

VIETJET AVIATION JOINT STOCK COMPANY

**SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**



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VIETJET AVIATION JOINT STOCK COMPANY

CORPORATE INFORMATION (continued)

Board of Supervision	Mrs. Tran Duong Ngoc Thao Mrs. Doan Thu Huong Mr. Pham Van Dau	Head of the Board Member Member
Legal representative	Mrs. Nguyen Thanh Ha Mrs. Nguyen Thi Phuong Thao Mr. Luu Duc Khanh	Chairwoman Chief Executive Officer Managing Director
Registered office	302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District Hanoi City, Vietnam	
Operating office	VietJet Air Plaza Building, 60A Truong Son Street, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

VIETJET AVIATION JOINT STOCK COMPANY

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

The Board of Management of VietJet Aviation Joint Stock Company (“the Company”) is responsible for preparing separate interim financial statements which give a true and fair view of the separate interim financial position of the Company as at 30 June 2020, and the separate interim results of its operations and its separate interim cash flows for the six-months period then ended. In preparing these separate interim financial statements, the Board of Management is required to:

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

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

APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying separate interim financial statements as set out on pages 11 to 64 which give a true and fair view of the separate interim financial position of the Company as at 30 June 2020, and of the separate interim results of its operations and its separate interim cash flows for the six-months period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate interim financial statements.

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Company and its subsidiaries (“the Group”) for the six-months period ended 30 June 2020 in order to obtain full information of the consolidated interim financial position and consolidated interim results of operations and consolidated interim cash flows of the Group.

On behalf of the Board of Management



Nguyễn Thị Phương Thao
Chief Executive Officer

Ho Chi Minh City, SR Vietnam
31 August 2020



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

We have reviewed the accompanying separate interim financial statements of VietJet Aviation Joint Stock Company (“the Company”) which were prepared on 30 June 2020, and approved by the Board of Management of the Company on 31 August 2020. The separate interim financial statements comprise the interim separate balance sheet as at 30 June 2020, the separate interim income statement and the separate interim cash flow statement for the six-month period then ended, and explanatory notes to the separate interim financial statements including significant accounting policies, as set out on pages 6 to 64.

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

Auditor’s Responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the separate financial position of the Company as at 30 June 2020, its separate interim financial performance and separate interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate interim financial statements.

Emphasis of Matter

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

Other Matters

The separate financial statements of the Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 30 April 2020. In addition, the separate interim financial statements of the Company for the six-month period ended 30 June 2019 were also reviewed by this auditor who expressed an unmodified conclusion on those statements on 30 August 2019.

The report on review of separate interim financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM9840
Ho Chi Minh City, 31 August 2020

SEPARATE INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2020 VND	31.12.2019 VND
100	CURRENT ASSETS		18,200,060,620,223	19,475,407,848,998
110	Cash and cash equivalents	3	2,404,629,586,677	5,355,816,155,352
111	Cash		1,765,250,949,297	3,815,637,517,972
112	Cash equivalents		639,378,637,380	1,540,178,637,380
120	Short-term investments		400,000,000,000	1,144,756,800,000
121	Trading securities	4(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	4(a)	(590,000,000,000)	(555,000,000,000)
123	Investments held to maturity	4(b)	-	709,756,800,000
130	Short-term receivables		14,386,889,904,381	11,781,440,667,810
131	Short-term trade accounts receivable	5	3,782,853,959,343	3,334,187,094,292
132	Short-term prepayments to suppliers		160,351,016,678	186,825,273,966
136	Other short-term receivables	6(a)	10,443,684,928,360	8,260,428,299,552
140	Inventories		708,315,803,535	747,898,679,837
141	Inventories	7	708,315,803,535	747,898,679,837
150	Other current assets		300,225,325,630	445,495,545,999
151	Short-term prepaid expenses	8(a)	237,218,039,369	382,337,666,788
152	Value Added Tax ("VAT") to be reclaimed		14,635,362,929	-
153	Tax and other receivables from the State	13(a)	48,371,923,332	63,157,879,211

The notes on pages 11 to 64 are an integral part of these separate interim financial statements.

SEPARATE INTERIM BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			30.6.2020 VND	31.12.2019 VND
200	LONG-TERM ASSETS		21,390,072,425,371	24,466,778,688,937
210	Long-term receivables		14,283,384,220,348	15,089,231,602,305
215	Long-term lending	11	-	701,500,000,000
216	Other long-term receivables	6(b)	14,283,384,220,348	14,387,731,602,305
220	Fixed assets		739,318,509,795	1,303,160,396,122
221	Tangible fixed assets	9(a)	737,832,046,973	1,301,038,091,839
222	Historical cost		966,200,412,893	1,687,120,867,140
223	Accumulated depreciation		(228,368,365,920)	(386,082,775,301)
227	Intangible fixed assets	9(b)	1,486,462,822	2,122,304,283
228	Historical cost		29,907,717,155	29,907,717,155
229	Accumulated amortisation		(28,421,254,333)	(27,785,412,872)
240	Long-term asset in progress		656,025,754,018	1,258,338,717,091
242	Construction in progress	10	656,025,754,018	1,258,338,717,091
250	Long-term investments		224,973,206,218	224,973,206,218
251	Investments in subsidiaries	4(c)	9,000,000,000	9,000,000,000
252	Investments in associates	4(c)	60,000,000,000	60,000,000,000
253	Investments in other entities	4(c)	149,417,024,400	149,417,024,400
255	Investments held to maturity	4(b)	6,556,181,818	6,556,181,818
260	Other long-term asset		5,486,370,734,992	6,591,074,767,201
261	Long-term prepaid expenses	8(b)	5,486,370,734,992	6,591,074,767,201
270	TOTAL ASSETS		39,590,133,045,594	43,942,186,537,935

The notes on pages 11 to 64 are an integral part of these separate interim financial statements

SEPARATE INTERIM BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2020 VND	31.12.2019 VND
300	LIABILITIES		34,550,795,856,697	37,462,639,184,568
310	Short-term liabilities		23,145,366,443,644	22,741,438,510,945
311	Short-term trade accounts payable	12	3,994,143,796,845	1,888,419,058,403
312	Short-term advances from customers	14	684,327,278,814	725,581,455,476
313	Tax and other payables to the State	13(b)	325,722,711,704	468,548,742,197
315	Short-term accrued expenses	15	1,854,139,277,175	1,128,067,820,011
318	Short-term unearned revenue	16	1,143,142,751,682	3,184,286,840,374
319	Other short-term payables	17	5,419,830,955,363	5,160,454,035,471
320	Short-term borrowings	18(a)	7,474,875,399,081	8,161,089,248,187
321	Provision for short-term liabilities	19	2,249,184,272,980	2,024,991,310,826
330	Long-term liabilities		11,405,429,413,053	14,721,200,673,623
337	Other long-term payables		5,636,355,880	5,636,355,880
338	Long-term borrowings	18(b)	2,355,883,899,899	3,661,872,522,217
341	Deferred income tax liabilities	20	377,746,992,857	394,444,939,970
342	Provision for long-term liabilities	19	8,666,162,164,417	10,659,246,855,556
400	OWNERS' EQUITY		5,039,337,188,897	6,479,547,353,367
410	Capital and reserves		5,039,337,188,897	6,479,547,353,367
411	Owners' capital	21, 22	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	22	245,949,492,805	245,949,492,805
415	Treasury shares	22	(2,347,121,362,620)	(2,347,121,362,620)
421	Undistributed earnings	22	1,724,395,718,712	3,164,605,883,182
421a	- Undistributed post-tax profits of previous years		3,164,605,883,182	55,962,988,371
421b	- (Loss)/post-tax profits of current period/year		(1,440,210,164,470)	3,108,642,894,811
440	TOTAL RESOURCES		39,590,133,045,594	43,942,186,537,935

Hoang Manh Ha
Chief Accountant

Ho Ngoc Yen Phuong
Vice President &
Chief Finance Officer

Nguyen Thi Phuong Thao
President & Chief Executive Officer
31 August 2020



SEPARATE INTERIM INCOME STATEMENT

Code	Note	For the six-month period ended 30 June	
		2020 VND	2019 VND
01	Revenue from sales of goods and rendering of services	9,228,301,301,564	20,181,762,113,468
02	Less deductions	-	-
10	Net revenue from sales of goods and rendering of services	9,228,301,301,564	20,181,762,113,468
11	Cost of goods sold and services rendered	(11,228,802,623,604)	(17,618,045,638,363)
20	Gross (loss)/profit from sales of goods and rendering of services	(2,000,501,322,040)	2,563,716,475,105
21	Financial income	1,021,016,481,405	299,512,667,360
22	Financial expenses	(641,589,018,245)	(588,463,041,752)
23	- Including: Interest expense	(232,229,994,878)	(140,571,532,313)
25	Selling expenses	(452,305,826,714)	(565,312,331,694)
26	General and administration expenses	(193,726,714,949)	(176,211,911,324)
30	Net operating (loss)/profit	(2,267,106,400,543)	1,533,241,857,695
31	Other income	810,198,288,960	19,913,152,278
32	Other expenses	-	(84,365,311)
40	Net other income	810,198,288,960	19,828,786,967
50	Net accounting (loss)/profit before tax	(1,456,908,111,583)	1,553,070,644,662
51	Business income tax ("BIT") - current	-	(301,962,980,044)
52	BIT - deferred	16,697,947,113	(10,011,605,396)
60	Net (loss)/profit after tax	(1,440,210,164,470)	1,241,096,059,222

Hoang Manh Ha
Chief Accountant

Ho Ngoc Yen Phuong
Vice President &
Chief Finance Officer

Nguyen Thi Phuong Thao
President & Chief Executive Officer
31 August 2020



The notes on pages 11 to 64 are an integral part of these separate interim financial statements.

