

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**



VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

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VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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

| | |
|----------------------------|--|
| Ms. Nguyen Thanh Ha | Chairperson |
| Ms. Nguyen Thi Phuong Thao | Vice Chairperson |
| Mr. Donal Joshep Boylan | Vice Chairperson (from 28 May 2022) |
| Mr. Nguyen Thanh Hung | Member (from 28 May 2022) |
| Mr. Dinh Viet Phuong | Member |
| Mr. Luu Duc Khanh | Member |
| Mr. Chu Viet Cuong | Member |
| Mr. Nguyen Anh Tuan | Member (from 28 May 2022) |

Board of Management

| | |
|----------------------------|---|
| Ms. Nguyen Thi Phuong Thao | Chief Executive Officer |
| Mr. Dinh Viet Phuong | Permanent Vice President cum Managing Director |
| Mr. Micheal Hickey | Chief Operation Officer (from 30 May 2022) |
| Ms. Ho Ngoc Yen Phuong | Vice President cum Chief Finance Officer |
| Mr. To Viet Thang | Vice President |
| Mr. Nguyen Thanh Son | Vice President |
| Mr. Luong The Phuc | Vice President |
| Ms. Nguyen Thi Thuy Binh | Vice President |
| Mr. Nguyen Duc Thinh | Vice President |
| Mr. Do Xuan Quang | Vice President |
| Mr. Nguyen Thai Trung | Vice President (from 1 June 2022) |
| Mr. Chu Viet Cuong | Vice President (from 1 June 2022) |

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CORPORATE INFORMATION (continued)

| | | |
|-----------------------------|---|---|
| Audit Committee | Mr. Donal Joshep Boylan | Chairperson |
| | Mr. Luu Duc Khanh | Member |
| | Mr. Nguyen Thanh Hung | Member |
| Legal representative | Ms. Nguyen Thanh Ha | Chairperson |
| | Ms. Nguyen Thi Phuong Thao | Chief Executive Officer |
| | Mr. Dinh Viet Phuong | Permanent Vice President cum Managing Director |
| Registered office | 302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District Hanoi City, Vietnam | |
| Auditor | PwC (Vietnam) Limited | |

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

STATEMENT OF THE BOARD OF MANAGEMENT

Statement of responsibility of the Board of Management of the Company in respect of the consolidated interim financial statements

The Board of Management of VietJet Aviation Joint Stock Company ("the Company") is responsible for preparing the consolidated interim financial statements of the Company and its subsidiaries (together referred to as "the Group") which give a true and fair view of the consolidated interim financial position of the Group as at 30 June 2022, and of the consolidated interim results of its operations and its consolidated interim cash flows for the six-month period then ended. In preparing these consolidated interim 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 interim 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 interim financial position of the Group and enable consolidated interim financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated interim 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 errors.

Approval of the consolidated interim financial statements

We hereby approve the accompanying consolidated interim financial statements as set out on pages 6 to 77 which give a true and fair view of the consolidated interim financial position of the Group as at 30 June 2022, and of the consolidated interim results of its operations and its consolidated interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements.

On behalf of the Board of Management



Nguyễn Thị Phương Thảo
Chief Executive Officer

Ho Chi Minh City, SR Vietnam
29 August 2022





REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF VIETJET AVIATION JOINT STOCK COMPANY

We have reviewed the accompanying consolidated interim financial statements of VietJet Aviation Joint Stock Company ("the Company") and its subsidiaries (together referred to as "the Group") which were prepared on 30 June 2022, and approved by the Board of Management of the Company on 29 August 2022. The consolidated interim financial statements comprise the consolidated interim balance sheet as at 30 June 2022, the consolidated interim income statement and the consolidated interim cash flow statement for the six-month period then ended, and explanatory notes to the consolidated interim financial statements including significant accounting policies, as set out on pages 6 to 77.

The Board of Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2022, its consolidated financial performance and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated interim financial statements.

Other Matter

The report on review of consolidated interim financial statements 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: HCM12715
Ho Chi Minh City, 30 August 2022

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 01a – DN/HN

CONSOLIDATED INTERIM BALANCE SHEET

| Code | ASSETS | Note | As at | |
|------------|---|----------|---------------------------|---------------------------|
| | | | 30.6.2022 VND | 31.12.2021 VND |
| 100 | CURRENT ASSETS | | 34,211,975,809,663 | 26,866,732,678,773 |
| 110 | Cash and cash equivalents | 3 | 3,042,740,617,895 | 1,868,252,946,557 |
| 111 | Cash | | 1,491,782,466,856 | 983,304,817,181 |
| 112 | Cash equivalents | | 1,550,958,151,039 | 884,948,129,376 |
| 120 | Short-term investments | | 624,475,421,096 | 859,475,421,096 |
| 121 | Trading securities | 4(a) | 990,000,000,000 | 990,000,000,000 |
| 122 | Provision for diminution in value of trading securities | 4(a) | (370,000,000,000) | (135,000,000,000) |
| 123 | Investments held to maturity | | 4,475,421,096 | 4,475,421,096 |
| 130 | Short-term receivables | | 29,225,680,185,674 | 23,261,094,436,070 |
| 131 | Short-term trade accounts receivable | 5(a) | 12,049,193,748,853 | 11,452,445,071,396 |
| 132 | Short-term prepayments to suppliers | 6(a) | 1,141,164,788,288 | 100,108,467,605 |
| 135 | Short-term lendings | 7(a) | 657,000,000,000 | 657,000,000,000 |
| 136 | Other short-term receivables | 8(a) | 15,378,321,648,533 | 11,051,540,897,069 |
| 140 | Inventories | | 902,967,230,014 | 811,247,030,655 |
| 141 | Inventories | 9 | 902,967,230,014 | 811,247,030,655 |
| 150 | Other current assets | | 416,112,354,984 | 66,662,844,395 |
| 151 | Short-term prepaid expenses | 10(a) | 405,374,717,672 | 16,306,514,272 |
| 152 | Value added tax ("VAT") to be reclaimed | 15(a) | 10,228,637,312 | 50,356,330,123 |
| 155 | Other current assets | | 509,000,000 | - |

The notes on pages 12 to 77 are an integral part of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 01a – DN/HN

CONSOLIDATED INTERIM BALANCE SHEET
(continued)

| Code | ASSETS (continued) | Note | As at | |
|------------|-------------------------------------|-------|---------------------------|---------------------------|
| | | | 30.6.2022 VND | 31.12.2021 VND |
| 200 | LONG-TERM ASSETS | | 28,456,804,772,590 | 24,786,971,332,567 |
| 210 | Long-term receivables | | 19,353,119,914,000 | 16,889,287,027,947 |
| 211 | Long-term trade accounts receivable | 5(b) | 2,905,560,000,000 | - |
| 212 | Long-term prepayments to suppliers | 6(b) | 1,122,556,719,023 | - |
| 215 | Long-term lendings | 7(b) | 805,840,936,639 | 789,648,322,692 |
| 216 | Other long-term receivables | 8(b) | 14,519,162,258,338 | 16,099,638,705,255 |
| 220 | Fixed assets | | 1,120,356,744,357 | 1,158,451,949,883 |
| 221 | Tangible fixed assets | 11(a) | 1,113,214,342,155 | 1,150,354,396,311 |
| 222 | Historical cost | | 1,509,339,188,605 | 1,511,188,985,876 |
| 223 | Accumulated depreciation | | (396,124,846,450) | (360,834,589,565) |
| 227 | Intangible fixed assets | 11(b) | 7,142,402,202 | 8,097,553,572 |
| 228 | Historical cost | | 39,171,240,479 | 39,171,240,479 |
| 229 | Accumulated amortisation | | (32,028,838,277) | (31,073,686,907) |
| 240 | Long-term asset in progress | | 551,294,192,069 | 500,760,695,887 |
| 242 | Construction in progress | 12 | 551,294,192,069 | 500,760,695,887 |
| 250 | Long-term investment | | 149,417,024,400 | 149,417,024,400 |
| 253 | Investment in other entities | 4(c) | 149,417,024,400 | 149,417,024,400 |
| 260 | Other long-term asset | | 7,282,616,897,764 | 6,089,054,634,450 |
| 261 | Long-term prepaid expenses | 10(b) | 7,282,616,897,764 | 6,089,054,634,450 |
| 270 | TOTAL ASSETS | | 62,668,780,582,253 | 51,653,704,011,340 |

The notes on pages 12 to 77 are an integral part of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 01a – DN/HN

CONSOLIDATED INTERIM BALANCE SHEET
(continued)

| Code | RESOURCES | Note | As at | |
|------------|--|--------|---------------------------|---------------------------|
| | | | 30.6.2022 VND | 31.12.2021 VND |
| 300 | LIABILITIES | | 45,467,798,291,803 | 34,799,493,690,860 |
| 310 | Short-term liabilities | | 22,917,766,828,661 | 15,522,180,566,553 |
| 311 | Short-term trade accounts payable | 13 | 6,726,485,112,259 | 3,241,429,731,841 |
| 312 | Short-term advances from customers | 14 | 636,612,387,291 | 544,895,468,268 |
| 313 | Tax and other payables to the State | 15(b) | 459,421,067,658 | 288,705,246,334 |
| 314 | Payable to employees | | 147,303,991,270 | 81,631,536,906 |
| 315 | Short-term accrued expenses | 16 | 637,325,265,464 | 929,357,469,634 |
| 318 | Short-term unearned revenue | 17 | 2,283,472,316,089 | 381,579,736,840 |
| 319 | Other short-term payables | 18(a) | 1,194,067,596,895 | 1,092,825,880,639 |
| 320 | Short-term borrowings | 19(a) | 7,797,600,729,920 | 7,320,070,386,166 |
| 321 | Provision for short-term liabilities | 20 | 2,752,719,885,024 | 1,314,535,033,134 |
| 322 | Bonus and welfare fund | 21 | 282,758,476,791 | 327,150,076,791 |
| 330 | Long-term liabilities | | 22,550,031,463,142 | 19,277,313,124,307 |
| 337 | Other long-term payables | 18(b) | 54,942,069,900 | 50,852,726,178 |
| 338 | Long-term borrowings | 19(b) | 10,990,834,964,062 | 8,140,241,446,768 |
| 341 | Deferred income tax liabilities | 22 | 101,596,293,940 | 154,517,071,443 |
| 342 | Provision for long-term liabilities | 20 | 11,402,658,135,240 | 10,931,701,879,918 |
| 400 | OWNERS' EQUITY | | 17,200,982,290,450 | 16,854,210,320,480 |
| 410 | Capital and reserves | | 17,200,982,290,450 | 16,854,210,320,480 |
| 411 | Owners' capital | 23, 24 | 5,416,113,340,000 | 5,416,113,340,000 |
| 411a | - Ordinary shares with voting rights | | 5,416,113,340,000 | 5,416,113,340,000 |
| 412 | Share premium | 24 | 247,483,117,899 | 247,483,117,899 |
| 417 | Foreign exchange differences | 24 | 91,104,012,195 | (110,730,393,251) |
| 421 | Undistributed earnings | 24 | 11,425,141,038,218 | 11,281,432,588,734 |
| 421a | - Undistributed post-tax profits of previous years | | 11,281,432,588,734 | 11,208,574,467,791 |
| 421b | - Post-tax profits of current year | | 143,708,449,484 | 72,858,120,943 |
| 429 | Non-controlling interests | 24 | 21,140,782,138 | 19,911,667,098 |
| 440 | TOTAL RESOURCES | | 62,668,780,582,253 | 51,653,704,011,340 |

Pham Ngoc Thoa
Chief Accountant

Ho Ngoc Yen Phuong
Vice President cum
Chief Finance Officer

Dinh Viet Phuong
Permanent Vice President
cum Managing Director
29 August 2022



The notes on pages 12 to 77 are an integral part of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 02a – DN/HN

