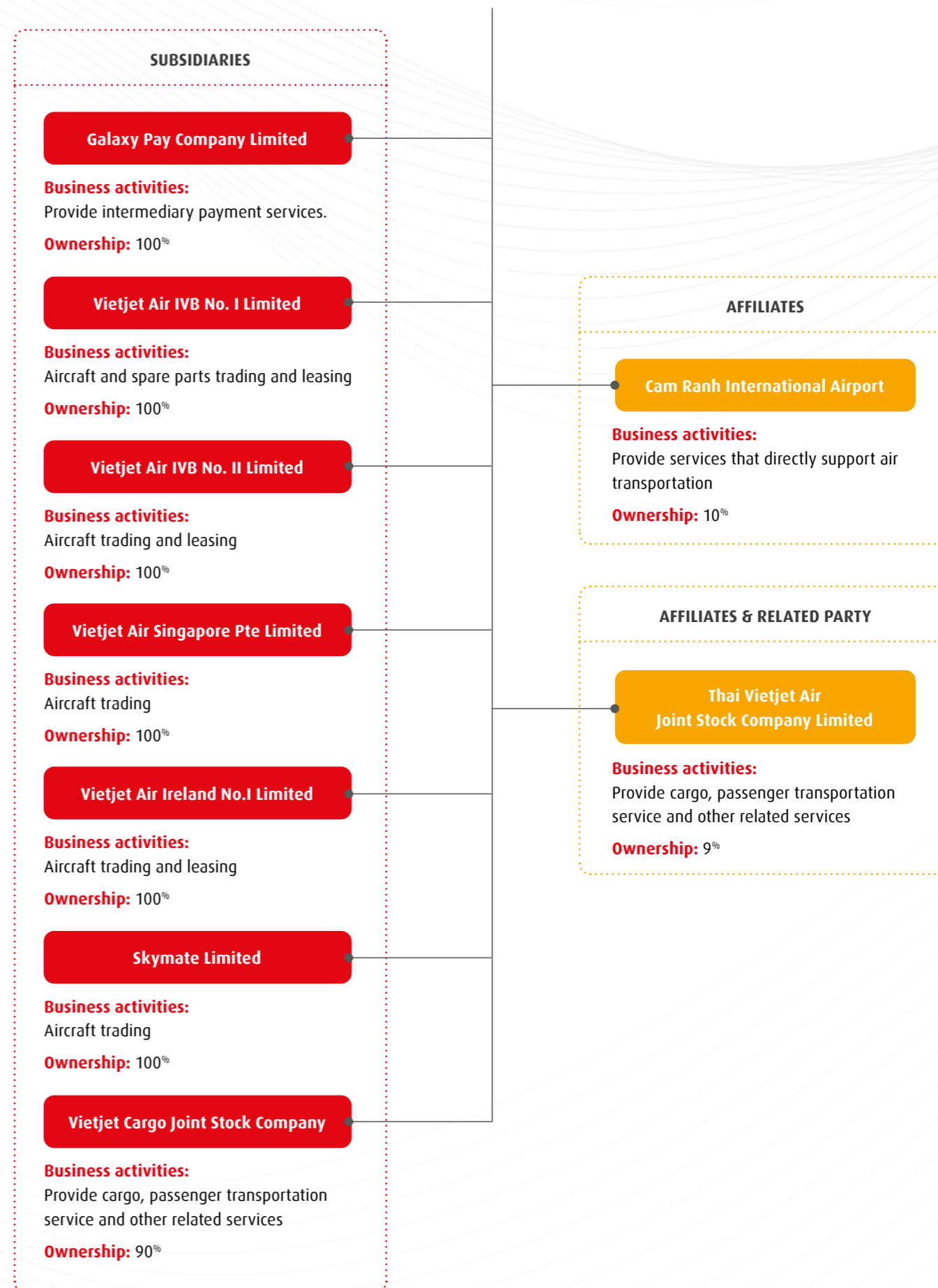
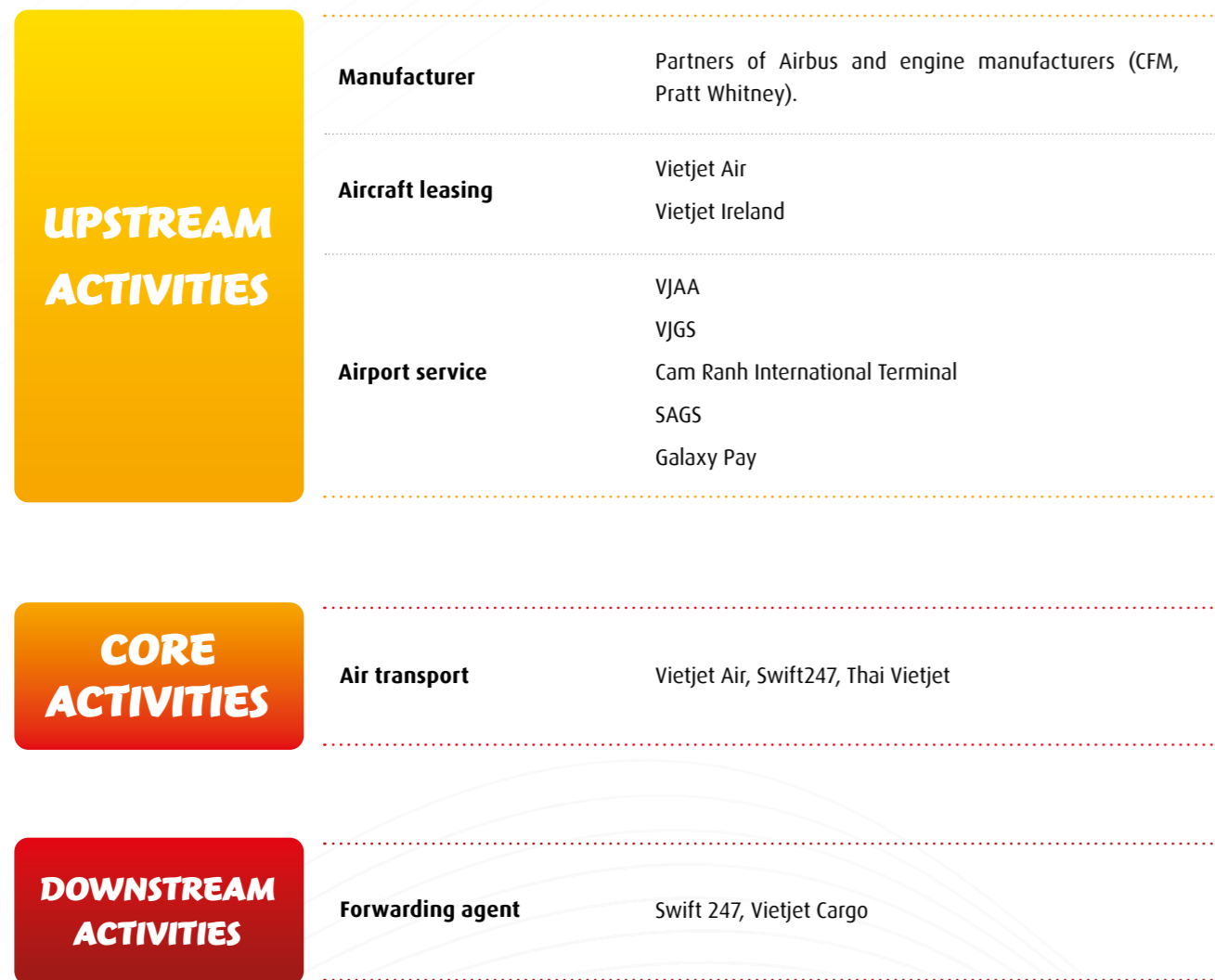
Share ownership: 50,400 VJC shares, account for 0.01% charter capital

Work experience : Has more than 15-years' experience in Finance and Banking.

Positions held in other organizations: Currently appointed as Chief Financial Officer of Ho Chi Minh City Development Joint Stock Commercial Bank.

SUBSIDIARIES AND AFFILIATES

In its business development strategy, Vietjet is continuously looking for opportunities to complete the supply chain of the aviation industry.



08. PERSPECTIVE AND STRATEGIES

Vietjet continues its mission of operating and developing a wide network of domestic and international routes. In 2021, Vietjet will focus on serving passengers, commit to providing customers with outstanding service quality experiences, and implement a comprehensive digital transformation on the basis of information technology.

Increase market share

Maintain the advantage of a low-cost structure through a large, uniform and new fleet of aircraft to remain the most efficient low-cost carriers (LCC) in Asia and with the largest market share in the ASEAN region.

Restore flight network

- » Restoring domestic routes and reopening international routes through the proactive application of effective Covid-19 disease prevention measures and meeting the requirements of local authorities.
- » Open new routes to countries where Vietnamese communities live.

Increase the proportion on ancillary revenue

Increase freight revenue to reach at least 30% of the consolidated revenue.

Increase brand awareness and customer experience

- » Improve operational reliability such as on-time take-off times, quality of customer service.
- » Increase interaction with customers to better understand customers' needs and feedback.

Increase resources

- » Expand aviation services, financial investment, projects.
- » Increase investment in aircraft assets, commercial financial solutions, and aircraft ownership.
- » Strengthen long-term financial resources.

Perform digital transformation to increase customer experience

Apply IT and automation to sales, customer service, in-flight e-commerce and maintenance parts management to reduce employee operations by at least 30% compared to current levels.

Optimize government grants

- » Low-interest financial support package for aviation industry.
- » Government tax and fee reductions to stimulate travel needs of citizens.

Community responsibility

- » Contribute to the development of local communities where Vietjet operates.
- » Implement programs to protect the environment, save fuel and energy, manage waste effectively.



03

Customer-centric

In 2020, Vietjet has launched upgraded SkyBoss products and services, new Deluxe ticket classes, and Power Pass products to thank and facilitate customers who have trusted and accompanied Vietjet during the past time. Vietjet also wishes to provide customers with more exciting experiences when flying with Vietjet with products and ancillary services in addition to traditional services such as on-board shopping, travel packages, and other healthcare product.



III BUSINESS RESULT 2020

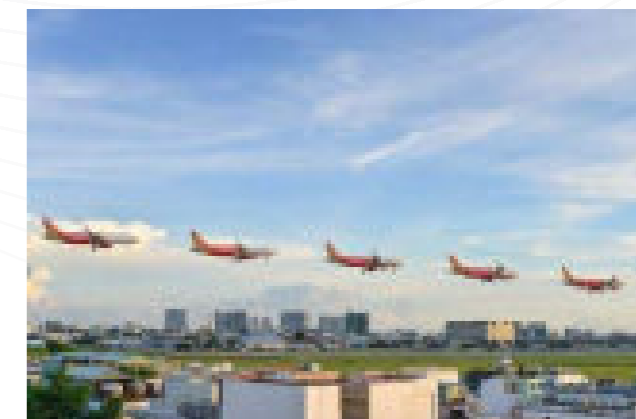


01. KEY HIGHLIGHTS 2020

In 2020, facing the Covid-19 pandemic, Vietjet has persevered, flexibly transformed and adapted in all circumstances with the highest collective spirit and determination.

COMMUNITY ACTIVITIES

- » Implement a series of programs "Charity flights to beloved Central region" to support the unfortunates during the severe typhoon, such as transporting relief goods and people working in the Central region for free as well as donating 10,000 VND for every ticket sold;
- » Quickly implement the passenger rescue campaign to bring more than 15,000 Vietnamese citizens back from all over the world;



- » Transport thousands of tons of essential goods, epidemic prevention medical equipment and donating more than 2.5 million medical masks to the UK, France, Germany and the US to support Covid-19 epidemic prevention;
- » Organize the program to present 183 teachers with outstanding achievements on round-trip airline tickets across Vietnam, accompanying the programs "I love my country", "Entrepreneur and Book Week 2020", "Vietnam Why Not";
- » Spread good values, honoring the beauty, wisdom and bravery of Vietnamese women throughout the country and abroad with Miss Vietnam.



AWARDS

01

- » Awarded Top 50 leading brands in Vietnam.
- » Top 100 Sustainable companies 2020.
- » "Best Workplace in Asia".

02

- » Highest 7-star safety rating awarded by Airline Rating.

03

- » World's 50 best airlines for healthy financing and operations 2019 – Airfinance Journal.

04

- » The Best Aviation Industry in Southeast Asia in 2019.

05

- » Asia Pacific Low-Cost Airline of the Year by the Centre for Asia-Pacific Aviation (CAPA) 2019.

06

- » Vietjet honored for "the Operating Lease Deal of the Year" by Airfinance Journal.



07

- » Top 50 "Asia's Best Workplace" in 2020 by HR Awards 2020.



08

- » "Vietnam Brand, Global Impact" awarded by PR Newswire.
- » Top 3 Best-performing Companies on Vietnam stock exchanges in 2019.

09

- » Steive Award for Technology Innovation 2020

10

- » Recognized as the 'Fastest Growing Low-Cost Carrier of the year' in Thailand 2020.

11

- » "The Low-Cost Carrier of the Year" and "The Belly Carrier of the Year" by Air Freight Magazine Payload Asia.



CHANGES IN SERVICE PRODUCTS DURING THE YEAR

- » Launch Vietjet Ground Services Center (VJGS) at Noi Bai international airport. VJGS helps Vietjet improve quality and service, synchronize brand identity and manage operating costs well.
- » Introduce products and services to help passengers choose more flexible itineraries such as the "powerful" POWER PASS SkyBoss for flying unlimitedly or more benefits with Skyboss and Deluxe ticket classes.
- » Launch SkyForce - The Vietjet brand ambassador.



BUSINESS RESULTS

- » Implement cost-saving programs, such as optimization to reduce operating costs by 10%, negotiation with suppliers to reduce 20% - 25% discount, reduce 10% of normal operating costs, reduce 25% of fuel costs thanks to the successful implementation of the fuel reserve program.
- » Transfer investment portfolio and parts of accumulated assets in the previous period to focus on capital, cash, and nurture resources to ready for a breakthrough after returning to the sky.
- » Achieve the world's leading safety indexes with 99.64% technical reliability, the load factor of over 80%, the On-time performance (OTP) of over 88%.
- » By the end of 2020, Vietjet has achieved a consolidated after-tax profit of 69 billion VND, become one of the few airlines in the world that did not lay off employees and operated profitably in 2020.

AN OVERVIEW OF THE WORLD AVIATION MARKET 2020

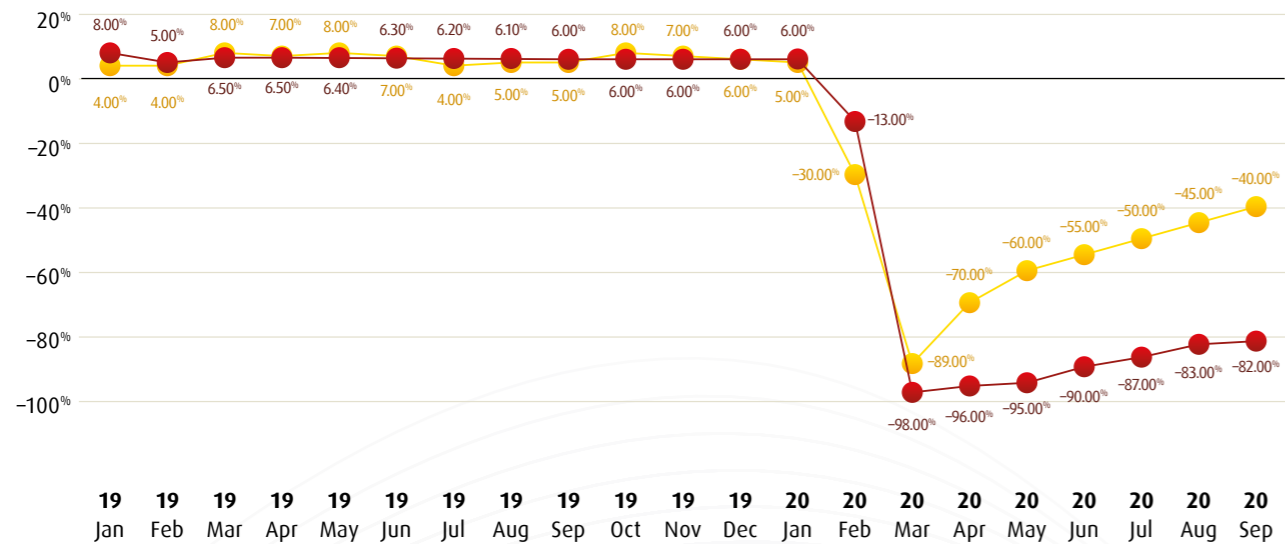
Meanwhile, domestic flights showed more positive signs, when recovering quickly from the bottom in April, down 80% year-on-year, and increased sharply in July 2020. The number of domestic flights increased higher than in 2019 after the epidemic was partly controlled. Domestic flight routes in other countries were also resumed, making the number of passengers to recover quickly, which shows how the demand for travel, tourism and visit friends/relatives has been pent-up during the outbreak. In addition, the prospect of freight transportation is growing strongly.

Meanwhile, domestic flights showed more positive signs, as they quickly recovered from the April bottom.



CHANGE IN GLOBAL TRANSFER

Source: IATA



Low travel demand has forced airlines around the world to restructure and cut costs to maintain operations. More than 400,000 jobs in the aviation industry have been cut, 45% of airlines have laid off employees from the second quarter of 2020 and lasted until the end of the year.

Currently, airlines are still struggling to maintain operations, partly thanks to the resources of the business, and the other thanks to the government financial assistance. However, according to the assessment of organizations, with the drastic implementation of vaccine programs in many countries and loosening policies to open up internationally, it is expected that aviation activities will gradually become bustling and recover from the beginning of 2022.

AN OVERVIEW OF THE DOMESTIC AVIATION MARKET

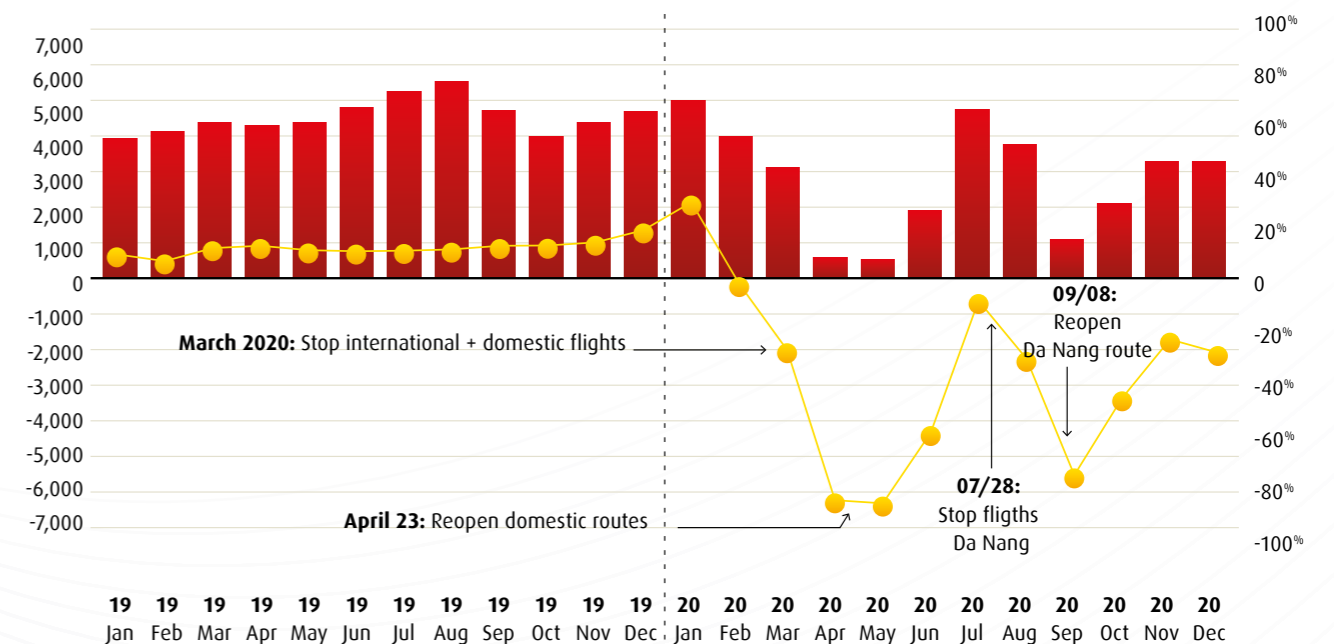
The number of transported passengers dropped sharply due to flight restrictions and social distancing, causing international and domestic routes to be suspended. The airline market also faces difficulties when tourism demand is low, leading to a decline in passenger arrivals. After recording a sharp decline of 86.5% and 87.7% in April and May respectively due to the outbreak of the disease, the market recorded a gradual recovery in the following months thanks to the stimulus policies during the tourist season, which mainly serves domestic tourists. For the whole year 2020, the number of passengers transported

reached 34.8 million passengers, down 61%; in which international visitors reached more than 3 million visitors, down 79% and domestic visitors reached 31.7 million visitors, down 25%, a decrease much less than the world average.

In Vietnam, with the best anti-epidemic record in the region and as a country with 22 airports, it is expected that Vietnamese airlines will gradually recover, and are expected to open international routes in the fourth quarter of 2021 and begin to gradually recover in 2022.

NUMBER OF TRANSPORTED PASSENGER

Source: General Statistics Office (GSO) - Unit: '000 HK



VIETJET'S BUSINESS ACTIVITIES



In 2020, Vietjet has operated
78 thousand flights with
140 thousand SAFETY BLOCK HOURS
15 million passengers.

In 2020, Vietjet has operated 78 thousand flights with 140 thousand safety block hours. All passengers and flying crews are safe thanks to the strict implementation of recommendations of the World Health Organization, the authorities of the countries, and the highest international standards in the prevention of epidemics.

Besides that, the airline has recorded positive operating indexes, for example, the load factor stands at over 80% and On-Time Performance (OTP) exceeds the globally high at over 88%. Vietjet's technical reliability rate is at 99.64%, achieving 7 out of 7 stars regarding safety. Vietjet was honored by Airlineratings as one of the safest and best low-cost airlines in the world in 2020.

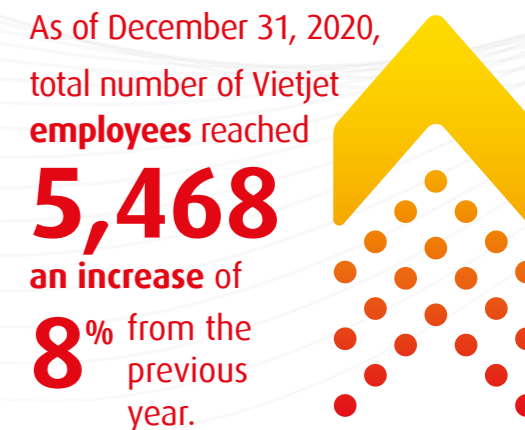
Currently, Vietjet has so far resumed its entire domestic flight network of more than 48 routes. The airline has received supports from the Government on the reduction of 30% of the environmental tax for aviation fuel, tax-payment extensions and reductions of 50% in landing/take-off fees, ground services fees and air navigation fees, as well as being considered for the government's financial aid proposal for local airlines. Taking those into accounts, Vietjet, with its outstanding cost and operation management while leading innovation in the industry, is deemed to be strong enough to bounce back anytime in 2021, bringing flying opportunities at flexible but low prices, diverse services to the customers and increase revenue for the airline.

ORGANIZATION AND HUMAN RESOURCE

5.1. HUMAN RESOURCE STRUCTURE

In 2020, while many airlines around the world massively reduce staff to maintain business operations as the Covid-19 crisis wipes out air travel demand, Vietjet takes advantage of the opportunity to recruit qualified personnel from the domestic and international labor markets.

During the year, Vietjet recruited 792 employees including 13 pilots, 125 flight attendants and 654 other personnel.



5.2. CHANGES IN THE BOARD OF MANAGEMENT

In 2020, a member of the Board of Directors, Mr. Luu Duc Khanh, resigned from the position of Managing Director to focus on governance which separates the executive and governance roles. In addition, Mr. Nguyen Duc Tam, Vice President has also applied for retirement under the regime from October 2020.



Luu Duc Khanh

Position:
 Managing Director
Resignation date:
 10/2020
Reason:
 Shift focus to governance and strategy
 for the Company



Dinh Viet Phuong

Position:
 Vice President
Resignation date:
 10/2020
Reason:
 According to retirement regime

INVESTMENT ACTIVITIES AND PROJECTS PERFORMANCE



6.1. SIGNIFICANT INVESTMENTS

Vietjet proactively provide training

With an initial investment of 170 million USD, **Vietjet Aviation Academy (VJAA)**, located in the High-Tech Park in Ho Chi Minh City, officially operated from 2018. This allows Vietjet to proactively manage its comprehensive human resources with international standards.

In 2020, the Vietjet Aviation Academy marks a comprehensive development step, specifically:

- » Training program: VJAA has additional capabilities in the training of Ground Service Staff (Flight operators and aviation equipment on aircraft aprons) and Class A Technicians in addition to existing training programs such as Pilot, Flight attendant, Flight Coordinator, Technical Staff.
- » Facilities: In addition to the investment and operation of SIM 1, by 2020, the Academy has completed the investment in training equipment for emergency activities such as using equipment during opening/closing aircraft doors practice, and simulations of the passenger compartment, fire equipment, wave pool as well as completed the workshop area for technical trainee practice.



Vietjet proactively self-handled its ground operations at Noi Bai International Airport

Vietjet on September 4 officially self-handled its ground operations at Noi Bai International Airport in Hanoi and became the first-ever private carrier to set up its own ground handling service in Vietnam. The move aims to improve the airline's service quality, independently and flexibly adjust its flight schedule to meet seasonal flight operations, especially in peak season, and effectively manage its operation costs. It would also help to synchronize Vietjet's images and brand recognition as well as to ensure the airline's thorough and safe operation. This is one of the milestones of Vietjet's strategic development to indeed optimize our cost-reducing opportunities while enhancing ground handling service quality and facilitating more sources of revenue. Vietjet is currently one of the largest airlines in Vietnam in terms of domestic flight frequency, particularly at Noi Bai International Airport. The carrier operates over 30 domestic and international routes from and to the airport, serving thousands of passengers daily. Noi Bai is hence selected as the first airport for Vietjet to handle its own ground services, paving the way for the airline's further service expansion in the future. By setting up its own ground handling services when the aviation industry was heavily impacted by the COVID-19 pandemic, Vietjet has proved to be an airline of great administration capabilities as it constantly comes up with flexible businesses to respond well to the changing and challenging business environment.



Saigon Ground Services Joint Stock Company (SAGS)

Vietjet currently owns 3.07 million shares, equivalent to 9.13% of SGN shares of Saigon Ground Service Joint Stock Company (SAGS) and has become a major shareholder of this business since July 1 2019. SAGS has the role of operating airport infrastructure and equipment; provides aircraft, aviation spare parts and equipment maintenance services; and provides technical and commercial ground services. SAGS operates

mainly at three key international airports, including Tan Son Nhat, Da Nang and Cam Ranh and provides full ground service to more than 50 customers, including several major domestic and international airlines such as Vietjet Air, Asiana Airlines, Qatar Airways, Emirates Airline, Turkish Airlines. Moving from a strategic partner to become a major shareholder of SAGS makes the coordination of ground service provision at strategic airports more efficient and proactive and hence, contributes to bringing the best service quality to Vietjet's customers.

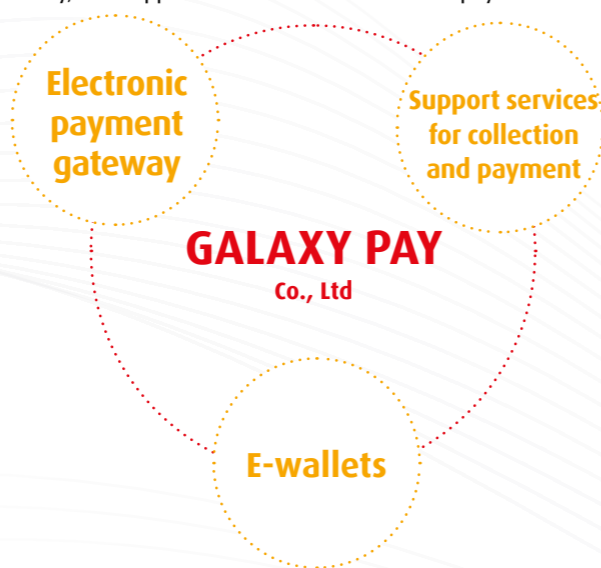
Vietjet invests in intermediary payment services

Over the years, Vietjet has continuously developed payment facilities for customers via credit cards, domestic debit cards, E-banking, and cooperated with domestic e-wallets.

In 2019, Vietjet's consolidated revenue reached VND 50,602 billion, of which about 99.99% was non-cash revenue.

Acknowledging a huge demand for cashless use, the Board of Directors of Vietjet approved the capital contribution to establish **Galaxy Pay Co., Ltd**, a subsidiary with the first business certificate issued on July 8, 2020 and charter capital of VND 50 billion, to operate in the field of technology, data processing and other services related to payment intermediary services.

Galaxy Pay was established with the purpose of serving the convenient payment needs of customers for services such as buying air tickets, resorts, e-commerce payments. With the potential strength in the ecosystem, the extensive network of partners, the nationwide agent network, and in-depth analysis of customer needs and behavior, Galaxy Pay sets a strategy to bring value-added service and improve the quality of life of Vietnamese. Intermediary payment services that Galaxy Pay intends to operate in and apply for a license from the State Bank of Vietnam (SBV) are e-wallets, electronic payment gateway, and support services for collection and payment.



6.2. SUBSIDIARIES AND AFFILIATES



Vietjet Cargo (Subsidiary)

In 2020, Vietjet configured some of its passenger aircraft for freight transportation purpose while applying new operational methods to enhance its cargo service capacity. The airline is the first airline approved by the authorities to carry cargo in the cabin. The airline has since delivered more than 60,000 tons of cargo transnationally, seeing its domestic and international freight revenue increased by 16% over the previous year's. Through interline agreements, Vietjet's cargo also landed in places that the airline only planned to land such as America and Europe for the first time in 2020. In addition, although Vietjet Cargo's 2020 revenue decreased compared to 2019, due to restrictions on air travel between countries, the domestic market share of Vietjet's freight transport market increased from 23% to 29%.



Thai Vietjet (Affiliates)

Thai Vietjet has been recognized as the fastest-growing low-cost carrier of the year in Thailand by Global Business Outlook Magazine. The recognition highlighted Thai Vietjet's achievements both in the fleet and new destination growth, demonstrating the strong breakthrough in the competitive aviation market like Thailand.

Starting operations for both international and domestic services in late 2016 with only three aircrafts, the carrier has obtained triple-digit growth since then with 13 aircrafts, together with 14 Thai domestic destinations and 17 other international routes operated to Vietnam, Taiwan, and mainland China. With seven new routes recently announced in 2020, Thai Vietjet plans to carry more than three million

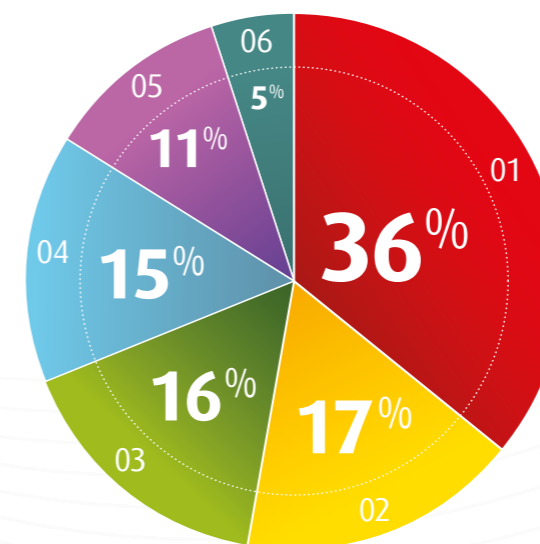
passengers this year with a fleet of 15 aircrafts.

In 2020, the COVID-19 pandemic has caused great damage to the global economy and tourism in general, leaving the aviation industry with a lot of challenges, but Thai Vietjet has constantly expanded the network connecting many attractive destinations across the land of smiles, connecting big cities, those of economic and tourism centers together to increase market share when the pandemic is under control and flights are resumed.

Thai Vietjet has inaugurated its first flight from the capital city of Bangkok (Suvarnabhumi Airport) to Nakhon Si Thammarat, an administrative center of southern Thailand and one of the most ancient cities of the country. Thai Vietjet's latest service operates from August 6, 2020, with one return flight daily and increases to four flights daily within October, with a flight duration of around 1 hour 15 minutes. Having received excellent response from the market for this new route to Nakhon Si Thammarat, the airline has also completed its operational readiness for up to five flights daily by end of the year. On-line check-in service for domestic passengers travelling from Suvarnabhumi airport is now available for more convenience. All Vietjet flights comply with all global standards and guidelines from the local authorities, including aircraft disinfection.

On November 30, 2020, Vietjet continued to conquer the hearts of Thai customers by connecting Nakhon Si Thammarat, an administrative center of southern Thailand and one of the most ancient cities of the country and the famous destination of Chiang Mai in the North. The new service Chiang Mai – Nakhon Si Thammarat is operated 4 flights/week on Monday, Wednesday, Friday, and Sunday, starting November 30, 2020. The flight duration is around 1 hour 50 minutes.

According to the Civil Aviation Authority of Thailand's (CAAT) latest air transport statistics for the fourth quarter of 2020, low-cost carriers (LCCs) accounted for over 80% of the country's domestic market share. In which, Thai Vietjet made up 17.3% of the Thai market share in 2020, preceded by ThaiAir Asia (35.7%) and surpassing NokAir and Thai Lion for the first time at 16% and 14.7%, respectively.



- 01 Air Asia
- 02 vietjet Air.com Thailand
- 03 NOK AIR
- 04 Thai Lion Air
- 05 THAI Smile
- 06 Bangkok Airways

Subsidiaries and Associates

The outbreak of the Covid-19 pandemic in 2020 has affected the delivery of new aircraft as well as aircraft transaction arrangements resulting in the performance of a few subsidiaries and associates adjusted to align with the actual situation.

Company name	Information	Function	Revenue in 2020
Galaxy Pay Company Limited	As a 100% Vietjet owned subsidiary, established under the business registration certificate number: '0316368255 by the Department of Planning and Investment of Ho Chi Minh City. Ho Chi Minh City, Vietnam issued on July 8, 2020. Address: 60A Truong Son, P2, Tan Binh District, City. HCM City, Vietnam.	Provide intermediary payment services.	No revenue (In the process of formation and development)
Vietjet Air IVB No. I Limited	As a 100% Vietjet owned subsidiary, established under the Certificate of Registration No: 1825671 issued on May 27, 2014. Registered address: UK Virgin Islands.	Aircraft and spare parts trading and leasing	286,919,000 USD
Vietjet Air IVB No. II Limited	As a 100% Vietjet owned subsidiary, established under the Certificate of Registration No. 1825613 dated May 27, 2014. Registered address: UK Virgin Islands.	Aircraft trading and leasing	No revenue
Vietjet Air Singapore Pte Limited	As a 100% Vietjet owned subsidiary, established under the Certificate of Registration No: 201400849N issued on March 27, 2014. Registered address: Singapore.	Aircraft trading and leasing.	No revenue
Vietjet Air Ireland No.1 Limited	As a 100% Vietjet owned subsidiary, established under the Certificate of Registration No: 544879 issued on June 3, 2014. Registered address: The Republic of Ireland.	Aircraft trading and leasing	40,975,139 USD
Skymate Limited	As a 100% Vietjet owned subsidiary, established under the Certificate of Registration No: 327015 issued on September 15, 2017. Registered address: UK Cayman Islands	Aircraft trading and leasing	No revenue
Cam Ranh International Terminal Joint Stock Company	As the partner that Vietjet owns 10% of the shares established under the Certificate of Registration No. 4201676638 issued on February 5, 2016. Address: Cam Ranh International Airport, Cam Nghia Ward, Cam Ranh City, Khanh Hoa.	Provide cargo, passenger transportation service and other related services	221.75 billion VND



07. FINANCIAL SITUATION

7.1. FINANCIAL SITUATION

Total assets according to the book value in 2020 compared to 2019 decreased by 3,662 billion VND, down 7% mainly due to the transfer of investment project to support the core airlines business.

In 2020, the market records big fluctuations when the Covid-19 epidemic breaks out, resulting in a 64% decrease in net sales in 2020 compared to 2019's net sales. Low demand in the airline market and excess load capacity has forced airlines to reduce seat supply, the number of flights and frequency across a wide area to increase seat utilization and increase sales. The competition in market share takes place drastically on

each day, each flight, leading to a series of promotions and stimulus programs being launched to attract customers and sales channels. Vietjet's international market mainly conducts repatriation flights to repatriate Vietnamese under the coordination of authorities.

Consolidated profit in 2020 mainly comes from Vietjet's transfer of assets of VND 1,773 billion to compensate for the loss from the aviation business. As a result, consolidated profit after tax reached VND 69 billion, making Vietjet one of the few airlines with a profit in 2020.

Units: billion VND

Indicators	2019	2020	'20 vs. '19
			%
Total asset	48,859	45,197	-7%
Net revenue	50,603	18,220	-64%
Profit form business activities	3,848	(2,018)	-152%
Other profits	721	1,773	146%
Profit before tax	4,569	(244)	-105%
Profit after tax	3,807	69	-98%
Payout ratio	7,107	131	-98%

7.2. KEY FINANCIAL INDICATORS

In 2020, the Board of Management flexibly uses the own resources from investment assets accumulated in previous years for long-term development purposes such as the right to use the Vietjet Plaza building, financial supports from aircraft and engine manufacturers... to ensure that liquidity as well as the financial structure of the Company in 2020 did not change significantly compared to 2019. However, due to a decrease in revenue, the target of asset turnover decreased to 0.38 times compared to 1.15 times in 2019. Similarly, the indicators of profitability significantly decreased by over 95%.

Although the Load factor in 2020 has decreased sharply compared to 2019, the cost per Available Seat Kilometers only slightly increase by 2%.