SEPARATE INTERIM CASH FLOW STATEMENT
(Indirect method)

Code	Note	For the six-month period ended 30 June	
		2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		(1,456,908,111,583)	1,553,070,644,662
	Adjustments for:		
02	Depreciation and amortisation	95,033,908,083	78,646,452,750
03	Provisions	5,804,553,003	444,775,098,908
04	Unrealised foreign exchange (gains)/losses	(173,585,564,363)	3,116,410,531
05	Profits from investing activities	(1,431,536,423,769)	(277,629,779,654)
06	Interest expense	232,229,994,878	140,571,532,313
08	Operating (loss)/profit before changes in working capital	(2,728,961,643,751)	1,942,550,359,510
09	Decrease/(increase) in receivables	448,839,640,008	(2,546,102,624,481)
10	Decrease/(increase) in inventories	39,582,876,302	(164,027,574,467)
11	Increase/(decrease) in payables	1,069,406,706,915	(305,265,813,797)
12	(Increase)/decrease in prepaid expenses	(556,006,705,411)	570,714,668,613
14	Interest paid	(237,212,461,869)	(137,236,545,016)
15	BIT paid	(179,350,686,663)	(191,000,000,000)
20	Net cash outflows from operating activities	(2,143,702,274,469)	(830,367,529,638)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(64,873,352,231)	(3,008,133,768,752)
22	Proceeds from disposals of fixed assets and long-term assets	400,000,000,000	-
23	Loans and term deposits granted	-	(356,000,000,000)
26	Proceeds from divestment in other entities	712,078,115,068	-
27	Dividends and interest received	144,875,870,344	115,628,158,136
30	Net cash inflows/(outflows) from investing activities	1,192,080,633,181	(3,248,505,610,616)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	9,441,323,678,683	14,480,981,264,502
34	Repayments of borrowings	(11,443,075,162,119)	(12,169,711,810,451)
36	Dividends paid	-	(543,108,881,500)
40	Net cash (outflows)/inflows from financing activities	(2,001,751,483,436)	1,768,160,572,551
50	Net decrease in cash and cash equivalents	(2,953,373,124,724)	(2,310,712,567,703)
60	Cash and cash equivalents at beginning of period	5,355,816,155,352	7,156,359,241,738
61	Effect of foreign exchange differences	2,186,556,049	55,114,958,985
70	Cash and cash equivalents at end of period	2,404,629,586,677	4,900,761,633,020

Additional information relating to the separate interim cash flow statement is presented in Note 35.



Hoang Manh Ha
Chief Accountant



Ho Ngoc Yen Phuong
Vice President &
Chief Finance Officer



Nguyen Thi Phuong Thao
President & Chief Executive Officer
31 August 2020

The notes on pages 11 to 64 are an integral part of these separate interim financial statements.

**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**
1 GENERAL INFORMATION

VietJet Aviation Joint Stock Company (“the Company”) is a joint stock company established in SR Vietnam pursuant to Enterprise registration certificate No. 0102325399 dated 23 July 2007 which was issued by the Department of Planning and Investment of Hanoi City and the 27th amended enterprise registration certificate dated 1 August 2018.

The principal activities of the Company are to provide passenger and cargo transportation services on domestic and international air routes, airline-related support services and to trade aircraft and components.

The normal business cycle of the Company is 12 months.

As at 30 Jun 2020, the Company had 6 subsidiaries and 2 associates. Details are as follows:

	Principal activities	Enterprise registration certificate	Place of incorporation and operation	% of Ownership	
				30.6.2020	31.12.2019
Direct subsidiaries					
VietjetAir Cargo Joint Stock Company	To provide cargo transportation and related support services	No. 0312759089 dated 27 August 2014	Vietnam	90	90
Vietjet Air IVB No. I Limited	To trade and lease aircraft and aircraft components	No. 1825671 dated 27 May 2014	British Virgin Islands	100	100
Vietjet Air IVB No. II Limited	To trade and lease aircraft	No. 1825613 dated 27 May 2014	British Virgin Islands	100	100
Vietjet Air Singapore Pte. Ltd.	To trade aircraft	No. 201408849N dated 27 March 2014	Singapore	100	100
Vietjet Air Ireland No. 1 Limited	To trade and lease aircraft	No. 544879 dated 3 June 2014	Ireland	100	100
Indirect subsidiary					
Skymate Limited	To trade and lease aircraft	No. 327015 dated 15 September 2017	Cayman Islands	100	100
Associates					
Thai Vietjet Air Joint Stock Co., Ltd. (*)	To provide passenger and cargo transportation and other related support services	No. 0105556100551 dated 25 June 2013	Thailand	9	9
Cam Ranh International Terminal Joint Stock Company (*)	To provide support services for airline transportation	No. 4201676638 dated 5 February 2016	Vietnam	10	10

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

1 GENERAL INFORMATION (continued)

As at 30 June 2020, the Company had 5,491 employees (as at 31 December 2019: 5,064 employees).

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

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate interim financial statements. The separate interim financial statements have been prepared under the historical cost convention.

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

The separate interim financial statements in the Vietnamese language are the official statutory separate interim financial statements of the Company. The separate interim financial statements in the English language have been translated from the Vietnamese version.

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

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Group for the six-month period 30 June 2020 in order to obtain full information of the consolidated interim financial position and consolidated interim results of operations and consolidated interim cash flows of the Group.

2.2 Assessment on going concern assumption

The wide spread of COVID-19 since the beginning of 2020 is a fluid and challenging situation facing all industries, including the aviation industry. In Vietnam, the resurgence of COVID-19 since the end of July 2020 has caused difficulties and challenges to all corporations, including the Company.

Travel and border restrictions implemented in Vietnam and other countries around the world have led to a significant fall in demand for air travel which impacted on the Company’s financial performance and cash flows. As a consequence, the Company reported a gross loss from the main aviation business of VND2,001 billion for the six-month period ended 30 June 2020. The Company has transferred its financial investments to cover the losses generated from the air transportation activities. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.2 Assessment on going concern assumption (continued)**

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

(i) Recovery from COVID-19 Pandemic

As of May 2020, the Government of Vietnam allowed domestic travel and the Company resumed operations accordingly. The Company has seen positive developments on its business operations as passenger seat booking trends, flight frequencies and load factors are gradually improving to cater for the increasing demand. The Company expects the business operations to gradually return to the normal operation level by November 2020.

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

- developing SkyBoss products and services, ancillary services and Power Pass cards;
- expanding and developing cargo transportation services;
- executing the aircraft financing and trading solutions;
- controlling and optimizing the Company's operation costs;
- opening eight new routes, bringing the total number of domestic routes to 53 routes to increase the aircraft utilization and to meet the increase in travelling demands.

In addition, the Company has been licensed by the Department of Aviation and began to serve the ground itself at Noi Bai International Airport in order to reduce costs, increase ancillary revenues at the airport as well as improve the quality of customer services.

Nonetheless, the resurgence of COVID-19 in Da Nang Province has once again affected airlines' operations and the overall timing of recovery of the COVID-19 pandemic will affect the ability of the Company to meet its forecasted revenue in a short time, which in turn affects the Company's ability to generate cash flows from operations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.2 Assessment on going concern assumption (continued)****(ii) Funding**

A number of the Company's existing lenders have provided financial supports through extending the maturity dates. To shore up liquidity, the Company is in the process of negotiating with other lenders to reduce the interest rates and extending the maturity dates in accordance with the guidance from Circular No. 01/2020/TT-NHNN dated 13 March 2020 issued by the State Bank of Vietnam.

As approved by the Annual General Meeting of Shareholders, the Company will sell its treasury shares to strategic investors in order to strengthen its cash position and liquidity.

(iii) Working capital management

The Company managed to seek deferrals for payment of aircraft operating leases with certain lessors and is currently in the process of negotiating further waiver or deferral of lease payments with lessors until the aviation industry recovers.

Furthermore, the Company has performed a comprehensive review of the operation's efficiency and implemented cost-saving measures, including but not limited to, stocking up on fuel reserves when prices were low, negotiating with suppliers for a reduction of the charge for airport handling, technical activities and other services.