CONSOLIDATED INTERIM INCOME STATEMENT

| Code | | Note | For the six-month period ended | |
|------------------|---|--------|--------------------------------|----------------------|
| | | | 30.6.2022 VND | 30.6.2021 VND |
| 01 | Revenue from sales of goods and rendering of services | | 15,934,562,202,610 | 7,556,034,016,439 |
| 02 | Less deductions | | - | - |
| 10 | Net revenue from sales of goods and rendering of services | 28 | 15,934,562,202,610 | 7,556,034,016,439 |
| 11 | Cost of goods sold and services rendered | 29 | (14,622,162,896,680) | (10,437,850,844,708) |
| 20 | Gross profit/(loss) from sales of goods and rendering of services | | 1,312,399,305,930 | (2,881,816,828,269) |
| 21 | Financial income | 30 | 343,703,136,264 | 3,776,035,445,464 |
| 22 | Financial expenses | 31 | (1,278,984,326,204) | (203,454,663,120) |
| 23 | - Including: Interest expense | 31 | (692,378,380,306) | (290,253,736,292) |
| 25 | Selling expenses | 32 | (365,009,407,607) | (344,676,149,912) |
| 26 | General and administration expenses | 33 | (204,470,175,831) | (189,443,209,997) |
| 30 | Net operating (loss)/profit | | (192,361,467,448) | 156,644,594,166 |
| 31 | Other income | | 456,468,470,544 | 8,718,554,848 |
| 32 | Other expenses | | (314,667,608) | (287,762,402) |
| 40 | Net other income | 34 | 456,153,802,936 | 8,430,792,446 |
| 50 | Net accounting profit before tax | | 263,792,335,488 | 165,075,386,612 |
| 51 | Corporate income tax ("CIT") - current | 35 | (171,775,548,467) | (13,225,950,927) |
| 52 | CIT - deferred | 35, 22 | 52,920,777,503 | (30,016,415,405) |
| 60 | Net profit after tax | | 144,937,564,524 | 121,833,020,280 |
| Attributable to: | | | | |
| 61 | Shareholders of the Company | | 143,708,449,484 | 124,079,557,849 |
| 62 | Non-controlling interests | | 1,229,115,040 | (2,246,537,569) |
| 70 | Basic earnings per share | 26(a) | 265 | 235 |
| 71 | Diluted earnings per share | 26(b) | 265 | 235 |

Pham Ngoc Thoa
Chief Accountant

Ho Ngoc Yen Phuong
Vice President cum
Chief Finance Officer

Dinh Viet Phuong
Permanent Vice President
cum Managing Director
29 August 2022

The notes on pages 12 to 78 are an integral part of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 03a – DN/HN

CONSOLIDATED INTERIM CASH FLOW STATEMENT
(Indirect method)

| Code | Note | For the six-month period ended | |
|---|--|--------------------------------|----------------------------|
| | | 30.6.2022 VND | 30.6.2021 VND |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | Net accounting profit before tax | 263,792,335,488 | 165,075,386,612 |
| | Adjustments for: | | |
| 02 | Depreciation and amortisation | 38,839,083,356 | 41,487,003,427 |
| 03 | Provisions | 1,957,529,949,135 | 655,417,158,693 |
| 04 | Unrealised foreign exchange losses | 110,503,344,709 | 36,806,022,285 |
| 05 | Profits from investing activities | (285,443,190,711) | (145,788,803,369) |
| 06 | Interest expense | 692,378,380,306 | 290,253,736,292 |
| 08 | Operating profit before changes in working capital | 2,777,599,902,283 | 1,043,250,503,940 |
| 09 | Increase in receivables | (7,967,641,772,348) | (5,445,038,705,204) |
| 10 | Increase in inventories | (91,720,199,359) | (133,457,818,027) |
| 11 | Increase in payables | 5,448,419,959,412 | 1,448,531,079,078 |
| 12 | Increase in prepaid expenses | (1,582,630,466,714) | (330,093,061,545) |
| 14 | Interest paid | (667,039,839,518) | (229,677,563,970) |
| 15 | CIT paid | 15(b)) | (59,818,784,340) |
| | | (59,818,784,340) | (4,907,302,972) |
| 17 | Other payments on operating activities | 21 (44,391,600,000) | (47,167,079,534) |
| 20 | Net cash outflows from operating activities | (2,187,222,800,584) | (3,698,559,948,234) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 21 | Purchases of fixed assets | (51,463,090,728) | (111,741,615,191) |
| 22 | Proceeds from disposals of fixed assets | 419,534,815 | - |
| 23 | Loans and term deposits granted | - | (110,000,000) |
| 24 | Collection of loans, proceeds from sales of debt instruments of other entities | - | 6,556,181,818 |
| 25 | Investments in other entities | - | (21,806,385,793) |
| 27 | Interest received | 129,746,333,224 | 134,521,863,044 |
| 30 | Net cash inflows from investing activities | 78,702,777,311 | 7,420,043,878 |

The notes on pages 12 to 77 are an integral part of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 03a – DN/HN

CONSOLIDATED INTERIM CASH FLOW STATEMENT (continued)
(Indirect method)

| | | For the six-month period ended | |
|--------------------------------------|--|--------------------------------|---------------------|
| Code | Note | 30.6.2022 VND | 30.6.2021 VND |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 31 | Proceeds from sale of treasury shares | - | 2,348,654,987,714 |
| 33 | Proceeds from borrowings | 19 14,137,498,771,047 | 8,525,838,887,299 |
| 34 | Repayments of borrowings | 19 (10,853,743,827,251) | (8,579,124,237,576) |
| 40 | Net cash inflows from financing activities | 3,283,754,943,796 | 2,295,369,637,437 |
| 50 | Net increase/(decrease) in cash and cash equivalents | 1,175,234,920,523 | (1,395,770,266,919) |
| 60 | Cash and cash equivalents at beginning of period | 3 1,868,252,946,557 | 2,926,425,627,363 |
| 61 | Effect of foreign exchange differences | (747,249,185) | (13,603,904,659) |
| 70 | Cash and cash equivalents at end of period | 3 3,042,740,617,895 | 1,517,051,455,785 |

Additional information relating to the consolidated interim cash flow statement is presented in Note 38.

Pham Ngoc Thoa
Chief Accountant

Ho Ngoc Yen Phuong
Vice President cum
Chief Finance Officer



Dinh Viet Phuong
Permanent Vice President
cum Managing Director
29 August 2022

The notes on pages 12 to 77 are an integral part of these consolidated interim financial statements.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

1 GENERAL INFORMATION

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

The Company's shares are listed on the Ho Chi Minh City Stock Exchange with the stock trading code “VJC”.

The principal activities of the Company 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.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

1 GENERAL INFORMATION

As at 30 June 2022, the Group had 9 subsidiaries and 2 associates. Details are as follows:

| Principal activities | Enterprise registration certificate | Place of incorporation and operation | 30.6.2022 | | 31.12.2021 | |
|---|---|--------------------------------------|---------------|------------------|---------------|------------------|
| | | | Ownership (%) | Voting right (%) | Ownership (%) | Voting right (%) |
| Directly-owned subsidiaries | | | | | | |
| Vietjet Air IVB No. I Limited | To trade and lease aircraft and aircraft components | British Virgin Islands | 100 | 100 | 100 | 100 |
| Vietjet Air IVB No. II Limited | To trade and lease aircraft | British Virgin Islands | 100 | 100 | 100 | 100 |
| Vietjet Air Singapore Pte. Ltd. | To trade aircraft | Singapore | 100 | 100 | 100 | 100 |
| Vietjet Air Ireland No. 1 Limited | To trade and lease aircraft | Ireland | 100 | 100 | 100 | 100 |
| Galaxy Pay Company Limited | To provide payment services (online payment, e-wallet) | Vietnam | 100 | 100 | 100 | 100 |
| Swift 247 Joint Stock Company | To provide transportation related support services | Vietnam | 67 | 67 | 67 | 67 |
| VietJet Ground Services Limited Liability Company | To provide direct support services for airline transportation | Vietnam | 100 | 100 | 100 | 100 |

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

1 GENERAL INFORMATION (continued)

| | Principal activities | Enterprise registration certificate | Place of incorporation and operation | 30.6.2022 | | 31.12.2021 | |
|---|--|--------------------------------------|--------------------------------------|---------------|------------------|---------------|------------------|
| | | | | Ownership (%) | Voting right (%) | Ownership (%) | Voting right (%) |
| Indirectly-owned subsidiaries | | | | | | | |
| Skymate Limited | To trade and lease aircraft | No. 327015 dated 15 September 2017 | Cayman Islands | 100 | 100 | 100 | 100 |
| VietjetAir Cargo Joint Stock Company | To provide cargo transportation and related support services | No. 0312759089 dated 27 August 2014 | Vietnam | 64 | 67 | 64 | 67 |
| Associates | | | | | | | |
| Thai Vietjet Air Joint Stock Co., Ltd. (*) | To provide passenger and cargo transportation and related support services | No. 0105556100551 dated 25 June 2013 | Thailand | 9 | 9 | 9 | 9 |
| Cam Ranh International Terminal Joint Stock Company (*) | To provide direct support services for airline transportation | No. 4201676638 dated 5 February 2016 | Vietnam | 10 | 10 | 10 | 10 |

(*) The Group has significant influence over these companies because the Group has representatives in the Boards of Directors of these companies.

As at 30 June 2022, the Group had 5,795 employees (as at 31 December 2021: 5,322 (employees)).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated interim financial statements

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

2.2 Assessment of going concern assumptions

In the first half of 2022, with the recovery of domestic and international travel demands from passengers, the Group recognised revenue of VND15,934,562,202,610 and net profit after tax of VND144,937,564,524, increasing by 111% and 19% compared to the corresponding period of 2021, respectively.

In order to ensure recovery and sustainable growth from 2022, the Board of Directors and the Board of Management have implemented several plans as follows:

(i) Business operation

In the remaining months of 2022 and in 2023, the Group expects that revenue from passenger transportations will continue to recover and then to strongly grow, and exceed the revenue level before the COVID-19 pandemic, contributed by new flight routes to India and the re-opening of the aviation market of China, Taiwan and Hong Kong. In addition, the Group has bilateral and multilateral cooperation plans with other international airlines under interline/codeshare approaches, connections to Thai Vietjet and expansion of business to Australia and/or other destinations from Dubai International Airport in exploiting, sharing flight networks, selling of merchandise and promoting trading and financial activities related to aircraft. In order to achieve the budgeted revenue registered with the General Meeting of Shareholders, the Company had reached a flexible aircraft hand-over agreement with The Boeing Company which aligns with the Group's growth plan to expand aircraft fleets and meets long-term development strategy of aviation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.2 Assessment of going concern assumptions (continued)****(i) Business operation (continued)**

With the recent status of fuel prices, the Group actively controls fuel expenses, including fuel saving, with new and modern aircraft fleets. In addition, the Group has detailed plans to control fuel costs for flights, control shortages and proactively invest in hedging prices with 30% of fuel in use. Furthermore, the Company is working with the authorities to submit the policy of petrol surcharge to the Government for approval. Currently, the Group continues to receive the Vietnamese Government's support including the 50% reduction in take-off costs and the environmental protection tax policy of 1,000 VND/litter.

In addition, the Group continues to implement certain measures to strictly control the costs and push up digital transformation projects to optimise operating expenses.

(ii) Working capital management

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 reductions to the charges for airport handling, technical activities, and other services.

(iii) Funding

In the subsequent months of 2022, the Group conducts the plans of raising capital through private placement and convertible bonds pursuant to a Resolution approved in the 2021 Annual General Meeting to strengthen the Group's financial capacity and ensure the sustainable development of Company's aviation activities.

