

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

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

## **CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

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## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CORPORATE INFORMATION

#### Business registration certificate

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

#### Enterprise registration certificate

No. 0102325399 dated 23 July 2007 which was initially issued by the Department of Planning and Investment of Ha Noi City with the latest 28th amendment dated 8 October 2020.

#### Investment registration certificate

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

#### Board of Directors

Mrs. Nguyen Thanh Ha	Chairwoman
Mrs. Nguyen Thi Phuong Thao	Vice Chairwoman
Mr. Nguyen Thanh Hung	Vice Chairman
Mr. Chu Viet Cuong	Member
Mr. Luu Duc Khanh	Member
Mr. Dinh Viet Phuong	Member
Mr. Donal Joshep Boylan	Member

#### Board of Management

Mrs. Nguyen Thi Phuong Thao	Chief Executive Officer
Mr. Dinh Viet Phuong	Permanent Vice President cum Managing Director
Mrs. Ho Ngoc Yen Phuong	Vice President cum Chief Finance Officer
Mr. To Viet Thang	Vice President
Mr. Luong The Phuc	Vice President
Mr. Nguyen Duc Thinh	Vice President
Mr. Nguyen Thanh Son	Vice President
Mrs. Nguyen Thi Thuy Binh	Vice President
Mr. Tran Hoai Nam	Vice President
Mr. Do Xuan Quang	Vice President

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CORPORATE INFORMATION (continued)

<b>Board of Supervision</b>	Mrs. Tran Duong Ngoc Thao	Head (until 29 June 2021)
	Mrs. Doan Thu Huong	Member (until 29 June 2021)
	Mr. Pham Van Dau	Member (until 29 June 2021)
<b>Legal representative</b>	Mrs. Nguyen Thanh Ha	Chairwoman
	Mrs. Nguyen Thi Phuong Thao	Chief Executive Officer
	Mr. Dinh Viet Phuong	Permanent Vice President cum Managing Director
<b>Registered office</b>	302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District Hanoi City, Vietnam	
<b>Auditor</b>	PwC (Vietnam) Limited	

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

### **STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The Board of Management of VietJet Aviation Joint Stock Company (“the Company”) is responsible for preparing consolidated interim financial statements of the Company and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the consolidated interim financial position of the Group as at 30 June 2021, and of the consolidated interim results of its operations and its consolidated interim cash flows for the six-month period then ended. In preparing these consolidated interim financial statements, the Board of Management is required to:

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

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

### **APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

We hereby approve the accompanying consolidated interim financial statements as set out on pages 6 to 73 which give a true and fair view of the consolidated interim financial position of the Group as at 30 June 2021, and of the consolidated interim results of its operations and its consolidated interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements.

On behalf of the Board of Management

Signed

Nguyen Thi Phuong Thao  
Chief Executive Officer

Ho Chi Minh City, SR Vietnam  
17 September 2021



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

We have reviewed the accompanying consolidated interim financial statements of VietJet Aviation Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”) which were prepared on 30 June 2021, and approved by the Board of Management of the Company on 17 September 2021. The consolidated interim financial statements comprise the consolidated interim balance sheet as at 30 June 2021, the consolidated interim income statement and the consolidated interim cash flow statement for the six-month period then ended, and explanatory notes to the consolidated interim financial statements including significant accounting policies, as set out on pages 6 to 73.

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

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

### **Auditor’s Responsibility**

Our responsibility is to express a conclusion on this consolidated 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 consolidated interim financial statements do not present fairly, in all material respects, the consolidated interim financial position of the Group as at 30 June 2021, its consolidated interim financial performance and consolidated interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated interim financial statements.

## Emphasis of Matter

We draw attention to Note 2.2 in the consolidated interim financial statements, which indicates the impact of the COVID-19 pandemic on the Group's operations. The Group's ability to continue as a going concern depends on the Group's ability to generate sufficient cash flows from aviation activities and other 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 Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Other Matter

The report on review of consolidated 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: HCM11216  
Ho Chi Minh City, 17 September 2021

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 01a – DN/HN

CONSOLIDATED INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>25,201,802,739,094</b>	<b>25,382,768,751,524</b>
<b>110</b>	<b>Cash and cash equivalents</b>	4	<b>1,517,051,455,785</b>	<b>2,926,425,627,363</b>
111	Cash		1,016,582,804,508	1,240,956,976,086
112	Cash equivalents		500,468,651,277	1,685,468,651,277
<b>120</b>	<b>Short-term investments</b>		<b>764,110,000,000</b>	<b>604,000,000,000</b>
121	Trading securities	5(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	5(a)	(230,000,000,000)	(390,000,000,000)
123	Investments held to maturity		4,110,000,000	4,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>21,973,763,482,188</b>	<b>20,896,413,814,943</b>
131	Short-term trade accounts receivable	6	9,105,102,605,688	8,595,121,205,429
132	Short-term prepayments to suppliers	7	295,276,884,849	163,063,451,513
136	Other short-term receivables	8(a)	12,573,383,991,651	12,138,229,158,001
<b>140</b>	<b>Inventories</b>	9	<b>845,551,080,154</b>	<b>712,093,262,127</b>
141	Inventories		845,551,080,154	712,093,262,127
<b>150</b>	<b>Other current assets</b>		<b>101,326,720,967</b>	<b>243,836,047,091</b>
151	Short-term prepaid expenses	10(a)	78,040,660,959	212,806,066,718
152	Value Added Tax to be reclaimed		4,725,439,944	2,665,999,116
153	Tax and other receivables from the State	16(a)	18,560,620,064	28,363,981,257

The notes on pages 12 to 73 are an integral part of these consolidated interim financial statements.



VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 01a – DN/HN

CONSOLIDATED INTERIM BALANCE SHEET  
(continued)

Code	ASSETS (continued)	Note	As at	
			30.6.2021 VND	31.12.2020 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>24,654,093,682,247</b>	<b>19,814,061,480,237</b>
<b>210</b>	<b>Long-term receivables</b>		<b>17,305,479,530,405</b>	<b>12,969,528,319,817</b>
215	Long-term lendings	13	796,538,796,712	499,159,644,000
216	Other long-term receivables	8(b)	16,508,940,733,693	12,470,368,675,817
<b>220</b>	<b>Fixed assets</b>		<b>818,929,373,579</b>	<b>850,496,391,339</b>
221	Tangible fixed assets	11(a)	817,243,985,388	849,424,949,655
222	Historical cost		1,126,525,456,000	1,123,923,896,200
223	Accumulated depreciation		(309,281,470,612)	(274,498,946,545)
227	Intangible fixed assets	11(b)	1,685,388,191	1,071,441,684
228	Historical cost		32,342,701,655	30,834,110,655
229	Accumulated amortisation		(30,657,313,464)	(29,762,668,971)
<b>240</b>	<b>Long-term assets in progress</b>		<b>881,587,119,629</b>	<b>804,241,395,933</b>
242	Construction in progress	12	881,587,119,629	804,241,395,933
<b>250</b>	<b>Long-term investments</b>		<b>191,687,884,108</b>	<b>198,244,065,926</b>
252	Investments in associates	5(b)	42,270,859,708	42,270,859,708
253	Investment in other entities	5(c)	149,417,024,400	149,417,024,400
255	Investments held to maturity		-	6,556,181,818
<b>260</b>	<b>Other long-term assets</b>		<b>5,456,409,774,526</b>	<b>4,991,551,307,222</b>
261	Long-term prepaid expenses	10(b)	5,456,409,774,526	4,991,551,307,222
<b>270</b>	<b>TOTAL ASSETS</b>		<b>49,855,896,421,341</b>	<b>45,196,830,231,761</b>

The notes on pages 12 to 73 are an integral part of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 01a – DN/HN

CONSOLIDATED INTERIM BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
<b>300</b>	<b>LIABILITIES</b>		<b>32,880,376,199,615</b>	<b>30,218,431,246,643</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>19,302,209,007,967</b>	<b>19,833,798,568,095</b>
311	Short-term trade accounts payable	14	5,082,826,818,559	3,421,611,923,374
312	Short-term advances from customers	15	540,418,023,099	772,902,367,939
313	Tax and other payables to the State	16(b)	246,365,810,918	293,546,908,739
314	Payable to employees		43,825,541,277	62,911,822,426
315	Short-term accrued expenses	17	877,568,161,508	867,910,965,757
318	Short-term unearned revenue	18	215,839,956,739	867,654,596,914
319	Other short-term payables	19(a)	2,415,376,791,205	1,588,286,971,646
320	Short-term borrowings	20(a)	7,741,487,554,022	10,094,815,636,734
321	Provision for short-term liabilities	21	1,804,991,310,826	1,864,157,374,566
322	Bonus and welfare fund	22	333,509,039,814	-
<b>330</b>	<b>Long-term liabilities</b>		<b>13,578,167,191,648</b>	<b>10,384,632,678,548</b>
337	Other long-term payables	19(b)	62,930,640,440	42,376,777,401
338	Long-term borrowings	20(b)	3,647,272,351,574	1,347,040,509,856
341	Deferred income tax liabilities	23	97,841,190,548	67,824,775,143
342	Provision for long-term liabilities	21	9,770,123,009,086	8,927,390,616,148
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>16,975,520,221,726</b>	<b>14,978,398,985,118</b>
<b>410</b>	<b>Capital and reserves</b>		<b>16,975,520,221,726</b>	<b>14,978,398,985,118</b>
411	Owners' capital	24, 25	5,416,113,340,000	5,416,113,340,000
411a	- Ordinary shares with voting rights		5,416,113,340,000	5,416,113,340,000
412	Share premium	25	247,483,117,899	245,949,492,805
415	Treasury shares	25	-	(2,347,121,362,620)
417	Foreign exchange differences	25	(31,594,204,976)	73,551,097,850
421	Undistributed earnings	25	11,330,927,239,353	11,589,250,587,139
421a	- Undistributed post-tax profits of previous years		11,208,574,467,791	11,520,659,436,312
421b	- Post-tax profits of current period/year		122,352,771,562	68,591,150,827
429	Non-controlling interests	24	12,590,729,450	655,829,944
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>49,855,896,421,341</b>	<b>45,196,830,231,761</b>