The gradual increase in passenger seat booking, flight frequencies and load factor after the upliftment of domestic travel restriction signifies positive development with strong rebound in demand for air travel anticipated. Therefore, the Board of Directors and the Board of Management are of the opinion that the Company will be able to generate sufficient working capital to finance its operations and to meet its obligations as and when they fall due in the following 12 months.

Accordingly, the separate interim financial statements for the six-month period ended 30 June 2020 have been prepared on a going concern basis.

2.3 Fiscal year

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

2.4 Currency

The separate interim financial statements are measured and presented in the Vietnamese Dong ("VND"). The Company determines its accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on selling prices of goods and services, which is normally used for list selling prices and receive payments; which is mainly used in purchases of goods or services, which has a significant impact on cost of labour, materials and other production or operating costs and normally used as payments of those costs.

In addition, the Company also uses this currency to raise financial resources (such as via issuance of shares or bonds) and regularly collects this currency from business operation and savings.

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

Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial banks where the Company regularly trades. The Company ensures that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate and does not materially impact the financial position and result of operations during the 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 separate interim income statement.

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

2.6 Cash and cash equivalents

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

2.7 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 expected loss that may arise. Bad debts are written off when identified.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Maintenance reserves of leased aircraft**

Under the terms of its aircraft operating lease agreements, the Company is legally and contractually responsible for maintenance and repair of the leased aircraft throughout the lease period and is also required to make maintenance reserves with the lessors. The maintenance reserves are recorded as other receivables when there is no significant uncertainty regarding recovery of the reimbursement from lessors. Maintenance reserves made to lessors are typically calculated based on a performance measure, such as flight hours or cycles, and are contractually required to be reimbursed to the Company upon the completion of the required maintenance of the leased aircraft including replacement of life limited parts, engine performance restoration, airframe major structural inspection, landing gear overhaul and auxiliary power unit (APU) heavy repair. If there are excess amounts on maintenance reserves at the expiration of the leases, the lessors are entitled to retain such excess amounts.

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

2.9 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 services and 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 costs of completion and selling expenses.

The Company applies the perpetual system for inventories.

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

2.10 Investments**(a) Trading securities**

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Investments (continued)****(a) Trading securities (continued)**

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

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

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

(b) Investments held-to-maturity

Investments held-to-maturity are investments which the Company's Board of Management has a positive intention and ability to hold until maturity.

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

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

(c) Investments in subsidiaries

Subsidiaries are all entities over which the Company 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 Company controls another entity.

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

(d) Investments in associates

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Investments (continued)****(e) Investments in other entities**

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

(f) Provision for investments in subsidiaries, associates

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

Changes in the provision balance during the accounting period/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.

2.11 Lendings

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

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the period end. Provision for doubtful 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 expected loss that may arise. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

2.12 Fixed assets*Tangible and intangible fixed assets*

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

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

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

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

Disposals

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

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined; and expenses for the purchase of unfinished and undelivered aircraft. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.13 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the separate interim income statement on a straight-line basis over the terms of the lease.

2.14 Prepaid expenses

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

(a) Short-term prepaid expenses

Short-term prepayments mainly comprise rental costs and short-term prepaid aircraft repairs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Prepaid expenses (continued)****(b) Long-term prepaid expenses****(i) Major inspection and overhaul expenditure**

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

(ii) Rotable parts

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

(iii) Tools and instruments

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

2.15 Payables

Classifications of payables are based on their nature as follows:

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

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

2.16 Borrowings

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.17 Bonds issued - Straight bonds**

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

2.18 Accrued expenses

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

2.19 Provisions

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

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

According to the aircraft leasing agreements between the Company and its lessors and the requirements of Vietnam Aviation Authority, the Company has to perform the routine maintenance and periodic maintenance for leased aircraft based on its own Maintenance Planning Development which was developed based on the guidance of airline manufacturers. Routine maintenance will be performed at the Company's cost while the periodic maintenance will be covered by maintenance reserves.

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

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

The provisions for LLP and LDG are determined by the expected future cost of maintenance and replacement for the leased aircraft, having regard to the current fleet plan. At the beginning of lease term and during the period of leasing, the estimated costs are recorded in provisions with a corresponding asset is recognised in long-term prepaid expenses balance. The estimated costs in long-term prepaid expenses are amortised to expenses 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 income statement over the estimated period between maintenance events using the ratios of actual flying hours or cycles and estimated flying hours or cycles between maintenance events.

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

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

(b) Provisions for cost to make good on leased assets

With respect to aircraft operating lease agreements where the Company is required to return the aircraft with adherence to certain maintenance conditions, cost to make good on leased assets is estimated at the inception of the lease based on the present value of the future expected costs at the expiration of the lease in order for the Company to meet the conditions for the return of the aircraft to the lessors, including certain levels of maintenance as well as arranging for final test flights, inspection, custom and deregistration costs, removal of the Company's modifications, if any, and return of the aircraft to a specified location. At the inception of the lease, the estimated cost is recorded in provisions with a corresponding asset is recognised in debit to long-term prepaid expenses. The estimated costs in long-term prepaid expenses are amortised to expenses on a the straight-line basis over the lease term. The increase in the provision due to passage of time is recognised as a financial expense.

2.20 Unearned revenue

Unearned revenue mainly comprises revenue from passenger transportation and ancillary services. The Company records unearned revenue for the future obligations that the Company has to fulfil. Once recognition criteria have been satisfied, unearned revenue will be recognised as revenue in the separate interim income statement to the extent that it has met the recognition criteria.

2.21 Capital and reserves

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Appropriation of profit**

The Company's dividends are recognised as a liability in the Company's separate interim financial statements in the period in which the dividends are approved by the Company's General Meeting of shareholders.

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

2.23 Revenue recognition**(a) Passenger transportation**

Revenue from passenger transportation is recognised in the separate income statement when the transportation is provided or when the ticket expires. The value of unused passenger tickets and miscellaneous charges is recorded in current 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 of 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, sale of in-flight and duty-free merchandise, advertising and commission. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods or services.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Revenue recognition (continued)****(b) Ancillary revenue (continued)**

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

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

Advertising revenue and commission are recorded as ancillary revenue at the time the fee is earned.

(c) Charter flights

Revenue from charter flights is recognised in the separate income statement when the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(d) Aircraft leasing

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

(e) Purchase right option

Revenue from the purchase right option is recognised in the separate 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 or aircraft engines.

(f) Other services

Revenue from services rendered is recognised in the separate interim statement of income in proportion to the stage of completion of the transaction at the end of the annual accounting period. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(g) Interest income

Interest income is recognised on an earned basis.

(h) Dividends income

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Cost of goods sold and services rendered**

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

2.25 Financial expenses

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

2.26 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling goods and providing services, which mainly include advertising and promotion expenses; sale commissions; salary expenses of commercial department staff; social insurance, health insurance, union funding, unemployment insurance for employees of commercial department staff; external services and other expenses.

2.27 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staff; social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff; expenses of office materials; depreciation of fixed assets used for administration; office rental expenses; external services and other expenses.

2.28 Current and deferred income tax

Income tax include all income tax which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including Board of Management of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

2.30 Segment reporting

A segment is a component which can be separated by the Company engaged in providing products or services (“business segment”), or providing products or services within a particular economic environment (“geographical segment”). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company’s business segment and the Company’s geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Company’s separate interim financial statements in order to help users of separate interim financial statements understand and evaluate the Company’s operations in a comprehensive way.

2.31 Accounting estimates

The preparation of separate interim financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial six-month period ended 30 June 2020.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful life of fixed assets (Note 2.11);
- Provision for maintenance cost and cost to make good on leased assets (Note 2.19 and Note 18); and
- Provision for diminution in value of trading securities (Note 2.10(a) and Note (4a)).

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

3 CASH AND CASH EQUIVALENTS

	30.6.2020	31.12.2019
	VND	VND
Cash on hand	16,922,772,322	13,359,045,071
Cash at bank	1,748,328,176,975	3,802,278,472,901
Cash equivalents (*)	639,378,637,380	1,540,178,637,380
	<u>2,404,629,586,677</u>	<u>5,355,816,155,352</u>

(*) 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 4.7% to 5.5% per annum.

As at 30 June 2020, the Company had current and term deposit accounts with total balance of VND1,927 billion (as at 31 December 2019: VND3,275 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank, a related party, at normal trading terms.

4 INVESTMENTS**(a) Trading securities**

	30.6.2020			
	Quantity	Cost VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	400,000,000,000	590,000,000,000
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>400,000,000,000</u>	<u>590,000,000,000</u>
	31.12.2019			
	Quantity	Cost VND	Fair value VND	Provision VND
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	435,000,000,000	555,000,000,000
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>435,000,000,000</u>	<u>555,000,000,000</u>

(*) The fair value of the investment in unlisted shares traded on Unlisted Public Company Market ("Upcom") as at 31 December 2019 and 30 June 2020 is determined by referencing to the Upcom closing prices on the same dates.

During the six-month period ended 30 June 2020, the Company sold the purchase right of these entire 50 million shares to a related party with the amount of VND500 billion (Note 27), in which VND300 billion has been received.