Considering the business and commercial plans mentioned above, the Board of Directors and the Board of Management are of the opinion that the Company 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 12 months following the date of these consolidated interim financial statements. Accordingly, the consolidated interim financial statements for the six-month period ended 30 June 2022 have been prepared on a going concern basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.3 Fiscal year**

The Group's fiscal year is from 1 January to 31 December. The consolidated interim financial statements were prepared for the six-month period from 1 January to 30 June.

2.4 Currency

The consolidated interim financial statements are measured and presented in Vietnamese Dong ("VND" or "Dong").

On consolidating, 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 consolidated interim financial statements under the following principles:

- Assets and liabilities of overseas subsidiaries are translated at actual exchange rate at period end;
- Net assets of the subsidiaries are translated at the exchange rate of acquisition date;
- Undistributed earnings or losses incurred after acquisition date are translated based on the translation of income and expenses in the consolidated interim income statement;
- Profits already paid are translated at the actual exchange rate at the date of payment;
- Items of the consolidated interim income statement and the consolidated interim 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 cumulative 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; and
- Upon disposal, the accumulated exchange difference relating to that subsidiary is recognised as financial income or financial expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Exchange rates**

Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial banks where the Group regularly transacts. 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 impact the financial position and the results of operations during the accounting period. 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 interim income statement.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Basis of consolidation (continued)****Subsidiaries (continued)**

The interim financial statements of the subsidiaries are prepared for the same accounting period of the Group for the consolidation purpose. 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.

A 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 the 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 interim income statement. The retained interest in the entity will be accounted for as either an investment in another entity or an investment to be accounted for as equity since the divestment date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Basis of consolidation (continued)****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 the post-acquisition profits or losses of its associates is recognised in the consolidated interim 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 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.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated period of benefit but not exceeding a period of 10 years.

Goodwill on acquisitions of investments in associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of the investments in subsidiaries or associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is carried at cost less accumulated amortisation, and is tested annually for impairment. If there is evidence that the impairment during the period is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 as uncollectible.

Receivables are classified into short-term and long-term receivables on the consolidated interim balance sheet based on the remaining period from the consolidated interim 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 contribute maintenance reserves with the 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. The remaining unutilised portion of the maintenance reserves of leased aircraft, if any, after the end of the lease term will be owned by the lessor.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 carrying value is higher than their market 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 interim income statement. The costs of trading securities disposed of are determined by using the moving weighted average method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Investments (continued)****(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 investments in business cooperation contracts, and other investments held to maturity. 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 interim balance sheet based on the remaining period from the consolidated interim balance sheet date to the maturity date.

(c) Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method when preparing the consolidated financial statements (Note 2.6).

(d) 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. It is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.12 Lendings**

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

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the period end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Changes in the provision balance during the 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.

Lendings are classified into short-term and long-term lendings on the consolidated interim balance sheet based on the remaining term of the lendings as at the consolidated interim balance sheet 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 which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated interim income statement when incurred in the period.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line basis 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 |
| Buildings and structures | 47 years |
| Machinery and equipment | 2 - 10 years |
| Motor vehicles | 3 - 10 years |
| Office equipment | 3 - 5 years |
| Software | 3 - 10 years |

Disposals

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Fixed assets (continued)***Construction in progress*

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

2.14 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 interim income statement on either a straight-line basis over the terms of the lease or using another calculation method if it is more reasonable.

2.15 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated interim balance sheet.

(a) Short-term prepaid expenses

Short-term prepayments mainly comprise fuselage insurance fees and short-term prepaid expenses. These prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

(b) Long-term prepaid expenses*(i) Maintenance costs and costs to make good on leased assets*

Accounting policies related to the recognition and allocation of maintenance costs and costs to make good on leased assets are presented in Note 2.20 to these consolidated interim financial statements.

(ii) Major inspection and overhaul expenditure

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

(iii) Rotable parts

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.15 Prepaid expenses (continued)****(b) Long-term prepaid expenses (continued)***(iv) 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.

(v) Other long-term prepaid expenses

Other long-term prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.16 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 interim balance sheet based on the remaining period from the consolidated interim balance sheet date to the maturity date.

2.17 Borrowings

Borrowings include borrowings from banks and other entities.

Borrowings are classified into short-term and long-term borrowings on the consolidated interim balance sheet based on the remaining period from the consolidated interim 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 is 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 interim income statement when incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Bonds issued - Straight bonds**

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

2.19 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.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the accounting period are recorded as an increase or decrease in operating expenses.

Provisions include provisions for periodic maintenance costs in the scope of maintenance reserves and provisions for cost to make good on leased assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Provisions (continued)****(a) Provisions for periodic maintenance costs in the scope of maintenance reserves**

In accordance with the Group's policy:

- with respect to Japanese Operating Leases with Call Option Contracts – JOLCO accompanying with an option to purchase aircrafts at the end of the lease term, the cost incurred in the first periodic maintenance for leased aircraft is recognised in long-term prepaid expenses balance and amortised to expenses in the consolidated interim income statement using the basis of actual flight hours or cycles to the next maintenance event (Note 2.15(b)(i));
- in case of aircraft operating lease agreements which are sub-leased by Thai Vietjet Air Joint Stock Co., Ltd. ("Thai Vietjet") – an associate, maintained costs are incurred and settled by Thai Vietjet;
- with respect to other aircraft operating leases, according to the aircraft leasing agreements between the Group and its lessors and the requirements of Vietnam Aviation Authority, the Group has to perform the routine maintenance and periodic maintenance for leased aircrafts based on Maintenance Planning Development for each aircraft which was developed based on the guidance of airline manufacturers. Routine maintenance is performed by the Group's cost while the periodic maintenance is covered by the maintenance reserves.

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

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

The provisions for LLP and LDG are determined by the 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 interim 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 interim income statement over the actual flight hours or flight cycles and the estimated cost per a flight hour or a flight cycles in subsequent maintenances for CPR and APU.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Provisions (continued)****(b) Provisions for cost to make good on leased assets**

In accordance with the Group's policy:

- with respect to JOLCO contracts, the cost of returning leased assets is recognized in the consolidated interim income statement when incurred.
- in case of aircraft operating lease agreements which are sub-leased by Thai Vietjet, cost to make good on leased assets are incurred and settled by Thai Vietjet.
- with respect to aircraft operating lease agreements of which the Group is required to return aircrafts with adherence to certain maintenance conditions, cost to make good on leased assets is estimated at the inception of the lease based on the present value of the future expected costs at the expiration of the lease in order for the Group to meet the conditions for the return of the aircraft to the lessors, including certain levels of maintenance as well as arranging for final test flights, inspection, custom and deregistration costs, removal of the Group's modifications, if any, and return of the aircraft to a specified location. At the inception of the lease, the estimated cost is recorded in provisions with a corresponding asset is recognised in debit to long-term prepaid expenses. The estimated costs in long-term prepaid expenses are amortised to expenses on a straight-line basis over the lease term.

2.21 Unearned revenue

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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

Treasury shares bought before the effective date of the Securities Law (i.e. 1 January 2021) are shares issued by the Group and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Treasury shares bought after 1 January 2021 will be cancelled and adjusted to reduce equity.

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

2.23 Appropriation of profit

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

Profit after CIT could be distributed to shareholders after approval at the General Meeting of Shareholders, and after appropriation to other funds in accordance with the Group's charter and Vietnamese regulations. The General Meeting of Shareholders authorises the Board of Directors to decide on the implementation time.

The Group's fund is as below:

Bonus and welfare fund

Bonus and welfare fund is appropriated from the Group's profit after CIT in accordance with the Resolution of the Board of Directors. This fund is presented as a liability on the consolidated interim balance sheet. This fund is used for reward and encouragement of physical benefits, serving the needs of public welfare, improvement and enhancement of the standard of physical and spirit life of workers under the approval of the Board of Directors.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Revenue recognition****(a) Revenue from passenger transportation**

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

(b) Ancillary revenue

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

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

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

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

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the merchandises;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the merchandises sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Revenue recognition (continued)****(c) Revenue from charter flights**

Revenue from charter flights is recognised in the consolidated interim 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 interim income statement on a straight-line basis over the term of the lease or using another calculation method if it is more appropriate.

(e) Sales and leaseback transaction

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

For a transaction that results in an operating lease:

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

(f) Revenue from sales of aircraft and purchase right option

Revenue from sales of aircraft and purchase right option is recognised in the consolidated interim 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Revenue recognition (continued)****(g) Revenue from rendering of other services**

Revenue from rendering of other services is recognised in the consolidated interim income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

Revenue from rendering of services is only recognised when all four (4) of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the consolidated interim balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(h) Interest income

Interest income is recognised on an earned basis.

(i) Dividend income

Income from dividends is recognised when the Group has established receiving rights 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 mainly including provision for diminution in the value of trading securities; unwinding discount of provisions; 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 merchandises and providing services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current period taxable profits at the current period tax rates. Current and deferred income tax are 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 interim 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 accounting period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated interim 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, Audit Committee of the Group, 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 relationships 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 or the Group's geographical segment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.32 Critical accounting estimates**

The preparation of consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim 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 interim financial statements and the reported amounts of revenues and expenses during the accounting period.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful lives of fixed assets (Note 2.13 and 11);
- Provisions for periodic maintenance costs in the scope of maintenance reserves and cost to make good on leased assets (Notes 2.20 and 20); and
- Deferred income tax (Notes 2.29 and 22).

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Group and that are assessed by the Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

| | 30.6.2022 VND | 31.12.2021 VND |
|----------------------|--------------------------|--------------------------|
| Cash on hand | 9,470,418,771 | 9,204,594,362 |
| Cash at banks | 1,482,312,048,085 | 974,100,222,819 |
| Cash equivalents (*) | 1,550,958,151,039 | 884,948,129,376 |
| | <u>3,042,740,617,895</u> | <u>1,868,252,946,557</u> |

(*) As at 30 June 2022, cash equivalents mainly include term deposits in VND at banks with original maturities of 3 months or less and earn interest at rates ranging from 2.9% to 3.95% per annum (as at 31 December 2021: from 3% to 3.8% per annum).

As at 30 June 2022, the Group had current and term deposit accounts with total balance of VND677.7 billion (as at 31 December 2021: VND814 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank. (Note 39(b)).

4 INVESTMENTS**(a) Trading securities**

| | As at 30.6.2022 | | | |
|-------------------------------|------------------------|------------------------|-------------------------------|--------------------------|
| | Quantity | Cost VND | Fair value (*) VND | Provision VND |
| Petro Vietnam Oil Corporation | <u>50,000,000</u> | <u>990,000,000,000</u> | <u>620,000,000,000</u> | <u>370,000,000,000</u> |
| As at 31.12.2021 | | | | |
| | Quantity | Cost VND | Fair value (*) VND | Provision VND |
| Petro Vietnam Oil Corporation | <u>50,000,000</u> | <u>990,000,000,000</u> | <u>855,000,000,000</u> | <u>135,000,000,000</u> |

(*) The fair value of the investment which is shares traded in Unlisted Public Company Market (UPCoM) as at 30 June 2022 and 31 December 2021 is determined by referencing the closing prices published in this exchange on these dates.

The Group has signed an agreement to sell the purchase right option for the 50 million shares in Petro Vietnam Oil Corporation for an amount of VND500 billion, of which VND300 billion has been received. Accordingly, the buyer will have option to purchase these shares at a pre-determined price in the specific required period before 11 June 2023.

