

VIETJET AVIATION JOINT STOCK COMPANY

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



VIETJET AVIATION JOINT STOCK COMPANY

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VIETJET AVIATION JOINT STOCK COMPANY

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 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

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 Mr. Nguyen Thanh Son	Vice President 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	Ms. Nguyen Thi Phuong Thao	Chairperson of the Board of Directors
	Mr. Dinh Viet Phuong	Chief Executive Officer
	Ms. Ho Ngoc Yen Phuong	Vice President (from 19 April 2023)
	Ms. 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

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of VietJet Aviation Joint Stock Company ("the Company") is responsible for preparing the separate interim financial statements of the Company which give a true and fair view of the separate interim financial position of the Company as at 30 June 2023, and of the separate interim results of its operations and its separate interim cash flows for the six-month period then ended. In preparing these separate 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 separate interim financial statements on a going-concern basis unless it is inappropriate to presume that the Company 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 separate interim financial position of the Company and enable the separate interim financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate interim financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or error.

Approval of the separate interim financial statements

We hereby, approve the accompanying separate interim financial statements as set out on pages 6 to 80 which give a true and fair view of the separate interim financial position of the Company as at 30 June 2023, and of the separate interim results of its operations and its separate 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 separate interim financial statements.

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2023 in order to obtain full information of the consolidated interim financial position and consolidated interim results of operations and consolidated interim cash flows of the Group.

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 SEPARATE INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF VIETJET AVIATION JOINT STOCK COMPANY

We have reviewed the accompanying separate interim financial statements of VietJet Aviation Joint Stock Company ("the Company") which were prepared on 30 June 2023, and approved by the Board of Management of the Company on 2 September 2023. The separate interim financial statements comprise the separate interim balance sheet as at 30 June 2023, the separate interim income statement and the separate interim cash flow statement for the six-month period then ended, and explanatory notes to the separate interim financial statements including significant accounting policies, as set out on pages 6 to 80.

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 separate interim financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of the separate interim financial statements, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of the separate 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 separate 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

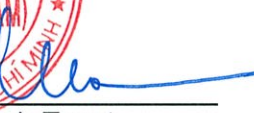
Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the separate interim financial position of the Company as at 30 June 2023, its separate financial performance and its separate 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 separate interim financial statements.

Other Matter

The report on review of separate 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: HCM14269
Ho Chi Minh City, 2 September 2023

SEPARATE INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2023 VND	31.12.2022 VND
100	CURRENT ASSETS		28,774,999,719,221	30,357,899,211,669
110	Cash and cash equivalents	3	2,125,904,506,896	1,840,277,216,149
111	Cash		828,452,897,622	880,301,435,125
112	Cash equivalents		1,297,451,609,274	959,975,781,024
120	Short-term investments		519,100,000,000	678,000,000,000
121	Trading securities	4(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	4(a)	(470,900,000,000)	(490,000,000,000)
123	Investments held to maturity		-	178,000,000,000
130	Short-term receivables		24,859,672,263,292	26,541,952,082,774
131	Short-term trade accounts receivable	5	9,255,172,653,987	9,059,907,782,848
132	Short-term prepayments to suppliers	6	682,059,918,804	1,626,413,101,409
135	Short-term lendings	7	657,000,000,000	657,000,000,000
136	Other short-term receivables	8(a)	14,265,439,690,501	15,198,631,198,517
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		195,208,728,760	314,953,841,071
151	Short-term prepaid expenses	10(a)	173,481,120,267	163,938,267,289
152	Value added tax ("VAT") to be reclaimed	15(a)	-	125,868,210,154
153	Tax and other receivables from the State	15(a)	21,727,608,493	25,147,363,628

The notes on pages 12 to 80 are an integral part of these separate interim financial statements.

SEPARATE INTERIM BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			30.6.2023 VND	31.12.2022 VND
200	LONG-TERM ASSETS		32,355,599,627,657	28,599,108,745,204
210	Long-term receivable		17,380,442,327,874	15,426,702,194,537
215	Long-term lending		55,145,921,500	55,145,921,500
216	Other long-term receivables	8(b)	17,325,296,406,374	15,371,556,273,037
220	Fixed assets		5,886,080,385,608	5,696,170,178,204
221	Tangible fixed assets	11(a)	5,522,918,252,277	5,680,038,769,815
222	Historical cost		6,121,394,796,634	6,111,598,991,827
223	Accumulated depreciation		(598,476,544,357)	(431,560,222,012)
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)	14,993,532,584	16,131,408,389
228	Historical cost		47,055,308,433	47,055,308,433
229	Accumulated amortisation		(32,061,775,849)	(30,923,900,044)
240	Long-term asset in progress		259,436,850,900	205,173,460,148
242	Construction in progress	12	259,436,850,900	205,173,460,148
250	Long-term investments		230,917,024,400	230,917,024,400
251	Investments in subsidiaries	4(b)	81,500,000,000	81,500,000,000
252	Investments in associates	4(b)	60,000,000,000	60,000,000,000
253	Investments in other entities	4(b)	149,417,024,400	149,417,024,400
254	Provision for long-term investments	4(b)	(60,000,000,000)	(60,000,000,000)
260	Other long-term asset		8,598,723,038,875	7,040,145,887,915
261	Long-term prepaid expenses	10(b)	8,295,079,657,966	6,635,875,340,125
262	Deferred income tax assets	23	303,643,380,909	404,270,547,790
270	TOTAL ASSETS		61,130,599,346,878	58,957,007,956,873

The notes on pages 12 to 80 are an integral part of these separate interim financial statements.