Indicator	2019	2020	'20 vs. '19
1. Solvency ratio			
» Current ratio:			
Short term Asset/ Short term debt	1.24	1.28	3.2%
» Quick ratio:			
(Short term Asset – Inventories/ Short term Debt)	1.20	1.24	3.7%
2. Capital structure ratio			
» Debt/Total assets ratio	0.69	0.67	-3.6%
» Debt/Owner's Equity ratio	2.28	2.02	-11.6%
3. Operational capability Ratio			
» Total asset turnover:			
(Net revenue/Average Total Assets)	1.15	0.38	-67%
4. Profitability			
» Profit after tax/ Net revenue Ratio	7.52%	0.38%	-95%
» Profit after tax/ Total capital Ratio	25.55%	0.46%	-98%
» Profit after tax/ Total assets Ratio	7.79%	0.15%	-98%
» Profit from business activities/ Net revenue Ratio	7.60%	-11.07%	-246%
5. CASK	3.96	4.03	-3%

08. SHAREHOLDERS STRUCTURE AND CHANGES IN THE OWNER'S EQUITY

8.1. INFORMATION ON COMMON STOCK:

Charter Capital (unit: thousand VND)	5,416,113,340
Number of issued shares	541,611,334
Number of shares outstanding	523,838,594
Number of treasury stocks	17,772,740
Number of restricted stocks	-
Type of share	Common
Par value per share	10,000 VND
Market capitalization of Shares Outstanding	65,480 billion VND

8.2. SHAREHOLDERS STRUCTURE

Table 1: Shareholders structure as of 04 January 2021

No	Shareholders type	No, of shareholders	No, of shares	Value of shares (VND)	(%)
A	Local shareholders	6,373	422,615,111	4,226,151,110,000	78%
1	Institutions	74	272,297,893	2,722,978,930,000	50%
2	Individual	6,299	150,317,218	1,503,172,180,000	28%
B	Foreign shareholders	1,080	101,223,483	1,012,234,830,000	19%
1	Institutions	81	100,669,696	1,006,696,960,000	19%
2	Individual	999	553,787	5,537,870,000	0%
C	Treasury stocks	1	17,772,740	177,727,400,000	3%
	TOTAL	7,454	541,611,334	5,416,113,340,000	100%

Source: List of shareholders provided by VSD on January 4, 2021

Table 2: List of major shareholders (December 31, 2021)

No	Shareholder	Number of shares	(%)
1	Huong Duong Sunny Investment Limited Liability Company	154,740,160	28.57%
2	Nguyen Thi Phuong Thao	47,470,914	8.76%
3	Sovico Joint Stock Company	41,106,000	7.59%

8.3. CHANGE IN THE OWNER'S EQUITY

Table 3: Dividend payment and stock issuance

Period	Additional capital (đồng)	Charter Capital (VNĐ)	Method
2007	-	600,000,000,000	Established Vietjet Aviation Joint Stock Company
05/2013	200,000,000,000	800,000,000,000	Issue shares to existing shareholders, ratio 3:1
03/2015	200,000,000,000	1,000,000,000,000	Dividend by shares, ratio 25%
10/2015	450,000,000,000	1,450,000,000,000	Dividend by cash, ratio 100:45; Issuing shares to existing shareholders at the rate of 45% (and deducted from the above cash dividend)
06/2016	550,000,000,000	2,000,000,000,000	<ul style="list-style-type: none"> » Issue shares to existing shareholders from equity, ratio 100:33 (bonus shares) » Issue 7,150,000 shares to employees according to the employee's selection program.
09/2016	500,000,000,000	2,500,000,000,000	<ul style="list-style-type: none"> » Dividend by cash, ratio 25% » Issue shares to existing shareholders at the rate of 25% (and be deducted from the above cash dividend)
11/2016	500,000,000,000	3,000,000,000,000	Issue shares from equity to existing shareholders, ratio 20% (bonus shares)
2017	1,513,432,840,000	4,513,432,840,000	<ul style="list-style-type: none"> » Private issuance of 22,388,060 shares to Huong Duong Sunny Investment Company Limited to increase capital of 223,880,600,000 billion VND » Increase share capital from owner's equity by 40%, corresponding to 1,289,552,240,000 VND. Vietjet's charter capital increased to 4,513,432,840,000 billion VND.
2018	902,680,500,000	5,416,113,340,000	Issue shares from equity to existing shareholders, ratio 20% (bonus shares)

Source: Vietjet

8.4. TREASURY STOCK TRANSACTION

Indicator	No, of treasury stocks	Value of treasury stocks (VNĐ)	Average buying price of repurchases shares (VNĐ/ share)
Number of treasury shares at the beginning of the period (January 1, 2020)	17,772,740	2,347,121,362,620	132,063
Number of treasury shares purchased during the period	-	-	-
Number of treasury shares sold during the period	0	0	0
Number of outstanding shares at the end of the period (December 31, 2020)	17,772,740	2,347,121,362,620	132,063

Note: On March 5, 2021, the Board of Directors approved Treasury Share Sale Plan to supplement capital to serve the business expansion strategy, prepare resources for the recovery period in 2021 (transaction time is from March 30, 2021 to April 28, 2021). The result was 2,350 billion VND to supplement business capital.

8.5. OTHER SECURITIES

Vietjet has issued bonds in the form of a private placement with a total value of VND 650 billion on December 23, 2020 and ended on January 12, 2021.

04

Firmly overcome difficulties

Vietjet drastically implements cost-saving programs, such as optimizing flight hours operating costs, reducing fuel costs through the program of purchasing and reserve fuel, reducing ground service costs through putting Vietjet Ground Services Center (VJGS) into operation at Noi Bai airport in September 2020.

The operation of VJGS helps the airline manage operating costs, synchronize brand identity and improve service quality for each flight. Investing in high quality human resources, modern and synchronous facilities, VJGS is considered one of the biggest projects of the company in 2020.



IV BOARD OF MANAGEMENT'S ASSESSMENT AND REPORT

Vietjet has stood firm and successfully overcame the COVID-19 pandemic with the high spirit and ready resources for strong recovery and development. Vietjet places the safety of customers and employees as the foundation for sustainable development. Safety, efficiency, and self-reliance are what almost 5,500 Vietjet employees proudly have achieved in 2020.



01. BUSINESS ACTIVITIES OF THE PARENT COMPANY

Many countries and localities have implemented strict blockade policies, the fleet plan cannot be adjusted in a short time as capacity supply exceed travel demand causing the aviation market to narrow down. Vietjet's Board of Management has deployed a strategy to cut operating and investment costs to maintain business operation, waiting for the opportunity to come when the pandemic is well under controlled.

1. BUSINESS ACTIVITIES OF THE PARENT COMPANY

In 2020, Vietjet focused on operating domestic air transport to serve the travel needs of domestic people and carry out international flights to bring Vietnamese back home and flights to rescue citizens from outbreak areas follow the guidelines of the authorities to ensure the absolute safety of passengers and staff and prevent community infections. Vietjet's Board of Management has quickly and decisively implemented solutions to reduce and save operating costs when air transportation demand falls, including:

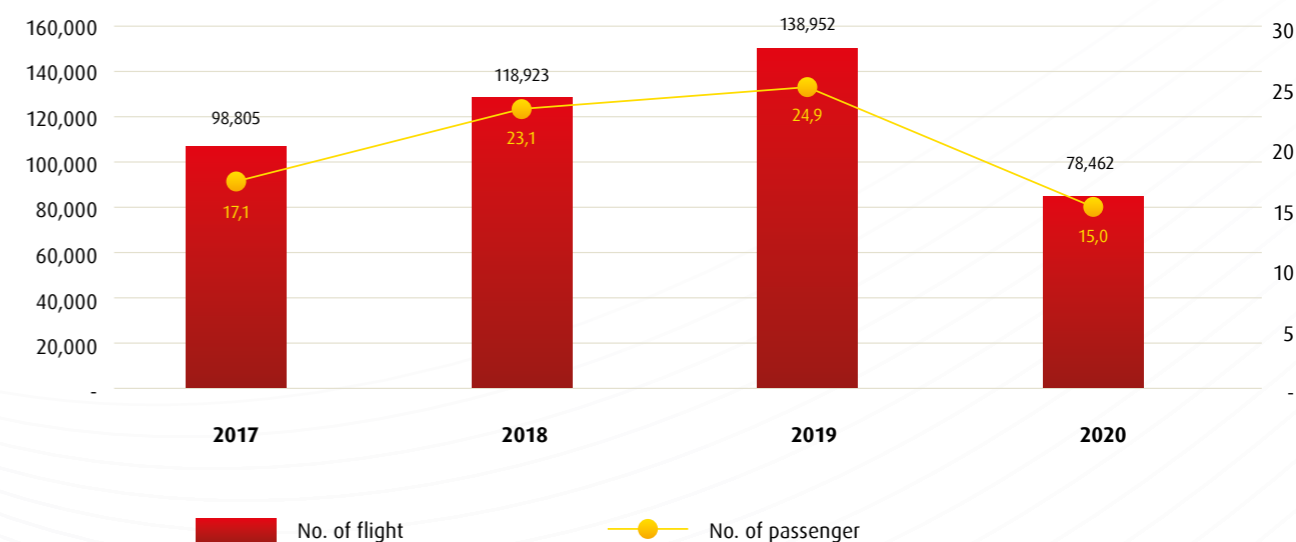
- » Return 9 wet lease aircrafts to the lessor to reduce rental costs.
- » Negotiate with the lessor to reduce the amount of the aircraft rental and extend the payment period.
- » Implement a policy of salary reduction (40-60%) without laying off employees.

At the same time, the Board of Management also took advantage of other possible opportunities to increase revenue such as:

- » Introduce new products and services: Skyboss, Powerpass, Deluxe to increase ancillary revenue to promptly supplement working capital.
- » Convert passenger compartment into cargo compartment under the guidance and approval of the Civil Aviation Administration of Vietnam to increase asset efficiency, increase transport capacity and ultimately increase freight revenue.
- » Cooperate with international airlines such as UPS, DHL to expand geographic areas to increase revenue and presence of Vietjet.

In 2020, Vietjet has operated 78 thousand flights with 140 thousand safety block hours, transporting more than 15 million passengers. Vietjet have fully complied with the direction of the Government and the World Health Organization to ensure absolute safety for all flights.

FLIGHT AND PASSENGER



Vietjet has recorded positive operating results such as load factor of over 80%, on time performance of over 90% and technical reliability reaches 99.64%.

Despite difficulties in 2020, Vietjet has made careful investments in the operation and development of the flight network, creating a foundation for Vietjet to grow strongly right after the COVID-19 is under controlled, including:

ROUTE NETWORK 2020

08 New routes
48 Domestic routes resumed
146 Domestic and international flight in total

DEVELOPMENT PLAN 2021

08 New aircrafts
15 New domestic and international routes

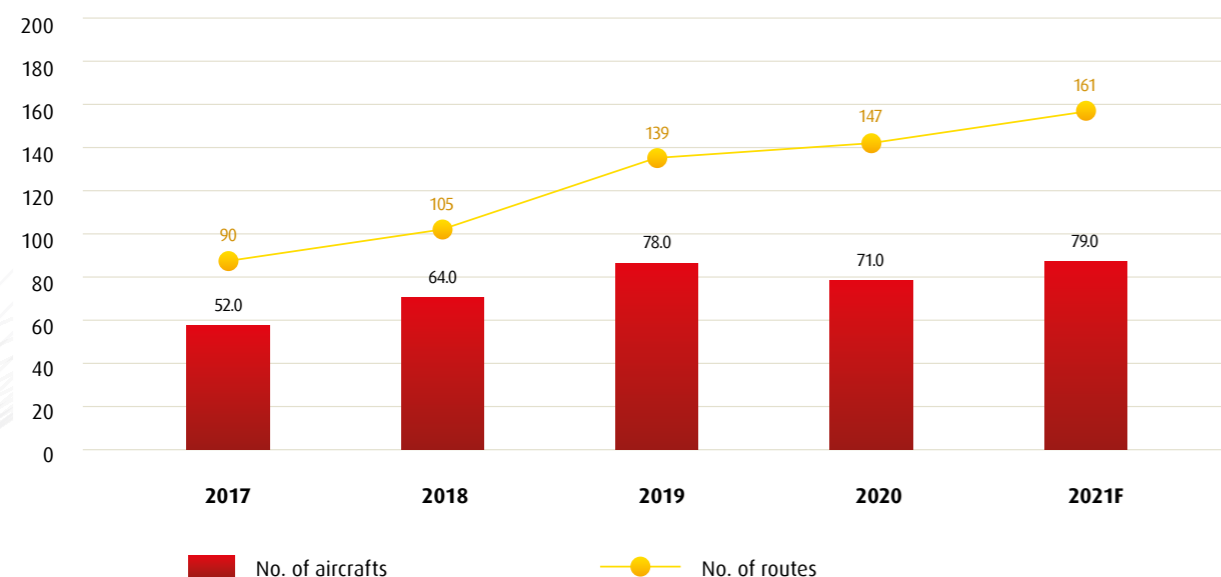
The Government's support in tax reduction, tax extension, deduction on navigation charges, take-off and landing fees, airport services fees has lifted great pressure off domestic airlines like Vietjet. Besides, with the ability to manage costs, operate efficiently and lead innovation in the aviation industry,

Vietjet is assessed to have internal strength for a robust recovery in 2021. This brings the opportunity for cheaper and more flexible airfare, providing a variety of services, meeting the customers' needs and increasing revenue for the airline.

Aircraft type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021F
A320	4	9	18	27	30	25	23	28	22	22
A321ceo				3	11	27	34	36	35	35
A321neo							7	14	14	19
A330										3
Total	4	9	18	30	41	52	64	78	71	79

In 2021, Vietjet expects to receive 5 more A321Neo and 3 wide-body A330 aircrafts.

ROUTES AND AIRCRAFTS



DURING THE YEAR, VIETJET OPERATED

68 rescue flights with a total of **14,184** passengers

20 repatriation flights (with 4,500 passengers)



CARGO ACTIVITY STANDS OUT WITH INTERNATIONAL AND DOMESTIC CARGO ON BOARD (FREIGHTER) FLIGHTS.

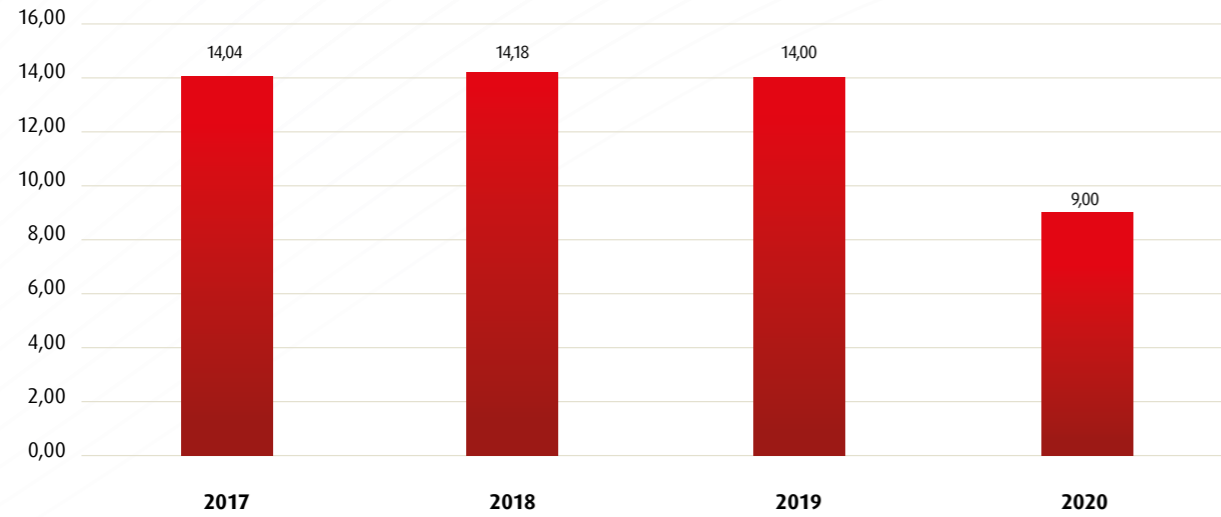


The proportion of **CARGO SALES** accounted for nearly

6% of total revenue

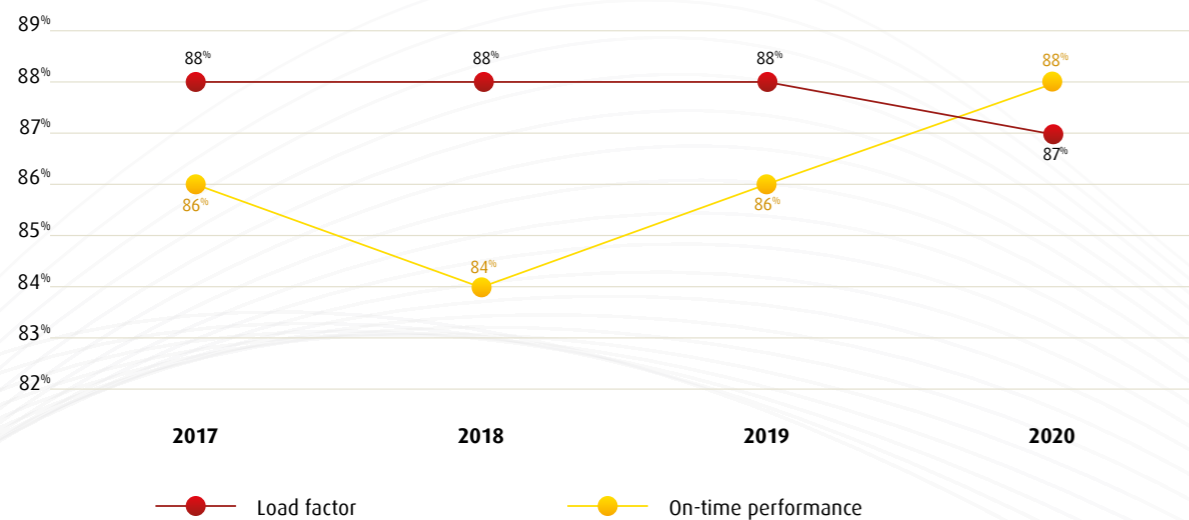
The average aircraft utilization rate has steadily increased over the years except for 2020 due to the Covid-19 effect. However, Vietjet has implemented a rotation policy to ensure consistent operation of the aircraft and reduce maintenance costs when the aircraft is left inactive for too long while prepare plan fleet to optimize fleet cost.

UTILISATION (BH/AC/DAY)



The Load Factor remained at 80%, which is higher than the world average, and Vietjet's On-time Performance of 88% has always been one of the top KPI concerned and subject to improvement since 2018.

LOAD FACTOR AND OPT OVER THE YEARS



1.1. COMMERCIAL ACTIVITIES

Market and competition

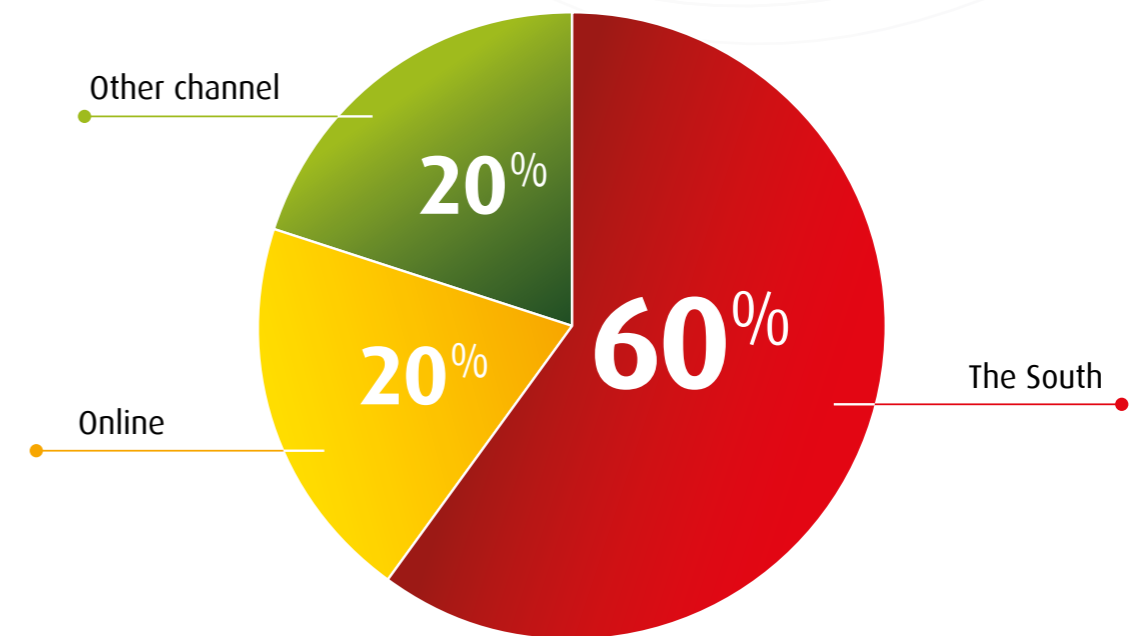
In 2020, the market recorded significant fluctuations due to the complicated development of the Covid-19 outbreak throughout the year.

The international market only operated a few rescue flights and continues to tighten when the third community infection occurs in December 2020.

Supply excess demand forced the airlines to reduce the number of seats, flights, and frequency across a wide area in order to increase seat utilization and revenue efficiency. The competition on market share and each flight is fierce every day, through low airfares and a series of promotions and incentives to attract customers and sales channels.

The Southern market is the leading and pulling channel for the entire system of sales services with online sales accounting for over 80% of the whole system.

PROPORTION OF SALES BY CHANNEL



Product policy and customer support

To enhance product and service quality, Policy Management System Department worked with Intelisys and related departments to create new products PowerPass, a "Buy once, Fly hundred times" air travel package, provide customers with unlimited domestic flights with 1-year or 6-month period for a certain amount pre-purchase.

The second outbreak of the disease in June & July as well as the third outbreak in December 2020 has made many

customers feel anxious and hesitant when buying tickets. As a result, Vietjet has allowed the customer to redeem tickets for free to another date through the agent system or online.

In addition, Vietjet has launched a brand-new product, namely Deluxe with many benefits and competitive advantages, in order to enhance its competitiveness and seek new customers with higher revenue.

As of December 31, 2020, total number of Vietjet employees reached

5,468

in which most of them are highly qualified aviation manpower.

FOR 5 CONSECUTIVE YEARS, Vietjet has always been in the

TOP 100 VIETNAM BEST WORKPLACE

conducted by Anphabe and the market research firm Intage Vietnam, and at the same time won the

BEST WORKPLACE IN ASIA 2020

- HR Asia Awards.

1.2. HUMAN RESOURCES

Human resources policy

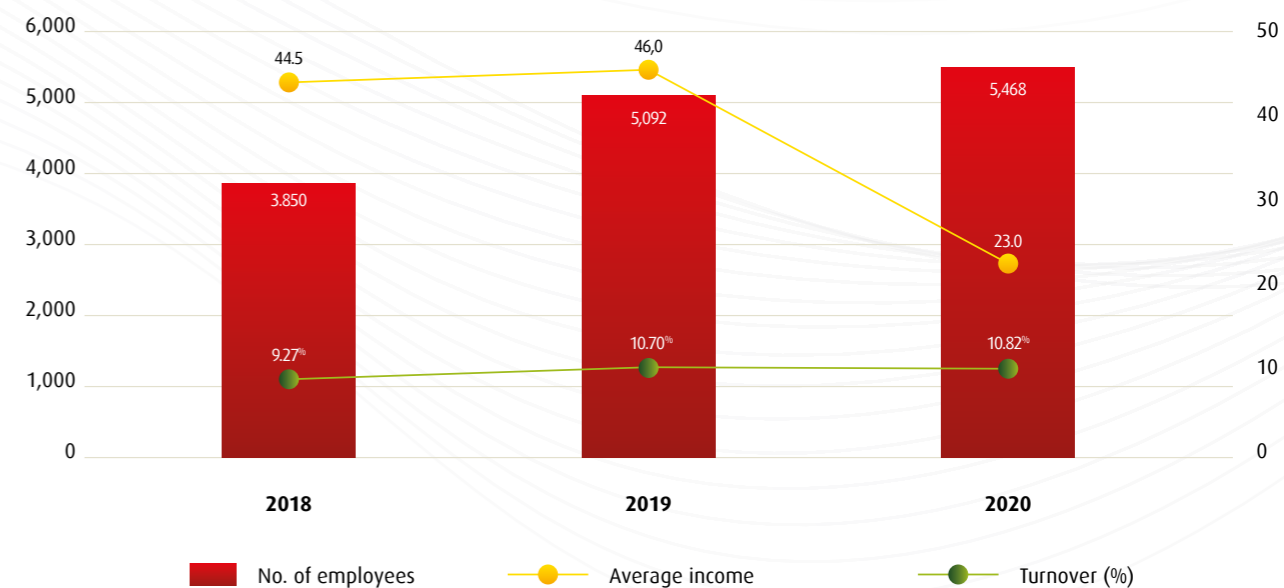
In 2020, when the Covid-19 pandemic occurs, to control the epidemic, countries closed their borders, closed the sky, which led to a significant impact on airlines. To maintain business operations, firms were forced to cut costs and lay off a series of employees. Even though Vietjet is also negative affected by the pandemic, the Board of Directors has decided to maintain the number of employees and took advantage of the opportunity to recruit new employees with high quality expertise to prepare for a business expansion strategy once the pandemic is under control, routes restored and new aircraft received under contracts signed with partners.

During 2020, the number of employees increases to 384, an increase of 8% compared to the same period in 2019. The Board of Management has directed the HR department to negotiate with employees to reduce operating costs without laying off staff. The temporary solution is to structure the salary according to the actual workload and hours of operation. As a result, the average salary cost in 2020 is reduced by 50% compared to the 2019 level, ensures a minimum salary of 10 million VND/month for the lowest employee rank.

By implementing a transparent and effective salary reduction program, more than 89% of employees agreed with this short-term salary reduction and were optimistic about the future of Vietjet. In 2020, the employee turnover rate was only 10.82%, an increase of 0.12% compared to that of 2019.

Indicator	2018	2019	2020
No. of employees	3,850	5,092	5,468
Average income (million VND)	44,5	46,0	23,0
Turnover rate (%)	9.27	10.70	10.82

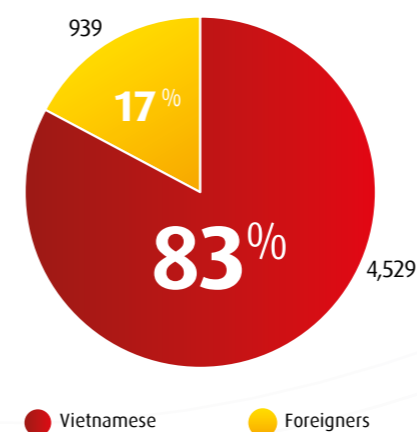
QUANTITY - INCOME - TURNOVER RATE



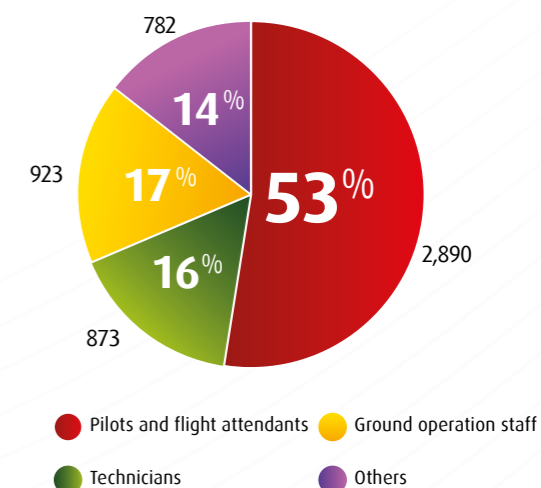
Vietjet always focuses on the development of human resources because human being is a fundamental factor in the development and success of the Company. Vietjet always aim to create a healthy and professional working environment for employees which help the Company attract top-notch talents in domestic and international markets. In addition to basic benefits such as insurance, appropriate holiday and annual leave, periodic salary review, bonus on performance every 6 months, etc. Vietjet also takes care of its employees and their family members by offering free tickets - Staff Flight Coupon (SFC), networking and team building activities, etc.

The proportion of foreign employees was 939, account for nearly 17% of the total staff at Vietjet as of December 31, 2020. Pilots, flight attendants and experts at Vietjet have many years of experience in various fields. Their participation in working, cooperating and learning in Vietjet environment creates a diverse workplace with different nationalities, ethnicities and culture. Foreign human resources are focused on development because their knowledge and sharing, skills and experience can positively contribute to the rapid and sustainable development of the Company.

CLASSIFIED BY NATIONALITY



HUMAN RESOURCES STRUCTURE



Performance Appraisal

The employee's contribution is evaluated to promptly reward, motivate employees and increase the employee attachment to the Company, therefore Vietjet regularly assesses employee performance and timely rewards employees for their outstanding contributions. In June 2020, Human Resources Department coordinated with consultants from INNMA to organize a training course to raise awareness on KPI and methods of building KPI system for leaders of departments, units throughout the Company. KPI is an acronym for Key Performance

Indicator, which is defined as an efficiency indicator and a tool to measure and evaluate the performance of the work expressed through metrics, ratios, quantitative indicators, to reflect efficiency, activities of organizations, functional departments and individuals. This is the first course organized to provide the concepts of criteria and the basis for building a set of performance metrics, management-oriented methods as well as how to apply the measurement tools to the public, the work of each individual as well as departments and divisions throughout the Company.



Training program

Training is an important policy to help improve the quality of human resources and is one of Vietjet's priority policies for employees, meeting the development needs of the Company and the career orientation of employees.

In 2020, Human Resources Division in conjunction with VJAA has conducted 47,386 training hours for all department employees, due to social distancing. Vietjet has arranged online sessions accounting for 31.7%, and offline training accounting for 68.3%.

With the support of Airbus, Vietjet provides the most advanced training solutions to ensure safety, reliability and operational efficiency throughout the life cycle of the aircraft. Airbus also supports Vietjet through many comprehensive and detailed training programs for pilots, apprentices, flight attendants, operating engineers, and aircraft maintenance and repair specialists.

Target participants	Total hours	Online	Offline
Ground operation	19,883	5,918	13,965
Flight attendants	13,076	4,041	9,035
Aircraft maintenance and repair specialists	8,781	2,431	6,350
Pilot	2,765	1,905	860
Flight coordinator	1,167	369	798
Other training	1,714	368	1,346
Total	47,386	15,032	32,354



1.3. SAFETY, SECURITY, AND QUALITY ASSURANCE (SSQA) ACTIVITIES

At Vietjet, Safety, Security, and Quality Assurance (SSQA) are always at the top priorities of flight operation management. Vietjet proactively enhances aviation quality - safety - security through excellent resources management, efficient use of quality management systems, data analysis systems and safety management systems. Throughout the years, Vietjet has been proud to be the leader in the application of flight data analysis systems and actively partners with Airbus to implement Safety Management System, meeting aviation safety standards in accordance with the regulations of the International Civil Aviation Organization (ICAO), aviation authorities, associations, alliances to which Vietjet is a member to minimize potential risks, preventing incidents that may occur in operational activities.

The Civil Aviation Administration of Vietnam continues to renew the Air Operator Certificate (AOC) and has approved to transport of Dangerous goods (DG) for Vietjet from October 5-12, 2020. The delegation of the Civil Aviation Authority of Vietnam has organized a periodic assessment of the overall Vietjet operating system for AOC extension. Civil Aviation Authority of Vietnam (CAAV) assessed documentation system, aircraft maintenance operations, training, safety management and operating-related conditions. Speaking at the review meeting, Director of Flight Safety Standards of CAAV Ho Minh Tan highly appreciated Vietjet's positive results in maintaining and improving aviation operating standards. The AOC is evaluated and renewed once a year and is the most important certificate for the airline to maintain its aviation operations.



Flight safety course: On July 13, 2020, the Fatigue Safety Action Group (FSAG) launched a periodical course. In the course, members of the working group assessed the safety work in the first 6 months of 2020. In which, the course has evaluated the indicators of the flight data monitoring system, aviation safety reporting system, flight safety assessment program. The safety index was well controlled in the first 6 months of 2020, Vietjet always maintains quarterly and monthly reports in accordance with Vietnam's aviation safety regulations. The monitoring of Vietjet safety indicators is approved by the CAAV, including 64 indicators, an increase of 09 SPIs compared to 2018 (55 SPIs). During the second half of the year, FSAG will continue to introduce operational safety measures as required by European Union Aviation Safety Agency (EASA) and CAAV for airlines to conduct Upset prevention and recovery (UPRT) training for pilots. Vietjet has actively hired Airbus Instructors to perform UPRT training and ensure according to schedule and quality.

On December 17 and 18, 2020, the Vietjet Emergency Response Management Committee held an Emergency Training and Rehearsal for the Board of Management, airport representatives and staff at the Company's Headquarters with the online support of aviation expert Jason Kelly, GHS Aviation Group from the US. The training course has brought a lot of useful information and experience for the Board of Management, the management team as well as all employees, mastering the tasks and handling procedures, ready to respond

in case of emergency, agree on the operation and mechanism management of the Emergency Response Committee, and unify the coordination and agreement between Vietjet and relevant authorities and departments.

Typical safety performance results that Vietjet has achieved in 2020:

- » Quality index of flight data analysis on Airfase system averaged 95.31% - very high (according to the provisions of the Vietnam National Safety Program is 90%);
- » SSQA assessed 75-flight LOSA cockpit and 110-flight LOSA cabin to improve risk management efficiency;
- » Conduct safety observations of pilot SIM training;
- » Vietjet has issued 64 mandatory safety incident reports to the Civil Aviation Authority of Vietnam;
- » Vietjet has received and processed 1,303 voluntary and safe aviation reports in operations;
- » 100% of new employees are trained in SMS awareness;
- » 100% of airline staff receive initial and periodic training on SMS;
- » SSQA issued 03 warnings, 1 recommendation and 1 Directive, 02 notices and 01 Safety magazine to the entire operating system of Vietjet. And conducted 01 Company-level Safety Conference and 04 Flight Safety Seminars at major airports to raise safety awareness, compliance in operations.



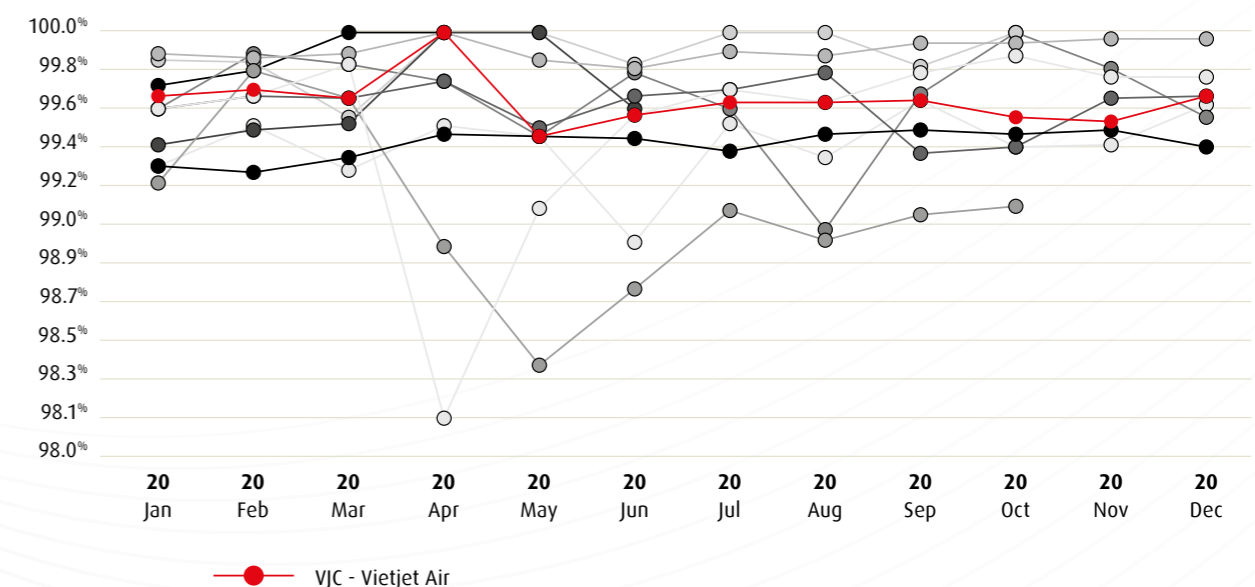
1.4. ENGINEERING AND MAINTENANCE ACTIVITIES

Vietjet has more than 900 technicians who are formally trained to standards and meet all the requirements of the CAAV as well as the requirements of aircraft manufacturers, engine manufacturers or aviation authorities such as the U.S, Federal Aviation Administration (FAA) and the European Aviation Safety Agency (EASA).

In addition, Vietjet's Engineering Department regularly participates in professional training courses, updates new information from aircraft manufacturers, engine manufacturers in order to make appropriate improvements to improve longevity, operational quality, enhance the reliability of aircraft, engines as well as aircraft equipment.

Vietjet continues to apply advanced IT systems in engineering management such as AMOS, AIMS... and failure management, materials management, maintenance management as well as data transmission during flights. According to the statistical results of the technical system, Vietjet's reliability reached 99.64%, in comparison of reliability with other airlines in the world.

TECHNICAL RELIABILITY COMPARISON



One of the key strategies is the successful transformation of the passenger aircraft into a cargo carrier, which bring in revenue for the airline during the difficult period due to the social distancing in preventing the global outbreak of the Covid pandemic. Vietjet has become one of the fastest airlines in the country as well as in the region to carry out this transformation.

During that period, the technical team also carried out maintenance work for the fleet, ensuring the best technical condition and optimizing the maintenance of the entire fleet in the context of "new normal" during and after the pandemic.

With the results achieved from the continuous efforts of all Vietjet staff and especially the technical team, 2021 will be

a year of challenges and opportunities. In order to meet the ever-increasing requirements of optimal service and product quality for passengers, the technical team always aims to foster capacity by self-training to improve their qualifications. Along with that is the development and enhancement of periodic maintenance such as the periodic inspection of C-type aircraft, maintenance of passenger compartment equipment to help optimize costs and faster aircraft turnaround time, helping to promptly meet the transportation needs. In addition, the application of digital technology in engineering operations and management also plays an important role. Engineering will focus on developing the application of technology 4.0 on the foundation of integrated application AMOS-AIMS.



1.5. INVESTMENT ACTIVITIES

In 2020, Vietjet has put into operation the Noi Bai ground service center. This is a step forward in the plan to complete the aviation service chain. By setting up its own ground handling services, the move promises to bring great efficiency in cost savings as well as improve service quality and ground operation plan. This will be a premise for Vietjet to continue developing ground services at other base airports in the future.

Vietjet Aviation Academy has been in operation since 2018 and promoting efficiency in human resource development of Vietjet. The simulated cockpit (SIM) has helped Vietjet to save a lot of training and periodic assessment costs of pilots.

In the near future, Vietjet will continue to increase capacity and complete facilities for simulated flight rooms of SIM 2 & 3 to serve the airline's development plans in the future.

To empower the Board of Management's vision of digital transformation, Vietjet is researching and evaluating many information technologies projects to increase labor productivity, as well as towards green, sustainable development and environmental protection. Projects under study include many related to the automation and digitization of processes, reporting, management of supply services, quality of services, digital offices.