Signed  
Pham Ngoc Thoa  
Chief Accountant

Signed  
Ho Ngoc Yen Phuong  
Vice President  
cum Chief Finance Officer

Signed  
Dinh Viet Phuong  
Permanent Vice President  
cum Managing Director  
17 September 2021

The notes on pages 12 to 73 are an integral part of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 02a – DN/HN

CONSOLIDATED INTERIM INCOME STATEMENT

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services	7,556,034,016,439	10,970,344,802,776
10	Net revenue from sales of goods and rendering of services	29 7,556,034,016,439	10,970,344,802,776
11	Cost of goods sold and services rendered	30 (10,437,850,844,708)	(12,425,508,789,387)
20	Gross loss from sales of goods and rendering of services	(2,881,816,828,269)	(1,455,163,986,611)
21	Financial income	31 3,776,035,445,464	1,027,559,419,796
22	Financial expenses	32 (203,454,663,120)	(641,890,779,130)
23	- Including: Interest expense	32 (290,253,736,292)	(232,229,994,878)
24	Share of losses from associates	-	(65,311,575,000)
25	Selling expenses	33 (344,676,149,912)	(397,215,916,425)
26	General and administration expenses	34 (189,443,209,997)	(197,812,372,142)
30	Net operating profit/(loss)	156,644,594,166	(1,729,835,209,512)
31	Other income	8,718,554,848	1,778,172,235,760
32	Other expenses	(287,762,402)	(21,054,531)
40	Net other income	8,430,792,446	1,778,151,181,229
50	Net accounting profit before tax	165,075,386,612	48,315,971,717
51	Business income tax ("BIT") - current	35 (13,225,950,927)	(18,368,316,325)
52	BIT - deferred	35, 23 (30,016,415,405)	16,697,947,111
60	Net profit after tax	121,833,020,280	46,645,602,503
	Attributable to:		
61	Shareholders of the Company	124,079,557,849	46,139,949,209
62	Non-controlling interests	(2,246,537,569)	505,653,294
70	Basic earnings per share	27(a) 235	88
71	Diluted earnings per share	27(b) 235	88

Signed  
Pham Ngoc Thoa  
Chief Accountant

Signed  
Ho Ngoc Yen Phuong  
Vice President  
cum Chief Finance Officer

Signed  
Dinh Viet Phuong  
Permanent Vice President  
cum Managing Director  
17 September 2021

The notes on pages 12 to 73 are an integral part of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 03a – DN/HN

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

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Net accounting profit before tax</b>	<b>165,075,386,612</b>	<b>48,315,971,717</b>
	Adjustments for:		
02	Depreciation and amortisation	41,487,003,427	95,189,458,137
03	Provisions	655,417,158,693	5,804,553,003
04	Unrealised foreign exchange losses/(gains)	36,806,022,285	(173,736,133,771)
05	Profits from investing activities	(145,788,803,369)	(1,846,468,829,112)
06	Interest expense	290,253,736,292	232,229,994,878
<b>08</b>	<b>Operating profit/(loss) before changes in working capital</b>	<b>1,043,250,503,940</b>	<b>(1,638,664,985,148)</b>
09	Increase in receivables	(5,445,038,705,204)	(874,788,673,422)
10	(Increase)/decrease in inventories	(133,457,818,027)	39,582,876,302
11	Increase in payables	1,448,531,079,078	1,410,279,134,863
12	Increase in prepaid expenses	(330,093,061,545)	(555,893,142,984)
14	Interest paid	(229,677,563,970)	(237,212,461,869)
15	BIT paid	(4,907,302,972)	(192,653,118,043)
17	Other payments on operating activities	(47,167,079,534)	-
<b>20</b>	<b>Net cash outflows from operating activities</b>	<b>(3,698,559,948,234)</b>	<b>(2,049,350,370,301)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(111,741,615,191)	(64,873,352,231)
22	Proceeds from disposals of fixed assets and long-term assets	-	302,271,831,289
23	Loans and term deposits granted	(110,000,000)	-
24	Collection of debt instruments of other entity	6,556,181,818	709,756,800,000
25	Investments in other entity	(21,806,385,793)	-
27	Interest received	134,521,863,044	150,979,215,336
<b>30</b>	<b>Net cash inflows from investing activities</b>	<b>7,420,043,878</b>	<b>1,098,134,494,394</b>

The notes on pages 12 to 73 are an integral part of these consolidated interim financial statements.

VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 03a – DN/HN

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

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from sale of treasury shares	2,348,654,987,714	-
33	Proceeds from borrowings	8,525,838,887,299	9,441,323,678,683
34	Repayments of borrowings	(8,579,124,237,576)	(11,443,075,162,119)
<b>40</b>	<b>Net cash inflows/(outflows) from financing activities</b>	<b>2,295,369,637,437</b>	<b>(2,001,751,483,436)</b>
<b>50</b>	<b>Net decrease in cash and cash equivalents</b>	<b>(1,395,770,266,919)</b>	<b>(2,952,967,359,343)</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of period</b>	<b>2,926,425,627,363</b>	<b>5,364,049,804,580</b>
61	Effect of foreign exchange differences	(13,603,904,659)	2,490,916,680
<b>70</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,517,051,455,785</b>	<b>2,413,573,361,917</b>

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

Signed  
Pham Ngoc Thoa  
Chief Accountant

Signed  
Ho Ngoc Yen Phuong  
Vice President  
cum Chief Finance Officer

Signed  
Dinh Viet Phuong  
Permanent Vice President  
cum Managing Director  
17 September 2021

The notes on pages 12 to 73 are an integral part of these consolidated interim financial statements.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

**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 28th amended Enterprise registration certificate dated 8 October 2020.

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

The normal business cycle of the Group is 12 months.

## VIETJET AVIATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### 1 GENERAL INFORMATION

As at 30 June 2021, the Group had 8 subsidiaries and 2 associates. Details are as follows:

	Principal activities	Enterprise registration certificate	Place of incorporation and operation	30.6.2021		30.12.2020	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
<b>Directly-owned subsidiaries</b>							
Vietjet Air IVB No. I Limited	To trade and lease aircraft and aircraft components	No. 1825671 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air IVB No. II Limited	To trade and lease aircraft	No. 1825613 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air Singapore Pte. Ltd.	To trade aircraft	No. 201408849N dated 27 March 2014	Singapore	100	100	100	100
Vietjet Air Ireland No. 1 Limited	To trade and lease aircraft	No. 544879 dated 3 June 2014	Ireland	100	100	100	100
Galaxy Pay Company Limited	To provide payment services (online payment, e-wallet)	No. 0316368255 dated 7 July 2020	Vietnam	100	100	100	100
Swift 247 Joint Stock Company	To provide transportation related support services	No. 0315524536 dated 23 February 2019	Vietnam	67	67	-	-
VietjetAir Cargo Joint Stock Company	To provide cargo transportation and related support services	No. 0312759089 dated 27 August 2014	Vietnam	-	-	90	90
<b>Indirectly-owned subsidiaries</b>							
Skymate Limited	To trade and lease aircraft	No. 327015 dated 15 September 2017	Cayman Islands	100	100	100	100
VietjetAir Cargo Joint Stock Company	To provide cargo transportation and related support services	No. 0312759089 dated 27 August 2014	Vietnam	64	67	-	-
<b>Associates</b>							
Thai Vietjet Air Joint Stock Co., Ltd. (*)	To provide passenger and cargo transportation and related support services	No. 0105556100551 dated 25 June 2013	Thailand	9	9	9	9
Cam Ranh International Terminal Joint Stock Company (*)	To provide direct support services for airline transportation	No. 4201676638 dated 5 February 2016	Vietnam	10	10	10	10

**1 GENERAL INFORMATION (continued)**

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

As at 30 June 2021, the Group had 5,538 employees (as at 31 December 2020: 5,504 employees).

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of consolidated interim financial statements**

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements. The consolidated interim financial statements have been prepared under the historical cost convention, except for investments in associates and business combinations as presented in Note 2.11.

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

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

**2.2 Assessment of going concern assumption**

The wide spread of the COVID-19 pandemic since the beginning of 2020 has created a fluid and challenging situation for all industries, including the aviation industry. In Vietnam, the fourth wave of COVID-19 resurgence in May 2021, which was driven by the Delta variant, and which spread to most localities, caused difficulties and challenges to all corporations, including the Group.

The travel and border restrictions that have been implemented in Vietnam and other countries around the world have led to a significant fall in the demand for air travel, which has affected the Group's financial performance and cash flows. As a consequence, the Group reported a gross loss from the main aviation business of VND2,882 billion for the six-month period ended 30 June 2021 (six-month period ended 30 June 2020: VND1,455 billion). These conditions indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

In order to cope with the effects of the COVID-19 pandemic, the Group has implemented several measures to weather this challenging time. These efforts are ongoing, as the Group continues to seek support from its vendors and business partners in order to address its cash flow requirements. The following measures have been taken, with further additional efforts to be taken:



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2 Assessment on going concern assumption (continued)****(i) Recovery from COVID-19 Pandemic**

The resurgences of COVID-19 across the country, which have been driven by the Delta variant, have seriously affected the ability of the aviation industry, in general, and the Group, in particular, to generate operating cash flows.

However, there are positive signs regarding the process of COVID-19 vaccination campaigns in countries around the world, including Vietnam. The Government of Vietnam has been running its largest-ever vaccination campaign, totalling more than 150 million doses, with the expectation that the vaccination rate of people aged 18 and above will increase to at least 50% by the end of 2021, and exceed 70% by the end of the first quarter of 2022. Accordingly, the Group is expecting the domestic and international flight routes to be reopened in the 4th Quarter of 2021 and by the end of the 1st Quarter of 2022, respectively, and the aviation market will gradually return to normal course of business by the end of 2022, and grow from 2023 onwards.