SEPARATE INTERIM BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2023 VND	31.12.2022 VND
300	LIABILITIES		56,687,984,075,987	54,562,326,234,754
310	Short-term liabilities		30,166,121,183,273	31,904,440,007,081
311	Short-term trade accounts payable	13	10,083,527,408,986	9,850,796,142,818
312	Short-term advances from customers	14	2,281,844,324,876	2,240,798,216,080
313	Tax and other payables to the State	15(b)	407,198,283,176	361,331,715,430
314	Payable to employees	16	146,962,922,703	183,009,403,971
315	Short-term accrued expenses	17	2,258,401,819,491	822,241,895,740
318	Short-term unearned revenue	18(a)	2,720,464,587,877	3,503,454,041,287
319	Other short-term payables	19	2,336,094,348,378	4,488,246,329,798
320	Short-term borrowings and finance lease liabilities	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		26,521,862,892,714	22,657,886,227,673
336	Long-term unearned revenue	18(b)	85,091,704,627	-
337	Other long-term payables		5,665,555,622	5,662,224,160
338	Long-term borrowings and finance lease liabilities	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		4,442,615,270,891	4,394,681,722,119
410	Capital and reserves		4,442,615,270,891	4,394,681,722,119
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
421	Accumulated losses	25	(1,220,981,187,008)	(1,268,914,735,780)
421a	- (Accumulated losses)/undistributed post-tax profits previous years		(1,268,914,735,780)	1,323,684,523,765
421b	- Post-tax profits/(post-tax loss) of current period/year		47,933,548,772	(2,592,599,259,545)
440	TOTAL RESOURCES		61,130,599,346,878	58,957,007,956,873

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 80 are an integral part of these separate interim financial statements.

SEPARATE 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		25,133,613,658,496	14,898,013,353,969
02	Less deductions		-	-
10	Net revenue from sales of goods and rendering of services	28	25,133,613,658,496	14,898,013,353,969
11	Cost of goods sold and services rendered	29	(23,420,629,306,088)	(14,477,818,121,243)
20	Gross profit from sales of goods and rendering of services		1,712,984,352,408	420,195,232,726
21	Financial income	30	685,349,615,718	1,173,164,587,110
22	Financial expenses	31	(1,036,504,050,406)	(1,279,200,806,082)
23	- Including: Interest expense	31	(769,153,377,725)	(693,179,752,084)
25	Selling expenses	32	(864,087,318,755)	(384,218,604,276)
26	General and administration expenses	33	(380,408,487,298)	(189,783,398,422)
30	Net operating profit/(loss)		117,334,111,667	(259,842,988,944)
31	Other income		48,720,483,398	456,737,511,301
32	Other expenses		(17,493,879,412)	(343,015,569)
40	Net other income	34	31,226,603,986	456,394,495,732
50	Accounting profit before tax		148,560,715,653	196,551,506,788
51	Corporate income tax ("CIT") - current	35	-	(169,141,000,000)
52	CIT - deferred	35,23	(100,627,166,881)	52,920,777,503
60	Profit after tax		47,933,548,772	80,331,284,291

 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 80 are an integral part of these separate interim financial statements.

SEPARATE INTERIM CASH FLOW STATEMENT
(Indirect method)

		For the six-month period ended	
		30.6.2023	30.6.2022
Code	Note	VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax	148,560,715,653	196,551,506,788
	Adjustments for:		
02	Depreciation and amortisation	191,564,797,300	38,244,540,321
03	Provisions	3,129,299,176,095	1,957,529,949,135
04	Unrealised foreign exchange losses	132,551,300,801	110,378,905,597
05	Profits from investing activities	(266,103,720,738)	(1,115,722,633,917)
06	Interest expense	769,153,377,725	693,179,752,084
08	Operating profit before changes in working capital	4,105,025,646,836	1,880,162,020,008
09	Decrease/(increase) in receivables	170,977,912	(3,433,870,654,523)
10	Increase in inventories	(92,398,148,598)	(91,652,911,177)
11	(Decrease)/increase in payables	(1,078,000,591,662)	1,811,513,196,628
12	Increase in prepaid expenses	(1,668,747,170,819)	(1,582,435,387,775)
14	Interest paid	(905,543,995,231)	(667,841,211,296)
15	CIT paid	-	(55,772,998,940)
17	Other payments on operating activities	(27,157,060,332)	(44,391,600,000)
20	Net cash inflows/(outflows) from operating activities	333,349,658,106	(2,184,289,547,075)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(119,644,626,871)	(37,851,610,220)
22	Proceeds from disposals of fixed assets	104,478,032,313	394,720,000
24	Collection from investment held to maturity	178,000,000,000	-
27	Interest received	182,363,517,415	114,159,874,528
30	Net cash inflows from investing activities	345,196,922,857	76,702,984,308

The notes on pages 12 to 80 are an integral part of these separate interim financial statements.

SEPARATE 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		293,447,539,710	1,176,168,381,029
60	Cash and cash equivalents at beginning of period	3	1,840,277,216,149	1,846,031,657,278
61	Effect of foreign exchange differences		(7,820,248,963)	(683,942,607)
70	Cash and cash equivalents at end of period	3	2,125,904,506,896	3,021,516,095,700

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



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

**NOTES TO THE SEPARATE 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 which was initially issued by the Department of Planning and Investment of Hanoi City, dated 23 July 2007 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 are to provide passenger and cargo transportation services on domestic and international air routes, and airline-related support services.

The normal business cycle of the Company is 12 months.

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09a – DN

1 GENERAL INFORMATION (continued)

As at 30 June 2023, the Company 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 airline transportation	No. 0109783334 dated 19 October 2021	Vietnam	100	100	100	100

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09a – DN

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. 01055556100551 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 Company has significant influence over these companies because the Company has representatives in the Boards of Directors of these companies.

VIETJET AVIATION JOINT STOCK COMPANY

1 GENERAL INFORMATION (continued)

As at 30 June 2023 and as at 31 December 2022, the Company 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 Company had 5,820 employees (as at 31 December 2022: 5,835 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of separate interim financial statements**

The separate 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 separate interim financial statements. The separate interim financial statements have been prepared under the historical cost convention.

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

Separately, the Company has also prepared consolidated interim financial statements of the Company and its subsidiaries (together, referred to as “the Group”), in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements. In the consolidated interim financial statements, subsidiary undertakings, which are those companies over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Group for the six-month period ended 30 June 2023 in order to obtain full information of the consolidated interim financial position and consolidated interim results of operations and consolidated interim cash flows of the Group.