1.6. COOPERATION TO DEVELOP

Cooperate in transporting goods

With a forecast of 81% growth in 2020 compared to the same period in 2019, the logistics industry is expected to contribute 15% to Vietnam's GDP. This is a great opportunity for investors as well as organizations to cooperate and make breakthroughs. Taking this opportunity, Vietjet actively cooperated with domestic and international carriers to extend the supply chain of fast, safe and economical freight and forwarding services.



VIETJET AND UPS, a global leader in logistics, have entered a historic agreement to leverage each other's global and regional network by further growing trade lanes from Asia to international destinations. Accordingly, the agreement provides Vietjet with access to UPS's extensive global network via UPS's "brown tails" while UPS will be able to tap on Vietjet's extensive reach within Vietnam, Thailand and all over Asia region, to serve businesses in more areas and at quicker speeds. For the first time on September 26, 2020, UPS and Vietjet successfully operated a cargo flight from Hanoi to the US with one stop in Incheon (South Korea). The service has been operated with one service per week since then. Both sides have also conducted cargo flights between Ho Chi Minh City and Kuala Lumpur (Malaysia) using UPS planes as well as joining hands for cargo transportation on Vietjet's flights between Ho Chi Minh City and Hanoi. Prior to the agreement, Vietjet and UPS Express have previously collaborated to handle

cargo on Thai Vietjet's return COB (cargo on board) flights from Hanoi and Ho Chi Minh City to Bangkok. Vietjet is the first airline in Vietnam being approved to deploy cargo operations in the passenger cabin (CIPC) and have conducted international cargo flights among Vietnam and Japan, South Korea, China, Hong Kong, Thailand, Malaysia and Indonesia. New flights to Taiwan from Vietnam and Thailand are also planned while increasing flight frequency on current routes.



VIETJET AND VIETTEL POST - the leading provider of domestic and international parcel courier services in Vietnam together signed a mutual agreement to operate Land-Air multimodal transport service starting from December 1, 2020 and operate freighter flights for domestic and international routes. The cooperation of the two organizations will provide customers in Vietnam and around the world with a convenient, economical, multi-modal transportation service based on advanced technology.

Joint action and development:

In the response to the pandemic, the Government, local authorities and businesses recognize the domestic market as the foundation for long-term and stable business operations. With the presiding over of the government and stakeholders, Vietjet has actively participated in joint activities to promote tourism development cooperation, restore the economy and promote the beauty of the country and its people:

- » The National Conference on Tourism 2020, "Linking, Action and Development" took place in Quang Nam with the participation of over 400 delegates who are leaders of the Government, ministries, departments, branches, and large enterprises in the resort sector, aviation, tourism, travel, hotel ...on November 28, 2020 with the participation of Deputy Prime Minister Vu Duc Dam, Minister of Culture, Sports and Tourism Nguyen Ngoc Thien.
- » Tourism linkages corporation between the Ho Chi Minh City with prominent tourism areas in the Northwest, Northeast and the Central Key Economic Region. On November 14 in Viet Tri city, Phu Tho province, the Forum on Development of Tourist Linkages between Ho Chi Minh City and 08 expanded Northwestern Provinces (Dien Bien, Ha Giang, Hoa Binh, Lai Chau, Lao Cai, Phu Tho Son La, Yen Bai) took place with the participation of numerous Government leaders, Ministry of Culture - Sports - Tourism, Department of Tourism of provinces and cities, tourism industry, travel agencies, airlines ...Vietnam is one of the most successful countries in fighting Covid-19 pandemic and has been recovered rapidly with many activities to ensure safety and sustainable development.

FINANCIAL ACTIVITIES

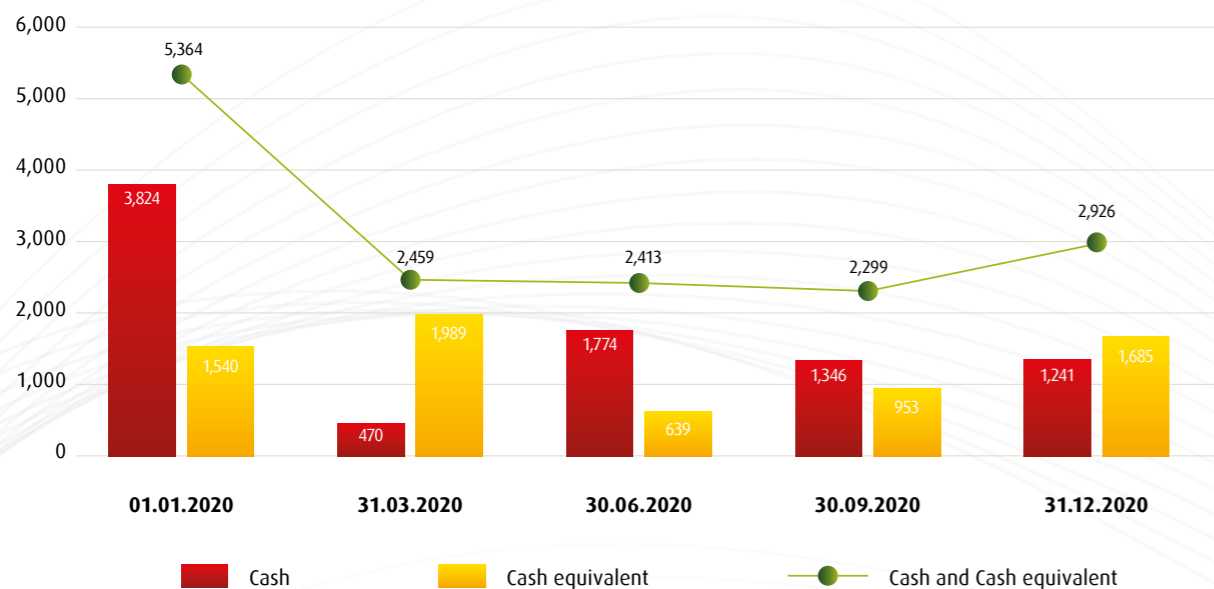
Vietjet always maintains a high liquidity level of over VND 2 trillion to ensure the Company's solvency to suppliers and partners.



Unit: billion VND

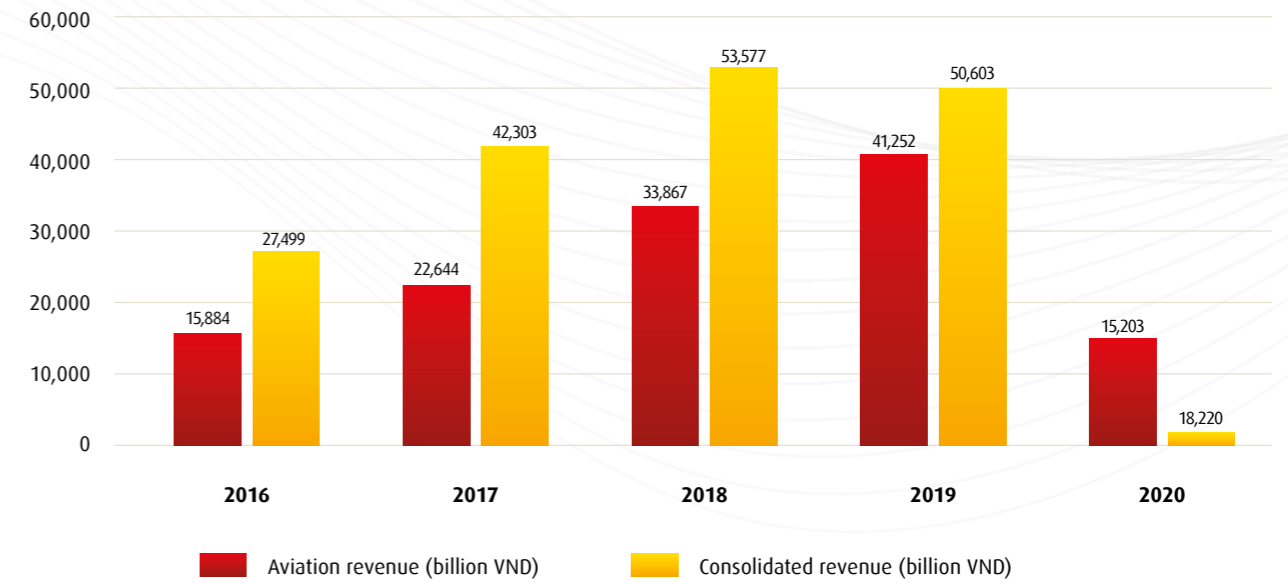
Indicator	1/1/2020	31/03/2020	30/06/2020	30/09/2020	31/12/2020
Cash	3,824	470	1,774	1,346	1,241
Cash equivalent	1,540	1,989	639	953	1,685
Cash and cash equivalent	5,364	2,459	2,413	2,299	2,926

CASH AND CASH EQUIVALENT



Aviation revenue and consolidated revenue of Vietjet in 2020 compared to 2019 decreased by 63% and 64% respectively.

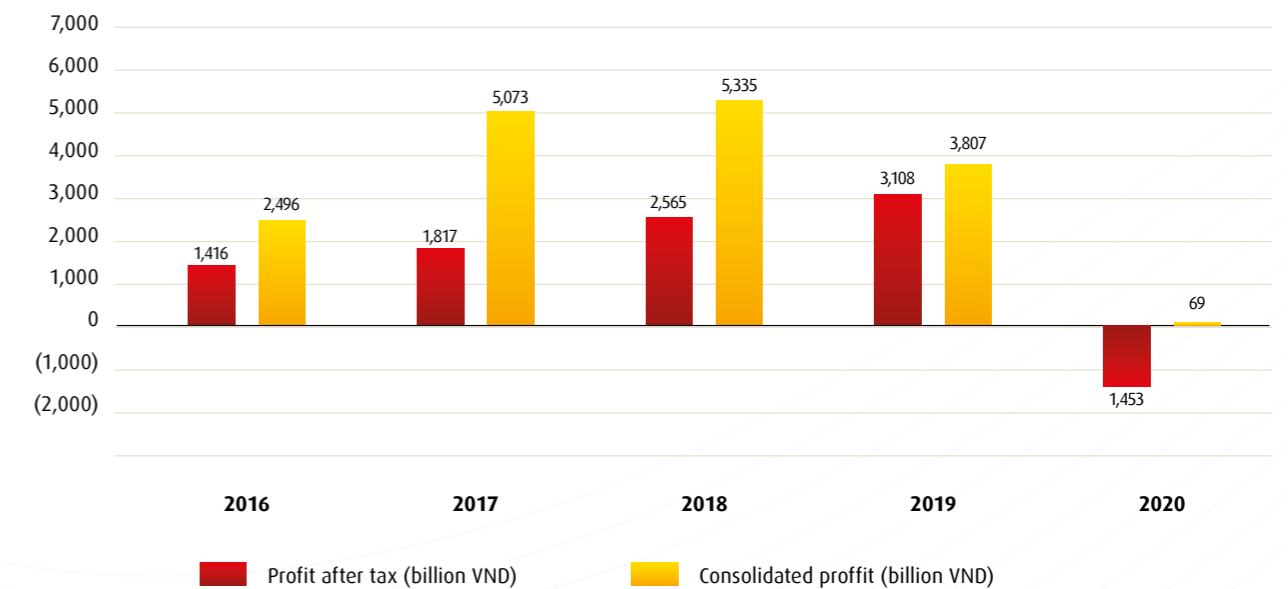
AVIATION REVENUE AND CONSOLIDATED REVENUE



The parent company recorded 1,453 billion VND of loss before tax, but thanks to financial activities from portfolio restructuring helped Vietjet to earn a consolidated profit after tax of 69 billion VND. This is a very important indicator in the context that other

airlines with huge operational losses must restructure the company or receive Government support to maintain operations. In addition, this target helps Vietjet to be proactive in raising capital in credit markets and capital markets.

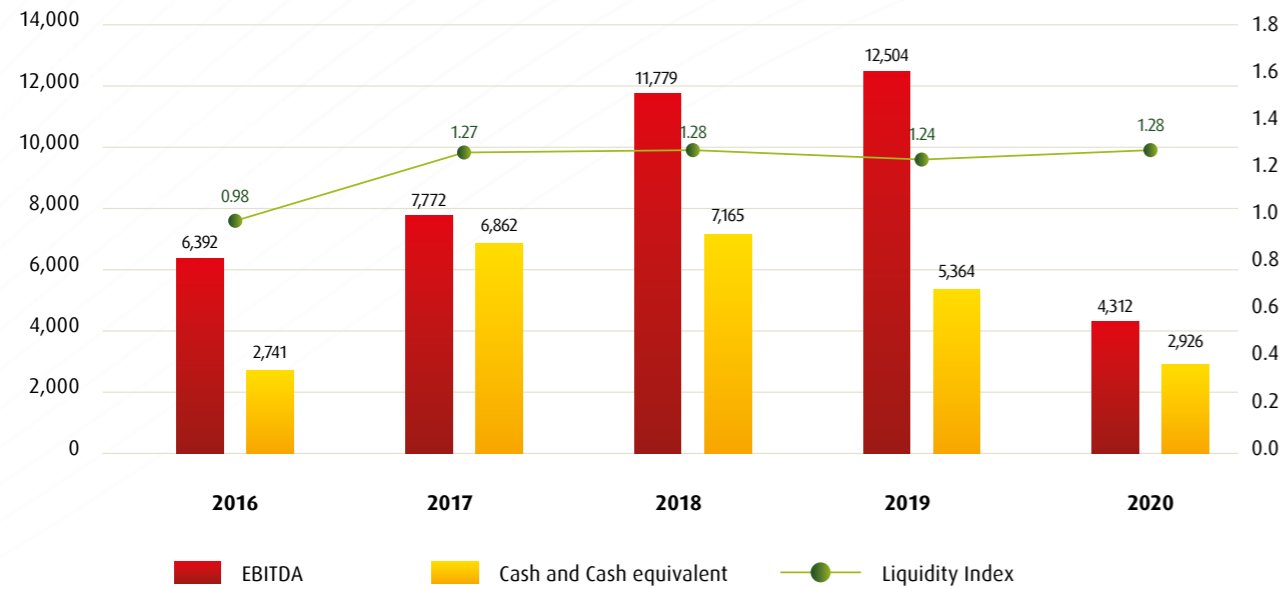
PROFIT AFTER TAX



The ability to maintain the operation of the domestic market has become a key highlight for the Vietnamese aviation industry. When the economy shrinks, Vietjet has succeeded in generating revenue and cash to finance its business operations at the optimum level without laying off employees

to seek development opportunities in 2021. In addition, the payment ratio of 2020 maintained at a reasonable level, which is 1.28 times higher than the previous year. This is a very important indicator for airlines in the crisis period caused by the Covid-19 pandemic.

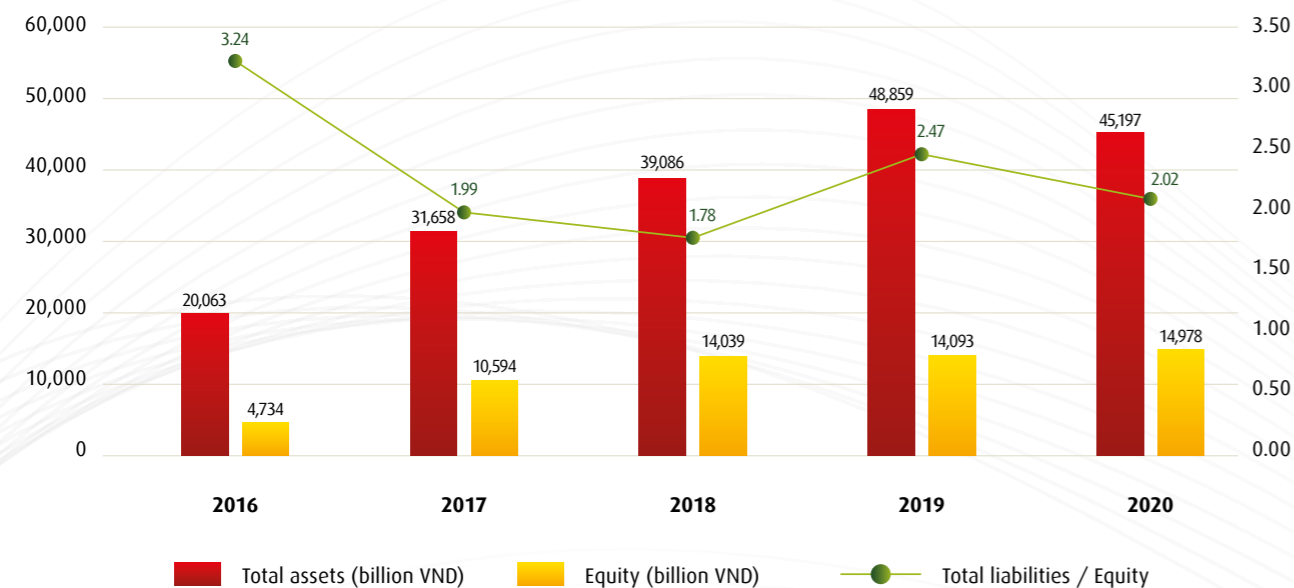
EBITDA AND LIQUIDITY



Even though total assets and equity have steadily increased over the past 5 years, with the tendency of liability to equity ratio decrease from 3.2 in 2016 to 2.0 in 2020 compared to the industry average of 2.0 – 3.0, Vietjet still has the ability to mobilize credit.

In 2020, after returning 6 wet lease aircraft, the total liabilities of the Company decreased sharply by VND 3,738 billion, equivalent to a decrease of 11% of the total liabilities. Revenue received in advance compared to liabilities on December 31, 2020 decreased from 9.4% to 2.9% as customers tend to buy tickets when needed instead of paying in advance.

TOTAL ASSETS LIABILITIES / EQUITY

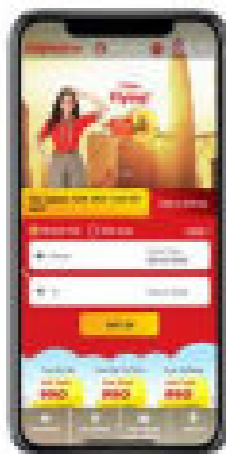


IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICY AND MANAGEMENT

Although the business environment is volatile, it has not affected the initiative and creativity of Vietjet people. In 2020, Vietjet has successfully completed and implemented the following typical projects and programs:

'Information technology'

Introduce new website systems and sales applications with outstanding features in terms of safety, convenience and high speed.



'Ground services'

2020 also marks the commissioning of Vietjet Ground Services Center (VJGS) at Noi Bai International Airport, VJGS helps Vietjet to improve service quality, synchronize brand identity and manage operating costs well.



'Products and revenue'

Vietjet has launched new products and services to provide more flexible itineraries for passengers such as unlimited Power Pass, upgraded with Power Pass Skyboss or more utilities with Skyboss and Deluxe tickets. In addition, the initiative to change the passenger compartment into a cargo compartment has helped Vietjet to increase its aircraft utilization rate and increase freight revenue.

'Cost savings'

Vietjet drastically implements cost saving programs, such as optimizing the fleet operation to reduce costs by 10%, negotiating unit price reduction of 20% - 25% with suppliers, cutting 10% reduction in normal operating costs ... In addition, Vietjet successfully implemented the program of buying and storing petroleum, helping to reduce costs by 25% compared to the market.

'Maintain a high level of liquidity'

Vietjet decides to transfer its investment portfolio and some assets accumulated in the previous time to focus on capital, cash and nurture resources for recovery of the aviation industry.



'Raising the employee's awareness of customer service quality: '

On November 18, 2020, Vietjet officially restarted the 4Your Smile - Our Passion campaign with the participation of ground service operators, customer service, call center, sales channel, flight crew, and technical team which have received positive feedback from customers experiencing Vietjet's service. In recent years, the campaign has received many letters of appreciation from customers, in term of service attitude, kindness, friendliness and clean and smooth aircraft of Vietjet. As a result, customers continue to accompany and trust in Vietjet's service. With international flights about to reopen, Vietjet is determined to become the first choice for travelers with our friendly and outstanding service quality. For us, customer's smile and happiness are also our happiness.

'Encourage employees' creative ideas'

Since February 1, 2020, the Company has implemented the Creative Mailbox program, which has received many creative ideas and unique initiatives from staffs throughout the Company. The aim is to enhance creativity and promote human abilities, and human intelligence of Vietjet, demonstrate their contribution in making Vietjet the leading pioneer in journey of conquering the sky.

'Generate inspiration within Vietjet'

In the middle of September 2020, Vietjet has recorded many beautiful moments in the collection of Vietjet shirts - the pride of nearly 6,000 Vietjet people. This is an indispensable shirt in every Vietjet closet, which has accompanied us throughout the years and gave our people sense of pride. We are proud of Vietjet, proud that we have together built and developed an airline for everyone, contributing to the economic and tourism



development of Vietnam as well as globally. We demonstrate our commitment in carrying out new missions with Vietjet focus on bringing better customer experience when flying Vietjet!

'Spread Vietjet brand'

On October 31, 2020, launching the pioneer team "Sky Force" present Vietjet's first Diamond Ambassadors. "Sky Force" is a group passionate coworker who are always show the best love and spirit of Vietjet, always ready to spread the good values and humanity that Vietjet has been bringing to passengers and community.

'Committee for Covid-19 Prevention'

Vietjet established the Committee for Covid-19 Prevention with members of doctors and experts. In addition to equipping masks, protective gear, anti-epidemic equipment for frontline staff such as pilots, flight attendants, ground staff, technicians, airports ... the Company also quickly completed the installation of shields, arrange disinfectant water at all counters of the airline at the airports and conduct daily air disinfection spraying. Combined with a modern fleet of aircrafts equipped with a HEPA (High Efficiency Particulate Air) filter system that can filter up to 99.7% of dust, bacteria, viruses and most importantly, the implementation of drastic, complete measures and the awareness of entire employees, has ensured absolute safety for millions of passengers during the pandemic period, keeping the number of employee and passenger infection at zero.

04. BUSINESS PLAN AND STRATEGY

In 2020, when the world went through the peak of the Covid-19 pandemic, Vietjet has persevered, flexibly transformed and adapted in all circumstances with the highest collective spirit and determination.

In 2021, Vietjet's Board of Management is confident that the "Back to the sky" plan will be successful based on the following factors:

4.1. MACRO FACTORS

'Policy stability'

Vietnam's socio-economic development policies has been stable and consistent because of the tradition inherits and passed on to the next generations of leaders,

'Vaccine Covid-19 effectiveness'

The widespread use of vaccine will help recover the global economy as countries confidently re-open their doors to promote economy and tourism,



As of March 2021, 13 types of vaccines have been approved by the licensing, of which 4 types have been vaccinated open to the community.

'GDP growth'

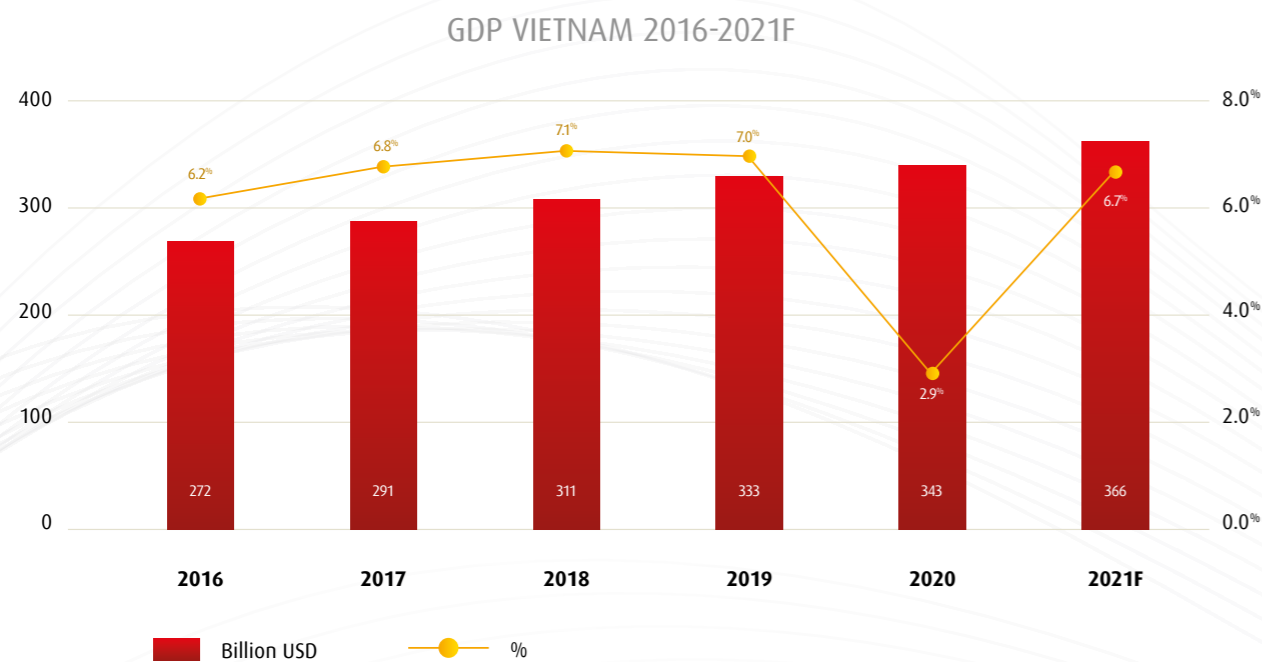
IMF forecasts Vietnam's economic growth would increase from 2.9% in 2020 to 6.7% in 2021, driven by two factors: domestic production and consumption.

'Stability of VND'

In 2020, the VND / USD exchange rate only fluctuated at 23,200 VND thanks to the balance of payments surplus and the foreign exchange reserve of nearly 100 billion USD, equivalent to 28.9% of GDP or export value in 4 months.

'Deposit rate'

In 2020, the 12-month term interest rate will be reduced from 8% before Covid-19 to 6% after Covid-19 and is expected to remain at this level in 2021.



'Attracting foreign investment'

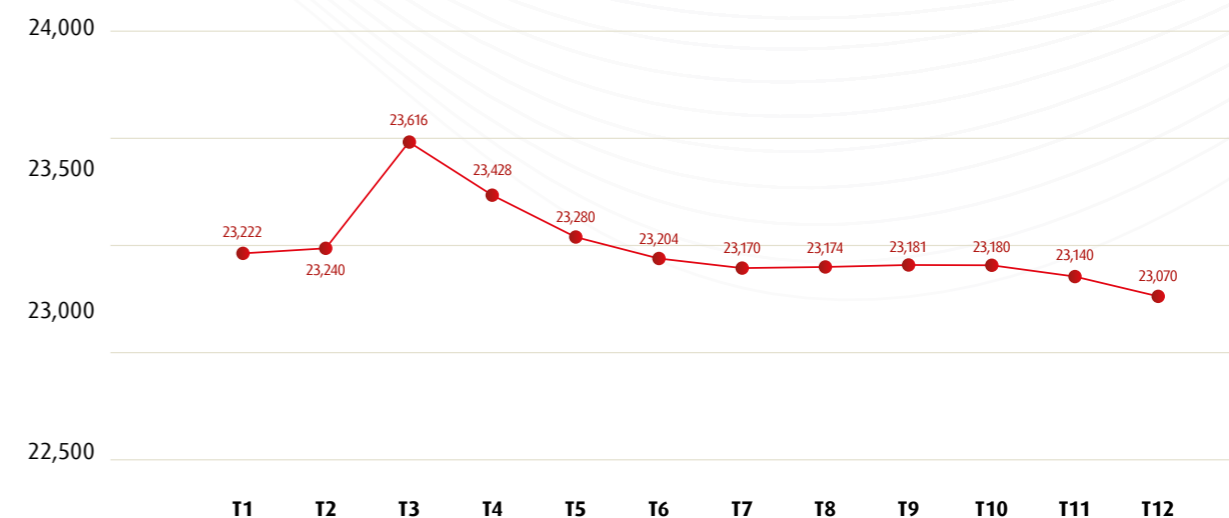
The shift of production of economic groups from South Korea, Taiwan, Singapore, Japan, and China has resulted in a significant increase in foreign investment in Vietnam and stabilized in the last 2 years, the disbursement rate reached 20 billion USD and is expected to be stable in 2021.

'Trade Agreement'

Vietnam is currently a member of more than 15 international trade organizations, giving Vietnam a competitive advantage in attracting foreign investment, especially the manufacturing industries that are labor and raw materials intensive such as textiles, industrial production.

[Multiple sources]

EXCHANGE RATE FLUCTUATION OF VND/USD IN 2020



4.2 BUSINESS STRATEGY

Vietjet's business development strategy is consistent and built on three pillars: business model, people and technology



Business model

- » Activities: Low-cost, safe, punctual and value-added airline.
- » Customers: focus on bringing values to customers who pay their own expenses, passengers wishing to travel and visit friends and relatives.

People

- » It is the central foundation of all business activities and the inspiration for all Vietjet's creative and innovative activities.
- » Convey the service quality and image of Vietjet to passengers.

Technology

- » Core foundation of all business activities in the digital age and artificial intelligence, especially when the Covid-19 pandemic takes place, the proportion of tech users has increased sharply.
- » Vietjet effectively use the application of Technology 4,0 and Artificial Intelligence in its business activities.



4.3 BUSINESS PLAN

In 2021, the domestic aviation market is expected to fully recover as in 2019 thanks to the Government's success in controlling the Covid-19 pandemic during the peak of the epidemic in 2020. Especially during Summer and festivals periods, as more people travel to visit their friends and relatives after a long time apart,

Global aviation market: With the success of researching and manufacturing Covid-19 prevention vaccines of many manufacturers together with the fact that many countries around the world have quickly implemented the program of community vaccination and vaccine passport in 2021, governments will soon allow the reopening of the aviation sky. Especially the countries where Vietjet has opened many routes in the past such as China, Japan, Korea, Taiwan, Hong Kong, Singapore, Thailand where people need to go back and forth, so travel demand will increase sharply.

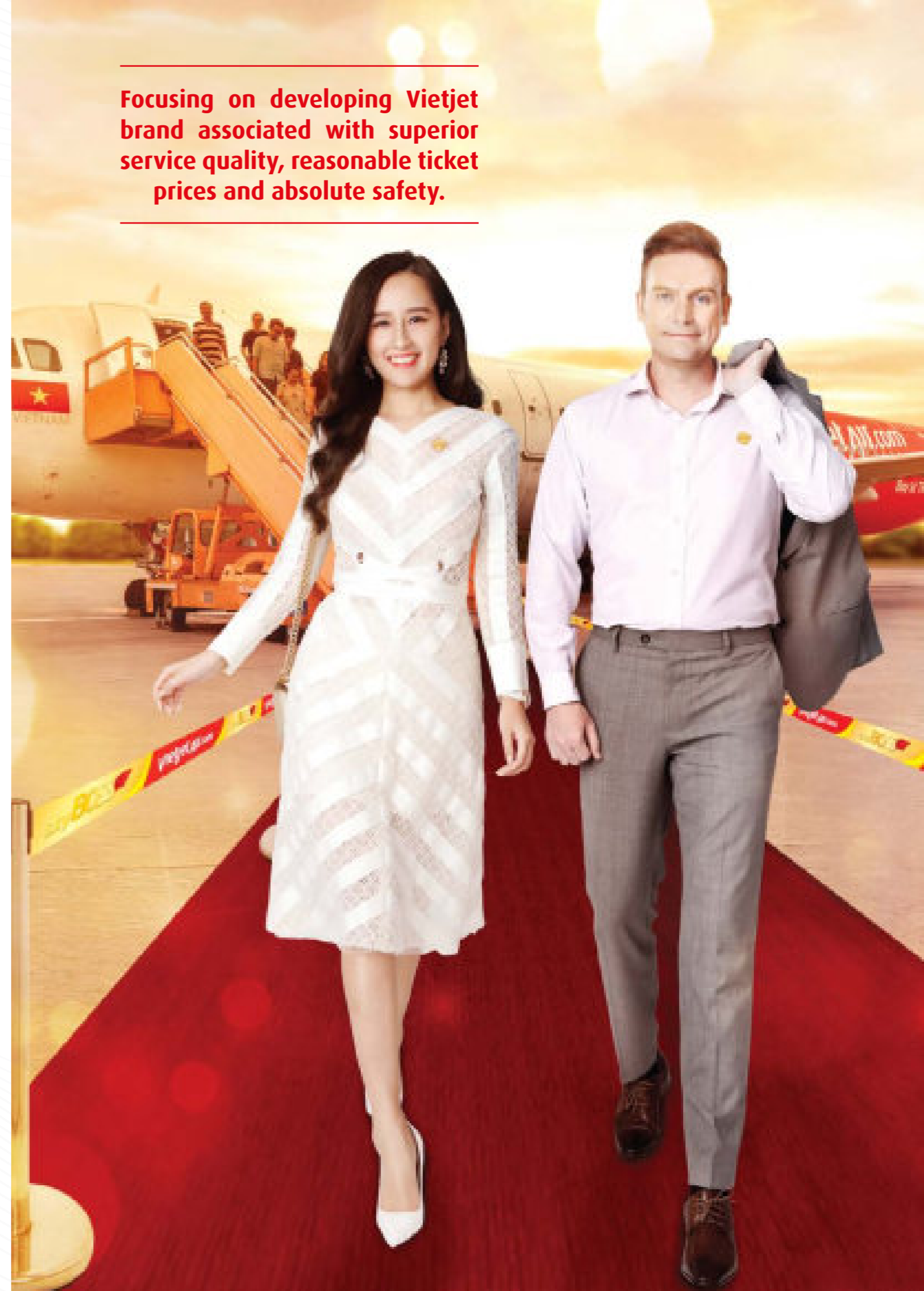
According to experts attending the seminar on tourism and hospitality held by RMIT University in January 2021. Given the tourism sector contributed 9.2% to Vietnam's GDP in 2019, and attracted more than 18 million international tourists, 85 million domestic tourists, and more than US\$32.8 billion into the country, Vietnam will become one of the leading tourism destinations, not just in Southeast Asia but in the world in the coming years.

In 2021, Vietjet's business development plan focuses on reviving business activities to regain the No.1 position in domestic aviation market share and international routes where Vietjet has inaugurated flights in terms of number of passengers on a customer-centric basis through ensuring absolute safety and increased quality.

In 2021, Vietjet aims to operate 80 thousand safe flights with load factor stands at over 80% and On Time Performance (OTP) at over 90%



Focusing on developing Vietjet brand associated with superior service quality, reasonable ticket prices and absolute safety.



4.3.1. Branding development

Focusing on developing Vietjet brand associated with superior service quality, reasonable ticket prices and absolute safety, Vietjet continues to inspire its passengers to experience convenient, playful services with several promotions. The brand image shows the personality and lifestyle of the generation of smart customers leading towards a beautiful life and connecting love, which is the

“Vietjet generation”



- » Implement advertising and promotion programs for customers who fly for the first time, customers traveling and visiting relatives. These are customers who pay for their own tickets, so they are very concerned with the amount they spend.
- » Increase brand value based on outstanding service quality, focusing on ground service, Skyboss and passenger cabin.
- » Maintain good relationships with media agencies, providing timely and complete information to ensure that information about Vietjet activities is properly and adequately communicated.
- » Standardize Vietjet's image through investment in facilities at airports, agents and offices of Vietjet.

Ancillary services such as insurance, seat selection, priority check-in... that are included during customer journey. In recent years, due to global economic recession, customers tend to save money and choose to buy savings tickets instead of the full-service tickets as before;

Vietjet has been and will always embrace the spirit of entrepreneurship, creativity and dynamism to become the favorite new generation airline and the choice of many passengers not only in Vietnam but also in the region. Vietjet continues its mission of realizing the flying dream of the community, becoming the People's Airline with a super-economical price-saving strategy for passengers, constantly contributing to the development of Vietnam's aviation industry & area.



4.3.2. Distribution

Based on the actual situation, with a drastic focus on reopening the regular international routes, which are expected to begin in the second quarter of 2021 include a number of routes to countries that have well controlled the Covid-19 pandemic such as Taiwan, Korea, Hong Kong, Japan, Singapore, China, and by the end of 2021, the number of international flights completely reopened as in 2019 (before the outbreak of Covid-19).

- | | |
|--|--|
| » Focus on the preparation for the reopening of international routes scheduled for flight from the second quarter of 2021 include completing flight licensing procedures, distribution policies, agents and partners in other countries; | » Implement tourism development programs with strategic partners in 2020. |
| » Enhance the operation of ancillary revenue to at least 30% of total revenue in 2021: focusing on developing customer segments using Skyboss and Deluxe service through promotions, discounts, promote brands and products to customers; increase in-flight sale revenue, upgrade services at check-in counters | » Continue to expand the flight network through international airlines in many cooperative methods such as codeshare flights which have been launched by Vietjet since October 2018. At the same time, strengthening strategic cooperation with Thai Vietjet in distribution, expansion of flight network, commercial activities and aircraft leasing. |
| » Build a standard business model for sales channels and conduct training, retraining for sales offices; | » Focus on-ground services, Skyboss services and passenger compartment, the safety of customer-centric operation and provide better customer journeys throughout the company. |
| » Introduce group ticket policy for family customers and travel companies; | |

4.3.3. Enhance customer experience

Vietjet continuously improves the quality of products and services provided to its passengers in accordance with the slogan "Enjoy Flying" through the following specific programs:

- » A new website with an impressive, user-friendly and convenient interface that helps customers to actively choose services: adding optional combo packages, group tickets for families and services, simple and fast payment method and features;
- » Equip more self-service check-in counters at airports;
- » Enhance mobile apps: support for touch-free transactions (using voice), advertising features through push notifications, services;
- » Apply artificial intelligence to customer services such as facial recognition when checking in at the counter, reducing queue time, increasing connectivity;
- » Deploy customer services without going through the switchboard operator such as: checking flight times, flight number and gateways on popular social networking applications such as Zalo, Viber;
- » Increase in-flight services such as in-flight sale merchandise and shopping, and WIFI services throughout the journey;
- » Increase the quality of Skyboss and Deluxe services through the investment in upgrading and expanding facilities and enhancing the image of airport lounges.

4.3.4. Safety management

Constantly improving operational targets to reduce costs and increase customer service quality through the following criteria:

- » Ensure absolute safety for operation; in the Top 3-5 leading airlines in the Asia Pacific region with consistent safety and reliability indicator.
- » Maintain Low-cost carrier (LCC) quality standards (On-time Performance at 85%, operating hours no less than 12 hours/aircraft / day).
- » Optimize operation through the organization of flight operations and standardization of aircraft operating procedures to save a minimum of 5% operating costs (excluding fuel) per flight hour (Block hour).
- » Take advantage of the Slots that Vietjet has been granted.
- » Standardize and automate customer service processes: boarding procedures, turnaround times, reduced flight cancellations and increased on-time performance rates.
- » Effective implementation of the Covid-19 vaccine program, including resources funded by the company budget. Implement vaccination programs for customers.



4.3.5. Vietjet Aviation Academy (VJAA)

In 2021 VJAA will implement projects to build technical facilities, equipment and architecture to make VJAA become an aviation training and practice center for Vietnam and the region.