In addition to the support of the Government of Vietnam - such as through Decree No. 41/2020/ND-CP, dated 8 April 2020, which extended the deadlines for payments of taxes; Resolution 1148/2020/UBTVQH14, dated 21 December 2020, on the reduction of environmental protection tax from 3,000 VND/litter to 2,100 VND/litter from 1 January 2021 to 31 December 2021; and Resolution 84/NQ-CP, on the reduction of take-off costs by 50% from March to September 2020, the application period of which the Ministry of Transportation has proposed to extend until the end of 2021 - the Group has been actively implementing a number of measures in its operations and business activities to cope with and minimise external impacts, including but not limited to the following:

- developing and upgrading the SkyBoss products and services, ancillary services and Power Pass cards, in-flight internet and wi-fi services, souvenir and duty-free goods, air transport and passenger health care services, air transport and leisure travel services;
- deploying financial technology (Fintech) solutions to provide intermediary payment services such as online payment gateway services, e-wallets (VietJet – Galaxy Pay has been granted an intermediary payment services licence);
- executing aircraft financing and trading solutions;
- controlling and optimising the operation costs;
- reducing ground service costs, through the commissioning of the VietJet Ground Operations Center at Noi Bai International Airport, since September 2020;
- developing IATA Travel Pass and Passport Vaccine mobile applications; and
- cooperating with international partners to expand and develop the domestic and international cargo transportation services.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Assessment of going concern assumption (continued)

(ii) Working capital management

The Group has been successful in negotiating with banks and certain lessors regarding the financial resources to restructure the aircraft operating leases and lease terms. The Group is currently in the process of negotiating further waivers or deferrals of lease payments with lessors for a longer period, until the aviation industry recovers.

Furthermore, the Group has performed a comprehensive review of the operation's efficiency and implemented cost-saving measures, including but not limited to: negotiating with suppliers for reductions to the charges for airport handling, technical activities, and other services.

(iii) Funding

Certain banks have provided financial supports by extending their borrowing maturity period. On 7 September 2021, the State Bank of Vietnam issued Circular No.14/2021/TT-NHNN which provides guidance on the credit institution and branch of foreign banks on debt rescheduling, interest and fee exempting or reducing to assist borrowers who are affected by Covid-19 pandemic. In addition, the Group is in the process of negotiating with lessors to restructure the aircraft lease costs to be more appropriate for the current situation.

Pursuant to Board of Directors' Resolution No. 10-21/VJC-HĐQT-NQ, dated 5 March 2021, the Group completed the sale of 17,772,740 treasury shares in April 2021, in order to strengthen its cash position and liquidity.

The Group has also been successful in issuing corporate bonds during the first six months of 2021, for a total amount of VND2,300 billion. In addition, as approved by the shareholders at the Annual General Meeting of 2021, the Group has plans to sell stakes via a private placement, and to raise USD300 million through an international bond issuance, in order to strengthen the Group's financial capacity and ensure the sustainable development of Group's aviation activities.

Considering the aforementioned factors, the Board of Directors and the Board of Management are of the opinion that the Group 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 from the date of the consolidated interim financial statements. Accordingly, the consolidated interim financial statements for the six-month period ended 30 June 2021 have been prepared on a going concern basis.

### 2.3 Fiscal year

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Currency

The consolidated interim financial statements are measured and presented in the Vietnamese Dong (“VND” or “Dong”). The Group determines their accounting currencies based on the currencies which are mainly used in sales of goods and rendering of services, which have a significant impact on selling prices of goods and services, which are normally used for listing selling prices and receiving payments; which are mainly used in purchases of goods or services, which have a significant impact on costs of labour, materials and other production or operating costs and normally used as payments for those costs.

In addition, the Group also uses this currency to raise financial resources (such as via issuance of shares or bonds) and regularly collect these currencies from business operations and savings.

For consolidation purposes, if the currencies used on financial statements of subsidiaries are different from that of the Company, the Company is required to translate those financial statements into the currency used in the Company’s financial statements under the following principles:

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

### 2.5 Exchange rates

Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial banks where the Group regularly trades. The Group ensures that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate and does not materially influence the financial position and the results of operation during the fiscal year. The average transfer exchange rate is determined monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial banks. Foreign exchange differences arising from these translations are recognised in the consolidated interim income statement.

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

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

**2.6 Basis of consolidation****Subsidiaries**

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

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

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

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

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

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

**2.6 Basis of consolidation (continued)**

**Non-controlling transactions and interests**

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

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

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

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

**Associates**

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

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

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

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

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

**2.6 Basis of consolidation (continued)**

**Goodwill**

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

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

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

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

**2.7 Cash and cash equivalents**

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

**2.8 Receivables**

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

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

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

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

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

**2.10 Inventories**

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

The Group applies the perpetual system for inventories.

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

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

**2.11 Investments**

**(a) Trading securities**

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

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the 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.

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

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

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

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

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

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

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

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



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

**2.11 Investments (continued)**

**(c) Investments in other entities**

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

Provision for investments in other entities are made when there is a diminution in value of the investments at the period end. Regarding investments in listed shares or the investments whose fair value can be determined reliably, the provision for diminution in value is made when the cost is higher than the market value. For other investments, provision for diminution in value is made when the entities make losses.

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.

**2.12 Lendings**

Lendings are lendings granted for interest earning 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 lending is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure 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, such expenditure is charged to the consolidated interim income statement when incurred.

*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
Motor 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 consolidated 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, which are recorded at cost and comprise of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew or equip the projects with technologies as construction costs; costs of tools and equipment; construction consulting expenditure; and expenses for the purchase of unfinished and undelivered aircraft. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

**2.14 Leased assets**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.15 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the consolidated 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 aircraft leases and short-term prepaid expenses for aircraft repairs.

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

**2.16 Payables**

Classifications of payables are based on their nature as follows:

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

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

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

### **2.17 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 consolidated interim balance sheet based on the remaining period from the consolidated interim balance sheet date to the maturity date.

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

### **2.18 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.

### **2.19 Accrued expenses**

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

### **2.20 Provisions**

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

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

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Provisions (continued)**

In accordance with the Group's policy:

- with respect to Japanese Operating Leases with Call Option Contracts – JOLCO, maintenance costs are recognised as a long-term prepaid expense when incurred and amortised to cost of goods sold using the basis of actual flight hours or cycles to the next maintenance event (Note 2.15(b)(i));
- with respect to other aircraft operating leases, according to the agreements between the Group and its lessors, and the requirements of Vietnam Aviation Authority, the Group has obligations to perform the routine and periodic maintenance for leased aircraft based on their respective maintenance plans which were developed based on the guidance of airline manufacturers.

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

The provisions for periodic maintenance expenses include four (4) main parts:

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

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

The provisions for CPR and APU are accrued and charged to the consolidated interim income statement based on maintenance rates per flight hour or cycle agreed in maintenance agreements and actual flight hours or cycles during the period.

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

With respect to aircraft operating lease agreements where the Group 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 Group to meet the conditions for the return of the aircraft to the lessors, including certain levels of maintenance as well as arranging for final test flights, inspection, custom and deregistration costs, removal of the Group's modifications (if any), cost for fuselage painting, 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 in the consolidated income statement on a straight-line basis over the lease term.

**2.21 Unearned revenue**

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

**2.22 Capital and reserves**

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

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

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

**2.23 Appropriation of profit**

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

Profit after 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.

**Bonus and welfare fund**

Bonus and welfare fund is appropriated from the Company's profit after BIT and subject to Resolution of the Board of Directors. This fund is presented as a liability on the balance sheet. This fund is used for reward and encouragement of physical benefits, serving the needs of public welfare, improvement and enhancement of the standard of physical and spirit life of workers.

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

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

**(b) Ancillary revenue**

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

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

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

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

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group 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 Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

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

**(d) Revenue from aircraft leasing**

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

**(e) Sales and leaseback transaction**

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

For a transaction that results in an operating lease:

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

**Revenue from sales of aircraft**

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

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

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



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

**2.24 Revenue recognition (continued)**

**(g) Interest income**

Interest income is recognised on an earned basis.

**(h) Dividend income**

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

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

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

**2.26 Financial expenses**

Financial expenses are expenses incurred in the period for financial activities 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.

**2.27 Selling expenses**

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

**2.28 General and administration expenses**

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

**2.29 Current and deferred income tax**

Income tax 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.29 Current and deferred income tax (continued)**

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

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

**2.30 Related parties**

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

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

**2.31 Segment reporting**

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

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

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

The preparation of consolidated interim financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated interim financial statements and the reported amounts of revenues and expenses during the six-month period ended 30 June 2021.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful lives of fixed assets (Note 2.13);
- Provisions for maintenance costs and cost to make good on leased assets (Note 2.20 and Note 21); and
- Deferred income tax assets (Note 2.29 and Note 23).

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

**3 BUSINESS COMBINATION****Acquisition of Swift 247 Company Limited**

On 15 January 2021, the Group completed its acquisition of 67% ownership interest in Swift 247 Company Limited at the price of VND31.5 billion via capital contribution in the form of cash payment of VND22.5 billion and 90% of shares in VietjetAir Cargo Joint Stock Company (equivalent to VND9 billion). Accordingly, VietjetAir Cargo Joint Stock Company is structured as a subsidiary of Swift 247 Company Limited and is an indirectly-owned subsidiary of the Group.

**3 BUSINESS COMBINATION (continued)****Acquisition of Swift 247 Company Limited (continued)**

The impact of this business combination to the Group's identifiable assets and liabilities is as follows:

	<b>Identifiable fair value as at the acquisition date VND</b>
<b>Assets</b>	
Cash and cash equivalents	38,593,614,207
Short-term investment	110,000,000
Accounts receivable	508,390,713
Other current assets	5,002,845,592
Fixed assets	971,604,056
Long-term investment	9,000,000,000
	<u><b>54,186,454,568</b></u>
<b>Liabilities</b>	
Short-term liabilities	16,420,739,275
	<u><b>16,420,739,275</b></u>
<b>Net assets</b>	<u><b>37,765,715,293</b></u>
Goodwill (*)	6,188,935,495
Non-controlling interests	(12,454,650,788)
Total consideration	<u><u><b>31,500,000,000</b></u></u>

(\*) The Group amortises the entire goodwill into the six-month period ended 30 June 2021.