2.2 Fiscal year

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

2.3 Currency

The separate interim financial statements are measured and presented in Vietnamese Dong (“VND” or “Dong”).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 Company regularly transacts. The Company 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 result 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 separate interim income statement.

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

2.5 Cash and cash equivalents

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

2.6 Receivables

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Maintenance reserves of leased aircraft**

Under terms of aircraft operating lease agreements, the Company has legal and contractual obligations for maintenance and repair of the leased aircraft during the term of the lease and shall contribute maintenance reserves with the lessors. The maintenance reserves is recognised as other receivables when there is certainty about the Company's ability to use this contribution from the lessors for periodic aircraft maintenance and repair activities pursuant to the aircraft operating lease agreements. Condition of maintenance reserves made to lessors are typically calculated based on a performance measure, such as flight hours or cycles, and are contractually required to be reimbursed to the Company upon the completion of the required maintenance of the leased aircraft including replacement of life limited parts, engine performance restoration, airframe major structural inspection, landing gear overhaul and auxiliary power unit (APU) heavy repair. The remaining unutilised portion of the maintenance reserves of leased aircraft, if any, at the end of lease terms will be owned by the lessor.

Maintenance reserves of leased aircraft are classified into long-term and short-term receivables based on on the estimated time that the Company could utilise maintenance and repair expenses from the maintainance reserves from the separate balance sheet date.

2.8 Inventories

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

The Company applies the perpetual system for inventories.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments****(a) Trading securities**

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

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end. The provision for diminution in value of trading securities is made when their carrying value is higher than their market value. The fair value of the investment in unlisted shares traded on Unlisted Public Company Market ("UPCoM") is determined by the average reference price of the last 30 consecutive trading days prior to the date of the consolidated balance sheet. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

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

Profit or loss from liquidation or disposal of trading securities is recognised in the separate interim income statement. The costs of trading securities disposed are determined by using the moving weighted average method.

(b) Investments held to maturity

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

Investments held to maturity include term deposits. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments (continued)****(c) Investments in subsidiaries**

Subsidiaries are all entities whose financial and operating policies the Company has the power to govern 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 Company controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition plus other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

(d) Investments in associates

Associates are investments that the Company has significant influence but not control over and the Company would generally have from 20% to less than 50% of the voting rights of the investee.

Investments in associates are initially recorded at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investments. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

(e) Investment in other entities

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

(f) Provision for investments in subsidiaries, associates and other entities

Provision for investments in subsidiaries, associates, and other entity is made when there is a diminution in value of the investments at the period end.

Provision for investments in subsidiaries and associates is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries and associates.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Lendings**

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

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

Lendings are classified into short-term and long-term lendings on the separate interim balance sheet based on the remaining term of the lendings as at the separate interim balance sheet date.

2.11 Business cooperation contract

A business cooperation contract ("BCC") is a contract between the Company and other parties to carry out specific business activities without establishing a new legal entity. These activities are jointly controlled by the parties under the BCC. The parties participating in the BCC agree to share the before tax profits of the BCC corresponding to the actual contribution ratio of each party. The nature of this BCC is to share revenue, expenses, and each party will exercise its rights, fulfil its conditions and ability to jointly controlled BCC's operations and cash flow.

According to this BCC, the Company is not in charge of accounting and tax finalisation. The Company accounts for its proportionate share of revenue and expenses from the BCC in the separate interim income statement as net profit/(loss) before tax.

2.12 Fixed assets*Tangible and intangible fixed assets*

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

Depreciation and amortisation

Fixed assets are depreciated using the straight-line basis so as to write off the historical cost of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the separate interim financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.12 Fixed assets (continued)**

Aircraft and aircraft engines	12 - 20 years
Buildings and structures	5 - 47 years
Machinery and equipment	3 - 10 years
Motor vehicles	6 - 8 years
Office equipment	3 - 10 years
Software	3 - 10 years

Disposals

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

Construction in progress

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

2.13 Leased assets

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased assets or the present value of the minimum lease payments.

Each lease payment is separated between the liability and finance charges to achieve a constant rate on the outstanding finance lease balance. The corresponding rental obligations, net of finance charge, are included in long-term borrowings.

The interest element of the finance cost is charged to the separate interim income statement over the lease term. The property, plant and equipment acquired under finance leasing contracts is depreciated on a straight-line basis over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the separate 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 Company 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 2.19 to these separate 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 Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over a period from 2 years to 5 years.

(v) Other long-term prepaid expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Provisions (continued)**

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 Company's policy:

- with respect to the Company'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 separate interim income statements using the basis of actual flight hours or cycles to the next maintenance (Note 2.14(b)(i));
- with respect to 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 lease agreements between the Company and its lessors, and according to the requirements of Vietnam Aviation Authority, the Company is responsible to perform the routine maintenance and periodic maintenance for leased aircraft 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 Company is able to use the leased aircraft maintenance reserves to perform periodic maintenance within the scope of the aircraft maintenance reserves.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Provisions (continued)****(a) Provisions for periodic maintenance costs in the scope of maintenance reserves (continued)**

The provisions for LLP and LDG are determined by the estimated future cost of maintenance and replacement of these components, equipment based on the current fleet plan. At the beginning of lease and during the term of lease, the estimated costs of maintenance and replacement for the next maintenance are recognised as a provision with a corresponding asset in long-term prepaid expenses. The long-term prepaid expenses are amortised in the separate income statement using the basis of actual flight hours or cycles to the next maintenance. 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 separate 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 Company's policy:

- with respect to JOLCO contracts, cost of returning leased assets is recognized in the separate interim income statement when incurred.
- with respect to 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 Company is required to return aircraft with adherence to certain maintenance conditions, cost to make good on leased assets is estimated at the beginning of the lease based on the present value of the future expected costs at the end of the lease in order for the Company 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 Company'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 separate income statements on a straight-line basis over the term of the lease.

2.20 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 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 Company's results (profit or loss) after CIT at the reporting date.

2.22 Appropriation of profit

The Company's dividends are recognised as a liability in the Company's separate 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 Company.