- » Plan and implement a digital transformation in training;
- » Act as a focal point for organizing training programs on Human Resource Management, Aviation Economics and Information Technology;
- » Provide training services for partners wishing to increase revenues and human resources for the aviation industry in Vietnam;
- » Implementation of the Airline Transport Pilot License (ATPL) (including teaching materials design and development of SIM trainer & theory teacher) and the pilot Approved Training Organization - ATO Level 2 (TRTO) has completed phase 1 & is implementing the next phases;
- » Coordinate with the Project team & Airbus to install SIM 2 and put into use in May and is expected to receive SIM 3 by the end of 2021.
- » Receive and renovate Hangar Buon Ma Thuot airport into an aircraft repair workshop for the Academy's Aviation Engineering Faculty.
- » Improve the sports complex at the Academy: Expanding golf courses, basketball courts, gymnasium.





4.3.6. Cargo freight

In 2021, Vietjet focuses on operating the freight cargo market, which is expected to not only recover as before the Covid-19 pandemic but also increase beyond that. This is due to the relocation of the production bases of multinational corporations into Vietnam. Especially in early 2021 when sea transport was interrupted due to the lack of empty containers and problems related to navigational transparency, Based on that situation. Vietjet Cargo has set a goal of enhancing the domestic market to reach at least 34% of the market share and expanding the international freight market:

- » Build and expand distribution channels and implement transparent and competitive sales policies.
- » Apply 4.0 technology to management and payment to increase service quality and cost control.
- » Effective coordination with ground service providers to streamline the process of freight forward management to ensure quality and safety of goods.
- » International cooperation with partners UPS, DHL, FedEx, Turkish Airlines to expand international routes.
- » Invest in aircraft and warehousing infrastructure to enhance cargo capacity including the use of widebody aircraft and ULD stacking project on the belly of aircraft.

4.3.7. Human resources

In 2020, Vietjet has implemented flexible and appropriate staff adjustments to ensure employment for more than 5,000 employees and maintain a consistent turnover rate at 10.82% and recognized as one of the few airlines that do not cut staff, In 2021, Human resources division will focus on achieving the following specific targets:

- » Maintain turnover rate in the whole company less than 10%
- » Develop effective salary, bonus and Key performance indicators (KPIs) policies.
- » Train management staff, next generation staff, develop a promotion and appointment roadmap for appropriate, qualified staff.
- » Maintain and build a professional, solidarity, joyful, youthful, transparent and cost-saving business environment for each employee.
- » Developing employee, salary and benefit management program with modern features to replace current software.

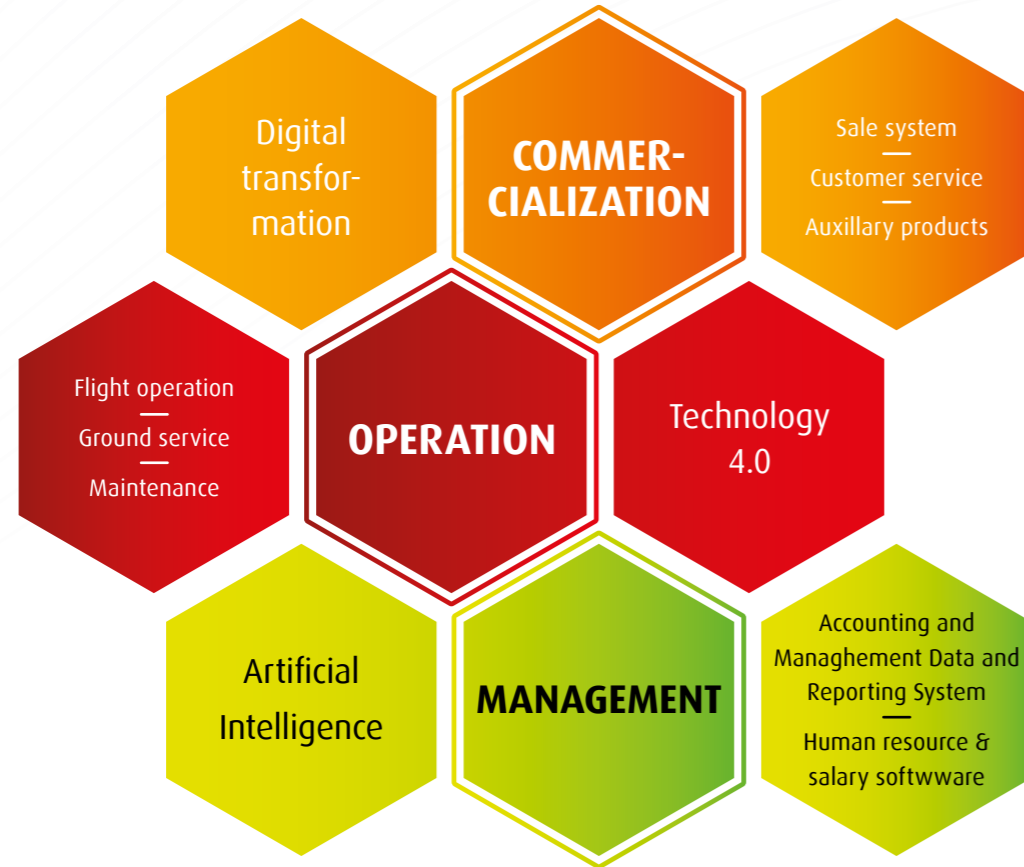
4.3.8. Financial resources

Vietjet develops a cash flow plan and a capital arrangement plan for the period of 2020-2021 with the goal of maintaining healthy financial health, ensuring operational capital and investment capital are at the most competitive cost, Solutions to ensure financial resources include:

- | | |
|--|--|
| » Optimize working capital and cash flow through the implementation of integrated and advanced cash flow and payment integration solutions based on modern technology of leading international banks. | » Attract capital from the international market through the mobilization of equity, international bonds and loans; |
| » Deploy effective aircraft financing options based on advanced models in the world such as SLB, JOLCO, ECA, insurance financing from manufacturers ... through banks, international financial institutions have a high reputation and long operating history such as JPM, Citibank, HSBC, Credit Union, ING, SMBC, MUFG ... | » The Board of Directors approved the resolution of selling treasury stocks by order matching and by agreement through Ho Chi Minh City Stock Exchange (HOSE) during the period from March 30, 2021 to the end of April 28, 2021, It is expected that by the end of the transaction, Vietjet will earn more than VND 2,300 billion to increase the capital of the Company; |
| » Flexible use of capital market tools (stocks, bonds, loans...) to diversify short, medium and long-term capital arrangements to meet Vietjet's capital needs. | » Increase investment in wide-body aircraft combining passenger and cargo transport towards markets such as the US, Russia, Australia, China, Japan, and Korea; |
| » Look for financial investment opportunities to supplement income and enlist capital mobilization from the international market when the opportunity arise; | » Increase investment in aircrafts to take advantage of the declining market price of aircrafts; |
| » Expand financial investment to increase the efficiency of production and business activities to compensate for air transport; | » Take advantage of Government support for the Aviation industry. |

4.3.9. Information technology and digital transformation

The Board of Management of Vietjet has identified Information Technology (IT) development strategy and digital transformation as the decisive factor to effectively implement business development plan and reduce business risks. Vietjet's IT development and digital transformation plan consists of three main areas: Commerce, Operation and management based on digital transformation, 4.0 technology and artificial intelligence application.



In 2021, the Information and communication technology (ICT) department will focus on developing the following specific projects:

Commerce

- » Sales: Apply artificial intelligence to existing system, sales and payment applications to increase interactivity, convenience and facilitate easy and user-friendly purchase of tickets or services.
- » Customer service: Apply face ID technology to deploy online check-in combined with the installation at airports where Vietjet operates including self-check-in kiosk allowing customers to interact with a variety of features without having to contact customer service staff such as: priority seat reservation, purchase meal and services before departure.
- » Product: Develop e-commerce management software to increase revenue of in-flight ancillary services program integrated with travel service packages, insurance, real estate.

Operate

- » Integrated Aircraft Maintenance and Engineering System for spare parts AMOS, Airplane Information Management System (AIMS)
- » Automation of ground operations

Manage

- » Deploy a centralized data system to handle internal procedures that do not need documents, develop and deploy an efficient and measurable online working mechanism
- » Implement an ERP program to standardize input data and output reports in the Management information System management.
- » Build Human Resource system with integrated functions, salary, benefits and employee data management

4.3.10. Subsidiaries and affiliates

In 2021, Vietjet's Board of Management strengthens its management to improve investment efficiency in its subsidiaries and affiliates, as follows:

- » **Thai Vietjet:** Develop Thai market when vaccines are effective and become the airline with highest market share of passengers through expanding and developing flight networks.
- » **Other Subsidiaries:** Carry out commercial operation to supplement the parent company's profit when the world aviation market recovers.

05. _____

EXPLANATION OF THE BOARD OF MANAGEMENT FOR AUDITOR'S OPINION

The outbreak of the pandemic caused by the Corona Virus ("Covid-19") has been affecting the world economy, including the aviation industry. Assumption value in maintaining basic business continuity depends on Vietjet's ability to generate enough cash flow from air transport and commercial aircraft finance to support the business activities of Vietjet. The Company's Board of Directors has actively imposed numerous drastic measures in running the Company's business activities to respond to and to mitigate the impact from Covid-19. The Group has received support from stakeholders including financial institutions, aircraft charterers, service providers and regulators:

- » Reduce the fuel environment tax by 30%;
- » Reduce takeoff / landing costs by 50%;
- » Defer taxes payable;
- » Reduce and extend aircraft rental payments;
- » Refinance and increase the credit limit, extend the payment term.
- » Strengthen measures to optimize operating costs by flight hour, chartering and maintenance costs by flight hours, and cost-saving programs.

In addition, the company has deployed many business solutions, typical activities include:

- » Implement safe flight measures to ensure travelers' needs;
- » Carry out international flights to repatriate Vietnamese citizens;
- » Strengthen ancillary businesses: onboard sales, Skyboss services, quality flight, seat selection, Power pass;
- » Issue corporate bonds by private placement;
- » Enhance cargo transportation activities at Vietjet Cargo's subsidiary;
- » Transfer some assets to create additional earnings for the Company's business

The Company has not only generated strong cash flow to ensure continuous operation but also created a profit after tax of 69 billion VND, no mass layoff, no case of Covid-19 infection and protect shareholder value when the stock was worth VND131,600 on February 19, 2021.

CORPORATE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT

One of the factors that helped Vietjet overcome the Covid-19 pandemic was due to the business strategy and sustainable development revolving around three pillars: growth, people and business model.



Vietjet invests all resources to ensure the safety of the operation quality: Vietjet's The Board of Management has drastically and effectively directed the four following issues:

- 01 **No lay-off and maintain work allocation**
- 02 **Focus on improving the quality of training**
- 03 **Strengthen CRM standardization**
- 04 **Maintain operation disciplines**

The Board of Management also pledged to mobilize all resources to develop training activities and called on relevant units to coordinate, create the most favorable conditions to support quality safety operations.

The ceremony to award the 100 most sustainable companies in Vietnam was organized by Vietnam Business Council for Sustainable Development (VBCSD) under the Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with relevant ministries and agencies, Vietjet continued to be honored in the list of top sustainable businesses in Vietnam 2020, The Corporate Sustainability Index (CSI) includes 98 selected screening criteria in economic, social and environmental aspects. With the ranking results, Vietjet outperformed all award criteria, affirmed the efficiency of actively applying

CSI in the operation process, completing the business model in order to bring the highest benefits to the customers, employees, shareholders, communities and above all, maintain stable and sustainable business results. Vietjet's sustainable performance and development have been highly appreciated by the Government, ministries, departments, and regulatory agencies in the honor ceremony of the top prestigious award. The award highlights the airline's successes, efforts and are the foundation for Vietjet to continue to develop and improve its service quality, to best meet customers' needs with quality, safe and fully equipped flights.

In particular, with only 3% female leaders in the world aviation industry, Vietjet is extremely proud to have 4 talented female generals:

- » Chairman Nguyen Thanh Ha
- » Chief Executive Officer Nguyen Thi Phuong Thao
- » Vice President Nguyen Thi Thuy Binh
- » Vice President - CFO Ho Ngoc Yen Phuong

Many newspapers have published the article **"Outstanding female leaders in the aviation industry"** to highly appreciated the contribution of Vietjet's four beautiful female leaders to the development of the aviation industry in Vietnam and the world.

One of the differences between Vietjet and other airlines in the world is the leadership role of the female generals including Chairwoman Nguyen Thanh Ha and Chief Executive Officer Nguyen Thi Phuong Thao, both of them provided an endless source of inspiration for Vietjet in pioneering gender equality, protecting and enhancing the role of women, actively participating in volunteer projects and activities to help remove gender barriers and stereotypes, and better protect and respond to the essential rights, interests and needs of women and girls.

In addition, the Chief Executive Officer Nguyen Thi Phuong Thao was also honored by Tatler magazine as one of the 110 most Asia's Most Influential through volunteer efforts. This award is to honor the leading figures in "bringing positive changes" to society in 2020. The Chief Operating Officer is also the first self-made female billionaire in Vietnam and the founder of the "Wings of Love" program that offers scholarships and gifts to children at orphanages, encourage poor children to go to school and gives clothes to children in remote areas for many years in a row.

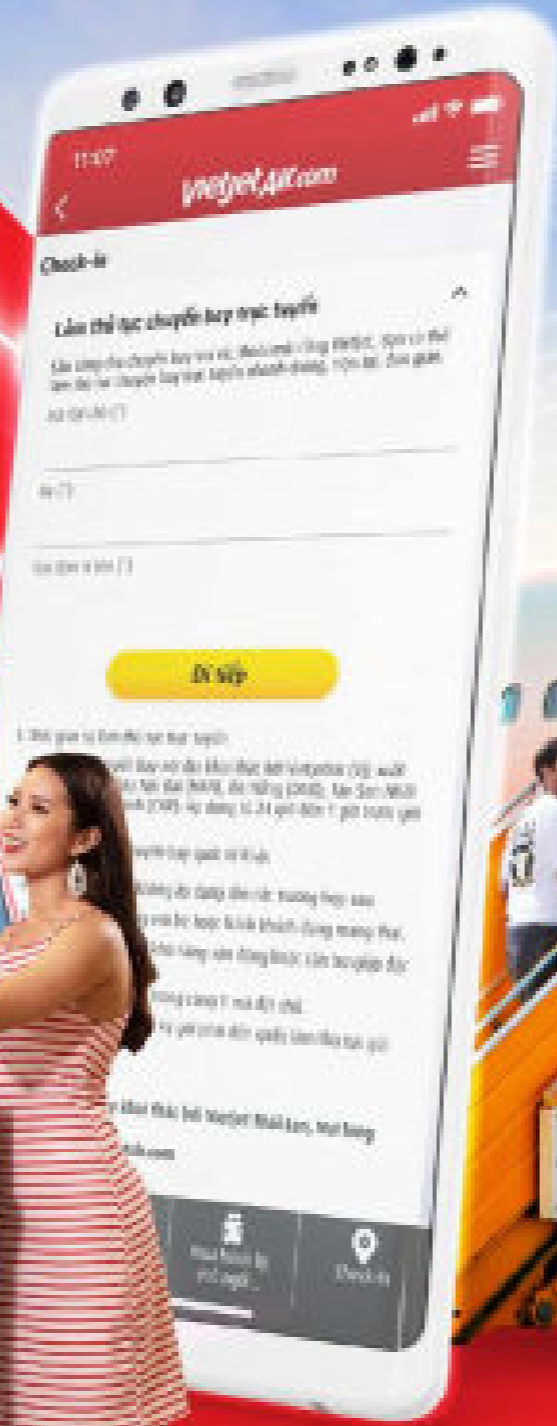
In the past year, Vietjet airline has also launched hundreds of flights to repatriate citizens as soon as the Covid-19 pandemic started spreading out globally, transport thousands of tons of relief goods for people affected by storms and floods in Central Vietnam for free, free transportation of many delegations of the epidemic, flood and storm prevention...

Details of the sustainable development plan and policy programs are detailed in section VII of this annual report.





KIOSK CHECK-IN COUNTER



05

Catching the trend

Vietjet is flexible in operation as we shift our direction towards the transportation of goods, medical equipment and medicines to anti-epidemic frontline areas to support doctors on duty. Freight transportation quickly becomes a major activity in Covid-19, generating a significant source of revenue for the airline. Vietjet becomes the first airline in Vietnam to be approved to carry cargo on board - CIPC.

V

ASSESSMENT OF THE BOARD OF DIRECTORS

Over the past year, the Board of Directors has worked closely with the Board of Management to promptly grasp the business performance and quickly made decisions to support the Board of Management in realizing the dual goal, while maintaining production and business activities as well as responding to epidemic effectively.

The Board of Directors assessed that the Board of Management and the entire Vietjet team have strictly implemented the resolutions of the General Meeting of Shareholders under the direction and supervision of the Board of Directors. By the end of 2020, Vietjet's Board of Management not only fulfilled the targets assigned by the General Meeting of Shareholders but also made Vietjet one of the few airlines in the world operating profitable and achieved many impressive results.



01. ON THE ACTIVITIES OF THE BOARD OF MANAGEMENT (BOM)

With safety as a top priority, in 2020, Vietjet has

operated

✈ **78 thousand**
safe flights
without any
unfortunate incidents.

served over

👤 **100 million**
passengers
followed the guidelines of
Safety, Fun and Friendly,
Affordable Price, Punctuality.

maintain

👤 **5,468**
employees
with a dynamic, friendly and stable
working environment

Vietjet continues to maintain a dynamic, friendly and stable working environment for nearly 6,000 employees. Despite facing the Covid-19 pandemic, not only has Vietjet been able to secure jobs for employees, but also strengthened training activities to prepare for a return to the sky after the pandemic. All Vietjet flights are guaranteed to comply with the highest safety regulations of the World Health Organization (WHO), the Ministry of Health and the countries where Vietjet operates. Until now, not a single employees and customers who get infected on Vietjet's flights and during its operations.

Passengers flying with Vietjet not only believe in the safety of each flight but also have peace of mind that the airline always ensures the on-time flight rate by 2020 to over 88% and maintains the most economical fares for customers.

✈ **ON-TIME PERFORMANCE**
ABOVE 88%

In addition to daily commercial flights, Vietjet has also launched rescue flights and strictly complied with regulations on epidemic prevention, thereby creating passengers' trust and love for the airline.

Vietjet is also a pioneer in volunteering, demonstrating its corporate responsibility to the community. Thousands of tons of essential goods and medical equipment were transported free of charge by Vietjet to areas affected by Covid-19, typhoons and floods.

Vietjet has successfully overcome the pandemic, operated effectively, bringing peace of mind to shareholders. This is also reflected in the fact that VJC shares are always traded with a large volume during the trading sessions and always reach high prices.



The efficient operation of Vietjet in 2020 is the basis for strategic partners such as **ACV, Airbus, CFM, Skyepec, Petrolimex Aviation....** reinforce confidence in Vietjet.

In particular, Vietjet has contributed to the general development of the whole economy, promoting the development of civil aviation and air transport.

In just 3 years 2017, 2018, 2019, Vietjet has contributed more than

21,000 BILLION VND

to the national budget through corporate income taxes, personal income taxes, import and export taxes, environmental taxes, airport fees, flight operator...

ORIENTATION OF OPERATIONS FOR 2021

With the theme of “Back to the sky” in 2021, Vietjet will continue to implement the stimulus and innovation package to bring high-quality customer experiences, contribute to the economy, society and the environment of Vietnam as well as globally. The Board of Directors reports to the General Meeting of Shareholders the specific plans and operational orientations as follows:

01 'Commits to strictly comply with the regulations'

Vietjet commits to strictly comply with the regulations of the Ministry of Transport, the Civil Aviation Authority of Vietnam and the International Air Transport Association (IATA) in the operation, maintenance, training as well as ensuring flight safety for passengers, staff and community in the last pandemic period.

The Board of Directors identifies absolute safety and outstanding quality as the key factor for Vietjet's success and sustainable development. The Board of Directors commits to always support and assist as much as possible with all resources for training activities and improve the quality of operation to bring the best services to customers as stated core values, at the same time set targets for all departments and employees to use more efficient modern technology applications equipped by the Company to always be the safest and most efficient airlines.



02 'Vietjet will develop effective business strategies to increase revenue'

Vietjet will develop effective business strategies to increase revenue, including:

Increase passenger transportation: The airline will effectively operate domestic and international flights according to the guidance of the authorities and regulations of the civil aviation industry. Focus on promoting digital transformation throughout the system, creating favorable conditions for customers when purchase tickets and use Vietjet's services. Enhance customer service through the system's utilities in handling complaints and responding to customer queries with artificial intelligence applications, implementing loyalty programs and generating added value for customers.

Promote freight transportation: Vietjet will launch new products and services for customers (dangerous goods, high-value goods, ...), expand its business network in parallel with digital transformation and logistics development.

Increase ancillary revenue on flights (Inflight Service): Vietjet will diversify its products on board, including combo packages such as hotels, insurance, travel, real estate, and financial credit and investment. Improving website and Mobile app to easy access and friendly interface for customers.

Conduct aircraft trading: Over the years, Vietjet has built up strategic partnerships with the world's leading aircraft manufacturers, Airbus and Boeing. We have worked closely together through co-operation and resource sharing to overcome the challenging period. In 2021, Vietjet will continue to realize its competitive advantage through aircraft trading activities to bring profit to shareholders and supplement working capital for the Company's operations.



03 'Vietjet will implement cost reduction plan'

Vietjet will implement cost reduction plan by increasing the efficiency of IT management and application; implementing current process analysis and evaluation to seek opportunities to increase asset efficiency and reduce waste; reduce intermediate costs through the application of automatic technology solutions requiring less human intervention.

05 'Actively create and establish diversified financial mobilization channels'

For financial investment activities, Vietjet will actively create and establish diversified financial mobilization channels in accordance with the company's financial structure to ensure the most reasonable cost of capital; maintain multilateral relationships with financial institutions to ensure competitiveness and manage risk effectively.

04 'Vietjet will conduct investment activities'

Vietjet will conduct investment activities in the aviation sector domestically and internationally. Specifically, for aviation infrastructure, Vietjet will participate in the investment of airport terminals with high passenger traffic. The airline will focus on promoting freight transport services or commercial services in Thai Vietjet; increasing investment rate in Thai Vietjet.

06 'Vietjet will implement a human resource policy'

Vietjet will implement a human resource policy to develop, attract and retain talents through creating a scientific, responsible working environment and enabling employees to develop personalities. The airline will focus on developing Vietjet Aviation Academy into a provider of professional training courses for the company and expanding training for partners. Along with enhancing low cost online courses and practical training. Trainees are equipped with advanced training equipment, elevate the Academy to become a professional Aviation Training Center for the aviation industry of Vietnam and other countries in the region.



'Vietjet will take full advantage of the Government's support'

Vietjet will take full advantage of the Government's support. In 2020, the Government department and agencies have promptly introduced epidemic prevention policies, financial support for people and businesses, and policies to reduce taxes, fees, etc. This has contributed to a positive economic growth rate (over 2%) in 2020. Supportive government policies have helped domestic airlines maintain flights in 2020 and are expected to be maintained in 2021.

The Ministry of Finance has approved:

the reduction of landing charges by

50%

for domestic flights, applicable from March 1 to September 30 2020

resolution for the cut in environmental protection tax on jet fuel by

30%

from September 2020 to the end of 2021

ground service fees at airports decreased by

10-15%

from March to December 2020

extension of tax payment deadline up to

5 MONTHS

Circular No. 01 of the State Bank of Vietnam allowing credit institutions to restructure repayment terms, reduce interest and customer support fees affected by the Covid-19 effective from March 13, 2020.

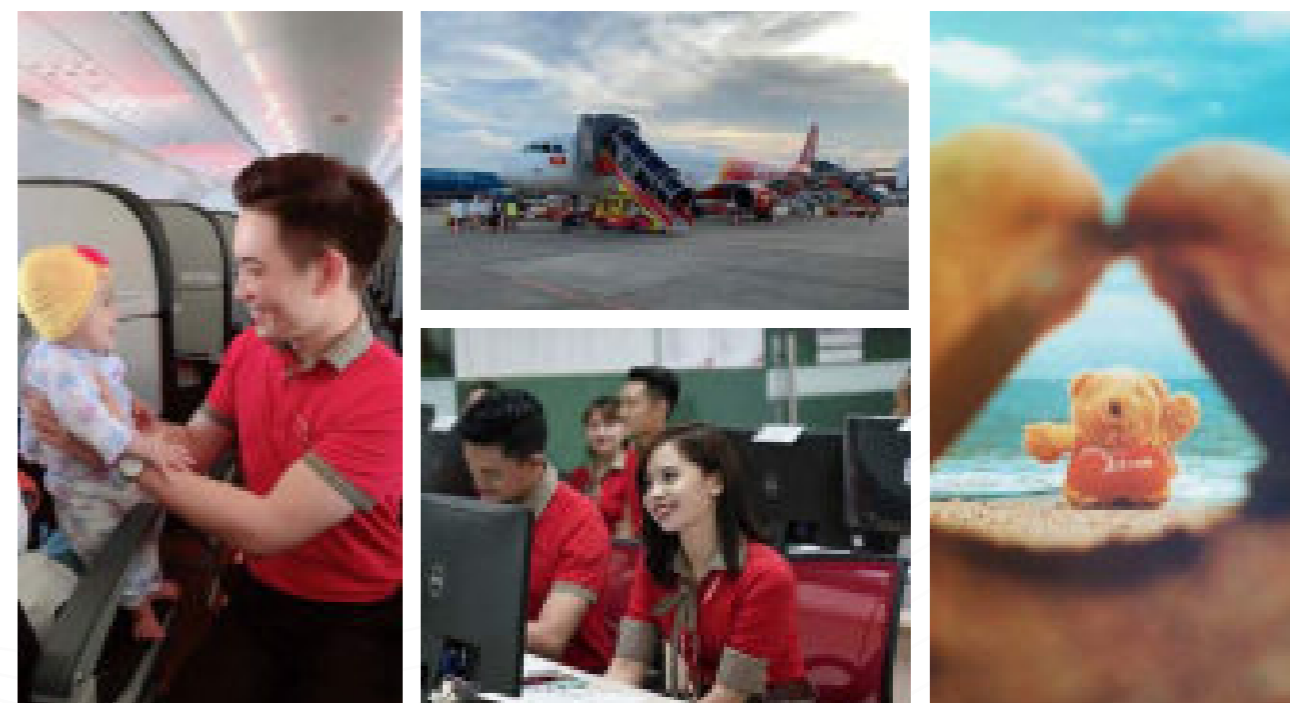
In the near future, Vietjet will continue to coordinate with domestic private airlines to call for the attention of the Government through the following planned activities: call for approval of the Government's financial support for private airlines, propose that the Government continue to have supporting tax policies and tax exemption and reduction for aviation services, tourism, preferential financial packages for businesses; provision of tax and fee reductions to help offset operating costs...

'Vietjet will continue its sustainable development strategy and policy'

Vietjet will continue its sustainable development strategy and policy; invest and implement sustainable development programs: saving fuel, energy, reducing CO2 emissions and green development; commit to comply with legal regulations on environmental protection in the countries where Vietjet operates; support and actively participate in initiatives and programs on environmental protection of international organizations; research and development on projects and initiatives for environmental protection and sustainable social development; spread Vietjet's success to the community through charitable programs, sponsoring education program for disadvantaged students and scholarship funds for excellent students.



With the above orientations, the Board of Directors believes that Vietjet will continue to overcome the pandemic and thrive when the global economy recovers.



06

Take off safely

Vietjet maintained the business operation, ensures safety and health for passengers, and opened simultaneously 8 new routes, connected tourism cities such as Da Nang with Phu Quoc, Da Lat, Buon Ma Thuot (Dak Lak), Vinh, Thanh Hoa; Hanoi with Dong Hoi; Hai Phong with Quy Nhon (Binh Dinh); and Vinh with Phu Quoc Pearl island.



VI

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Besides maintaining the repatriation flight schedule to bring more than 15,000 Vietnamese back home, Vietjet has joined hands in many more philanthropic activities like transporting relief goods for free and donating VND10,000 from each ticket sold to support the people in the flooded Central region. It also kicked off an annual charity program called “A Cozy Tet for You” offering gifts and scholarships to children in remote mountainous regions. More than 2.5 million of masks were given to the people in the United Kingdom, France, Germany and the United States.



01. BOARD OF DIRECTORS



1.1. ACTIVITIES OF THE BOARD OF DIRECTORS

In 2020, the Board of Directors has fully and effectively implemented the supervisory role of the Board of Directors for the Board of Management in accordance with detailed provisions in the Company Charter, Corporate Governance Regulations and other relevant regulations. The Board of Directors has:

- » Chair, direct and successfully organize the 2020 Annual General Meeting of Shareholders;
- » Supervise the implementation of resolutions issued by the General Meeting of Shareholders and the Board of Directors;
- » Approve and supervise the implementation of the Board of Management’s annual business and budget plan;
- » Monitor the reporting and implementation of complete and timely information disclosure;
- » Prepare correct, timely and effective instructions to help the Board of Management successfully handle the Covid-19 pandemic crisis.

All meetings of the Board of Directors are held in accordance with Article No. 157 of the Law on Enterprises, ensuring at least once a quarter and the attendance of all members of the Board of Directors.

1.2. COMMITTEES UNDER THE BOARD OF DIRECTORS

The committees established by Board of Directors strictly adhered to the operating principles of the committee, thereby maintaining operations in accordance with the regulations. Periodically, the committees meet Board of Directors and report the results directly to Board of Directors. Head of committees and members of each committee are proactive, positively perform their responsibilities, have practical contributions to corporate governance as well as the general development of the Company.

The structure of each subcommittee includes

- » Chairman of the Committee: Managing Director;
- » Committee Vice Chairman: Deputy General Director;
- » Member: Director and head of each department.
- » The Committee’s meetings are conducted periodically and irregularly
- » Periodically: monthly briefings with the participation of members of the Board of Directors and Board of Management;
- » Unexpectedly: when necessary, specifically in 2020, the Chairman of the Aviation Safety Committee convened meetings to promptly and effectively implement the Covid-19 epidemic prevention.



AVIATION SAFETY COMMITTEE

Aviation Safety Committee is responsible for ensuring aviation safety. This committee collaborated with relevant departments to monitor closely and implement properly the provisions in the Safety Management System manual of the Company.



AVIATION SECURITY COMMITTEE

The Aviation Security Committee assists the Board of Directors in ensuring the aviation security of Vietjet. During last years, the Committee has cooperated with relevant departments to monitor closely and implement properly the provisions of the Aviation Security Program.



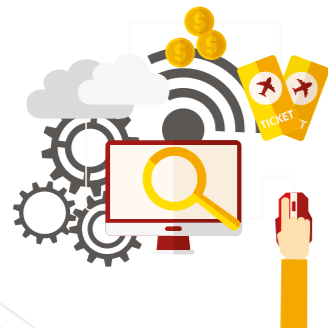
ORGANIZATION AND HR COMMITTEE

The Organization and HR Committee has the right to decide on strategic issues related to the Company's personnel organization, including organizational structure, salary etc. to suit the development situation of the company. HR Committee will constantly monitor changes in the workforce and labor market to make the right decision on remuneration adjustment, employee reward policies and other ways to effectively motivate employees as well as other welfare programs. In the context of global airline struggles, Vietnam's new-age carrier Vietjet is one of the few airlines that have successfully overcome the pandemic, and successfully secure its workforce.



EMERGENCY RESPONSE MANAGEMENT COMMITTEE

The Emergency Response Management Committee is responsible for managing all activities relating to the emergency response of the Company, collaborating with other departments to supervise and fulfil all requirements of the Company's Emergency Response Plan.



RISK MANAGEMENT COMMITTEE

The Risk Management Committee is responsible for assisting the Board of Directors in improving the risk management system, ensuring business operations and effective use of resources and assets. The committee shall build a risk management strategy, risk appetite, risk management policy, risk management process and performing necessary inspection and assessment activities to ensure that risk management is fully implemented.



INSURANCE COMMITTEE

The Insurance Committee is responsible for organizing and selecting insurers who offer the best insurance services to the Company, holding training courses on insurance operations for all employees and controlling and monitoring compensation for incidents.

1.3. ACTIVITIES OF THE INDEPENDENT MEMBER OF THE BOARD OF DIRECTOR

The independent members of the Board of Directors attended all quarterly meetings of the Board of Directors and have fully performed the role of independent members in accordance with the provisions of the Law on Enterprise and the Corporate Governance Regulations. Monitor transactions with related parties (if any), review and approve on an objective basis and comply with the Corporate Governance Regulations.

1.4. TRAINING ON CORPORATE GOVERNANCE

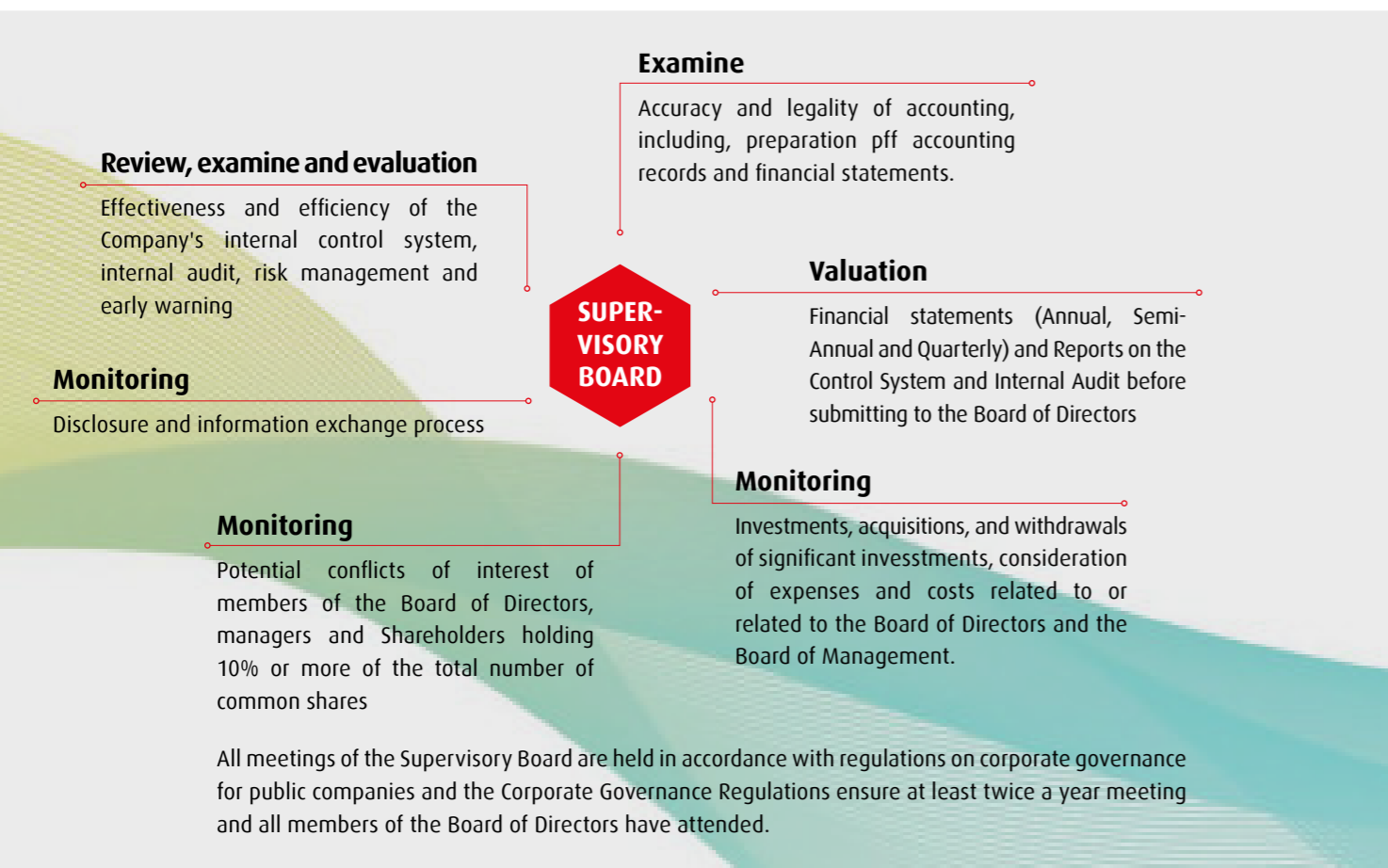
During the year, Vietjet organized and created favorable conditions for members of the Board of Directors, the Supervisory Board, the Board of Management, managers and the secretary of the Board to participate in internal training courses on corporate governance and update Laws related to the Law on Securities and the new Law on Enterprises effective from January 1 2021.

02.

SUPERVISORY BOARD

2.1. ACTIVITIES OF SUPERVISORY BOARD

In 2020, the Supervisory Board has fully and effectively implemented the supervisory role of the Supervisory Board for the Board of Directors and the Board of Management in accordance with detailed regulations in the Company Charter, Corporate Governance Regulations and Relevant regulations, specifically, the Supervisory Board has:



2.2. SUPERVISORY BOARD'S MEETING

In 2020, the head of the Supervisory Board convened to hold two meetings with 100% attendance, and at the same time, regularly exchanged via email, phone and at the meetings of the Board of Directors, the Annual General Meeting of Shareholders in 2020 that the members of the Supervisory Board attended.

Date	Participants	Content
Meeting 1 August 5, 2020	3/3	<ul style="list-style-type: none"> » Approve Supervisory Board activity report in 2019 » Approve the operation plan of the Supervisory Board in 2020 » Annual General Meeting of Shareholders plan in 2020
Meeting 2 December 30, 2020	3/3	<ul style="list-style-type: none"> » Report on internal control & audit activities in 1st half 2020 » Approve monitor plan for resolutions implementation of the 2020 Annual General Meeting of Shareholders

03.

