

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement of the Board of Management	3
Report on review of consolidated interim financial information	4
Consolidated interim balance sheet (Form B 01a – DN/HN)	6
Consolidated interim income statement (Form B 02a – DN/HN)	9
Consolidated interim cash flow statement (Form B 03a – DN/HN)	10
Notes to the consolidated interim financial statements (Form B 09a – DN/HN)	12

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 was initially issued by the Department of Planning and Investment of Ha Noi City with the latest 30th amendment dated 19 April 2023.

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 Thi Phuong Thao	Chairperson (from 6 April 2023)
	Vice Chairperson (until 5 April 2023)
Mr. Donal Joshep Boylan	Vice Chairperson - Independent member
Ms. Nguyen Thanh Ha	Vice Chairperson (from 26 April 2023)
	Member (from 6 April 2023 until 25 April 2023)
	Chairperson (until 5 April 2023)
Mr. Nguyen Anh Tuan	Vice Chairperson - Independent member (from 26 April 2023)
Mr. Nguyen Thanh Hung	Member
Mr. Dinh Viet Phuong	Member
Mr. Luu Duc Khanh	Member
Mr. Chu Viet Cuong	Member
Ms. Ho Ngoc Yen Phuong	Member (from 26 April 2023)

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CORPORATE INFORMATION (continued)

Board of Management	Mr. Dinh Viet Phuong	Chief Executive Officer (from 6 April 2023) Permanent Vice President cum Managing Director (until 5 April 2023)
	Ms. Nguyen Thi Phuong Thao	Chief Executive Officer (until 5 April 2023)
	Mr. Micheal Hickey	Chief Operation Officer
	Ms. Ho Ngoc Yen Phuong	Vice President cum Chief Finance Officer
	Mr. To Viet Thang	Vice President
	Mr. Nguyen Thanh Son	Vice President
Senior Management	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
Audit Committee	Mr. Nguyen Anh Tuan	Chairperson
	Mr. Luu Duc Khanh	Member
	Mr. Chu Viet Cuong	Member
Legal representative	Mrs. Nguyen Thi Phuong Thao	Chairperson of the Board of Directors
	Mr. Dinh Viet Phuong	Chief Executive Officer
	Mrs. Ho Ngoc Yen Phuong	Vice President (from 19 April 2023)
	Mrs. Nguyen Thanh Ha	Vice Chairperson of the Board of Directors (until 18 April 2023)
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 2023, 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 83 which give a true and fair view of the consolidated interim financial position of the Group as at 30 June 2023, 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



Dinh Viet Phuong
Chief Executive Officer

Ha Noi City, SR Vietnam
2 September 2023



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 2023, and approved by the Board of Management of the Company on 2 September 2023. The consolidated interim financial statements comprise the consolidated interim balance sheet as at 30 June 2023, 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 83.

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 2023, 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



Luong Thi Anh Tuyet
Audit Practising Licence No.
3048-2019-006-1
Authorised signatory

Report reference number: HCM14270
Ho Chi Minh City, 2 September 2023

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 01a – DN/HN
CONSOLIDATED INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2023 VND	31.12.2022 VND
100	CURRENT ASSETS		31,481,522,947,844	33,587,472,621,916
110	Cash and cash equivalents	3	2,165,034,774,500	1,858,261,735,520
111	Cash		864,583,141,801	895,285,954,496
112	Cash equivalents		1,300,451,632,699	962,975,781,024
120	Short-term investments		528,875,421,096	687,775,421,096
121	Trading securities	4(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	4(a)	(470,900,000,000)	(490,000,000,000)
123	Investments held to maturity		9,775,421,096	187,775,421,096
130	Short-term receivables		27,504,897,102,281	29,729,804,064,103
131	Short-term trade accounts receivable	5(a)	11,893,179,714,058	12,402,309,894,689
132	Short-term prepayments to suppliers	6(a)	676,998,742,149	1,626,225,517,323
135	Short-term lendings	7(a)	657,000,000,000	657,000,000,000
136	Other short-term receivables	8(a)	14,277,718,646,074	15,044,268,652,091
140	Inventories		1,075,114,220,273	982,716,071,675
141	Inventories	9	1,075,114,220,273	982,716,071,675
150	Other current assets		207,601,429,694	328,915,329,522
151	Short-term prepaid expenses	10(a)	174,089,977,941	164,682,034,869
152	Value added tax ("VAT") to be reclaimed	15(a)	11,783,843,260	139,358,572,943
153	Tax and other receivables from the State	15(a)	21,727,608,493	24,874,721,710

The notes on pages 12 to 83 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	
			30.6.2023 VND	31.12.2022 VND
200	LONG-TERM ASSETS		39,743,501,493,825	34,449,491,811,396
210	Long-term receivables		24,758,058,273,474	21,238,145,855,696
211	Long-term trade accounts receivable	5(b)	3,771,425,000,000	3,863,320,000,000
212	Long-term prepayments to suppliers	6(b)	2,792,755,825,362	1,132,635,253,054
215	Long-term lendings	7(b)	851,167,932,661	868,221,855,860
216	Other long-term receivables	8(b)	17,342,709,515,451	15,373,968,746,782
220	Fixed assets		5,923,192,002,166	5,709,719,496,248
221	Tangible fixed assets	11(a)	5,524,022,368,364	5,681,333,704,196
222	Historical cost		6,123,328,650,558	6,113,532,845,752
223	Accumulated depreciation		(599,306,282,194)	(432,199,141,556)
224	Finance lease fixed assets	11(b)	348,168,600,747	-
225	Historical cost		366,890,044,815	-
226	Accumulated depreciation		(18,721,444,068)	-
227	Intangible fixed assets	11(c)	51,001,033,055	28,385,792,052
228	Historical cost		87,627,424,773	61,941,976,858
229	Accumulated amortisation		(36,626,391,718)	(33,556,184,806)
240	Long-term asset in progress		316,389,681,524	308,749,694,497
242	Construction in progress	12	316,389,681,524	308,749,694,497
250	Long-term investments		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		8,596,444,512,261	7,043,459,740,555
261	Long-term prepaid expenses	10(b)	8,299,478,006,841	6,639,189,192,765
262	Deferred income tax assets	23	296,966,505,420	404,270,547,790
270	TOTAL ASSETS		71,225,024,441,669	68,036,964,433,312

The notes on pages 12 to 83 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	
			30.6.2023 VND	31.12.2022 VND
300	LIABILITIES		56,352,119,610,987	53,138,669,609,828
310	Short-term liabilities		29,834,850,355,055	30,417,318,604,359
311	Short-term trade accounts payable	13	10,140,613,811,436	9,659,935,956,869
312	Short-term advances from customers	14	2,119,173,158,856	1,986,659,055,915
313	Tax and other payables to the State	15(b)	406,010,909,910	358,418,036,035
314	Payable to employees	16	151,239,167,993	190,125,532,153
315	Short-term accrued expenses	17	2,301,422,095,900	855,084,674,254
318	Short-term unearned revenue	18(a)	2,720,464,587,877	3,503,454,041,287
319	Other short-term payables	19	2,064,299,135,297	3,409,079,045,889
320	Short-term borrowings	20(a)	7,129,638,119,324	8,549,901,782,085
321	Provision for short-term liabilities	21	2,682,854,643,730	1,758,368,694,808
322	Bonus and welfare fund	22	119,134,724,732	146,291,785,064
330	Long-term liabilities		26,517,269,255,932	22,721,351,005,469
336	Long-term unearned revenue	18(b)	85,091,704,627	-
337	Other long-term payables		1,071,918,840	69,127,001,956
338	Long-term borrowings	20(b)	11,801,175,763,255	10,309,745,847,108
342	Provision for long-term liabilities	21	14,629,929,869,210	12,342,478,156,405
400	OWNERS' EQUITY		14,872,904,830,682	14,898,294,823,484
410	Capital and reserves		14,872,904,830,682	14,898,294,823,484
411	Owners' capital	24, 25	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	25	247,483,117,899	247,483,117,899
417	Foreign exchange differences	25	33,384,377,445	195,328,953,538
421	Undistributed earnings	25	9,154,052,462,527	9,018,933,578,880
421a	- Undistributed post-tax profits of previous years		9,018,933,578,880	11,281,432,588,734
421b	- Post-tax profits/(post-tax loss) of current period/year		135,118,883,647	(2,262,499,009,854)
429	Non-controlling interests	24	21,871,532,811	20,435,833,167
440	TOTAL RESOURCES		71,225,024,441,669	68,036,964,433,312



 Nguyen Thi Thanh Nga
 Chief Accountant/Preparer



 Ho Ngoc Yen Phuong
 Vice President cum
 Chief Finance Officer





 Dinh Viet Phuong
 Chief Executive Officer
 2 September 2023

The notes on pages 12 to 83 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	
			30.6.2023 VND	30.6.2022 VND
01	Revenue from sales of goods and rendering of services		29,503,155,481,329	15,934,562,202,610
02	Less deductions		-	-
10	Net revenue from sales of goods and rendering of services	29	29,503,155,481,329	15,934,562,202,610
11	Cost of goods sold and services rendered	30	(27,724,417,863,222)	(14,622,162,896,680)
20	Gross profit from sales of goods and rendering of services		1,778,737,618,107	1,312,399,305,930
21	Financial income	31	702,925,465,666	343,703,136,264
22	Financial expenses	32	(1,037,992,457,582)	(1,278,984,326,204)
23	- Including: Interest expense	32	(769,153,377,725)	(692,378,380,306)
25	Selling expenses	33	(833,625,615,267)	(365,009,407,607)
26	General and administration expenses	34	(395,176,492,266)	(204,470,175,831)
30	Net operating profit/(loss)		214,868,518,658	(192,361,467,448)
31	Other income		48,835,269,599	456,468,470,544
32	Other expenses		(17,506,998,085)	(314,667,608)
40	Net other income	35	31,328,271,514	456,153,802,936
50	Accounting profit before tax		246,196,790,172	263,792,335,488
51	Corporate income tax ("CIT") - current	36	(2,338,164,511)	(171,775,548,467)
52	CIT - deferred	36, 23	(107,304,042,370)	52,920,777,503
60	Profit after tax		136,554,583,291	144,937,564,524
	Attributable to:			
61	Shareholders of the Company		135,118,883,647	143,708,449,484
62	Non-controlling interests		1,435,699,644	1,229,115,040
70	Basic earnings per share	27(a)	249	265
71	Diluted earnings per share	27(b)	249	265