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4 INVESTMENTS (continued)

(b) Investments in associates (*)

| | As at 30.6.2022 | | | As at 31.12.2021 | | |
|---|-----------------|-----------------------|----------------------------------|------------------|-----------------------|----------------------------------|
| | Ownership % | Cost VND | Net value owned by the Group VND | Ownership % | 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 | 10 | 60,000,000,000 | - | 10 | 60,000,000,000 | - |
| | | <u>60,000,000,000</u> | <u>-</u> | | <u>60,000,000,000</u> | <u>-</u> |

(*) As at 30 June 2022 and 31 December 2021, the Group could not determine the fair value of these investments to disclose in the consolidated financial statements as these investments are not quoted in the market and Vietnamese Accounting Standards, Vietnamese Accounting System for Corporates and the legal regulations relating to the preparation and presentation of financial statements do not have detailed guidance on how fair value should be calculated. The fair value of such investments may differ from their book values.

(c) Investments in other entities

| | As at 30.6.2022 | | | | As at 31.12.2021 | | | |
|--|-----------------|------------------------|------------------------|---------------|------------------|------------------------|------------------------|---------------|
| | Ownership % | Cost VND | Fair value VND | Provision VND | Ownership % | Cost VND | Fair value VND | Provision VND |
| Sai Gon Ground Services Joint Stock Company (ii) | 9.1 | 149,417,024,400 | 208,135,896,000 | - | 9.1 | 149,417,024,400 | 217,012,279,800 | - |
| Angelica Holding Limited (iii) | 10 | - | - | - | 10 | - | - | - |
| | | <u>149,417,024,400</u> | <u>208,135,896,000</u> | <u>-</u> | | <u>149,417,024,400</u> | <u>217,012,279,800</u> | <u>-</u> |

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

- (i) On 25 September 2018, the Group signed an agreement with Quince Investment Limited and Asia Aero Services and Infrastructure Limited relating to a purchase option to increase its ownership in Thai Vietjet Air Joint Stock Company to 38%, with the total consideration of THB79 billion, by 31 December 2021. The price of the transferred shares is equal to the par value. As at the approval date of these consolidated interim financial statements, the Group has been negotiating the revised timeline of this purchase option and has not exercised the purchase option.
- (ii) The fair value of other investments in listed shares is determined by referencing to the closing prices on the Ho Chi Minh City Stock Exchange. As at 30 June 2022, the fair value of the investments in Sai Gon Ground Services Joint Stock Company is VND208,135,896,000 (as at 31 December 2021: VND217,012,279,800).
- (iii) As at 30 June 2022, the Group has not yet contributed capital in this company, which is incorporated in Cayman Islands. The principal activities of this company are to provide consultancy services and lease aircraft.

5 TRADE ACCOUNTS RECEIVABLE**(a) Short-term**

| | 30.6.2022 VND | 31.12.2021 VND |
|--|---------------------------|---------------------------|
| Third parties | | |
| Zhejiang Lixi International Travel Co., Ltd. (*) | 1,462,818,700,000 | 1,559,031,160,000 |
| Hangzhou Star International Travel Service Co., Ltd. | 1,722,135,530,000 | 1,687,690,160,000 |
| Hangzhou BaoLi Co., Ltd. (*) | 940,150,172,795 | 1,599,657,504,140 |
| Others | 977,552,739,216 | 114,063,659,076 |
| | <u>5,102,657,142,011</u> | <u>4,960,442,483,216</u> |
| Related parties (Note 39(b)) | 6,946,536,606,842 | 6,492,002,588,180 |
| | <u>12,049,193,748,853</u> | <u>11,452,445,071,396</u> |

- (*) As at 30 June 2022 and 31 December 2021, the short-term trade accounts receivable from these two customers have been past due for more than 1 year due to the COVID-19 pandemic situation. Based on the historical collection and the strategic partnership between the Group and these customers, the Board of Management assesses that the outstanding receivables are collectible when the aviation market recovers entirely.

(b) Long-term

Balance as at 30 June 2022 represents receivables from transferring purchase right option of aircraft to other related party (Note 39(b)).

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6 PREPAYMENTS TO SUPPLIERS

(a) Short-term

| | 30.6.2022 VND | 31.12.2021 VND |
|-------------------------------------|--------------------------|------------------------|
| Third parties | | |
| Rockwell Collins | 26,388,709,000 | 22,336,477,282 |
| Others | 359,553,378,950 | 77,379,646,210 |
| | <u>385,942,087,950</u> | <u>99,716,123,492</u> |
| Related parties (Note 39(b)) | 755,222,700,338 | 392,344,113 |
| | <u>1,141,164,788,288</u> | <u>100,108,467,605</u> |

(b) Long-term

Balance as at 30 June 2022 represents long-term prepayment to Hangzhou Baoli Co., Ltd relating to Marketing Service Contract.

7 LENDINGS

(a) Short-term

| Borrower | Currency | Annual interest rate | Year of maturity | 30.6.2022 VND | 31.12.2021 VND |
|---|----------|----------------------------|---------------------|------------------------|------------------------|
| Truong Son Plaza Joint Stock Company (Note 39(b)) | VND | 9% | 2022 | <u>657,000,000,000</u> | <u>657,000,000,000</u> |

Short-term lending balance represents a lending to Truong Son Plaza Joint Stock Company, a related party under contract No. 100921/HDV/VJC-TSP dated 10 September 2021 to provide financial support for working capital of this company. The lending is unsecured and will mature on 10 September 2022.

(b) Long-term

| Borrower | Currency | Annual interest rate | Year of maturity | 30.6.2022 VND | 31.12.2021 VND |
|---|----------|----------------------------|---------------------|------------------------|------------------------|
| AAA Aircraft Asset Company Limited (*) (Note 39(b)) | USD | 2.5% | 2025 | 502,922,424,000 | 492,816,672,000 |
| Apricot Aircraft Assets No. 1 Limited (**) (Note 39(b)) | USD | 5% | 2033 | <u>302,918,512,639</u> | <u>296,831,650,692</u> |
| | | | | <u>805,840,936,639</u> | <u>789,648,322,692</u> |

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7 LENDINGS (continued)

(b) Long-term (continued)

(*) 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 and will mature in 2025.

(**) The balance represents lending of USD12,950,770 to Apricot Aircraft Assets No. 1 Limited, a related party, to provide financial support for aircraft purchases and related purchase costs. The loan is unsecured and will mature in 2033.

8 OTHER RECEIVABLES

(a) Short-term

| | As at 30.6.2022 | | As at 31.12.2021 | |
|--|---------------------------|------------------|---------------------------|------------------|
| | Book value VND | Provision VND | Book value VND | Provision VND |
| Third parties | | | | |
| Maintenance reserves of leased aircraft | 2,866,084,719,773 | - | 1,824,881,774,817 | - |
| Deposits for aircraft purchases within next 12 months (i) | 2,806,678,449,187 | - | 1,585,033,816,020 | - |
| Purchase discounts receivable | 702,629,526,256 | - | 660,820,286,965 | - |
| Claim receivables from maintenance reserves of leased aircraft | 558,323,708,352 | - | 592,857,173,965 | - |
| Other receivable from aircraft supplier (ii) | 888,600,339,793 | - | 342,554,595,502 | - |
| Others | 962,087,424,823 | - | 769,999,731,892 | - |
| | <u>8,784,404,168,184</u> | <u>-</u> | <u>5,776,147,379,161</u> | <u>-</u> |
| Related parties (Note 39(b)) | <u>6,593,917,480,349</u> | <u>-</u> | <u>5,275,393,517,908</u> | <u>-</u> |
| | <u>15,378,321,648,533</u> | <u>-</u> | <u>11,051,540,897,069</u> | <u>-</u> |

(i) This balance represents a deposit to Airbus S.A.S for the aircrafts which are expected to be delivered within 12 months.

(ii) This balance represents a compensation entitled from an aircraft supplier.

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8 OTHER RECEIVABLES (continued)

(b) Long-term

| | As at 30.6.2022 | | As at 31.12.2021 | |
|---|---------------------------|------------------|---------------------------|------------------|
| | Book value VND | Provision VND | Book value VND | Provision VND |
| Third parties | | | | |
| Maintenance reserves of leased aircraft | 6,716,431,954,584 | - | 7,095,851,249,114 | - |
| Deposit for aircraft purchases after next 12 months (iii) | 4,178,233,760,625 | - | 5,149,203,195,069 | - |
| Deposit for aircraft leases | 1,302,632,598,383 | - | 1,272,927,219,320 | - |
| Deposit for ground handling services | 137,720,997,742 | - | 124,722,383,225 | - |
| Others | 95,644,171,670 | - | 36,987,670,484 | - |
| | <u>12,430,663,483,004</u> | <u>-</u> | <u>13,679,691,717,212</u> | <u>-</u> |
| Related parties (Note 39(b)) | <u>2,088,498,775,334</u> | <u>-</u> | <u>2,419,946,988,043</u> | <u>-</u> |
| | <u>14,519,162,258,338</u> | <u>-</u> | <u>16,099,638,705,255</u> | <u>-</u> |

(iii) The amounts represent deposits for aircraft purchases from 2023 to 2026 to Airbus S.A.S and Boeing Company.

9 INVENTORIES

| | As at 30.6.2022 | | As at 31.12.2021 | |
|--------------------|------------------------|------------------|------------------------|------------------|
| | Cost VND | Provision VND | Cost VND | Provision VND |
| Tools and supplies | 874,584,740,265 | - | 783,597,166,041 | - |
| Merchandise | 28,382,489,749 | - | 27,649,864,614 | - |
| | <u>902,967,230,014</u> | <u>-</u> | <u>811,247,030,655</u> | <u>-</u> |

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10 PREPAID EXPENSES

(a) Short-term

| | 30.6.2022 VND | 31.12.2021 VND |
|------------------------------|------------------------|-----------------------|
| Software, tools and supplies | 65,823,528,473 | 7,674,288,627 |
| Fuselage insurance | 13,490,418,122 | - |
| Others | 326,060,771,077 | 8,632,225,645 |
| | <u>405,374,717,672</u> | <u>16,306,514,272</u> |

(b) Long-term

| | 30.6.2022 VND | 31.12.2021 VND |
|---|--------------------------|--------------------------|
| Maintenance | 6,072,733,760,018 | 5,065,554,996,522 |
| Costs to make good on leased assets | 629,771,376,442 | 632,155,195,498 |
| Major inspection and overhaul expenditure | 267,133,361,402 | 174,818,646,585 |
| Rotating parts, tools and instruments | 228,022,158,427 | 182,890,430,569 |
| Others | 84,956,241,475 | 33,635,365,276 |
| | <u>7,282,616,897,764</u> | <u>6,089,054,634,450</u> |

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10 PREPAID EXPENSES (continued)

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

| | Maintenance VND | Costs to make good on leased assets VND | Major inspection and overhaul expenditure VND | Rotating parts, tools and instruments VND | Others VND | Total VND |
|--------------------------|--------------------|--|--|--|------------------|-------------------|
| As at 31 December 2021 | 5,065,554,996,522 | 632,155,195,498 | 174,818,646,585 | 182,890,430,569 | 33,635,365,276 | 6,089,054,634,450 |
| Increase in the period | 1,259,567,645,173 | 65,030,368,084 | 148,010,800,412 | 25,582,521,246 | 80,315,737,704 | 1,578,507,072,619 |
| Transfers from inventory | - | - | 275,156,650 | 107,679,931,366 | 3,615,372,259 | 111,570,460,275 |
| Allocation | (252,388,881,677) | (44,923,396,445) | (47,404,174,710) | (86,064,943,527) | (32,610,233,764) | (463,391,630,123) |
| Decrease in the period | - | (22,490,790,695) | (8,567,067,535) | (2,065,781,227) | - | (33,123,639,457) |
| As at 30 June 2022 | 6,072,733,760,018 | 629,771,376,442 | 267,133,361,402 | 228,022,158,427 | 84,956,241,475 | 7,282,616,897,764 |