TRANSACTION, SALARY AND REMUNERATION OF THE BOARD OF DIRECTOR, BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

3.1. REPORT ON SALARY AND REMUNERATION OF THE BOARD OF MANAGEMENT, BOARD OF DIRECTORS AND THE SUPERVISORY BOARD

a. Salary and remuneration of the Board of Directors

No	Name of member	Position	Salary	Remuneration
1	Nguyen Thanh Ha	Board Chairwoman, Independent member		100%
2	Nguyen Thi Phuong Thao	Board Vice Chairwoman – Chief Executive Officer	100%	
3	Nguyen Thanh Hung	Board Vice Chairwoman		100%
4	Chu Viet Cuong	Member		100%
5	Luu Duc Khanh	Member		100%
	» 10/2020 prior	Member – Managing Director	88%	12%
6	Dinh Viet Phuong	Member – Managing Director	75%	25%
7	Donal Joseph Boylan	Independent member		100%

b. Salary and remuneration of the Supervisory Board

No	Name of member	Position	Salary	Remuneration
1	Tran Duong Ngoc Thao	Head of Supervisory board	78%	22%
2	Doan Thu Huong	Member		100%
3	Pham Van Dau	Member		100%

c. Salary and remuneration of the Board of Management

No	Name of member	Position	Salary	Remuneration
1	Nguyen Thi Phuong Thao	Chief Executive Officer	100%	
2	Dinh Viet Phuong	Vice President	75%	25%
3	Luong The Phuc	Vice President	100%	
4	Nguyen Thi Thuy Binh	Vice President	100%	
5	Nguyen Duc Thinh	Vice President	100%	
6	To Viet Thang	Vice President	100%	
7	Tran Hoai Nam	Vice President	100%	
8	Nguyen Thanh Son	Vice President	100%	
9	Do Xuan Quang	Vice President	100%	
10	Ho Ngoc Yen Phuong	Vice President cum Chief Financial Officer	100%	
11	Hoang Manh Ha	Chief Accountant	100%	

3.2. TRANSACTION, SALARY AND REMUNERATION OF THE BOARD OF DIRECTOR, BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

In 2020, the Board of Directors held annual and extraordinary general meetings alternating between face-to-face meetings and online meetings through the application of technology in compliance with social gap regulations. Therefore, the operational budget of 2020 will also decrease by 30% compared to that of 2019.

Unit: Billion VND

Indicator	2019	2020	Change	%
Salary of Board of Directors and Supervisory Board	12,000	12,000	0	0.0%
Operational cost	10,000	7,000	(3,000)	-30.0%

In addition to the approved remuneration, members of the Board of Directors and the Supervisory Board are also allowed to participate in the free ticket program for employees of the Company with a free ticket amount of 20 tickets/ year.

04.

INTERNAL TRANSACTION IN 2020

No	Performer	Relation to the internal staff	Shares at the beginning of the period		Shares at the end of the period		Reasons for increase, decrease (purchase, sale, transfer, bonus etc)
			No. of shares	Percentage of ownership (%)	No. of shares	Percentage of ownership (%)	
1	Petroleum Trading Joint Stock Company	Relation to internal person (Mr. Tran Hoai Nam – Vice President)	251,400	0.05	-	0.00	Portfolio renewal
2	Nguyen Thi Thuy Binh	Internal person (Vice President)	480,000	0.09	280,000	0.05	Ownership reduction
3	Luu Duc Khanh	Internal person (Member of the Board of Director)	1,054,440	0.19	1,204,440	0.22	Sold for personal use
4	Tran Duong Ngoc Thao	Internal person (Head of Supervisory Board)	26,880	0.00	13,440	0.002	Sold for personal use
5	Sovico Aviation Company Limited	Relation to internal person (Ms. Nguyen Thi Phuong Thao - Chief Executive Officer)	-	0.00	10,000,000	1.85	Sold for personal use
4	To Viet Thang	Internal person (Vice President)	336,000	0.06	336,000	0.06	Sold for personal use (*)

Note: (*) An internal person sells 50,000 shares at the trading time from December 25, 2020 to January 24, 2021



05. _____

TRANSACTIONS BETWEEN RELATED PARTIES

Transactions between Vietjet and related parties; Major shareholders of Vietjet, Vietjet's internal persons, and related persons of internal persons:

No	Company	Type of transaction
1	Sovico Group Joint Stock Company	<ul style="list-style-type: none"> » Renting of Sovico's Office at 302 Kim Ma, Ba Dinh ward, Hanoi » Vietjet transferred Sovico's bonds in January 2020 to Techcombank
2	HDBank	<ul style="list-style-type: none"> » Provide payment and credit services for Vietjet » Advertising Services » Financial advisory service
3	Sunflower Sunny Investment Company Limited	<ul style="list-style-type: none"> » Credit transactions
4	Vietjetair Cargo Company	<ul style="list-style-type: none"> » Freight services » Receiving deposits from Cargo agents » Other collection
5	Galaxy Pay Company Limited	<ul style="list-style-type: none"> » Provide intermediary payment services
6	Thai Vietjet Air Joint Stock Company Limited	<ul style="list-style-type: none"> » Collection or payment transactions » Receive Vietjet's management support
7	Vietjet Air IVB No. I Limited	<ul style="list-style-type: none"> » Collection or payment transactions » Trading and leasing aircrafts
8	Vietjet Air IVB No. II Limited	<ul style="list-style-type: none"> » Trading and leasing aircrafts
9	Vietjet Air Singapore Pte Ltd	<ul style="list-style-type: none"> » Trading and leasing aircrafts
10	Vietjet Air Ireland No. I Limited	<ul style="list-style-type: none"> » Trading and leasing aircrafts
11	Angelica Holding Limited	<ul style="list-style-type: none"> » Trading and leasing aircrafts

Note: Relevant parties give priority to use the services provided by Vietjet when needed.

06. _____

EVALUATE THE IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

The Board of Directors has always focused on and continuously improved the effectiveness of the Company's governance, specifically in 2020, the Board of Directors has a plan to implement the following 3 governance tasks:

- » Establish the Audit Committee to replace the Supervisory Board under the guidance of Law No. 59/2019/QH14 on Enterprise effective from January 01, 2021 and submit to the Annual General Meeting of Shareholders in 2021 for approval.
- » Appointment of a person in charge of corporate governance before the 2021 annual general meeting.
- » Search for candidates who meet the criteria and conditions to be an independent member of the Board of Directors in accordance with regulations and have experience in management and administration in the aviation field to submit to the Annual General Meeting of Shareholders in 2021 for approval.
- » In Vietnam, corporate governance training programs and seminars are mainly organized by the State Securities Commission, the State Bank of Vietnam, Ministry of Finance, the Stock Exchange and the Vietnamese Institute of Directors (VIOD). In 2020, due to the influence of the Covid-19 pandemic, corporate governance training programs were not organized, so the members of the Board of Directors of Vietjet mainly update their knowledge by studying documents and books on corporate governance and participate in the internal management update programs in the business units where members hold full-time positions.

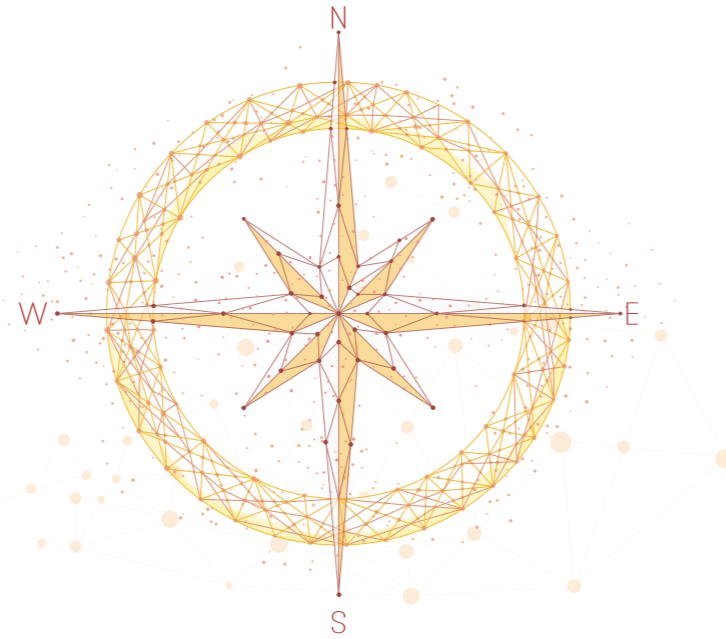
In February 2021, Ho Chi Minh City Stock Exchange, in conjunction with Vietnam Institute of Directors (VIOD) held a two-day online seminar from February 1-2, 2021 for members of the Board of Directors, members of the Supervisory Board and managers attended.



6.1. ORIENTATION OF CORPORATE GOVERNANCE ACTIVITIES

The Board of Directors has constantly improved and enhanced the effectiveness of governance through implementing the following tasks in 2021

- » Update additional corporate governance regulations (available on the website of the Company at www.ir.vietjetair.com)
- » Appointment of a person in charge of corporate governance / Company secretary in accordance with Article 18 and Decree No. 71/2017/ND-CP.
- » Disclose information in English at the same time as Vietnamese to ensure equal access to information for foreign investors.
- » Apply the management scorecard (Scorecard) to evaluate the completeness and effectiveness of corporate governance.



6.2. ACTIVITIES OF THE GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders 2020 is held on June 27, 2020 at Vietjet Aviation Academy's office in District 9, Ho Chi Minh City meet epidemic control regulations.

No	Resolutions/Decisions No. D	Date	Content
1	01-20/VJC-DHCĐ-NQ	27/06/2020	Resolution of Annual General Meeting (AGM) 2020

6.3. ACTIVITIES OF THE BOARD OF DIRECTORS

In 2020, the Board of Directors worked closely with the members of the Board of Management to orient, give direction and approve transactions as proposed by the Board of Management in a timely manner to adapt to changing business conditions. Attendance members reach the meeting minimum requirement in 2020.

No	Resolutions/Decisions No. D	Date	Content
1	01-20/VJC-HĐQT-NQ	01/01/2020	Decentralize bank payment approval
2	01b-20/VJC-HĐQT-NQ	02/01/2020	Assign duties to Legal Representative
3	02-20/VJC-HĐQT-NQ	01/02/2020	Commercial aircraft activities
4	02a-20/VJC-HĐQT-NQ	02/02/2020	Update and supplement NQ No. 48-19
5	03-20/VJC-HĐQT-NQ	20/02/2020	Donate to the Forever 20 Foundation
6	04-20/VJC-HĐQT-NQ	17/02/2020	Approve Contract Addendum No. 2 with Airbus S.A.S.

No	Resolutions/Decisions No. D	Date	Content
7	05-20/VJC-HĐQT-NQ	25/02/2020	Commercial aircraft activities
8	06-20/VJC-HĐQT-NQ	03/03/2020	Commercial aircraft activities
9	07-20/VJC-HĐQT-NQ	06/03/2020	Transfer business lines to subsidiaries
10	08a-20/VJC-HĐQT-NQ	09/04/2020	Hedging fuel.
11	09-20/VJC-HĐQT-NQ	22/04/2020	Rename "Project and Business Development" department
12	10-20/VJC-HĐQT-NQ	22/04/2020	Appointment and dismissal of the Head of Division
13	11-20/VJC-HĐQT-NQ	05/05/2020	Closing the List of Shareholders attending the 2020 General Meeting of Shareholders
14	12-20/VJC-HĐQT-NQ	05/05/2020	Establish the Organizing Committee of General Meeting of Shareholders 2020
15	13-20/VJC-HĐQT-NQ	05/05/2020	Assign duties to members of the Board of Directors
16	14-20/VJC-HĐQT-NQ	01/06/2020	Regarding treasury stock transactions
17	15-20/VJC-HĐQT-NQ	09/06/2020	Business activities related to the Republic Plaza
18	16-20/VJC-HĐQT-NQ	09/06/2020	Business activities related to the Vietjet Plaza
19	17-20/VJC-HĐQT-NQ	12/06/2020	Approve intermediary payment services
20	18-20/VJC-HĐQT-NQ	12/06/2020	Subsidiary establishment
21	19-20/VJC-HĐQT-NQ	16/06/2020	Promulgate the working regulations and voting regulations at the General Meeting of Shareholders in 2020
22	20-20/VJC-HĐQT-NQ	22/06/2020	Credit limits
23	21-20/VJC-HĐQT-NQ	26/06/2020	Replace Resolution No. 18 on Establishment of Subsidiaries
24	21a-20/VJC-HĐQT-NQ	29/06/2020	Credit limits
25	22-20/VJC-HĐQT-NQ	20/07/2020	Decentralize internal payment

No	Resolutions/Decisions No. D	Date	Content
26	23-20/VJC-HĐQT-NQ	22/07/2020	Extend aircraft leasing
27	24-20/VJC-HĐQT-NQ	24/07/2020	Select an auditor for the financial statements of 2020
28	25-20/VJC-HĐQT-NQ	22/07/2020	Select an aircraft insurance company
29	26-20/VJC-HĐQT-NQ	01/08/2020	Adopt internal payment regulations
30	27-20/VJC-HĐQT-NQ	01/08/2020	Establish the Ground Services Center
31	27a-20/VJC-HĐQT-NQ	06/08/2020	Proposal for intermediary payment project
32	28-20/VJC-HĐQT-NQ	17/09/2020	Approve the M&A plan of Vietjet Cargo Joint Stock Company with Swift247 Co., Ltd. with the aim of restructuring to develop freight technology on the basis of digital technology and e-commerce.
33	29-20/VJC-HĐQT-NQ	23/09/2020	Dismiss, appointment of members of the Board of Management
34	29a-20/VJC-HĐQT-NQ	23/09/2020	Change of Legal Representative
35	30-20/VJC-HĐQT-NQ	30/09/2020	Dismiss members of the Board of Management
36	31-20/VJC-HĐQT-NQ	30/11/2020	Add business lines

No	Resolutions/Decisions No. I	Date	Content
37	32-20/VJC-HĐQT-NQ	10/12/2020	Authorize the bank account holder representative
38	33-20/VJC-HĐQT-NQ	21/10/2020	Dismiss, appointment of members of the Board of Management
39	34-20/VJC-HĐQT-NQ	22/10/2020	Board of Management income
40	35-20/VJC-HĐQT-NQ	22/10/2020	Approved remuneration of the Board of Directors
41	36-20/VJC-HĐQT-NQ	27/10/2020	Commercial aircraft activities
42	37-20/VJC-HĐQT-NQ	27/10/2020	Commercial aircraft activities
43	38-20/VJC-HĐQT-NQ	06/11/2020	Commercial aircraft activities
44	39-20/VJC-HĐQT-NQ	25/11/2020	Dismiss, appointment of members of the Board of Management
45	40-20/VJC-HĐQT-NQ	07/12/2020	Update internal payment decentralization
46	42-20/VJC-HĐQT-NQ	15/12/2020	Approve the plan of issuing corporate bonds separately
47	44-20/VJC-HĐQT-NQ	23/12/2020	Commercial aircraft activities

[Extract from Corporate Governance report 2020]



07.

INVESTOR RELATIONS

The Investor Relations Department (IR) under the finance and accounting sector has the following roles and functions:

7.1. INFORMATION DISCLOSURE ACCORDING TO REGULATIONS

Implementation of information disclosure in accordance with regulations include regular information disclosure and periodic information disclosure according to the information disclosure process built on the basis of the provisions of Circular No. 155/2015/TT-BTC and the regulations guiding information disclosure of the Stock Exchange and the depository center.

In 2020, the Investor Relations Department will participate in propaganda and dissemination programs on the Law of Security, Decree and circulars related to the disclosure responsibility of public companies and updated Information Disclosure Process to ensure the information disclosure in accordance with the time and content regulations.



7.2. PROVIDE INFORMATION ON BUSINESS ACTIVITIES

The Investor Relations department, along with the Communications department of the Company, in coordination with the Securities Trading organizations have conducted seminars with institutional investors to promptly provide information on business activities for investors. Specifically, in 2020, Vietjet has successfully organized the following event.

No	Content	Date	Type	Participants
1	Annual General Meeting of Shareholders 2020	June 2020	Offline Conference	Shareholders
2	Update business results in 1st half 2020	July 2020	Online	Institutional investors
3	Update business results Q3/2020	November 2020	Online	Institutional investors
4	Update business results Q4/2020	March 2021	Online	Institutional investors

News on outstanding business activities of the Company are published on the Company's website at www.ir.Vietjetair.com

08.

RISK MANAGEMENT

Covid-19 risks

The Covid-19 pandemic is an unexpected risk for airlines around the world, causing seriously damage to the global economy and of which the commercial aviation industry is the most severely damaged.

Legal risks

Legal risk is the impact on the Company's operations when there are changes in the system of legal documents and industry development strategies.



Economic risks

Vietjet's business activities will be affected by both domestic and international economic conditions as Vietjet has expanded its passenger transport service area to Southeast Asia and Northeast Asia.

Specific risks

Other risks are caused by external factors affecting the business operations of the organization.

8.1. RISK MANAGEMENT PROCESS

Vietjet's risk management process consists of 7 steps including:

01

Set operational goals

Business operations must be clearly established

02

Risk identification

Risks hindering the achievement of operational objectives must be identified in a timely and complete manner

03

Risk assessment

Identified risks must be assessed for likelihood and impact on performance objectives

06

Compliance monitoring

Examine whether that processes and policies are efficient and effective.

05

Mechanism development

Issue detailed risk management policy and process

04

Timely response

Make appropriate and timely decisions for each type of risk

8.2. COVID-19 RISKS

In 2020, the Board of Management has proactively and flexibly implemented a series of effective measures to achieve the target approved by the Annual General Meeting of Shareholders 2020 as follows:

1

INCREASE MARKET SHARE

- » Negotiate with lessors to return 6 wet aircraft, reducing costs and improving cash flow
- » Obtain permission from the aviation department to allow the carriage of goods in the passenger cabin to increase cargo capacity during the restricted flight period.

3

ACTIVELY USE CREDIT FINANCING AND LIQUIDITY

- Agree with credit institutions on loan limits and terms in terms of reduced deposit interest rates.
- Issue a 650 billion VND bond offering under a private placement plan.

2

REDUCE OPERATING COST AND TAKE INITIATIVES TO INCREASE WORKING CAPITAL

- » Negotiate with the lessor to reduce the rent, accumulate the rent and extend the payment term by 3 – 6 months.
- » No layoff policy but implement a reduction adjustment.
- » Transferring long-term investment projects to generate additional cash flow for working capital worth 2.528 billion VND
- » Strictly control costs, limit non-urgent purchases.

4

INCREASE INCOME FROM ANCILLARY ACTIVITIES

- » Launch new product packages such as Power Pass, Deluxe class, Skyboss to supplement working capital for the Company.
- » Expand agency and network with international partners related to air freight services to increase ancillary revenue.

5

STRICT EPIDEMIC PREVENTION MEASURE FOR STAFF AND PASSENGERS

- » The establishment of the Committee for COVID-19 Prevention and Control chaired by a Management Director.
- » Distribute PPE epidemic prevention suits, masks to the crew and passengers on the rescue and repatriate flights.
- » Allow customers to reschedule without charge in case of flight cancellation at the request of authorities.

8.3. ECONOMIC RISKS

a. Economic growth

The growth of the economy facilitates the development of the air transport industry. In which:

- » The state and industry have more capital to invest in infrastructure development, transport vehicles such as airports, flight management systems, and aircraft.
- » Population increases, manufacturing industries increase solvency, time requirements become necessary, so the demand for travel, and air freight increases

Along with the positive effects, any fluctuations in the economy and commercial activities directly affect the aviation industry. Vietjet has had flexible business orientations and strategies to anticipate development opportunities, at the same time always appreciate and devote investment resources to risk management.

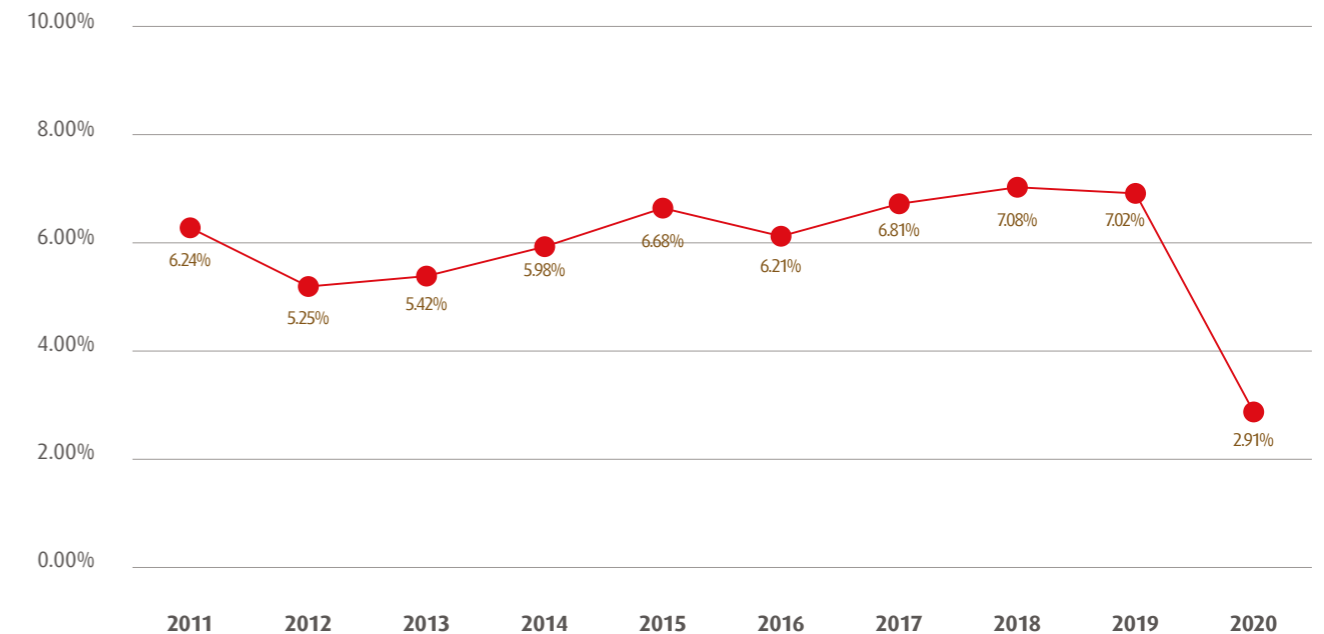
The world economy in general and the Vietnamese economy has faced many challenges in 2020 due to the impact of the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). However, Vietnam has been able to control the pandemic effectively and kept the economy moving made it one of the few countries to maintain positive economic growth in the past year according to Statistics of the International Monetary Fund (IMF).

Specifically, Vietnam's GDP growth in 2020 has reached 2.91% compared to 2019 (it expanded 3.68% in the first quarter;

0.39% in the second quarter; 2.69% in the third quarter; 4.48% in the fourth quarter). Although it is the lowest growth rate during 2011-2020 period but consider the negative impact of COVID-19 on all socio-economic fields, this has been a great success of Vietnam with the GDP growth in 2020 is among world highest.

In which, industry and construction continued to account for the largest proportion, up 3.98%; the sector of agriculture, forestry and fishery rose by 2.68%, and the service sector by 2.34%. Export-import growth impresses with the total export-import turnover in 2020 estimated at USD 543.9 billion, up 5.1% over the previous year, of which export turnover reaches 281.5 billion USD, up 6.5%; commodity import reached 262.4 billion USD, up 3.6%. Trade balance of goods in 2020 is estimated at 19.1 billion USD, the highest level in 5 consecutive years of trade surplus since 2016.

On the negative side, the pandemic has had a strong impact on the service sector, especially the transport, warehousing and, hospitality and catering industries Governments must put in place social distancing and quarantine measures to prevent the epidemic. However, now preventive vaccines have been put into use in the late 2020 period, thereby reducing the pressure from the epidemic and bringing hope for economic growth in the upcoming period.



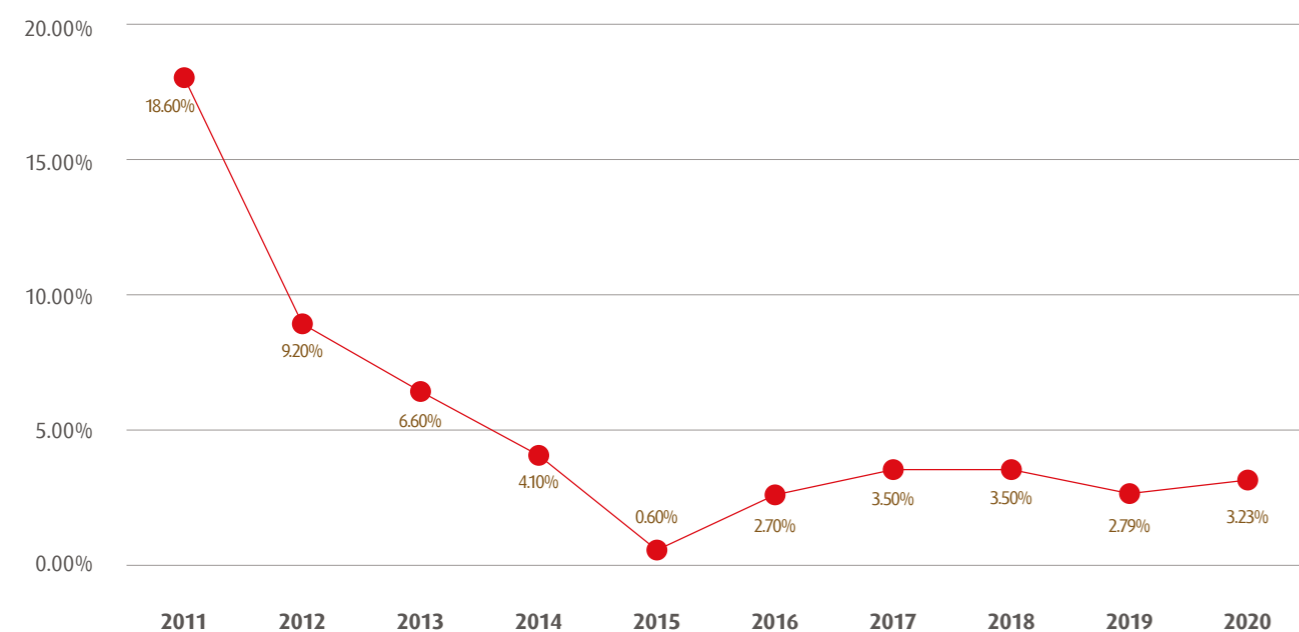
Source: General Statistics Office of Vietnam

GDP growth rate of Vietnam in the period 2011-2020

b. Inflation

The average CPI in 2020 increased by 3.23% compared to that in 2019, reaching the target set by the National Assembly of less than 4%. Average CPI in 2020 will increase due to the following main reasons:

- » The price of food products increased by 4.51% over last year (making the general CPI increased by 0.17%), of which the price of rice increased by 5.14% due to the increase in the price of export rice and domestic consumption demand;
- » The price of foodstuff products increased by 12.28% over last year (making the general CPI increased by 2.61%), of which the price of living weight pig increased by 57.23% (making the general CPI increased by 1.94%);
- » Price of medicine and medical service grew by 1.35% due to the Covid-19 epidemic in the world was still complicated, so the demand for this product was still high; (iv) The roadmap of increasing tuition fees continued to be implemented in compliance with the Decree No. 86/2015/ND-CP which led to the rise of 4.32% in the price of education services group in 2020 compared to 2019.



Source: GSO

The inflation rate of Vietnam in the period 2011-2020

In addition, there were a number of factors that contributed to curb the CPI of 2020:

- » The price of petroleum and oil decreased by 23.03% over the last year (making the general CPI declined by 0.83%); price of petroleum decreased by 31.21%; price of gas declined by 0.95% due to the influence of the price of the world fuel;
- » The need for travel and tourism of the people decreased due to the impact of the Covid-19 epidemic, causing the package travel service's price to decrease by 6.24% over last year; freight charge such as trains and airplanes have decreased by 2.12% and 34.7% respectively;
- » The Government implemented a series of support packages for people and producers who had difficulties due to the Covid-19 pandemic such as the support package of Vietnam Electricity (EVN) to reduce electricity prices and electricity bills for customers, so price of electricity in May and June this year decreased by 0.28% and 2.72% respectively over the previous month;
- » Authorities at all levels and sectors actively implemented measures to prevent complicated developments of the Covid-19 epidemic, to ensure the balance of supply and demand and stabilize the market.

Rising inflation may negatively affect Vietjet's production and business activities as higher input costs reduce profitability. In addition, consumers also reduce their consumption, travel expenses or travel by air, which in turn reduce revenue, thereby reduce Vietjet's total profit.

The interest rate is in a downward trend thanks to the State Bank's direct and indirect support measures, especially three times reduction of operating interest rate to support the economy overcoming the Covid-19 pandemic in 2020.



c. Interest rate

The interest rate is in a downward trend thanks to the State Bank's direct and indirect support measures, especially three times reduction of operating interest rate to support the economy overcoming the Covid-19 pandemic in 2020.

In 2020, the lending interest rates are still maintained at a reasonable level, creating conditions for businesses to develop capital for short-term loans, and usually fall between 5%-8%/year and 6%-10%/year for medium- and long-term loans. The State Bank has issued documents adjusting and reducing preferential interest rates, especially for the agricultural sector. Accordingly, the interest rate for short-term loans to serve agriculture, rural areas, exports, supporting industries, small and medium-sized enterprises, and high-tech enterprises decreased from 6.5%/year to 6%/year to increase access to capital to boost production and business. Deposit interest rates in VND tended to decrease compared to the previous year, popularly at 6.6%-7.5%/year for terms of 12 months or more.

In the context of serious impact of COVID-19 on the economy, in May 12, 2020 The State Bank of Vietnam has issued a decision to adjust interest rates effective from May 13, 2020 with a decrease of 0.3-0.5% per annum at different interest rates to match the developments of the macro-economy and international financial markets and to remove difficulties for production and business. According to Decision No. 920/

QD-NHNN on maximum short-term loan interest in Vietnam dong of credit institutions for borrowers to meet the capital demand in service of a number of economic sectors and industries as prescribed in the Circular No. 39/2016/TT-NHNN dated December 12, 2016, the interest rate decreased from 5.5%/year to 5.0%/year; the maximum short-term lending interest rate in VND of People's Credit Funds and Microfinance Institution for these capital needs decreased from 6.5 percent per year to 6.0 percent per year.

Vietjet mainly uses loans from domestic and foreign banks to finance leasing and buying new aircraft. The Banks and financial institutions that provide credit to the Vietjet are all long-time Banks, partners, which often offer preferential interest rate policies. In addition, the Board of Management always ensure to keep financial ratios under control, especially solvency ratios, and control debt to ensure that the debt-to-equity ratio is always at a level that is lower than the industry average and by the standards of the world's leading airlines. Before making a decision related to Bank loan, Vietjet always carefully evaluates, consider long-term financial plans to control the risk of interest rates and ensures that debt is well controlled and significantly limited. Not only that, due to the advantage of a high credit rating, extensive relationships with domestics and international large and small banks, as well as diversified financial activities, Vietjet has been able to earn significant profit and interest savings.

d. Exchange rate

Despite the sharp increase in the exchange rate in the first half of 2020, with an increase of nearly 2% in the period from April to May due to the impact of the early phase of the pandemic and social distancing measures. Thanks to the abundant supply of foreign currencies from export-import activities, FDI inflows and the efficient management of the State Bank of Vietnam's monetary policy, the USD/VND exchange rate has been kept at a stable level. The noteworthy event is the US Department of Treasury labeled Vietnam as a currency manipulator and the State Bank of Vietnam shift from purchasing foreign currencies in the spot market to purchasing foreign currencies which has a direct impact on the USD/VND exchange rate as it decreased about 0.6% by the end of 2020 compared to the beginning of the year.

Exchange rate risk affects carriers who borrow to finance their aircraft fleets through financial leasing, foreign currency loans, in addition to the main cost groups such as fuel and cost of ownership are also paid in USD, and Vietjet is no exception. However, as Vietjet operates in Vietnam, it benefits from the foreign exchange control policy from Vietnam. On the other hand, Vietjet aims to develop international routes besides heavy flight networks to 22 airports in Vietnam. Over the past years, foreign currency revenue has gradually accounted for a large proportion of the total revenue of the Company, including revenue from aircraft trading, therefore, Vietjet has a source of foreign currency income to ensure natural hedging. In addition, many measures to strictly control exchange rate risks have been applied by Vietjet such as: cash flow forecast, daily/ weekly/ monthly/ quarterly/ year payment frequency; using derivative financial instruments such as CCS, IRS, SWAP to hedge risks and improve financial profitability.

Vietjet has regularly updated budgeting, monitoring cash flow plans, economic and financial fluctuations, and perform tight debt collection management policies to effectively manage the risk of interest differences, exchange rates and optimize the use of loans from time to time.

8.4. LEGAL RISKS

Legal risk can directly or indirectly affect the Company's cost, flexibility, marketing strategy, business model, and scalability, e.g. regulators may restrict operations of airports operated by the Company, such as restrictions on take-off times, noise levels, mandatory flight routes, runway restrictions, restrictions on Average daily departures.

In addition, for airlines providing international services, besides being governed by the laws of Vietnam, the airline will be subject to the laws of some countries to which the airline is oriented to operate. In some cases, the fare and flight schedule must be approved by the related governments.

To minimize risks arising from legal factors during its operations, Vietjet always monitors, research and updates legal documents related to aviation operations, and at the same time, Vietjet Legal consults contracts with Law Firms regarding legal matters of the Company.

Vietjet has always actively participated in contributing ideas to draft policies and regulations related to the aviation industry, contributing to joining the Cape Town Convention of Vietnam.



8.5. SPECIFIC RISKS

a. Competitive risks

Civil aviation is highly competitive and dynamic industry. This motivation for Vietjet to continuously improve service quality, add value for customers and accelerate the development of Vietnam aviation industry.

In addition, in the process of international integration, Vietnam's aviation industry is facing significant challenges, especially when the ASEAN Open Skies aims to integrate the various national aviation markets into an ASEAN Single, effective as of 2016. This agreement removes barriers on routes, flight frequencies, ... between international airports in ASEAN countries, increase fierce competition between domestic and international airlines

International airlines compete with Vietjet on international flights to and from Vietnam such as:

- » Turkish Airlines, entered Vietnam market in 2008, officially opened a representative office in Hanoi from May 2019. Turkish Airlines is the 5-star national airline of Turkey with the largest flight network in the world. In the Vietnamese market, this company is leading the flight routes and the number of passengers from Vietnam to Europe.
- » Famous low-cost airline in Asia: Malaysia Air Asia has opened flights from Kuala Lumpur to / from Can Tho. The airline is expected to open Can Tho - Bangkok route.

- » Edelweiss Air is one of Switzerland's leading vacation travel airlines, specializing in operating routes to the most beautiful tourist destinations in the world. In addition to connecting tourists from Switzerland and Europe to Vietnam, this new route also allows passengers to fly directly from Ho Chi Minh City to Europe quickly and conveniently, with maximum time savings.
- » Air Seoul Inc., a subsidiary providing low-cost flight services of South Korea's Asiana Airlines, has opened flights to Da Nang.

International airlines are currently not allowed to operate domestic routes in Vietnam. The domestic aviation market in the past few years has also developed very strongly with many competitive pressures: many new carriers enter the market; the current one grows in fleet size.

Competitors can cut fares in the future, increase supply or conduct operations at low fares to increase market share. In these cases, the Company's fare or passenger flow may be affected. In addition, traditional full-service carriers in general can have significant advantages in discounting fares for unsold seats. However, if they pursue a policy of low fares to keep market share, this will lead to a revenue reduction due to long-term high operating costs, thus not sustainable

Vietjet is clearly aware of the above competitive risks and focuses on building a focus on LCC, Max market, mainly focusing on ancillary revenue, which is Vietjet's strength, increase service quality on aircraft, Skyboss and diversify food choices for all regions of Vietnam and countries around the world, focus on technology such as mobile apps, e-wallets to create more utilities for customers, enhance exploitation. new customers, providing competitive utilities and avoiding fare-focused competition in order to minimize the risk of revenue reduction.



b. Input fuel risks

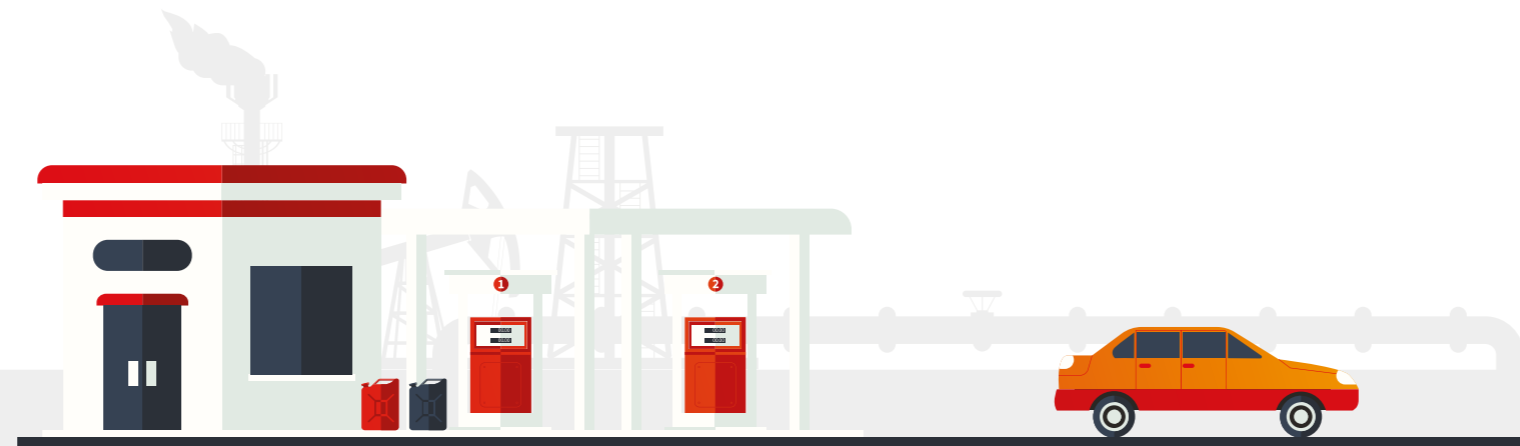
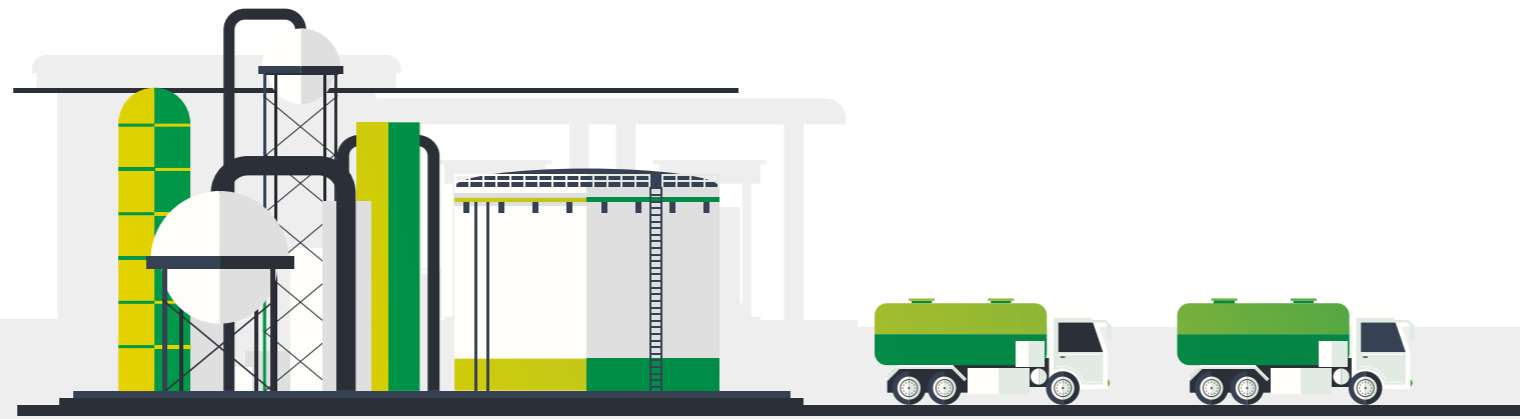
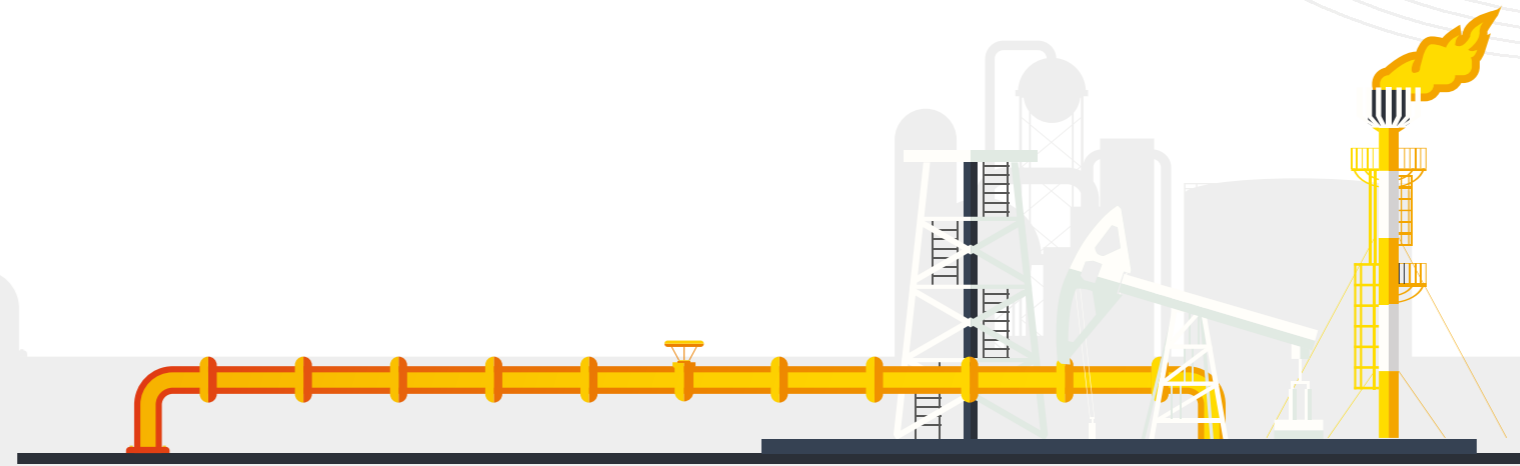
The input fuel for Vietnam's air transport industry is Jet-A1. Currently, Vietnam has only a few enterprises supplying Jet-A1 to airlines such as Petrolimex Aviation, Skypec, Tapetco. Jet-A1 aviation fuel is imported from abroad (mainly from Singapore) or obtain from domestic Dung Quat refinery then supply to airlines through two methods: filling by vehicle and loaded through the underground filling system at international airports, Shell, Chevron and Word Fuel are the main suppliers of Jet-A1 for Vietjet Air.