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 Company's charter and Vietnamese regulations. The General Meeting of Shareholders authorised the Board of Directors to decide on the implementation time.

The Company's fund is as below:

Bonus and welfare fund

Bonus and welfare fund is appropriated from the Company'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 separate 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.

2.23 Revenue recognition**(a) Revenue from passenger transportation**

Revenue from passenger transportation is recognised in the separate 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Revenue recognition (continued)****(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 separate interim income statement when the services are provided.
- (ii) Revenue from baggage service is recognised in the separate 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 separate interim income statement when all five (5) of the following conditions are satisfied:
 - The Company has transferred to the buyer the significant risks and rewards of ownership of the merchandises;
 - The Company 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 Company; and
 - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- (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 recognised in the separate interim income statement when the services are provided. Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Revenue recognition (continued)****(d) Revenue from aircraft leasing**

Revenue from aircraft leasing under operating lease arrangements is recognised in the separate interim income statement on a straight-line basis over the term of the lease.

(e) Sales and leaseback transactions

The Company's assets sales and leaseback transaction is a transaction where an asset is sold then leased back by the Company. 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 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, 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.

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

Revenue from sale of aircraft and aircraft's components is recognised in the income statement when all five (5) of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the aircraft's components;
- The Company 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 Company; 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Revenue recognition (continued)****(g) Revenue from rendering of other services**

Revenue from rendering of other services is recognised in the separate 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 receivables.

Revenue from the 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 Company;
- The percentage of completion of the transaction at the separate interim balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(h) Interest income

Interest income is recognised on 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.

(i) Dividend income

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

2.24 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.

2.25 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.

2.26 Selling expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 General and administration expenses**

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

2.28 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current period taxable profits at the current period tax rates. Current and deferred income tax are recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate 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 separate 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.

2.29 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the Board of Directors, the Board of Management and the Audit Committee of the Company, close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Company considers the substance of the relationships not merely the legal form.

2.30 Segment reporting

A segment is a component which can be separated by the Company 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 Company's business segment or the Company's geographical segment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.31 Critical accounting estimates**

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

The areas involving significant estimates and assumptions are as follows:

- Estimated useful lives of fixed assets (Note 2.12 and 11);
- Provision for maintenance cost in the scope of maintenance reserves and cost to make good on leased assets (Notes 2.19 and 21); and
- Deferred income tax (Notes 2.28 and 23).

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

3 CASH AND CASH EQUIVALENTS

	30.6.2023 VND	31.12.2022 VND
Cash on hand	6,037,744,924	7,130,527,359
Cash at banks	822,415,152,698	873,170,907,766
Cash equivalents (*)	1,297,451,609,274	959,975,781,024
	<u>2,125,904,506,896</u>	<u>1,840,277,216,149</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 pledged 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 Company had current and term deposit accounts with total balance of VND423 billion (as at 31 December 2022: VND468 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank (Note 39(b)).

4 INVESTMENTS**(a) Short-term****Trading securities**

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

The Company 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.

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4 INVESTMENTS (continued)

(b) Long-term

	As at 30.6.2023			As at 31.12.2022		
	Ownership %	Cost VND	Provision VND	Ownership %	Cost VND	Provision VND
i. Investments in subsidiaries (*)						
Vietjet Air IVB No. I Limited (i)	100	-	-	100	-	-
Vietjet Air IVB No. II Limited (i)	100	-	-	100	-	-
Vietjet Air Singapore Pte. Ltd.(i)	100	-	-	100	-	-
Vietjet Air Ireland No. 1 Limited (i)	100	-	-	100	-	-
Galaxy Pay Company Limited	100	50,000,000,000	-	100	50,000,000,000	-
Swift 247 Joint Stock Company	67	31,500,000,000	-	67	31,500,000,000	-
VietJet Ground Services Limited Liability Company (ii)	100	-	-	100	-	-
		81,500,000,000	-		81,500,000,000	-
ii. Investments in associates (*)						
Thai Vietjet Air Joint Stock Co., Ltd. (i)	9	-	-	9	-	-
Cam Ranh International Terminal Joint Stock Company	10	60,000,000,000	(60,000,000,000)	10	60,000,000,000	(60,000,000,000)
		60,000,000,000	(60,000,000,000)		60,000,000,000	(60,000,000,000)
iii. Investments in other entities (**)						
Sai Gon Ground Services Joint Stock Company	9.1	149,417,024,400	-	9.1	149,417,024,400	-

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

- (*) As at 30 June 2023 and 31 December 2022, the Company could not determine the fair value of these investments in subsidiaries and investments in associates to disclose in the separate interim financial statements as these investments are not quoted in the market. The fair value of such investments may differ from their book values.
- (**) 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).
- (i) As at 30 June 2023, the Company has not yet contributed capital in these subsidiaries and associates. These companies' operations are mainly supported by the Company. The Board of Management clearly understands the current regulations related to capital contributions to these companies and assesses that there are no violations or material effects that need to be disclosed at the date of approval of the separate interim financial statements.
- (ii) As at 30 June 2023 and 31 December 2022, the Company has not yet contributed the capital in this subsidiary and this company has not been put into operation yet. The Board of Management clearly understands the current regulations related to capital contributions to these companies and assesses that there are no violations or material effects that need to be disclosed at the date of approval of the separate interim financial statements.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2023 VND	31.12.2022 VND
Third parties		
Zhejiang Lixi International Travel Co., Ltd. (*)	365,680,775,000	1,032,679,300,000
World Go International Co., Ltd.	119,227,430,229	40,223,758,175
International Air Transport Association	103,429,175,086	96,777,777,094
Hangzhou BaoLi Co., Ltd.	-	267,277,192,695
Others	335,732,046,518	218,511,343,483
	<u>924,069,426,833</u>	<u>1,655,469,371,447</u>
Related parties (Note 39(b))	8,331,103,227,154	7,404,438,411,401
	<u>9,255,172,653,987</u>	<u>9,059,907,782,848</u>

- (*) At the date of approval of this separate interim financial statements, the Company received VND340 billion from this customer.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2023 VND	31.12.2022 VND
Third parties	214,002,037,020	275,246,585,583
Related parties (Note 39(b))	468,057,881,784	1,351,166,515,826
	<u>682,059,918,804</u>	<u>1,626,413,101,409</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.