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11 FIXED ASSETS

(a) Tangible fixed assets

| | Aircraft and components VND | Buildings and structures VND | Machinery and equipment VND | Motor vehicles VND | Office equipment VND | Total VND |
|---------------------------------|--------------------------------|---------------------------------|--------------------------------|-----------------------|-------------------------|-------------------|
| Historical cost | | | | | | |
| As at 1 January 2022 | 896,813,994,227 | 387,463,400,057 | 101,519,334,255 | 70,323,378,062 | 55,068,879,275 | 1,511,188,985,876 |
| New purchases | - | - | - | - | 929,594,546 | 929,594,546 |
| Disposals | - | - | - | (2,463,891,817) | (315,500,000) | (2,779,391,817) |
| As at 30 June 2022 | 896,813,994,227 | 387,463,400,057 | 101,519,334,255 | 67,859,486,245 | 55,682,973,821 | 1,509,339,188,605 |
| Accumulated depreciation | | | | | | |
| As at 1 January 2022 | 249,823,689,576 | 18,172,790,992 | 42,437,409,523 | 27,189,790,354 | 23,210,909,120 | 360,834,589,565 |
| Charge for the period | 22,132,913,465 | 4,073,579,921 | 5,934,069,983 | 3,642,709,487 | 2,100,659,130 | 37,883,931,986 |
| Disposals | - | - | - | (2,463,891,799) | (129,783,302) | (2,593,675,101) |
| As at 30 June 2022 | 271,956,603,041 | 22,246,370,913 | 48,371,479,506 | 28,368,608,042 | 25,181,784,948 | 396,124,846,450 |
| Net book value | | | | | | |
| As at 1 January 2022 | 646,990,304,651 | 369,290,609,065 | 59,081,924,732 | 43,133,587,708 | 31,857,970,155 | 1,150,354,396,311 |
| As at 30 June 2022 | 624,857,391,186 | 365,217,029,144 | 53,147,854,749 | 39,490,878,203 | 30,501,188,873 | 1,113,214,342,155 |

As at 30 June 2022, tangible fixed assets with a carrying value of VND624,857 million (as at 31 December 2021: VND646,990 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 30 June 2022 was VND53,474 million (as at 31 December 2021: VND52,676 million).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

Software
VND**Historical cost**As at 1 January 2022 and
30 June 2022

39,171,240,479

Accumulated amortisationAs at 1 January 2022
Charge for the period31,073,686,907
955,151,370

As at 30 June 2022

32,028,838,277

Net book value

As at 1 January 2022

8,097,553,572

As at 30 June 2022

7,142,402,202

The historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2022 was VND27,937 million (as at 31 December 2021: VND27,178 million).

12 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

| | 30.6.2022 VND | 31.12.2021 VND |
|--|--------------------------------|---------------------------------|
| Costs relating to aircraft and components | 277,399,238,231 | 270,157,717,639 |
| Aviation Technology Research and Training Centre | 225,385,696,812 | 225,385,696,812 |
| SAP software | 16,622,141,772 | - |
| Others | 31,887,115,254 | 5,217,281,436 |
| | <u>551,294,192,069</u> | <u>500,760,695,887</u> |

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

| | For the six- month period ended 30.6.2022 VND | For the year ended 31.12.2021 VND |
|---|--|--|
| Beginning of period/year | 500,760,695,887 | 804,241,395,933 |
| Purchase | 50,533,496,182 | 162,685,145,738 |
| Transfers to tangible fixed assets | - | (387,463,400,057) |
| Transfers to long-term prepaid expenses | - | (34,015,903,655) |
| Transfers to intangible fixed assets | - | (35,000,000) |
| Other movements | - | (44,651,542,072) |
| End of period/year | <u>551,294,192,069</u> | <u>500,760,695,887</u> |

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13 SHORT-TERM TRADE ACCOUNTS PAYABLE

| | As at 30.6.2022 | | As at 31.12.2021 | |
|--|--------------------------|------------------------------|--------------------------|------------------------------|
| | Value VND | Able-to-pay amount VND | Value VND | Able-to-pay amount VND |
| Third parties | | | | |
| Petrolimex Aviation Fuel Joint Stock Company | 1,352,986,838,442 | 1,352,986,838,442 | 665,792,259,190 | 665,792,259,190 |
| Vietnam Air Petrol Company Limited (Skypec) | 767,071,603,804 | 767,071,603,804 | - | - |
| CFM International SA | 346,429,859,665 | 346,429,859,665 | 360,094,721,342 | 360,094,721,342 |
| Others | 3,130,078,092,558 | 3,130,078,092,558 | 2,001,729,866,610 | 2,001,729,866,610 |
| | <u>5,596,566,394,469</u> | <u>5,596,566,394,469</u> | <u>3,027,616,847,142</u> | <u>3,027,616,847,142</u> |
| Related parties (Note 39(b)) | | | | |
| | <u>1,129,918,717,790</u> | <u>1,129,918,717,790</u> | <u>213,812,884,699</u> | <u>213,812,884,699</u> |
| | <u>6,726,485,112,259</u> | <u>6,726,485,112,259</u> | <u>3,241,429,731,841</u> | <u>3,241,429,731,841</u> |

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14 SHORT-TERM ADVANCES FROM CUSTOMERS

| | 30.6.2022 VND | 31.12.2021 VND |
|--|------------------------|------------------------|
| Third parties | | |
| Beijing Jiayu International Travel Service Co., Ltd. | 55,510,586,250 | 112,933,609,524 |
| DAEJOO Air Co., Ltd. | 46,686,343,290 | 103,994,116,213 |
| Others | 524,188,036,673 | 316,904,295,492 |
| | <u>626,384,966,213</u> | <u>533,832,021,229</u> |
| Related parties (Note 39(b)) | 10,227,421,078 | 11,063,447,039 |
| | <u>636,612,387,291</u> | <u>544,895,468,268</u> |

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15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in tax and other receivables from/payables to the State during the period are as follows:

| | As at 1.1.2022 VND | Receivable/payable during the period VND | Payment during the period VND | Net-off during the period VND | Others VND | As at 30.6.2022 VND |
|--------------------------|-----------------------|--|-------------------------------------|-------------------------------------|-----------------|------------------------|
| a) Tax receivable | | | | | | |
| Deductible VAT | 50,356,330,123 | 741,625,754,353 | - | (781,753,447,164) | - | 10,228,637,312 |
| b) Tax payables | | | | | | |
| CIT | 138,353,828,365 | 171,775,548,467 | (59,818,784,340) | - | (4,929,667,318) | 245,380,925,174 |
| VAT | 82,693,553,374 | 837,659,052,309 | (51,747,229,957) | (781,753,447,164) | - | 86,851,928,562 |
| Personal income tax | 45,647,196,536 | 143,412,520,459 | (89,333,454,755) | - | - | 99,726,262,240 |
| Foreign contractor tax | 22,010,668,059 | 5,778,556,010 | (327,272,387) | - | - | 27,461,951,682 |
| Other tax | - | 113,885,087 | (113,885,087) | - | - | - |
| | 288,705,246,334 | 1,158,739,562,332 | (201,340,626,526) | (781,753,447,164) | (4,929,667,318) | 459,421,067,658 |

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16 SHORT-TERM ACCRUED EXPENSES

| | 30.6.2022 VND | 31.12.2021 VND |
|---|--------------------------------|---------------------------------|
| Interest expense | 321,554,780,741 | 296,216,239,953 |
| Technical tools and aircraft related expenses | 251,571,257,787 | 533,958,452,256 |
| Others | 64,199,226,936 | 99,182,777,425 |
| | <u>637,325,265,464</u> | <u>929,357,469,634</u> |

17 SHORT-TERM UNEARNED REVENUE

| | 30.6.2022 VND | 31.12.2021 VND |
|---|--------------------------------|---------------------------------|
| Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months | <u>2,283,472,316,089</u> | <u>381,579,736,840</u> |

18 OTHER PAYABLES
(a) Short-term

| | 30.6.2022 VND | 31.12.2021 VND |
|-------------------------------------|--------------------------------|---------------------------------|
| Third party | | |
| Airport fees and charges payables | 496,964,910,451 | 700,704,487,828 |
| Others | 605,687,349,355 | 301,819,330,782 |
| | <u>1,102,652,259,806</u> | <u>1,002,523,818,610</u> |
| Related parties (Note 39(b)) | <u>91,415,337,089</u> | <u>90,302,062,029</u> |
| | <u>1,194,067,596,895</u> | <u>1,092,825,880,639</u> |

(b) Long-term

The balances as at 30 June 2022 and as at 31 December 2021 mainly represent long-term deposits received from the Group's business partners.

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19 BORROWINGS

(a) Short-term

| | As at 1.1.2022 VND | Increase VND | Decrease VND | Revaluation VND | As at 30.6.2022 VND |
|--|--------------------------|---------------------------|-----------------------------|-----------------------|--------------------------|
| Borrowings from banks (i) | 5,036,939,906,166 | 11,215,588,771,047 | (9,676,415,600,382) | 40,996,993,089 | 6,617,110,069,920 |
| Current portion of long-term borrowings (Note 19(b)) | 1,583,130,480,000 | 27,604,419,198 | (477,328,226,869) | 2,083,987,671 | 1,135,490,660,000 |
| Borrowings from related parties (Note 39(b)) | 700,000,000,000 | 45,000,000,000 | (700,000,000,000) | - | 45,000,000,000 |
| | <u>7,320,070,386,166</u> | <u>11,288,193,190,245</u> | <u>(10,853,743,827,251)</u> | <u>43,080,980,760</u> | <u>7,797,600,729,920</u> |

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

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

| Lenders | Currency | 30.6.2022 VND | 31.12.2021 VND |
|---|----------|--------------------------|--------------------------|
| Secured loans | | | |
| Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (Note 39(b))(*) | USD | 2,495,874,856,927 | 2,384,576,498,152 |
| Unsecured loans | | | |
| Vietnam Joint Stock Commercial Bank of Industry and Trade | VND | 2,284,860,393,614 | 1,860,409,702,905 |
| Military Commercial Joint Stock Bank | VND | 989,180,145,230 | - |
| Woori Bank Vietnam Limited, Ho Chi Minh City Branch | VND | 649,196,568,729 | 254,548,640,905 |
| Vietnam Maritime Commercial Joint Stock Bank | USD | 197,998,105,420 | 187,669,268,452 |
| Petrolimex Group Commercial Joint Stock Bank | VND | - | 349,735,795,752 |
| | | <u>6,617,110,069,920</u> | <u>5,036,939,906,166</u> |

(*) As at 30 June 2022, this loan was secured by the estimated receivables arising from the Group's sales of flight tickets in the future of VND5,425 billion (as at 31 December 2021: VND3,875 billion).

During the period, these borrowings bear interest at rates ranging from 4.2% to 5.8% per annum (for the year ended 31 December 2021: from 3.5% to 7.1% per annum) for borrowings in VND, and from 3.3% to 4.5% per annum (for the year ended 31 December 2021: from 3.3% to 4.3% per annum) for borrowings in USD.