With a proportion accounting for 30-40% of input costs, fluctuations in the Jet-A1 gasoline price have a great impact on the profitability of the air transport industry. Jet-A1 gasoline prices are generally difficult to control and forecast, depend heavily on world crude oil (Brent) prices - one of the sensitive commodities, easily affected by economic, political and social factors.

Fuel prices tended to increase in the 2016-2018 period following oil price fluctuations, increasing by more than 41% from the beginning of 2018, reaching \$ 85 / barrel in April 2018. The sharp increase in fuel prices at that time also affected the performance of airlines. Before the outbreak of COVID - 19, the fuel price of Jet-A1 was at 80 USD / barrel, but on March 09 2020, the price of Brent oil decreased, at 31 USD / barrel and expected to be at 30 USD / barrel if tensions continue to escalate between Saudi Arabia and Russia. The petroleum cost in 2020 of the aviation industries is expected to save nearly 100 billion USD (down 47% compared to the forecast in December of IATA, without Covid-19 outbreak). The drop in gasoline prices will partly reduce the burden on airlines.

To overcome and reduce this risk, Vietjet has been implementing many effective measures, including: Using low average age fleet of aircraft to optimize fuel consumption; Implement fuel saving program; Operate the new generation of Airbus A321 NEO aircraft to save up to 16% in fuel consumption.

In particular, when the Covid-19 outbreak in early 2020 caused a sharp decrease in fuel prices, Vietjet implemented a solution to buy and store petroleum and cooperate with fuel suppliers to strengthen cooperation in gasoline storage, reduce over 50% of the generating and recharging costs, and at the same time, shorten the payment time to 120-180 days. Vietjet believes in controlling and optimizing fuel costs in addition to using commodity derivatives in the period of cheap gasoline to optimize fuel prices in the long term.



c. Risks of airport infrastructure restrictions and air traffic controls

Up to now, Vietnam has 22 airports in operation. Airports Corporation of Vietnam (ACV) is the only airport operator in Vietnam, through owning and responsible for operating airports. Although the locations of airports stretch from north to south, airport operations in Vietnam are concentrated in three airports of Tan Son Nhat, Noi Bai and Da Nang.

In addition, in recent years, Vietnam's aviation market is in the development stage, which was driven by the formation and development of new carriers, with competitive pricing. This has led to a rapid increase in air transport at other ports. Investment has been made to upgrade existing infrastructure to meet the demand. However, the level of investment in airport infrastructure has not kept pace with the growth in aviation operations, which has been putting pressure on carriers and for the industry. This has raised concerns over the significant impacts on flight safety as major airports faces both air and ground overload. In this regard, the Government has implemented a Resolution to expand Long Thanh Airport, expand the construction of Tan Son Nhat T3 Terminal, cooperate and expand private investment in new airports (for example, Van Don airport), enhancing airport quality according to international standards to attract and allocate loads at Tan San Nhat and Noi Bai airports.

The high efficiency of aircraft usage during the day allowed Vietjet to generate additional revenue from aircraft, save fixed costs, grow profitability, and this performance was achieved in part by reducing turnaround times at the airport. Operational efficiency allows Vietjet to reduce unit costs, reduce flight interruptions and provide reliable service. Restrictions in airport infrastructure and air traffic control can affect the ability to maximize aircraft efficiency, increase aircraft turnaround times, and adversely affect Vietjet's financial performance. To limit this risk, Vietjet has been proactive in developing aircraft fleets and robust flight schedules during the operation through reasonable allocation; Cooperate with ground service providers at airports to create favorable conditions for operations; Vietjet also launched the ground self-service to enhance service quality and save costs. Along with direct investment in infrastructure development at airports to create favorable conditions for operation, Joint venture with partners in the construction and expansion of new airports.



d. Aircraft manufacturing risks

Currently, Vietnam does not have aircraft manufacturing enterprises, so domestic airlines have to purchase from big manufacturing companies in the world such as Boeing, Airbus, and ATR. Airbus accounts for most of the market share in Vietnam due to its aircraft designed to suit low-cost airlines. The most used aircraft line of Airbus in Vietnam is the A320 (A320 is also the most used aircraft in the world). With a single-aisle design and capacity of up to 180-220 seats, the A320 series has a higher seat capacity than other large aircraft, which is perfectly suitable for domestic or international short flights. More importantly, these aircraft provide 3.5% -4% fuel savings compared to conventional aircraft thanks to the blended wing body design and many changes in the hardware core.

Prices of aircraft and spare parts, which have always been on an uptrend in recent years, have also partly put pressure on airlines. However, the speed and rate at which price increases are quite stable, predictable, so airlines can make estimates to prepare for development plans. Replacement equipment incurred when the maintenance period (usually every 3 years) is priced from the time the airlines purchase the aircraft. In other words, this year's replacement equipment has been priced three years ago. Therefore, there is a "lag" in the increase in the price of replacement equipment relative to the price of aircraft. The ability to negotiate the price of an aircraft depends on the reputation and scale of the airline. The more reputable and large-scale the airline will receive better discounts from manufacturers.

The activities of buying, selling, renting and leasing aircraft are also one of the business activities that have a significant impact on Vietjet's annual revenue and expenses. Over the years, thanks to its high level of trust, Vietjet has gained advantages in trading and leasing aircraft. With the contracts to purchase aircraft in large quantity not only help Vietjet to enjoy favorable commercial policies, but also receive many programs on technical support, warranty, maintenance, training, ... from manufacturers.

e. Third-party distribution channels risks

Although the Company has a strategy to increase online booking channels, currently sale agents is still an extremely important distribution channel, which affects Vietjet's revenue if there is a shortage of agents. The relationship between Vietjet and the ticketing agent may be affected by the commercial terms that other airlines apply to these agents. Furthermore, these agents interact directly with the current and potential passengers, in the event that the agent's service is poor, this could in turn affect the reputation and business performance of the company

Following the trend of technology development, Vietjet invests in digital transformation technology, along with solutions to increase the number of experienced and financial potential agents. At the same time, Vietjet has been increasing the proportion of online sales channels by upgrading and renewing the reservation system on the on-line channel, creating applications to support the fastest on-line channel.

f. Social-political instability risks

The risk of social-political instability has an impact on the safety of the aviation industry-wide, as well as the psychology of passengers. Persistent political conflicts and instability are a destructive factor for the smoke-free industry - tourism, causing heavy physical and spiritual consequences, indirectly affecting the aviation industry.

In order to minimize the impact of political instability on its operations, Vietjet has focused on investing in inaugurating more routes and increasing flights to markets with more stable political conditions such as Japan and South Korea; some prominent routes such as Da Lat, Can Tho and Seoul (Incheon), Hanoi, Ho Chi Minh City, Da Nang - Nagoya, Fukuoka, Kagoshima.

g. Weather conditions risks

According to the Federal Aviation Administration (FAA) statistics, conditioned weather is responsible for about 70% of delayed flights. In Vietnam, according to the statistics of the Division of Safety and Security, Vietnam Air Management Corporation, the number of flight operations is affected by the weather (delay flight, waiting flight, flying round off the FIR boundary, missing landing, returning flight, or destination alternate aerodromes) accounts for 50-60% of the total number of incidents in the annual safety report of the Corporation. Having said that, this number does not include the number of canceled flights due to the airport closure in particularly bad weather such as storms or floods or bad weather (CB, noise, freezing) on the flight that does not enter the FIR / national border. All of this can incur additional costs for airlines.

To mitigate this risk, Vietjet has fully prepared with an alternative, flexible flight plans dealing with tropical depression, storms etc. In 2019, Vietjet has been proactive in dealing and responding with such cases by suspending flights to unsafe locations, as well as quickly put forward substitution of flights plan after weather and climate change impact.

h. Accident or breakdown risks

Due to the characteristics of the aviation industry, safety is a top priority, in which compliance with safety standards is extremely strict. Once an accident or incident occurs, not only will the airlines incur great property losses, but also increase related costs such as: cost of passenger compensation, cost of repair and replacement of the aircraft. The most important thing is that it can lead to the perception that the airline provides unsafe flight service, causing damage, directly affecting the reputation, production and business activities.

Vietjet always puts safety and service quality on top and strictly complies with safety regulations according to international standards. New-age carrier Vietjet has been listed in "the World's Top 10 Safest & Best Low-Cost Airlines 2021" by AirlineRatings, the world's famous airline safety and product rating website. The Top 10 list also includes Ryanair, EasyJet, Frontier, Wizz, Westjet, etc. In addition, in 2020, Vietjet is ranked as the highest safety for aviation with 7/7 stars, this is also the third consecutive year Vietjet has been ranked by AirlineRatings at seven-star level, the highest-ranking for aviation safety in the world. In order to achieve the above results, Vietjet has effectively implemented the Safety - Quality solutions.

07

Spread love

Vietjet joins hands to the fight against the Covid-19 epidemic

In addition to launching rescue flights to repatriate for more than 15,000 Vietnamese, Vietjet also participates in many volunteer activities such as free shipping of relief goods and donations of VND 10,000 per ticket sold to support people in the Central region who were affected by floods; carry out the annual program "A cozy Tet for you 2020" to help children in remote areas, nurture their dreams for the sake of Vietnam's future generations, and donate more than 2.5 million masks to people of the UK, France and Germany, the USA...



.....VII.....

SUSTAINABLE DEVELOPMENT



"Vietjet Air always conducts the business activities with a keen interest in the impact of the surrounding natural environment and society, and we implement solutions that embrace sustainability."



In 2021, the Board of Directors will continue to direct and supervise the Board of Management of the Company to implement the following sustainable development programs:

AVIATION SAFETY POLICY

Safety is always considered as the top priority factor by Vietjet when building its business development strategy. The goals of Vietjet programs are to minimize unfortunate incidents for employees and passengers and to continuously evaluate, improve, and upgrade aviation safety programs. The Safety policy of Vietjet includes:

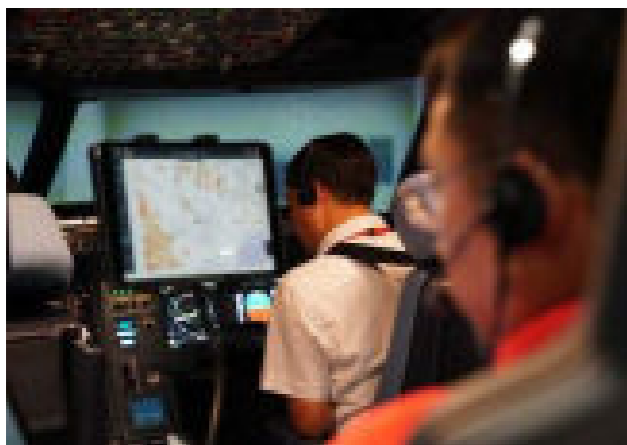
SAFETY MANAGEMENT SYSTEM (SMS) TRAINING:

- » Ensure all personnel are trained in aviation safety related to the work involved.
- » Aviation staff are trained for the first time and periodically according to IATA standards. Vietjet actively cooperates with authorities such as the Civil Aviation Authority of Vietnam and international organizations such as IATA, AAPA, and Airbus to conduct training and implementation of aviation safety programs.



LINE OPERATION SAFETY AUDIT (LOSA):

- » Conduct an aviation safety assessment in the cockpit and in the cabin to document the aviation safety procedures used on the aircraft to find opportunities to improve the process, detect and report cases of non-compliance with aviation safety policy and procedures



FLIGHT DATA MONITORING (FDM):

- » Regularly assess flights data through Airfase software to detect non-compliance cases in terms of flight speed, sliding speed, landing skill, inconsistent approach. As a basis for making appropriate corrective measures and improvements.



COMMUNICATION ON AVIATION SAFETY:

- » Timely update aviation safety newsletters for employees including warning levels, recommendations, directives, notes, newsletters and aviation safety conferences for employees and partners.
- » Communicate on safety recommendations for Covid-19 epidemic prevention on Vietjet flights



AVIATION SAFETY WARNING SYSTEM:

- » Operate the Coruson warning system that allows the airline personnel to promptly identify risks and send aviation safety reports immediately.
- » Set up Safety Advisory Groups (SAGS) through a hazard and risk tracking log to investigate causes and come up with effective remedial and preventive measures.



IOSA CERTIFICATE:

- » Vietjet achieves high results under the IATA Operational Safety Audit (IOSA) conducted annually by the International Air Transport Association.



ISO 27001 STANDARD

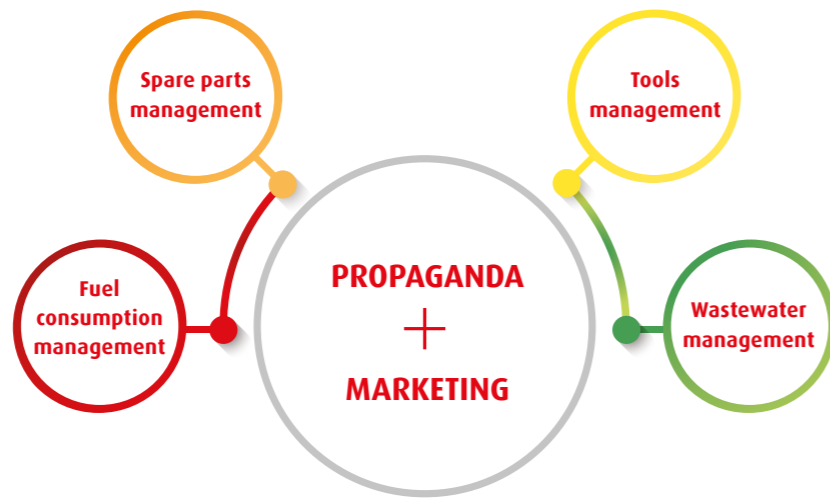
- » On May 14 - 15, 2020, according to the evaluation results from TUV NORD's experts based on international standards, Vietjet has continued to effectively operate its information security system and meet ISO 27001 standards.
- » In addition, Vietjet has implemented many measures to improve the system of documents, regulations and implementation procedures to improve the efficiency of the system.
- » The ISO 27001 helps businesses build and manage an information system that is most secure, safe and effective. Thereby preventing risks, managing weaknesses and implementing measures to prevent threats to the system accurately and in a timely manner.

Vietjet operated effectively to meet ISO 27001 "Information Security Management System" standards.

Certified by TUV NORD

ENVIRONMENTAL IMPACT MANAGEMENT

Environmental impact management is one of the key mission requirements in sustainable development activities at Vietjet. The Deputy Director in charge of security and safety is the individual responsible for Vietjet's environmental impact management. To minimize the impact on the environment, Vietjet has implemented a program to manage 5 main influencing factors in the aviation industry, including:



2.1. FUEL CONSUMPTION MANAGEMENT

Fuel cost accounts the most in total operating cost in Airline industry in general and therefore by strictly monitoring and controlling fuel consumption, Vietjet has not only reduced the fuel waste to the environment but also gained substantial economic benefits. In Vietjet's cost structure, annual fuel cost accounts for 38% to 45% of total operating expenditure. Therefore, managing fuel consumption at the optimum level is a key task in Vietjet's business activities to achieve business goals (reducing operating costs, increasing profitability and competition) and sustainable development goals (reducing gas emissions, reducing the greenhouse effect).

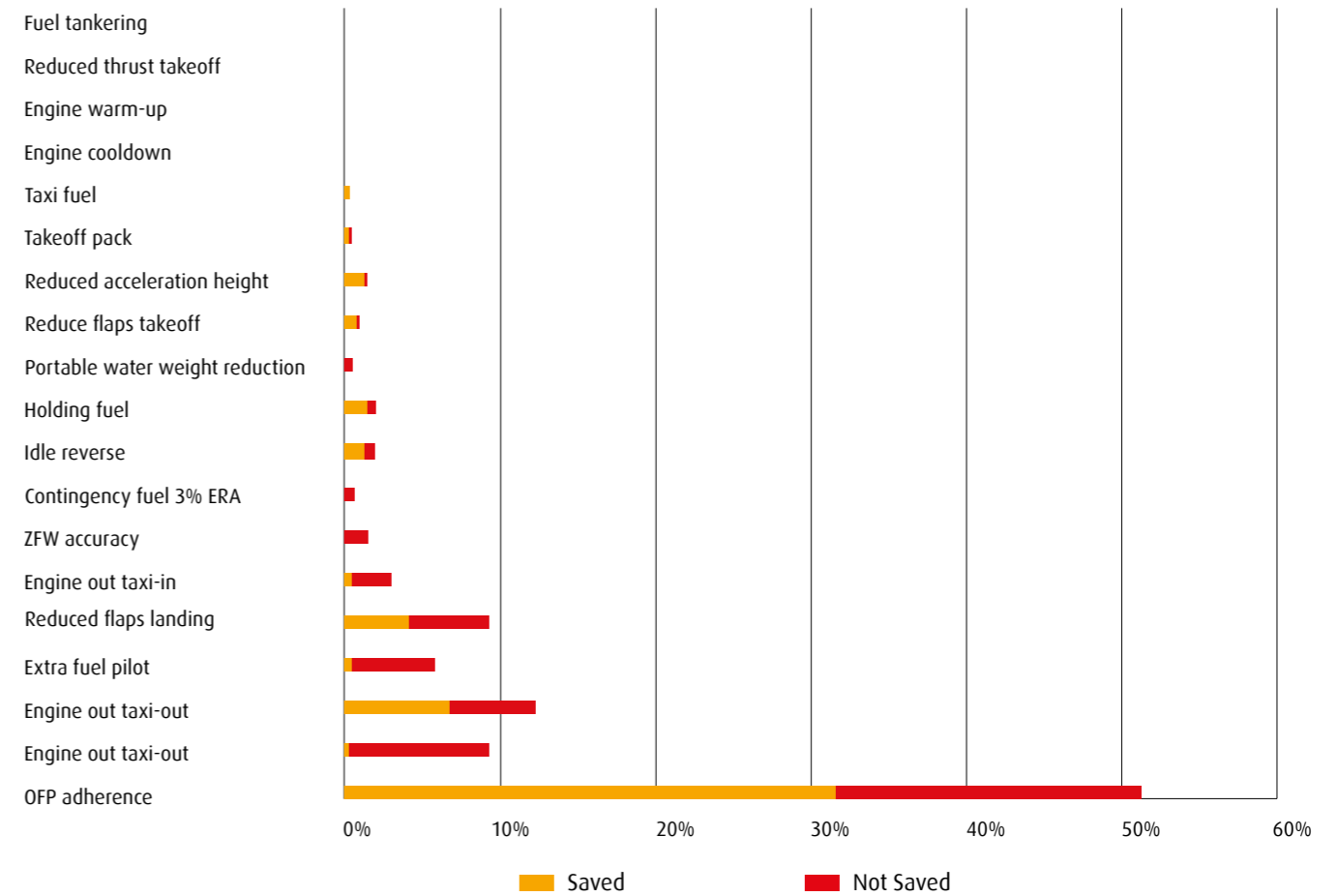
Vietjet has built a business model with the least environmental impact for the following reasons:

- » New and young fleet: Vietjet has a new fleet of aircraft, uniformly using the advanced technology of new engine Neo (New engine option), which is 20-30% less fuel consumption of single-aisle 320/321, contributing to greenhouse gas emissions reduction.
- » More seats availability: Due to more seat availability on the aircraft, fuel efficiency is increased (the number of seats per kg of fuel increases).
- » Choices of light material: when designing seats for new aircraft, Vietjet prioritizes the selection of designs that optimize space to increase the number of seats per aircraft and reduce weight for aircraft, this contributes to fuel saving.

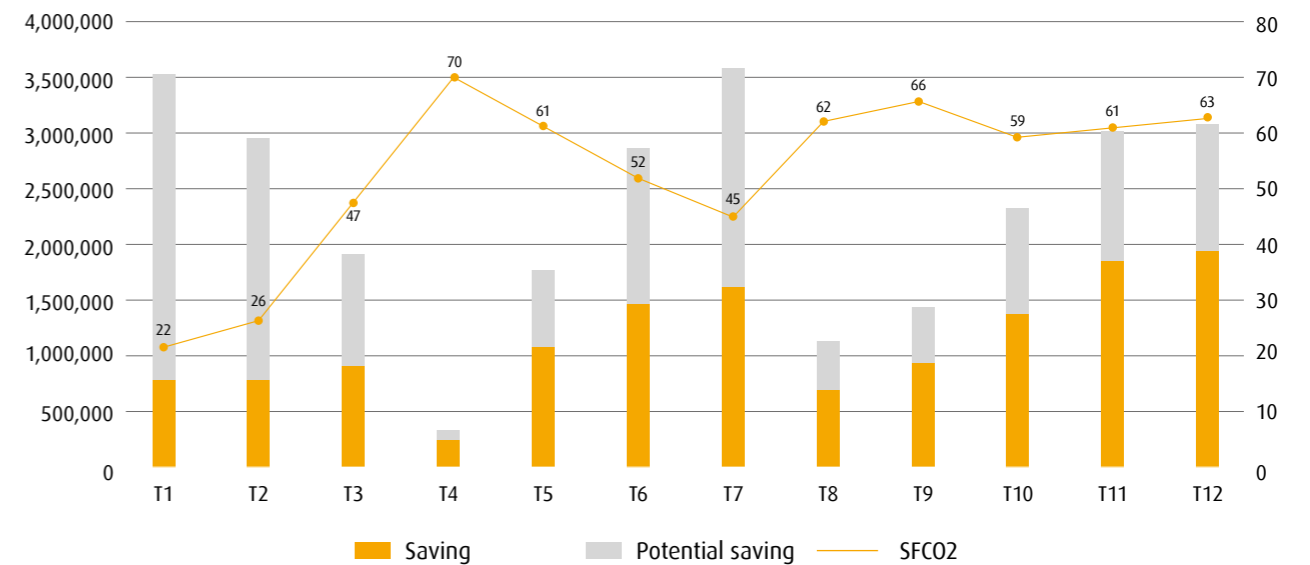
- » High operational efficiency: Vietjet implements programs to monitor and analyze flight activities to improve fuel efficiency. Vietjet implements the SFCO2 program to help optimize the landing method, the amount of fuel carried, the route process, the optimum speed and altitude as well as the maneuvering of the pilot and crew.

In business activities, Vietjet's Board of Management focuses more on the goal of building a comprehensive, long-term, and efficient fuel-saving program. Since 2017, Vietjet has cooperated with Safran Group (France) to develop and implement the optimized fuel consumption program (SFCO2). This is a comprehensive project that includes different solutions including providing specific instructions and details for pilots to control the operation of the engines from rolling to the runway and taking off, or when it comes to raising/lowering altitude during flights and during landing and rolling the Aircraft into the parking lot. These instructions help optimize the engine's operating capacity, allowing pilots to choose the appropriate configuration to reduce the adverse force/ drags when landing and taking off, thereby reducing fuel consumption but still maintaining the safety of the passengers. In addition, the programs also help to identify the payload of passengers, luggage as well as the amount of spare fuel remained in the fuel tank which helps the Company to determine the exact fuel recharged amount. Through the SFCO2 program, Vietjet can track and optimize the fuel consumption for each flight, enhancing fleet efficiency.

20 OPERATING FACTORS THAT AFFECT FUEL CONSUMPTION



FUEL CONSUMPTION SAVING 2020



In 2020, it is estimated that the SFCO2 program has saved 13.6 million kilograms of fuel, estimated to reduce 42.9 tons of CO2, worth more than 8 million USD. Although the number of flights in 2020 were significantly reduced compared to 2019,

this is also an opportunity for the Board of Management to optimize aircraft operations, thus the indicators for reducing fuel consumption are much better than 2019.

REDUCING FUEL AND CO² CONSUMPTION

Indicator	2019	2020	Values	Percentages
Fuel	7,679,055	13,639,605	5,960,550	78%
CO ₂	24,189,022	42,964,756	18,775,734	78%
Money saved	3,557,110	8,012,927	4,455,817	125%

FUEL SAVING SFCO² REPORT 2020



Fuel
13.639.605 kg
[- 0,3%]

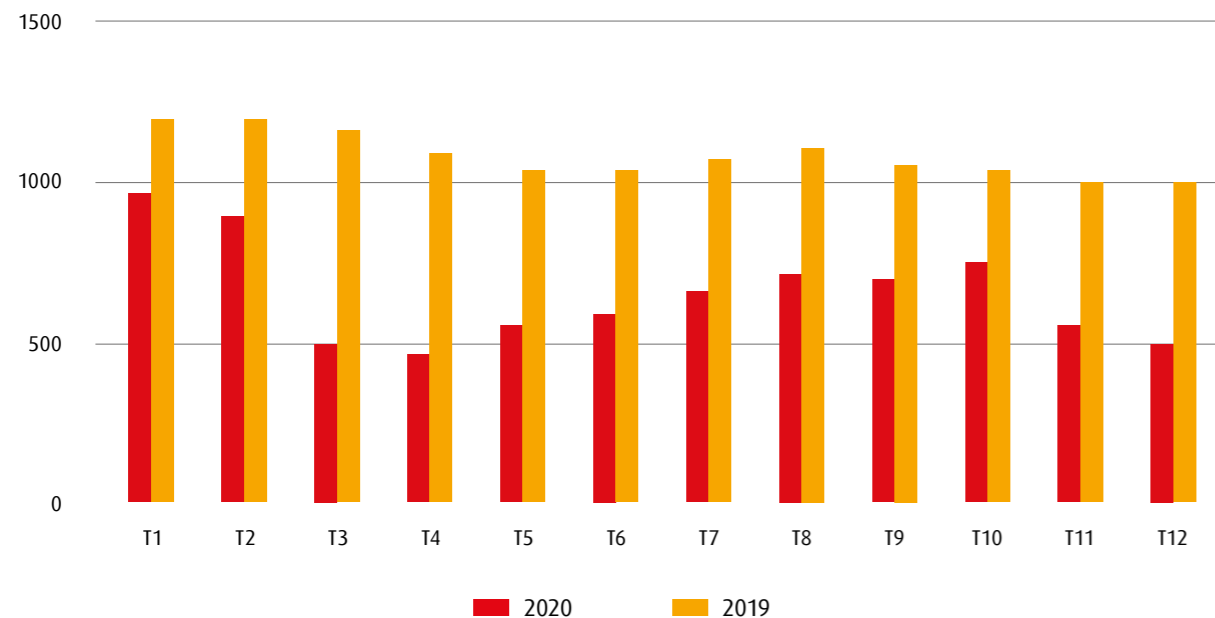


CO₂
42.964.756 kg
[- 0,3%]



Dollars
8.012.927 \$

AVERAGE FUEL CONSUMPTION 2019-2020



2.2. SPARE PARTS MANAGEMENT

Vietjet's input materials are identified as supplies and spare parts for aircraft maintenance. Vietjet is using different methods to optimize costs, as well as ensure a good supply of spare parts. At Vietjet, the material management methods of the world's airlines are considered to be the most suitable to the conditions of Vietnam's aviation industry.

Materials are classified into two categories: rotating spare parts and recycling consumables:

- » All rotating spare parts and recycling consumables are not disposed into the environment. Vietjet Technical departments run AMOS software to track the turnover rate of the spare parts and disposing materials controlled at warehouse level, maintenance plan is forecasted or determine the supply of materials if failures incurred.
- » Single-use consumables and spare parts are solid waste that is sent to be treated and disposal under a contract with a functional unit at the airport. Replacement supplies are specified and referenced in accordance with the aircraft manufacturer's documentation and are purchased from foreign suppliers.

2.3. TOOLS MANAGEMENT USED ON AIRCRAFT

Vietjet prioritizes using recyclable and environmentally friendly items such as paper cups, paper straws, paper towels, and paper bags on Vietjet's flights. For recyclable plastic materials such as plastic bottles, plastic bags, and nylon bags, Vietjet collects and sorts them for disposal according to the service provider guide for waste collection and treatment.

Vietjet participated in became one of the first members of the Union against Plastic Waste, initiated by Prime Minister Nguyen Xuan Phuc since June 2019. Vietjet has contributed positive opinions like creating a reward mechanism to encourage breakthrough ideas in business activities to protect the environment, cutting the usage of one-time plastic products, building a community with no plastic waste, etc.

2.4. WASTEWATER MANAGEMENT

In business activities, Vietjet does not use many water resources and raw materials.

- » Water source: mainly water for domestic use on each flight
- » Materials: mainly environmentally friendly and recyclable single-use material.

After each flight, waste and wastewater will be classified and collected by the Company according to the waste treatment process in compliance with urban environmental standards set by the Environmental Service Company at the airports. In addition to factors such as price, quality, reputation, brand..., Vietjet evaluates and examines the waste collection and treatment process of service providers to ensure that they comply with the regulation on environmental protection.

2.5. INCREASE AWARENESS OF ENVIRONMENTAL PROTECTION

During on-going operation, Vietjet has fully complied with legal requirements on environmental protection, increasingly raised the environmental awareness level from its employees and prepared to cope with climate change with practical measures.

In order to deploy the policy of environmental management and protection effectively to more than 5,000 employees and stakeholders, Vietjet's Board of Management focuses on propaganda and communication, including: departmental policy implementation meetings, weekly newsletters, email announcements, intranets, corporate websites and mass media.

Across Vietjet's office, at every bases and airports where the company operates, the 5S program has been implemented to build a clean, systematic and friendly working spaces at the offices, maintenance stations and warehouses. At Vietjet, each member is highly aware of environmental protection and climate change response with many effective and practical measures applied in everyday activities such as reusing stationery, keep the workspace clean, plant trees, save electricity, use working equipment, water sources, air-conditioners, and lighting properly and efficiently.

03. _____

ENVIRONMENTAL PROTECTION



04. _____

COMPLIANCE WITH THE LAW ON ENVIRONMENTAL PROTECTION

Heading towards a green future, protecting Mother Earth and preserving the natural resources for future generations, apart from conducting environmentally-friendly flights, fuel-saving plans, reduction of waste emission and noise pollution with newly modern aircraft, Vietjet has also cooperated with Vietnam Youth Union to implement the program called “Let’s clean the sea” executing in 28 sea routed-provinces and cities from Northern to Southern region of Vietnam.

Launched in June 2018, with meaningful results achieved, the “Let’s clean the sea” program continues to be implemented by Vietjet and Youth Union with more activities such as gifting clothes and tools for core volunteer teams and placing more trash bins in public places.

Vietjet has issued policies and operating procedures to ensure strict compliance with laws and regulations on environmental protection in the countries where Vietjet operates and actively participate in activities of global environmental protection organizations.

In 2020, Vietjet has successfully implemented the regulations and policies issued and there are no cases of violating the law on environmental protection.

05.

RELATED EMPLOYMENT POLICIES



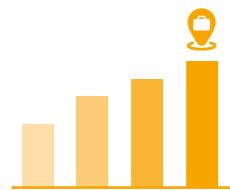
As of December 31, 2020, the total number of employees at Vietjet is



5,468
people

of which the majority are highly qualified aviation personnel

For 5 consecutive years, the Company has always been in



TOP 100

best working places in Vietnam

jointly conducted by Anphabe and Intage Market Research Company, and at the same time named in the Top 50 "Best Workplaces in Asia 2020"

5.1. EMPLOYMENT AND REMUNERATION POLICY

Many airlines around the world have cut jobs by more than 40%, while Vietjet took this opportunity to recruit highly qualified and talented personnel.

Vietjet always focuses on the development of human resources because human being is a fundamental factor in the development and success of the Company. Vietjet creates a healthy and professional working environment for employees by adopting appropriate and constantly improved remuneration policies, which help the Company attract top-notch talents in domestic and international markets.

To build human resources that meet strategic tasks and taking advantage of opportunities, Vietjet has proactively planned personnel at all levels through recruiting, training, developing policies and remuneration regimes, improving the spiritual and material life of all employees to create a healthy and professional working environment. This help the company attract high-quality employee domestically and internationally. Vietjet also actively implements professional training programs and practical programs to cultivate management experience. The company builds partnerships with top universities such as the Ho Chi Minh City University of Technology, Hanoi University of Science and Technology, Vietnam Aviation Academy to actively recruit human resources who have graduated from these universities.

5.2. DIVERSITY, EQUALITY AND SOLIDARITY

Pilots, flight attendants and experts at Vietjet have many years of experience in various fields. Their participation in working, cooperating and learning in the Vietjet environment creates a diverse workplace with different nationalities, ethnicities and cultures. Foreign human resources are focused to develop because their knowledge and sharing, skills and experience can positively contribute to the rapid and sustainable development of the Company.

Women play a very important role at Vietjet, in which Chairwoman Nguyen Thanh Ha and Chief Executive Officer

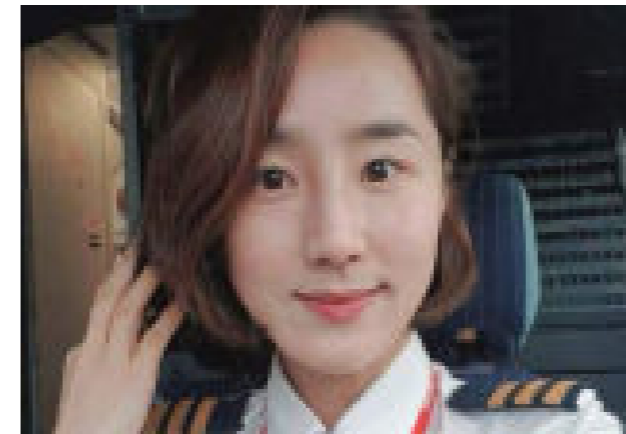
Nguyen Thi Phuong Thao are the two representatives. In addition, in the Board of Management, there are two important positions held by Ms. Ho Ngoc Yen Phuong - Vice President - CFO, Ms. Nguyen Thi Thuy Binh - Vice President and President of Thai Vietjet. Vietjet's female leadership team has forever inspired young women that nothing is impossible.

Vietjet's female pilots come from different countries, but they have in common their confidence, effort and determination to conquer the sky, including:



Maria Cristina Maldonado

Maria Cristina Maldonado is the first female Colombian pilot working in Vietnam and among the first American captains operating 'Iron Bird' Airbus A320 in Southeast Asia.



Park Ji Young

Park Ji Young, a beautiful Korean girl who has spent 4 years working as a flight attendant. "I was on the same flight with a female captain. Her demeanor, gestures, and actions were unforgettable. Since then, I determined to be like the captai"



Kang Min Hee

Kang Min Hee leaves Korea to work for Vietjet and very proud to be part of a professional and caring working environment. When she talked about a time when she felt ill and had to stay overnight in Cam Ranh without relatives, Min Hee still feels warm when receiving the enthusiastic help of all crew members.



5.3. SALARY AND REMUNERATION POLICY

Salary and remuneration policy at Vietjet ensure fairness in terms of treatment with employees on an international benchmark. In order to enhance the efficiency of human resource management, Vietjet is developing and completing remuneration mechanisms and policies to assess and reward highly skilled employees including a competitive salary scheme, systematic evaluation of employee's performance. Vietjet's salary and remuneration regimes have been improved which includes standard social benefits such as insurance, holiday leaves, annual leave, and periodic salary raise. Especially, the Company has an attractive bonus scheme for highly skilled individuals, outstanding collective groups, individuals with technical innovations in operation that create business

efficiency to the Company every 6 months. In addition, Vietjet also develops other competitive policies to treat employees such as free airline tickets for employees and relatives, networking events and other team building activities.

Before the Covid-19 epidemic outbreak, the average income of employees has also been improved year by year, create a secure working environment for employees and motivate them to contribute to the development of Vietjet. In the near future, the Board of Management of Vietjet will propose to the Board of Directors to consider and approve an income improvement policy for employees.

5.4. THE EMPLOYEE'S STOCK OPTION PROGRAM (ESOP)

In 2017, Vietjet launched the program to sell shares at preferential prices to selected employees. The program is effective in attracting and retaining the company's talents. In the coming time, the Board of Management will consider proposing the Board of Directors to issue second ESOP shares to reward employees who have been with the Company during the challenging period.