 Nguyen Thi Thanh Nga
 Chief Accountant/Preparer

 Ho Ngoc Yen Phuong
 Vice President cum
 Chief Finance Officer

 Dinh Viet Phuong
 Chief Executive Officer
 2 September 2023



The notes on pages 12 to 83 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)**

		For the six-month period ended		
Code	Note	30.6.2023 VND	30.6.2022 VND	
CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting profit before tax	246,196,790,172	263,792,335,488	
	Adjustments for:			
02	Depreciation and amortisation	11, 37	193,687,946,700	38,839,083,356
03	Provisions		3,129,299,176,095	1,957,529,949,135
04	Unrealised foreign exchange losses	32	131,791,177,002	110,503,344,709
05	Profits from investing activities		(201,745,708,318)	(285,443,190,711)
06	Interest expense	32	769,153,377,725	692,378,380,306
08	Operating profit before changes in working capital	4,268,382,759,376	2,777,599,902,283	
09	Increase in receivables		(1,142,396,787,553)	(7,967,641,772,348)
10	Increase in inventories		(92,398,148,598)	(91,720,199,359)
11	(Decrease)/increase in payables		(4,791,041,193)	5,448,419,959,412
12	Increase in prepaid expenses		(1,669,696,757,148)	(1,582,630,466,714)
14	Interest paid		(905,543,995,231)	(667,039,839,518)
15	CIT paid	15(b)	(715,578,106)	(59,818,784,340)
17	Other payments on operating activities	22	(27,157,060,332)	(44,391,600,000)
20	Net cash inflows/(outflows) from operating activities	425,683,391,215	(2,187,222,800,584)	
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases of fixed assets		(127,234,723,127)	(51,463,090,728)
22	Proceeds from disposals of fixed assets		104,478,032,313	419,534,815
24	Collection from investment held to maturity		178,000,000,000	-
27	Interest received		118,005,504,996	129,746,333,224
30	Net cash inflows from investing activities	273,248,814,182	78,702,777,311	

The notes on pages 12 to 83 are an integral part of these consolidated interim financial statements.

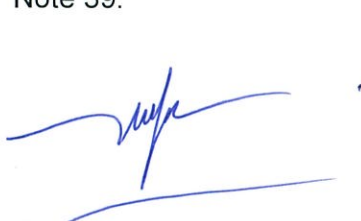
VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 03a – DN/HN

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

		For the six-month period ended		
Code	Note	30.6.2023 VND	30.6.2022 VND	
CASH FLOWS FROM FINANCING ACTIVITIES				
33	Proceeds from borrowings	20	11,562,183,961,264	14,137,498,771,047
34	Repayments of borrowings	20	(11,944,018,641,897)	(10,853,743,827,251)
35	Finance lease principal repayments	20	(3,264,360,620)	-
40	Net cash (outflows)/inflows from financing activities		(385,099,041,253)	3,283,754,943,796
50	Net increase in cash and cash equivalents		313,833,164,144	1,175,234,920,523
60	Cash and cash equivalents at beginning of period	3	1,858,261,735,520	1,868,252,946,557
61	Effect of foreign exchange differences		(7,060,125,164)	(747,249,185)
70	Cash and cash equivalents at end of period	3	2,165,034,774,500	3,042,740,617,895

Additional information relating to the consolidated interim cash flow statement is presented in Note 39.



Nguyen Thi Thanh Nga
Chief Accountant/Preparer



Ho Ngoc Yen Phuong
Vice President cum
Chief Finance Officer




Dinh Viet Phuong
Chief Executive Officer
2 September 2023

The notes on pages 12 to 83 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 2023**

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 30th amended Enterprise registration certificate dated 19 April 2023.

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 2023, the Group had 7 direct subsidiaries, 2 indirect subsidiaries and 2 associates as presented in Note 4(b) – Investments in associates. Details are as follows:

Directly-owned subsidiaries	Principal activities	Enterprise registration certificate	Place of incorporation and operation	30.6.2023		31.12.2022	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Vietjet Air IVB No. I Limited	To trade and lease aircraft and aircraft components	No. 1825671 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air IVB No. II Limited	To trade and lease aircraft	No. 1825613 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air Singapore Pte. Ltd.	To trade aircraft	No. 201408849N dated 27 March 2014	Singapore	100	100	100	100
Vietjet Air Ireland No. 1 Limited	To trade and lease aircraft	No. 544879 dated 3 June 2014	Ireland	100	100	100	100
Galaxy Pay Company Limited	To provide payment services (online payment, e-wallet)	No. 0316368255 dated 7 July 2020	Vietnam	100	100	100	100
Swift 247 Joint Stock Company	To provide other activities and support services related to transportation	No. 0315524536 dated 23 February 2019	Vietnam	67	67	67	67
VietJet Ground Services Limited Liability Company	To provide direct support services for airline transportation	No. 0109783334 dated 19 October 2021	Vietnam	100	100	100	100

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

1 GENERAL INFORMATION (continued)

Indirectly-owned subsidiaries	Principal activities	Enterprise registration certificate	Place of incorporation and operation	30.6.2023		31.12.2022	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
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.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

2 GENERAL INFORMATION (continued)

As at 30 June 2023 and as at 31 December 2022, the Group had 1 dependent accounting branch and 1 bussiness location. The details are as follows:

Dependent accounting branch	Place of establishment and registration of operations
Vietjet Aviation Joint Stock Company – Central Branch	200 Le Dinh Ly, Hoa Thuan Tay Ward, Hai Chau District, Da Nang City, Vietnam
Business location	
Vietjet Aviation Joint Stock Company	6th Floor, Vietjet Plaza, 60A Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.
As at 30 June 2023, the Group had 5,990 employees (as at 31 December 2022: 6,016 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 2.5.

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 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.

2.3 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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.3 Currency (continued)**

- 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.

2.4 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.

2.5 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****Subsidiaries (continued)**

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.

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)**2.5 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.

2.6 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)**2.15 Leased assets (continued)**

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.

2.16 Prepaid expenses

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

(a) Short-term prepaid expenses

Short-term prepaid expenses represent prepayments for services or tools and supplies that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayment. There prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

(b) Long-term prepaid expenses

Long-term prepaid expenses of the Group include:

(i) *Maintenance costs of leased aircrafts and costs to make good on leased aircrafts*

Accounting policies related to the recognition and allocation of maintenance costs of leased aircrafts and costs to make good on leased aircrafts are presented in Note 2.21 to these consolidated interim financial statements.

(ii) *Aircrafts inspection expenditure*

Inspection expenses for leased aircraft are states at cost and amortised using the straight-line basis over the period from these expenses incurred to the next inspection or the remaining term of lease, if shorter.

(iii) *Parts*

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.

(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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Prepaid expenses (continued)****(b) Long-term prepaid expenses (continued)***(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.

2.17 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.

2.18 Borrowings and finance lease liabilities

Borrowings and finance lease liabilities include borrowings and finance lease liabilities from banks and other entities.

Borrowings and finance lease liabilities are classified into short-term and long-term borrowings and finance lease liabilities 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.

2.19 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 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.

2.21 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.

(a) Provisions for periodic maintenance costs in the scope of maintenance reserves

In accordance with the Group's policy:

- with respect to the Group's aircrafts or the lease agreements with Japanese lessors with call options contracts to purchase aircraft at the end of the lease term, referred as Japanese Operating Leases with Call Option Contracts ("JOLCO"), the costs of periodic maintenance for leased aircraft are recognised when incurred as long-term prepaid expenses and are amortised in the consolidated interim income statements using the basis of actual flight hours or cycles to the next maintenance (Note 2.16(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, pursuant to 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 recognised as expenses during the period they incurred while the periodic maintenance subject to period maintenance cost. The Group is able to use the leased aircraft maintenance reserves to perform periodic maintenance within the scope of the aircraft maintenance reserves.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Provisions (continued)****(a) Provisions for periodic maintenance costs in the scope of maintenance reserves (continued)**

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.

(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, repainting aircraft's body, and return of aircraft to a specified location. At the beginning of the lease, the estimated cost is recorded as a provision with a corresponding asset in long-term prepaid expenses. The long-term prepaid expenses are amortised in the consolidated income statements on a straight-line basis over the term of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Unearned revenue**

Unearned revenue mainly comprises revenue from passenger transportation and ancillary services, pilots and flight attendants training revenue, and income from sales and leaseback of financial lease asset. The Company records unearned revenue for the future obligations that the Company has to fulfil. Unearned revenue is recognised as revenue in the separate interim income statement during the period to the extent that revenue recognition criteria have been met.

2.23 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.

