

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**



# **VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CORPORATE INFORMATION

#### Business registration certificate

No. 0103018458 dated 23 July 2007 which was initially issued by the Ministry of Transport.

#### Enterprise registration certificate

No. 0102325399 dated 23 July 2007 which was initially issued by the Department of Planning and Investment of Ha Noi City with the latest 30th amendment dated 19 April 2023.

#### Investment registration certificate

No. 2357762445 dated 30 December 2016 which was initially issued by the Board of Management of Saigon Hi-Tech Park for a period of 50 years from the date of the initial Investment registration certificate.

#### Board of Directors

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

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CORPORATE INFORMATION (continued)

<b>Board of Management</b>	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)
	Ms. Ho Ngoc Yen Phuong	Vice President cum Chief Finance Officer
	Mr. Micheal Hickey	Chief Operation Officer
	Mr. To Viet Thang	Vice President
	Mr. Nguyen Thanh Son	Vice President cum Chief Commercial Officer
<b>Audit Committee</b>	Mr. Nguyen Anh Tuan	Chairperson
	Mr. Luu Duc Khanh	Member
	Mr. Chu Viet Cuong	Member
<b>Legal representative</b>	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)
<b>Registered office</b>	302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District Hanoi City, Vietnam.	
<b>Auditor</b>	PwC (Vietnam) Limited	



## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of VietJet Aviation Joint Stock Company ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together referred to as "the Group") which give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

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

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

#### Approval of the consolidated financial statements

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 84 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Dinh Viet Phuong  
Chief Executive Officer

Ha Noi City, SR Vietnam  
31 March 2024



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

We have audited the accompanying consolidated financial statements of VietJet Aviation Joint Stock Company ("the Company") and its subsidiaries (together referred to as "the Group") which were prepared on 31 December 2023, and approved by the Board of Management of the Company on 31 March 2024. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 6 to 84.

### **Responsibility of the Board of Management**

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

### **Auditor's Responsibility**

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

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

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





### Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

### Other Matter

The independent auditor's report 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.  
3048-2024-006-1  
Authorised signatory

Tram Tu Mai Anh  
Audit Practising Licence No.  
3546-2021-006-1

Report reference number: HCM15416  
Ho Chi Minh City, 1 April 2024

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

Code	ASSETS	Note	As at 31 December	
			2023 VND	2022 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>40,826,968,900,401</b>	<b>33,587,472,621,916</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>5,050,743,180,748</b>	<b>1,858,261,735,520</b>
111	Cash		2,427,790,228,105	895,285,954,496
112	Cash equivalents		2,622,952,952,643	962,975,781,024
<b>120</b>	<b>Short-term investments</b>		<b>613,343,871,096</b>	<b>687,775,421,096</b>
121	Trading securities	4(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	4(a)	(486,450,000,000)	(490,000,000,000)
123	Investments held to maturity	4(b)	109,793,871,096	187,775,421,096
<b>130</b>	<b>Short-term receivables</b>		<b>34,243,067,480,800</b>	<b>29,729,804,064,103</b>
131	Short-term trade accounts receivable	5(a)	12,316,753,791,172	12,402,309,894,689
132	Short-term prepayments to suppliers	6(a)	1,778,869,624,304	1,626,225,517,323
135	Short-term lendings	7(a)	457,000,000,000	657,000,000,000
136	Other short-term receivables	8(a)	19,690,444,065,324	15,044,268,652,091
<b>140</b>	<b>Inventories</b>		<b>703,384,543,264</b>	<b>982,716,071,675</b>
141	Inventories	9	703,384,543,264	982,716,071,675
<b>150</b>	<b>Other current assets</b>		<b>216,429,824,493</b>	<b>328,915,329,522</b>
151	Short-term prepaid expenses	10(a)	139,380,066,942	164,682,034,869
152	Value added tax ("VAT") to be reclaimed	15(a)	9,006,655,475	139,358,572,943
153	Tax and other receivables from the State	15(a)	68,043,102,076	24,874,721,710

The notes on pages 12 to 84 are an integral part of these consolidated financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET  
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2023 VND	2022 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>46,098,452,016,368</b>	<b>34,449,491,811,396</b>
<b>210</b>	<b>Long-term receivables</b>		<b>26,305,729,746,755</b>	<b>21,238,145,855,696</b>
211	Long-term trade accounts receivable	5(b)	1,942,095,121,864	3,863,320,000,000
212	Long-term prepayments to suppliers	6(b)	6,115,740,351,363	1,132,635,253,054
215	Long-term lendings	7(b)	874,767,806,179	868,221,855,860
216	Other long-term receivables	8(b)	17,373,126,467,349	15,373,968,746,782
<b>220</b>	<b>Fixed assets</b>		<b>10,173,343,104,449</b>	<b>5,709,719,496,248</b>
221	Tangible fixed assets	11(a)	3,990,618,451,426	5,681,333,704,196
222	Historical cost		4,638,893,419,349	6,113,532,845,752
223	Accumulated depreciation		(648,274,967,923)	(432,199,141,556)
224	Finance lease fixed assets	11(b)	6,135,424,462,924	-
225	Historical cost		6,181,116,755,409	-
226	Accumulated depreciation		(45,692,292,485)	-
227	Intangible fixed assets	11(c)	47,300,190,099	28,385,792,052
228	Historical cost		88,711,024,773	61,941,976,858
229	Accumulated amortisation		(41,410,834,674)	(33,556,184,806)
<b>240</b>	<b>Long-term asset in progress</b>		<b>380,635,096,052</b>	<b>308,749,694,497</b>
242	Construction in progress	12	380,635,096,052	308,749,694,497
<b>250</b>	<b>Long-term investments</b>		<b>149,417,024,400</b>	<b>149,417,024,400</b>
253	Investment in other entities	4(d)	149,417,024,400	149,417,024,400
<b>260</b>	<b>Other long-term asset</b>		<b>9,089,327,044,712</b>	<b>7,043,459,740,555</b>
261	Long-term prepaid expenses	10(b)	9,056,529,403,935	6,639,189,192,765
262	Deferred income tax assets	23	32,797,640,777	404,270,547,790
<b>270</b>	<b>TOTAL ASSETS</b>		<b>86,925,420,916,769</b>	<b>68,036,964,433,312</b>

The notes on pages 12 to 84 are an integral part of these consolidated financial statements.



**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
**Form B 01 – DN/HN**
**CONSOLIDATED BALANCE SHEET  
(continued)**

Code	RESOURCES	Note	As at 31 December	
			2023 VND	2022 VND
<b>300</b>	<b>LIABILITIES</b>		<b>71,672,280,613,334</b>	<b>53,138,669,609,828</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>38,861,475,794,473</b>	<b>30,417,318,604,359</b>
311	Short-term trade accounts payable	13	8,805,295,313,768	9,659,935,956,869
312	Short-term advances from customers	14	3,546,076,667,248	1,986,659,055,915
313	Tax and other payables to the State	15(b)	449,814,735,804	358,418,036,035
314	Payable to employees	16	155,083,000,891	190,125,532,153
315	Short-term accrued expenses	17	1,926,403,437,286	855,084,674,254
318	Short-term unearned revenue	18	3,600,018,592,599	3,503,454,041,287
319	Other short-term payables	19	4,157,248,813,226	3,409,079,045,889
320	Short-term borrowings	20(a)	13,553,794,368,608	8,549,901,782,085
321	Provision for short-term liabilities	21	2,662,251,126,094	1,758,368,694,808
322	Bonus and welfare fund	22	5,489,738,949	146,291,785,064
<b>330</b>	<b>Long-term liabilities</b>		<b>32,810,804,818,861</b>	<b>22,721,351,005,469</b>
337	Other long-term payables		1,624,408,614	69,127,001,956
338	Long-term borrowings	20(b)	17,257,038,503,121	10,309,745,847,108
342	Provision for long-term liabilities	21	15,552,141,907,126	12,342,478,156,405
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>15,253,140,303,435</b>	<b>14,898,294,823,484</b>
<b>410</b>	<b>Capital and reserves</b>		<b>15,253,140,303,435</b>	<b>14,898,294,823,484</b>
411	Owners' capital	24, 25	5,416,113,340,000	5,416,113,340,000
411a	- Ordinary shares with voting rights		5,416,113,340,000	5,416,113,340,000
412	Share premium	25	247,483,117,899	247,483,117,899
417	Foreign exchange differences	25	318,761,018,138	195,328,953,538
421	Undistributed earnings	25	9,249,524,468,061	9,018,933,578,880
421a	- Undistributed post-tax profits of previous years		9,018,933,578,880	11,281,432,588,734
421b	- Post-tax profits/(post-tax loss) of current period/year		230,590,889,181	(2,262,499,009,854)
429	Non-controlling interests	24	21,258,359,337	20,435,833,167
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>86,925,420,916,769</b>	<b>68,036,964,433,312</b>



Nguyen Thi Thanh Nga  
Chief Accountant/Preparer



Ho Ngoc Yen Phuong  
Vice President  
cum Chief Finance Officer




Dinh Viet Phuong  
Chief Executive Officer  
31 March 2024

The notes on pages 12 to 84 are an integral part of these consolidated financial statements.



VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services	58,340,618,715,308	40,141,863,488,029
02	Less deductions	-	-
10	Net revenue from sales of goods and rendering of services	58,340,618,715,308	40,141,863,488,029
11	Cost of goods sold and services rendered	(55,819,871,829,489)	(42,135,151,389,707)
20	Gross profit/(loss) from sales of goods and rendering of services	2,520,746,885,819	(1,993,287,901,678)
21	Financial income	2,955,033,555,114	2,246,221,465,280
22	Financial expenses	(2,242,066,937,617)	(2,483,054,483,054)
23	- Including: Interest expense	(1,950,254,195,864)	(1,383,641,245,573)
25	Selling expenses	(1,950,124,205,949)	(936,343,663,352)
26	General and administration expenses	(1,099,316,843,401)	(534,452,104,416)
30	Net operating profit/(loss)	184,272,453,966	(3,700,916,687,220)
31	Other income	662,197,107,572	1,316,105,112,282
32	Other expenses	(240,365,954,517)	(263,847,335,532)
40	Net other income	421,831,153,055	1,052,257,776,750
50	Accounting profit/(loss) before tax	606,103,607,021	(2,648,658,910,470)
51	Corporate income tax ("CIT") - current	(3,217,284,657)	(172,103,552,548)
52	CIT - deferred	(371,472,907,013)	558,787,619,233
60	Profit/(loss) after tax	231,413,415,351	(2,261,974,843,785)
Attributable to:			
61	Shareholders of the Company	230,590,889,181	(2,262,499,009,854)
62	Non-controlling interests	822,526,170	524,166,069
70	Basic earnings/(losses) per share	426	(4,177)
71	Diluted earnings/(losses) per share	426	(4,177)

\_\_\_\_\_  
 Nguyen Thi Thanh Nga  
 Chief Accountant/Preparer

\_\_\_\_\_  
 Ho Ngoc Yen Phuong  
 Vice President  
 cum Chief Finance Officer



\_\_\_\_\_  
 Dinh Viet Phuong  
 Chief Executive Officer  
 31 March 2024

The notes on pages 12 to 84 are an integral part of these consolidated financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 03 – DN/HN