REPORT ON COMMUNITY ACCOUNTABILITY



In 2020, Vietjet continued the journey of connecting love, spreading our national pride towards the community through many meaningful activities.

Our volunteering activities have become a culture, an inseparable part of all business activities, in the daily life of more than 5,000, employees, pilots, flight attendants from More than 40 countries and territories of Vietjet. Civilized values and cultural beauty have helped Vietjet realize our sustainable development strategy and therefore has been nurtured, built and developed.

With the pioneering private enterprise position, Vietjet not only contributes to economic development, changes the image of the localities to wherever the airline flies to but also associates itself with the mission of sharing love, bringing better and new values for the society and to sharing with others who in disadvantaged circumstances, so that no one will ever be left behind in the development journey, positioning the country and the people of Vietnam to the international market.



March 2020

Prevention of epidemics Covid-19

Committee for COVID-19 Prevention and Control of Vietjet continues to work closely with the Ministry of Health, the Civil Aviation Administration of Vietnam to implement a series of measures to prevent epidemics and ensure the health of passengers and staff. This includes mandatory wearing of masks during work and when going out, minimizing concentration activities.

Vietjet is the first airline in the world to deploy SKY COVID CARE insurance package up to 200 million VND to protect passengers and staff.



April 2020

Repatriation flight

On April 24 and 26, according to the decisions of the governments of Vietnam, Singapore and Indonesia, Vietjet cooperated with the Vietnamese Embassy in Singapore, Indonesia and authorities to repatriate Vietnamese citizens of which 215 citizens from Singapore and 105 citizens from Indonesia. This is exceptional repatriation effort to bring back Vietnamese stranded abroad after the suspension of international flights to tackle the COVID-19 pandemic.





May 2020

Forever 20 Foundation organizes a program to visit the old battlefields in the Central Highland provinces.

From May 28 to 30, the employees of Vietjet Aviation Joint Stock Company have accompanied the Forever 20 Foundation to visit the old battlefields in the Central Highland provinces. The group has visited the martyrs' cemetery, gave presents to families under preferential treatment policy in Buon Ma Thuot City (Dak Lak province), Dak Glei district, Dak To district (Kon Tum province).

June 2020

"Glory on the Frontline" anti-epidemic

On 30th June 2020, at the 'Glory on the Frontline' art exchange Program organized by the Military Broadcasting Center, Vietjet has awarded a total of 48 pairs of domestic round-trip tickets to soldiers, officers and the border defense force, who have postponed their wedding plans to join in the fight against the COVID-19 pandemic. The gift of Vietjet had a practical significance and it showed how a new generation airline had cooperated in the fight against the pandemic along with the community.



July 2020

Top 50 "Best Workplaces in Asia 2020"

On 1st July 2020, an award announcement ceremony of the Top 50 "Best workplaces in Asia 2020" by the leading HR magazine in Asia - HR Asia Magazine was held in Ho Chi Minh City. The event honors the leading enterprises with the best working environment in Asia in the Vietnam region such as Vietjet, Techcombank, Coca Cola... HR Asia Awards 2020 is the most prestigious annual award in the field of human resources at the regional level.



August 2020

Rescue flights for citizens stuck in Danang

On August 13 and August 14, 2020, Vietjet cooperates with rele-vant authorities to operate 4 flights to bring 800 passengers stranded in Da Nang back to Hanoi and Ho Chi Minh City with the mission of helping passengers stranded in Da Nang return home.

August 2020

Project of waste treatment in Son La commune, Binh Luc district, Ha Nam province

On August 3, Vice President – Ms. Dinh Viet Phuong and Vietjet delegation attended the handover ceremony of social works sponsored by Vietjet to La Son commune, Binh Luc district, Ha Nam province.



August 2020

Rescue to repatriate Vietnamese citizens

From August 2 to August 7, 2020, Vietjet continued to conduct 3 flights to bring nearly 700 Vietnamese citizens from Japan, Thailand, and Taiwan (China) back home safely, complying with security and disease control procedures to ensure the health of passengers, employees and the community. By the end of July, Vietjet had safely brought back nearly 10,000 Vietnamese people from Japan, Korea, Thailand, Singapore, Taiwan (China), Sri Lanka, Bangladesh, the Philippines, Brunei, Indonesia and Myanmar.



October 2020

“Entrepreneur and book week 2020”

The "Entrepreneur and Book Week" took place on October 8 – October 14, 2020, the event Vietjet companion the Doanh Nhan Sai Gon Newspaper, Vietnam Publishing Association, Ho Chi Minh City Book Street Co., Ltd and related agencies. This is the major cultural event of the businessman community in Ho Chi Minh City and the country to promote the spirit of reading and writing. Vietjet always pioneers and accompanies partners

in bringing new good values to the community, towards the formation and development of sustainable values for the next generations. Vietjet believes that this year's entrepreneur and book week creates favorable conditions to help people improve their knowledge, develop everyone as well as contribute to the creation of smart cities - nuclear for a country.

November 2020

“A cozy Tet for you”

Vietjet and the Vietnam Association for Protection of Child's Rights on November 25 announced a programme called “A cosy Tet for you 2021” to support disadvantaged children in rural areas. The programme will offer scholarships and gifts to 1,000 children who suffer from diseases and natural disasters and those who are of ethnic minorities in three provinces of Quang Nam, Thua Thien – Hue and Ninh Binh.



November 2020

Spreading love with Vietjet to flood victims in Central Viet Nam, gives free air tickets to officials on duty

Vietjet decided to spend a part of direct sales revenue to support people in the Central region who are having difficulty. Accordingly, for each ticket sold from October 19, 2020 to the end of November 21, 2020, Vietjet deducted 10,000 VND to support people in the central provinces.

Vietjet has launched a programme called "Spreading love with Vietjet to flood victims in Central Viet Nam", urging all staff to donate directly at all offices in Viet Nam and abroad.

From October 19, Vietjet has been providing free transportation and priority for relief goods on the earliest flights which depart from HCM City and Ha Noi to airports in Chu Lai in Quang Nam Province, Da Nang City, Phu Bai in Thua Thien-Hue, Dong Hoi in Quang Binh and Vinh in Nghe An.

December 2020

“Forever 20 Foundation”

This is the second year that Vietjet and the "Forever 20 Foundation" organize volunteer activities, towards the origin, to pay tribute to the ancestors who sacrificed for the independence of the country. Speaking at the ceremony, Vietjet Chairwoman Nguyen Thanh Ha shared: "We do not dare to say big words about Vietjet's companionship with the Forever 20 Foundation during the past time"



08

Pioneer in digitalisation

In December 2020, Vietjet implements a new, user-friendly website with more outstanding features to increase the independence for customers when registering for services, changing information 24/7 with the core system without the help of customer service staff. Vietjet deploys an e-wallet and develops a "super app" to realize e-commerce on the basis of information technology, as well as building a loyal customer channel to serve the needs of purchasing tickets, products, services, hotels, financial loans... which further enhance the sustainable value.



VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

CORPORATE INFORMATION

Business registration certificate	No. 0103018458 dated 23 July 2007 which was initially issued by the Ministry of Transport.	
Enterprise registration certificate	No. 0102325399 dated 23 July 2007 which was initially issued by the Department of Planning and Investment of Ha Noi City with the latest 28th amendment dated 8 October 2020.	
Investment registration certificate	No. 2357762445 dated 30 December 2016 which was initially issued by the Board of Management of Saigon Hi-Tech Park for a period of 50 years from the date of the initial Investment registration certificate.	
Board of Directors	Mrs. Nguyen Thanh Ha	Chairwoman
	Mrs. Nguyen Thi Phuong Thao	Vice Chairwoman
	Mr. Nguyen Thanh Hung	Vice Chairman
	Mr. Chu Viet Cuong	Member
	Mr. Luu Duc Khanh	Member
	Mr. Dinh Viet Phuong	Member
	Mr. Donal Joshep Boylan	Member
Board of Management	Mrs. Nguyen Thi Phuong Thao	Chief Executive Officer
	Mr. Dinh Viet Phuong	Permanent Vice President cum Managing Director (from 1 October 2020)
	Mr. Luu Duc Khanh	Managing Director (until 1 October 2020)
	Mrs. Ho Ngoc Yen Phuong	Vice President cum Chief Finance Officer
	Mr. To Viet Thang	Vice President
	Mr. Luong The Phuc	Vice President
	Mr. Nguyen Duc Thinh	Vice President
	Mr. Nguyen Thanh Son Mrs. Nguyen Thi Thuy Binh Mr. Tran Hoai Nam	Vice President
	Mr. Nguyen Duc Tam	Vice President (until 1 October 2020)
	Mr. Do Xuan Quang	Vice President
Board of Supervision	Mrs. Tran Duong Ngoc Thao	Head
	Mrs. Doan Thu Huong	Member
	Mr. Pham Van Dau	Member
Legal representative	Mrs. Nguyen Thanh Ha	Chairwoman
	Mrs. Nguyen Thi Phuong Thao	Chief Executive Officer
	Mr. Dinh Viet Phuong	Permanent Vice President cum Managing Director (from 1 October 2020)
	Mr. Luu Duc Khanh	Managing Director (until 1 October 2020)
Registered office	302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District, Hanoi City, Vietnam	
Auditor	PwC (Vietnam) Limited	

STATEMENT BY THE BOARD OF MANAGEMENT

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of Vietjet Aviation Joint Stock Company (“the Company”) is responsible for preparing consolidated financial statements of the Company and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

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

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

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 68 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Nguyen Thi Phuong Thao

Chief Executive Officer

Ho Chi Minh City, SR Vietnam 30 April 2021

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of VietJet Aviation Joint Stock Company ("the Company") and its subsidiaries (together referred to as "the Group") which were prepared on 31 December 2020 and approved by the Board of Management of the Company on 30 April 2021. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 6 to 68.

RESPONSIBILITY OF THE BOARD OF MANAGEMENT

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

AUDITOR'S RESPONSIBILITY

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

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

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

AUDITOR'S OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, its consolidated financial performance and consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

EMPHASIS OF MATTER

We draw attention to Note 2.2 in the consolidated financial statements, which indicates the impact of the COVID-19 pandemic on the Group's operations. The Group's ability to continue as a going concern depends on the Group's ability to generate sufficient cash flows from aviation activities and other solutions as presented in Note 2.2. These conditions, along with the impact of country travel restrictions and recovery of air travel demand between countries, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our audit opinion is not modified in respect of this matter.

OTHER MATTERS

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 30 April 2020.

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

For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran
Audit Practising Licence No.
0048-2018-006-1
Authorised signatory

Report reference number: HCM10859
Ho Chi Minh City, 30 April 2021

A blue ink signature of Trieu Nguyen Duy.

Trieu Nguyen Duy
Audit Practising Licence No.
3022-2019-006-1

CONSOLIDATED BALANCE SHEET

(FORM B 01 – DN/HN)

Code	ASSETS	Note	As at 31 December	
			2020 (VND)	2019 (VND)
100	CURRENT ASSETS		25,382,768,751,524	23,833,884,667,975
110	Cash and cash equivalents	3	2,926,425,627,363	5,364,049,804,580
111	Cash		1,240,956,976,086	3,823,871,167,200
112	Cash equivalents		1,685,468,651,277	1,540,178,637,380
120	Short-term investments		604,000,000,000	1,144,756,800,000
121	Trading securities	4(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	4(a)	(390,000,000,000)	(555,000,000,000)
123	Investments held to maturity	4(b)	4,000,000,000	709,756,800,000
130	Short-term receivables		20,896,413,814,943	16,131,149,866,130
131	Short-term trade accounts receivable	5	8,595,121,205,429	7,614,990,981,534
132	Short-term prepayments to suppliers	6	163,063,451,513	187,271,445,833
136	Other short-term receivables	7(a)	12,138,229,158,001	8,328,887,438,763
140	Inventories		712,093,262,127	747,898,679,837
141	Inventories	8	712,093,262,127	747,898,679,837
150	Other current assets		243,836,047,091	446,029,517,428
151	Short-term prepaid expenses	9(a)	212,806,066,718	382,337,666,788
152	Value Added Tax to be reclaimed		2,665,999,116	533,971,429
153	Tax and other receivables from the State	15(a)	28,363,981,257	63,157,879,211
200	LONG-TERM ASSETS		19,814,061,480,237	25,024,869,140,536
210	Long-term receivables		12,969,528,319,817	15,594,389,684,300
215	Long-term lendings	12	499,159,644,000	1,200,982,168,000
216	Other long-term receivables	7(b)	12,470,368,675,817	14,393,407,516,300
220	Fixed assets		850,496,391,339	1,304,424,116,769
221	Tangible fixed assets	10(a)	849,424,949,655	1,302,137,079,158
222	Historical cost		1,123,923,896,200	1,688,544,748,056
223	Accumulated depreciation		(274,498,946,545)	(386,407,668,898)
227	Intangible fixed assets	10(b)	1,071,441,684	2,287,037,611
228	Historical cost		30,834,110,655	30,818,110,655
229	Accumulated amortisation		(29,762,668,971)	(28,531,073,044)
240	Long-term asset in progress		804,241,395,933	1,318,401,443,379
242	Construction in progress	11	804,241,395,933	1,318,401,443,379
250	Long-term investments		198,244,065,926	215,973,206,218
252	Investments in associates	4(c)	42,270,859,708	60,000,000,000
253	Investments in other entities	4(d)	149,417,024,400	149,417,024,400
255	Investments held to maturity	4(b)	6,556,181,818	6,556,181,818
260	Other long-term asset		4,991,551,307,222	6,591,680,689,870
261	Long-term prepaid expenses	9(b)	4,991,551,307,222	6,591,680,689,870
270	TOTAL ASSETS		45,196,830,231,761	48,858,753,808,511

Code	RESOURCES	Note	As at 31 December	
			2020 (VND)	2019 (VND)
300	LIABILITIES		30,218,431,246,643	33,955,921,978,450
310	Short-term liabilities		19,833,798,568,095	19,169,599,306,127
311	Short-term trade accounts payable	13	3,421,611,923,374	1,894,934,971,369
312	Short-term advances from customers	14	772,902,367,939	669,963,368,463
313	Tax and other payables to the State	15(b)	293,546,908,739	469,282,981,764
314	Payable to employees		62,911,822,426	-
315	Short-term accrued expenses	16	867,910,965,757	1,145,215,966,220
318	Short-term unearned revenue	17	867,654,596,914	3,184,286,840,374
319	Other short-term payables	18	1,588,286,971,646	1,619,834,618,924
320	Short-term borrowings	19(a)	10,094,815,636,734	8,161,089,248,187
321	Provision for short-term liabilities	20	1,864,157,374,566	2,024,991,310,826
330	Long-term liabilities		10,384,632,678,548	14,786,322,672,323
337	Other long-term payables		42,376,777,401	70,758,354,580
338	Long-term borrowings	19(b)	1,347,040,509,856	3,661,872,522,217
341	Deferred income tax liabilities	21	67,824,775,143	394,444,939,970
342	Provision for long-term liabilities	20	8,927,390,616,148	10,659,246,855,556
400	OWNERS' EQUITY		14,978,398,985,118	14,902,831,830,061
410	Capital and reserves		14,978,398,985,118	14,902,831,830,061
411	Owners' capital	22. 23	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	23	245,949,492,805	245,949,492,805
415	Treasury shares	23	(2,347,121,362,620)	(2,347,121,362,620)
417	Foreign exchange differences	23	73,551,097,850	64,819,738,693
421	Undistributed earnings	23	11,589,250,587,139	11,520,659,436,312
421a	» Undistributed post-tax profits of previous years		11,520,659,436,312	7,713,898,242,829
421b	» Post-tax profits of current year		68,591,150,827	3,806,761,193,483
429	Non-controlling interests	23	655,829,944	2,411,184,871
440	TOTAL RESOURCES		45,196,830,231,761	48,858,753,808,511


Hoang Manh Ha
Chief Accountant


Ho Ngoc Yen Phuong
Vice President
cum Chief Finance Officer


Dinh Viet Phuong
Permanent Vice President cum
Managing Director
30 April 2021

CONSOLIDATED INCOME STATEMENT

(FORM B 02 – DN/HN)

Code	Note	Year ended 31 December	
		2020 (VND)	2019 (VND)
01		18,220,292,888,526	50,602,936,007,389
02		-	-
10	27	18,220,292,888,526	50,602,936,007,389
11	28	(19,632,221,357,027)	(44,980,140,698,282)
20		(1,411,928,468,501)	5,622,795,309,107
21	29	970,429,628,494	780,495,784,919
22	30	(419,415,685,869)	(1,024,667,417,427)
23	30	(452,572,729,500)	(351,417,652,590)
24		(17,729,140,292)	(91,807,064,610)
25	31	(764,076,040,739)	(1,003,521,966,058)
26	32	(374,847,317,582)	(435,654,189,800)
30		(2,017,567,024,489)	3,847,640,456,131
31		1,779,506,069,100	721,382,385,427
32		(6,431,815,059)	(371,826,584)
40	33	1,773,074,254,041	721,010,558,843
50		(244,492,770,448)	4,568,651,014,974
51	34	(13,462,059,245)	(741,648,874,040)
52	34.21	326,620,164,827	(19,657,013,840)
60		68,665,335,134	3,807,345,127,094
Attributable to:			
61		68,591,150,827	3,806,761,193,483
62		74,184,307	583,933,611
70	25(a)	131	7,107
71	25(b)	131	7,107

Hoang Manh Ha
Chief Accountant

Ho Ngoc Yen Phuong
Vice President
cum Chief Finance Officer

Dinh Viet Phuong
Permanent Vice President cum
Managing Director
30 April 2021

CONSOLIDATED CASH FLOW STATEMENT

Indirect method
(FORM B 03 – DN/HN)

Code	Note	Year ended 31 December	
		2020 (VND)	2019 (VND)
CASH FLOWS FROM OPERATING ACTIVITIES			
01		(244,492,770,448)	4,568,651,014,974
Adjustments for:			
02		141,435,349,577	175,155,660,359
03		(119,581,017,648)	1,289,143,641,551
04		30,763,613,923	(43,926,035,073)
05		(741,818,692,497)	(1,164,057,170,670)
06		452,572,729,500	351,417,652,590
08		(481,120,787,593)	5,176,384,763,731
Operating (loss)/profit before changes in working capital			
09		(1,032,209,073,740)	(7,459,149,825,284)
10		35,805,417,710	(279,169,374,252)
11		(824,443,624,713)	2,298,995,278,929
12		(218,645,374,852)	(970,059,270,460)
14		(432,836,309,700)	(322,342,594,337)
15		(254,507,686,710)	(471,622,340,241)
20		(3,207,957,439,598)	(2,026,963,361,914)
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(293,759,925,297)	(2,594,037,639,233)
22		397,277,400,299	-
23		-	(715,756,800,000)
24		709,756,800,000	1,400,000,000
27		329,815,665,506	207,816,031,475
30		1,143,089,940,508	(3,100,578,407,758)

The notes on pages 12 to 68 are an integral part of these consolidated financial statements.

Code	Note	Year ended 31 December	
		2020 (VND)	2019 (VND)
CASH FLOWS FROM FINANCING ACTIVITIES			
32	Payments for share repurchases	-	(2,347,121,362,620)
33	Proceeds from borrowings	17,804,330,775,879	37,607,640,045,521
34	Repayments of borrowings	(18,173,617,597,912)	(31,317,610,606,550)
36	Dividends paid	-	(543,112,133,500)
40	Net cash (outflows)/inflows from financing activities	(369,286,822,033)	3,399,795,942,851
50	Net decrease in cash and cash equivalents	3	(2,434,154,321,123)
60	Cash and cash equivalents at beginning of year	5,364,049,804,580	7,164,923,007,451
61	Effect of foreign exchange differences	(3,469,856,094)	(73,127,376,050)
70	Cash and cash equivalents at end of year	3	2,926,425,627,363
			5,364,049,804,580

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


Hoang Manh Ha
 Chief Accountant


Ho Ngoc Yen Phuong
 Vice President
 cum Chief Finance Officer


Dinh Viet Phuong
 Permanent Vice President cum
 Managing Director
 30 April 2021



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year ended 31 December 2020
(FORM B 09 – DN/HN)

1. GENERAL INFORMATION

Vietjet Aviation Joint Stock Company (“the Company”) is a joint stock company established in SR Vietnam pursuant to Enterprise registration certificate No. 0102325399 dated 23 July 2007 which was issued by the Department of Planning and Investment of Hanoi City and the 28th amended Enterprise registration certificate dated 8 October 2020.

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

The normal business cycle of the Group is 12 months.

As at 31 December 2020, the Group had 7 subsidiaries and 2 associates. Details are as follows:

Subsidiaries	Principal activities	Enterprise registration certificate	Place of incorporation and operation	Ownership and voting right (%)	
				2020	2019
Subsidiaries					
VietjetAir Cargo Joint Stock Company	To provide cargo transportation and related support services	No. 0312759089 dated 27 August 2014	Vietnam	90	90
Vietjet Air IVB No. I Limited	Vietjet Air IVB No. I Limited To trade and lease aircraft and aircraft components	No. 1825671 dated 27 May 2014	British Virgin Islands	100	100
Vietjet Air IVB No. II Limited	To trade and lease aircraft	No. 1825613 dated 27 May 2014	British Virgin Islands	100	100
Vietjet Air Singapore Pte. Ltd.	To trade aircraft	No. 201408849N dated 27 March 2014	Singapore	100	100
Vietjet Air Ireland No. 1 Limited	To trade and lease aircraft	No. 544879 dated 3 June 2014	Ireland	100	100
Skymate Limited	To trade and lease aircraft	No. 327015 dated 15 September 2017	Cayman Islands	100	100
Galaxy Pay Company Limited	To provide payment services (online payment, e-wallet)	No. 0316368255 dated 7 July 2020	Vietnam	100	-
Associates					
Thai Vietjet Air Joint Stock Co., Ltd. (*)	To provide passenger and cargo transportation and related support services	No. 0105556100551 dated 25 June 2013	Thailand	9	9
Cam Ranh International Terminal Joint Stock Company (*)	To provide support services for airline transportation	No. 4201676638 dated 5 February 2016	Vietnam	10	10

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

As at 31 December 2020, the Group had 5,504 employees (as at 31 December 2019: 5,092 employees).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention, except for investments in associates and business combinations as presented in Note 2.6.

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

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

2.2 ASSESSMENT OF GOING CONCERN ASSUMPTION

The wide spread of COVID-19 since the beginning of 2020 is a fluid and challenging situation facing all industries, including the aviation industry. In particular, the outbreaks of COVID-19 in Vietnam during the year 2020 and early 2021, caused difficulties and challenges to all corporations, including the Group.

Travel and border restrictions implemented in Vietnam and other countries around the world have led to a significant fall in demand for air travel which affected the Group's financial performance and cash flows. As a consequence, the Group reported a gross loss from the main aviation business of VND1,412 billion for the year ended 31 December 2020. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

To cope with the effects of the COVID-19 pandemic, the Group has implemented several measures to weather this challenging time. These efforts are ongoing as the Group continues to seek support from their vendors and business partners to address its cash flow requirements. The following measures have been taken, with further additional efforts to be taken:

(i) Recovery from COVID-19 Pandemic

As of May 2020, the Government of Vietnam allowed domestic travel and the Group resumed operations accordingly. The Group has seen positive developments in its business operations as passenger seat booking trends, flight frequencies and load factors are gradually improving. As of July 2020 and January 2021, the resurgence of COVID-19 in some Central and Northern provinces of Vietnam, respectively, affected the airlines in general and particularly the Group's ability to generate cash flows from operations. Nevertheless, with optimistic signals regarding the approval and adoption process of COVID-19 vaccination in Vietnam and other countries around the world, the aviation industry is gradually showing signs of recovery and is expected to return to normal by the end of 2021.

In addition to the support of the Government of Vietnam such as Decree No. 41/2020/ND-CP dated 8 April 2020 extending the deadlines for payments of taxes, the Standing Committee of the National Assembly promulgated Resolution No. 979/2020/UBTVQH14 on the reduction of environmental protection tax from VND3,000/litter to VND2,100/litter which is applicable from 1 August 2020 to 31 December 2020, Resolution No. 84/NQ-CP on the reduction of landing and take-off expenses by 50% for the period from March to September 2020, the Group has been actively implementing a number of measures in operations and business activities to cope with and minimise external impacts, including but not limited to the followings:

- » developing SkyBoss products and services, ancillary services and Power Pass cards;
- » expanding and developing cargo transportation services;
- » executing the aircraft financing and trading solutions;
- » controlling and optimising the operation costs; and
- » opening new domestic routes.

(ii) Funding

Một số ngân hàng đã hỗ trợ tài chính thông qua việc kéo dài thời gian đáo hạn các khoản cho vay, Đồng thời. Tập đoàn đang A number of the Group's existing lenders have provided financial support by extending the maturity dates. To shore up liquidity, the Group is in the process of negotiating with other lenders to reduce the interest rates and extending the maturity dates in accordance with the guidance from Circular No. 01/2020/TT-NHNN dated 13 March 2020, issued by the State Bank of Vietnam. The Group is also renewing credit facilities with lenders and negotiating with investors to issue bonds in 2021.

In addition, pursuant to Board of Directors' Resolution No. 10-21/VJC-HĐQT-NQ dated 5 March 2021, the Group completed the sale of 17,772,740 treasury shares in April 2021 in order to strengthen its cash position and liquidity

(iii) Working capital management

The Group has been successful in negotiating with banks and some of certain lessors on the financial resources to restructure aircraft operating lease and lease terms. Also, the Group is currently in the process of negotiating further waivers or deferral of lease payments for a longer period with lessors until the aviation industry recovers.

Furthermore, the Group has performed a comprehensive review of the operation's efficiency and implemented cost-saving measures, including but not limited to, negotiating with suppliers for a reduction of the charges for airport handling, technical activities and other services.

Considering the aforementioned factors, the Board of Directors and the Board of Management are of the opinion that the Group will be able to generate sufficient working capital to finance its operations and to meet its obligations as and when they fall due in the following 12 months from the date of the consolidated financial statements. Accordingly, the consolidated financial statements for the year ended 31 December 2020 have been prepared on a going concern basis.

2.3 FISCAL YEAR

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

2.4 CURRENCY

The consolidated financial statements are measured and presented in the Vietnamese Dong ("VND"). The Group determines their accounting currencies based on the currencies which are mainly used in sales of goods and rendering of services, which have a significant impact on selling prices of goods and services, which are normally used for listing selling prices and receiving payments; which are mainly used in purchases of goods or services, which have a significant impact on costs of labour, materials and other production or operating costs and normally used as payments for those costs.

In addition, the Group also uses this currency to raise financial resources (such as via issuance of shares or bonds) and regularly collect these currencies from business operations and savings.

For consolidation purposes, if the currencies used on financial statements of subsidiaries are different from that of the Company, the Company is required to translate those financial statements into the currency used in the Company's financial statements under the following principles:

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

2.5 EXCHANGE RATES

Các nghiệp vụ phát sinh bằng ngoại tệ được quy đổi theo một tỷ giá là tỷ giá xấp xỉ với tỷ giá mua bán chuyển khoản trung Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial banks where the Group regularly trades. The Group ensures that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate and does not materially influence the financial position and the results of operation during the fiscal year. The average transfer exchange rate is determined monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial banks. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

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

2.6 BASIS OF CONSOLIDATION

Subsidiaries

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

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

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

The Group has no multi-phase acquisition.

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

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

Non-controlling transactions and interests

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

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

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

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

Associates

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

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

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

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

2.7 CASH AND CASH EQUIVALENTS

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

2.8 RECEIVABLES

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

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

2.9 MAINTENANCE RESERVES OF LEASED AIRCRAFT

Under the terms of its aircraft operating lease agreements, the Group is legally and contractually responsible for maintenance and repair of the leased aircraft throughout the lease period and is also required to make maintenance reserves with the lessors. The maintenance reserves are recorded as other 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.

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

2.10 INVENTORIES

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

The Group applies the perpetual system for inventories.

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

2.11 INVESTMENTS

(a) Trading securities

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

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end. The provision for diminution in value of trading securities is made when their cost is higher than their fair value. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

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

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

(b) Investments held-to-maturity

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

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

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

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

(c) Investments in other entities

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

Provision for investments in other entities is made when there is a diminution in value of the investments at the period end. Regarding investments in listed shares or the investments whose fair value can be determined reliably, the provision for diminution in value is made when the cost is higher than the market value. For other investments, provision for diminution in value is made when the entities make losses, except when the loss was anticipated by the Board of Management before date of investment.

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

2.12 LENDINGS

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

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

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

2.13 FIXED ASSETS

Tangible and intangible fixed assets

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

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Aircraft and components	10 - 20 years
Machinery and equipment	3 - 10 years
Office equipment	3 - 5 years
Motor vehicles	6 years
Software	3 years

Disposals

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

Construction in progress

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

2.14 LEASED ASSETS

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

2.15 PREPAID EXPENSES

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

(a) Short-term prepaid expenses

Short-term prepayments mainly comprise aircraft leases and short-term prepaid expenses for aircraft repairs.

(b) Long-term prepaid expenses

(i) Major inspection and overhaul expenditure

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

(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 VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over a period from 2 years to 5 years.

2.16 PAYABLES

Classifications of payables are based on their nature as follows:

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

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

2.17 BORROWINGS

Borrowings include borrowings from banks, financial institutions, financial companies and other entities.

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

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

2.18 BONDS ISSUED - STRAIGHT BONDS

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

2.19 ACCRUED EXPENSES

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

2.20 PROVISIONS

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

(a) 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 aircraft based on its own Maintenance Planning Development which was developed based on the guidance of airline manufacturers. Routine maintenance will be performed at the Group's costs while the periodic maintenance will be covered by maintenance reserves.

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

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

The provisions for LLP and LDG are determined by the expected future cost of maintenance and replacement for the leased aircraft, having regard to the current fleet plan. At the beginning of lease term and during the period of leasing, the estimated costs are recorded in provisions with a corresponding asset is recognised in long-term prepaid expenses balance. The estimated costs in long-term prepaid expenses are amortised to expenses in the consolidated income statement using the basis of actual flight hours or cycles to the next maintenance event. If there is a significant change in the estimated costs, the provision for maintenance cost and the long-term prepaid expenses will be reassessed accordingly.

The provisions for CPR and APU are accrued and charged to the consolidated income statement 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.

In accordance with the Group's policy, with respect to Japanese Operating Leases with Call Option Contracts – JOLCO, the cost incurred in the first periodic maintenance for leased aircraft is recognised in long-term prepaid expenses balance and amortised to expenses using the basis of actual flight hours or cycles to the next maintenance event.

(b) 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), cost for fuselage painting, and return of the aircraft to a specified location. At the inception of the lease, the estimated cost is recorded in provisions with a corresponding asset is recognised in debit to long-term prepaid expenses. The estimated costs in long-term prepaid expenses are amortised to expenses in the separate income statement on a straight-line basis over the lease term. The increase in the provision due to passage of time is recognised as a financial expense in the reporting period.

2.21 UNEARNED REVENUE

Unearned revenue mainly comprises revenue from passenger transportation and ancillary activities. The Group records unearned revenue for the future obligations that the Group has to fulfill. Unearned revenue is recognised as revenue in the consolidated income statement to the extent that recognition criteria have been met.

2.22 CAPITAL AND RESERVES

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

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

Treasury shares are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Undistributed earnings record the Group's results after BIT at the reporting date.

2.23 APPROPRIATION OF PROFIT

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

Profit after BIT could be distributed to shareholders after approval at the General Meeting of shareholders, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

2.24 REVENUE RECOGNITION

(a) Revenue from passenger transportation

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

(b) Ancillary revenue

Ancillary revenue includes cargo transportation, baggage service, other revenue related to passenger transportation, sales of in-flight and duty-free merchandise, advertising and commission.

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

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

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

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

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

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

No ancillary revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods or services.

(c) Revenue from charter flights

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

(d) Revenue from aircraft leasing

Revenue from aircraft leasing under operating lease arrangements is recognised in the consolidated income statement on a straight-line basis over the term of the lease or using another calculation method if it is more appropriate.

(e) Revenue from sales of aircraft

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

Sales and leaseback transaction

The Group's aircraft sales and leaseback transaction is a transaction where an aircraft 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 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 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, a loss equal to the amount of the difference between the carrying amount and fair value shall be recognised immediately.

(f) Revenue from rendering of other services

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

(g) Interest income

Interest income is recognised on an earned basis.

(h) Dividend income

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

2.25 COST OF GOODS SOLD AND SERVICES RENDERED

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

2.26 FINANCIAL EXPENSES

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

2.27 SELLING EXPENSES

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

2.28 GENERAL AND ADMINISTRATION EXPENSES

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

2.29 CURRENT AND DEFERRED INCOME TAX

Income tax include all income tax which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

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

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

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

2.30 RELATED PARTIES

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

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

2.31 SEGMENT REPORTING

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

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated financial statements in order to help users of consolidated financial statements understand and evaluate the Group's operations in a comprehensive way.

2.32 ACCOUNTING ESTIMATES

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

The areas involving significant estimates and assumptions are as follows:

- » Estimated useful lives of fixed assets (Note 2.13); and
- » Provisions for maintenance costs and cost to make good on leased assets (Note 2.20 and Note 20).

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

3. CASH AND CASH EQUIVALENTS

	2020 (VND)	2019 (VND)
Cash on hand	14,145,044,804	13,463,976,090
Cash at banks	1,226,811,931,282	3,810,407,191,110
Cash equivalents (*)	1,685,468,651,277	1,540,178,637,380
	2,926,425,627,363	5,364,049,804,580

(*) Cash equivalents mainly include term deposits in VND at banks with original maturities of 3 months or less and earn interest at rates ranging from 3% to 4% per annum (2019: from 4.7% to 5.5% per annum).

As at 31 December 2020, the Group had current and term deposit accounts with total balance of VND1,947 billion (as at 31 December 2019: VND3,275 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank, a related party, with normal trading terms.

4. INVESTMENTS

(A) TRADING SECURITIES

	2020			
	Quantity (Shares)	Cost (VND)	Fair value (*) (VND)	Provision (VND)
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	600,000,000,000	390,000,000,000

	2019			
	Quantity (Shares)	Cost (VND)	Fair value (*) (VND)	Provision (VND)
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	435,000,000,000	550,000,000,000

(*) The fair value of the investment in unlisted shares traded on Unlisted Public Company Market ("Upcom") as at 31 December 2020 and 31 December 2019 is determined by referencing to the Upcom closing prices on the same dates.

During the year ended 31 December 2020, the Group sold the purchase right option of these 50 million shares to a related party with the amount of VND500 billion (Note 29), in which VND300 billion has been received.

(B) INVESTMENTS HELD-TO-MATURITY

	2020		2019	
	Cost (VND)	Book value (VND)	Cost (VND)	Book value (VND)
i, Short-term				
Term deposit	4,000,000,000	4,000,000,000	-	-
Corporate bonds	-	-	709,756,800,000	709,756,800,000
	4,000,000,000	4,000,000,000	709,756,800,000	709,756,800,000

(C) INVESTMENTS IN ASSOCIATES

	2020			2019		
	Owner-ship (%)	Cost (VND)	Net value owned by the Group (VND)	Owner-ship (%)	Cost (VND)	Net value owned by the Group (VND)
Thai Vietjet Air Joint Stock Co., Ltd. (i)	9	-	-	9	-	-
Cam Ranh International Terminal Joint Stock Company (ii)	10	60,000,000,000	42,270,859,708	10	60,000,000,000	60,000,000,000
		60,000,000,000	42,270,859,708		60,000,000,000	60,000,000,000

(D) INVESTMENTS IN OTHER ENTITIES

	2020				2019			
	Owner-ship (%)	Cost (VND)	Fair value (VND)	Provi- sion (VND)	Owner-ship (%)	Cost (VND)	Fair value (VND)	Provi- sion (VND)
Sai Gon Ground Services Joint Stock Company (iii)	9.1	149,417,024,400	215,787,951,000	-	9	149,417,024,400	272,413,158,000	-
Angelica Holding Limited (iv)	10	-	-	-	10	-	-	-
		149,417,024,400	215,787,951,000	-		149,417,024,400	272,413,158,000	-

(i) On 25 September 2018, the Group signed an agreement with Quince Investment Limited and Asia Aero Services and Infrastructure Limited for a purchase option to increase its ownership in Thai Vietjet Air Joint Stock Company to 38% with an amount of THB79 billion by 31 December 2021. The price of transferred share is equal to par value. However, as at the date of these consolidated financial statements, the involved parties were negotiating to increase the Group's ownership to 38% in 2022 or when the aviation market recovers after COVID-19.

(ii) According to the Resolution dated 25 June 2020 of the Annual General Meeting of Shareholders of Cam Ranh International Terminal Joint Stock Company, the Group is entitled to share dividends with the value of VND15 billion, equivalent to 1.5 million shares with par value of VND10,000 per share. As at 31 December 2020, the Group has 7.5 million shares in Cam Ranh International Terminal Joint Stock Company, equivalent to 10% of the company's charter capital.

(iii) The fair value of other investments in listed shares is determined by reference to the closing prices on the Ho Chi Minh City Stock Exchange.

(iv) As at 31 December 2020, the Group has not yet contributed capital in this company, which is incorporated in Cayman Islands. The

5. SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2020 (VND)	2019 (VND)
Third parties		
Zhejiang Lixi International Travel Co., Ltd.	1,779,951,531,840	1,309,827,000, 000
Hangzhou BaoLi Co., Ltd.	1,594,045,975,206	1,545,177,939, 150
Others	223,644,360,484	804,347,481,5 77
	3,597,641,867,530	3,659,352,420, 727
	4,997,479,337,899	3,955,638,560, 807
Bên liên quan (Note 38(b))	8,595,121,205,429	7,614,990,981, 534

As at 31 December 2020 and 31 December 2019, there was no balance of short-term trade accounts receivable that was doubtful.

6. SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2020 (VND)	2019 (VND)
Third parties		
Avolon Aerospace Leasing Limited	35,561,613,801	-
Rockwell Collins	24,841,903,084	25,157,252,520
Others	102,659,934,628	148,291,046,808
	163,063,451,513	173,448,299,328
Related parties (Note 38(b))	-	13,823,146,505
	163,063,451,513	187,271,445,833

7. OTHER RECEIVABLES

(A) SHORT-TERM

	2020		2019	
	Book value (VND)	Provision (VND)	Book value (VND)	Provision (VND)
Third parties				
Deposits for aircraft purchases within next 12 months (i)	4,189,158,334,254	-	3,105,297,136,367	-
Maintenance reserves of leased aircraft	1,824,881,774,817	-	2,078,881,774,817	-
Other receivable from aircraft supplier (Note 33)	557,160,000,000	-	-	-
Purchase discounts from suppliers	689,174,934,689	-	482,424,813,352	-
Claim receivables from maintenance reserves of leased aircraft	232,782,861,484	-	282,879,455,806	-
Payment on behalf (ii)	130,300,848,969	-	-	-
Interest income	2,587,221,918	-	34,043,550,823	-
Others	494,365,104,699	-	374,552,844,126	-
	8,120,411,080,830	-	6,358,079,575,291	-
Related parties (Note 38(b))	4,017,818,077,171	-	1,970,807,863,472	-
	12,138,229,158,001	-	8,328,887,438,763	-

(i) This balance represents a deposit to Airbus S.A.S for the aircraft expected to be delivered within 12 months.