Undistributed earnings/(accumulated losses) record the Group's results (profit or loss) after CIT at the reporting date.

2.24 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 at the General Meeting of Shareholders and the list of shareholders receiving dividends is approved according to the Resolution of the Board of Directors of the Group.

Net 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 authorised 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 pursuant to Resolution of the Board of Directors and being approved by the Annual General Meeting of Shareholder. Fund is presented as a liability in 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)**2.25 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. Revenue is not 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. Ancillary revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods or services.

- (i) Revenue from cargo transportation is recognised in the consolidated interim income statement when the services are provided.
- (ii) 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.
- (iii) Other revenue related to passenger transportation such as fees charged in association with changes or extensions of non-refundable tickets are recorded as ancillary revenue as a separate transaction from passenger transportation upon the completion of updating information on the system as requested by customers or successfully renewing airline tickets with fees that have been specifically specified and determined in advance for each service.
- (iv) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Revenue recognition (continued)

(b) Ancillary revenue (continued)

- (v) Advertising revenue and commission are recorded as ancillary revenue when the completed stage is determined according to specific provisions in each advertising contract or when performing sales activities with enjoy commissions as agreed in relevant contracts and agreements with fees recorded for each activity also specified in detail in these documents.

(c) Revenue from charter flights and charter cargo transportation

Revenue from charter flights and charter cargo transportation is recognised in the consolidated interim income statement when the services are provided. Revenue is not recognised if there are significant uncertainties regarding recovery of the receivables.

(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.

(e) Sales and leaseback transaction

The Group's assets 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.

For sale and leaseback transactions which is a financial lease, this mean the lessor provides finance to the lessee, secured by assets. The difference between the income from the sale of the asset and its remaining value will not recognise immediately. The excess over the remaining value shall be deferred and amortised over the period for which the aircraft is expected to be used.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 Revenue recognition (continued)****(f) Revenue from sales of aircraft and aircraft's components**

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. Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of aircraft.

(g) Revenue from sales of aircraft and aircraft's components

Revenue from sale of aircraft and aircraft's components is 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 aircraft's components;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the aircraft's components 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.

Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of aircraft and aircraft's components.

(h) 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. Revenue is not 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Revenue recognition (continued)

(i) Interest income

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions below are simultaneously satisfied:

- It is probable that economic benefits will be generated;
- Income can be measured reliably.

(j) Dividend income

Income from dividends is recognised when the Company has established receiving rights from investees.

2.26 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.

2.27 Financial expenses

Financial expenses are expenses incurred in the period for financial activities mainly including provision for diminution in the value of trading securities; provision for diminution in value of other entities; unwinding discount of provision; expenses of lending and borrowing; losses incurred on selling foreign currencies and losses from foreign exchange differences.

2.28 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling merchandises and providing services.

2.29 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes.

2.30 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.30 Current and deferred income tax (continued)**

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.

2.31 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 six-month period ended 30 June 2023.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful lives of fixed assets (Note 2.14 and 11);
- Provisions for periodic maintenance costs in the scope of maintenance reserves and cost to make good on leased assets (Notes 2.21 and 21); and
- Deferred income tax (Notes 2.30 and 23).

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.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

3 CASH AND CASH EQUIVALENTS

	30.6.2023 VND	31.12.2022 VND
Cash on hand	8,080,014,858	9,872,547,293
Cash at banks	856,503,150,368	885,413,407,203
Cash equivalents (*)	1,300,451,609,274	962,975,781,024
	<u>2,165,034,774,500</u>	<u>1,858,261,735,520</u>

(*) As at 30 June 2023, cash equivalents mainly include term deposits in VND at banks with original maturities of 3 months or less and earn interest at rates ranging from 3.1% to 6% per annum (as at 31 December 2022: from 3.8% to 6% per annum).

As at 30 June 2023 and 31 December 2022, included in cash at banks were VND556 billion at Vietnam Joint Stock Commercial Bank of Industry and Trade to guarantee for payment obligations from the issuance of letter of credit.

As at 30 June 2023, the Group had current and term deposit accounts with total balance of VND423 billion (as at 31 December 2022: VND490 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank. (Note 40(b)).

4 INVESTMENTS

(a) Trading securities

As at 30.6.2023				
	Quantity	Cost VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	519,100,000,000	(470,900,000,000)
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>519,100,000,000</u>	<u>(470,900,000,000)</u>
As at 31.12.2022				
	Quantity	Cost VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	500,000,000,000	(490,000,000,000)
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>500,000,000,000</u>	<u>(490,000,000,000)</u>

The Group signed a non-cancellation agreement to sell the purchase right option 50 million shares of Petro Vietnam Oil Corporation ("PV Oil") for the consideration of VND500 billion and fully received the payment in 2023. According to the latest Appendix No. 110623/HD_VJC_BS signed on 11 June 2023, the buyer will have the right to transfer the right to buy PV Oil shares at a price to be agreed with the right holder on the date exercise the right to purchase in the future no later than 31 December 2023.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

4 INVESTMENTS (continued)

(b) Investments in associates (*)

	As at 30.6.2023			As at 31.12.2022		
	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	-
		60,000,000,000	-		60,000,000,000	-

(*) As at 30 June 2023 and 31 December 2022, 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. The fair value of such investments may differ from their book values.

(c) Investments in other entities

	As at 30.6.2023				As at 31.12.2022			
	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	225,888,663,600	-	9.1	149,417,024,400	191,913,539,400	-
Angelica Holding Limited (iii)	10	-	-	-	10	-	-	-
		149,417,024,400	225,888,663,600	-		149,417,024,400	191,913,539,400	-

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

4 INVESTMENTS (continued)

(d) Investments in other entities (continued)

- (i) As at 30 June 2023, the Group has not yet contributed the capital in this associate. This company's operations are mainly supported by the Group. The Board of Management clearly understands the current regulations related to capital contributions to this company and assesses that there are no violations or material effects that need to be disclosed at the date of approval of the consolidated interim financial statements.
- (ii) The fair value of investments in other entities is its share price which is determined by referencing to the closing prices on the Ho Chi Minh City Stock Exchange (HOSE). As at 30 June 2023, the fair value of the investments in Sai Gon Ground Services Joint Stock Company is VND226 billion (as at 31 December 2022: VND192 billion).
- (iii) As at 30 June 2023, 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

	30.6.2023	31.12.2022
	VND	VND
Third parties		
Fadle Chem Private Limited	1,316,086,775,000	609,847,600,000
Zhejiang Lixi International Travel Co., Ltd. (*)	933,526,199,999	1,604,766,900,000
Hangzhou Star International Travel Service Co., Ltd. (*)	813,647,084,031	1,735,832,800,000
Yuejie (Hangzhou) Freight Forwarding Co., Ltd.	964,209,405,000	677,564,250,000
Hangzhou BaoLi Co., Ltd. (*)	669,907,749,432	944,712,915,295
Others	489,096,528,986	241,188,842,598
	<u>5,186,473,742,448</u>	<u>5,813,913,307,893</u>
Related parties (Note 40(b))	<u>6,706,705,971,610</u>	<u>6,588,396,586,796</u>
	<u><u>11,893,179,714,058</u></u>	<u><u>12,402,309,894,689</u></u>

(*) At the date of approval of this consolidated interim financial statements, the Company received VND1,523 billion from these customers.

(b) Long-term

Balance as at 30 June 2023 represents receivables from transferring purchase right option of aircraft to other related party (Note 40(b)).

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 09a – DN/HN
6 PREPAYMENTS TO SUPPLIERS
(a) Short-term

	30.6.2023 VND	31.12.2022 VND
Third parties	215,184,033,119	275,059,001,497
Related parties (Note 40(b))	461,814,709,030	1,351,166,515,826
	<u>676,998,742,149</u>	<u>1,626,225,517,323</u>

As at 30 June 2023 and 31 December 2022, there were no third-party suppliers who had a balance accounting for 10% or more of the total balance of short-term prepayment to suppliers.

(b) Long-term

	30.6.2023 VND	31.12.2022 VND
Yuejie (Hangzhou) Freight Forwarding Co., Ltd.	1,724,730,917,667	-
Hangzhou BaoLi Co., Ltd.	1,068,024,907,695	1,132,635,253,054
	<u>2,792,755,825,362</u>	<u>1,132,635,253,054</u>

The balance represents long-term prepayments for advertising and consulting services with a term of 5 to 10 years.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 09a – DN/HN
7 LENDINGS
(a) Short-term

Borrower	Currency	Annual interest rate	Year of maturity	30.6.2023 VND	31.12.2022 VND
Truong Son Plaza Joint Stock Company	VND	9%	2023	<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, 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 9 September 2023.