4 INVESTMENTS (continued)

(b) Investments held-to-maturity

	30.6.2020		31.12.2019	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
- Corporate bonds	-	-	709,756,800,000	709,756,800,000
ii. Long-term				
- Term deposits at bank	6,000,000,000	6,000,000,000	6,000,000,000	6,000,000,000
- Business co- operation contract	556,181,818	556,181,818	556,181,818	556,181,818
	<u>6,556,181,818</u>	<u>6,556,181,818</u>	<u>6,556,181,818</u>	<u>6,556,181,818</u>

Corporate bonds earned interest at the rate of 8.9% per annum for the year ended 31 December 2019. In January 2020, the Company transferred its ownership of these bonds to Vietnam Technology and Commercial Joint Stock Bank.

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4 INVESTMENTS (continued)

(c) Investments in other entities

	30.6.2020				31.12.2019			
	Ownership %	Cost VND	Fair value (*) VND	Provision VND	Ownership %	Cost VND	Fair value (*) VND	Provision VND
Investments in subsidiaries								
Vietjet Air Cargo Joint Stock Company	90	9,000,000,000	9,000,000,000	-	90	9,000,000,000	9,000,000,000	-
Vietjet Air IVB No. I Limited (i)	100	-	-	-	100	-	-	-
Vietjet Air IVB No. II Limited (i)	100	-	-	-	100	-	-	-
Vietjet Air Singapore Pte. Ltd. (i)	100	-	-	-	100	-	-	-
Vietjet Air Ireland No. 1 Limited (i)	100	-	-	-	100	-	-	-
		9,000,000,000	9,000,000,000	-		9,000,000,000	9,000,000,000	-
Investments in associates								
Thai Vietjet Air Joint Stock Co., Ltd. (i) (ii)	9	-	-	-	9	-	-	-
Cam Ranh International Terminal Joint Stock Company	10	60,000,000,000	60,000,000,000	-	10	60,000,000,000	60,000,000,000	-
		60,000,000,000	60,000,000,000	-	10	60,000,000,000	60,000,000,000	-
Investments in other entities								
Sai Gon Ground Services Joint Stock Company	9.1	149,417,024,400	149,417,024,400	-	9.1	149,417,024,400	149,417,024,400	-

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

- (*) As at 30 June 2020 and 31 December 2019, the Company has not determined the fair value of these investments to disclose on the separate interim financial statements because they are unlisted.
- (i) As at 30 June 2020, the Company has not yet contributed capital in these subsidiaries and associates. These companies' operations are mainly financed by the Company.
- (ii) On 25 September 2018, the Company signed an agreement with Quince Investment Limited. and Asia Aero Services and Infrastructure Co., Ltd. for a purchase option to increase its ownership in Thai Vietjet Air Joint Stock Co., Ltd. to 38% by 2021. The price of transferred share is equal with par value.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2020	31.12.2019
	VND	VND
Third parties		
Zhejiang Lixi International Travel Co., Ltd.	1,308,129,600,000	1,309,827,000,000
Hangzhou BaoLi Co., Ltd.	465,938,261,680	186,519,377,180
Others	461,094,170,658	760,553,837,752
	<u>2,235,162,032,338</u>	<u>2,256,900,214,932</u>
Related parties (Note 36(b))	1,547,691,927,005	1,077,286,879,360
	<u>3,782,853,959,343</u>	<u>3,334,187,094,292</u>

As at 30 June 2020 and 31 December 2019, there was no balance of short-term trade accounts receivable that was past due or not past due but doubtful.

6 OTHER RECEIVABLES

(a) Short-term

	30.6.2020		31.12.2019	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties				
Deposits for aircraft purchases within next 12 months (i)	2,748,313,241,406	-	3,105,297,136,367	-
Maintenance reserves of lease aircraft	2,243,881,774,817	-	2,078,881,774,817	-
Purchase discounts receivable	157,844,492,479	-	187,968,684,950	-
Claim receivables from maintenance reserves of leased aircraft	149,155,611,749	-	282,879,455,806	-
Interest income	2,056,821,918	-	8,556,268,493	-
Assignment for investments (ii)	19,426,390,810	-	19,426,390,810	-
Others	249,766,431,909	-	356,184,141,740	-
	<u>5,570,444,765,088</u>	<u>-</u>	<u>6,039,193,852,983</u>	<u>-</u>
Related parties (Note 36(b))	<u>4,873,240,163,272</u>	<u>-</u>	<u>2,221,234,446,569</u>	<u>-</u>
	<u><u>10,443,684,928,360</u></u>	<u><u>-</u></u>	<u><u>8,260,428,299,552</u></u>	<u><u>-</u></u>

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

(ii) This balance represents the assignment to the Company's employees for purchasing equity investments on behalf of the Company. As of 30 June 2020, this transaction has not been completed.

6 OTHER RECEIVABLES (continued)**(b) Long-term**

	30.6.2020		31.12.2019	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties				
Maintenance reserves of leased aircraft	6,588,691,425,371	-	6,219,507,324,321	-
Deposit for aircraft purchases after next 12 months (iii)	5,218,158,811,723	-	5,187,416,574,363	-
Deposit for aircraft leases	1,290,578,803,400	-	1,222,663,033,075	-
Deposit for ground handling services	124,971,480,184	-	125,182,456,527	-
Others	59,791,363,888	-	33,259,905,542	-
	<u>13,282,191,884,566</u>	<u>-</u>	<u>12,788,029,293,828</u>	<u>-</u>
Related parties (Note 36(b))	<u>1,001,192,335,782</u>	<u>-</u>	<u>1,599,702,308,477</u>	<u>-</u>
	<u><u>14,283,384,220,348</u></u>	<u><u>-</u></u>	<u><u>14,387,731,602,305</u></u>	<u><u>-</u></u>

(iii) The amounts represent deposits for aircraft purchases from 2021 to 2026 to Airbus S.A.S and Boeing Company. As at 30 June 2020, deposits to Airbus S.A.S amounted to VND2,748 billion (as at 31 December 2019: VND2,995 billion).

7 INVENTORIES

	30.6.2020		31.12.2019	
	Cost VND	Provision VND	Cost VND	Provision VND
Tools and supplies	673,339,621,158	-	747,511,353,298	-
Merchandises	34,976,182,377	-	387,326,539	-
	<u>708,315,803,535</u>	<u>-</u>	<u>747,898,679,837</u>	<u>-</u>

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8 PREPAID EXPENSES

(a) Short-term

	30.6.2020 VND	31.12.2019 VND
Prepayments for aircraft leases	209,820,858,900	355,790,339,276
Prepayments for maintenance expenses	25,231,574,572	23,297,293,810
Others	2,165,605,897	3,250,033,702
	<u>237,218,039,369</u>	<u>382,337,666,788</u>

(b) Long-term

	30.6.2020 VND	31.12.2019 VND
Maintenance cost	4,748,357,496,414	5,782,829,060,991
Costs to make good on leased assets	503,039,192,943	590,235,202,338
Major inspection and overhaul expenditure	106,791,978,642	103,156,115,556
Rotable parts, tools and instruments	96,065,465,326	114,854,388,316
Rental	32,116,601,667	-
	<u>5,486,370,734,992</u>	<u>6,591,074,767,201</u>

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8 PREPAID EXPENSES (continued)

(b) Long-term

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

	Maintenance cost VND	Costs to make good on leased assets VND	Major inspection and overhaul expenditure VND	Rotable parts, tools and instruments VND	Others VND	Total VND
Beginning of period	5,782,829,060,991	590,235,202,338	103,156,115,556	114,854,388,316	-	6,591,074,767,201
Increase	1,000,705,297,947	56,655,038,270	45,569,163,402	39,528,744,094	41,891,219,565	1,184,349,463,278
Allocation	(289,930,439,137)	(83,267,106,013)	(41,933,300,316)	(58,317,667,084)	(9,774,617,898)	(483,223,130,448)
Decrease	(1,745,246,423,387)	(60,583,941,652)	-	-	-	(1,805,830,365,039)
End of period	4,748,357,496,414	503,039,192,943	106,791,978,642	96,065,465,326	32,116,601,667	5,486,370,734,992

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9	FIXED ASSETS	Aircraft and components VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
	(a) Tangible fixed assets					
	Historical cost					
	As at 1 January 2020	1,617,393,753,474	24,440,975,624	19,839,021,566	25,447,116,476	1,687,120,867,140
	Transfers from construction in progress (Note 10)	622,689,934,457	-	-	-	622,689,934,457
	Disposals	(1,343,610,388,704)	-	-	-	(1,343,610,388,704)
	As at 30 June 2020	896,473,299,227	24,440,975,624	19,839,021,566	25,447,116,476	966,200,412,893
	Accumulated depreciation					
	As at 1 January 2020	333,494,428,740	20,999,519,620	16,021,746,370	15,567,080,571	386,082,775,301
	Charge for the period	90,429,524,430	2,058,400,145	1,011,311,055	898,830,992	94,398,066,622
	Disposals	(252,112,476,003)	-	-	-	(252,112,476,003)
	As at 30 June 2020	171,811,477,167	23,057,919,765	17,033,057,425	16,465,911,563	228,368,365,920
	Net book value					
	As at 1 January 2020	1,283,899,324,734	3,441,456,004	3,817,275,196	9,880,035,905	1,301,038,091,839
	As at 30 June 2020	724,661,822,060	1,383,055,859	2,805,964,141	8,981,204,913	737,832,046,973

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

As at 30 Jun 2020, tangible fixed assets with a carrying value of VND714,307 million (as at 31 December 2019: VND734,166 million) were pledged to Military Commercial Joint Stock Bank as collateral or mortgaged assets for long-term borrowings granted to the Company (Note 18(b)(i)).

The historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2020 was VND40,938 million (as at 31 December 2019: VND25,810 million).

(b) Intangible fixed assets

	Software VND
Historical cost	
As at 1 January 2020 and 30 June 2020	29,907,717,155
Accumulated amortisation	
As at 1 January 2020	27,785,412,872
Charge for the period	635,841,461
As at 30 June 2020	28,421,254,333
Net book value	
As at 1 January 2020	2,122,304,283
As at 30 June 2020	1,486,462,822

The historical cost of fully amortised intangible fixed assets as at 30 June 2020 was VND25,856 million (as at 31 December 2019: VND23,574 million).

10 LONG-TERM CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

	30.6.2020 VND	31.12.2019 VND
Aircraft and components	69,153,408,641	716,940,814,342
Aviation Technology Research and Training Centre	561,039,990,655	524,205,333,744
Others	25,832,354,722	17,192,569,005
	<u>656,025,754,018</u>	<u>1,258,338,717,091</u>

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

	For the six-month period ended 30.6.2020 VND	For the year ended 31.12.2019 VND
Beginning of period/year	1,258,338,717,091	1,175,977,845,586
Purchases	64,873,352,231	954,258,313,618
Transfers to tangible fixed assets (Note 9(a))	(622,689,934,457)	(553,403,497,996)
Transfers to other short-term receivables	(44,496,380,847)	(118,470,333,327)
Disposals		(200,023,610,790)
	<u>656,025,754,018</u>	<u>1,258,338,717,091</u>

11 LONG-TERM LENDING

Borrower	Annual Interest rate	Year of maturity	30.6.2020 VND	31.12.2019 VND
Thuy Duong - Duc Binh Commercial Joint Stock Company	9%	2022	<u>-</u>	<u>701,500,000,000</u>

During the period, the Board of Directors of the Company decided to transfer its rights and obligations in the Republic Plaza project to Thuy Duong - Duc Binh Trading Joint Stock Company to support cash flows for the Company's core business activities. Total principal and interest receivables are VND954 billion (Note 36(b)).

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12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2020		31.12.2019	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Petrolimex Aviation Fuel Joint Stock Company	1,013,208,634,993	1,013,208,634,993	972,624,163,512	972,624,163,512
Luffhansa Technik Aktiengesellschaft	6,988,384,378	6,988,384,378	183,196,167,170	183,196,167,170
SR Technics Switzerland Ltd.	378,957,258	378,957,258	173,559,836,354	173,559,836,354
Others	2,877,913,736,084	2,877,913,736,084	556,425,426,676	556,425,426,676
	<u>3,898,489,712,713</u>	<u>3,898,489,712,713</u>	<u>1,885,805,593,712</u>	<u>1,885,805,593,712</u>
Related parties (Note 36(b))				
	95,654,084,132	95,654,084,132	2,613,464,691	2,613,464,691
	<u>3,994,143,796,845</u>	<u>3,994,143,796,845</u>	<u>1,888,419,058,403</u>	<u>1,888,419,058,403</u>

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13 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1.1.2020 VND	(Receivable)/ payable during the period VND	Payment/ net-off during the period VND	Reclassification VND	As at 30.6.2020 VND
a) Tax receivables					
Foreign contractor tax	63,157,879,211	-	-	(14,785,955,879)	48,371,923,332
b) Tax payables					
BIT	376,135,551,438	-	(179,350,686,663)	-	196,784,864,775
Personal income tax	53,753,900,273	169,495,128,418	(101,728,105,492)	-	121,520,923,199
VAT	30,573,052,465	395,092,191,793	(411,029,881,329)	(14,635,362,929)	-
Foreign contractor tax	8,086,238,021	22,154,047,458	(8,037,405,870)	(14,785,955,879)	7,416,923,730
Other tax	-	5,000,000	(5,000,000)	-	-
	468,548,742,197	586,746,367,669	(700,151,079,354)	(29,421,318,808)	325,722,711,704

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14 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2020	31.12.2019
	VND	VND
Third parties		
Beijing China International Travel Service Co., Ltd.	166,008,808,341	206,552,686,391
DAEJOO Air Co., Ltd.	92,617,350,260	16,071,373,256
Sichuan Comfort International Travel Service Co., Ltd.	73,798,894,950	81,971,727,350
Others	262,863,909,077	359,094,113,314
	<u>595,288,962,628</u>	<u>663,689,900,311</u>
Related parties (Note 36(b))	89,038,316,186	61,891,555,165
	<u>684,327,278,814</u>	<u>725,581,455,476</u>

15 SHORT-TERM ACCRUED EXPENSES

	30.6.2020	31.12.2019
	VND	VND
Aircraft related to expenses	1,483,600,147,454	986,211,166,192
Bonus expenses	94,369,443,204	51,909,567,372
Interest expense	32,971,452,045	37,953,919,036
Maintenance expenses	119,255,354,702	16,817,771,642
Others	123,942,879,770	35,175,395,769
	<u>1,854,139,277,175</u>	<u>1,128,067,820,011</u>

16 SHORT-TERM UNEARNED REVENUE

	30.6.2020	31.12.2019
	VND	VND
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	<u>1,143,142,751,682</u>	<u>3,184,286,840,374</u>

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17 SHORT-TERM OTHER PAYABLE

	30.6.2020 VND	31.12.2019 VND
Third parties		
Airport fees and charges payables	806,050,052,717	1,054,454,791,926
Short-term deposits received	182,646,187,464	163,669,310,988
Others	68,101,422,914	19,716,257,257
	<u>1,056,797,663,095</u>	<u>1,237,840,360,171</u>
Related parties (Note 36(b))	4,363,033,292,268	3,922,613,675,300
	<u>5,419,830,955,363</u>	<u>5,160,454,035,471</u>

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18 BORROWINGS	As at 1.1.2020 VND	Increase VND	Decrease VND	Revaluation VND	As at 30.6.2020 VND
(a) Short-term					
Borrowings from banks (i)	8,093,861,628,187	9,441,323,678,683	(11,410,763,822,119)	1,523,714,330	6,125,945,199,081
Current portion of long-term borrowings (Note 18(b))	67,227,620,000	1,313,355,203,894	(32,311,340,000)	658,716,106	1,348,930,200,000
	<u>8,161,089,248,187</u>	<u>10,754,678,882,577</u>	<u>(11,443,075,162,119)</u>	<u>2,182,430,436</u>	<u>7,474,875,399,081</u>

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

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

Lenders	Currency	30.6.2020 VND	31.12.2019 VND
Secured loans			
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (*)	USD	1,723,497,522,119	1,366,643,484,671
Unsecured loans			
Vietnam Joint Stock Commercial Bank of Industry and Trade	VND	1,340,019,259,202	2,398,451,410,411
HSBC Bank (Vietnam) Ltd.	VND	624,343,626,257	950,427,034,104
Joint Stock Commercial Bank for Investment and Development of Vietnam	VND	179,965,593,342	899,694,699,335
Woori Bank Vietnam Limited, Ho Chi Minh City Branch	VND	649,005,888,071	617,544,457,880
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	321,213,653,192	498,769,230,200
Citibank, N.A., Ho Chi Minh City Branch	VND	-	483,399,422,787
Military Commercial Joint Stock Bank	VND	765,604,021,123	291,680,216,686
Vietnam Maritime Commercial Joint Stock Bank	USD	284,679,443,497	268,808,055,678
JPMorgan Chase Bank, N.A., Ho Chi Minh City Branch	USD	28,363,212,466	134,342,641,635
Vietnam Technological and Commercial Joint Stock Bank	USD	-	77,771,609,445
BNP Paribas, Ho Chi Minh City Branch	VND	209,252,979,812	54,799,909,203
United Overseas Bank (Vietnam) Limited, Ho Chi Minh City Branch	VND	-	51,529,456,152
		6,125,945,199,081	8,093,861,628,187

(*) As at 30 June 2020, this loan was secured by the estimated receivables arising from the Company's sales of flight tickets in the future of VND3,973 billion (as at 31 December 2019: VND5,751 billion).

In period, the loans bear interest at rates ranging from 3.0% to 6.2% per annum (year ended 31 December 2019: from 3.1% to 5.5% per annum) for loans in VND and from 1.89% to 3.70% per annum (year ended 31 December 2019: from 2.7% to 3.4% per annum) for loans in USD.