(ii) This balance represents the import tax paid on behalf of a supplier for imported petroleum.

(B) LONG-TERM

	2020		2019	
	Book value (VND)	Provision (VND)	Book value (VND)	Provision (VND)
Third parties				
Maintenance reserves of leased aircraft	6,805,551,842,000	-	6,219,507,324,321	-
Deposit for aircraft purchases after next 12 months (iii)	3,515,188,352,836	-	5,187,416,574,363	-
Deposit for aircraft leases	1,242,593,141,017	-	1,222,663,033,075	-
Deposit for ground handling services	129,268,494,725	-	125,182,456,527	-
Others	51,802,657,533	-	38,935,819,537	-
	11,744,404,488,111	-	12,793,705,207,823	-
Related parties (Note 38(b))	725,964,187,706	-	1,599,702,308,477	-
	12,470,368,675,817	-	14,393,407,516,300	-

(iii) The amounts represent deposits for aircraft purchases from 2022 to 2026 to Airbus S.A.S and Boeing Company.

8. INVENTORIES

	2020		2019	
	Book value (VND)	Provision (VND)	Book value (VND)	Provision (VND)
Tools and supplies	681,234,137,484	-	747,511,353,298	-
Merchandise	30,859,124,643	-	387,326,539	-
	712,093,262,127	-	747,898,679,837	-

9. PREPAID EXPENSES

(A) SHORT-TERM

	2020 (VND)	2019 (VND)
Prepayments for aircraft leases	195,438,728,811	355,790,339,276
Prepayments for maintenance	15,481,112,314	23,297,293,810
Others	1,886,225,593	3,250,033,702
	212,806,066,718	382,337,666,788

(B) LONG-TERM

	2020 (VND)	2019 (VND)
Maintenance	4,265,543,851,868	5,782,829,060,991
Costs to make good on leased assets	477,459,578,390	590,235,202,338
Rotating parts, tools and instruments	123,694,949,802	114,854,388,316
Major inspection and overhaul expenditure	83,980,251,729	103,156,115,556
Others	40,872,675,433	605,922,669
	4,991,551,307,222	6,591,680,689,870

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

	Maintenance expenses (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)
Beginning of year	5,782,829,060,991	590,235,202,338	103,156,115,556	114,854,388,316	605,922,669	6,591,680,689,870
Increase	808,937,001,247	56,655,038,270	73,016,118,530	129,947,004,251	45,840,850,741	1,114,396,013,039
Allocation	(424,331,739,105)	(83,014,775,913)	(92,191,982,357)	(121,106,442,765)	(5,574,097,977)	(726,219,038,117)
Decrease	(1,901,890,471,265)	(86,415,886,305)	-	-	-	(1,988,306,357,570)
End of year	4,265,543,851,868	477,459,578,390	83,980,251,729	123,694,949,802	40,872,675,433	4,991,551,307,222

10. FIXED ASSETS**(A) TANGIBLE FIXED ASSETS**

	Aircraft and components (VND)	Machinery and equipment (VND)	Motor vehicles (VND)	Office equipment (VND)	Total (VND)
Historical cost					
As at 1 January 2020	1,617,393,753,474	24,440,975,624	19,839,021,566	26,870,997,392	1,688,544,748,056
New purchases	-	-	-	1,042,150,000	1,042,150,000
Transfers from construction in progress (Note 11)	622,939,531,790	78,154,865,640	47,454,960,196	29,513,546,502	778,062,904,128
Reclassification	91,097,667	(91,097,667)	-	-	-
Disposals	(1,343,610,388,704)	-	-	(115,517,280)	(1,343,725,905,984)
As at 31 December 2020	896,813,994,227	102,504,743,597	67,293,981,762	57,311,176,614	1,123,923,896,200
Accumulated depreciation					
As at 1 January 2020	333,494,428,740	20,999,519,620	16,021,746,370	15,891,974,168	386,407,668,898
Charge for the year	123,563,796,627	6,822,011,316	3,732,411,089	6,085,534,618	140,203,753,650
Disposals	(252,112,476,003)	-	-	-	(252,112,476,003)
As at 31 December 2020	204,945,749,364	27,821,530,936	19,754,157,459	21,977,508,786	274,498,946,545
Net book value					
As at 1 January 2020	1,283,899,324,734	3,441,456,004	3,817,275,196	10,979,023,224	1,302,137,079,158
As at 31 December 2020	691,868,244,863	74,683,212,661	47,539,824,303	35,333,667,828	849,424,949,655

As at 31 December 2020, tangible fixed assets with a carrying value of VND691,868 million (as at 31 December 2019: VND734,166 million) were pledged to Military Commercial Joint Stock Bank as collateral assets for long-term borrowings granted to the Group (Note 19(b)(i)).

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2020 was VND47,719 million (as at 31 December 2019: VND25,810 million).

(A) INTANGIBLE FIXED ASSETST

	Software (VND)
Historical cost	
As at 1 January 2020	30,818,110,655
New purchases	16,000,000
As at 31 December 2020	30,834,110,655
Accumulated amortisation	
As at 1 January 2020	28,531,073,044
Charge for the year	1,231,595,927
As at 31 December 2020	29,762,668,971
Net book value	
As at 1 January 2020	2,287,037,611
As at 31 December 2020	1,071,441,684

The historical cost of fully amortised intangible fixed assets as at 31 December 2020 was VND25,856 million (as at 31 December 2019: VND23,574 million).

11. LONG-TERM CONSTRUCTION IN PROGRESS

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

	2020 (VND)	2019 (VND)
Costs relating to aircraft and components	241,399,886,118	777,003,540,630
Aviation Technology Research and Training Centre	561,430,982,449	524,205,333,744
Others	1,410,527,366	17,192,569,005
	804,241,395,933	1,318,401,443,379

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

	2020 (VND)	2019 (VND)
Beginning of year	1,318,401,443,379	1,233,005,676,006
Purchase	293,743,925,297	957,293,209,486
Transfers to tangible fixed assets (Note 10(a))	(778,062,904,128)	(553,403,497,996)
Other adjustments	(29,841,068,615)	(118,470,333,327)
Disposals	-	(200,023,610,790)
End of year	804,241,395,933	1,318,401,443,379

12. LONG-TERM LENDING

Borrower	Currency	Annual Interest rate	Year of maturity	2020 (VND)	2019 (VND)
AAA Aircraft Asset Company Limited (*)	USD	2.50%	2025	499,159,644,000	499,482,168,000
Cong Hoa Commercial Joint Investment Stock Company (formerly known as Thuy Duong - Duc Binh Commercial Joint Stock Company) (**)	VND	9%	2022	-	701,500,000,000
				499,159,644,000	1,200,982,168,000

(*) The balance represents lending of USD21,501,600 to AAA Aircraft Asset Company Limited, a related party, to provide financial support for aircraft purchases and related purchase costs. The loan is unsecured, which was extended for further 5 years of maturity in 2020, and will mature in 2025.

(**) During the year, the Board of Directors of the Company decided to dispose its rights and obligations in the Republic Plaza project to Cong Hoa Commercial Investment Joint Stock Company to support cash flows for core business activities. Total principal and interest receivables are VND954 billion (Note 38(a)(vi)).

13. SHORT-TERM TRADE ACCOUNTS PAYABLE

	2020		2019	
	Value (VND)	Able-to-pay amount (VND)	Value (VND)	Able-to-pay amount (VND)
Third parties				
Petrolimex Aviation Fuel Joint Stock Company	913,978,963,695	913,978,963,695	972,624,163,512	972,624,163,512
Others	2,381,322,567,940	2,381,322,567,940	919,697,343,166	919,697,343,166
	3,295,301,531,635	3,295,301,531,635	1,892,321,506,678	1,892,321,506,678
Related parties (Note 38(b))				
	126,310,391,739	126,310,391,739	2,613,464,691	2,613,464,691
	3,421,611,923,374	3,421,611,923,374	1,894,934,971,369	1,894,934,971,369

14. SHORT-TERM ADVANCES FROM CUSTOMERS

	2020 (VND)	2019 (VND)
Third parties		
Beijing China International Travel Service Co., Ltd.	144,659,744,583	206,552,686,391
DAEJOO Air Co., Ltd.	115,297,951,147	16,071,373,256
Sichuan Comfort International Travel Service Co., Ltd.	59,229,845,700	81,971,727,350
Others	447,450,137,642	363,719,408,945
	766,637,679,072	668,315,195,942
Related parties (Note 38(b))		
	6,264,688,867	1,648,172,521
	772,902,367,939	669,963,368,463

15. TAX AND RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1.1.2020 (VND)	Receivable/payable during the year (VND)	Payment during the year (VND)	Net-off during the year (VND)	Reclassification (VND)	As at 31.12.2020 (VND)
a) Tax receivables						
Foreign contractor tax	63,157,879,211	-	-	-	(34,793,897,954)	28,363,981,257
b) Tax payables						
Value Added Tax	30,573,052,465	550,123,259,962	-	(474,141,891,122)	(2,665,999,116)	103,888,422,189
Personal income tax	53,851,956,775	138,879,627,742	(138,815,260,582)	-	-	53,916,323,935
BIT	376,762,704,761	13,462,059,245	(254,507,686,710)	-	-	135,717,077,296
Foreign contractor tax	8,095,267,763	34,805,738,418	(8,082,022,908)	-	(34,793,897,954)	25,085,319
Others	-	7,078,476	(7,078,476)	-	-	-
	469,282,981,764	737,277,763,843	(401,412,048,676)	(474,141,891,122)	(37,459,897,070)	293,546,908,739

16. SHORT-TERM ACCRUED EXPENSES

	2020 (VND)	2019 (VND)
Aircraft related expenses	569,186,857,946	1,002,323,973,201
Maintenance	156,345,907,814	16,817,771,642
Interest expense	57,690,338,836	37,953,919,036
Accrued bonus	-	52,869,889,371
Others	84,687,861,161	35,250,412,970
	867,910,965,757	1,145,215,966,220

17. SHORT-TERM UNEARNED REVENUE

	2020 (VND)	2019 (VND)
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	867,654,596,914	3,184,286,840,374

18. OTHER SHORT-TERM PAYABLES

	2020 (VND)	2019 (VND)
Third party		
Airport fees and charges payables	623,345,822,167	1,054,454,791,926
Short-term deposits received	74,003,924,865	163,669,310,988
Others	85,557,364,701	20,130,923,518
	782,907,111,733	1,238,255,026,432
Related parties (Note 38(b))	805,379,859,913	381,579,592,492
	1,588,286,971,646	1,619,834,618,924

19. BORROWINGS

(A) SHORT-TERM

	As at 1.1.2020 (VND)	Increase (VND)	Decrease (VND)	Revaluation (VND)	As at 31.12.2020 (VND)
Borrowings from banks (i)	8,093,861,628,187	16,493,630,775,879	(18,108,994,917,912)	(7,236,759,420)	6,471,260,726,734
Current portion of long-term borrowings (Note 19(b))	67,227,620,000	2,622,989,083,545	(64,622,680,000)	(2,039,113,545)	2,623,554,910,000
Borrowings from related parties (Note 38(b))	-	1,000,000,000,000	-	-	1,000,000,000,000
	8,161,089,248,187	20,116,619,859,424	(18,173,617,597,912)	(9,275,872,965)	10,094,815,636,734

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

Lenders	Currency	2020 (VND)	2019 (VND)
Secured loans			
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (*)	USD	1,921,659,266,962	1,366,643,484,671
Unsecured loans			
Vietnam Joint Stock Commercial Bank of Industry and Trade	VND	1,973,275,655,305	2,398,451,410,411
Military Commercial Joint Stock Bank	VND	1,080,441,555,760	291,680,216,686
Woori Bank Vietnam Limited, Ho Chi Minh City Branch	VND	586,197,161,571	617,544,457,880
Petrolimex Group Commercial Joint Stock Bank	VND	449,735,795,752	-
Vietnam Maritime Commercial Joint Stock Bank	USD	226,640,066,933	268,808,055,678
United Overseas Bank (Vietnam) Limited, Ho Chi Minh City Branch	VND	123,411,192,331	51,529,456,152
HSBC Bank (Vietnam) Ltd.	VND	109,900,032,120	950,427,034,104
Joint Stock Commercial Bank for Investment and Development of Vietnam	VND	-	899,694,699,335
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	-	498,769,230,200
Citibank, N.A., Ho Chi Minh City Branch	VND	-	483,399,422,787
JPMorgan Chase Bank, N.A., Ho Chi Minh City Branch	USD	-	134,342,641,635
Vietnam Technological and Commercial Joint Stock Bank	USD	-	77,771,609,445
BNP Paribas, Ho Chi Minh City Branch	VND	-	54,799,909,203
		6,471,260,726,734	8,093,861,628,187

(*) As at 31 December 2020, these borrowings were secured by the estimated receivables arising from the Group's sales of flight tickets in the future of VND3,973 billion (as at 31 December 2019: VND5,751 billion).

In 2020, these borrowings bear interest at rates ranging from 3.0% to 6.2% per annum (2019: from 3.1% to 5.5% per annum) for borrowings in VND, and from 1.89% to 3.70% per annum (2019: from 2.7% to 3.4% per annum) for borrowings in USD.

(B) LONG-TERM

	As at 1.1.2020 (VND)	Increase (VND)	Decrease (VND)	Revaluation (VND)	As at 31.12.2020 (VND)
Borrowings from banks (i)	3,129,100,142,217	-	(64,622,680,000)	(4,582,042,361)	3,059,895,419,856
Straight bonds (ii)	600,000,000,000	310,700,000,000	-	-	910,700,000,000
Current portion of long-term borrowings	(67,227,620,000)	(2,622,989,083,545)	64,622,680,000	2,039,113,545	(2,623,554,910,000)
	3,661,872,522,217	(2,312,289,083,545)	-	(2,542,928,816)	1,347,040,509,856

(i) Borrowings from banks

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

Lenders	Currency	Maturity	2020 (VND)	2019 (VND)
Woori Bank - Singapore Branch (*)	USD	Tháng 11 years 2021	1,044,675,000,000	1,045,350,000,000
Industrial and Commercial Bank of China Limited - Hong Kong Branch (*)	USD	Tháng 11 years 2021	1,044,675,000,000	1,045,350,000,000
KEB Hana Bank - Hong Kong Branch (*)	USD	Tháng 11 years 2021	464,300,000,000	464,600,000,000
Military Commercial Joint Stock Bank (**)	USD	Tháng 6 years 2028	506,245,419,856	573,800,142,217
			3,059,895,419,856	3,129,100,142,217

(*) This syndicated borrowing was provided by three banks with total commitments of USD110 million. The maturity of the borrowing is two years from the drawdown date. The loan's principal is repayable in 4 installments in 2021. The syndicated borrowing is unsecured and bears interest at a rate of 1.63% per annum (2019: 3.29% per annum).

(**) The principal of this borrowing is repayable in 17 equal semi-annual installments of USD1.4 million (equivalent to VND33 billion) each and a final installment of USD1.5 million (equivalent to VND35 billion) on 13 June 2028. The borrowing bears interest at a rate of 3.29% per annum (2019: from 5.02% to 5.59% per annum) and is secured by the Group's tangible fixed assets with the carrying amount as follows:

	2020 (VND)	2019 (VND)
Aircraft No. A320 MSN7167, VNA675 (Note 10(a))	691,868,244,863	734,165,754,457

(ii) Straight bonds

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

	Curr- ency	Annual interest	Year of maturity	2020 (VND)	2019 (VND)
Bonds issued at par, maturing after 36 months (*)	VND	9%	2022	600,000,000,000	600,000,000,000
Bonds issued at VND100,000 per bond, maturing after 36 months (**)	VND	9%	2023	310,700,000,000	-
				910,700,000,000	600,000,000,000

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

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

20. PROVISION FOR LIABILITIES

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

	Provision for maintenance expenses (VND)	Provision to make good on leased assets (VND)	Total (VND)
Beginning of year	11,735,385,118,489	948,853,047,893	12,684,238,166,382
Provision made during the year	1,433,960,884,452	56,655,038,270	1,490,615,922,722
Provision decreased during the year (*)	(3,258,146,656,284)	(175,356,641,656)	(3,433,503,297,940)
Others	(3,353,341,457)	53,550,541,007	50,197,199,550
End of year	9,907,846,005,200	883,701,985,514	10,791,547,990,714
Short-term	1,804,991,310,826	59,166,063,740	1,864,157,374,566
Long-term	8,102,854,694,374	824,535,921,774	8,927,390,616,148
	9,907,846,005,200	883,701,985,514	10,791,547,990,714

(*) Included a decrease due to a number of aircraft were sub-leased to a related party.

21. 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:

	2020 (VND)	2019 (VND)
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	2,268,412,283,857	2,135,549,753,403
Deferred tax assets to be recovered within 12 months	382,643,540,574	439,362,925,020
	2,651,055,824,431	2,574,912,678,423
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	2,353,904,244,611	2,553,581,263,428
Deferred tax liabilities to be recovered within 12 months	364,976,354,963	415,776,354,965
	2,718,880,599,574	2,969,357,618,393
Net-off		
Net deferred income tax liabilities	(2,651,055,824,431)	(2,574,912,678,423)
	67,824,775,143	394,444,939,970

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

	2020 (VND)	2019 (VND)
Beginning of year	394,444,939,970	374,787,926,130
Income statement (credit)/charge (Note 34)	(326,620,164,827)	19,657,013,840
End of year	67,824,775,143	394,444,939,970

The Group uses tax rate of 20% in year ended 2020 (2019: 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 Group's tax losses of the fiscal year 2020 which are carried forward to offset against future taxable profits are VND2,414,670,803,135. These tax losses can be carried forward for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in the consolidated financial statements.

22. OWNERS' CAPITAL

(A) NUMBER OF SHARES

	2020		2019	
	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	(17,772,740)	-	(17,772,740)	-
Number of existing shares in circulation	523,838,594	-	523,838,594	-

(B) MOVEMENT OF SHARE CAPITAL

	Number of shares	Ordinary shares (VND)
As at 1 January 2019	541,611,334	5,416,113,340,000
Treasury shares purchased during the year (*)	(17,772,740)	(177,727,400,000)
As at 31 December 2019	523,838,594	5,238,385,940,000
As at 31 December 2020	523,838,594	5,238,385,940,000

(*) According to the Resolution No. 28-19/VJC-HDQT-NQ dated 9 July 2019 of the Board of Directors. The purchase of treasury shares was completed on 23 August 2019.

Par value per share: VND10,000.

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

23. MOVEMENTS IN OWNERS' EQUITY

	Owners' capital (VND)		Share premium (VND)		Treasury shares (VND)	Foreign exchange difference (VND)	Undistributed earnings (VND)	Non-controlling interests (VND)	Total (VND)
	Owners' capital (VND)	Share premium (VND)							
As at 1 January 2019	5,416,113,340,000	245,949,492,805	-	-	-	119,103,575,688	8,255,509,576,829	1,827,251,260	14,038,503,236,582
Net profit for the year	-	-	-	-	-	-	3,806,761,193,483	583,933,611	3,807,345,127,094
Dividends paid in cash (Note 24)	-	-	-	-	-	-	(541,611,334,000)	-	(541,611,334,000)
Repurchase of treasury shares	-	-	-	-	(2,347,121,362,620)	-	-	-	(2,347,121,362,620)
Foreign currency conversion differences for overseas activities	-	-	-	-	-	(54,283,836,995)	-	-	(54,283,836,995)
As at 31 December 2019	5,416,113,340,000	245,949,492,805	-	-	(2,347,121,362,620)	64,819,738,693	11,520,659,436,312	2,411,184,871	14,902,831,830,061
Net profit for the year	-	-	-	-	-	-	68,591,150,827	74,184,307	68,665,335,134
Dividends distribution	-	-	-	-	-	-	-	(1,829,539,234)	(1,829,539,234)
Foreign currency conversion differences for overseas activities	-	-	-	-	-	8,731,359,157	-	-	8,731,359,157
As at 31 December 2020	5,416,113,340,000	245,949,492,805	-	-	(2,347,121,362,620)	73,551,097,850	11,589,250,587,139	655,829,944	14,978,398,985,118

24. DIVIDENDS

	2020 (VND)	2019 (VND)
Beginning of year	57,789,721,550	59,290,521,050
Dividends payable during the year	-	541,611,334,000
Dividends paid in cash	-	(543,112,133,500)
End of year	57,789,721,550	57,789,721,550

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

25. EARNINGS PER SHARE

(A) BASIC EARNINGS PER SHARE

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

	For the year ended 31 December	
	2020	2019
Net profit attributable to shareholders (VND)	68,591,150,827	3,806,761,193,483
Weighted average number of ordinary shares in issue (shares)	523,838,594	535,670,857
Basic earnings per share (VND)	131	7,107

(B) DILUTED EARNINGS PER SHARE

The Company did not have any ordinary shares potentially diluted earnings per share.

25. OFF CONSOLIDATED BALANCE SHEET ITEMS

(A) FOREIGN CURRENCIES

	2020	2019
USD	10,850,272	100,147,841
KRW	229,894,064	3,567,799,189
JPY	71,052,730	323,634,514

(B) OPERATING LEASE ASSETS

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

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

	2020 (VND)	2019 (VND)
Passenger transportation		
» Domestic routes	4,613,721,637,168	10,752,979,798,311
» International routes including regular charter flights	2,705,373,999,227	14,691,916,365,734
» Ancillary revenue	6,170,607,471,206	11,305,775,201,548
» Non-regular charter flights and aircraft wet leases	161,292,751,029	460,526,968,412
	13,650,995,858,630	37,211,198,334,005
Aircraft dry leases	1,050,068,574,828	760,279,315,508
Revenue from sales of aircraft and purchase right option	3,124,117,008,389	12,013,870,833,333
Other revenue	395,111,446,679	617,587,524,543
	18,220,292,888,526	50,602,936,007,389

28. COST OF GOODS SOLD AND SERVICES RENDERED

	2020 (VND)	2019 (VND)
Flight operation expenses	14,849,130,306,461	29,969,793,868,192
Cost of aircraft sold	2,379,298,472,217	8,181,387,074,057
Technical expenses	1,948,532,113,824	3,752,982,327,377
Ground operation expenses	1,191,515,678,112	2,850,656,915,692
Reversal of provision for liabilities (*)	(1,445,196,940,370)	-
Cargo expenses	144,383,502,347	159,380,644,325
Safety, security, quality and assurance expenses	47,971,024,392	39,936,425,775
Others	516,587,200,044	26,003,442,864
	19,632,221,357,027	44,980,140,698,282

(*) Included a decrease due to a number of aircraft were sub-leased to a related party.

29. FINANCIAL INCOME

	2020 (VND)	2019 (VND)
Income from sale of purchase right option of shares (Note 4(a))	500,000,000,000	-
Realised foreign exchange gains	98,014,891,307	175,254,975,576
Net gain from foreign currency translation at period-end	-	43,926,035,073
Interest income from deposits and loans	344,898,788,490	550,933,281,288
Dividend income (Note 38(a)(vi))	17,371,644,000	10,332,636,000
Others	10,144,304,697	48,856,982
	970,429,628,494	780,495,784,919

30. FINANCIAL EXPENSES

	2020 (VND)	2019 (VND)
Interest expense	452,572,729,500	351,417,652,590
Realised foreign exchange losses	47,528,801,439	63,258,014,929
Unwinding discount of provisions (Reversal of provision)/provision for diminution in value of investments	53,550,541,007 (165,000,000,000)	229,491,749,908 380,500,000,000
Net loss from foreign currency translation at period-end	30,763,613,923	-
	419,415,685,869	1,024,667,417,427

31. SELLING EXPENSES

	2020 (VND)	2019 (VND)
Sales commissions	280,130,515,680	485,917,726,459
Advertising and marketing expenses	374,659,294,389	375,665,475,855
Staff costs	95,299,897,805	129,485,124,150
Depreciation and amortisation	325,213,095	384,117,565
Others	13,661,119,770	12,069,522,029
	764,076,040,739	1,003,521,966,058

32. GENERAL AND ADMINISTRATION EXPENSES

	2020 (VND)	2019 (VND)
Staff costs	173,771,744,803	206,947,070,334
External service expenses	110,772,451,763	144,854,198,826
Rental	31,940,358,413	44,232,097,001
Depreciation and amortisation	6,093,143,340	2,621,530,826
Others	52,269,619,263	36,999,292,813
	374,847,317,582	435,654,189,800

33. OTHER INCOME AND OTHER EXPENSES

	2020 (VND)	2019 (VND)
Other income		
Income from transferring project (*)	793,160,000,000	-
Income from compensation (**)	557,160,000,000	-
Gains on disposal of fixed assets	397,277,400,299	694,598,317,992
Others	31,908,668,801	26,784,067,435
	1,779,506,069,100	721,382,385,427
Other expenses		
Others	(6,431,815,059)	(371,826,584)
Net income	1,773,074,254,041	721,010,558,843

(*) This relates to the transfer of the Group's rights to lease and to operate Vietjet Plaza Building to a related party, in which VND400 billion has been received (Note 38(a)(vi)). Accordingly, the Group liquidated the lease contract of Vietjet Plaza Building signed with Truong Son Plaza Joint Stock Company (formerly known as Vietjet Plaza Joint Stock Company).

(**) This relates to a compensation entitled from an aircraft supplier.

34. BUSINESS INCOME TAX ("BIT")

VIETJET AVIATION JOINT STOCK COMPANY

For public passengers and cargo air transportation services, under the terms of current income tax laws, the Company has an obligation to pay the BIT at the rate of 20% of taxable profits.

VIETJETAIR CARGO JOINT STOCK COMPANY

The company has an obligation to pay the BIT at the applicable tax rate of 20% of taxable profits.

GALAXY PAY LIMITED COMPANY

The company has an obligation to pay the BIT at the applicable tax rate of 20% of taxable profits.

COMPANIES INCORPORATED IN BRITISH VIRGIN ISLANDS

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

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

COMPANY INCORPORATED IN SINGAPORE

Vietjet Air Singapore Pte. Ltd.

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

COMPANY INCORPORATED IN IRELAND

Vietjet Air Ireland No. 1 Limited

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

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

	2020 (VND)	2019 (VND)
Net accounting (loss)/profit before tax	(244,492,770,448)	4,568,651,014,974
Tax calculated at a rate of 20%	(48,898,554,090)	913,730,202,995
Effect of:		
Expenses not deductible for tax purposes	36,096,065,475	2,806,854,404
Effect of difference tax rates applied for subsidiaries	(293,605,839,374)	(186,721,720,480)
Income not subject to tax	(6,767,499,421)	(2,066,527,200)
Tax losses for which no deferred income tax asset was recognised	17,721,828	33,557,078,161
BIT charge (*)	(313,158,105,582)	761,305,887,880
Charged/(credited) to the income statement:		
BIT – current	13,462,059,245	741,648,874,040
BIT – deferred (Note 21)	(326,620,164,827)	19,657,013,840
	(313,158,105,582)	761,305,887,880

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

35. COSTS OF OPERATION BY FACTOR

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

	2020 (VND)	2019 (VND)
Fuel costs	5,545,642,037,649	15,038,709,387,975
Costs of purchasing aircraft	2,554,048,472,217	8,181,387,074,057
Staff costs	2,799,777,767,421	4,780,622,485,492
Depreciation and amortisation	141,435,349,577	175,155,660,359
External service and other expenses	10,013,744,380,032	18,243,442,246,257
	21,054,648,006,896	46,419,316,854,140

36. SEGMENT REPORTING

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

(A) BUSINESS SEGMENTS

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

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

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

(B) GEOGRAPHICAL SEGMENTS

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

	2020 (VND)	2019 (VND)
In Vietnam	9,226,682,948,573	14,691,916,365,734
Outside Vietnam	8,993,609,939,953	35,911,019,641,655
	18,220,292,888,526	50,602,936,007,389

The Group has no other geographical segments except for revenue because the Board of Management of the Company determined that the Group's management decisions are based primarily on revenue by geographical areas.

37. ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

Non-cash transactions affecting the consolidated cash flow statement:

	Year ended 31 December	
	2020 (VND)	2019 (VND)
Purchase of fixed assets and other long-term assets that have not yet settled	-	296,447,864,777
Reclassification from long-term lendings to short-term receivables due to disposal of business cooperation contract	701,500,000,000	-
Reclassification of current portion of long-term borrowings	2,622,989,083,545	67,227,620,000

38. RELATED PARTY DISCLOSURES

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

RELATED PARTY	RELATIONSHIP
Ho Chi Minh City Development Joint Stock Commercial Bank	Major shareholder
Thai Vietjet Air Joint Stock Co., Ltd.	Major shareholder
Cam Ranh International Terminal Joint Stock Company	Associate
Sai Gon Ground Services Joint Stock Company	Associate
Truong Son Plaza Joint Stock Company (Vietjet Plaza Joint Stock Company)	Other related party
Cong Hoa Commercial Investment Joint Stock Company (formerly known as Thuy Duong - Duc Binh Commercial Joint Stock Company)	Other related party
Sovico Energy Holdings Company	Other related party
Sovico Group Joint Stock Company	Other related party
Menas Company Limited	Other related party
Angelica Holding Limited	Other related party
Angelica Aircraft Assets Limited	Other related party
Apricot Aircraft Company (Ireland) 8577 Limited	Other related party
Apricot Aircraft Company (Ireland) 8592 Limited	Other related party
Apricot Aircraft Company (Ireland) 8605 Limited	Other related party
Apricot Aircraft Company (Ireland) 8670 Limited	Other related party
Apricot Aircraft Company (Ireland) 8676 Limited	Other related party
Apricot Aircraft Assets Limited	Other related party
AAA Aircraft Asset Company Limited	Other related party
AAA Golden Aircraft Star No.1 Limited	Other related party
AAA Golden Aircraft Star No. 5 Limited	Other related party
World Go International Limited	Other related party

(A) RELATED PARTY TRANSACTIONS

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

	2020 (VND)	2019 (VND)
i) Revenue from aircraft leasing		
Associate	1,050,068,574,828	760,279,315,508
Other related party	24,345,848,859	-
	<u>1,074,414,423,687</u>	<u>760,279,315,508</u>
ii) Revenue from sales of purchase right option		
Other related party	641,630,000,000	2,561,096,495,478
iii) Income from sales of engines		
Other related party	1,675,464,000,000	1,625,468,114,867
iv) Revenue from other services		
Associate	175,002,070,685	161,689,180,401

2020
(VND)

2019
(VND)

v) Financing activities

Interest expense	2020 (VND)	2019 (VND)
Major shareholder	81,907,669,443	36,963,732,200
Other related party	27,616,438,356	-
	<u>109,524,107,799</u>	<u>36,963,732,200</u>

Proceeds from borrowings

Major shareholder	3,156,260,951,776	8,999,104,198,241
Other related party	1,000,000,000,000	-
	<u>4,156,260,951,776</u>	<u>8,999,104,198,241</u>

vi) Investing activities

Interest income	2020 (VND)	2019 (VND)
Major shareholder	27,995,110,486	59,359,990,462
Associate	215,537,095,730	121,361,994,427
Other related party	31,460,986,301	221,294,000,000
	<u>274,993,192,517</u>	<u>402,015,984,889</u>

Term deposits and certificate of deposits

Major shareholder	5,889,000,000,000	8,306,000,000,000
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Dividend income (Note 29)

Associate	11,250,000,000	7,500,000,000
Other related party	6,121,644,000	2,832,636,000
	<u>17,371,644,000</u>	<u>10,332,636,000</u>

Income from sale of purchase right option of trading securities

Income from sale of purchase right option	500,000,000,000	-
Payment received	300,000,000,000	-

Purchase of corporate bonds

Deposit for purchase of corporate bonds	2,000,000,000,000	-
Received refund from deposit for purchase of corporate bonds	2,000,000,000,000	-
Interest income	52,661,095,889	-

Transfer of the commercial right (Note 33)

Income from transfer of the commercial right	793,160,000,000	-
Payment received	400,000,000,000	-

Disposal of right and obligation in a project (Note 12)

Reclassification from long-term lendings to short-term receivables due to of disposal of business cooperation contract	701,500,000,000	-
Receivable from interest income from business cooperation contract	252,754,849,315	-

	2020 (VND)	2019 (VND)
vii) Other transactions		
Prepayment for office rental		
Major shareholder	21,504,159,376	-
Office rental expenses		
Major shareholder	8,378,243,913	7,130,113,124
Other related party	24,246,902,255	22,176,853,495
	32,625,146,168	29,306,966,619
Payments and receipts on behalf, net cashflows		
Associate	333,594,389,704	256,369,878,297
Other related party	296,379,000,000	400,217,008,891
	629,973,389,704	656,586,887,188
viii) Compensation of key management		
Gross salaries and other benefits	18,559,933,198	42,721,583,529

(B) YEAR-END BALANCES WITH RELATED PARTIES

	2020 (VND)	2019 (VND)
Cash and cash equivalent		
Major shareholder	1,947,626,832,738	3,275,220,588,418
Short-term trade accounts receivable (Note 5)		
Associate	2,043,844,207,397	1,092,199,590,330
Other related parties	2,953,635,130,502	2,863,438,970,477
	4,997,479,337,899	3,955,638,560,807
Short-term prepayments to suppliers (Note 6)		
Other related party	-	13,823,146,505
Other short-term receivables (Note 7(a))		
Associate (i)	1,198,705,488,698	1,497,295,868,392
Other related parties (ii)	2,819,112,588,473	473,511,995,080
	4,017,818,077,171	1,970,807,863,472

(i) The receivable mainly included payment on behalf and earned interest at the rate of 8.8% per annum (2019: 5.5% per annum).

(ii) Included receivables from the transfer of the business and operation rights of the Vietjet Plaza Building and the receivables relating to the sale of purchase right option of Petro Vietnam Oil Corporation's shares.

	2020 (VND)	2019 (VND)
Other long-term receivables (Note 7(b))		
Associate (iii)	468,344,946,987	468,344,946,987
Other related party (iv)	257,619,240,719	1,131,357,361,490
	725,964,187,706	1,599,702,308,477

(iii) The balance was unsecured and interest free.

(iv) The balance represents the receivables from Apricot Aircraft Assets Limited, a related party regarding the maintenance reserves.

	2020 (VND)	2019 (VND)
Long-term lending (Note 12)		
Other related parties	499,159,644,000	1,200,982,168,000
Short-term trade accounts payable (Note 13)		
Major shareholder	24,576,182,144	-
Associate	29,578,997,675	-
Other related parties	72,155,211,920	2,613,464,691
	126,310,391,739	2,613,464,691
Short-term advances from customers (Note 14)		
Major shareholder	131,582,161	-
Associate	5,298,624,920	-
Other related parties	834,481,786	1,648,172,521
	6,264,688,867	1,648,172,521
Other short-term payables (Note 18)		
Major shareholders	69,822,859,913	67,531,967,892
Associate	-	314,047,624,600
Other related party	735,557,000,000	-
	805,379,859,913	381,579,592,492
Short-term borrowings (Note 19(a))		
Major shareholder	1,921,659,266,962	1,366,643,484,671
Other related party	1,000,000,000,000	-
	2,921,659,266,962	1,366,643,484,671

39. COMMITMENTS

(A) COMMITMENTS UNDER OPERATING LEASES

(i) The Group as a lessee

The future minimum lease payments under non-cancellable operating leases were as follows:

	2020 (VND)	2019 (VND)
Within one year	7,295,557,109,808	7,176,796,331,855
Between one and five years	28,258,167,505,305	26,635,211,517,786
Over five years	24,551,317,111,601	28,804,407,584,591
	60,105,041,726,714	62,616,415,434,232

(ii) The Group as a lessor

The Group signed operating lease contracts. Accordingly, the future minimum lease receipts under non-cancellable operating leases are as follows:

	2020 (VND)	2019 (VND)
Within one year	1,258,236,370,463	853,514,225,496
Between one and five years	3,525,160,217,707	2,989,932,273,234
Over five years	1,528,098,437,383	2,180,139,781,986
	6,311,495,025,553	6,023,586,280,716

(B) OTHER COMMITMENTS

The Group signed an agreement and related amendments with Airbus S.A.S to purchase 186 aircraft. As at 31 December 2020, the Group has received 64 aircraft, the remaining aircraft are scheduled to deliver to the Group until 2026. To power these aircraft, the Group also ordered 106 aircraft engines from CFM International S.A and 90 aircraft engines from United Technologies Corporation (Pratt & Whitney Division), including maintenance services agreements. Pursuant to the aircraft purchase agreement, as at 31 December 2020, the Group's commitments in relation to pre-delivery payments for remaining aircraft to be delivered (including aircraft engines) were USD1,596 million (as at 31 December 2019: USD1,599 million).

On 31 May 2017, the Group signed an agreement with Honeywell Aviation Services for to purchase 98 auxiliary power units for Airbus aircraft. This agreement runs through 2022 and includes maintenance services for 12 years.

The Group also signed an agreement and related amendments with Boeing Company to purchase aircraft. Pursuant to the aircraft purchase agreement, as at 31 December 2020, the Group's commitments in relation to pre-delivery payments for the aircraft to be delivered were USD1,238 million (as at 31 December 2019: USD1,238 million). As at the date of the consolidated financial statements, the Group and Boeing Company were in the process of negotiation on the implementation of certain terms in this agreement.

40. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

Pursuant to the Resolution of the Board of Directors dated 28 September 2020, the Board of Directors approved the decision to purchase shares of Swift 247 Company Limited which would merge with VietjetAir Cargo Joint Stock Company. However, such purchase of shares and merger will be executed in 2021. As at the date of these consolidated financial statements, the purchase of shares and merger between these two companies have not been completed.

Pursuant to the Resolution of the Board of Directors No.10-21/VJC-HDQT-NQ dated 5 March 2021, the Group completed the sale of 17,772,740 treasury shares in April 2021.

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

The consolidated financial statements were approved by the Board of Management on 30 April 2021.

Hoang Manh Ha
Chief Accountant

Ho Ngoc Yen Phuong
Vice President
cum Chief Finance Officer



Dinh Viet Phuong
Permanent Vice President cum
Managing Director
30 April 2021







VIETJET AVIATION JOINT STOCK COMPANY

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**VIETJET AIR Business code No. 0102325399 issued by Ha Noi Department
for Planning and Investment, first registration: 23 July 2007**