(b) Long-term

Borrower	Currency	Annual interest rate	Year of maturity	30.6.2023 VND	31.12.2022 VND
AAA Aircraft Asset Company Limited (*)	USD	2.5%	2025	492,650,221,568	512,689,557,018
Apricot Aircraft Assets No. 1 Limited (**)	USD	5%	2033	303,371,789,593	300,386,377,342
Board of Management (Note 40(b))	VND	5.8%	2027	25,000,000,000	25,000,000,000
Board of Director (Note 40(b))	VND	5.8%	2027	25,000,000,000	25,000,000,000
Others	VND	5%	2025	5,145,921,500	5,145,921,500
				<u>851,167,932,661</u>	<u>868,221,855,860</u>

(*) 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.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

8 OTHER RECEIVABLES

(a) Short-term

	As at 30.6.2023		As at 31.12.2022	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties				
Receivables from transfer of shares (i)	2,737,800,000,000	-	3,614,800,000,000	-
Receivables from business cooperation (ii)	1,767,510,400,000	-	-	-
Maintenance reserves of leased aircraft				
- Regular contributions	1,565,689,029,243	-	1,485,171,706,801	-
- Claim receivables	337,966,231,079	-	442,633,214,126	-
Deposits for aircraft purchases within next 12 months (iii)	1,386,498,478,785	-	1,807,805,631,328	-
Receivables from sales of commercial and operational right (iv)	1,125,167,613,286	-	2,083,963,627,561	-
Purchase discounts receivable (iv)	360,442,752,848	-	105,591,795,895	-
Others	1,351,389,586,147	-	1,334,384,387,568	-
	<u>10,632,464,091,388</u>	<u>-</u>	<u>10,874,350,363,279</u>	<u>-</u>
Related parties (Note 40(b))	<u>3,645,254,554,686</u>	<u>-</u>	<u>4,169,918,288,812</u>	<u>-</u>
	<u>14,277,718,646,074</u>	<u>-</u>	<u>15,044,268,652,091</u>	<u>-</u>

- (i) These receivables are related to the consideration from the transfer of shares of Pacific Star Investment and Development Joint Stock Company to Conasi Property Management and Development Corporation ("Conasi") and Flexibility Investment Company Limited ("Flex"). The receivables from Conasi are guaranteed for payment by Sovico Group Joint Stock Company. As at the approval date of these consolidated interim financial statements, the Group had collected VND 967 billion from Conasi in August 2023.
- (ii) During the period, the Group signed a business cooperation contract ("BCC") with a third party with a term of 1 year. Accordingly, the parties agree to share before tax profits according to the actual cooperation ratio at the time of project settlement. The profit sharing ratio is agreed upon by the parties in writing after the end of the business cooperation term but is not lower than 9% per annum calculated on the cooperative capital from the date the Group contributes capital (Note 41(b)).

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

8 OTHER RECEIVABLES (continued)

(a) Short-term (continued)

- (iii) This balance represents a deposit to Airbus S.A.S for the aircrafts which are expected to be delivered within 12 months.
- (iv) Receivables related to the transfer of commercial and operational rights of Vietjet Plaza Building to Menas Company Limited.

(b) Long-term

	As at 30.6.2023		As at 31.12.2022	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties				
Maintenance reserves of leased aircraft	10,001,719,372,513	-	9,261,664,412,149	-
Deposit for aircraft purchases after next 12 months (v)	3,950,760,651,090	-	3,248,651,248,296	-
Deposit for aircraft leases	1,705,216,257,576	-	1,385,265,877,334	-
Received from shares transferred (vi)	666,000,000,000	-	666,000,000,000	-
Deposit for ground handling services	259,308,871,522	-	149,392,198,866	-
Others	154,042,072,773	-	95,866,770,453	-
	<u>16,737,047,225,474</u>	<u>-</u>	<u>14,806,840,507,098</u>	<u>-</u>
Related parties (Note 40(b))				
	<u>605,662,289,977</u>	<u>-</u>	<u>567,128,239,684</u>	<u>-</u>
	<u>17,342,709,515,451</u>	<u>-</u>	<u>15,373,968,746,782</u>	<u>-</u>

- (v) The amounts represent deposits for aircraft purchases from 2024 to 2028 to Airbus S.A.S and Boeing Company.

- (vi) This receivable relates to receivables from the transfer of Pacific Star Investment and Development Joint Stock Company's shares to Flexibility Investment Company Limited.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

9 INVENTORIES

	As at 30.6.2023		As at 31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Tools and supplies	1,027,184,161,505	-	944,247,619,321	-
Merchandise	47,930,058,768	-	38,468,452,354	-
	<u>1,075,114,220,273</u>	<u>-</u>	<u>982,716,071,675</u>	<u>-</u>

10 PREPAID EXPENSES

(a) Short-term

	30.6.2023 VND	31.12.2022 VND
Tools and supplies	143,189,903,673	118,760,173,915
Software license fee	15,509,752,852	14,213,790,811
Others	15,390,321,416	31,708,070,143
	<u>174,089,977,941</u>	<u>164,682,034,869</u>

(b) Long-term

	30.6.2023 VND	31.12.2022 VND
Maintenance costs of leased aircrafts	6,621,776,237,332	5,023,761,090,900
Costs to make good on leased aircrafts	743,504,505,020	608,163,922,799
Parts, tools and instruments	352,558,918,094	495,343,640,432
Aircraft inspection expenditure	265,570,443,077	267,207,414,543
Others	316,067,903,318	244,713,124,091
	<u>8,299,478,006,841</u>	<u>6,639,189,192,765</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

10 PREPAID EXPENSES (continued)

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

	Maintenance costs of leased aircrafts VND	Costs to make good on leased aircrafts VND	Parts, tools and instruments VND	Aircraft inspection expenditure VND	Others VND	Total VND
As at 1 January 2022	5,065,554,996,522	632,155,195,498	182,890,430,569	174,818,646,585	33,635,365,276	6,089,054,634,450
Increase	692,655,542,194	77,371,593,378	70,321,938,834	557,885,544,084	17,168,107,527	1,415,402,726,017
Transfers from inventory	-	-	242,667,349,245	-	-	242,667,349,245
Transfers from construction in progress (Note 12)	-	-	-	-	-	-
Allocation	(654,143,517,148)	(92,016,962,579)	(228,672,304,105)	(237,360,550,237)	(31,476,045,524)	(1,243,669,379,593)
Decrease	(80,305,930,668)	(9,345,903,498)	-	-	-	(89,651,834,166)
As at 31 December 2022	5,023,761,090,900	608,163,922,799	267,207,414,543	495,343,640,432	244,713,124,091	6,639,189,192,765
Increase	2,055,384,724,475	190,027,889,069	1,383,057,803	42,581,129,284	64,675,689,064	2,354,052,489,695
Transfers from inventory	-	-	117,840,008,542	2,443,432,882	-	120,283,441,424
Reclassification	-	-	109,735,584,319	(223,348,495,624)	111,977,198,799	(1,635,712,506)
Allocation	(457,369,578,043)	(54,687,306,848)	(143,607,147,113)	(51,449,263,897)	(105,298,108,636)	(812,411,404,537)
As at 30 June 2023	6,621,776,237,332	743,504,505,020	352,558,918,094	265,570,443,077	316,067,903,318	8,299,478,006,841

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

11 FIXED ASSETS

(a) Tangible fixed assets

	Aircrafts and aircraft engines VND	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost						
As at 1 January 2023	5,456,562,051,560	408,553,614,498	119,288,825,328	71,456,897,783	57,671,456,583	6,113,532,845,752
New purchases	263,487,467,040	244,000,000	6,342,317,036	6,572,689,000	1,425,953,852	278,072,426,928
Disposals	(263,487,467,040)	-	-	(4,789,155,082)	-	(268,276,622,122)
As at 30 June 2023	5,456,562,051,560	408,797,614,498	125,631,142,364	73,240,431,701	59,097,410,435	6,123,328,650,558
Accumulated depreciation						
As at 1 January 2023	294,456,360,375	26,041,398,614	51,372,765,712	28,394,277,137	31,934,339,718	432,199,141,556
Charge for the period	153,629,728,951	4,312,608,614	7,217,912,202	4,202,194,165	2,533,851,788	171,896,295,720
Disposals	-	-	-	(4,789,155,082)	-	(4,789,155,082)
As at 30 June 2023	448,086,089,326	30,354,007,228	58,590,677,914	27,807,316,220	34,468,191,506	599,306,282,194
Net book value						
As at 1 January 2023	5,162,105,691,185	382,512,215,884	67,916,059,616	43,062,620,646	25,737,116,865	5,681,333,704,196
As at 30 June 2023	5,008,475,962,234	378,443,607,270	67,040,464,450	45,433,115,481	24,629,218,929	5,524,022,368,364

As at 30 June 2023, tangible fixed assets with a carrying value of VND580 billion (as at 31 December 2022: VND602 billion) were pledged to Military Commercial Joint Stock Bank as collateral assets for long-term borrowings granted to the Group (Note 20(b)(iii)).

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 30 June 2023 was VND52.5 billion (as at 31 December 2022: VND55 billion).

11 FIXED ASSETS (continued)

(b) Finance lease fixed assets

Aircraft engine
VND**Historical cost**

As at 1 January 2023

New leases

-

366,890,044,815

As at 30 June 2023

366,890,044,815

Accumulated depreciation

As at 1 January 2023

Charge for the period

-

18,721,444,068

As at 30 June 2023

18,721,444,068

Net book value

As at 1 January 2023

As at 30 June 2023

-

348,168,600,747

Financial lease fixed assets represent the current value of the minimum lease payment of the aircraft engine based on the financial lease contract dated 2 February 2023 with the lessor. The lease term is 96 months from the Contract date with the lending interest rate applicable for each repayment period calculated using the 1-month secured overnight financing rate (SOFR) announced in each period, plus with the margin specified in the contract. The applicable interest rate as at 30 June 2023 is 10.76% per annum. Monthly rental payments depend on the number of flight hours and the actual flight cycles of the aircraft engine. The Group has the right to buy back the assets at the end of the lease term.

11 FIXED ASSETS (continued)

(c) Intangible fixed assets

Software
VND**Historical cost**

As at 1 January 2023

61,941,976,858

New purchases

2,944,239,087

Transfers from construction in progress (Note 12)

22,741,208,828

As at 30 June 2023

87,627,424,773

Accumulated amortisation

As at 1 January 2023

33,556,184,806

Charge for the period

3,070,206,912

As at 30 June 2023

36,626,391,718

Net book value

As at 1 January 2023

28,385,792,052

As at 30 June 2023

51,001,033,055

The historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2023 and as at 31 December 2022 was VND31 billion.