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18 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2020 VND	Increase VND	Decrease VND	Revaluation VND	As at 30.6.2020 VND
Borrowings from banks (i)	3,129,100,142,217	-	(32,311,340,000)	8,025,297,682	3,104,814,099,899
Straight bonds (ii)	600,000,000,000	-	-	-	600,000,000,000
Current portion	(67,227,620,000)	(1,313,355,203,894)	32,311,340,000	(658,716,106)	(1,348,930,200,000)
	<u>3,661,872,522,217</u>	<u>(1,313,355,203,894)</u>	<u>-</u>	<u>7,366,581,576</u>	<u>2,355,883,899,899</u>

(i) Borrowings from banks

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

Lenders	Currency	Maturity	30.6.2020 VND	31.12.2019 VND
Woori Bank - Singapore Branch (*)	USD	November 2021	1,048,500,000,000	1,045,350,000,000
Industrial and Commercial Bank of China Limited				
- Hong Kong Branch (*)	USD	November 2021	1,048,500,000,000	1,045,350,000,000
KEB Hana Bank - Hong Kong Branch (*)	USD	November 2021	466,000,000,000	464,600,000,000
Military Commercial Joint Stock Bank (**)	USD	June 2028	541,814,099,899	573,800,142,217
			<u>3,104,814,099,899</u>	<u>3,129,100,142,217</u>

17 BORROWINGS (continued)**(b) Long-term (continued)****(i) Borrowings from banks (continued)**

(*) This syndicated loan was provided by three banks with total commitments of USD110 million. The grace period of the loan is two years from the drawdown date. The loan's principal is repayable in 4 instalments in 2021. The syndicated loan is unsecured and bears interest at a rate of 3.40% per annum (year ended 31 December 2019: 3.29% per annum).

(**) The principal of this loan 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 loan bears interest rate at a rate of 3.29% per annum (year ended 31 December 2019: from 5.02% to 5.59% per annum) and is secured by the Company's tangible fixed assets with the carrying amount as follows:

	30.6.2020	31.12.2019
	VND	VND
Aircraft No. A320 MSN7167, VNA675 (Note 9(a))	<u>714,307,214,969</u>	<u>734,165,754,457</u>

(ii) Straight bonds

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

	Currency	Annual interest	Year of maturity	30.6.2020	31.12.2019
				VND	VND
Bonds issued at par, maturing after 12 months	VND	9%	2022	<u>600,000,000,000</u>	<u>600,000,000,000</u>

This bond is underwritten by Ho Chi Minh City Securities Corporation; is unsecured; interest is payable in each semi-annual period with a fixed interest rate of 9% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates of 12-month corporate deposits in VND in the following semi-annual periods to the maturity date.

19 PROVISIONS FOR LIABILITIES

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

	Provision for maintenance expenses VND	Provision to make good on leased assets VND	Total VND
Beginning of period	11,735,385,118,489	948,853,047,893	12,684,238,166,382
Increase	1,349,422,546,083	56,655,038,270	1,406,077,584,353
Decrease (*)	(3,063,576,778,996)	(177,526,617,393)	(3,241,103,396,389)
Revaluation	27,416,412,213	38,717,670,838	66,134,083,051
	<hr/>	<hr/>	<hr/>
End of period	10,048,647,297,789	866,699,139,608	10,915,346,437,397
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Short-term	2,174,991,310,826	74,192,962,154	2,249,184,272,980
Long-term	7,873,655,986,963	792,506,177,454	8,666,162,164,417
	<hr/>	<hr/>	<hr/>
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(*) Include the decrease due to a number of aircraft have been sub-leased to a related party.

20 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:

	30.6.2020 VND	31.12.2019 VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	1,949,875,034,087	2,169,914,416,258
Deferred tax assets to be recovered within 12 months	449,836,854,596	404,998,262,165
	<u>2,399,711,888,683</u>	<u>2,574,912,678,423</u>
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	2,329,159,908,114	2,538,820,451,115
Deferred tax liabilities to be recovered within 12 months	448,298,973,426	430,537,167,278
	<u>2,777,458,881,540</u>	<u>2,969,357,618,393</u>
Net-off	<u>(2,399,711,888,683)</u>	<u>(2,574,912,678,423)</u>
	<u>377,746,992,857</u>	<u>394,444,939,970</u>

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

	For the six-month period ended 30.6.2020 VND	For the year ended 31.12.2019 VND
Beginning of period/year	394,444,939,970	374,787,926,130
Income statement (credit)/charge (Note 32)	(16,697,947,113)	19,657,013,840
End of period/year	<u>377,746,992,857</u>	<u>394,444,939,970</u>

20 DEFERRED INCOME TAX (continued)

The Company uses tax rate of 20% in six-month period ended 30 June 2020 (2019: 20%) to determine deferred income tax assets and deferred income tax liabilities.

Deferred income tax assets and deferred income tax liabilities mainly include temporary differences related to aircraft maintenances, unrealized exchange rate differences and accrued expenses.

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.

21 OWNERS' CAPITAL**(a) Number of shares**

	As at 30.6.2020		As at 31.12.2019	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	541,611,334	-	541,611,334	-
Number of shares issued	541,611,334	-	541,611,334	-
Number of shares repurchased	(17,772,740)	-	(17,772,740)	-
Number of existing shares in circulation	523,838,594	-	523,838,594	-

(b) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2019	541,611,334	5,416,113,340,000
Treasury shares purchased during the year (*)	(17,772,740)	(177,727,400,000)
As at 31 December 2019	523,838,594	5,238,385,940,000
As at 30 June 2020	523,838,594	5,238,385,940,000

(*) According to the Resolution No. 28-19/VJC-HDQT-NQ dated 9 July 2019 of the Board of Directors. The purchase of treasury shares was completed on 23 August 2019.

Par value per share: VND10,000.

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

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22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Undistributed earnings VND	Total VND
As at 1 January 2019	5,416,113,340,000	245,949,492,805	-	597,574,322,371	6,259,637,155,176
Net profit for the year	-	-	-	3,108,642,894,811	3,108,642,894,811
Dividends paid in cash (Note 23)	-	-	-	(541,611,334,000)	(541,611,334,000)
Repurchase of treasury shares (Note 21(b))	-	-	(2,347,121,362,620)	-	(2,347,121,362,620)
As at 31 December 2019	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	3,164,605,883,182	6,479,547,353,367
Net loss for the period	-	-	-	(1,440,210,164,470)	(1,440,210,164,470)
As at 30 June 2020	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	1,724,395,718,712	5,039,337,188,897

23 DIVIDENDS

	For the six-month period ended 30.6.2020 VND	For the year ended 31.12.2019 VND
Beginning of period/year	57,789,721,550	59,290,521,050
Dividends payable during the period/year	-	541,611,334,000
Dividends paid in cash	-	(543,108,881,500)
Others	-	(3,252,000)
End of period/year	<u>57,789,721,550</u>	<u>57,789,721,550</u>

Pursuant to the Resolution No. 01-20/VJ-DHCD-DD dated 27 June 2020, the General Meeting of Shareholders of the Company approved the share dividends to its existing shareholders at the rate of 50% on the total par value of existing shares in circulation.

24 OFF BALANCE SHEET ITEMS**(a) Foreign currencies**

	30.6.2020	31.12.2019
USD	3,606,912	100,147,841
KRW	847,118,073	3,567,799,189
JPY	<u>170,575,636</u>	<u>323,634,514</u>

(b) Operating lease assets

The future minimum lease receipts under non-cancellable operating leases were presented in Note 37(a).

25 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Revenue from passenger transportation:		
- Domestic routes	2,600,712,319,642	6,416,656,627,990
- International routes including regular charter flights	2,359,973,390,058	6,865,247,693,368
- Ancillary revenue	3,387,027,407,551	5,429,476,608,556
- Non-regular charter flights and aircraft wet leases	94,917,680,791	273,128,656,971
	<u>8,442,630,798,042</u>	<u>18,984,509,586,885</u>
Revenue from aircraft dry leases	483,814,123,917	333,799,708,087
Assignment fees for purchase right option	174,750,000,000	559,632,000,000
Financing arrangement services	-	133,997,306,724
Other revenue	127,106,379,605	169,823,511,772
	<u>9,228,301,301,564</u>	<u>20,181,762,113,468</u>

26 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Flight operation expenses	10,236,768,636,536	14,398,866,804,818
Technical expenses	1,080,552,332,629	1,602,874,759,767
Decrease in provision (*)	(1,186,285,976,434)	-
Ground operation expenses	804,140,661,334	1,375,126,875,994
Safety, security, quality and assurance expenses	17,304,801,727	21,705,188,040
Cargo expenses	54,227,081,990	21,849,207,232
Others	222,095,085,822	197,622,802,512
	<u>11,228,802,623,604</u>	<u>17,618,045,638,363</u>

(*) This relates to decrease in provision for maintenance expense and cost to make good on leased assets for the aircraft which were sub-leased to a related party during the period.