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19 BORROWINGS (continued)

(b) Long-term

| | As at 1.1.2022 VND | Increase VND | Decrease VND | Revaluation VND | As at 30.6.2022 VND |
|---|--------------------------|--------------------------|-------------------|----------------------|---------------------------|
| Borrowings from banks (i) | 1,350,281,926,768 | - | (477,328,226,869) | 3,371,924,163 | 876,325,624,062 |
| Straight bonds (ii) | 8,373,090,000,000 | 2,876,910,000,000 | - | - | 11,250,000,000,000 |
| Current portion of long-term borrowings | (1,583,130,480,000) | (27,604,419,198) | 477,328,226,869 | (2,083,987,671) | (1,135,490,660,000) |
| | <u>8,140,241,446,768</u> | <u>2,849,305,580,802</u> | <u>-</u> | <u>1,287,936,492</u> | <u>10,990,834,964,062</u> |

(i) Borrowings from banks

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

| Lenders | Currency | Maturity | As at 30.6.2022 | | As at 31.12.2021 | |
|--|----------|---------------|--|--------------------------------|--|--------------------------------|
| | | | Current portion of long-term borrowings VND | Long-term borrowings VND | Current portion of long-term borrowings VND | Long-term borrowings VND |
| Woori Bank - Singapore Branch (*) | USD | December 2022 | 191,372,727,273 | - | 375,054,537,120 | - |
| Industrial and Commercial Bank of China Limited - Hong Kong Branch (*) | USD | December 2022 | 191,372,727,273 | - | 375,054,537,120 | - |
| KEB Hana Bank - Hong Kong Branch (*) | USD | December 2022 | 85,054,545,454 | - | 166,690,925,760 | - |
| Military Commercial Joint Stock Bank (**) | USD | June 2028 | 67,690,660,000 | 340,834,964,062 | 66,330,480,000 | 367,151,446,768 |
| | | | <u>535,490,660,000</u> | <u>340,834,964,062</u> | <u>983,130,480,000</u> | <u>367,151,446,768</u> |

19 BORROWINGS (continued)

(b) Long-term (continued)

(i) Borrowings from banks (continued)

(*) This syndicated borrowing was provided by three banks with total credit facility of USD110 million. The maturity of the borrowing is three years from the drawdown date. The borrowing's principal is repayable in 8 instalments in 2021 and 2022. The syndicated borrowing is unsecured and bears interest at a rate of 3.29% per annum (year ended 31 December 2021: 1.8% per annum).

(**) The principal of this borrowing is repayable in 17 equal semi-annual instalments of USD1.4 million (equivalent to VND33 billion) each and a final instalment of USD1.5 million (equivalent to VND35 billion) on 13 June 2028. The borrowing bears interest at a rate of 3.94% per annum (year ended 31 December 2021: 2.99% per annum) and is secured by the Group's tangible fixed assets with the carrying amount as follows:

| | 30.6.2022 VND | 31.12.2021 VND |
|---|------------------------|------------------------|
| Aircraft No. A320 MSN7167, VNA675 (Note 11(a)) | <u>624,857,391,186</u> | <u>646,990,304,651</u> |

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19 BORROWINGS (continued)

(b) Long-term (continued)

(ii) Straight bonds

Terms and conditions of long-term straight bonds are as follows:

| | Currency | Annual interest | Year of maturity | As at 30.6.2022 | | As at 31.12.2021 | |
|--|----------|-----------------|------------------|--|---------------------|--|-------------------|
| | | | | Current portion of long-term bonds VND | Long-term bonds VND | Current portion of long-term bonds VND | Long-term bonds |
| Bonds issued at par value, maturing after 60 months (*) | VND | 9.5% | 2026 | - | 5,000,000,000,000 | - | 5,000,000,000,000 |
| Bonds issued at par value, maturing after 36 months (**) | VND | 9.5% | 2024 | - | 5,000,000,000,000 | - | 2,123,090,000,000 |
| Bonds issued at par value, maturing after 36 months (***) | VND | 7.8% | 2023 | - | 650,000,000,000 | - | 650,000,000,000 |
| Bonds issued at par value, maturing after 36 months (****) (Note 41) | VND | 7.8% | 2022 | 600,000,000,000 | - | 600,000,000,000 | - |
| | | | | 600,000,000,000 | 10,650,000,000,000 | 600,000,000,000 | 7,773,090,000,000 |

(*) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9.5% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates on the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

(**) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9.5% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates on the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

19 BORROWINGS (continued)**(b) Long-term (continued)****(ii) Straight bonds (continued)**

(***) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates on the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

(****) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates on the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

20 PROVISION FOR LIABILITIES

Movements of provision for liabilities during the period are as follows:

| | Provision for maintenance expenses VND | Provision to make good on leased assets VND | Total VND |
|-------------------------------------|---|--|----------------------|
| As at 31 December 2021 | 11,102,401,572,249 | 1,143,835,340,803 | 12,246,236,913,052 |
| Provision made during the period | 1,872,369,864,465 | 80,705,641,307 | 1,953,075,505,772 |
| Utilisation of the provision | (6,528,452,662) | - | (6,528,452,662) |
| Others | - | (37,405,945,898) | (37,405,945,898) |
| As at 30 June 2022 | 12,968,242,984,052 | 1,187,135,036,212 | 14,155,378,020,264 |
| Short-term | 2,752,719,885,024 | - | 2,752,719,885,024 |
| Long-term | 10,215,523,099,028 | 1,187,135,036,212 | 11,402,658,135,240 |
| | 12,968,242,984,052 | 1,187,135,036,212 | 14,155,378,020,264 |

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21 BONUS AND WELFARE FUND

Movements of Bonus and welfare fund during the period/year are as follows:

| | For the six-month period ended 30.6.2022 VND | For the year ended 31.12.2021 VND |
|---|---|---|
| Beginning of period/year | 327,150,076,791 | - |
| Appropriation to the fund during the period/year (Note 24) | - | 380,676,119,348 |
| Utilization of the fund | (44,391,600,000) | (53,526,042,557) |
| End of period/year | <u>282,758,476,791</u> | <u>327,150,076,791</u> |

22 DEFERRED INCOME TAX

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

| | 30.6.2022 VND | 31.12.2021 VND |
|---|----------------------------|----------------------------|
| Deferred tax assets: | | |
| Deferred tax assets to be recovered after more than 12 months | 2,697,724,924,196 | 2,468,231,211,996 |
| Deferred tax assets to be recovered within 12 months | 562,543,977,005 | 338,402,175,062 |
| | <u>3,260,268,901,201</u> | <u>2,806,633,387,058</u> |
| Deferred tax liabilities: | | |
| Deferred tax liabilities to be settled after more than 12 months | 2,738,872,309,768 | 2,596,174,103,538 |
| Deferred tax liabilities to be settled within 12 months | 622,992,885,373 | 364,976,354,963 |
| | <u>3,361,865,195,141</u> | <u>2,961,150,458,501</u> |
| Net-off | <u>(3,260,268,901,201)</u> | <u>(2,806,633,387,058)</u> |
| Net deferred income tax payable | <u>101,596,293,940</u> | <u>154,517,071,443</u> |

22 DEFERRED INCOME TAX (continued)

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

| | For the six-month period ended 30.6.2022 VND | For the year ended 31.12.2021 VND |
|---|---|---|
| Beginning of year | 154,517,071,443 | 67,824,775,143 |
| Consolidated interim income statement charge (Note 35) | (52,920,777,503) | 86,692,296,300 |
| End of period/year | <u>101,596,293,940</u> | <u>154,517,071,443</u> |

As at 30 June 2022, the Group uses tax rate of 20% (as at 31 December 2021: 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 payable to provision for maintenance costs, provision for return of leased assets; taxable temporary differences to maintenance reserves, prepaid aircraft maintenance, leased return costs; revalue amounts denominated in foreign currencies and tax losses carried forward.

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

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

| Year of tax loss | Status of tax authorities' review | Loss incurred VND | Loss utilised VND | Loss carried forward VND |
|---------------------|---|------------------------|----------------------|--------------------------------|
| 2020 | Outstanding | 2,414,670,803,135 | (1,005,216,623,073) | 1,409,454,180,062 |
| 2022 | Outstanding | <u>676,512,305,679</u> | <u>-</u> | <u>676,512,305,679</u> |

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23 OWNERS' CAPITAL
(a) Number of shares

| | As at 30.6.2022 | | As at 31.12.2021 | |
|--|------------------------|--------------------------|-------------------------|--------------------------|
| | Ordinary shares | Preference shares | Ordinary shares | Preference shares |
| Number of shares registered | 541,611,334 | - | 541,611,334 | - |
| Number of shares issued | 541,611,334 | - | 541,611,334 | - |
| Number of existing shares in circulation | 541,611,334 | - | 541,611,334 | - |

(b) Movement of share capital

| | Number of shares | Ordinary shares VND |
|-------------------------|-------------------------|----------------------------|
| As at 1 January 2021 | 523,838,594 | 5,238,385,940,000 |
| Sale of treasury shares | 17,772,740 | 177,727,400,000 |
| As at 31 December 2021 | 541,611,334 | 5,416,113,340,000 |
| As at 30 June 2022 | 541,611,334 | 5,416,113,340,000 |

Par value per share: VND10,000.

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

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24 MOVEMENTS IN OWNERS' EQUITY

| | Owners' capital VND | Share premium VND | Treasury shares VND | Foreign exchange difference VND | Post-tax undistributed earnings VND | Non- controlling interests VND | Total VND |
|--|------------------------|----------------------|------------------------|--|--|---|--------------------|
| As at 1 January 2021 | 5,416,113,340,000 | 245,949,492,805 | (2,347,121,362,620) | 73,551,097,850 | 11,589,250,587,139 | 655,829,944 | 14,978,398,985,118 |
| Net profit for the year | - | - | - | - | 74,584,907,230 | 5,074,400,079 | 79,659,307,309 |
| Business combination | - | - | - | - | - | 12,454,650,788 | 12,454,650,788 |
| Change in ownership interest | - | - | - | - | (1,726,786,287) | 1,726,786,287 | - |
| Appropriation to Bonus and Welfare fund (Note 21) | - | - | - | - | (380,676,119,348) | - | (380,676,119,348) |
| Sale of treasury shares | - | 1,533,625,094 | 2,347,121,362,620 | - | - | - | 2,348,654,987,714 |
| Foreign currency conversion differences for overseas activities | - | - | - | (184,281,491,101) | - | - | (184,281,491,101) |
| As at 31 December 2021 | 5,416,113,340,000 | 247,483,117,899 | - | (110,730,393,251) | 11,281,432,588,734 | 19,911,667,098 | 16,854,210,320,480 |
| Net profit for the period | - | - | - | - | 143,708,449,484 | 1,229,115,040 | 144,937,564,524 |
| Foreign currency conversion differences for overseas activities | - | - | - | 201,834,405,446 | - | - | 201,834,405,446 |
| As at 30 June 2022 | 5,416,113,340,000 | 247,483,117,899 | - | 91,104,012,195 | 11,425,141,038,218 | 21,140,782,138 | 17,200,982,290,450 |

Pursuant to the Resolution No. 02-22/VJ-DHCD-DD dated 28 May 2022, the General Meeting of Shareholders of the Group approved the share dividends to its existing shareholders at the rate of 20% on the total par value of existing shares in circulation. The General Meeting of Shareholders authorized the Board of Directors to decide the plan of issuance plan after the approval of the State Securities Committee.

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25 DIVIDEND PAYABLE

| | 30.6.2022 VND | 31.12.2021 VND |
|---|-----------------------|-----------------------|
| At the beginning/end of the period/year | <u>57,789,721,550</u> | <u>57,789,721,550</u> |

26 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 period, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

| | For the six-month period ended | |
|--|---------------------------------------|------------------------|
| | 2022 | 2021 |
| Net profit attributable to shareholders (VND) | <u>143,708,449,484</u> | <u>124,079,557,849</u> |
| Weighted average number of ordinary shares in issue (shares) | 541,611,334 | 527,668,079 |
| Basic earnings per share (VND) | <u>265</u> | <u>235</u> |

(b) Diluted earnings per share

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

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27 OFF CONSOLIDATED INTERIM BALANCE SHEET ITEMS
(a) Foreign currencies

| | 30.6.2022 | 31.12.2021 |
|-----|------------------|-------------------|
| USD | 8,247,587 | 6,778,291 |
| SGD | 1,131,132 | 1,054,978 |
| MYR | 1,135,970 | 1,135,970 |
| KRW | 8,162,089,887 | 183,813,624 |
| JPY | 325,386,010 | 24,654,663 |
| EUR | 43,940 | 44,430 |
| TWD | 279,800 | 279,800 |
| HKD | 54,350 | 54,350 |
| GBP | 1,955 | 2,250 |
| IDR | 10,225,000 | 10,225,000 |
| THB | 87,550 | 94,420 |
| CNY | 394,329 | 18,478 |
| INR | 154,640 | 135,370 |
| MMK | 2,864,650 | 2,864,650 |

(b) Operating lease assets

The future minimum lease receipts/payments under non-cancellable operating lease agreements were presented in Note 40(a).