7 SHORT-TERM LENDING

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.

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				
- 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	360,442,752,848	-	105,591,795,895	-
Others	1,095,221,656,069	-	1,211,864,904,360	-
	<u>10,376,296,161,310</u>	<u>-</u>	<u>10,751,830,880,071</u>	<u>-</u>
Related parties (Note 39(b))	<u>3,889,143,529,191</u>	<u>-</u>	<u>4,446,800,318,446</u>	<u>-</u>
	<u>14,265,439,690,501</u>	<u>-</u>	<u>15,198,631,198,517</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 separate interim financial statements, the Company had collected VND 967 billion from Conasi in August 2023.
- (ii) During the period, the Company 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%/year calculated on the cooperative capital from the date the Company contributes capital (Note 40(b)).

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	136,628,963,696	-	93,454,296,708	-
	<u>16,719,634,116,397</u>	<u>-</u>	<u>14,804,428,033,353</u>	<u>-</u>
Related parties (Note 39(b))				
	<u>605,662,289,977</u>	<u>-</u>	<u>567,128,239,684</u>	<u>-</u>
	<u>17,325,296,406,374</u>	<u>-</u>	<u>15,371,556,273,037</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.

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	14,781,463,742	30,964,302,563
	<u>173,481,120,267</u>	<u>163,938,267,289</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	266,882,921,837
Aircraft inspection expenditure	264,998,639,518	495,343,640,432
Others	312,241,358,002	241,723,764,157
	<u>8,295,079,657,966</u>	<u>6,635,875,340,125</u>

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10 PREPAID EXPENSES (continued)

(b) Long-term (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	182,277,326,033	174,818,646,585	30,413,797,029	6,085,219,961,667
Increase	692,655,542,194	77,371,593,378	70,345,901,783	557,885,544,084	16,168,728,218	1,414,427,309,657
Transfers from inventory	-	-	242,667,349,245	-	-	242,667,349,245
Transfers from construction in progress (Note 12)	-	-	-	-	225,385,696,812	225,385,696,812
Allocation	(654,143,517,148)	(92,016,962,579)	(228,407,655,224)	(237,360,550,237)	(30,244,457,902)	(1,242,173,143,090)
Decrease	(80,305,930,668)	(9,345,903,498)	-	-	-	(89,651,834,166)
As at 1 January 2023	5,023,761,090,900	608,163,922,799	266,882,921,837	495,343,640,432	241,723,764,157	6,635,875,340,125
Increase	2,055,384,724,475	190,027,889,069	1,383,057,803	42,546,012,011	62,437,807,246	2,351,779,490,604
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)	(143,282,654,407)	(49,542,517,301)	(106,340,845,082)	(811,222,901,681)
As at 30 June 2023	6,621,776,237,332	743,504,505,020	352,558,918,094	264,998,639,518	312,241,358,002	8,295,079,657,966

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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	71,772,397,783	55,422,102,658	6,111,598,991,827
New purchases	263,487,467,040	244,000,000	6,342,317,036	6,572,689,000	1,425,953,853	278,072,426,929
Disposal	(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	73,555,931,701	56,848,056,511	6,121,394,796,634
Accumulated depreciation						
As at 1 January 2023	294,456,360,375	26,041,398,614	51,372,765,712	28,404,693,799	31,285,003,512	431,560,222,012
Charge for the period	153,629,728,951	4,312,608,614	7,217,912,202	4,202,194,165	2,343,033,495	171,705,477,427
Disposal	-	-	-	(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	27,817,732,882	33,628,037,007	598,476,544,357
Net book value						
As at 1 January 2023	5,162,105,691,185	382,512,215,884	67,916,059,616	43,367,703,984	24,137,099,146	5,680,038,769,815
As at 30 June 2023	5,008,475,962,234	378,443,607,270	67,040,464,450	45,738,198,819	23,220,019,504	5,522,918,252,277

11 FIXED ASSETS (continued)**(a) Tangible fixed assets (continued)**

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

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

(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	<u>366,890,044,815</u>
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Accumulated depreciation

As at 1 January 2023	-
Charge for the period	18,721,444,068

As at 30 June 2023	<u>18,721,444,068</u>
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Net book value

As at 1 January 2023	-
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As at 30 June 2023	<u><u>348,168,600,747</u></u>
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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 Company 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 2022 and 30 June 2022

47,055,308,433

Accumulated amortisation

As at 1 January 2023

30,923,900,044

Charge for the period

1,137,875,805

As at 30 June 2023

32,061,775,849

Net book value

As at 1 January 2023

16,131,408,389

As at 30 June 2023

14,993,532,584

The historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2023 and 31 December 2022 was VND30 billion.



12 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

	As at 30.6.2023 VND	As at 31.12.2022 VND
Purchase costs of aircrafts and aircraft engines	104,590,572,599	112,225,001,569
Major inspection and overhaul expenses	126,633,901,670	72,883,904,312
Others	28,212,376,631	20,064,554,267
	<u>259,436,850,900</u>	<u>205,173,460,148</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	205,173,460,148	353,832,538,752
Purchases	54,263,390,752	76,726,618,208
Transfers to long-term prepaid expenses (Note 10(b))	-	(225,385,696,812)
End of period/year	<u>259,436,850,900</u>	<u>205,173,460,148</u>

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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	3,422,621,601,360	3,422,621,601,360	4,656,196,033,743	4,656,196,033,743
	8,974,456,717,240	8,974,456,717,240	8,672,802,588,741	8,672,802,588,741
Related parties (Note 39(b))				
	1,109,070,691,746	1,109,070,691,746	1,177,993,554,077	1,177,993,554,077
	10,083,527,408,986	10,083,527,408,986	9,850,796,142,818	9,850,796,142,818