12 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

	30.6.2023 VND	31.12.2022 VND
Purchase costs of aircrafts and aircraft engines	152,494,031,970	191,600,755,991
Major inspection and overhaul expenses	126,633,901,670	72,883,904,312
Software installation	-	24,200,479,927
Others	37,261,747,884	20,064,554,267
	<u>316,389,681,524</u>	<u>308,749,694,497</u>

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

	For the six- month period ended 30.6.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/year	308,749,694,497	500,760,695,887
Purchase	61,853,487,009	101,792,352,104
Transfers to intangible fixed assets (Note 11(c))	(22,741,208,828)	(625,912,381)
Transfers to long-term prepaid expenses (Note 10(b))	-	(225,385,696,812)
Others	(31,472,291,154)	(67,791,744,301)
End of period/year	<u>316,389,681,524</u>	<u>308,749,694,497</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	As at 30.6.2023		As at 31.12.2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Petrolimex Aviation Fuel Joint Stock Company	3,074,022,120,896	3,074,022,120,896	2,496,227,675,244	2,496,227,675,244
Airports Corporation of Vietnam	2,477,812,994,984	2,477,812,994,984	1,520,378,879,754	1,520,378,879,754
Others	3,478,074,999,447	3,478,074,999,447	4,638,460,529,977	4,638,460,529,977
	<u>9,029,910,115,327</u>	<u>9,029,910,115,327</u>	<u>8,655,067,084,975</u>	<u>8,655,067,084,975</u>
Related parties (Note 40(b))				
	<u>1,110,703,696,109</u>	<u>1,110,703,696,109</u>	<u>1,004,868,871,894</u>	<u>1,004,868,871,894</u>
	<u>10,140,613,811,436</u>	<u>10,140,613,811,436</u>	<u>9,659,935,956,869</u>	<u>9,659,935,956,869</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2023 VND	31.12.2022 VND
Third parties		
Nam Anh Technology Company Limited	400,000,000,000	-
Angelica Aviation Capital Vietnam Company Limited	1,260,000,000	395,000,000,000
Others	904,058,549,627	1,022,047,602,627
	<u>1,305,318,549,627</u>	<u>1,417,047,602,627</u>
Related parties (Note 40(b))	813,854,609,229	569,611,453,288
	<u>2,119,173,158,856</u>	<u>1,986,659,055,915</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

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 1.1.2023 VND	Receivable/payable during the period VND	Payment during the period VND	Net-off during the period VND	As at 30.6.2023 VND
(a) Tax receivables					
Deductible VAT	139,358,572,943	777,747,371,952	-	(905,322,101,635)	11,783,843,260
Foreign contractor tax	24,874,721,710	-	-	(5,191,247,689)	19,683,474,021
Others	-	13,506,523,867	-	(11,462,389,395)	2,044,134,472
	<u>164,233,294,653</u>	<u>791,253,895,819</u>	<u>-</u>	<u>(921,975,738,719)</u>	<u>33,511,451,753</u>
(b) Tax payables					
CIT	165,344,856,313	2,338,164,511	(715,578,106)	-	166,967,442,718
VAT	-	1,033,411,828,343	-	(905,322,101,635)	128,089,726,708
Personal income tax	192,791,399,947	101,932,112,298	(183,804,390,507)	-	110,919,121,738
Foreign contractor tax	-	15,206,334,757	(9,980,468,322)	(5,191,247,689)	34,618,746
Others	281,779,775	135,492,760,452	(124,312,150,832)	(11,462,389,395)	-
	<u>358,418,036,035</u>	<u>1,288,381,200,361</u>	<u>(318,812,587,767)</u>	<u>(921,975,738,719)</u>	<u>406,010,909,910</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

16 PAYABLE TO EMPLOYEES

The balances as at 30 June 2023 represent June salaries payable to employees.

17 SHORT-TERM ACCRUED EXPENSES

	30.6.2023 VND	31.12.2022 VND
Technical and aircraft related expenses	1,689,216,271,527	348,923,487,758
Interest expense	163,945,919,260	146,092,701,141
Maintenance	96,930,612,278	98,929,376,541
Others	351,329,292,835	261,139,108,814
	<u>2,301,422,095,900</u>	<u>855,084,674,254</u>

18 SHORT-TERM UNEARNED REVENUE

(a) Short-term

	30.6.2023 VND	31.12.2022 VND
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	2,674,030,705,954	3,431,102,413,796
Others	46,433,881,923	72,351,627,491
	<u>2,720,464,587,877</u>	<u>3,503,454,041,287</u>

(b) Long-term

This is the difference between the income from selling the asset and the remaining value of the asset arising from the sell and leaseback transaction of finance lease fixed assets (Note 11(b)).

19 OTHER PAYABLES

	30.6.2023 VND	31.12.2022 VND
Third party		
Airport fees and charges payables	577,253,602,447	884,921,481,267
Payable to share purchase	-	960,000,000,000
Others	1,385,145,948,990	1,323,388,048,121
	<u>1,962,399,551,437</u>	<u>3,168,309,529,388</u>
Related parties (Note 40(b))	<u>101,899,583,860</u>	<u>240,769,516,501</u>
	<u>2,064,299,135,297</u>	<u>3,409,079,045,889</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

20 BORROWINGS

(a) Short-term	As at 1.1.2023 VND	Increase VND	Decrease VND	Reclassification VND	Revaluation VND	As at 30.6.2023 VND
Borrowings from banks (i)						
Current portion of long-term borrowings (Note 20(b))	7,786,603,382,085	10,362,183,961,264	(11,910,303,541,897)	-	85,295,251,362	6,323,779,052,814
Current portion of long-term bonds (Note 20(b))	68,298,400,000	-	(33,715,100,000)	68,493,745,000	-	103,077,045,000
Borrowings from related parties (ii) (Note 40(b))	650,000,000,000	-	-	-	-	650,000,000,000
Current portion of long-term finance lease (Note 20(b)(v))	45,000,000,000	-	-	-	-	45,000,000,000
			(3,264,360,620)	10,686,146,686	360,235,444	7,782,021,510
	<u>8,549,901,782,085</u>	<u>10,362,183,961,264</u>	<u>(11,947,283,002,517)</u>	<u>79,179,891,686</u>	<u>85,655,486,806</u>	<u>7,129,638,119,324</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

20 BORROWINGS (continued)

(a) Short-term (continued)

(i) Borrowings from banks

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

Lenders	Currency	Maturity	30.6.2023 VND	31.12.2022 VND
Secured loans				
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (Note 40(b))(*)	USD	July to October 2023	3,372,026,844,270	2,918,027,095,639
Unsecured loans				
Vietnam Joint Stock Commercial Bank of Industry and Trade	VND	July to September 2023	1,163,151,695,091	2,146,440,768,211
Military Commercial Joint Stock Bank	VND	November to December 2023	1,076,209,245,261	1,072,567,986,932
Woori Bank Vietnam Limited, Ho Chi Minh City Branch	VND	November to December 2023	649,771,605,904	649,714,086,079
HSBC Bank (Vietnam) Ltd.	VND	October 2023	62,619,662,288	-
Vietnam Maritime Commercial Joint Stock Bank	USD	February 2023	-	699,859,102,940
Petrolimex Group Commercial Joint Stock Bank	VND	March 2023	-	299,994,342,284
			<u>6,323,779,052,814</u>	<u>7,786,603,382,085</u>

(*) As at 30 June 2023, this loan was secured by the estimated receivables arising from the Group's sales of flight tickets in the future of VND6,665 billion (as at 31 December 2022: VND6,665 billion).

During the period, interest rates for VND and USD short-term borrowings ranged from 6.1% per annum to 11.75% per annum and 5.9% per annum, respectively, depending on the time of loan drawdown of the Company.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

20 BORROWINGS (continued)

(a) Short-term (continued)

(ii) Borrowings from related party

Details of short-term borrowings from related parties are as follows:

Lenders	Currency	30.6.2023 VND	31.12.2022 VND
Unsecured loans			
Victoria Academy Company Limited	VND	45,000,000,000	45,000,000,000

During the period, the above loan bears interest at an interest rate of 5% per annum (for the year ended 31 December 2022: 5% per annum), with a maturity date of May 2024.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

20 BORROWINGS (continued)

(b) Long-term	As at 1.1.2023 VND	Increase VND	Reclassification VND	Revaluation VND	As at 30.6.2023 VND
Borrowings from banks (iii)	309,745,847,108	-	(68,493,745,000)	1,678,814,484	242,930,916,592
Straight bonds (iv)	10,000,000,000,000	1,200,000,000,000	-	-	11,200,000,000,000
Finance lease liabilities (Note 20(b)(v))	-	366,890,044,815	(10,686,146,686)	2,040,948,534	358,244,846,663
	10,309,745,847,108	1,566,890,044,815	(79,179,891,686)	3,719,763,018	11,801,175,763,255

(iii) Borrowings from banks

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

Lenders	Currency	Maturity	As at 30.6.2023 Current portion of long-term borrowings VND	As at 31.12.2022 Current portion of long-term borrowings VND	Long-term borrowings VND
Military Commercial Joint Stock Bank (*)	USD	June 2028	103,077,045,000	68,298,400,000	309,745,847,108