28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

| | For the six-month period ended | |
|--|---------------------------------------|--------------------------|
| | 30.6.2022 | 30.6.2021 |
| | VND | VND |
| Passenger transportation | | |
| - Domestic routes | 6,214,080,177,381 | 1,814,333,990,363 |
| - International routes including charter flights | 1,094,998,688,415 | 263,409,122,039 |
| - Ancillary revenue | 4,152,732,916,600 | 2,349,911,643,546 |
| | <u>11,461,811,782,396</u> | <u>4,427,654,755,948</u> |
| Revenue from sales of aircraft and purchase right option | 3,193,810,000,000 | 2,398,977,521,508 |
| Aircraft dry leases | 683,673,525,518 | 649,848,377,177 |
| Revenue from sales of engine | 420,189,000,000 | - |
| Other revenue | 175,077,894,696 | 79,553,361,806 |
| | <u>15,934,562,202,610</u> | <u>7,556,034,016,439</u> |

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29 COST OF GOODS SOLD AND SERVICES RENDERED

| | For the six-month period ended | |
|--|---------------------------------------|---------------------------|
| | 30.6.2022 | 30.6.2021 |
| | VND | VND |
| Flight operation expenses | 11,616,024,372,511 | 6,533,627,489,441 |
| Technical expenses | 1,279,287,954,055 | 780,902,857,506 |
| Ground operation expenses | 608,320,350,932 | 377,219,588,228 |
| Cost of engine sold | 411,251,291,000 | - |
| Cost of aircraft sold | - | 2,379,799,443,643 |
| Safety, security, quality and assurance expenses | 159,045,695,989 | 20,450,266,733 |
| Cargo expenses | 99,953,799,028 | 82,505,537,681 |
| Others | 448,279,433,165 | 263,345,661,476 |
| | <u>14,622,162,896,680</u> | <u>10,437,850,844,708</u> |

30 FINANCIAL INCOME

| | For the six-month period ended | |
|--|---------------------------------------|--------------------------|
| | 30.6.2022 | 30.6.2021 |
| | VND | VND |
| Interest income from deposits and lendings | 285,209,372,612 | 145,788,803,369 |
| Realised foreign exchange gains | 57,884,393,346 | 46,149,981,177 |
| Income from shares transfer | - | 3,584,000,000,000 |
| Others | 609,370,306 | 96,660,918 |
| | <u>343,703,136,264</u> | <u>3,776,035,445,464</u> |

31 FINANCIAL EXPENSES

| | For the six-month period ended | |
|--|---------------------------------------|------------------------|
| | 30.6.2022 | 30.6.2021 |
| | VND | VND |
| Interest expense | 692,378,380,306 | 290,253,736,292 |
| Provision for/(reversal of provision for) diminution in value of investments | 235,000,000,000 | (160,000,000,000) |
| Net loss from foreign currency translation at period-end | 110,503,344,709 | 36,806,022,285 |
| Unwinding discount of provisions | 120,111,426,110 | 21,805,574,986 |
| Realised foreign exchange losses | 105,973,174,115 | 12,195,928,938 |
| Others | 15,018,000,964 | 2,393,400,619 |
| | <u>1,278,984,326,204</u> | <u>203,454,663,120</u> |

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32 SELLING EXPENSES

| | For the six-month period ended | |
|------------------------------------|--------------------------------|------------------------|
| | 30.6.2022 VND | 30.6.2021 VND |
| Advertising and marketing expenses | 195,454,604,833 | 233,330,484,047 |
| Sale commissions | 73,697,038,696 | 60,407,641,935 |
| Staff costs | 70,784,167,537 | 42,830,086,875 |
| Depreciation and amortisation | 558,174,345 | 242,386,726 |
| Others | 24,515,422,196 | 7,865,550,329 |
| | <u>365,009,407,607</u> | <u>344,676,149,912</u> |

33 GENERAL AND ADMINISTRATION EXPENSES

| | For the six-month period ended | |
|-------------------------------|--------------------------------|------------------------|
| | 30.6.2022 VND | 30.6.2021 VND |
| Staff costs | 111,709,238,545 | 76,870,382,558 |
| External service expenses | 69,690,010,151 | 61,921,162,992 |
| Rental | 6,247,053,642 | 21,313,370,235 |
| Depreciation and amortisation | 3,378,575,464 | 8,485,643,192 |
| Others | 13,445,298,029 | 20,852,651,020 |
| | <u>204,470,175,831</u> | <u>189,443,209,997</u> |

34 NET OTHER INCOME AND OTHER EXPENSES

| | For the six-month period ended | |
|------------------------------|--------------------------------|----------------------|
| | 30.6.2022 | 30.6.2021 |
| | VND | VND |
| Other income | | |
| Income from compensation (*) | 447,726,000,000 | - |
| Others | 8,742,470,544 | 8,718,554,848 |
| | <u>456,468,470,544</u> | <u>8,718,554,848</u> |
| Other expenses | | |
| Others | (314,667,608) | (287,762,402) |
| Net other income | <u>456,153,802,936</u> | <u>8,430,792,446</u> |

(*) This income relates to a compensation entitled from an aircraft supplier.

35 CORPORATE INCOME TAX ("CIT")

The Group has an obligation to pay the CIT at the applicable tax rate of 20% of taxable profits, except for the following companies:

Company incorporated in British Virgin Islands

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

Income or profits generated in the British Virgin Islands are non-taxable.

Company incorporated in Cayman Islands

Skymate Limited

Income or profits generated in the Cayman Islands are non-taxable.

Company incorporated in Singapore

Vietjet Air Singapore Pte. Ltd.

Vietjet Air Singapore Pte. Ltd. has an obligation to pay CIT 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 CIT at the rate of 25% of taxable profits.

35 CORPORATE INCOME TAX (“CIT”) (continued)

The CIT on the Group’s accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

| | For the six-month period ended | |
|--|---------------------------------------|-----------------------|
| | 30.6.2022 | 30.6.2021 |
| | VND | VND |
| Net accounting profit before tax | 263,792,335,488 | 165,075,386,612 |
| Tax calculated at a rate of 20% | 52,758,467,098 | 33,015,077,322 |
| Effect of: | | |
| Expenses not deductible for tax purposes | 76,909,921,139 | 17,229,369,457 |
| Effect of difference tax rates applied for subsidiaries | (10,813,617,273) | (7,002,080,447) |
| CIT charge (*) | <u>118,854,770,964</u> | <u>43,242,366,332</u> |
| Charged/(credited) to the consolidated interim income statement: | | |
| CIT – current | 171,775,548,467 | 13,225,950,927 |
| CIT – deferred (Note 22) | (52,920,777,503) | 30,016,415,405 |
| | <u>118,854,770,964</u> | <u>43,242,366,332</u> |

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

36 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the period from the Group's operating activities, excluding cost of merchandise for trading activities. Details are as follows:

| | For the six-month period ended | |
|-------------------------------------|--------------------------------|--------------------------|
| | 30.6.2022 VND | 30.6.2021 VND |
| Fuel costs | 6,219,602,551,752 | 2,345,460,784,323 |
| Staff costs | 1,407,072,066,287 | 986,007,205,010 |
| Depreciation and amortisation | 38,839,083,356 | 41,487,003,427 |
| External service and other expenses | 7,064,163,787,440 | 5,213,754,701,870 |
| | <u>14,729,677,488,835</u> | <u>8,586,709,694,630</u> |

37 SEGMENT REPORTING

The Board of Management of the Group determines that the management's 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 Notes 28 and 29 to the consolidated interim 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:

| | For the six-month period ended | |
|-----------------|--------------------------------|--------------------------|
| | 30.6.2022 VND | 30.6.2021 VND |
| In Vietnam | 10,085,081,355,526 | 3,895,607,968,168 |
| Outside Vietnam | 5,849,480,847,084 | 3,660,426,048,271 |
| | <u>15,934,562,202,610</u> | <u>7,556,034,016,439</u> |

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.

38 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATED INTERIM CASH FLOW STATEMENT

Non-cash transactions affecting the consolidated interim cash flow statement:

| | For the six-month period ended | |
|---|--------------------------------|------------------------|
| | 30.6.2022 VND | 30.6.2021 VND |
| Appropriation to bonus and welfare fund | <u>-</u> | <u>380,676,119,348</u> |

39 RELATED PARTY DISCLOSURES

Details of associates and other related parties are given in Note 4.

Details of the key related parties and relationship are given as below:

| Related parties | Relationship |
|---|---------------------|
| Sovico Holdings Company | Major shareholder |
| Ho Chi Minh City Development Joint Stock Commercial Bank ("HDBank") | Major shareholder |
| Thai Vietjet Air Joint Stock Co., Ltd. | Associate |
| Cam Ranh International Terminal Joint Stock Company | Associate |
| Sai Gon Ground Services Joint Stock Company | Other related party |
| Truong Son Plaza Joint Stock Company | Other related party |
| Cong Hoa Commercial Investment Joint Stock Company | Other related party |
| Sovico Energy Holdings Company | Other related party |
| Sovico Group Joint Stock Company | Other related party |
| Phu Long Real Estate Corporation | Other related party |
| Menas Company Limited | Other related party |
| Angelica Holding Limited | Other related party |
| Angelica Aircraft Assets Limited | Other related party |
| Apricot Aircraft Company (Ireland) 8577 Limited | Other related party |
| Apricot Aircraft Company (Ireland) 8592 Limited | Other related party |
| Apricot Aircraft Company (Ireland) 8605 Limited | Other related party |
| Apricot Aircraft Company (Ireland) 8670 Limited | Other related party |
| Apricot Aircraft Company (Ireland) 8676 Limited | Other related party |
| Apricot Aircraft Assets Limited | Other related party |
| Apricot Aircraft Assets No.1 Limited | Other related party |
| AAA Aircraft Asset Company Limited | Other related party |
| AAA Golden Aircraft Star No. 1 Limited | Other related party |
| AAA Golden Aircraft Star No. 2 Limited | Other related party |
| AAA Golden Aircraft Star No. 3 Limited | Other related party |
| AAA Golden Aircraft Star No. 4 Limited | Other related party |
| AAA Golden Aircraft Star No. 5 Limited | Other related party |
| World Go International Limited | Other related party |
| Indochina Beach Hotel Joint Stock Company | Other related party |
| Conasi Property Management and Development Corporation | Other related party |
| Guangzhou Representative of Vietjet Aviation Joint Stock Company | Other related party |
| Victoria Academy Company Limited | Other related party |
| New Generation Service Supply Joint Stock Company | Other related party |

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

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

| | For the six-month period ended 30 June | |
|--|---|------------------------|
| | 2022 | 2021 |
| | VND | VND |
| i) Revenue from aircraft leasing | | |
| Associate | 513,211,112,768 | 513,770,283,977 |
| Other related party | 170,462,412,750 | 136,078,093,200 |
| | <u>683,673,525,518</u> | <u>649,848,377,177</u> |
| ii) Revenue from sales of purchase right option | | |
| Other related party | 3,193,810,000,000 | - |
| | <u>3,193,810,000,000</u> | <u>-</u> |
| iii) Revenue from other services | | |
| Major shareholder | - | 95,386,161 |
| Associate | 92,290,025,240 | 14,469,093,464 |
| Other related party | 25,508,681 | 52,740,930 |
| | <u>92,315,533,921</u> | <u>14,617,220,555</u> |
| iv) Aircraft operating lease expenses | | |
| Other related party | 624,233,253,729 | 587,582,000,000 |
| | <u>624,233,253,729</u> | <u>587,582,000,000</u> |