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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	856,473,587,881	964,507,112,693
	<u>1,257,733,587,881</u>	<u>1,359,507,112,693</u>
Related parties (Note 39(b))	<u>1,024,110,736,995</u>	<u>881,291,103,387</u>
	<u><u>2,281,844,324,876</u></u>	<u><u>2,240,798,216,080</u></u>

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15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1.1.2023 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					
Foreign contractor tax	25,147,363,628	-	-	(5,191,247,689)	19,956,115,939
Deductible VAT	125,868,210,154	715,643,429,110	-	(841,511,639,264)	-
Others	-	13,233,881,949	-	(11,462,389,395)	1,771,492,554
	<u>151,015,573,782</u>	<u>728,877,311,059</u>	<u>-</u>	<u>(858,165,276,348)</u>	<u>21,727,608,493</u>
(b) Tax payables					
CIT	169,141,000,000	-	-	-	169,141,000,000
Personal income tax	191,908,935,655	98,497,446,591	(180,398,243,949)	-	110,008,138,297
VAT	-	969,560,784,143	-	(841,511,639,264)	128,049,144,879
Foreign contractor tax	-	15,088,313,169	(9,897,065,480)	(5,191,247,689)	-
Others	281,779,775	135,484,750,612	(124,304,140,992)	(11,462,389,395)	-
	<u>361,331,715,430</u>	<u>1,218,631,294,515</u>	<u>(314,599,450,421)</u>	<u>(858,165,276,348)</u>	<u>407,198,283,176</u>

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	308,309,016,426	228,296,330,300
	<u>2,258,401,819,491</u>	<u>822,241,895,740</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 SHORT-TERM 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 purchased	-	960,000,000,000
Others	1,239,395,880,681	1,298,527,025,120
	<u>1,816,649,483,128</u>	<u>3,143,448,506,387</u>
Related parties (Note 39(b))	<u>519,444,865,250</u>	<u>1,344,797,823,411</u>
	<u>2,336,094,348,378</u>	<u>4,488,246,329,798</u>

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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)	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 borrowings (Note 20(b))	68,298,400,000	-	(33,715,100,000)	68,493,745,000	-	103,077,045,000
Current portion of long-term bonds (Note 20(b))	650,000,000,000	-	-	-	-	650,000,000,000
Borrowings from related parties (ii) (Note 39(b))	45,000,000,000	-	-	-	-	45,000,000,000
Current portion of long-term finance lease (Note 20(b)(v))	-	-	(3,264,360,620)	10,686,146,686	360,235,444	7,782,021,510
	8,549,901,782,085	10,362,183,961,264	(11,947,283,002,517)	79,179,891,686	85,655,486,806	7,129,638,119,324

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 39(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>

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

- (*) As at 30 June 2023, this loan was secured by the estimated receivables arising from the Company'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.

20 BORROWINGS (continued)**(a) Short-term (continued)****(ii) Borrowings from related party**

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

Lenders	Currency	30.6.2023 VND	31.12.2022 VND
Unsecured loans			
Victoria Academy Company Limited	VND	<u>45,000,000,000</u>	<u>45,000,000,000</u>

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.

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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
Long-term finance 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		As at 31.12.2022	
			Current portion VND	Long-term VND	Current portion VND	Long-term VND
Military Commercial Joint Stock Bank (*)	USD	June 2028	103,077,045,000	242,930,916,592	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: from 2.99% per annum) and is secured by the Company's tangible fixed assets with the carrying amount as follows:

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

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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 VND	Current portion of long-term borrowings VND	Long-term VND
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 on the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

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

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 Company 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>
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	(3,499,606,788,468)	(3,037,649,078,335)
Deferred tax liabilities to be recovered within 12 months	(313,137,805,849)	(380,405,239,427)
	<u>(3,812,744,594,317)</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>303,643,380,909</u>	<u>404,270,547,790</u>

23 DEFERRED INCOME TAX (continued)

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

	For the six-month period ended 30.6.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/year	404,270,547,790	(154,517,071,443)
Income statement (charged)/credited (Note 35)	(100,627,166,881)	558,787,619,233
End of period/year	<u>303,643,380,909</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.

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

	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)
	<u>(3,812,744,594,317)</u>	<u>(3,418,054,317,762)</u>
	<u>303,643,380,909</u>	<u>404,270,547,790</u>

23 DEFERRED INCOME TAX (continued)

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

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

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

24 OWNERS' CAPITAL (continued)**(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	<u>541,611,334</u>	<u>5,416,113,340,000</u>

Par value per share: VND10,000.

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

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25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Post-tax undistributed earnings/ (Accumulated losses) VND	Total VND
As at 1 January 2022	5,416,113,340,000	247,483,117,899	1,323,684,523,765	6,987,280,981,664
Net loss for the year	-	-	(2,592,599,259,545)	(2,592,599,259,545)
As at 31 December 2022	5,416,113,340,000	247,483,117,899	(1,268,914,735,780)	4,394,681,722,119
Profit for the period	-	-	47,933,548,772	47,933,548,772
As at 30 June 2023	5,416,113,340,000	247,483,117,899	(1,220,981,187,008)	4,442,615,270,891

26 DIVIDEND PAYABLE

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

27 OFF SEPARATE INTERIM BALANCE SHEET ITEMS**(a) Foreign currencies**

	30.6.2023	31.12.2022
USD	19,000,472	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	90,726	-

(b) Operating lease assets

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

28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended	
	30.6.2023 VND	30.6.2022 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	9,905,740,856,121	4,047,388,483,011
	<u>22,722,146,882,293</u>	<u>11,356,467,348,807</u>
Revenue from sales of engines	1,219,000,000,000	420,189,000,000
Aircraft dry leases	827,583,900,352	674,024,899,674
Assignment fees for purchase right option	-	2,306,000,000,000
Others	364,882,875,851	141,332,105,488
	<u>25,133,613,658,496</u>	<u>14,898,013,353,969</u>

29 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended	
	30.6.2023 VND	30.6.2022 VND
Flight operation expenses	16,977,939,743,079	11,610,796,158,076
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	78,570,731,174	12,532,698,012
Others	163,459,470,182	396,583,973,179
	<u>23,420,629,306,088</u>	<u>14,477,818,121,243</u>