**CONSOLIDATED CASH FLOW STATEMENT**  
(Indirect method)

		Year ended 31 December	
Code	Note	2023 VND	2022 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit/(loss) before tax</b>	<b>606,103,607,021</b>	<b>(2,648,658,910,470)</b>
	Adjustments for:		
02	Depreciation and amortisation	413,253,679,639	79,733,663,056
03	Provisions	3,711,543,636,438	1,915,036,223,300
04	Unrealised foreign exchange gains	(59,094,506,815)	(159,921,609,696)
05	Profits from investing activities	(876,478,926,895)	(431,107,961,858)
06	Interest expense and bond issuance expense		
		1,950,254,195,864	1,383,641,245,573
<b>08</b>	<b>Operating profit before changes in working capital</b>	<b>5,745,581,685,252</b>	<b>138,722,649,905</b>
09	Increase in receivables	(5,993,691,136,973)	(10,296,343,168,616)
10	Decrease/(increase) in inventories	279,331,528,411	(171,469,041,020)
11	Increase in payables	639,223,032,704	10,128,853,566,700
12	Increase in prepaid expenses	(2,639,461,061,745)	(473,124,382,100)
14	Interest paid	(2,133,310,794,200)	(1,399,077,113,144)
15	CIT paid	(3,508,148,950)	(140,133,402,011)
17	Other payments on operating activities	(140,802,046,115)	(180,858,291,727)
<b>20</b>	<b>Net cash outflows from operating activities</b>	<b>(4,246,636,941,616)</b>	<b>(2,393,429,182,013)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets	(1,425,811,924,197)	(1,217,474,531,281)
22	Proceeds from disposals of fixed assets	2,023,818,105,897	1,018,509,772
23	Loans and term deposits granted	(2,186,560,400,000)	(238,445,921,500)
24	Collection from loans and investment held to maturity	277,981,550,000	-
27	Dividends and interest received	353,865,999,244	336,906,630,740
<b>30</b>	<b>Net cash outflows from investing activities</b>	<b>(956,706,669,056)</b>	<b>(1,117,995,312,269)</b>

The notes on pages 12 to 84 are an integral part of these consolidated financial statements.



VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 03 – DN/HN

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

		Year ended 31 December		
Code	Note	2023 VND	2022 VND	
CASH FLOWS FROM FINANCING ACTIVITIES				
33	Proceeds from borrowings	20	34,763,821,531,653	29,657,737,382,993
34	Repayments of borrowings	20	(26,207,009,542,495)	(26,177,921,993,857)
35	Finance lease principal repayments	20	(145,116,305,330)	-
40	Net cash inflows from financing activities		8,411,695,683,828	3,479,815,389,136
50	Net increase/(decrease) in cash and cash equivalents		3,208,352,073,156	(31,609,105,146)
60	Cash and cash equivalents at beginning of year	3	1,858,261,735,520	1,868,252,946,557
61	Effect of foreign exchange differences		(15,870,627,928)	21,617,894,109
70	Cash and cash equivalents at end of year	3	5,050,743,180,748	1,858,261,735,520

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



Nguyen Thi Thanh Nga  
Chief Accountant/Preparer



Ho Ngoc Yen Phuong  
Vice President  
cum Chief Finance Officer



Dinh Viet Phuong  
Chief Executive Officer  
31 March 2024

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1 GENERAL INFORMATION**

VietJet Aviation Joint Stock Company (“the Company”) is a joint stock company established in SR Vietnam pursuant to Enterprise registration certificate No. 0102325399 dated 23 July 2007 which was initially issued by the Department of Planning and Investment of Hanoi City and the latest 30th amendment of the Enterprise registration certificate dated 19 April 2023.

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

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

The normal business cycle of the Group is 12 months.

# VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09 – DN/HN

## 1 GENERAL INFORMATION

As at 31 December 2023, the Group had 7 direct subsidiaries, 2 indirect subsidiaries and 2 associates as presented in Note 4(c)– Investments in associates. Details are as follows:

		Enterprise registration certificate	Place of incorporation and operation	2023		2022	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Principal activities							
Directly-owned subsidiaries							
Vietjet Air IVB No. I Limited	To trade and lease aircraft and aircraft components	No. 1825671 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air IVB No. II Limited	To trade and lease aircraft	No. 1825613 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air Singapore Pte. Ltd.	To trade aircraft	No. 201408849N dated 27 March 2014	Singapore	100	100	100	100
Vietjet Air Ireland No. 1 Limited	To trade and lease aircraft	No. 544879 dated 3 June 2014	Ireland	100	100	100	100
Galaxy Pay Company Limited	To provide payment services (online payment, e-wallet)	No. 0316368255 dated 7 July 2020	Vietnam	100	100	100	100
Swift 247 Joint Stock Company	To provide other activities and support services related to transportation	No. 0315524536 dated 23 February 2019	Vietnam	67	67	67	67
VietJet Ground Services Limited Liability Company	To provide direct support services for airline transportation	No. 0109783334 dated 19 October 2021	Vietnam	100	100	100	100

# VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09 – DN/HN

## 1 GENERAL INFORMATION (continued)

	Principal activities	Enterprise registration certificate	Place of incorporation and operation	2023		2022	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Indirectly-owned subsidiaries							
Skymate Limited	To trade and lease aircraft	No. 327015 dated 15 September 2017	Cayman Islands	100	100	100	100
VietjetAir Cargo Joint Stock Company	To provide cargo transportation and related support services	No. 0312759089 dated 27 August 2014	Vietnam	64	67	64	67
Associates							
Thai Vietjet Air Joint Stock Co., Ltd. (*)	To provide passenger and cargo transportation and related support services	No. 0105556100551 dated 25 June 2013	Thailand	9	9	9	9
Cam Ranh International Terminal Joint Stock Company (*)	To provide direct support services for airline transportation	No. 4201676638 dated 5 February 2016	Vietnam	10	10	10	10

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



## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09 – DN/HN

### 1 GENERAL INFORMATION (continued)

As at 31 December 2023 and as at 31 December 2022, the Company had 1 dependent accounting branch and 1 representative office. 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
Representative office	
Vietjet Aviation Joint Stock Company	8th Floor, Vietjet Plaza, 60A Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.

As at 31 December 2023, the Group had 6,132 employees (as at 31 December 2022: 6,016 employees).

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

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention, except for investments in associates and business combinations as presented in Note 2.5.

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

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

**2.2 Fiscal year**

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

**2.3 Currency**

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

On consolidating, if the currencies used on financial statements of subsidiaries are different from that of the Group, the Group is required to translate those financial statements into the currency used in the Group's consolidated financial statements under the following principles:

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



**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 Group regularly transacts. The Group ensures that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate and does not materially impact the financial position and the results of operations during the fiscal year. The average transfer exchange rate is determined monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial banks. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

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

**2.5 Basis of consolidation****Subsidiaries**

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

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

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

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Basis of consolidation (continued)****Non-controlling transactions and interests**

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

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

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

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

**Associates**

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

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

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

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Goodwill**

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

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

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

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

**2.7 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.

**2.8 Receivables**

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Maintenance reserves of leased aircraft**

Under the terms of aircraft operating lease agreements, the Group is legally and contractually responsible for maintenance and repair of aircraft during the term of the lease and is also required to contribute maintenance reserves with lessors. Maintenance reserves are recognised as other receivables when it is probable for the utilisation of these contributions from lessors for the maintenance and repair of aircraft. Maintenance contributions made to lessors are calculated based on performance measures, such as flight hours or cycles, and are contractually required to be reimbursed to the Group upon the completion of the required maintenance of the leased aircraft including replacement of life limited parts, engine performance restoration, airframe major structural inspection, landing gear overhaul and auxiliary power unit ("APU") heavy repair. The remaining unutilised portion of the maintenance reserves of leased aircraft, if any, after the end of the lease term will be owned by lessors.

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

**2.10 Inventories**

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

The Group applies the perpetual system for inventories.

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Investments****(a) Trading securities**

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

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year 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 fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

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

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

**(b) Investments held-to-maturity**

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

Investments held to maturity include term deposits. 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 consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

**(c) Investments in associates**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Investments (continued)****(d) Investments in other entities**

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

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

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

**2.12 Lendings**

Lendings are lendings granted for interest earning under agreements among parties but not 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 year 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 year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

**2.13 Business cooperation contract**

A business cooperation contract ("BCC") is a contract between the Group 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 Group agrees with the participating parties in the BCC to share the pre-tax profits of the BCC corresponding to the actual contribution ratio of the Group, however, not lower than a fixed profit-sharing ratio independent of the contract's business results. Although the legal form of the contract is a BCC, the essence of the contract is a lending agreement.

According to this BCC, the Group is not in charge of accounting and tax finalisation. The Group accounts for its proportionate share of revenue and expenses from the BCC in the consolidated income statement as net profit before tax.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.14 Fixed assets***Tangible and intangible fixed assets*

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

*Depreciation and amortisation*

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

Aircraft and aircraft engines	12 - 20 years
Buildings and structures	5 - 47 years
Machinery and equipment	3 - 12 years
Motor vehicles	6 - 10 years
Office equipment	3 - 10 years
Software	2 - 10 years

*Disposals*

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

**2.15 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.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.15 Leased assets (continued)**

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

**2.16 Prepaid expenses**

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

**(b) Long-term prepaid expenses**

Long-term prepaid expenses of the Group include:

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

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

*(ii) Aircrafts inspection expenditure*

Inspection expenses for leased aircraft are stated 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 Prepaid expenses (continued)****(b) Long-term prepaid expenses (continued)***(iv) Tools and instruments*

Tools and instruments include assets held-for-use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over a period from 2 years to 5 years.

*(v) Deferred aircraft lease expenses*

The deferred aircraft lease expenses reflect the difference between the amount of which the Group shall settle pursuant to the lease payment schedule and the lease expenses charged on a straight-line basis.

*(v) Other long-term prepaid expenses*

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

**2.17 Payables**

Classifications of payables are based on their nature as follows:

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

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

**2.18 Borrowings and finance lease liabilities**

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Borrowings and finance lease liabilities (continued)**

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

**2.19 Bonds issued - Straight bonds**

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

**2.20 Accrued expenses**

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

**2.21 Provisions**

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

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

Provisions include provisions for periodic maintenance costs and provisions for cost to make good on leased assets.



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

In accordance with the Group's policy:

- with respect to the Group's aircrafts or the lease agreements with Japanese lessors with call options contracts to purchase aircraft at the end of the lease term, referred as Japanese Operating Leases with Call Option Contracts ("JOLCO"), the costs of periodic maintenance for leased aircraft are recognised when incurred as long-term prepaid expenses and are amortised in the consolidated interim income statements using the basis of actual flight hours or cycles to the next maintenance (Note 2.16(b)(i));
- in case of aircraft operating lease agreements which are sub-leased by Thai Vietjet Air Joint Stock Co., Ltd. ("Thai Vietjet") – an associate, maintained costs are incurred and settled by Thai Vietjet;
- with respect to other aircraft operating leases, pursuant to aircraft leasing agreements between the Group and its lessors and the requirements of Vietnam Aviation Authority, the Group has to perform the routine maintenance and periodic maintenance for leased aircrafts based on Maintenance Planning Development for each aircraft which was developed based on the guidance of airline manufacturers. Routine maintenance is recognised as expenses during the period they incurred while the periodic maintenance subject to period maintenance cost. The Group is able to use the leased aircraft maintenance reserves to perform periodic maintenance within the scope of the aircraft maintenance reserves.