27 FINANCIAL INCOME

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Income from sales of purchase right of shares (Note 4(a))	500,000,000,000	-
Realised foreign exchange gains	205,088,341,276	21,855,797,744
Net gain from foreign currency translation at period-end	173,585,564,363	-
Interest income from deposits and lending	138,376,423,769	183,934,232,455
Dividend income	-	93,695,547,199
Others	3,966,151,997	27,089,962
	<u>1,021,016,481,405</u>	<u>299,512,667,360</u>

28 FINANCIAL EXPENSES

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Realised foreign exchange losses	335,641,352,529	-
Interest expense	232,229,994,878	140,571,532,313
Unwinding discount of provisions	38,717,670,838	207,275,098,908
Provision for diminution in value of trading securities	35,000,000,000	237,500,000,000
Net loss from foreign currency translation at period-ended	-	3,116,410,531
	<u>641,589,018,245</u>	<u>588,463,041,752</u>

29 SELLING EXPENSES

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Sale commissions	228,614,299,766	321,956,759,285
Advertising and marketing expenses	161,159,337,688	185,320,262,667
Staff costs	57,154,470,446	51,380,393,802
Depreciation	118,708,007	144,393,185
Others	5,259,010,807	6,510,522,755
	<u>452,305,826,714</u>	<u>565,312,331,694</u>

30 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Staff costs	93,800,674,723	82,371,774,073
External service expenses	65,486,571,082	59,105,869,504
Rental expenses	13,331,954,490	16,068,912,040
Depreciation and amortisation	1,183,960,894	1,182,887,903
Others	19,923,553,760	17,482,467,804
	<u>193,726,714,949</u>	<u>176,211,911,324</u>

31 OTHER INCOME AND OTHER EXPENSES

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Other income		
Income from transfer of project (*)	793,160,000,000	-
Others	17,038,288,960	19,913,152,278
	<u>810,198,288,960</u>	<u>19,913,152,278</u>
Other expenses		
Others	-	(84,365,311)
Net other income	<u>810,198,288,960</u>	<u>19,828,786,967</u>

(*) This relates to the transfer of the Company's rights to lease and to operate Vietjet Plaza Building to related parties, in which VND400 billion has been received. Accordingly, the Company has approved the liquidation of the lease contract of Vietjet Plaza Building previously signed with Vietjet Plaza Joint Stock Company.

32 BUSINESS INCOME TAX (“BIT”)

For public passenger and cargo air transportation services, under the terms of current income tax laws, the Company has an obligation to pay the BIT at the rate of 20% of taxable profits.

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

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Net accounting (loss)/profit before tax	(1,456,908,111,583)	1,553,070,644,662
Tax calculated at a rate of 20%	(291,381,622,317)	310,614,128,932
Effect of:		
Expenses not deductible for tax purposes	20,029,875,159	1,360,456,508
Tax losses for which no deferred income tax asset was recognised	254,653,800,045	-
BIT charge (*)	<u>(16,697,947,113)</u>	<u>311,974,585,440</u>
Charged/(credited) to income statement:		
BIT – current	-	301,962,980,044
BIT – deferred (Note 20)	(16,697,947,113)	10,011,605,396
	<u>(16,697,947,113)</u>	<u>311,974,585,440</u>

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

33 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represents all costs incurred during the period, excluding cost of merchandises for trading activities. Details are as follows:

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Fuel costs	3,612,442,835,418	7,486,429,339,620
Staff costs	1,779,420,451,334	2,249,918,691,241
Depreciation and amortisation	95,033,908,083	78,646,452,750
External service and other expenses	5,684,188,529,293	8,544,575,397,770
	<u>11,171,085,724,128</u>	<u>18,359,569,881,381</u>

34 SEGMENT REPORTING

The Board of Management of the Company determines that the Management's decisions of the Company are based primarily on both the types of products and services provided by the Company and the geographic areas in which the Company supplies product and service. As a result, the segment reporting of the Company is presented in respect of the Company's business segments and geographical segments.

(a) Business segment

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

Except as indicated above, the Company has no other business segments being aggregated to form a reportable business segment. Segmental information for total revenue and cost of sales is shown in Note 25 and Note 26 to the separate interim financial statements. All the Company's assets, liabilities, financial income and financial expenses, selling expenses, general and administration expenses, other income and other expenses are unallocated.

(b) Geographical segment

The Company's revenue is presented by geographical areas (by country of destination) as follows:

	For the six-month period ended 30 June	
	2020	2019
	VND	VND
In Vietnam	4,754,099,185,080	9,237,387,169,733
Outside Vietnam	4,474,202,116,484	10,944,374,943,735
	<u>9,228,301,301,564</u>	<u>20,181,762,113,468</u>

35 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE SEPARATE INTERIM CASH FLOW STATEMENT**Non-cash transactions affecting the separate interim cash flow statement**

	For the six-month period ended 30 June	
	2020	2019
	VND	VND
Purchase of fixed assets and other long-term assets that have not been settled	-	296,447,864,777
Net-off proceeds from disposal of fixed assets and construction in progress with other payables	1,135,994,293,548	-
Reclassify to current portion of long-term borrowings	<u>32,311,340,000</u>	<u>67,227,620,000</u>

36 RELATED PARTY DISCLOSURES

During the period/year, the Company had transactions and balances with the following related parties:

Related parties	Relationship
Sovico Holdings Company	Major shareholder
Ho Chi Minh City Development Joint Stock Commercial Bank	Major shareholder
VietJet Air IVB No. I Limited	Subsidiary company
VietJet Air IVB No. II Limited	Subsidiary company
VietJet Air Ireland No. I Limited	Subsidiary company
VietJet Air Singapore Pte. Ltd.	Subsidiary company
VietJet Air Cargo Joint Stock Company	Subsidiary company
Thai VietJet Air Joint Stock Company Limited	Associate company
Cam Ranh International Terminal Joint Stock Company	Associate company
Indochina Architecture Consulting Management Corporation	Other related party
Vietjet Plaza Joint Stock Company	Other related party
Thuy Duong - Duc Binh Commercial Joint Stock Company	Other related party
HD Saigon Finance Co., Ltd	Other related party
Sovico Group Joint Stock Company	Other related party
Phu Long Real Estate Joint Stock Company	Other related party
Angelica Holding Limited	Other related party
Angelica Aircraft Assets Limited	Other related party
Apricot Aircraft Company (Ireland) 8577 Limited	Other related party
Apricot Aircraft Company (Ireland) 8592 Limited	Other related party
Apricot Aircraft Company (Ireland) 8605 Limited	Other related party
Apricot Aircraft Company (Ireland) 8670 Limited	Other related party
Apricot Aircraft Company (Ireland) 8676 Limited	Other related party
AAA Golden Aircraft Star No. 1 Limited	Other related party
World Go International Limited	Other related party

(a) Related party transactions

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

	For the six-month period ended	
	30 June	
	2020	2019
	VND	VND
i) Sale of aircraft rental income		
Vietjet Ireland No.1 Limited	449,421,847,917	299,854,536,724
Thai Vietjet Air Joint Stock Co., Ltd.	34,392,276,000	33,945,171,363
	<u>483,814,123,917</u>	<u>333,799,708,087</u>
ii) Assignment fees for purchase right option		
Vietjet Air IVB No. I Limited	<u>174,750,000,000</u>	<u>559,632,000,000</u>

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30 June	
	2020 VND	2019 VND
iii) Cargo activity		
VietjetAir Cargo Joint Stock Company:		
- Revenue	322,711,447,093	407,948,836,632
- Commission expenses	57,647,972,188	81,589,767,326
	<u>380,359,419,281</u>	<u>489,538,603,958</u>
iv) Revenue from other services		
World Go International Limited	69,947,253,740	193,089,139,300
Thai Vietjet Air Joint Stock Co., Ltd.	16,730,952,543	77,673,564,186
Vietjet Air IVB No. I Limited	-	133,997,306,724
	<u>86,678,206,283</u>	<u>404,760,010,210</u>
v) Financing activities		
<i>Interest income</i>		
Thai Vietjet Air Joint Stock Co., Ltd.	81,305,286,846	65,758,175,116
Thuy Duong - Duc Binh Commercial Joint Stock Company	31,460,986,301	-
Ho Chi Minh City Development Joint Stock Commercial Bank	15,410,285,326	35,632,361,111
HD Saigon Finance Co., Ltd.	-	18,342,032,669
	<u>128,176,558,473</u>	<u>119,732,568,896</u>
<i>Interest expense</i>		
Ho Chi Minh City Development Joint Stock Commercial Bank	51,426,715,665	17,945,518,447
	<u>51,426,715,665</u>	<u>17,945,518,447</u>
<i>Proceeds from borrowings</i>		
Ho Chi Minh City Development Joint Stock Commercial Bank	2,950,244,256,998	3,068,597,229,028
	<u>2,950,244,256,998</u>	<u>3,068,597,229,028</u>