30 FINANCIAL INCOME

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
Realised foreign exchange gains	420,321,349,518	57,836,673,193
Interest income from deposits and lendings	186,249,826,200	269,622,913,917
Interest income from late payment	78,778,440,000	-
Profits shared from subsidiary	-	845,705,000,000
	<u>685,349,615,718</u>	<u>1,173,164,587,110</u>

31 FINANCIAL EXPENSES

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
Interest expense and finance lease interest	769,153,377,725	693,179,752,084
Net loss from foreign currency translation at period-end	132,551,300,801	110,378,905,597
Realised foreign exchange losses (Reversal of provision)/Provision for diminution in value of trading securities and long-term investment	76,182,017,939	105,512,721,327
	(19,100,000,000)	235,000,000,000
Others	77,717,353,941	135,129,427,074
	<u>1,036,504,050,406</u>	<u>1,279,200,806,082</u>

32 SELLING EXPENSES

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
External service expenses	388,345,840,812	52,043,375,129
Advertising and marketing expenses	296,759,578,163	194,564,560,495
Commission fee	92,332,824,890	46,333,682,200
Staff costs	73,436,326,965	66,713,259,760
Depreciation and amortisation	428,320,088	79,396,534
Others	12,784,427,837	24,484,330,158
	<u>864,087,318,755</u>	<u>384,218,604,276</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
External service expenses	223,029,565,337	69,690,010,151
Staff costs	85,265,457,406	103,682,951,142
Rental	29,907,857,507	6,247,053,642
Depreciation and amortisation	1,283,126,435	3,336,178,564
Others	40,922,480,613	6,827,204,923
	<u>380,408,487,298</u>	<u>189,783,398,422</u>

34 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	5,279,618,048	9,011,511,301
	<u>48,720,483,398</u>	<u>456,737,511,301</u>
Other expenses		
Others	<u>17,493,879,412</u>	<u>343,015,569</u>

35 CORPORATE INCOME TAX (“CIT”)

The CIT on the Company'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	148,560,715,653	196,551,506,788
Tax calculated at a rate of 20%	29,712,143,131	39,310,301,358
Effect of:		
Expenses not deductible for tax purposes	70,915,023,750	76,909,921,139
CIT charge (*)	100,627,166,881	116,220,222,497
Charged/(credited) to the separate interim income statement:		
CIT – current	-	169,141,000,000
CIT – deferred (Note 23)	100,627,166,881	(52,920,777,503)
CIT charge	100,627,166,881	116,220,222,497

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

36 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the period from the Company's operating activities, excluding cost of merchandises 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
Staff costs	2,146,512,549,191	1,390,005,225,148
Rental fee	5,116,497,938,359	3,871,537,638,755
Depreciation and amortisation	191,564,797,300	38,244,540,321
External service and other expenses	6,387,346,772,379	3,070,465,176,682
	<u>23,455,861,112,141</u>	<u>14,589,855,132,658</u>

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

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

(b) Geographical segments

The Company'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 Company had no revenue in countries other than Vietnam which accounting for more than 10% of the total revenue, accordingly, the Company did not prepare geographical segments.

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

Non-cash transactions affecting the separate 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

39 RELATED PARTY DISCLOSURES

Details of subsidiaries and associates are given in Note 4.

During the period, the Company 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 Company 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 Company conducted a reassessment and identification of related parties to enhance consistency with Corporate Law and Vietnamese Accounting Standard. Accordingly, based on the Company’s relationship with these companies, these companies are reassessed and identified as not related parties the Company.

39 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	
		30.6.2023	30.6.2022
		VND	VND
i) Revenue from aircraft leasing			
Vietjet Air Ireland No.1 Limited	600,905,719,271	475,702,563,924	
AAA Golden Aircraft Star No.5 Limited	197,773,892,681	170,462,412,750	
Thai Vietjet Air Joint Stock Co., Ltd	28,904,288,400	27,859,923,000	
	<u>827,583,900,352</u>	<u>674,024,899,674</u>	
ii) Cargo activity			
Revenue			
Vietjet Air IVB No. I Limited	982,279,290,000	-	
Swift247 Joint Stock Company	28,904,288,400	-	
VietjetAir Cargo Joint Stock Company	-	494,140,840,172	
	<u>1,011,183,578,400</u>	<u>494,140,840,172</u>	
Commission expenses			
Swift247 Joint Stock Company	73,726,324,142	-	
VietjetAir Cargo Joint Stock Company	-	29,648,450,412	
	<u>73,726,324,142</u>	<u>29,648,450,412</u>	
iii) Assignment fee for aircraft trading			
Vietjet Air IVB No. I Limited	-	2,306,000,000,000	

39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended	
	30.6.2023 VND	30.6.2022 VND
iv) Other revenues		
Thai Vietjet Air Joint Stock Co., Ltd	123,379,938,022	92,290,025,240
HD Insurance	52,721,888,969	-
Victoria Academy Company Limited	18,929,582,764	-
	<u>195,031,409,755</u>	<u>92,290,025,240</u>
v) Aircrafts/engines 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
Victoria Academy Company Limited	23,177,496,774	-
	<u>552,868,114,149</u>	<u>624,233,253,729</u>
vi) Purchase of services		
HD Insurance	70,215,586,862	-
Vietjet Air IVB No. I Limited	56,727,489,600	-
Others	20,224,606,611	4,189,121,946
	<u>147,167,683,073</u>	<u>4,189,121,946</u>
vii) Prepayment for engine rental		
AAA Golden Aircraft Star No.5 Limited	-	739,980,636,445
viii) Payments and (receipts) on behalf, net cashflows		
Thai Vietjet Air Joint Stock Co., Ltd.	94,343,784,990	57,658,193,045
Vietjet Air IVB No. I Limited	(158,512,041,240)	(196,978,422,945)
	<u>(64,168,256,250)</u>	<u>(139,320,229,900)</u>