**4 CASH AND CASH EQUIVALENTS**

	<b>30.6.2021 VND</b>	<b>31.12.2020 VND</b>
Cash on hand	9,657,440,250	14,145,044,804
Cash at banks	1,006,925,314,258	1,226,811,931,282
Cash in transit	50,000	-
Cash equivalents (*)	500,468,651,277	1,685,468,651,277
	<u><u><b>1,517,051,455,785</b></u></u>	<u><u><b>2,926,425,627,363</b></u></u>

**4 CASH AND CASH EQUIVALENTS (continued)**

- (\*) Cash equivalents mainly include term deposits in VND at banks with original maturities of 3 months or less and earn interest at rates ranging from 3.2% to 3.4% per annum (year ended 31 December 2020: from 3% to 4% per annum).

As at 30 June 2021, the Group had current and term deposit accounts with total balance of VND569 billion (as at 31 December 2020: VND1,947 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank, a related party, with normal trading terms.

**5 INVESTMENTS****(a) Trading securities**

	<b>As at 30.6.2021</b>			
	<b>Quantity</b>	<b>Cost VND</b>	<b>Fair value (*) VND</b>	<b>Provision VND</b>
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	760,000,000,000	230,000,000,000
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>760,000,000,000</u>	<u>230,000,000,000</u>
	<b>As at 31.12.2020</b>			
	<b>Quantity</b>	<b>Cost VND</b>	<b>Fair value (*) VND</b>	<b>Provision VND</b>
Petro Vietnam Oil Corporation	50,000,000	990,000,000,000	600,000,000,000	390,000,000,000
	<u>50,000,000</u>	<u>990,000,000,000</u>	<u>600,000,000,000</u>	<u>390,000,000,000</u>

- (\*) The fair value of the investment in unlisted shares traded on Unlisted Public Company Market (“Upcom”) as at 30 June 2021 and 31 December 2020 is determined by referencing to the Upcom closing prices on the same dates.

The Group has entered into non-cancellable agreement to sell the purchase right option for the 50 million shares in Petro Vietnam Oil Corporation (“PV Oil”) for an amount of VND500 billion, of which VND300 billion has been received. Accordingly, the buyer will have option to purchase these shares at a pre-determined price in the specific required period.

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5 INVESTMENTS (continued)

(b) Investments in associates

	As at 30.6.2021			As at 31.12.2020		
	Ownership %	Cost VND	Net value owned by the Group VND	Ownership %	Cost VND	Net value owned by the Group VND
Thai Vietjet Air Joint Stock Co., Ltd. (i)	9	-	-	9	-	-
Cam Ranh International Terminal Joint Stock Company	10	60,000,000,000	42,270,859,708	10	60,000,000,000	42,270,859,708
		<u>60,000,000,000</u>	<u>42,270,859,708</u>		<u>60,000,000,000</u>	<u>42,270,859,708</u>

(c) Investments in other entities

	As at 30.6.2021				As at 31.12.2020			
	Ownership %	Cost VND	Fair value VND	Provision VND	Ownership %	Cost VND	Fair value VND	Provision VND
Sai Gon Ground Services Joint Stock Company (ii)	9.1	149,417,024,400	211,196,718,000	-	9.1	149,417,024,400	215,787,951,000	-
Angelica Holding Limited (iii)	10	-	-	-	10	-	-	-
		<u>149,417,024,400</u>	<u>211,196,718,000</u>	<u>-</u>		<u>149,417,024,400</u>	<u>215,787,951,000</u>	<u>-</u>

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

- (i) On 25 September 2018, the Group signed an agreement with Quince Investment Limited and Asia Aero Services and Infrastructure Limited relating to a purchase option to increase its ownership in Thai Vietjet Air Joint Stock Company to 38%, for an amount of THB79 billion, by 31 December 2021. The price of the transferred shares is equal to the par value. However, as at the approval date of these consolidated interim financial statements, the involved parties have been negotiating to increase the Group's ownership to 38% in 2022, or when the aviation market recovers after COVID-19.
- (ii) The fair value of other investments in listed shares is determined by reference to the closing prices on the Ho Chi Minh City Stock Exchange.
- (iii) As at 30 June 2021, the Group has not yet contributed capital in this company, which is incorporated in Cayman Islands. The principal activities of this company are to provide consultancy services and lease aircraft.

**6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>30.6.2021</b>	<b>31.12.2020</b>
	<b>VND</b>	<b>VND</b>
<b>Third parties</b>		
Zhejiang Lixi International Travel Co., Ltd. (*)	1,662,743,480,000	1,779,951,531,840
Hangzhou BaoLi Co., Ltd. (*)	1,608,122,170,460	1,594,045,975,206
Others	235,217,960,992	223,644,360,484
	<u>3,506,083,611,452</u>	<u>3,597,641,867,530</u>
<b>Related parties (Note 39(b))</b>	5,599,018,994,236	4,997,479,337,899
	<u>9,105,102,605,688</u>	<u>8,595,121,205,429</u>

- (\*) As at 30 June 2021 and 31 December 2020, the short-term trade accounts receivable from these two customers have been past due for more than 1 year due to the COVID-19 situation. Based on the collection histories and the strategic partnership between the Group and these customers, the Board of Management assesses that the outstanding receivables are collectible when the aviation market recovers.

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7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2021 VND	31.12.2020 VND
<b>Third parties</b>		
Aergen Aircraft Thirty One Limited	85,952,100,452	4,617,481,949
Others	179,435,604,448	158,445,969,564
	<u>265,387,704,900</u>	<u>163,063,451,513</u>
<b>Related parties (Note 39(b))</b>	29,889,179,949	-
	<u>295,276,884,849</u>	<u>163,063,451,513</u>

8 OTHER RECEIVABLES

(a) Short-term

	<u>As at 30.6.2021</u>		<u>As at 31.12.2020</u>	
	Book value VND	Provision VND	Book value VND	Provision VND
<b>Third parties</b>				
Deposits for aircraft purchases within next 12 months (i)	3,553,479,609,060	-	4,189,158,334,254	-
Maintenance reserves of leased aircraft	1,824,881,774,817	-	1,824,881,774,817	-
Other receivable from aircraft supplier (ii)	393,210,040,061	-	557,160,000,000	-
Purchase discounts receivable	578,195,967,069	-	689,174,934,689	-
Claim receivables from maintenance reserves of leased aircraft	279,221,386,390	-	232,782,861,484	-
Others	537,316,793,853	-	627,253,175,586	-
	<u>7,166,305,571,250</u>	-	<u>8,120,411,080,830</u>	-
<b>Related parties (Note 39(b))</b>	5,407,078,420,401	-	4,017,818,077,171	-
	<u>12,573,383,991,651</u>	-	<u>12,138,229,158,001</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 a compensation entitled from an aircraft supplier.



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8 OTHER RECEIVABLES (continued)

(b) Long-term

	As at 30.6.2021		As at 31.12.2020	
	Book value VND	Provision VND	Book value VND	Provision VND
<b>Third parties</b>				
Maintenance reserves of leased aircraft	7,091,063,716,327	-	6,805,551,842,000	-
Deposit for aircraft purchases after next 12 months (iii)	3,510,618,331,546	-	3,515,188,352,836	-
Deposit for aircraft leases	1,266,483,575,460	-	1,242,593,141,017	-
Deposit for ground handling services	127,242,462,140	-	129,268,494,725	-
Others	234,722,387,721	-	51,802,657,533	-
	<u>12,230,130,473,194</u>	<u>-</u>	<u>11,744,404,488,111</u>	<u>-</u>
<b>Related parties (Note 39(b))</b>	<u>4,278,810,260,499</u>	<u>-</u>	<u>725,964,187,706</u>	<u>-</u>
	<u><u>16,508,940,733,693</u></u>	<u><u>-</u></u>	<u><u>12,470,368,675,817</u></u>	<u><u>-</u></u>

(iii) The amounts represent deposits for aircraft purchases from 2022 to 2026 to Airbus S.A.S and Boeing Company.

9 INVENTORIES

	As at 30.6.2021		As at 31.12.2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Tools and supplies	818,687,866,830	-	681,234,137,484	-
Merchandise	26,863,213,324	-	30,859,124,643	-
	<u>845,551,080,154</u>	<u>-</u>	<u>712,093,262,127</u>	<u>-</u>

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**10 PREPAID EXPENSES**

**(a) Short-term**

	<b>30.6.2021</b>	<b>31.12.2020</b>
	<b>VND</b>	<b>VND</b>
Prepayments for aircraft leases	39,743,632,357	195,438,728,811
Prepayments for maintenance	34,486,945,677	15,481,112,314
Others	3,810,082,925	1,886,225,593
	<u>78,040,660,959</u>	<u>212,806,066,718</u>

**(b) Long-term**

	<b>30.6.2021</b>	<b>31.12.2020</b>
	<b>VND</b>	<b>VND</b>
Prepayments for maintenance	4,669,352,668,318	4,265,543,851,868
Costs to make good on leased assets	466,785,983,991	477,459,578,390
Rotating parts, tools and instruments	179,711,241,481	123,694,949,802
Major inspection and overhaul expenditure	104,132,704,603	83,980,251,729
Others	36,427,176,133	40,872,675,433
	<u>5,456,409,774,526</u>	<u>4,991,551,307,222</u>

10 PREPAID EXPENSES (continued)

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

	Prepayments for maintenance VND	Costs to make good on leased assets VND	Major inspection and overhaul expenditure VND	Rotating parts, tools and instruments VND	Others VND	Total VND
As at 1 January 2020	5,782,829,060,991	590,235,202,338	103,156,115,556	114,854,388,316	605,922,669	6,591,680,689,870
Increase	808,937,001,247	56,655,038,270	73,016,118,530	129,947,004,251	45,840,850,741	1,114,396,013,039
Allocation	(424,331,739,105)	(83,014,775,913)	(92,191,982,357)	(121,106,442,765)	(5,574,097,977)	(726,219,038,117)
Decrease (*)	(1,901,890,471,265)	(86,415,886,305)	-	-	-	(1,988,306,357,570)
As at 31 December 2020	4,265,543,851,868	477,459,578,390	83,980,251,729	123,694,949,802	40,872,675,433	4,991,551,307,222
Increase	555,057,176,578	22,953,326,057	58,096,820,392	122,522,725,238	262,789,036	758,892,837,301
Allocation	(151,248,360,128)	(33,626,920,456)	(37,944,367,518)	(66,506,433,559)	(4,708,288,336)	(294,034,369,997)
As at 30 June 2021	4,669,352,668,318	466,785,983,991	104,132,704,603	179,711,241,481	36,427,176,133	5,456,409,774,526

(\*) Due to a number of aircraft being sub-leased to a related party.