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

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

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

The provisions for CPR and APU are accrued and charged to the consolidated interim income statement over the actual flight hours or flight cycles and the estimated cost per a flight hour or a flight cycles in subsequent maintenances for CPR and APU.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Provisions (continued)****(b) Provisions for cost to make good on leased assets**

In accordance with the Group's policy:

- with respect to JOLCO contracts, the cost of returning leased assets is recognized in the consolidated 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 Group 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 Group to meet the conditions for the return of the aircraft to the lessors, including certain levels of maintenance as well as arranging for final test flights, inspection, custom and deregistration costs, removal of the Group's modifications, if any, repainting aircraft's body, and return of aircraft to a specified location. At the beginning of the lease, the estimated cost is recorded as a provision with a corresponding asset in long-term prepaid expenses. The long-term prepaid expenses are amortised in the consolidated income statements on a straight-line basis over the term of the lease.

**2.22 Unearned revenue**

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

**2.23 Capital and reserves**

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

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.24 Appropriation of profit**

The Group's dividends are recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are approved at the General Meeting of Shareholders and the list of shareholders receiving dividends is approved according to the Resolution of the Board of Directors of the Group.

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

The Group's fund is as below:

**Bonus and welfare fund**

Bonus and welfare fund is appropriated from the Group's profit after CIT pursuant to Resolution of the Board of Directors and being approved by the Annual General Meeting of Shareholder. Fund is presented as a liability in the consolidated 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 staff.

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

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

**(b) Ancillary revenue**

Ancillary revenue includes cargo transportation, baggage service, other revenue related to passenger transportation, sales of in-flight and duty-free merchandise, advertising and commission. Ancillary revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods or services.

- (i) Revenue from cargo transportation is recognised in the consolidated income statement when the services are provided.
- (ii) Revenue from baggage service is recognised in the consolidated income statement when the related passenger transportation service is provided or when the ticket expires.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.25 Revenue recognition (continued)****(b) Ancillary revenue (continued)**

- (iii) Other revenue related to passenger transportation such as fees charged in association with changes or extensions of non-refundable tickets are recorded as ancillary revenue as a separate transaction from passenger transportation upon the completion of updating information on the system as requested by customers or successfully renewing airline tickets with fees that have been specifically specified and determined in advance for each service.
- (iv) Sales of in-flight and duty-free merchandise are recognised in the consolidated interim income statement when all five (5) of the following conditions are satisfied:
  - The Group has transferred to the buyer the significant risks and rewards of ownership of the merchandises;
  - The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the merchandises sold;
  - The amount of revenue can be measured reliably;
  - It is probable that the economic benefits associated with the transaction will flow to the Group; and
  - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- (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 are recognised in the consolidated interim income statement when the services are provided. Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due.

**(d) Revenue from aircraft leasing**

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

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

**2.25 Revenue recognition (continued)**

**(e) Sales and leaseback transaction**

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

For a transaction that results in an operating lease:

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

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

Revenue from sales of aircraft and purchase right option is recognised in the consolidated income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of aircraft.



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

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

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

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of aircraft and aircraft's components.

**(h) Revenue from rendering of other services**

Revenue from rendering of other services is recognised in the consolidated interim income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due.

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

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the consolidated 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.

**(i) Interest income**

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

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

**(j) Dividend income**

Income from dividends is recognised when the Group has established the receiving right from investees.

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

**2.26 Cost of goods sold and services rendered**

Cost of goods sold and services rendered are the cost of merchandise sold or services rendered during the period, and recorded on the basis of matching with revenue and on a prudence basis.

**2.27 Financial expenses**

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

**2.28 Selling expenses**

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

**2.29 General and administration expenses**

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

**2.30 Current and deferred income tax**

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.31 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and associates are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Directors, the Board of Management and 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 Group considers the substance of the relationships not merely the legal form.

**2.32 Segment reporting**

A segment is a component which can be separated by the Group engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment and the Group's geographical segment.

**2.32 Critical accounting estimates**

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful lives of fixed assets (Note 2.14 and 11);
- Provisions for periodic maintenance costs in the scope of maintenance reserves and cost to make good on leased assets (Notes 2.21 and 21); and
- Deferred income tax assets (Notes 2.30 and 23).
- Provision for doubtful debts (Note 2.8)

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

**3 CASH AND CASH EQUIVALENTS**

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
Cash on hand	8,367,511,248	9,872,547,293
Cash at banks (*)	2,419,422,716,857	885,413,407,203
Cash equivalents (**)	2,622,952,952,643	962,975,781,024
	<u>5,050,743,180,748</u>	<u>1,858,261,735,520</u>

(\*) As at 31 December 2023, the demand deposits amounted to USD11,013,600 at HSBC Bank (Vietnam) Ltd. has been placed to secure for obligations arising from the issuance of Letter of Credit.

(\*\*) As at 31 December 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 2.7% to 6% per annum (as at 31 December 2022: from 3.8% to 6% per annum), included cash equivalents amounted to VND580 billion (as at 31 December 2022: VND556 billion) at Vietnam Joint Stock Commercial Bank of Industry and Trade placed to secure for obligations arising from the issuance of Letter of Credit and term deposits amounted to VND200 billion at Military Commercial Joint Stock Bank which were secured for a part of Credit Facility of the Group.

As at 31 December 2023, the Group had demand and term deposit amounted to VND2,959 billion (as at 31 December 2022: VND490 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank – a related party with the normal terms and conditions applied (Note 40(b)).



**4 INVESTMENTS****(a) Trading securities**

	2023			
	Quantity	Cost VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	503,550,000,000	(486,450,000,000)
	2022			
	Quantity	Cost VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	500,000,000,000	(490,000,000,000)

The Group signed a non-cancellation agreement to sell the purchase right option of 50 million shares of Petro Vietnam Oil Corporation ("PV Oil") for the consideration of VND500 billion and the Group fully collected this consideration. Accordingly, the buyer will have an option to purchase these PV Oil's shares at the market price before 30 June 2024.

**(b) Investments held to maturity**

	2023		2022	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	109,793,871,096	109,793,871,096	187,775,421,096	187,775,421,096

(\*) As at 31 December 2023, investments held to maturity mainly include term deposits in VND at banks with their original maturity from 6 months to 12 months and earn interest at rates from 3% to 7.5% per annum (as at 31 December 2022: from 4.6% to 9.5% per annum).

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**4 INVESTMENTS (continued)**
**(c) Investments in associates (\*)**

	2023				2022			
	Ownership %	Cost VND	Net value owned by the Group VND	Provision VND	Ownership %	Cost VND	Net value owned by the Group VND	Provision VND
Thai Vietjet Air Joint Stock Co., Ltd. (i)	9	-	-	-	9	-	-	-
Cam Ranh International Terminal Joint Stock Company	10	60,000,000,000	-	-	10	60,000,000,000	-	-
		60,000,000,000	-	-		60,000,000,000	-	-

(\*) As at 31 December 2023 and 31 December 2022, the Group could not determine the fair value of these investments to disclose in the consolidated financial statements as these investments are not quoted in the market. The fair value of such investments may differ from their book values.

**(d) Investments in other entities**

	2023				2022			
	Ownership %	Cost VND	Fair value VND	Provision VND	Ownership %	Cost VND	Fair value VND	Provision VND
Sai Gon Ground Services Joint Stock Company (ii)	9.1	149,417,024,400	221,909,595,000	-	9.1	149,417,024,400	191,913,539,400	-
Angelica Holding Limited (iii)	10	-	-	-	10	-	-	-
		149,417,024,400	221,909,595,000	-		149,417,024,400	191,913,539,400	-



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

- (i) As at 31 December 2023 and 31 December 2022, the Group has not yet contributed the capital in this associate. 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 consolidated financial statements.
- (ii) The fair value of investments in other entities is its share price which is determined by referencing to the closing prices on the Ho Chi Minh City Stock Exchange (HOSE).
- (iii) As at 31 December 2023 and 31 December 2022, the Group has not yet contributed the capital in this company, which is incorporated in Cayman Islands. The principal activities of this company are to provide consultancy services and lease aircraft.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE****(b) Short-term**

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
<b>Third parties</b>		
Fadle Chem Private Limited (*)	1,427,843,746,050	609,847,600,000
Yuejie (Hangzhou) Freight Forwarding Co., Ltd. (*)	1,191,757,300,000	677,564,250,000
Hangzhou BaoLi Co., Ltd. (*)	852,537,099,656	944,712,915,295
Nam Anh Technology Limited Company	298,590,000,000	-
Zhejiang Lixi International Travel Co., Ltd. (*)	218,857,285,023	1,604,766,900,000
Hangzhou Star International Travel Service Co., Ltd.	-	1,735,832,800,000
Others	638,058,187,151	281,412,600,773
	<u>4,627,643,617,880</u>	<u>5,854,137,066,068</u>
<b>Related parties (Note 40(b))</b>	<u>7,689,110,173,292</u>	<u>6,548,172,828,621</u>
	<u><u>12,316,753,791,172</u></u>	<u><u>12,402,309,894,689</u></u>

- (\*) From 1 January 2023 to the approval date of these consolidated financial statements, these customers have paid VND1,523,294,840,320 to the Group. As at 31 December 2023, the short-term trade accounts receivable from these customers have been overdue by VND1,799,742,535,357. Based on the payment history and the strategic partnership between the Group and these customers, the Board of Management assessed that the outstanding receivables are recoverable.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE (continued)****(c) Long-term**

The balances as at 31 December 2023 and 31 December 2022 represent receivables from the sales of purchase right option of aircraft to Angelica Holding Limited ("Angelica") (Note 40(b)). According to the agreement between the Group and Angelica, Angelica shall prioritise to net-off Angelica's current payables to the Group with which the Group has accounts payable due to Angelica in relation to the commercial aircraft arrangement services that Angelica will provide to the Group in the subsequent years. Accordingly, the Board of Management of the Group assesses that these receivables are collectible.

**6 PREPAYMENTS TO SUPPLIERS****(a) Short-term**

	<b>2023 VND</b>	<b>2022 VND</b>
<b>Third parties</b>		
Angelica Aviation Capital Vietnam Limited Company	788,000,000,000	-
Others	566,923,771,923	275,059,001,497
	<u>1,354,923,771,923</u>	<u>275,059,001,497</u>
<b>Related parties (Note 40(b))</b>	423,945,852,381	1,351,166,515,826
	<u>1,778,869,624,304</u>	<u>1,626,225,517,323</u>

**(b) Long-term**

	<b>2023 VND</b>	<b>2022 VND</b>
Yuejie (Hangzhou) Freight Forwarding Co., Ltd.	5,074,339,299,318	-
Hangzhou BaoLi Co., Ltd.	1,041,401,052,045	1,132,635,253,054
	<u>6,115,740,351,363</u>	<u>1,132,635,253,054</u>

These amounts represented long-term prepayments of marketing and consulting services for oversea strategic business developments for the next 10 years.



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**7 LENDINGS**
**(a) Short-term**

Borrower	Currency	Annual interest rate	Year of maturity	2023 VND	2022 VND
Truong Son Plaza Joint Stock Company	VND	9%	2024	457,000,000,000	657,000,000,000

Short-term lending balance represents a loan to Truong Son Plaza Joint Stock Company to finance working capital of this company. These loans are unsecured and will be matured on 9 September 2024.