39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended	
	30.6.2023 VND	30.6.2022 VND
ix) Financing activities		
<i>Interest income</i>		
Thai Vietjet Air Joint Stock Co., Ltd	123,099,514,699	103,731,879,905
Vietjet Air Ireland No. 1 Limited	-	77,799,786,374
Others	2,964,383,562	9,740,521,508
	<u>126,063,898,261</u>	<u>191,272,187,787</u>
<i>Interest expense</i>		
HDBank	127,181,455,211	40,601,147,764
Victoria Academy Company Limited	1,109,589,041	209,589,041
Sovico Group Joint Stock Company	-	30,406,849,314
	<u>128,291,044,252</u>	<u>71,217,586,119</u>
<i>Proceeds from borrowings</i>		
HDBank	8,736,438,082,625	2,437,550,606,352
Victoria Academy Company Limited	-	45,000,000,000
	<u>8,736,438,082,625</u>	<u>2,482,550,606,352</u>
<i>Borrowings repayment</i>		
HDBank	8,367,733,585,356	2,363,936,481,101
Sovico Group Joint Stock Company	-	700,000,000,000
	<u>8,367,733,585,356</u>	<u>3,063,936,481,101</u>
<i>Term deposits and certificate of deposits with HDBank</i>		
Deposit	100,000,000,000	855,000,000,000
Settlement	(100,000,000,000)	(805,000,000,000)

(a) **Related party transactions (continued)**

	For the six-month period ended	
	30.6.2023	30.6.2022
	VND	VND
x) Investment activities		
<i>Purchase engine</i>		
Vietjet Air IVB No. I Limited	1,209,264,000,000	411,251,291,000
<i>Sales of engines</i>		
Vietjet Air IVB No. I Limited	613,600,000,000	-
<i>Profits distribution (Note 30)</i>		
Vietjet Air IVB No. I Limited	-	845,705,000,000
xi) Compensation of key management		
Board of Directors	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

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

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

(*) 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.

39 RELATED PARTY DISCLOSURES (continued)**(b) Period/year end balances with related parties**

	30.6.2023 VND	31.12.2022 VND
Cash and cash equivalents (Note 3)		
HDBank	423,043,409,172	468,437,381,499
Short-term trade accounts receivable (Note 5)		
Vietjet Air Ireland No. 1 Limited	4,623,175,591,476	4,058,843,281,551
Vietjet Air IVB No. I Limited	2,492,318,525,169	2,127,170,584,000
AAA Golden Aircraft Star No.5 Limited	747,487,699,120	686,086,426,787
Others	468,121,411,389	532,338,119,063
	8,331,103,227,154	7,404,438,411,401
Short-term prepayments to suppliers (Note 6)		
Angelica Holding Limited	311,741,177,353	343,821,287,623
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	12,872,851,150	693,790,228,203
	468,057,881,784	1,351,166,515,826
Long-term lendings		
Board of Management (*)	25,000,000,000	25,000,000,000
Senior Management (*)	25,000,000,000	25,000,000,000
	50,000,000,000	50,000,000,000

(*) 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 Company.

39 RELATED PARTY DISCLOSURES (continued)**(b) Period/year end balances with related parties (continued)**

	30.6.2023 VND	31.12.2022 VND
Other short-term receivables (Note 8(a))		
Thai Vietjet Air Joint Stock Co., Ltd.	2,477,551,612,741	2,390,486,706,624
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	220,404,416,450	177,053,211,822
	<u>3,889,143,529,191</u>	<u>4,446,800,318,446</u>
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	279,449,507,240	501,810,694,117
	<u>1,109,070,691,746</u>	<u>1,177,993,554,077</u>
Short-term advances from customers (Note 14)		
Victoria Academy Company Limited	805,379,683,161	16,500,000,000
VietJetAir Cargo Joint Stock Company	210,237,624,766	311,661,147,099
Others	8,493,429,068	553,129,956,288
	<u>1,024,110,736,995</u>	<u>881,291,103,387</u>

39 RELATED PARTY DISCLOSURES (continued)**(b) Period/year end balances with related parties (continued)**

	30.6.2023 VND	31.12.2022 VND
Short-term accrued expenses		
HDBank	3,667,384,848	2,997,476,038
Victoria Academy Company Limited	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)		
Vietjet Air IVB No. I Limited	344,231,891,098	999,178,283,172
Sovico Group Joint Stock Company	-	154,243,835,625
Others	175,212,974,152	191,375,704,614
	<u>519,444,865,250</u>	<u>1,344,797,823,411</u>
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>
Other long-term payable		
VietjetAir Cargo Joint Stock Company	<u>5,665,555,622</u>	<u>5,450,000,000</u>

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

The Company 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 Company as a lessor

The Company 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 two 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>

(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>

40 PRINCIPLE AGREEMENTS (continued)**(c) Other agreements**

The Company signed a principle agreement and related amendments with Boeing Company to purchase aircraft. During the year 2022, the Company 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 Company's long-term development strategy.

41 OTHER EVENTS

At the approval date of these separate interim financial statements, the Company has a commercial dispute related to four (4) lease-purchase aircraft under the JOLCO (Japanese Operating Lease with Call Option). JOLCO structure includes the Company ("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 Company believes in the fairness of the Court against the legitimate rights and interests of the Company. 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 separate interim financial statements.

42 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:

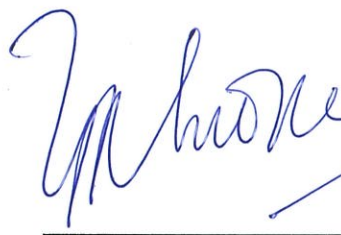
Code	Release date	Term	Face value VND	Number of bonds	Total VND
VJCH2328005	04/07/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328006	07/07/2023	60 months	100,000,000	3,000	300,000,000,000
VJCH2328007	17/07/2023	60 months	100,000,000	2,000	200,000,000,000
VJCH2328008	25/07/2023	60 months	100,000,000	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 separate interim financial statements, the Company has received the full amount of VND2,800,000,000,000 related to the issuance of these bonds.

The separate 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