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11 FIXED ASSETS

(a) Tangible fixed assets

	Aircraft and components VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>					
As at 1 January 2021	896,813,994,227	102,504,743,597	67,293,981,762	57,311,176,614	<b>1,123,923,896,200</b>
New purchases	-	-	1,806,090,000	795,469,800	<b>2,601,559,800</b>
Business combination	-	-	-	55,918,542	<b>55,918,542</b>
Others	-	-	-	(55,918,542)	<b>(55,918,542)</b>
As at 30 June 2021	<u>896,813,994,227</u>	<u>102,504,743,597</u>	<u>69,100,071,762</u>	<u>58,106,646,414</u>	<b><u>1,126,525,456,000</u></b>
<b>Accumulated depreciation</b>					
As at 1 January 2021	204,945,749,364	27,821,530,936	19,754,157,459	21,977,508,786	<b>274,498,946,545</b>
Charge for the period	22,438,970,106	6,267,617,632	3,783,508,135	2,294,758,132	<b>34,784,854,005</b>
Business combination	-	-	-	7,039,920	<b>7,039,920</b>
Others	-	-	-	(9,369,858)	<b>(9,369,858)</b>
As at 30 June 2021	<u>227,384,719,470</u>	<u>34,089,148,568</u>	<u>23,537,665,594</u>	<u>24,269,936,980</u>	<b><u>309,281,470,612</u></b>
<b>Net book value</b>					
As at 1 January 2021	<u>691,868,244,863</u>	<u>74,683,212,661</u>	<u>47,539,824,303</u>	<u>35,333,667,828</u>	<b><u>849,424,949,655</u></b>
As at 30 June 2021	<u>669,429,274,757</u>	<u>68,415,595,029</u>	<u>45,562,406,168</u>	<u>33,836,709,434</u>	<b><u>817,243,985,388</u></b>

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

As at 30 June 2021, tangible fixed assets with a carrying value of VND669,429 million (as at 31 December 2020: VND691,868 million) were pledged to Military Commercial Joint Stock Bank as collateral assets for long-term borrowings granted to the Group (Note 20(b)(i)).

The historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2021 was VND50,756 million (as at 31 December 2020: VND47,719 million).

**(b) Intangible fixed assets**

	<b>Software VND</b>
<b>Historical cost</b>	
As at 1 January 2021	30,834,110,655
New purchases	204,435,000
Business combination	1,304,156,000
	<hr/>
As at 30 June 2021	32,342,701,655
	<hr/>
<b>Accumulated amortisation</b>	
As at 1 January 2021	29,762,668,971
Charge for the period	513,213,927
Business combination	381,430,566
	<hr/>
As at 30 June 2021	30,657,313,464
	<hr/>
<b>Net book value</b>	
As at 1 January 2021	1,071,441,684
	<hr/> <hr/>
As at 30 June 2021	1,685,388,191
	<hr/> <hr/>

The historical cost of fully amortised intangible fixed assets as at 30 June 2021 was VND25,856 million (as at 31 December 2020: VND25,856 million).

**12 LONG-TERM CONSTRUCTION IN PROGRESS**

Details of long-term construction in progress by projects are as follows:

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Costs relating to aircraft and components	249,709,026,680	241,399,886,118
Aviation Technology Research and Training Centre	616,559,650,596	561,430,982,449
Ground Services Operation Center	6,406,717,359	-
Others	8,911,724,994	1,410,527,366
	<u>881,587,119,629</u>	<u>804,241,395,933</u>

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

	<b>For the six-month</b> <b>period ended</b> <b>30.6.2021</b> <b>VND</b>	<b>For the year ended</b> <b>31.12.2020</b> <b>VND</b>
Beginning of period/year	804,241,395,933	1,318,401,443,379
Purchase	108,935,620,391	293,743,925,297
Transfers to tangible fixed assets	-	(778,062,904,128)
Other	(31,589,896,695)	(29,841,068,615)
	<u>881,587,119,629</u>	<u>804,241,395,933</u>

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**13 LONG-TERM LENDINGS**

<b>Borrower</b>	<b>Currency</b>	<b>Annual Interest rate</b>	<b>Year of maturity</b>	<b>30.6.2021 VND</b>	<b>31.12.2020 VND</b>
AAA Aircraft Asset Company Limited (*)	USD	2.5%	2025	497,116,992,000	499,159,644,000
Apricot Aircraft Assets No. 1 Limited (**)	USD	5%	2033	299,421,804,712	-
				<u>796,538,796,712</u>	<u>499,159,644,000</u>

(\*) The balance represents lending of USD21,501,600 to AAA Aircraft Asset Company Limited, a related party, to provide financial support for aircraft purchases and related purchase costs. The loan is unsecured and will mature in 2025.

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

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14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	As at 30.6.2021		As at 31.12.2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
<b>Third parties</b>				
Petrolimex Aviation Fuel Joint Stock Company	1,110,385,627,227	1,110,385,627,227	913,978,963,695	913,978,963,695
Others	3,678,510,595,456	3,678,510,595,456	2,187,052,420,433	2,187,052,420,433
	<u>4,788,896,222,683</u>	<u>4,788,896,222,683</u>	<u>3,101,031,384,128</u>	<u>3,101,031,384,128</u>
<b>Related parties (Note 39(b))</b>	293,930,595,876	293,930,595,876	320,580,539,246	320,580,539,246
	<u>5,082,826,818,559</u>	<u>5,082,826,818,559</u>	<u>3,421,611,923,374</u>	<u>3,421,611,923,374</u>

As at the approval date of these consolidated interim financial statements, the Group is in process of negotiating with lessors and major suppliers to restructure or defer payments for a longer period until the aviation market recovers.



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**15 SHORT-TERM ADVANCES FROM CUSTOMERS**

	<b>30.6.2021</b>	<b>31.12.2020</b>
	<b>VND</b>	<b>VND</b>
<b>Third parties</b>		
Beijing China International Travel Service Co., Ltd.	127,303,199,983	144,659,744,583
DAEJOO Air Co., Ltd.	105,091,082,004	115,297,951,147
Sichuan Comfort International Travel Service Co., Ltd.	43,984,437,930	59,229,845,700
Others	258,451,063,370	447,450,137,642
	<u>534,829,783,287</u>	<u>766,637,679,072</u>
<b>Related parties (Note 39(b))</b>	5,588,239,812	6,264,688,867
	<u>540,418,023,099</u>	<u>772,902,367,939</u>

## 16 TAX AND RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1.1.2021 VND	(Receivable)/payable during the period VND	Payment/net-off during the period VND	Reclassification VND	Others VND	As at 30.6.2021 VND
<b>a) Tax receivables</b>						
Foreign contractor tax	28,363,981,257	-	-	(9,803,361,193)	-	18,560,620,064
<b>b) Tax payables</b>						
BIT	135,717,077,296	13,225,950,927	(4,907,302,972)	-	37,515,265	144,073,240,516
Value Added Tax	103,888,422,189	278,377,806,719	(322,402,336,657)	-	-	59,863,892,251
Personal income tax	53,916,323,935	19,395,098,845	(30,933,035,803)	-	50,291,174	42,428,678,151
Foreign contractor tax	25,085,319	9,947,974,489	(204,346,392)	(9,803,361,193)	34,647,777	-
Other tax	-	48,413,275	(48,413,275)	-	-	-
	293,546,908,739	320,995,244,255	(358,495,435,099)	(9,803,361,193)	122,454,216	246,365,810,918

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17 SHORT-TERM ACCRUED EXPENSES

	30.6.2021 VND	31.12.2020 VND
Aircraft related expenses	466,959,686,731	569,186,857,946
Maintenance expenses	129,892,194,898	156,345,907,814
Interest expense	118,266,511,158	57,690,338,836
Others	162,449,768,721	84,687,861,161
	<u>877,568,161,508</u>	<u>867,910,965,757</u>

18 SHORT-TERM UNEARNED REVENUE

	30.6.2021 VND	31.12.2020 VND
Passenger transportation and ancillary services revenue received in advance, to be realised within next 12 months	<u>215,839,956,739</u>	<u>867,654,596,914</u>

19 OTHER PAYABLES

(a) Short-term

	30.6.2021 VND	31.12.2020 VND
<b>Third parties</b>		
Payables from share purchase (*)	1,600,000,000,000	-
Airport fees and charges payables	551,207,391,521	623,345,822,167
Short-term deposits received	54,601,182,719	74,003,924,865
Others	138,778,722,920	85,557,364,701
	<u>2,344,587,297,160</u>	<u>782,907,111,733</u>
<b>Related parties (Note 39(b))</b>	<u>70,789,494,045</u>	<u>805,379,859,913</u>
	<u>2,415,376,791,205</u>	<u>1,588,286,971,646</u>

(\*) The payable is related to the purchase of shares of Pacific Star Investment and Development Company. As at the approval date of these consolidated interim financial statements, the outstanding payable had been fully settled.