**(b) Long-term**

Borrower	Currency	Annual interest rate	Year of maturity	2023 VND	2022 VND
AAA Aircraft Asset Company Limited (*)	USD	2.5%	2025	518,403,576,000	512,689,557,018
Apricot Aircraft Assets No. 1 Limited (**)	USD	5%	2033	301,218,308,679	300,386,377,342
Board of Management (Note 40(b))	VND	5.8%	2027	25,000,000,000	25,000,000,000
Board of Director (Note 40(b))	VND	5.8%	2027	25,000,000,000	25,000,000,000
Others	VND	5%	2025	5,145,921,500	5,145,921,500
				874,767,806,179	868,221,855,860

(\*) These amounts represent the loan balance amounted to USD21,501,600 due from AAA Aircraft Asset Company Limited, a related party, to finance its purchase of aircraft and the related purchase costs. These loans are unsecured and will be matured in 2025.

(\*\*) These amounts represent the loan balance amounted to USD12,950,770 due from Apricot Aircraft Assets No. 1, a related party, to finance its purchase of aircraft and the related purchase costs. These loans are unsecured and will be matured in 2033.

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8 OTHER RECEIVABLES

(a) Short-term

	2023		2022	
	Book value VND	Provision VND	Book value VND	Provision VND
<b>Third parties</b>				
Deposits for aircraft purchases within next 12 months	3,023,006,578,142	-	1,807,805,631,328	-
Receivables from transfer of Pacific Star's shares (i)	2,436,600,000,000	-	3,614,800,000,000	-
Receivables from business cooperation (ii)	2,186,560,400,000	-	-	-
Receivables from transfer of Vinh Son's shares (iii)	2,070,000,000,000	-	-	-
Maintenance reserves of leased aircraft				
- Regular contributions	1,900,288,003,915	-	1,485,171,706,801	-
- Claim receivables of maintenance reserves of leased aircraft	144,203,942,409	-	442,633,214,126	-
Receivables from sales of commercial and operational right (iv)	1,151,067,552,161	-	2,083,963,627,561	-
Receivable from transfer of capital contribution deposit contract (v)	338,650,000,000	-	-	-
Interest receivable from BCC, lendings and deposit	293,085,862,361	-	157,232,260,570	-
Purchase discounts receivable	173,433,588,050	-	105,591,795,895	-
Others	1,985,052,146,967	-	1,177,152,126,998	-
	<u>15,701,948,074,005</u>	<u>-</u>	<u>10,874,350,363,279</u>	<u>-</u>
<b>Related parties (Note 40(b))</b>	<u>3,988,495,991,319</u>	<u>-</u>	<u>4,169,918,288,812</u>	<u>-</u>
	<u><u>19,690,444,065,324</u></u>	<u><u>-</u></u>	<u><u>15,044,268,652,091</u></u>	<u><u>-</u></u>

- (i) Receivables related to the transfer of shares of Pacific Star Investment and Development Company to Conasi Real Estate Management and Development Joint Stock Company ("Conasi") and Flex Financial Investment Limited Liability Company ("Flex"). As at 31 December 2023, these receivables are secured by collateral of 3.6 million shares of Pacific Star. From 1 January 2024 to the date of approval of these consolidated financial statements, the Group has collected VND1,067 billion. The overdue balance of receivables are VND1,777 billion. Based on the payment history of these third parties, as well as the collateral for the aforementioned receivables, the Board of Management assessed that these receivables are recoverable.



**8 OTHER RECEIVABLES (continued)**

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

- (ii) During the year, the Group signed a business cooperation contract ("BCC") to implement the Hoa Sen Dai Phuoc Project with a third party. Accordingly, the Group enjoys pre-tax profits of the BCC corresponding to the actual contribution ratio of the Group, but not less than 9% per annum calculated on the capital contributed by the Group to the project.
- (iii) Receivables related to the transfer of shares of Vinh Son Joint Stock Company ("Vinh Son") to Viet Phap International Construction Design Consultant Joint Stock Company ("Viet Phap") with the sale consideration of VND2,070 billion. Prior to the transfer, the Group purchased the shares of Vinh Son owned by Dragon Village Real Estate Joint Stock Company, a related party (Note 40(a)(ix)), with the purchase consideration of VND 990 billion. The purchase considerations are considered lower than the fair value upon the purchase.

As at the approval date of these consolidated financial statements, Viet Phap completed the payments to the Group of VND 990 billion. The remaining receivables in due are secured by the collateral assets of 2.3 million shares of Vinh Son which are owned by Viet Phap.

- (iv) Receivables related to the transfer of commercial and operational rights of the Vietjet Plaza Building to a third party. As at the approval date of these consolidated financial statements, the Group and this third party are in the process of negotiating contracts related to the transfer of assets which are higher than the receivables of this third party, expected to be completed in 2024. Therefore, the Board of Management of the Group assessed that these receivables from this company are recoverable.
- (v) In 2023, the Group had signed a deposit contract with Dynamic & Development Investment Joint Stock Company for the purchase of contributed capital of Sovico Khanh Hoa Company Limited. Subsequently, the Group transferred the deposit contract to Dinh Thanh Investment Company Limited and Cong Dia Son Khiem Investment Company Limited with a total sale consideration of VND 1,225 billion. As of the approval date of the consolidated financial statements, the Group had fully collected these receivables..

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8 OTHER RECEIVABLES (continued)

(b) Long-term

	2023		2022	
	Book value VND	Provision VND	Book value VND	Provision VND
<b>Third parties</b>				
Regular contribution of maintenance reserves of leased aircraft	10,921,765,414,953	-	9,261,664,412,149	-
Deposit for aircraft purchases after next 12 months (i)	3,069,311,858,793	-	3,248,651,248,296	-
Deposit for aircraft leases	2,051,906,249,573	-	1,385,265,877,334	-
Deposit for ground handling services	330,426,370,184	-	149,392,198,866	-
Received from shares transferred	-	-	666,000,000,000	-
Others	216,198,784,194	-	95,866,770,453	-
	<u>16,589,608,677,697</u>	<u>-</u>	<u>14,806,840,507,098</u>	<u>-</u>
<b>Related parties (Note 40(b))</b>	<u>783,517,789,652</u>	<u>-</u>	<u>567,128,239,684</u>	<u>-</u>
	<u>17,373,126,467,349</u>	<u>-</u>	<u>15,373,968,746,782</u>	<u>-</u>

- (i) The amounts represent deposits for aircraft purchases from 2025 to 2028 to Airbus S.A.S and Boeing Company.



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9 INVENTORIES

	2023		2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Tools and supplies	653,814,006,771	-	944,247,619,321	-
Merchandise	49,570,536,493	-	38,468,452,354	-
	<u>703,384,543,264</u>	<u>-</u>	<u>982,716,071,675</u>	<u>-</u>

10 PREPAID EXPENSES

(a) Short-term

	2023 VND	2022 VND
Tools and instruments	100,470,111,960	118,760,173,915
Software license fee	21,819,620,173	14,213,790,811
Others	17,090,334,809	31,708,070,143
	<u>139,380,066,942</u>	<u>164,682,034,869</u>

(b) Long-term

	2023 VND	2022 VND
Maintenance costs of leased aircrafts	6,360,989,325,732	5,023,761,090,900
Deferred aircraft lease expenses	875,071,909,143	-
Costs to make good on leased aircrafts	681,066,083,405	608,163,922,799
Aircraft inspection expenditure	573,703,403,431	495,343,640,432
Parts, tools and instruments	274,258,581,024	267,207,414,543
Others	291,440,101,200	244,713,124,091
	<u>9,056,529,403,935</u>	<u>6,639,189,192,765</u>

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10 PREPAID EXPENSES (continued)

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

	Maintenance costs of leased aircrafts VND	Costs to make good on leased aircrafts VND	Aircraft inspection expenditure VND	Parts, tools and instruments VND	Deferred aircraft lease expenses VND	Others VND	Total VND
As at 1 January 2022	5,065,554,996,522	632,155,195,498	174,818,646,585	182,890,430,569	-	33,635,365,276	6,089,054,634,450
Increase	692,655,542,194	77,371,593,378	557,885,544,084	70,321,938,834	-	17,168,107,527	1,415,402,726,017
Transfers from inventory	-	-	-	242,667,349,245	-	-	242,667,349,245
Transfers from construction in progress (Note 12)	-	-	-	-	-	225,385,696,812	225,385,696,812
Allocation	(654,143,517,148)	(92,016,962,579)	(237,360,550,237)	(228,672,304,105)	-	(31,476,045,524)	(1,243,669,379,593)
Decrease	(80,305,930,668)	(9,345,903,498)	-	-	-	-	(89,651,834,166)
As at 31 December 2022	5,023,761,090,900	608,163,922,799	495,343,640,432	267,207,414,543	-	244,713,124,091	6,639,189,192,765
Increase	2,066,687,396,654	190,027,889,069	212,379,001,700	1,363,169,368	875,071,909,143	294,736,854,724	3,640,266,220,658
Transfers from inventory	-	-	-	468,600,576,985	-	-	468,600,576,985
Transfers from construction in progress (Note 12)	-	-	196,932,615,877	45,113,720,216	-	5,376,482,409	247,422,818,502
Reclassification	-	-	(166,978,535,748)	(65,499,397,072)	-	218,298,389,324	(14,179,543,496)
Allocation	(729,459,161,822)	(117,125,728,463)	(163,973,318,830)	(442,526,903,016)	-	(471,684,749,348)	(1,924,769,861,479)
As at 31 December 2023	6,360,989,325,732	681,066,083,405	573,703,403,431	274,258,581,024	875,071,909,143	291,440,101,200	9,056,529,403,935



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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
<b>Historical cost</b>						
As at 1 January 2023	5,456,562,051,560	408,553,614,498	119,288,825,328	71,456,897,783	57,671,456,583	<b>6,113,532,845,752</b>
New purchases	608,400,000,000	2,572,537,880	15,801,160,090	32,600,218,477	4,475,505,929	<b>663,849,422,376</b>
Sales and operating lease back (*)	(2,133,668,057,333)	-	-	-	-	<b>(2,133,668,057,333)</b>
Disposals	-	-	-	(4,789,155,082)	(31,636,364)	<b>(4,820,791,446)</b>
As at 31 December 2023	<u>3,931,293,994,227</u>	<u>411,126,152,378</u>	<u>135,089,985,418</u>	<u>99,267,961,178</u>	<u>62,115,326,148</u>	<b><u>4,638,893,419,349</u></b>
<b>Accumulated depreciation</b>						
As at 1 January 2023	294,456,360,375	26,041,398,614	51,372,765,712	28,394,277,137	31,934,339,718	<b>432,199,141,556</b>
Charge for the year	321,294,760,721	8,728,747,269	14,815,093,579	9,410,391,201	5,457,744,516	<b>359,706,737,286</b>
Sales and operating lease back (*)	(138,829,715,493)	-	-	-	-	<b>(138,829,715,493)</b>
Disposals	-	-	-	(4,789,155,082)	(12,040,344)	<b>(4,801,195,426)</b>
As at 31 December 2023	<u>476,921,405,603</u>	<u>34,770,145,883</u>	<u>66,187,859,291</u>	<u>33,015,513,256</u>	<u>37,380,043,890</u>	<b><u>648,274,967,923</u></b>
<b>Net book value</b>						
As at 1 January 2023	<u>5,162,105,691,185</u>	<u>382,512,215,884</u>	<u>67,916,059,616</u>	<u>43,062,620,646</u>	<u>25,737,116,865</u>	<b><u>5,681,333,704,196</u></b>
As at 31 December 2023	<u>3,454,372,588,624</u>	<u>376,356,006,495</u>	<u>68,902,126,127</u>	<u>66,252,447,922</u>	<u>24,735,282,258</u>	<b><u>3,990,618,451,426</u></b>

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**11 FIXED ASSETS (continued)**

**(a) Tangible fixed assets (continued)**

(\*) During the year, the Group sold one aircraft and two engines at their fair values and operating leasing back this aircraft and these two engines.