20 BORROWINGS (continued)**(b) Long-term (continued)****(iii) Borrowings from banks (continued)**

- (*) 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 2022: 2.99% per annum) and is secured by the Group's tangible fixed assets with the carrying amount as follows:

	30.6.2023 VND	31.12.2022 VND
Aircraft No. A320 MSN7167, VNA675 (Note 11(a))	<u>580,224,720,387</u>	<u>602,357,633,852</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

20 BORROWINGS (continued)

(b) Long-term (continued)

(iv) Straight bonds

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

	Currency	Annual interest	Year of maturity	As at 30.6.2023		As at 31.12.2022	
				Current portion of long-term borrowings VND	Long-term borrowings VND	Current portion of long-term borrowings VND	Long-term borrowings
Bonds issued at par value, maturing after 60 months (*)	VND	7.8% - 9.5%	2026	-	5,000,000,000,000	-	5,000,000,000,000
Bonds issued at par value, maturing after 36 months (**)	VND	8.1% - 9.5%	2024	-	5,000,000,000,000	-	5,000,000,000,000
Bonds issued at par value, maturing after 36 months (***)	VND	7.8% - 9%	2023	650,000,000,000	-	650,000,000,000	-
Bonds issued at par value, maturing after 60 months (****)	VND	12%	2028	-	1,200,000,000,000	-	-
				650,000,000,000	11,200,000,000,000	650,000,000,000	10,000,000,000,000

(*) 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 of 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 of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

20 BORROWINGS (continued)

(b) Long-term (continued)

(iv) 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 12% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3.5% 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.

(v) Finance lease liabilities:

Details of finance lease liabilities are as follows:

	As at 30 June 2023		
	Principal VND	Lease interest expense VND	Total VND
Under 1 year	7,782,021,510	37,538,805,721	45,320,827,231
From 1 to 5 years	37,240,509,211	176,075,205,136	213,315,714,347
Over 5 years	321,004,337,452	51,706,389,754	372,710,727,206
	<u>366,026,868,173</u>	<u>265,320,400,611</u>	<u>631,347,268,784</u>

The Group leased aircraft engine under the terms of a finance lease contract dated 2 February 2023 with a Bank in the US (Note 11(b)).

21 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 aircrafts VND	Total VND
As at 1 January 2023	12,868,906,445,239	1,231,940,405,974	14,100,846,851,213
Provision made during the period	3,059,424,371,005	212,817,183,378	3,272,241,554,383
Utilised of provision	(60,303,892,656)	-	(60,303,892,656)
As at 30 June 2023	<u>15,868,026,923,588</u>	<u>1,444,757,589,352</u>	<u>17,312,784,512,940</u>
Short-term	2,662,348,291,537	20,506,352,193	2,682,854,643,730
Long-term	13,205,678,632,051	1,424,251,237,159	14,629,929,869,210
	<u>15,868,026,923,588</u>	<u>1,444,757,589,352</u>	<u>17,312,784,512,940</u>

22 BONUS AND WELFARE FUND

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

	For the six-month period ended 30.6.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/year	146,291,785,064	327,150,076,791
Utilization of the fund	(27,157,060,332)	(180,858,291,727)
End of period/year	<u>119,134,724,732</u>	<u>146,291,785,064</u>

23 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 of deferred income tax assets and deferred income tax liabilities were as follows:

	30.6.2023 VND	31.12.2022 VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	3,463,265,380,734	3,360,651,126,590
Deferred tax assets to be recovered within 12 months	653,122,594,492	461,673,738,962
	<u>4,116,387,975,226</u>	<u>3,822,324,865,552</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

23 DEFERRED INCOME TAX (continued)

	30.6.2023 VND	31.12.2022 VND
Deferred tax liabilities:		
Deferred tax liabilities to be settled after more than 12 months	(3,506,283,663,957)	(3,037,649,078,335)
Deferred tax liabilities to be settled within 12 months	(313,137,805,849)	(380,405,239,427)
	<u>(3,819,421,469,806)</u>	<u>(3,418,054,317,762)</u>
Net-off	<u>4,116,387,975,226</u>	<u>3,822,324,865,552</u>
Net deferred income tax assets	<u>296,966,505,420</u>	<u>404,270,547,790</u>

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 30.6.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/year	404,270,547,790	(154,517,071,443)
Consolidated interim income statement (charged)/credited (Note 36)	<u>(107,304,042,370)</u>	<u>558,787,619,233</u>
End of period/year	<u>296,966,505,420</u>	<u>404,270,547,790</u>

The Company uses tax rate of 20% for the six-month period ended 30 June 2023 (for the year ended 31 December 2022: 20%) to determine deferred income tax assets and deferred income tax liabilities.

23 DEFERRED INCOME TAX (continued)

Details of deferred income tax assets and deferred income tax liabilities are as below:

	30.6.2023 VND	31.12.2022 VND
Details of deferred tax assets		
Provision for maintenance costs	3,173,605,384,717	2,573,781,289,048
Tax losses carried forward	537,279,406,892	892,155,495,309
Provision for return of leased assets	288,951,517,871	246,388,081,195
Provision for diminution in the financial investments	106,180,000,000	110,000,000,000
Revaluation amounts denominated in foreign currencies	10,371,665,746	-
	<u>4,116,387,975,226</u>	<u>3,822,324,865,552</u>
	30.6.2023 VND	31.12.2022 VND
Details of deferred tax liabilities		
Maintenance reserves	(2,339,688,445,847)	(2,208,298,416,955)
Prepaid aircraft maintenance	(1,324,355,247,466)	(1,004,752,218,180)
Leased return costs	(148,700,901,004)	(121,632,784,560)
Revaluation amounts denominated in foreign currencies	-	(83,370,898,067)
Others	(6,676,875,489)	-
	<u>(3,819,421,469,806)</u>	<u>(3,418,054,317,762)</u>
	<u>296,966,505,420</u>	<u>404,270,547,790</u>

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	(2,414,670,803,135)	-
2022	Outstanding	3,051,323,296,483	(364,926,262,025)	2,686,397,034,458

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 09a – DN/HN
24 OWNERS' CAPITAL
(a) Number of shares

	As at 30.6.2023		As at 31.12.2022	
	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) Details of owners's shareholding

	As at 30.6.2023		As at 31.12.2022	
	Ordinary shares	%	Ordinary shares	%
Domestic shareholders	447,131,339	82.56	449,467,725	82.99
Foreign shareholders	94,479,995	17.44	92,143,609	17.01
Number of shares	541,611,334	100	541,611,334	100

(c) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2022 and as at 31 December 2022 and as at 30 June 2023	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.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Foreign exchange difference VND	Post-tax undistributed earnings VND	Non- controlling interests VND	Total VND
As at 1 January 2022	5,416,113,340,000	247,483,117,899	(110,730,393,251)	11,281,432,588,734	19,911,667,098	16,854,210,320,480
Net loss for the year	-	-	-	(2,262,499,009,854)	524,166,069	(2,261,974,843,785)
Foreign currency conversion differences for overseas activities	-	-	306,059,346,789	-	-	306,059,346,789
As at 31 December 2022	5,416,113,340,000	247,483,117,899	195,328,953,538	9,018,933,578,880	20,435,833,167	14,898,294,823,484
Net profit for the period	-	-	-	135,118,883,647	1,435,699,644	136,554,583,291
Foreign currency conversion differences for overseas activities	-	-	(161,944,576,093)	-	-	(161,944,576,093)
As at 30 June 2023	5,416,113,340,000	247,483,117,899	33,384,377,445	9,154,052,462,527	21,871,532,811	14,872,904,830,682

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

26 DIVIDEND PAYABLE

As at 30 June 2023 and 31 December 2022, the balance of dividends payable to shareholders is VND57 billion.

27 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	
	30.6.2023	30.6.2022
Net profit attributable to shareholders (VND)	135,118,883,647	143,708,449,484
Weighted average number of ordinary shares in issue (shares)	541,611,334	541,611,334
Basic earnings per share (VND)	249	265

(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.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 09a – DN/HN
28 OFF CONSOLIDATED INTERIM BALANCE SHEET ITEMS
(a) Foreign currencies

	30.6.2023	31.12.2022
USD	19,149,995	9,411,017
SGD	151,374	203,295
MYR	1,135,970	1,135,970
KRW	2,900,562,757	10,239,704,671
JPY	16,092,402	126,283,863
EUR	39,477	43,940
TWD	267,300	279,800
HKD	1,025,353	54,350
GBP	1,655	1,955
IDR	26,814,490	10,655,005
THB	64,590	31,673
CNY	1,390,134	409,254
INR	27,842,664	108,394,060
MMK	2,864,650	2,864,650
AUD	115,809	-

(b) Operating lease assets

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

29 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
Passenger and cargo transportation revenue:		
- Domestic passenger transportation	5,925,425,714,224	6,214,080,177,381
- International passenger transportation including regular charter flights	6,890,980,311,948	1,094,998,688,415
- Ancillary and cargo transportation revenue	9,965,492,778,780	4,152,732,916,600
	<u>22,781,898,804,952</u>	<u>11,461,811,782,396</u>
Revenue from sales of aircrafts	4,307,637,000,000	-
Revenue from sales of engines	1,219,000,000,000	420,189,000,000
Aircraft dry leases	829,347,304,477	683,673,525,518
Assignment fees for purchase right option	-	3,193,810,000,000
Others	365,272,371,900	175,077,894,696
	<u>29,503,155,481,329</u>	<u>15,934,562,202,610</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 09a – DN/HN
30 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
Flight operation expenses	16,977,939,743,079	11,616,024,372,511
Cost of aircraft sold	4,207,147,615,491	-
Technical expenses	2,787,644,098,194	1,279,287,954,055
Ground operation expenses	1,971,745,710,496	608,320,350,932
Cost of engine sold	1,209,264,000,000	411,251,291,000
Safety, security, quality and assurance expenses	232,005,552,963	159,045,695,989
Cargo expenses	153,441,244,579	99,953,799,028
Others	185,229,898,420	448,279,433,165
	<u>27,724,417,863,222</u>	<u>14,622,162,896,680</u>