(b) Long-term

The balance as at 30 June 2021 and as at 31 December 2020 mainly represent long-term deposits received from the Group's business partners.

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20 BORROWINGS

(a) Short-term

	As at 1.1.2021 VND	Increase VND	Decrease VND	Revaluation VND	As at 30.6.2021 VND
Borrowings from banks (i)	6,471,260,726,734	6,193,076,387,299	(6,968,062,897,576)	6,704,057,565	5,702,978,274,022
Current portion of long-term borrowings (Note 20(b))	2,623,554,910,000	29,772,691,372	(1,311,061,340,000)	(3,756,981,372)	1,338,509,280,000
Borrowings from related parties (Note 39(b))	1,000,000,000,000	-	(300,000,000,000)	-	700,000,000,000
	<u>10,094,815,636,734</u>	<u>6,222,849,078,671</u>	<u>(8,579,124,237,576)</u>	<u>2,947,076,193</u>	<u>7,741,487,554,022</u>

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20 BORROWINGS (continued)

(a) Short-term (continued)

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

Lenders	Currency	30.6.2021 VND	31.12.2020 VND
<b>Secured loans</b>			
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (*)	USD	1,820,710,911,947	1,921,659,266,962
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party (*)	VND	173,687,795,704	-
<b>Unsecured loans</b>			
Vietnam Joint Stock Commercial Bank of Industry and Trade	VND	2,274,732,174,992	1,973,275,655,305
Woori Bank Vietnam Limited, Ho Chi Minh City Branch	VND	605,668,487,810	586,197,161,571
Petrolimex Group Commercial Joint Stock Bank	VND	399,735,795,752	449,735,795,752
Vietnam Maritime Commercial Joint Stock Bank	USD	263,287,209,912	226,640,066,933
Military Commercial Joint Stock Bank	VND	165,155,897,905	1,080,441,555,760
United Overseas Bank (Vietnam) Limited, Ho Chi Minh City Branch	VND	-	123,411,192,331
HSBC Bank (Vietnam) Ltd.	VND	-	109,900,032,120
		5,702,978,274,022	6,471,260,726,734

(\*) As at 30 June 2021, these borrowings were secured by the estimated receivables arising from the Group's sales of flight tickets in the future of VND2,766 billion (as at 31 December 2020: VND3,973 billion).

During the period, these borrowings bear interest at rates ranging from 3.3% to 6.2% per annum, except for a number of borrowings with a total amount of VND488 billion with interest rates ranging from 8%-8.5% per annum (year ended 31 December 2020: from 3.0% to 6.2% per annum) for borrowings in VND and from 3.3% to 6.2% per annum (year ended 31 December 2020: from 1.89% to 3.70% per annum) for borrowings in USD.

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20 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2021 VND	Increase VND	Decrease VND	Revaluation VND	As at 30.6.2021 VND
Borrowings from banks (i)	3,059,895,419,856	-	(1,311,061,340,000)	(6,514,948,282)	1,742,319,131,574
Straight bonds (ii)	910,700,000,000	2,332,762,500,000	-	-	3,243,462,500,000
Current portion of long-term borrowings	(2,623,554,910,000)	(29,772,691,372)	1,311,061,340,000	3,756,981,372	(1,338,509,280,000)
	<u>1,347,040,509,856</u>	<u>2,302,989,808,628</u>	<u>-</u>	<u>(2,757,966,910)</u>	<u>3,647,272,351,574</u>

(i) Borrowings from banks

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

Lenders	Currency	Maturity	As at 30.6.2021		As at 31.12.2020	
			Current portion VND	Long-term VND	Current portion VND	Long-term VND
Woori Bank - Singapore Branch (*)	USD	November 2021	520,200,000,000	-	1,044,675,000,000	-
Industrial and Commercial Bank of China Limited - Hong Kong Branch (*)	USD	November 2021	520,200,000,000	-	1,044,675,000,000	-
KEB Hana Bank - Hong Kong Branch (*)	USD	November 2021	231,200,000,000	-	464,300,000,000	-
Military Commercial Joint Stock Bank (**)	USD	June 2028	66,909,280,000	403,809,851,574	69,904,910,000	436,340,509,856
			<u>1,338,509,280,000</u>	<u>403,809,851,574</u>	<u>2,623,554,910,000</u>	<u>436,340,509,856</u>

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**20 BORROWINGS (continued)**

**(b) Long-term (continued)**

(i) Borrowings from banks (continued)

(\*) This syndicated borrowing was provided by three banks with total credit facility of USD110 million. The maturity of the borrowing is two years from the drawdown date. The loan's principal is repayable in 4 installments in 2021. The syndicated borrowing is unsecured and bears interest at a rate of 1.53% per annum (year ended 31 December 2020: 1.63% per annum).

(\*\*) The principal of this borrowing is repayable in 17 equal semi-annual installments of USD1.4 million (equivalent to VND33 billion) each and a final installment of USD1.5 million (equivalent to VND35 billion) on 13 June 2028. The borrowing bears interest at a rate of 2.85% per annum (in the financial year ended 31 December 2020: 3.29% per annum) and is secured by the Group's tangible fixed assets with the carrying amount as follows:

	<b>30.6.2021</b>	<b>31.12.2020</b>
	<b>VND</b>	<b>VND</b>
Aircraft No. A320 MSN7167, VNA675 (Note 11(a))	<u>669,429,274,757</u>	<u>691,868,244,863</u>

(ii) Straight bonds

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

	<b>Currency</b>	<b>Annual interest</b>	<b>Year of maturity</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
				<b>VND</b>	<b>VND</b>
Bonds issued at VND100,000 per bond, maturing after 60 months (*)	VND	9.5%	2026	1,993,462,500,000	-
Bonds issued at VND100,000 per bond, maturing after 36 months (**)	VND	9%	2023	650,000,000,000	310,700,000,000
Bonds issued at par, maturing after 36 months (***)	VND	7.8%	2022	600,000,000,000	600,000,000,000
				<u>3,243,462,500,000</u>	<u>910,700,000,000</u>

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

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**20 BORROWINGS (continued)**

**(b) Long-term (continued)**

(ii) Straight bonds (continued)

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

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

**21 PROVISION FOR LIABILITIES**

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

	<b>Provision for maintenance expenses VND</b>	<b>Provision to make good on leased assets VND</b>	<b>Total VND</b>
As at 1 January 2020	11,735,385,118,489	948,853,047,893	12,684,238,166,382
Provision made during the year	1,433,960,884,452	56,655,038,270	1,490,615,922,722
Provision decreased during the year (*)	(3,258,146,656,284)	(175,356,641,656)	(3,433,503,297,940)
Others	(3,353,341,457)	53,550,541,007	50,197,199,550
As at 31 December 2020	9,907,846,005,200	883,701,985,514	10,791,547,990,714
Provision made during the period	770,691,590,983	22,919,992,724	793,611,583,707
Others	(31,850,829,495)	21,805,574,986	(10,045,254,509)
As at 30 June 2021	10,646,686,766,688	928,427,553,224	11,575,114,319,912
Short-term	1,804,991,310,826	-	1,804,991,310,826
Long-term	8,841,695,455,862	928,427,553,224	9,770,123,009,086
	10,646,686,766,688	928,427,553,224	11,575,114,319,912

(\*) Due to a number of aircraft being sub-leased to a related party.



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**22 BONUS AND WELFARE FUND**

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

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Beginning of period/year	-	-
Appropriation to the fund during the period/year (*)	380,676,119,348	-
Utilization of the fund	(47,167,079,534)	-
End of period/year	<u>333,509,039,814</u>	<u>-</u>

(\*) Pursuant to the Resolution No. 09-21/VJC-HDQT-NQ dated 1 March 2021 of Board of Directors, the Company appropriated 10% of the 2019 profit after tax to Bonus and welfare fund.

**23 DEFERRED INCOME TAX**

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

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	2,371,621,747,341	2,268,412,283,857
Deferred tax assets to be recovered within 12 months	378,952,892,013	382,643,540,574
	<u>2,750,574,639,354</u>	<u>2,651,055,824,431</u>
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	2,483,439,474,939	2,353,904,244,611
Deferred tax liabilities to be recovered within 12 months	364,976,354,963	364,976,354,963
	<u>2,848,415,829,902</u>	<u>2,718,880,599,574</u>
Net-off	<u>(2,750,574,639,354)</u>	<u>(2,651,055,824,431)</u>
Net deferred income tax liabilities	<u>97,841,190,548</u>	<u>67,824,775,143</u>

**23 DEFERRED INCOME TAX (continued)**

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

	<b>For the six-month period ended 30.6.2021 VND</b>	<b>For the year ended 31.12.2020 VND</b>
Beginning of period/year	67,824,775,143	394,444,939,970
Income statement charge/(credit) (Note 35)	30,016,415,405	(326,620,164,827)
End of period/year	<u>97,841,190,548</u>	<u>67,824,775,143</u>

The Group uses tax rate of 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 deductible temporary differences, taxable temporary differences and tax losses carried forward.

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

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

<b>Year of tax loss</b>	<b>Status of tax authorities' review</b>	<b>Loss incurred VND</b>	<b>Loss utilised VND</b>	<b>Loss carried forward VND</b>
For the year ended 31.12.2020	Outstanding	<u>2,414,670,803,135</u>	<u>(326,685,075,516)</u>	<u>2,087,985,727,619</u>

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24 OWNERS' CAPITAL

(a) Number of shares

	As at 30.6.2021		As at 31.12.2020	
	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)	-
Number of existing shares in circulation	541,611,334	-	523,838,594	-

(b) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2020	523,838,594	5,238,385,940,000
As at 31 December 2020	523,838,594	5,238,385,940,000
Sale of treasury shares (*)	17,772,740	177,727,400,000
As at 30 June 2021	541,611,334	5,416,113,340,000

(\*) Pursuant to the Resolution No.10-21/VJC-HDQT-NQ dated 5 March 2021 of the Board of Directors, the Group completed the sale of 17,772,740 treasury shares at the average price of VND132,248 per treasury share during period from 30 April to 22 May 2021.