As at 31 December 2023, tangible fixed assets with carrying value of VND557 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 Group (Note 20(b)(iii)).

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2023 was VND59 billion (as at 31 December 2022: VND55 billion).

**(b) Finance lease fixed assets**

	<b>Aircraft VND</b>
<b>Historical cost</b>	
As at 1 January 2023	-
New leases	6,181,116,755,409
	<hr/>
As at 31 December 2023	6,181,116,755,409
	<hr/>
<b>Accumulated depreciation</b>	
As at 1 January 2023	-
Charge for the year	45,692,292,485
	<hr/>
As at 31 December 2023	45,692,292,485
	<hr/>
<b>Net book value</b>	
As at 1 January 2023	-
	<hr/> <hr/>
As at 31 December 2023	6,135,424,462,924
	<hr/> <hr/>

During the year, the Group entered contracts with the international finance lessor - Wilmington Trust SP Services (Dublin) Limited and Angelica Holding Limited to finance lease three (3) aircraft and obtain rights to purchase these aircraft at the end of the lease term with the total carrying value of VND6,181 billion. At the commencement of the lease, the Group have been transferred the ownership of these aircraft pursuant to the terms of financial lease contracts at the end of the lease. The leased assets represent the present value of minimum lease payments pursuant to Finance Lease Agreement with the finance lessor and the initial direct costs related to the finance lease. The lease term is 10 years commencing from the delivery of aircraft.



**11 FIXED ASSETS (continued)****(b) Intangible fixed assets****Software  
VND****Historical cost**

As at 1 January 2023	61,941,976,858
New purchases	4,027,839,087
Transfers from construction in progress (Note 12)	22,741,208,828

As at 31 December 2023	88,711,024,773
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**Accumulated amortisation**

As at 1 January 2023	33,556,184,806
Charge for the year	7,854,649,868

As at 31 December 2023	41,410,834,674
------------------------	----------------

**Net book value**

As at 1 January 2023	28,385,792,052
As at 31 December 2023	47,300,190,099

The historical cost of intangible fixed assets that were fully amortised but still in use as at 31 December 2023 was VND31 billion (as at 31 December 2022: VND31 billion).

**12 CONSTRUCTION IN PROGRESS**

Details of construction in progress by projects are as follows:

	<b>2023 VND</b>	<b>2022 VND</b>
Purchase costs of aircrafts and aircraft engines	279,574,243,350	191,600,755,991
Major inspection and overhaul expenses	59,476,852,383	72,883,904,312
Software installation	-	24,200,479,927
Others	41,584,000,319	20,064,554,267
	<u>380,635,096,052</u>	<u>308,749,694,497</u>

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

	<b>2023 VND</b>	<b>2022 VND</b>
Beginning of year	308,749,694,497	500,760,695,887
Purchase	432,593,511,308	101,792,352,104
Transfers to intangible fixed assets (Note 11(c))	(22,741,208,828)	(625,912,381)
Transfers to long-term prepaid expenses (Note 10(b))	(247,422,818,502)	(225,385,696,812)
Others	(90,544,082,423)	(67,791,744,301)
End of year	<u>380,635,096,052</u>	<u>308,749,694,497</u>



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13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2023		2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
<b>Third parties</b>				
Petrolimex Aviation Fuel Joint Stock Company	2,421,289,466,998	2,421,289,466,998	2,496,227,675,244	2,496,227,675,244
Airports Corporation of Vietnam	517,181,502,354	517,181,502,354	1,520,378,879,754	1,520,378,879,754
Others	4,938,257,799,227	4,938,257,799,227	4,638,460,529,977	4,638,460,529,977
	<u>7,876,728,768,579</u>	<u>7,876,728,768,579</u>	<u>8,655,067,084,975</u>	<u>8,655,067,084,975</u>
<b>Related parties (Note 40(b))</b>	928,566,545,189	928,566,545,189	1,004,868,871,894	1,004,868,871,894
	<u>8,805,295,313,768</u>	<u>8,805,295,313,768</u>	<u>9,659,935,956,869</u>	<u>9,659,935,956,869</u>

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14 SHORT-TERM ADVANCES FROM CUSTOMERS

	2023 VND	2022 VND
<b>Third parties</b>		
Angelica Aviation Capital Vietnam Company Limited (*)	1,268,260,000,000	395,000,000,000
Nam Anh Technology Limited Company (**)	1,220,000,000,000	-
Others	1,041,712,896,709	1,022,047,602,627
	<u>3,529,972,896,709</u>	<u>1,417,047,602,627</u>
<b>Related parties (Note 40(b))</b>	16,103,770,539	569,611,453,288
	<u>3,546,076,667,248</u>	<u>1,986,659,055,915</u>

(\*) This balance represents an advance payment for purchase of aircraft.

(\*\*) This balance represents an advance payment for purchase of engines.



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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 year are as follows:

	As at 1.1.2023 VND	Receivable/payable during the year VND	Payment/refund during the year VND	Net-off during the year VND	Reclassification/ other VND	As at 31.12.2023 VND
<b>(a) Tax receivables</b>						
Deductible VAT	139,358,572,943	1,548,199,959,103	-	(1,678,551,876,571)	-	9,006,655,475
Foreign contractor tax	24,874,721,710	-	-	-	35,477,645,657	60,352,367,367
Goods and services tax in foreign countries	-	37,070,618,553	(12,574,940,848)	(24,216,226,202)	7,411,283,206	7,690,734,709
	<u>164,233,294,653</u>	<u>1,585,270,577,656</u>	<u>(12,574,940,848)</u>	<u>(1,702,768,102,773)</u>	<u>42,888,928,863</u>	<u>77,049,757,551</u>
<b>(b) Tax payables</b>						
CIT	165,344,856,313	3,217,284,657	(3,508,148,950)	-	-	165,053,992,020
VAT	-	1,963,914,766,418	(75,062,756,699)	(1,678,551,876,571)	-	210,300,133,148
Personal income tax	192,791,399,947	395,665,663,789	(404,680,327,672)	-	(109,322,865,537)	74,453,870,527
Foreign contractor tax	-	33,012,684,871	(68,483,590,419)	-	35,477,645,657	6,740,109
Import duties	910,718	126,290,205,059	(126,291,115,777)	-	-	-
Goods and services tax in foreign countries	280,869,057	82,179,649,571	(65,655,575,632)	(24,216,226,202)	7,411,283,206	-
Others	-	54,863,745,074	(54,863,745,074)	-	-	-
	<u>358,418,036,035</u>	<u>2,659,143,999,439</u>	<u>(798,545,260,223)</u>	<u>(1,702,768,102,773)</u>	<u>(66,433,936,674)</u>	<u>449,814,735,804</u>

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**16 PAYABLE TO EMPLOYEES**

These amounts represented salary payables of December due to employees.

**17 SHORT-TERM ACCRUED EXPENSES**

	<b>2023 VND</b>	<b>2022 VND</b>
Technical and aircraft related expenses	995,616,357,198	348,923,487,758
Interest expense	400,206,698,175	146,092,701,141
Maintenance	50,167,897,695	98,929,376,541
Others	480,412,484,218	261,139,108,814
	<u>1,926,403,437,286</u>	<u>855,084,674,254</u>

**18 SHORT-TERM UNEARNED REVENUE**

	<b>2023 VND</b>	<b>2022 VND</b>
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	3,545,846,183,336	3,431,102,413,796
Others	54,172,409,263	72,351,627,491
	<u>3,600,018,592,599</u>	<u>3,503,454,041,287</u>

**19 OTHER PAYABLES**
**(a) Short-term**

	<b>2023 VND</b>	<b>2022 VND</b>
<b>Third party</b>		
Airport fees and charges payables to airports	2,357,369,919,640	884,921,481,267
Airport fees received on behalf from passengers	1,057,481,042,821	864,076,743,831
Payable to share purchase	-	960,000,000,000
Others	389,378,220,297	517,098,857,840
	<u>3,804,229,182,758</u>	<u>3,226,097,082,938</u>
<b>Related parties (Note 40(b))</b>	353,019,630,468	182,981,962,951
	<u>4,157,248,813,226</u>	<u>3,409,079,045,889</u>

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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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 31.12.2023 VND
Borrowings from banks (i)	7,786,603,382,085	25,763,821,531,653	(25,489,579,342,495)	-	72,083,482,338	8,132,929,053,581
Current portion of long-term borrowings (Note 20(b))	68,298,400,000	-	(67,430,200,000)	69,832,220,000	-	70,700,420,000
Current portion of long-term bonds (Note 20(b))	650,000,000,000	-	(650,000,000,000)	5,000,000,000,000	-	5,000,000,000,000
Borrowings from related parties (ii) (Note 40(b))	45,000,000,000	-	-	-	-	45,000,000,000
Current portion of long-term finance lease (Note 20(b)(v))	-	-	-	305,164,895,027	-	305,164,895,027
	<u>8,549,901,782,085</u>	<u>25,763,821,531,653</u>	<u>(26,207,009,542,495)</u>	<u>5,374,997,115,027</u>	<u>72,083,482,338</u>	<u>13,553,794,368,608</u>



**20 BORROWINGS (continued)****(a) Short-term (continued)****(i) Borrowings from banks**

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

<b>Lenders</b>	<b>Currency</b>	<b>Maturity</b>	<b>2023 VND</b>	<b>2022 VND</b>
<b>Secured loans</b>				
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (Note 40(b))(*)	USD VND	January to April 2024	3,300,425,512,901	2,918,027,095,639
<b>Unsecured loans</b>				
Military Commercial Joint Stock Bank	VND	January to June 2024	2,058,001,325,721	1,072,567,986,932
Vietnam Joint Stock Commercial Bank of Industry and Trade	VND	January to March 2024	1,159,674,562,979	2,146,440,768,211
Vietnam Maritime Commercial Joint Stock Bank	VND	April to June 2024	899,060,278,181	699,859,102,940
Woori Bank Vietnam Limited, Ho Chi Minh City Branch	VND	January 2024	650,000,000,000	649,714,086,079
HSBC Bank (Vietnam) Ltd.	USD	February to March 2024	65,767,373,799	-
Petrolimex Group Commercial Joint Stock Bank	VND	March 2023	-	299,994,342,284
			<u>8,132,929,053,581</u>	<u>7,786,603,382,085</u>

(\*) As at 31 December 2023, this loan was secured by the estimated receivables arising from the Group's sales of flight tickets in the future of VND6,355 billion (as at 31 December 2022: VND6,665 billion).

During the year, these borrowings bear interest at rates ranging from 5% to 10.8% per annum for borrowings in VND, and from 5.6% to 6.9% per annum for borrowings in USD.

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**20 BORROWINGS (continued)**

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

**(ii) Borrowing from related party**

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

<b>Lenders</b>	<b>Currency</b>	<b>2023 VND</b>	<b>2022 VND</b>
<b>Unsecured loans</b>			
Victoria Academy Company Limited	VND	<u>45,000,000,000</u>	<u>45,000,000,000</u>

During the year, these borrowings bear interest at rates 5% per annum (for the year ended 31 December 2022: 5% per annum), with the maturity date is May 2024.