31 FINANCIAL INCOME

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
Realised foreign exchange gains	423,476,771,886	57,884,393,346
Interest income from deposits and lendings	200,670,253,780	285,209,372,612
Interest income from late payment	78,778,440,000	-
Others	-	609,370,306
	<u>702,925,465,666</u>	<u>343,703,136,264</u>

32 FINANCIAL EXPENSES

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
Interest expense	769,153,377,725	692,378,380,306
Net loss from foreign currency translation at period-end	131,791,177,002	110,503,344,709
Realised foreign exchange losses (Reversal of provision for)/provision for diminution in value of investments	78,430,548,914	105,973,174,115
Others	(19,100,000,000)	235,000,000,000
	<u>77,717,353,941</u>	<u>135,129,427,074</u>
	<u>1,037,992,457,582</u>	<u>1,278,984,326,204</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 09a – DN/HN
33 SELLING EXPENSES

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
External service expenses	345,291,795,609	27,363,356,496
Advertising and marketing expenses	296,759,578,163	195,454,604,833
Commission fee	92,332,824,890	46,333,682,200
Staff costs	78,961,801,793	70,784,167,537
Depreciation and amortisation	1,600,266,701	558,174,345
Others	18,679,348,111	24,515,422,196
	<u>833,625,615,267</u>	<u>365,009,407,607</u>

34 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
External service expenses	225,790,056,285	69,690,010,151
Staff costs	94,920,256,505	111,709,238,545
Rental	29,907,857,507	6,247,053,642
Depreciation and amortisation	1,352,996,389	3,378,575,464
Others	43,205,325,580	13,445,298,029
	<u>395,176,492,266</u>	<u>204,470,175,831</u>

35 NET OTHER INCOME AND OTHER EXPENSES

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
Other income		
Income from supplier's support	43,440,865,350	447,726,000,000
Others	5,394,404,249	8,742,470,544
	<u>48,835,269,599</u>	<u>456,468,470,544</u>
Other expenses		
Others	17,506,998,085	314,667,608
	<u>17,506,998,085</u>	<u>314,667,608</u>

36 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.

36 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	
	30.6.2023	30.6.2022
	VND	VND
Accounting profit before tax	246,196,790,172	263,792,335,488
Tax calculated at a rate of 20%	49,239,358,034	52,758,467,098
Effect of:		
Expenses not deductible for tax purposes	70,915,023,750	76,909,921,139
Effect of difference tax rates applied for subsidiaries	(10,512,174,903)	(10,813,617,273)
CIT charge (*)	<u>109,642,206,881</u>	<u>118,854,770,964</u>
Charged/(credited) to the consolidated interim income statement:		
CIT – current	2,338,164,511	171,775,548,467
CIT – deferred (Note 23)	107,304,042,370	(52,920,777,503)
CIT charge	<u>109,642,206,881</u>	<u>118,854,770,964</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.

37 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	
	30.6.2023 VND	30.6.2022 VND
Fuel costs	9,613,939,054,912	6,219,602,551,752
Rental fee	5,116,497,938,359	3,871,537,638,755
Staff costs	2,161,692,823,118	1,407,072,066,287
Depreciation and amortisation	193,687,946,700	38,839,083,356
External service and other expenses	6,450,990,592,175	3,192,626,148,685
	<u>23,536,808,355,264</u>	<u>14,729,677,488,835</u>

38 SEGMENT REPORTING**(a) Business segments**

For management purpose, the Group has one reportable business segment which is providing passenger and cargo transportation services, ancillary services, aircraft leasing and in-flight advertising (referred to as "aviation services").

Except as indicated above, the Group has no other business segments being aggregated to form a reportable business segment. Accordingly, the financial information presented on the consolidated interim balance sheet as at 30 June 2023 and all revenues and expenses presented on the consolidated interim income statement for the six-month period then ended mainly related to the above mentioned main business activities.

(b) Geographical segments

The Group's main business activities are to provide passenger and cargo transportation services, ancillary services, aircraft rental and on-board advertising (collectively referred to as "aviation services"). These activities took place in Vietnam and countries around the world. During the period ended 30 June 2023, the Group had no revenue in countries other than Vietnam which accounting for more than 10% of the total revenue, accordingly, the Group did not prepare geographical segments.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

39 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	
	30.6.2023	30.6.2022
	VND	VND
Purchase fixed asset through finance lease transaction	366,890,044,815	-
Net-off receivables from disposal fixed asset with payables to purchase fixed asset	212,691,190,810	-
Net-off receivables from profit sharing with other short-term payables	-	845,705,000,000

40 RELATED PARTY DISCLOSURES

Details of subsidiaries and associates are given in Note 4.

During the period, the Group had major transactions and balances with other major related parties as follows:

Companies that share key management personnel:

- Sovico Holding Joint Stock Company
- Sovico Group Joint Stock Company
- Ho Chi Minh City Development Joint Stock Commercial Bank (“HDBank”)
- HD SAISON Finance Co., Ltd;
- HD Insurance Company Limited (“HD Insurance”)
- GalaxyOne Company Limited
- Victoria Academy Company Limited
- Indochina Beach Hotel Joint Stock Company
- Angelica Holding Limited
- Apricot Holding Limited
- Apricot Aircraft Assets Limited
- Angelica Aircraft Assets Limited
- Apricot Aircraft Company (Ireland) 8577 Limited
- Apricot Aircraft Company (Ireland) 8592 Limited
- Apricot Aircraft Company (Ireland) 8605 Limited
- Apricot Aircraft Company (Ireland) 8670 Limited
- Apricot Aircraft Company (Ireland) 8676 Limited
- Apricot Aircraft Assets No.1 Limited
- AAA Aircraft Company Limited
- AAA Golden Aircraft Star No.1 Limited
- AAA Golden Aircraft Star No.2 Limited
- AAA Golden Aircraft Star No.3 Limited
- AAA Golden Aircraft Star No.4 Limited
- AAA Golden Aircraft Star No.5 Limited
- AAA Aircraft Asset Company Limited

Other related parties:

- Conasi Property Management and Development Corporation (*)
- Cong Hoa Trading Investment Joint Stock Company (*)
- Menas Company Limited (*)
- Truong Son Plaza Joint Stock Company (*)

(*) In prior years, the Group assessed these companies as related parties due to mutual key management personnel with affiliates of a group of a key shareholder. During the period, the Group conducted a reassessment and identification of related parties to enhance consistency with Corporate Law and Vietnamese Accounting Standard. Accordingly, based on the Group’s relationship with these companies, these companies are reassessed and identified as not related parties of the Group.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 09a – DN/HN
40 RELATED PARTY DISCLOSURES (continued)
Key management personnel

Key management personnel include the Group's Board of Directors, Board of Management, Senior Management and Audit Committee.

(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	
		2023	2022
		VND	VND
i) Revenue from aircraft leasing			
Thai Vietjet Air Joint Stock Co., Ltd	631,573,411,796	513,211,112,768	
AAA Golden Aircraft Star No.5 Limited	197,773,892,681	170,462,412,750	
	<u>829,347,304,477</u>	<u>683,673,525,518</u>	
ii) Revenue from sales of purchase right option			
Angelica Holding Limited		- 3,193,810,000,000	
iii) Revenue from other services			
Thai Vietjet Air Joint Stock Co., Ltd.	123,379,938,022	92,290,025,240	
HD Insurance	52,721,888,969	-	
Other related party	18,929,582,764	25,508,681	
	<u>195,031,409,755</u>	<u>92,315,533,921</u>	
iv) Aircraft operating lease expenses			
Apricot Aircraft Assets Limited	458,578,300,421	557,911,177,024	
AAA Golden Aircraft Star No.5 Limited	71,112,316,954	66,322,076,705	
Others	23,177,496,774	-	
	<u>552,868,114,149</u>	<u>624,233,253,729</u>	
v) Purchase of services			
HD Insurance	70,215,586,862	-	
Others	11,095,417,604	4,189,121,946	
	<u>81,311,004,466</u>	<u>4,189,121,946</u>	

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

40 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the six-month period ended 30 June	
		2023	2022
		VND	VND
vi)	Prepayment for engine rental		
	AAA Golden Aircraft Star No.5 Limited	-	739,980,636,445
vii)	Payments and (receipts) on behalf, net cashflows		
	HDBank	94,343,784,990	57,658,193,045
viii)	Financing activities		
	Interest income		
	Thai Vietjet Air Joint Stock Co., Ltd.	123,099,514,699	183,196,593,785
	Other related parties	17,452,230,462	82,588,947,403
		140,551,745,161	265,785,541,188
	Interest expense		
	HDBank	127,181,455,211	40,601,147,764
	Other related parties	1,109,589,041	30,616,438,355
		128,291,044,252	71,217,586,119
	Proceeds from borrowings		
	HDBank	8,736,438,082,625	2,437,550,606,352
	Other related party	-	45,000,000,000
		8,736,438,082,625	2,482,550,606,352
	Borrowings repayment		
	HDBank	8,367,733,585,356	2,363,936,481,101
	Other related party	-	700,000,000,000
		8,367,733,585,356	3,063,936,481,101
	Term deposits and certificate of deposits with HDBank		
	Deposit	100,000,000,000	855,000,000,000
	Settlement	(100,000,000,000)	(805,000,000,000)