Par value per share: VND10,000.

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

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**25 MOVEMENTS IN OWNERS' EQUITY**

	Owners' capital VND	Share premium VND	Treasury shares VND	Foreign exchange difference VND	Post-tax undistributed earnings VND	Non- controlling interests VND	Total VND
As at 1 January 2020	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	64,819,738,693	11,520,659,436,312	2,411,184,871	<b>14,902,831,830,061</b>
Profit for the year	-	-	-	-	68,591,150,827	74,184,307	<b>68,665,335,134</b>
Dividends distribution	-	-	-	-	-	(1,829,539,234)	<b>(1,829,539,234)</b>
Foreign currency conversion differences for overseas activities	-	-	-	8,731,359,157	-	-	<b>8,731,359,157</b>
As at 31 December 2020	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	73,551,097,850	11,589,250,587,139	655,829,944	<b>14,978,398,985,118</b>
Profit for the period	-	-	-	-	124,079,557,849	(2,246,537,569)	<b>121,833,020,280</b>
Business combination	-	-	-	-	-	12,454,650,788	<b>12,454,650,788</b>
Change in ownership interest	-	-	-	-	(1,726,786,287)	1,726,786,287	-
Appropriation to Bonus and welfare fund (Note 22)	-	-	-	-	(380,676,119,348)	-	<b>(380,676,119,348)</b>
Sale of treasury shares	-	1,533,625,094	2,347,121,362,620	-	-	-	<b>2,348,654,987,714</b>
Foreign currency conversion differences for overseas activities	-	-	-	(105,145,302,826)	-	-	<b>(105,145,302,826)</b>
As at 30 June 2021	5,416,113,340,000	247,483,117,899	-	(31,594,204,976)	11,330,927,239,353	12,590,729,450	<b>16,975,520,221,726</b>

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

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**26 DIVIDENDS**

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Beginning of period/year	57,789,721,550	57,789,721,550
End of period/year	<u>57,789,721,550</u>	<u>57,789,721,550</u>

**27 EARNINGS PER SHARE**

**(a) Basic earnings per share**

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

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
Net profit attributable to shareholders (VND)	<u>124,079,557,849</u>	<u>46,139,949,209</u>
Weighted average number of ordinary shares in issue (shares)	527,668,079	523,838,594
Basic earnings per share (VND)	<u>235</u>	<u>88</u>

**(b) Diluted earnings per share**

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

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**28 OFF CONSOLIDATED INTERIM BALANCE SHEET ITEMS**

**(a) Foreign currencies**

	<b>30.6.2021</b>	<b>31.12.2020</b>
USD	5,798,398	10,586,270
SGD	939,739	852,821
MYR	1,135,970	1,135,970
KRW	192,993,162	229,894,064
JPY	18,116,368	71,052,730
EUR	47,070	47,070
TWD	279,800	280,900
HKD	54,350	54,350
GBP	3,575	3,575
IDR	47,805,000	47,805,000
THB	101,383	105,169
CNY	18,478	18,378
INR	135,370	135,370
MMK	2,864,650	2,864,650
	<u>                    </u>	<u>                    </u>

**(b) Operating lease assets**

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

**29 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Passenger transportation		
- Domestic routes	1,814,333,990,363	2,600,712,319,642
- International routes including regular charter flights	93,160,707,764	2,359,973,390,058
- Ancillary revenue	2,349,911,643,546	3,375,002,034,594
- Non-regular charter flights and aircrafts wet leases	170,248,414,275	94,917,680,791
	<u>                    </u>	<u>                    </u>
	4,427,654,755,948	8,430,605,425,085
Aircraft dry leases	649,848,377,177	507,787,998,086
Revenue from sales of aircraft and purchase right option	2,398,977,521,508	1,904,845,000,000
Other revenue	79,553,361,806	127,106,379,605
	<u>                    </u>	<u>                    </u>
	7,556,034,016,439	10,970,344,802,776
	<u>                    </u>	<u>                    </u>

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

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Flight operation expenses	6,533,627,489,441	10,237,569,236,123
Cost of aircraft sold	2,379,799,443,643	1,163,305,660,842
Technical expenses	780,902,857,506	1,080,552,332,629
Ground operation expenses	377,219,588,228	804,140,661,334
Cargo expenses	82,505,537,681	86,826,987,344
Safety, security, quality and assurance expenses	20,450,266,733	17,304,801,727
Reversal of provision for liabilities (*)	-	(1,186,285,976,434)
Others	263,345,661,476	222,095,085,822
	<u>10,437,850,844,708</u>	<u>12,425,508,789,387</u>

(\*) Due to a number of aircraft being sub-leased to a related party.

**31 FINANCIAL INCOME**

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Income from shares transfer (*)	3,584,000,000,000	-
Interest income from deposits and lendings	145,788,803,369	144,575,428,813
Realised foreign exchange gains	46,149,981,177	205,281,705,215
Income from purchase right of shares	-	500,000,000,000
Net gain from foreign currency translation at period-end	-	173,736,133,771
Others	96,660,918	3,966,151,997
	<u>3,776,035,445,464</u>	<u>1,027,559,419,796</u>

(\*) The income is related to the transfer of the Group's shares in Pacific Star Investment and Development Company to related parties (Note 39(a)(v)).

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**32 FINANCIAL EXPENSES**

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Interest expense	290,253,736,292	232,229,994,878
Net loss from foreign currency translation at period-end	36,806,022,285	-
Realised foreign exchange losses	12,195,928,938	335,943,113,414
Unwinding discount of provisions (Reversal of provision)/provision for diminution in value of investments	21,805,574,986	38,717,670,838
Others	(160,000,000,000)	35,000,000,000
	2,393,400,619	-
	<u>203,454,663,120</u>	<u>641,890,779,130</u>

**33 SELLING EXPENSES**

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Advertising and marketing expenses	233,330,484,047	161,159,337,688
Sale commissions	60,407,641,935	170,966,327,578
Staff costs	42,830,086,875	58,423,286,115
Depreciation and amortisation	242,386,726	173,641,991
Others	7,865,550,329	6,493,323,053
	<u>344,676,149,912</u>	<u>397,215,916,425</u>

**34 GENERAL AND ADMINISTRATION EXPENSES**

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Staff costs	76,870,382,558	96,865,253,865
External service expenses	61,921,162,992	65,486,571,082
Rental	21,313,370,235	13,935,225,573
Depreciation and amortisation	8,485,643,192	1,197,956,980
Others	20,852,651,020	20,327,364,642
	<u>189,443,209,997</u>	<u>197,812,372,142</u>



**35 BUSINESS INCOME TAX (“BIT”)**

**VietJet Aviation Joint Stock Company**

For public passengers 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.

**Swift 247 Joint Stock Company**

The company has an obligation to pay the BIT at the applicable tax rate of 20% of taxable profits.

**Galaxy Pay Limited Company**

The company has an obligation to pay the BIT at the applicable tax rate of 20% of taxable profits.

**VietjetAir Cargo Joint Stock Company**

The company has an obligation to pay the BIT at the applicable tax rate of 20% of taxable profits.

**Companies incorporated in British Virgin Islands**

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

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

**Companies incorporated in Cayman Islands**

*Skymate Limited*

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

**Company incorporated in Singapore**

*Vietjet Air Singapore Pte. Ltd.*

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

**Company incorporated in Ireland**

*Vietjet Air Ireland No. 1 Limited*

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

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**35 BUSINESS INCOME TAX (“BIT”) (continued)**

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

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Net accounting profit before tax	165,075,386,612	48,315,971,717
Tax calculated at a rate of 20%	33,015,077,322	9,663,194,343
Effect of:		
Expenses not deductible for tax purposes	17,229,369,457	20,029,875,159
Effect of difference tax rates applied for subsidiaries	(7,002,080,447)	(409,393,570,052)
Tax losses for which no deferred income tax asset was recognised	-	381,370,869,764
BIT charge (*)	<u>43,242,366,332</u>	<u>1,670,369,214</u>
Charged/(credited) to income statement:		
BIT – current	13,225,950,927	18,368,316,325
BIT – deferred (Note 23)	30,016,415,405	(16,697,947,111)
	<u>43,242,366,332</u>	<u>1,670,369,214</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.

**36 COSTS OF OPERATION BY FACTOR**

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

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Fuel costs	2,345,460,784,323	3,612,442,835,418
Cost of aircraft purchases	2,385,260,509,987	1,163,305,660,842
Staff costs	986,007,205,010	1,783,814,480,533
Depreciation and amortisation	41,487,003,427	95,189,458,137
External service and other expenses	5,213,754,701,870	6,365,784,643,024
	<u>10,971,970,204,617</u>	<u>13,020,537,077,954</u>

**37 SEGMENT REPORTING**

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

**(a) Business segments**

For management purposes, the Group has 2 business segments as follows:

- Providing passenger and cargo transportation services, ancillary services, aircraft leasing and in-flight advertising (referred to as "aviation services"); and
- Buying and selling aircraft and related assets.

Except as indicated above, the Group has no other business segments being aggregated to form a reportable business segment. Segmental information for total revenue and cost of sales is shown in Notes 29 and 30 to the consolidated interim financial statements. There is no internal revenue between business segments. All the Group's assets, liabilities, financial income and financial expenses, selling expenses, general and administration expenses, other income and other expenses are unallocated.

**(b) Geographical segments**

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

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
In Vietnam	3,895,607,968,168	4,742,073,812,123
Outside Vietnam	3,660,426,048,271	6,228,270,990,653
	<u>7,556,034,016,439</u>	<u>10,970,344,802,776</u>

The Group has no other geographical segments except for revenue because the Board of Management of the Company determined that the Company's management decisions are based primarily on revenue by geographical areas.