39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

| | For the six-month period ended 30 June | |
|---|--|--------------------------|
| | 2022 | 2021 |
| | VND | VND |
| v) Financing activities | | |
| <i>Interest income</i> | | |
| HDBank | 10,280,992,298 | 15,787,168,551 |
| Associate | 183,196,593,785 | 111,920,089,349 |
| Other related parties | 42,985,955,105 | 13,104,485,208 |
| | <u>236,463,541,188</u> | <u>140,811,743,108</u> |
| <i>Interest expense</i> | | |
| HDBank | 40,601,147,764 | 31,632,294,305 |
| Other related parties | 30,616,438,355 | 24,408,904,110 |
| | <u>71,217,586,119</u> | <u>56,041,198,415</u> |
| <i>Proceeds from borrowings</i> | | |
| HDBank | 2,437,550,606,352 | 1,924,284,538,314 |
| Other related party | 45,000,000,000 | - |
| | <u>2,482,550,606,352</u> | <u>1,924,284,538,314</u> |
| <i>Repayments of borrowings</i> | | |
| HDBank | 2,363,936,481,101 | 1,857,720,570,816 |
| Other related party | 700,000,000,000 | - |
| | <u>3,063,936,481,101</u> | <u>1,857,720,570,816</u> |
| <i>Term deposits and certificate of deposits with HDBank</i> | | |
| Deposit | 855,000,000,000 | 3,602,000,000,000 |
| Settlement | 805,000,000,000 | 4,925,000,000,000 |
| | <u></u> | <u></u> |
| <i>Lending</i> | | |
| Other related parties | - | 299,421,804,712 |
| | <u></u> | <u></u> |

39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

| | For the six-month period ended 30 June | |
|---|--|-------------------|
| | 2022 | 2021 |
| | VND | VND |
| vi) Investment activities | | |
| <i>Income from shares transfer</i> | | |
| Other related parties | - | 5,184,000,000,000 |
| <i>Payment received from transfer of the commercial right</i> | | |
| Other related parties | - | 290,000,000,000 |
| <i>Investment in projects with other related parties</i> | | |
| Deposit received | - | 1,200,000,000,000 |
| Deposit repaid | - | 1,995,000,000,000 |
| vii) Other transactions | | |
| <i>Office rental expenses</i> | | |
| Major shareholder | 4,189,121,946 | 4,189,121,957 |
| Other related parties | 33,883,834,071 | 14,057,926,456 |
| | 38,072,956,017 | 18,247,048,413 |
| <i>Prepayment for engine rental</i> | | |
| Other related party | 739,980,636,445 | - |
| <i>Payments and (receipts) on behalf, net cashflows</i> | | |
| Associate | 57,658,193,045 | 81,935,769,215 |
| <i>Consulting fee</i> | | |
| Other related parties | - | 25,413,925,298 |
| viii) Compensation of key management | | |
| Board of Directors | 3,640,761,267 | 4,241,370,683 |
| Board of Management | 9,076,612,218 | 6,291,279,254 |
| | 12,717,373,485 | 10,532,649,937 |

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39 RELATED PARTY DISCLOSURES (continued)

(b) Period/year end balances with related parties

| | 30.6.2022 VND | 31.12.2021 VND |
|---|-------------------|-------------------|
| Cash and cash equivalents (Note 3) | | |
| HDBank | 677,686,272,426 | 814,294,104,391 |
| Investment held to maturity | | |
| HDBank | 4,150,000,000 | - |
| Short-term trade accounts receivable (Note 5(a)) | | |
| Major shareholder | 7,701,766 | - |
| HDBank | 794,398,329 | - |
| Associate (i) | 3,643,924,775,482 | 2,981,583,703,080 |
| Other related parties (ii) | 3,301,809,731,265 | 3,510,418,885,100 |
| | 6,946,536,606,842 | 6,492,002,588,180 |

(i) Receivables mainly came from aircraft dry leases.

(ii) The receivable balance mainly includes receivables relating to disposal of engines, and receivables from aircraft dry leases.

Long-term trade accounts receivables (Note 5(b))

| | | |
|-----------------------------|-------------------|---|
| Other related parties (iii) | 2,905,560,000,000 | - |
|-----------------------------|-------------------|---|

(iii) The balance includes receivables from purchase right option.

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

| | | |
|--------------------------|-----------------|-------------|
| HDBank | 1,306,488,551 | - |
| Other related party (iv) | 753,916,211,787 | 392,344,113 |
| | 755,222,700,338 | 392,344,113 |

(iv) The balance includes the prepayment of engine rental.

Short-term lendings (Note 7(a))

| | | |
|---------------------|-----------------|-----------------|
| Other related party | 657,000,000,000 | 657,000,000,000 |
|---------------------|-----------------|-----------------|

Long-term lendings (Note 7(b))

| | | |
|-----------------------|-----------------|-----------------|
| Other related parties | 805,840,936,639 | 789,648,322,692 |
|-----------------------|-----------------|-----------------|

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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39 RELATED PARTY DISCLOSURES (continued)

(b) Period/year end balances with related parties (continued)

| | 30.6.2022 VND | 31.12.2021 VND |
|---|--------------------------|--------------------------|
| Other short-term receivables (Note 8(a)) | | |
| Major shareholder | 1,042,580,000 | |
| Associates (v) | 2,337,027,153,422 | 1,595,304,781,031 |
| Other related parties (vi) | 4,255,847,746,927 | 3,680,088,736,877 |
| | <u>6,593,917,480,349</u> | <u>5,275,393,517,908</u> |

(v) As at 30 June 2022, the receivable balance mainly includes payment on behalf and earns interest at the rate of 9% per annum (2021: 9% per annum).

(vi) The receivable balance mainly includes receivables from the transfer of the business and operation rights of the Vietjet Plaza Building, receivables relating to the disposal of rights and obligations in the Republic Plaza project, and receivables from transfer of shares in Pacific Star Investment and Development Company.

Other long-term receivables (Note 8(b))

| | | |
|-----------------------------|--------------------------|--------------------------|
| Major shareholder | 1,000,000,000 | - |
| Associate | 15,219,542,500 | 468,344,946,987 |
| Other related parties (vii) | 2,072,279,232,834 | 1,951,602,041,056 |
| | <u>2,088,498,775,334</u> | <u>2,419,946,988,043</u> |

(vii) The receivable balance mainly includes receivables from a related party regarding the maintenance reserves, deposit for aircraft leases and receivables from transfer of shares in Pacific Star Investment and Development Company.

Short-term trade accounts payable (Note 13)

| | | |
|-------------------------|--------------------------|------------------------|
| HDBank | 787,480,482 | 733,297,968 |
| Other major shareholder | 24,859,785,367 | 24,859,785,367 |
| Associate | - | 2,335,782,331 |
| Other related parties | 1,104,271,451,941 | 185,884,019,033 |
| | <u>1,129,918,717,790</u> | <u>213,812,884,699</u> |

Short-term advances from customers (Note 14)

| | | |
|-----------------------|-----------------------|-----------------------|
| HDBank | - | 448,777,861 |
| Associate | 8,649,099,558 | 8,649,099,558 |
| Other related parties | 1,578,321,520 | 1,965,569,620 |
| | <u>10,227,421,078</u> | <u>11,063,447,039</u> |

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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39 RELATED PARTY DISCLOSURES (continued)

(b) Period-end/year-end balances with related parties (continued)

| | 30.6.2022 VND | 31.12.2021 VND |
|---|--------------------------|--------------------------|
| Short-term accrued expenses | | |
| HDBank | - | 1,712,695,006 |
| Other related parties | 140,584,931,506 | 92,708,021,157 |
| | <u>140,584,931,506</u> | <u>94,420,716,163</u> |
| Other short-term payables (Note 18(a)) | | |
| HDBank | 894,768,545 | 876,788,785 |
| Major shareholders | 70,964,404,160 | 69,869,108,860 |
| Other related parties | 19,556,164,384 | 19,556,164,384 |
| | <u>91,415,337,089</u> | <u>90,302,062,029</u> |
| Short-term borrowings (Note 19(a)) | | |
| HDBank | 2,495,874,856,927 | 2,384,576,498,152 |
| Other related party | 45,000,000,000 | 700,000,000,000 |
| | <u>2,540,874,856,927</u> | <u>3,084,576,498,152</u> |

40 PRINCIPLE AGREEMENTS**(a) Commitments under operating leases****(i) The Group as a lessee**

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

| | 30.6.2022 VND | 31.12.2021 VND |
|----------------------------|---------------------------|---------------------------|
| Within one year | 10,689,424,829,335 | 8,616,964,284,145 |
| Between one and five years | 38,369,569,468,221 | 37,298,127,372,065 |
| Over five years | 22,847,421,526,187 | 24,811,592,924,072 |
| Total minimum payments | <u>71,906,415,823,743</u> | <u>70,726,684,580,282</u> |

(ii) The Group as a lessor

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

| | 30.6.2022 VND | 31.12.2021 VND |
|----------------------------|--------------------------|--------------------------|
| Within one year | 1,261,152,348,648 | 1,337,091,416,984 |
| Between one and five years | 4,258,471,424,576 | 4,397,115,040,369 |
| Over five years | 1,046,543,031,046 | 1,389,127,587,327 |
| Total minimum receipts | <u>6,566,166,804,270</u> | <u>7,123,334,044,680</u> |

40 PRINCIPLE AGREEMENTS (continued)**(b) Other commitments**

The Group signed a principle agreement and related amendments with Airbus S.A.S to purchase 186 aircrafts. As at 30 June 2022, the Group has received 67 of the aircraft, with the remaining aircraft being scheduled to be delivered to the Company up to 2026. To power these aircraft, the Company also ordered 106 aircraft engines from CFM International S.A and 128 aircraft engines from United Technologies Corporation (Pratt & Whitney Division), including maintenance service agreements. Pursuant to the aircraft purchase agreement between the Company and Airbus S.A.S, the Group's principal agreements in relation to the pre-delivery payments for aircraft that are to be delivered in 2023 are USD212.5 million as of 30 June 2022. The Group's agreements with respect to the principle agreement and related amendments are subject to the ability to comply with the aircraft delivery schedule committed by the manufacturer.

On 31 May 2017, the Group signed an agreement with Honeywell Aviation Services to purchase 98 auxiliary power units for the Airbus aircraft. This agreement runs through 2022 and includes maintenance services for 12 years.

The Group also signed a principle agreement and related amendments with Boeing Group to purchase aircraft. As at 30 June 2022, the Group and Boeing Company have agreed to an amendment to adjust the delivery schedule for the aircraft and other terms (including payment and commercial support from the manufacturer) on the basis of conformity with the Group's long-term development strategy.

41 EVENTS OCCURRED AFTER THE END OF SIX-MONTH PERIOD ENDED 30 JUNE 2022

Pursuant to Decision No. 477/QD-SGDHN dated 12 July 2022 of Hanoi Stock Exchange, the bond of Vietjet Aviation Joint Stock Company with stock code VJC11912 is due to delist on 15 July 2022 with the value of VND 600,000,000,000 (6,000,000 bonds).

The consolidated interim financial statements were approved by the Board of Management on 29 August 2022.

| | | |
|---|---|---|
|  |  |  |
| Pham Ngoc Thoa Chief Accountant | Ho Ngoc Yen Phuong Vice President cum Chief Finance Officer |  Dinh Viet Phuong Permanent Vice President cum Managing Director |