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20 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2023 VND	Increase VND	Decrease VND	Reclassification VND	Revaluation VND	As at 31.12.2023 VND
Borrowings from banks (iii)	309,745,847,108	-	-	(69,832,220,000)	10,025,403,945	249,939,031,053
Straight bonds (iv)	10,000,000,000,000	9,000,000,000,000	-	(5,000,000,000,000)	-	14,000,000,000,000
Finance lease liabilities (Note 20(b)(v))	-	3,910,577,779,621	(145,116,305,330)	(305,164,895,027)	(16,026,511,826)	3,444,270,067,438
Bond issuance costs	-	(470,918,259,972)	33,747,664,602	-	-	(437,170,595,370)
	<u>10,309,745,847,108</u>	<u>12,439,659,519,649</u>	<u>(111,368,640,728)</u>	<u>(5,374,997,115,027)</u>	<u>(6,001,107,881)</u>	<u>17,257,038,503,121</u>

(iii) Borrowings from banks

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

Lenders	Currency	Maturity	2023		2022	
			Current portion of long-term borrowings VND	Long-term borrowings VND	Current portion of long-term borrowings VND	Long-term borrowings VND
Military Commercial Joint Stock Bank (*)	USD	June 2028	<u>70,700,420,000</u>	<u>249,939,031,053</u>	<u>68,298,400,000</u>	<u>309,745,847,108</u>



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**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 from 7.84% to 8.42% per annum (for the year ended 31 December 2022: from 2.99% to 7.88% per annum) and is secured by the Group's tangible fixed assets with the carrying amount as follows:

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
Aircraft No. A320 MSN7167, VNA675 (Note 11(a))	<u>557,724,963,053</u>	<u>602,357,633,852</u>

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20 BORROWINGS (continued)

(b) Long-term (continued)

(iv) Straight bonds

Details of long-term straight bonds are as follows:

	Currency	Annual interest	Year of maturity	2023		2022	
				Current portion of long-term borrowings VND	Long-term borrowings VND	Current portion of long-term borrowings VND	Long-term borrowings
Bonds issued at par value, maturing after 36 months (*)	VND	7.8% - 9.2%	2023	-	-	650,000,000,000	-
Bonds issued at par value, maturing after 36 months (**)	VND	7.8% - 10.3%	2024	5,000,000,000,000	-	-	5,000,000,000,000
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 60 months (****)	VND	10.5%	2028	-	3,000,000,000,000	-	-
Bonds issued at par value, maturing after 60 months (*****)	VND	12%	2028	-	6,000,000,000,000	-	-
				<u>5,000,000,000,000</u>	<u>14,000,000,000,000</u>	<u>650,000,000,000</u>	<u>10,000,000,000,000</u>

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

(\*\*) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9.5% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal from 3% to 3.5% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

**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 9.5% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

(\*\*\*\*) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 10.5% per annum 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 of the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date

**(v) Financial lease liabilities**

Detailed of financial lease liabilities are as follow:

	<b>2023</b>		
	<b>Principal VND</b>	<b>Lease interest expense VND</b>	<b>Total VND</b>
Under 1 year	305,164,895,027	404,053,803,040	709,218,698,067
From 1 to 5 years	1,221,029,753,238	1,274,473,899,828	2,495,503,653,066
Over 5 years	2,223,240,314,200	810,101,687,922	3,033,342,002,122
	<u>3,749,434,962,465</u>	<u>2,488,629,390,790</u>	<u>6,238,064,353,255</u>

As at 31 December 2023, the balance of financial lease liabilities includes leases of aircraft with Wilmington Trust SP Services (Dublin) Limited.



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20 BORROWINGS (continued)

(b) Long-term (continued)

(v) Financial lease liabilities (continued)

Contract	Type	Principal debt	Term
VP/#62719953.3 15 September 2023	Financial lease	1,244,161,953,819	12 months from the delivery of aircraft
VP/#62719971.3 15 September 2023	Financial lease	1,244,163,178,261	12 months from the delivery of aircraft
VP/#62720020.3 15 September 2023	Financial lease	1,261,109,830,385	12 months from the delivery of aircraft
		<u>3,749,434,962,465</u>	
Current portion of long-term finance lease		<u>(305,164,895,027)</u>	
		<u>3,444,270,067,438</u>	

As at 31 December 2023, the balance of foreign currency-denominated financial lease liabilities is USD153,476,666.

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**21 PROVISION FOR LIABILITIES**

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

	<b>Provision for maintenance expenses VND</b>	<b>Provision to make good on leased aircrafts VND</b>	<b>Total VND</b>
As at 1 January 2023	12,868,906,445,239	1,231,940,405,974	14,100,846,851,213
Provision made in the year	4,334,205,398,116	271,529,172,023	4,605,734,570,139
Utilised of provision	(492,188,388,132)	-	(492,188,388,132)
As at 31 December 2023	<u>16,710,923,455,223</u>	<u>1,503,469,577,997</u>	<u>18,214,393,033,220</u>
Short-term	2,640,538,321,167	21,712,804,927	2,662,251,126,094
Long-term	14,070,385,134,056	1,481,756,773,070	15,552,141,907,126
	<u>16,710,923,455,223</u>	<u>1,503,469,577,997</u>	<u>18,214,393,033,220</u>

**22 BONUS AND WELFARE FUND**

Movements of bonus and welfare fund during the year are as follows:

	<b>31.12.2023 VND</b>	<b>31.12.2022 VND</b>
Beginning of year	146,291,785,064	327,150,076,791
Utilization of the fund	(140,802,046,115)	(180,858,291,727)
End of year	<u>5,489,738,949</u>	<u>146,291,785,064</u>

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**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. Details are as follows:

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	3,777,048,834,990	3,360,651,126,590
Deferred tax assets to be recovered within 12 months	641,740,225,218	461,673,738,962
	<u>4,418,789,060,208</u>	<u>3,822,324,865,552</u>
Deferred tax liabilities:		
Deferred tax liabilities to be settled after more than 12 months	(3,855,840,327,792)	(3,037,649,078,335)
Deferred tax liabilities to be settled within 12 months	(530,151,091,639)	(380,405,239,427)
	<u>(4,385,991,419,431)</u>	<u>(3,418,054,317,762)</u>
Net-off	<u>4,418,789,060,208</u>	<u>3,822,324,865,552</u>
Net deferred income tax assets	<u>32,797,640,777</u>	<u>404,270,547,790</u>

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

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
Beginning of year	404,270,547,790	(154,517,071,443)
Consolidated income statement (charged)/credited (Note 36)	(371,472,907,013)	558,787,619,233
End of year	<u>32,797,640,777</u>	<u>404,270,547,790</u>

The Company uses tax rate of 20% in the year 2023 (2022: 20%) to determine deferred income tax assets and deferred income tax liabilities.



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**23 DEFERRED INCOME TAX (continued)**

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

	<b>2023 VND</b>	<b>2022 VND</b>
<b>Details of deferred tax assets</b>		
Provision for maintenance costs	3,342,184,691,044	2,573,781,289,048
Tax losses carried forward	666,620,453,565	892,155,495,309
Provision for return of leased assets	300,693,915,599	246,388,081,195
Provision for diminution in the financial investments	109,290,000,000	110,000,000,000
	<u>4,418,789,060,208</u>	<u>3,822,324,865,552</u>
	<b>2023 VND</b>	<b>2022 VND</b>
<b>Details of deferred tax liabilities</b>		
Maintenance reserves	(2,588,720,261,291)	(2,208,298,416,955)
Prepaid aircraft maintenance	(1,272,197,865,146)	(1,004,752,218,180)
Deferred aircraft lease expenses	(175,014,381,829)	-
Revaluation amounts denominated in foreign currencies	(150,093,490,856)	(83,370,898,067)
Leased return costs	(136,213,216,681)	(121,632,784,560)
Foreign exchange differences	(63,752,203,628)	-
	<u>(4,385,991,419,431)</u>	<u>(3,418,054,317,762)</u>
	<u>32,797,640,777</u>	<u>404,270,547,790</u>

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

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

<b>Year of tax loss</b>	<b>Status of tax authorities' review</b>	<b>Loss incurred VND</b>	<b>Loss utilised VND</b>	<b>Loss carried forward VND</b>
2020	Outstanding	2,414,670,803,135	(2,132,891,831,792)	281,778,971,343
2022	Outstanding	3,051,323,296,483	-	3,051,323,296,483

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**24 OWNERS' CAPITAL**
**(a) Number of shares**

	<b>2023</b>		<b>2022</b>	
	<b>Ordinary shares</b>	<b>Preference shares</b>	<b>Ordinary shares</b>	<b>Preference shares</b>
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**

	<b>2023</b>		<b>2022</b>	
	<b>Ordinary shares</b>	<b>%</b>	<b>Ordinary shares</b>	<b>%</b>
Domestic shareholders	446,782,129	82.54	449,467,725	82.99
Foreign shareholders	94,829,205	17.46	92,143,609	17.01
Number of shares	541,611,334	100	541,611,334	100

**(c) Movement of share capital**

	<b>Number of shares</b>	<b>Ordinary shares VND</b>
As at 1 January 2022 and as at 31 December 2022 and as at 31 December 2023	541,611,334	5,416,113,340,000

Par value per share: VND10,000.

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

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**25 MOVEMENTS IN OWNERS' EQUITY**

	Owners' capital VND	Share premium VND	Foreign exchange difference VND	Post-tax undistributed earnings VND	Non-controlling interests VND	Total VND
As at 1 January 2022	5,416,113,340,000	247,483,117,899	(110,730,393,251)	11,281,432,588,734	19,911,667,098	16,854,210,320,480
Net loss for the year	-	-	-	(2,262,499,009,854)	524,166,069	(2,261,974,843,785)
Foreign currency conversion differences for overseas activities	-	-	306,059,346,789	-	-	306,059,346,789
As at 31 December 2022	5,416,113,340,000	247,483,117,899	195,328,953,538	9,018,933,578,880	20,435,833,167	14,898,294,823,484
Net profit for the year	-	-	-	230,590,889,181	822,526,170	231,413,415,351
Foreign currency conversion differences for overseas activities	-	-	123,432,064,600	-	-	123,432,064,600
As at 31 December 2023	5,416,113,340,000	247,483,117,899	318,761,018,138	9,249,524,468,061	21,258,359,337	15,253,140,303,435

**26 DIVIDEND PAYABLE**

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



**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**27 EARNINGS/(LOSS) PER SHARE**
**(a) Basic earnings/(loss) per share**

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

	<b>For the year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
Net profit/(loss) attributable to shareholders (VND)	230,590,889,181	(2,262,499,009,854)
Weighted average number of ordinary shares in issue (shares)	541,611,334	541,611,334
Basic earnings/(loss) per share (VND)	426	(4,177)

**(b) Diluted earnings per share**

The Company did not have any ordinary shares potentially diluted earnings/(losses) per share during the year and up to the approval date of these consolidated financial statements.