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39 RELATED PARTY DISCLOSURES (continued)

<b>Related party</b>	<b>Relationship</b>
World Go International Limited	Other related party
Indochina Beach Hotel Joint Stock Company	Other related party
Conasi Property Management and Development Corporation	Other related party
Guangzhou Representative of Vietjet Aviation Joint Stock Company	Other related party

(a) Related party transactions

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

	<b>For the six-month period ended 30 June</b>	
	<b>2021 VND</b>	<b>2020 VND</b>
<b>i) Revenue from aircraft leasing</b>		
Associate	513,770,283,977	507,787,998,086
Other related party	136,078,093,200	-
	<u>649,848,377,177</u>	<u>507,787,998,086</u>
<b>ii) Aircraft operating lease expenses</b>		
Other related party	587,582,000,000	593,283,358,830
	<u>587,582,000,000</u>	<u>593,283,358,830</u>
<b>iii) Revenue from other services</b>		
Major shareholders	95,386,161	-
Associate	14,469,093,464	16,730,952,543
Other related party	52,740,930	69,947,253,740
	<u>14,617,220,555</u>	<u>86,678,206,283</u>
<b>iv) Financing activities</b>		
<b><i>Interest income</i></b>		
Major shareholder - HDBank	15,787,168,551	15,410,285,326
Associate	111,920,089,349	81,305,286,846
Other related parties	13,104,485,208	31,460,986,301
	<u>140,811,743,108</u>	<u>128,176,558,473</u>
<b><i>Interest expense</i></b>		
Major shareholder - HDBank	31,632,294,305	51,426,715,665
Other related parties	24,408,904,110	27,616,438,356
	<u>56,041,198,415</u>	<u>79,043,154,021</u>

## 39 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	<u>For the six-month period ended 30 June</u>	
	2021 VND	2020 VND
<b>iv) Financing activities (continued)</b>		
<b><i>Proceeds from borrowings</i></b>		
Major shareholder - HDBank	1,924,284,538,314	2,950,244,256,998
<b><i>Term deposits and certificate of deposits</i></b>		
Major shareholder - HDBank	3,602,000,000,000	1,910,000,000,000
<b><i>Lending</i></b>		
Other related party	299,421,804,712	-
<b>v) Investment activities</b>		
<b><i>Shares transfer (*)</i></b>		
Other related parties	5,184,000,000,000	-
(*) During the six-month period ended 30 June 2021, the Group entered into agreements to purchase and transfer shares in Pacific Star Investment and Development Company to other related parties for a total amount of VND5,184,000,000,000. In accordance with the aforementioned transfer agreements, the transfer amount will be settled in 30 months. As at the approval date of these consolidated interim financial statements, VND1,598,289,600,000 had been collected.		
<b><i>Income from sale of purchase right option of trading securities</i></b>		
Income from sale of purchase right option	-	500,000,000,000
Payments received	-	300,000,000,000
<b><i>Purchase of corporate bonds</i></b>		
Deposit for purchase of corporate bonds	-	800,000,000,000
<b><i>Transfer of the commercial right</i></b>		
Income from transfer of the commercial right	-	793,160,000,000
Payments received	290,000,000,000	400,000,000,000



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39 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2021 VND	31.12.2020 VND
<b>Cash and cash equivalents</b>		
Major shareholder - HDBank	569,370,580,512	1,947,626,832,738
	<u>569,370,580,512</u>	<u>1,947,626,832,738</u>
<b>Investments held to maturity</b>		
Major shareholder	4,110,000,000	4,000,000,000
	<u>4,110,000,000</u>	<u>4,000,000,000</u>
<b>Short-term trade accounts receivable (Note 6)</b>		
Major shareholders	59,109,748	-
Associate (i)	2,520,986,997,600	2,043,844,207,397
Other related parties (ii)	3,077,972,886,888	2,953,635,130,502
	<u>5,599,018,994,236</u>	<u>4,997,479,337,899</u>
<b>Short-term prepayments to suppliers (Note 7)</b>		
Associate	29,889,179,949	-
	<u>29,889,179,949</u>	<u>-</u>
<b>Other short-term receivables (Note 8(a))</b>		
Associates (iii)	1,432,303,369,697	1,198,705,488,698
Other related parties (iv)	3,974,775,050,704	2,819,112,588,473
	<u>5,407,078,420,401</u>	<u>4,017,818,077,171</u>

(i) Receivables from aircraft dry leases.

(ii) The balance mainly includes receivables from sales of aircraft and purchase right option, and receivables relating to disposal of engines.

**Short-term prepayments to suppliers (Note 7)**

Associate 29,889,179,949 -

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

Associates (iii) 1,432,303,369,697 1,198,705,488,698  
Other related parties (iv) 3,974,775,050,704 2,819,112,588,473

(iii) The receivable balance mainly includes payment on behalf and earns interest at the rate of 7.5% per annum (year ended 31 December 2020: 8.8% per annum).

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

As at the approval date of these consolidated interim financial statements, the amount of VND656,700,000,000 and VND1,598,289,600,000 had been collected with respect to the disposal of Republic Plaza project and the transfer of shares in Pacific Star Investment and Development Company, respectively.



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39 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2021 VND	31.12.2020 VND
<b>Other long-term receivables (Note 8(b))</b>		
Associate (v)	468,344,946,987	468,344,946,987
Other related parties (vi)	3,810,465,313,512	257,619,240,719
	<u>4,278,810,260,499</u>	<u>725,964,187,706</u>
(v) The receivable balance mainly includes payment on behalf, is unsecured and interest free.		
(vi) The receivable balance mainly includes receivables from a related party regarding the maintenance reserves, and receivables from transfer of shares in Pacific Star Investment and Development Company.		
<b>Long-term lending (Note 13)</b>		
Other related parties	796,538,796,712	499,159,644,000
	<u>796,538,796,712</u>	<u>499,159,644,000</u>
<b>Short-term trade accounts payable (Note 14)</b>		
Major shareholder	24,576,182,144	24,576,182,144
Associate	2,335,782,331	29,578,997,675
Other related parties	267,018,631,401	266,425,359,427
	<u>293,930,595,876</u>	<u>320,580,539,246</u>
<b>Short-term advances from customers (Note 15)</b>		
Major shareholder	400,251,461	131,582,161
Associate	4,764,016,665	5,298,624,920
Other related parties	423,971,686	834,481,786
	<u>5,588,239,812</u>	<u>6,264,688,867</u>
<b>Short-term accrued expenses</b>		
Major shareholder - HDBank	1,174,604,169	1,151,750,817
Other related parties	75,517,967,241	29,450,568,306
	<u>76,692,571,410</u>	<u>30,602,319,123</u>
<b>Other short-term payables (Note 19(a))</b>		
Major shareholders	70,789,494,045	69,822,859,913
Other related parties	-	735,557,000,000
	<u>70,789,494,045</u>	<u>805,379,859,913</u>

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39 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2021 VND	31.12.2020 VND
<b>Short-term borrowings (Note 20(a))</b>		
Major shareholder - HDBank	1,994,398,707,651	1,921,659,266,962
Other related party	700,000,000,000	1,000,000,000,000
	<u>2,694,398,707,651</u>	<u>2,921,659,266,962</u>

40 COMMITMENTS

(a) Commitments under operating leases

(i) *The Group as a lessee*

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

	30.6.2021 VND	31.12.2020 VND
Within one year	8,840,742,691,118	7,295,557,109,808
Between one and five years	42,543,830,061,295	28,258,167,505,305
Over five years	24,917,583,255,979	24,551,317,111,601
Total minimum payments	<u>76,302,156,008,392</u>	<u>60,105,041,726,714</u>

(ii) *The Group as a lessor*

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

	30.6.2021 VND	31.12.2020 VND
Within one year	1,205,269,269,210	1,258,236,370,463
Between one and five years	3,360,218,804,892	3,525,160,217,707
Over five years	1,139,412,967,980	1,528,098,437,383
Total minimum receipts	<u>5,704,901,042,082</u>	<u>6,311,495,025,553</u>

**40 COMMITMENTS (continued)****(b) Other commitments**

The Group signed an agreement and related amendments with Airbus S.A.S to purchase 186 aircraft. As at 30 June 2021, the Group has received 66 of the aircraft, with the remaining aircraft being scheduled to be delivered to the Group up to 2026. To power these aircraft, the Group also ordered 106 aircraft engines from CFM International S.A and 90 aircraft engines from United Technologies Corporation (Pratt & Whitney Division), including maintenance service agreements. Pursuant to the aircraft purchase agreement, as at 30 June 2021, the Group's commitments in relation to the pre-delivery payments for the remaining aircraft that are to be delivered (including aircraft engines) amounted to USD1,596 million (as at 31 December 2020: USD1,596 million).

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

The Group also signed an agreement and related amendments with Boeing Company to purchase aircraft. Pursuant to the aircraft purchase agreement, as at 30 June 2021, the Group's commitments in relation to the pre-delivery payments for the aircraft that are to be delivered amounted to USD1,238 million (as at 31 December 2020: USD1,238 million). As at the approval date of these consolidated interim financial statements, the Group and Boeing Company were in the process of negotiating the implementation of certain terms in this agreement.

**41 EVENTS OCCURRED AFTER THE END OF SIX-MONTH PERIOD ENDED 30 JUNE 2021**

On 3 August 2021 and 6 September 2021, the Group successfully raised a total amount of VND3,000 billion through the issuance of a total of 30 million corporate bonds with value of VND100,000/bond. The bonds are unsecured; interest is paid in each semi-annual period at a fixed rate of 9.5% per annum for the first 2 semi-annual periods from the issuance date, and a floating interest rate of 3% per annum plus the average interest rate on the 12-month corporate deposits in VND in the subsequent semi-annual periods until the maturity date which are on 22 July 2026 and 16 August 2026.

The consolidated interim financial statements were approved by the Board of Management on 17 September 2021.

<u>Signed</u>	<u>Signed</u>	<u>Signed</u>
Pham Ngoc Thoa Chief Accountant	Ho Ngoc Yen Phuong Vice President cum Chief Finance Officer	Dinh Viet Phuong Permanent Vice President cum Managing Director