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30 June	
	2020 VND	2019 VND
v) Financing activities (continued)		
<i>Term deposits and certificate of deposits</i>		
Ho Chi Minh City Development Joint Stock Commercial Bank	1,910,000,000,000	4,780,000,000,000
HD Saigon Finance Co., Ltd.	-	204,650,000,000
	<u>1,910,000,000,000</u>	<u>4,984,650,000,000</u>
vi) Investment activities		
<i>Sales of purchase right of trading securities in Petro Vietnam Oil Corporation</i>		
Income (Note 27)	500,000,000,000	-
Cash received	300,000,000,000	-
	<u>800,000,000,000</u>	<u>-</u>
<i>Purchase of corporate bonds issued by Sovico Group Joint Stock Company</i>		
Deposit made	800,000,000,000	-
	<u>800,000,000,000</u>	<u>-</u>
<i>Transfer of rights to operate of Vietjet Plaza building to related parties (Note 31)</i>		
Income	793,160,000,000	-
Cash received	400,000,000,000	-
	<u>1,193,160,000,000</u>	<u>-</u>
<i>Liquidate the rights and obligations in Republic Plaza project of Thuy Duong - Duc Binh Commercial Joint Stock Company (Note 11)</i>		
Reclassify from lending to other receivables	954,254,849,315	-
	<u>954,254,849,315</u>	<u>-</u>

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30 June	
	2020 VND	2019 VND
vi) Investment activities (continued)		
<i>Investment in another project with a related party</i>		
Deposit received	800,000,000,000	-
<i>Income from disposal of fixed assets</i>		
Vietjet Air IVB No. I Limited	1,091,497,912,701	904,149,645,165
vii) Other transactions		
<i>Prepayment for office rental</i>		
Sovico Holdings Joint Stock Company	21,504,159,376	-
<i>Office rental</i>		
Vietjet Plaza Joint Stock Company	24,725,392,472	22,176,853,495
<i>Construction services</i>		
Indochina Architecture Consulting Management Corporation	15,755,052,115	297,130,704,402
<i>Payments and receipts on behalf, net cashflows</i>		
Vietjet Air IVB No. I Limited	1,327,048,301,108	1,436,590,024,309
Thai Vietjet Air Joint Stock Co., Ltd.	557,675,589,773	445,775,979,991
	<u>1,884,723,890,881</u>	<u>1,882,366,004,300</u>

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30 June	
	2020 VND	2019 VND
viii) Compensation of key management		
Gross salaries and other benefits	9,451,851,618	13,786,315,602

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

	30.6.2020 VND	31.12.2019 VND
Cash equivalents		
Ho Chi Minh City Development Joint Stock Commercial Bank	342,400,000,000	610,000,000,000
Short-term trade accounts receivable (Note 5)		
Vietjet Air Ireland No. 1 Limited	1,483,158,795,190	1,034,925,646,349
Thai Vietjet Air Joint Stock Co., Ltd.	34,392,276,000	-
World Go International Co., Ltd.	30,140,855,815	42,361,233,011
	1,547,691,927,005	1,077,286,879,360
Other short-term receivables (Note 6(a))		
Thai Vietjet Air Joint Stock Co., Ltd. (i)	1,634,217,351,766	1,742,602,532,409
Sovico Group Joint Stock Company	800,000,000,000	-
Thuy Duong - Duc Binh Commercial Joint Stock Company (Note 11)	954,254,849,315	221,293,863,014
Vietjet Plaza Joint Stock Company (iv)	623,500,000,000	-
Angelica Holding Limited	147,875,000,000	147,875,000,000
Other related parties (ii)	713,392,962,191	109,463,051,146
	4,873,240,163,272	2,221,234,446,569

(i) The amounts due from associate were unsecured, earned interest at the rate of 5.5% per annum (2019: 5.5% per annum) and are receivable on demand.

(ii) Included in this amount was the receivable of VND393 billion relating to the transfer of the right to operate Vietjet Plaza Building and the receivable of VND200 billion relating to the sale of purchase right of Petro Vietnam Oil Corporation's shares.

36 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2020 VND	31.12.2019 VND
Other long-term receivables (Note 6(b))		
Thai Vietjet Air Joint Stock Co., Ltd. (iii)	468,344,946,987	468,344,946,987
Angelica Holding Limited	295,750,000,000	295,750,000,000
Apricot Aircraft Assets Limited	237,097,388,795	212,107,361,490
Vietjet Plaza Joint Stock Company (iv)	-	623,500,000,000
	<u>1,001,192,335,782</u>	<u>1,599,702,308,477</u>

(iii) The amounts due from associate were unsecured and interest free.

(iv) This is the deposit made in relation to the Vietjet Plaza Building's rental agreement between the Company and Vietjet Plaza Joint Stock Company signed in 2019. During the six-month period ended 30 June 2020, the Company entered into an agreement to liquidate the rental agreement, and at the same time transferred all of the Company's rights to lease, use and operate the building to related parties (Note 31). Accordingly, the deposit has been reclassified to other short-term receivables in the separate interim balance sheet of the Company.

	30.6.2020 VND	31.12.2019 VND
Long-term lending (Note 11)		
Thuy Duong - Duc Binh Commercial Joint Stock Company	-	701,500,000,000
	<u>-</u>	<u>701,500,000,000</u>

**Short-term trade accounts payable
(Note 12)**

Cam Ranh International Terminal Joint Stock Company	61,406,751,534	-
Sovico Holdings Joint Stock Company	24,576,182,144	-
Apricot Aircraft Assets Limited	8,460,673,166	233
Guangzhou Representative of Vietjet Aviation Joint Stock Company	1,210,477,288	2,613,464,458
	<u>95,654,084,132</u>	<u>2,613,464,691</u>

36 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2020 VND	31.12.2019 VND
Short-term advances from customers (Note 14)		
VietJetAir Cargo Joint Stock Company	79,105,588,836	55,618,087,013
VJ Skyclub Limited	6,036,274,995	4,624,954,221
Thai Vietjet Air Joint Stock Company Limited	3,689,696,984	1,189,434,860
Ho Chi Minh City Development Joint Stock Commercial Bank	202,028,161	458,737,661
Sovico Phu Quoc Joint Stock Company	4,727,210	341,410
	<u>89,038,316,186</u>	<u>61,891,555,165</u>
Other short-term payables (Note 17)		
Vietjet Air IVB No. I Limited	3,134,613,688,796	3,463,700,457,358
Sovico Group Joint Stock Company	800,000,000,000	-
Vietjet Plaza Joint Stock Company	281,740,000,000	-
Vietjet Air IVB No. II Limited	78,394,038,300	78,222,273,071
Dividends payable to shareholders	57,789,721,550	57,789,721,550
Sovico Holdings Joint Stock Company	10,495,843,622	8,853,598,721
Thai Vietjet Air Joint Stock Co., Ltd.	-	314,047,624,600
	<u>4,363,033,292,268</u>	<u>3,922,613,675,300</u>
Short-term borrowing (Note 18(a))		
Ho Chi Minh City Development Joint Stock Commercial Bank	<u>1,723,497,522,119</u>	<u>1,366,643,484,671</u>

37 COMMITMENTS**(a) Commitments under operating leases***(i) The Company as a lessee*

The future minimum lease payments under non-cancellable operating leases were as follows:

	30.6.2020 VND	31.12.2019 VND
Within one year	8,622,393,865,453	7,175,642,702,279
Between one and five years	33,258,114,825,585	26,632,618,755,628
Over five years	29,997,651,642,217	28,804,407,584,591
Total minimum payments	<u>71,878,160,333,255</u>	<u>62,612,669,042,498</u>

(ii) The Company as a lessor

The Company signed operating lease contracts. Accordingly, the future minimum lease receipts under non-cancellable operating leases are as follows:

	30.6.2020 VND	31.12.2019 VND
Within one year	992,539,079,896	785,114,095,405
Between one and five years	3,442,364,203,532	2,794,759,136,621
Over five years	1,932,984,592,274	1,837,502,373,770
Total minimum receipts	<u>6,367,887,875,702</u>	<u>5,417,375,605,796</u>

37 COMMITMENTS (continued)**(b) Capital commitments**

The Company has the following approved and contracted commitments:

The Company signed principle purchase agreements and related amendments with Airbus S.A.S to purchase 186 aircraft and with Boeing Company to purchase aircraft. As at 30 June 2020, the Company has received 63 aircraft, the remaining aircraft are scheduled to deliver to the Company until 2026. To power these aircraft, the Company also ordered 106 aircraft engines from CFM International S.A and 90 aircraft engines from United Technologies Corporation (Pratt & Whitney Division), including maintenance services agreements.

Pursuant to the aircraft purchase agreements, the Company's commitments as at 30 June 2020 in relation to pre-delivery payments for remaining aircraft to be delivered (including aircraft engines) were USD2,837 million (as at 31 December 2019: USD2,837 million).

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

38 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with this period's presentation.

The separate interim financial statements were approved by the Board of Management on 31 August 2020.



Hoang Manh Ha
Chief Accountant



Ho Ngoc Yen Phuong
Vice President &
Chief Finance Officer



Nguyễn Thị Phuong Thao
President & Chief Executive Officer