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

40 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30 June	
	2023	2022
	VND	VND
ix) Investment activities		
Income from sales of engines		
Apricot Holding Limited	612,014,000,000	-
Purchase engines		
Angelica Holding Limited	1,206,138,360,000	-
x) Compensation of key management		
Board of Director	2,627,760,433	3,640,761,267
Board of Management and Senior Management	10,560,131,742	9,076,612,218
	13,187,892,175	12,717,373,485

40 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)****x) Compensation of key management (continued)**

Details of compensation of key management for the six-month period ended 30 June 2023 are as follows:

Board of Directors	Remuneration VND
Ms. Nguyen Thi Phuong Thao (*)	188,011,115
Ms. Nguyen Thanh Ha	474,035,898
Mr. Nguyen Anh Tuan	416,000,000
Mr. Dinh Viet Phuong	234,666,668
Mr. Nguyen Thanh Hung	393,332,468
Mr. Luu Duc Khanh	385,857,142
Mr. Chu Viet Cuong	535,857,142
Mr. Donal Joshep Boylan	-
Ms. Ho Ngoc Yen Phuong	-
	<hr/>
Board of Management and Senior Management	Salaries, bonuses and other cash payments VND
General Director	984,345,833
Deputy General Directors	9,575,785,909
	<hr/>

(*) The compensation of Chairperson - Nguyen Thi Phuong Thao had not been paid in cash, and used to recognise high performing and working creatively employees from Quarter II of financial year of 2023.

Form B 09a – DN/HN

(b) Period/year end balances with related parties

	30.6.2023 VND	31.12.2022 VND
Cash and cash equivalents (Note 3)		
HDBank	449,606,412,196	490,494,847,483
Investment held to maturity		
HDBank	9,450,000,000	-
Short-term trade accounts receivable (Note 5(a))		
Thai Vietjet Air Joint Stock Co., Ltd.	4,824,673,026,329	4,277,852,215,600
Angelica Holding Limited	1,111,761,377,529	1,583,402,871,804
AAA Golden Aircraft Star No.5 Limited	747,487,699,120	686,086,426,787
Other related parties	22,783,868,632	41,055,072,605
	6,706,705,971,610	6,588,396,586,796
Long-term trade accounts receivables (Note 5(b))		
Angelica Holding Limited	3,771,425,000,000	3,863,320,000,000
Short-term prepayments to suppliers (Note 6(a))		
Angelica Holding Limited	311,741,177,353	1,025,844,472,828
Apricot Holding Limited	127,687,688,906	143,555,000,000
Sovico Group Joint Stock Company	15,756,164,375	170,000,000,000
Others	6,629,678,396	11,767,042,998
	461,814,709,030	1,351,166,515,826

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 09a – DN/HN
40 RELATED PARTY DISCLOSURES (continued)
(b) Period/year end balances with related parties (continued)

	30.6.2023 VND	31.12.2022 VND
Long-term lendings (Note 7(b))		
AAA Aircraft Asset Company Limited	492,650,221,568	512,689,557,018
Apricot Aircraft Assets No. 1 Limited	303,371,789,593	300,386,377,342
Board of Management (*)	25,000,000,000	25,000,000,000
Senior Management (*)	25,000,000,000	25,000,000,000
	<u>846,022,011,161</u>	<u>863,075,934,360</u>

(*) Purposes of transactions with the Board of Management and Senior Management are to implement business development of pilot, flight attendant, aircraft technical training of the Group.

Other short-term receivables (Note 8(a))

Thai Vietjet Air Joint Stock Co., Ltd.	2,232,299,548,723	2,144,870,380,860
Indochina Beach Hotel Joint Stock Company	734,400,000,000	1,424,910,400,000
Angelica Holding Limited	456,787,500,000	454,350,000,000
Others	221,767,505,963	145,787,507,952
	<u>3,645,254,554,686</u>	<u>4,169,918,288,812</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES
Form B 09a – DN/HN
40 RELATED PARTY DISCLOSURES (continued)
(b) Period-end/year-end balances with related parties (continued)

	30.6.2023 VND	31.12.2022 VND
Other long-term receivables (Note 8(b))		
Angelica Holding Limited	414,900,000,000	414,900,000,000
AAA Golden Aircraft Star No.5 Limited	131,033,827,477	100,994,693,184
Apricot Aircraft Assets Limited	43,486,170,000	36,072,504,000
Others	16,242,292,500	15,161,042,500
	<u>605,662,289,977</u>	<u>567,128,239,684</u>
Short-term trade accounts payable (Note 13)		
AAA Aircraft Company Limited	279,515,706,447	371,689,630,160
Apricot Aircraft Company (Ireland) 8670 Limited	158,086,713,942	64,696,315,716
AAA Golden Aircraft Star No.1 Limited	143,947,390,156	85,841,035,200
Apricot Aircraft Company (Ireland) 8577 Limited	138,550,117,444	92,419,350,884
Apricot Aircraft Company (Ireland) 8592 Limited	109,521,256,517	61,536,528,000
Others	281,082,511,603	328,686,011,934
	<u>1,110,703,696,109</u>	<u>1,004,868,871,894</u>
Short-term advances from customers (Note 14)		
Victoria Academy Company Limited	805,379,683,161	16,500,000,000
Others	8,474,926,068	553,111,453,288
	<u>813,854,609,229</u>	<u>569,611,453,288</u>
Short-term accrued expenses		
HDBank	3,667,384,848	2,997,476,038
Others	2,465,753,425	1,350,000,000
	<u>6,133,138,273</u>	<u>4,347,476,038</u>
Other short-term payables (Note 19)		
Angelica Aircraft Assets Limited	30,274,875,000	12,902,875,000
Sovico Group Joint Stock Company	-	154,243,835,625
Others	71,624,708,860	73,622,805,876
	<u>101,899,583,860</u>	<u>240,769,516,501</u>

40 RELATED PARTY DISCLOSURES (continued)**(b) Period/year end balances with related parties (continued)****Short-term borrowings (Note 20(a))**

HDBank	3,372,026,844,270	2,918,027,095,639
Victoria Academy Company Limited	45,000,000,000	45,000,000,000
	<u>3,417,026,844,270</u>	<u>2,963,027,095,639</u>

41 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:

	30.6.2023 VND	31.12.2022 VND
Within one year	11,798,481,238,435	11,506,559,066,274
Between one and five years	37,861,368,546,736	38,581,623,224,033
Over five years	18,926,891,305,248	19,870,076,281,001
Total minimum payments	<u>68,586,741,090,419</u>	<u>69,958,258,571,308</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:

	30.6.2023 VND	31.12.2022 VND
Within one year	1,312,002,391,385	1,333,279,444,266
Between one and five years	3,615,719,718,241	4,099,020,606,476
Over five years	625,264,690,695	768,399,362,220
Total minimum receipts	<u>5,552,986,800,321</u>	<u>6,200,699,412,962</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

41 PRINCIPLE AGREEMENTS (continued)

(b) Other commitments

	30.6.2023 VND	31.12.2022 VND
Within one year		
BCC (Note 8(a)(ii))	452,489,600,000	-
Deposit for aircraft purchases	86,562,099,263	745,849,197,380
Between one and five years		
Deposit for aircraft purchases	31,645,607,374,923	25,886,578,817,620
Over five years		
Deposit for aircraft purchases	6,934,959,545,910	13,270,140,555,624
	<u>39,119,618,620,096</u>	<u>39,902,568,570,624</u>

(c) Other agreements

The Group signed a principle agreement and related amendments with Boeing Company to purchase aircraft. During the year 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.

42 OTHER EVENTS

At the approval date of these consolidated interim financial statements, the Group has a commercial dispute related to four (4) lease-purchase aircraft under the JOLCO (Japanese Operating Lease with Call Option). JOLCO structure includes the Group ("Vietjet"), Japanese Investors, and Banks. The Banks in this transaction, involving 4 JOLCO aircrafts, transferred their debts to a financial investment fund which was established in 2021. The case is reviewing by Commercial Court of United Kingdom High Court ("the Court") and will be adjudged by the Court in May 2024. The Board of Management of the Group believes in the fairness of the Court against the legitimate rights and interests of the Group. Accordingly, the Board of Management of the Company assessed that there is no exposure in relation to making provisions of this dispute as at the approval date of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

43 EVENTS AFTER THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

From 4 July 2023 to 24 August 2023, the Company has completed the issuance of 10 bond tranches, details are as follows:

Code	Release date	Term	Face value VND	Number of bonds	Total VND
VJCH2328005	04/07/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328006	07/07/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328007	17/07/2023	60 months	100,000,000	2,000	200,000,000,000
VJCH2328008	25/07/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328009	01/08/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328010	04/08/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328011	08/08/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328012	15/08/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328013	21/08/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328014	24/08/2023	60 months	100,000,000	2,000	200,000,000,000
				<u>28,000</u>	<u>2,800,000,000,000</u>

These bonds have no collateral. At the date of approval of these consolidated interim financial statements, the Group has received the full amount of VND2,800,000,000,000 related to the issuance of these bonds.

The consolidated interim financial statements were approved by the Board of Management on 2 September 2023.



Nguyen Thi Thanh Nga
Chief Accountant/Preparer



Ho Ngoc Yen Phuong
Vice President cum
Chief Finance Officer



Dinh Viet Phuong
Chief Executive Officer