**28 OFF CONSOLIDATED BALANCE SHEET ITEMS**
**(a) Foreign currencies**

	<b>2023</b>	<b>2022</b>
USD	20,472,021	9,411,017
SGD	200,547	10,239,704,671
MYR	1,135,970	126,283,863
KRW	4,400,704,971	409,254
JPY	40,239,376	43,940
IDR	113,645,890	2,864,650
THB	3,223,522	1,135,970
CNY	212,308	203,295
INR	141,158,821	31,673
HKD	713,933	10,655,005
AUD	4,369,871	279,800
EUR	41,730	1,955
TWD	267,300	54,350
GBP	1,655	108,394,060
MMK	2,864,650	2,864,650

**(b) Operating lease assets**

The future minimum lease receipts under non-cancellable operating leases were presented in Note 41(a)(ii).

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**29 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	<b>2023 VND</b>	<b>2022 VND</b>
Passenger and cargo transportation revenue:		
- Domestic passenger transportation	11,321,225,329,187	10,927,622,320,416
- International passenger transportation including regular charter flights	16,072,198,944,519	3,850,959,121,800
- Ancillary and cargo transportation revenue	21,172,353,292,535	13,050,296,047,657
	<u>48,565,777,566,241</u>	<u>27,828,877,489,873</u>
Revenue from sales of aircrafts	4,775,350,000,000	5,814,905,350,000
Aircraft dry leases	1,714,000,062,091	1,561,242,313,157
Revenue from sales of engines	1,585,685,084,815	420,189,000,000
Revenue from sales of spare parts	572,873,557,618	-
Revenue from sales of purchase right option	-	4,168,173,000,000
Others	1,126,932,444,543	348,476,334,999
	<u>58,340,618,715,308</u>	<u>40,141,863,488,029</u>

**30 COST OF GOODS SOLD AND SERVICES RENDERED**

	<b>2023 VND</b>	<b>2022 VND</b>
Flight operation expenses	36,915,375,607,586	29,557,263,710,383
Technical expenses	6,477,531,877,691	3,497,843,675,202
Ground operation expenses	4,498,748,072,090	1,755,378,606,600
Cost of aircraft sold	4,555,360,933,077	5,586,687,730,647
Cost of engines sold	1,472,751,467,040	409,995,121,284
Safety, security, quality and assurance expenses	473,919,763,238	381,949,160,377
Cost of spare parts sold	453,782,497,138	-
Cargo expenses	417,693,371,244	256,042,532,365
Others	554,708,240,385	689,990,852,849
	<u>55,819,871,829,489</u>	<u>42,135,151,389,707</u>

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**31 FINANCIAL INCOME**

	<b>2023 VND</b>	<b>2022 VND</b>
Income from transfer of shares (Note 8(a)(iii))	1,080,000,000,000	1,260,000,000,000
Income from transfer of deposit contracts related to purchase of capital contribution (Note 8(a)(v))	648,000,000,000	-
Realised foreign exchange gains	619,010,289,441	391,940,499,516
Interest income from deposits and lendings	395,165,805,993	405,254,953,740
Profits shared from BCC	136,110,897,865	-
Net gain from foreign currency translation at year-end	59,094,506,815	159,921,609,696
Dividend income	17,652,055,000	25,152,055,000
Others	-	3,952,347,328
	<u>2,955,033,555,114</u>	<u>2,246,221,465,280</u>

**32 FINANCIAL EXPENSES**

	<b>2023 VND</b>	<b>2022 VND</b>
Interest expense and finance lease interest expense	1,916,506,531,262	1,383,641,245,573
Late payment interest expenses	224,214,058,813	-
Realised foreign exchange losses	39,322,269,039	601,124,566,761
Bond issuance costs	33,747,664,602	-
Unwinding discount of provisions (Reversal of provision)/provision for diminution in value of investments	31,826,413,901	132,113,144,440
	(3,550,000,000)	355,000,000,000
Others	-	11,175,526,280
	<u>2,242,066,937,617</u>	<u>2,483,054,483,054</u>

**33 SELLING EXPENSES**

	<b>2023 VND</b>	<b>2022 VND</b>
External service expenses	945,272,185,546	377,585,573,006
Advertising and marketing expenses	587,453,793,854	166,819,934,002
Commission fee	212,015,139,143	205,872,012,931
Staff costs	162,310,345,612	138,229,187,732
Depreciation and amortisation	3,437,285,468	1,662,692,456
Others	39,635,456,326	46,174,263,225
	<u>1,950,124,205,949</u>	<u>936,343,663,352</u>



**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**34 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
External service expenses	670,260,609,686	198,610,824,743
Staff costs	238,303,774,152	253,955,857,218
Rental costs	63,484,142,462	22,342,984,885
Depreciation and amortisation	3,133,393,284	4,271,324,679
Others	124,134,923,817	55,271,112,891
	<u>1,099,316,843,401</u>	<u>534,452,104,416</u>

**35 NET OTHER INCOME AND OTHER EXPENSES**

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
<b>Other income</b>		
Net gains on disposal of fixed assets and sales and operating lease back	327,550,168,037	-
Income from non-refund airport fee	232,173,501,014	-
Compensation income from aircraft's suppliers	84,692,001,030	24,848,616,868
Income from the increase of purchase considerations	-	1,280,000,000,000
Others	17,781,437,491	11,256,495,414
	<u>662,197,107,572</u>	<u>1,316,105,112,282</u>
<b>Other expenses</b>		
Adjustment of purchase discounts receivable	(120,532,312,373)	(178,481,292,047)
Contract liquidation expense	(66,511,991,631)	-
Others	(53,321,650,513)	(85,366,043,485)
	<u>(240,365,954,517)</u>	<u>(263,847,335,532)</u>
<b>Net other income</b>	<u>421,831,153,055</u>	<u>1,052,257,776,750</u>

**36 CORPORATE INCOME TAX (“CIT”)**

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

**Companies incorporated in British Virgin Islands**

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

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

**Companies incorporated in Cayman Islands**

*Skymate Limited*

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

**Company incorporated in Singapore**

*Vietjet Air Singapore Pte. Ltd.*

Vietjet Air Singapore Pte. Ltd. has an obligation to pay CIT at the rate of 17% of taxable profits.

**Company incorporated in Ireland**

*Vietjet Air Ireland No. 1 Limited*

Vietjet Air Ireland No. 1 Limited has an obligation to pay CIT at the rate of 25% of taxable profits.

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**36 CORPORATE INCOME TAX (“CIT”) (continued)**

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

	<b>2023 VND</b>	<b>2022 VND</b>
Accounting profit/(loss) before tax	606,103,607,021	(2,648,658,910,470)
Tax calculated at a rate of 20%	121,220,721,404	(529,731,782,094)
Effect of:		
Expenses not deductible for tax purposes	217,080,211,200	211,913,544,550
Effect of difference tax rates applied for subsidiaries	39,919,670,064	(63,835,418,141)
Income not subject to tax	(3,530,410,998)	(5,030,411,000)
CIT charge/(credit) (*)	<u>374,690,191,670</u>	<u>(386,684,066,685)</u>
Charged/(credited) to the consolidated income statement:		
CIT – current	3,217,284,657	172,103,552,548
CIT – deferred (Note 23)	371,472,907,013	(558,787,619,233)
CIT charge/(credit)	<u>374,690,191,670</u>	<u>(386,684,066,685)</u>

(\*) The CIT charge/(credit) for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

**37 COSTS OF OPERATION BY FACTOR**

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

	<b>2023 VND</b>	<b>2022 VND</b>
Fuel costs	21,242,888,445,391	17,097,871,839,398
Lease expenses	11,309,389,228,537	8,090,525,444,025
Staff costs	4,779,936,855,663	3,743,364,549,134
Depreciation and amortisation	413,253,679,639	79,733,663,056
External service and other expenses	14,641,949,772,354	8,569,512,640,215
	<u>52,387,417,981,584</u>	<u>37,581,008,135,828</u>



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**(a) Business segments**

Except as indicated above, the Group has no other business segments being aggregated to form a reportable business segment. Accordingly, the financial information presented on the consolidated balance sheet as at 31 December 2023 and all revenues and expenses presented on the consolidated income statement for the year then ended mainly related to the above mentioned main business activities.

The Group's main business activities are to provide passenger and cargo transportation services, ancillary services, aircraft rental and on-board advertising (collectively referred to as "aviation services"). These activities took place in Vietnam and countries around the world. During the year ended 31 December 2023, the Group had no revenue in countries other than Vietnam which accounting for more than 10% of the total revenue, accordingly, the Group did not prepare geographical segments.

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

	2023 VND	2022 VND
Net-off financial lease liabilities with other receivables	2,193,890,975,788	-
Net-off interest payables with prepayment to supplier	154,243,835,625	-
Purchase fixed assets which not paid	122,996,478,734	371,689,630,160
Net-off payables for purchase of fixed assets with other short-term and long-term receivables	-	2,129,910,369,840
Transfer of long-term receivables to purchase fixed assets	-	1,013,410,674,517

#### 40 RELATED PARTY DISCLOSURES

Detailed of subsidiaries and associates are presented in Note 4.

During the year, the Group had primary transactions and balances with the following related parties:

Companies had mutual management personnel or are affiliates of major shareholders:

- 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
- Apricot Aircraft Company (Ireland)
- 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
- Dragon Village Real Estate Joint Stock Company

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



**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**40 RELATED PARTY DISCLOSURES (continued)**
**(a) Related party transactions**

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

	<b>2023 VND</b>	<b>2022 VND</b>
<b>i) Revenue from dry aircraft leasing</b>		
Thai Vietjet Air Joint Stock Co., Ltd	1,305,578,918,979	1,198,309,663,845
AAA Golden Aircraft Star No.5 Limited	408,421,143,112	362,932,649,312
	<u>1,714,000,062,091</u>	<u>1,561,242,313,157</u>
<b>ii) Revenue from sales of aircraft and aircraft purchase right option</b>		
Angelica Holding Limited	<u>4,291,350,000,000</u>	<u>9,983,078,350,000</u>
<b>iii) Revenue from other services</b>		
Thai Vietjet Air Joint Stock Co., Ltd.	79,740,850,921	234,989,073,794
Victoria Academy Company Limited	56,476,376,589	-
HD Insurance	60,416,104,976	100,975,929,257
Others	3,082,260,195	86,678,235
	<u>199,715,592,681</u>	<u>336,051,681,286</u>
<b>iv) Aircraft/engines operating lease expenses</b>		
Apricot Aircraft Assets Limited	1,183,028,409,090	1,187,236,026,995
AAA Golden Aircraft Star No.5 Limited	220,020,609,409	186,410,500,399
Angelica Holding Limited	64,138,388,094	-
Apricot Holding Limited	56,510,821,708	-
Victoria Academy Company Limited	52,859,612,903	-
	<u>1,576,557,841,204</u>	<u>1,373,646,527,394</u>
<b>v) Purchase of services</b>		
Sai Gon Ground Services Joint Stock Company	383,807,380,150	287,926,592,061
HD Insurance	173,326,580,717	159,491,701,124
Others	11,095,417,604	138,081,211,386
	<u>568,229,378,471</u>	<u>585,499,504,571</u>
<b>vi) Payments and (receipts) on behalf, net cashflows</b>		
Thai Vietjet Air Joint Stock Co., Ltd.	(2,501,948,115,598)	(136,420,748,711)
Cam Ranh International Terminal Joint Stock Company	(136,420,748,711)	(23,616,309,388)
	<u>(2,638,368,864,309)</u>	<u>(160,037,058,099)</u>



VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2023 VND	2022 VND
<b>vii) Contract liquidation expense</b>		
Victoria Academy Company Limited	66,511,991,631	-
<b>viii) Financing activities</b>		
<b><i>Interest expense</i></b>		
HDBank	249,245,305,721	105,638,061,951
Others	3,600,000,000	25,859,589,042
	252,845,305,721	131,497,650,993
<b><i>Proceeds from borrowings</i></b>		
HDBank	14,397,372,547,496	8,037,406,959,482
Victoria Academy Company Limited	-	45,000,000,000
	14,397,372,547,496	8,082,406,959,482
<b><i>Repayment of borrowings</i></b>		
HDBank	14,087,057,612,572	7,434,985,662,395
Sovico Group Joint Stock Company	-	700,000,000,000
	14,087,057,612,572	8,134,985,662,395
<b><i>Term deposits and certificate of deposits with HDBank</i></b>		
Deposit	2,100,000,000,000	2,193,304,077,000
Settlement	(900,000,000,000)	(2,345,004,077,000)
<b><i>Net-off other payables with short-term prepayment to supplier</i></b>		
Sovico Group Joint Stock Company	154,243,835,625	-

## 40 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	2023 VND	2022 VND
<b>ix) Investment activities</b>		
<b><i>Dividend income</i></b>		
Sai Gon Ground Services Joint Stock Company	7,652,055,000	7,652,055,000
<b><i>Interest income</i></b>		
Thai Vietjet Air Joint Stock Co., Ltd.	302,113,830,681	231,861,202,013
Others	34,310,609,580	71,992,149,431
	336,424,440,261	303,853,351,444
<b><i>Lending</i></b>		
Board of Management	-	25,000,000,000
Board of Senior Management	-	25,000,000,000
	-	50,000,000,000
<b><i>Purchase of aircraft and engines</i></b>		
Angelica Holding Limited	1,205,933,400,000	1,541,263,945,784
Victoria Academy Company Limited	608,400,000,000	-
AAA Aircraft Company Limited	-	2,124,000,000,000
	1,814,333,400,000	3,665,263,945,784
<b><i>Sales of engines</i></b>		
Apricot Holding Limited	611,910,000,000	-
<b><i>Purchase of shares</i></b>		
Dragon Village Real Estate Joint Stock Company	990,000,000,000	-
During the year, the Group had made payment of VND985 billion for the purchase of shares. As at 31 December 2023, the remaining unpaid balances is VND5 billion.		
<b><i>Investment in aircraft financial lease</i></b>		
Angelica Holding Limited	2,193,890,975,788	-

## 40 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	2023 VND	2022 VND
<b>x) Compensation of key management</b>		
Board of Directors	7,378,103,503	9,345,555,420
Board of Management	7,378,103,503	17,189,738,630
	<u>14,756,207,006</u>	<u>26,535,294,050</u>

Detailed of expenses paid in cash for the Board of Directors and Board of Management for the financial year ended 31 December 2023 are as follows:

<b>Board of Directors</b>	<b>Remuneration VND</b>
Ms. Nguyen Thi Phuong Thao (*)	988,016,242
Ms. Nguyen Thanh Ha	1,154,724,787
Mr. Nguyen Anh Tuan	974,888,889
Mr. Dinh Viet Phuong	784,499,998
Mr. Nguyen Thanh Hung	895,775,182
Mr. Luu Duc Khanh	873,349,204
Mr. Chu Viet Cuong	1,098,349,204
Mr. Donal Joshep Boylan	-
Ms. Ho Ngoc Yen Phuong	608,499,997

<b>Board of Management</b>	<b>Salaries, bonuses and other cash payments VND</b>
General Director	1,944,345,833
Deputy General Directors	5,652,840,000

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



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**(b) Year-end balances with related parties**

(i) As at 31 December 2023 and 31 December 2022, the short-term trade account receivable balance due from Thai Vietjet Air Joint Stock Co., Ltd. ("Thai Vietjet") is overdue. However, the Board of Management of the Group assesses that these receivables are collectible since Thai Vietjet is a strategic partner and associate of the Group. According to the assessment of Thai Vietjet's management, the business of Thai Vietjet in the three recent years continually grew and is expected to continue to grow in 2024. Thai Vietjet has engaged a consulting firm to perform the valuation of Thai Vietjet as well as advise on debt restructuring and the structure of shareholder ownership for the period from 2024 to 2025. With these plans and the result of valuation, Thai Vietjet will be able to settle all these receivables due to the Group.

Angelica Holding Limited	1,942,095,121,864	3,863,320,000,000
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VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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39 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties (continued)

	2023 VND	2022 VND
<b>Long-term lendings (Note 7(b))</b>		
AAA Aircraft Asset Company Limited	518,403,576,000	512,689,557,018
Apricot Aircraft Assets No. 1 Limited	301,218,308,679	300,386,377,342
Board of Management (ii)	25,000,000,000	25,000,000,000
Senior Management (ii)	25,000,000,000	25,000,000,000
	<u>869,621,884,679</u>	<u>863,075,934,360</u>

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

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

Thai Vietjet Air Joint Stock Co., Ltd. (i)	3,185,158,270,224	2,144,870,380,860
Angelica Holding Limited	470,145,000,000	454,350,000,000
Indochina Beach Hotel Joint Stock Company (iii)	135,900,000,000	1,424,910,400,000
Others	197,292,721,095	145,787,507,952
	<u>3,988,495,991,319</u>	<u>4,169,918,288,812</u>

(iii) The balance is related to the transfer of shares of Pacific Star Investment and Development Company to Indochina Beach Hotel Joint Stock Company ("IBH"). As at the approval date these consolidated financial statements, this balance had been fully collected.

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

Angelica Holding Limited	414,900,000,000	414,900,000,000
Apricot Aircraft Company (Ireland)	157,134,443,567	-
AAA Golden Aircraft Star No.5 Limited	151,444,287,585	100,994,693,184
Others	60,039,058,500	51,233,546,500
	<u>783,517,789,652</u>	<u>567,128,239,684</u>



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**40 RELATED PARTY DISCLOSURES (continued)**
**(b) Year-end balances with related parties (continued)**

	<b>2023 VND</b>	<b>2022 VND</b>
<b>Short-term trade accounts payable (Note 13)</b>		
AAA Golden Aircraft Star No.1 Limited	148,100,010,170	85,841,035,200
Apricot Aircraft Company (Ireland) 8577 Limited	142,531,956,898	92,419,350,884
HD Insurance	126,836,732,472	52,226,816,112
Apricot Aircraft Company (Ireland) 8592 Limited	123,801,280,094	61,536,528,000
AAA Aircraft Company Limited	117,264,000,980	371,689,630,160
Others	270,032,564,575	341,155,511,538
	<u>928,566,545,189</u>	<u>1,004,868,871,894</u>
<b>Short-term accrued expenses</b>		
Sai Gon Ground Services Joint Stock Company	38,653,515,550	-
Cam Ranh International Terminal Joint Stock Company	15,662,039,827	-
Victoria Academy Company Limited	5,288,516,129	1,350,000,000
HDBank	-	2,997,476,038
	<u>59,604,071,506</u>	<u>4,347,476,038</u>
<b>Short-term advances from customers (Note 14)</b>		
Victoria Academy Company Limited	8,251,623,411	16,500,000,000
Apricot Holding Limited	-	543,555,000,000
Others	7,852,147,128	9,556,453,288
	<u>16,103,770,539</u>	<u>569,611,453,288</u>
<b>Other short-term payables (Note 19)</b>		
Angelica Holding Limited	324,243,383,221	-
Angelica Aircraft Assets Limited	9,161,250,000	12,902,875,000
Sovico Group Joint Stock Company	-	154,243,835,625
Others	19,614,997,247	15,835,252,326
	<u>353,019,630,468</u>	<u>182,981,962,951</u>
<b>Short-term borrowings (Note 20(a))</b>		
HDBank	3,300,425,512,901	2,918,027,095,639
Victoria Academy Company Limited	45,000,000,000	45,000,000,000
	<u>3,345,425,512,901</u>	<u>2,963,027,095,639</u>



**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**
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**41 PRINCIPLE AGREEMENTS**
**(a) Commitments under operating leases**
**(i) The Group as a lessee**

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

	<b>2023 VND</b>	<b>2022 VND</b>
Within one year	11,945,303,131,663	11,506,559,066,274
Between one and five years	37,918,480,322,958	38,581,623,224,033
Over five years	17,508,071,356,284	19,870,076,281,001
Total minimum payments	<u>67,371,854,810,905</u>	<u>69,958,258,571,308</u>

**(ii) The Group as a lessor**

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

	<b>2023 VND</b>	<b>2022 VND</b>
Within one year	1,366,092,001,156	1,333,279,444,266
Between one and five years	3,228,108,669,017	4,099,020,606,476
Over five years	488,961,814,672	768,399,362,220
Total minimum receipts	<u>5,083,162,484,845</u>	<u>6,200,699,412,962</u>

**(b) Other commitments**

	<b>2023 VND</b>	<b>2022 VND</b>
Within one year		
Deposit for aircraft purchases	2,777,422,134,990	745,849,197,380
Purchase back leased aircraft	184,337,634,044	-
BCC	33,439,600,000	-
Between one and five years		
Deposit for aircraft purchases	32,741,518,421,083	25,886,578,817,620
Purchase back leased aircraft	249,981,991,704	-
Over five years		
Deposit for aircraft purchases	2,373,673,274,735	13,270,140,555,624
	<u>38,360,373,056,556</u>	<u>39,902,568,570,624</u>

**42 OTHER EVENTS**

As at the approval date of these consolidated financial statements, the Group had a commercial dispute in relation to four (4) JOLCO (Japanese Operating Lease with Call Option) aircraft. The JOLCO structure involves the Group, Japanese investors, and Banks. Banks in the 4 JOLCO aircraft transactions had sold their debts to a newly established financial investment fund in 2021. Subsequent to the acquisition of the debts, the financial investment fund and the Group had not reached mutual agreement on the aircraft lease payment schedules. The dispute has been hearing by the High Court of Justice Business and Property Court of England and Wales ("the Court") and the trial of the case is scheduled for June 2024, with a judgment unlikely to be received before September 2024. In the legal confirmation from the Group's legal experts to the Group, the legal experts are of the view that the Group has legal basis which are favourable for the Group to not settle payments claimed by the plaintiff in relation to the aircraft lease contracts, and the two parties may resolve the dispute by commercial negotiations or discussions. The Board of Management trusts in the fairness of the Court, protecting the Group's rights and legitimate interests. Therefore, the Board of Management is of the view that there is no exposures for provisions in relation to the dispute as at the approval date of these consolidated financial statements.

**43 EVENTS AFTER THE YEAR ENDED 31 DECEMBER 2023**

On 4 March 2024, the Board of Directors issued the Resolution No. 06-24/VJC-HĐQT-NQ regarding the Approval on private stock offerings documents and approval on the plan ensuring that private placement of shares meets the foreign ownership ratio. Prior to this, according to the Resolution No. 67-23/VJC-HĐQT-NQ dated 28 December 2023, regarding the implementation of the private placement stock offering plan, the expected quantity of shares to be offered for sale was 18,500,000 shares with a total offering value at the expected price of VND1,850,000,000,000. The expected offering period will take place in the first and second quarters of 2024.

**VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

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The consolidated financial statements were approved by the Board of Management on 31 March 2024.



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Nguyen Thi Thanh Nga  
Chief Accountant/Preparer



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Ho Ngoc Yen Phuong  
Vice President  
cum Chief Finance Officer



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Dinh Viet Phuong  
Chief Executive Officer