

VIETJET AVIATION JOINT STOCK COMPANY

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

VIETJET AVIATION JOINT STOCK COMPANY

**SEPARATE INTERIM FINANCIAL STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

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

VIETJET AVIATION JOINT STOCK COMPANY

CORPORATE INFORMATION

Business registration certificate

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

Enterprise registration certificate

No. 0102325399 dated 23 July 2007 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

CORPORATE INFORMATION (continued)

Board of Supervision	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)
Legal representative	Mrs. Nguyen Thanh Ha	Chairwoman
	Mrs. Nguyen Thi Phuong Thao	Chief Executive Officer
	Mr. Dinh Viet Phuong	Permanent Vice President cum Managing Director
Registered office	302/3 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District Hanoi City, Vietnam	
Auditor	PwC (Vietnam) Limited	

VIETJET AVIATION JOINT STOCK COMPANY

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

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

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

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

APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying separate interim financial statements as set out on pages 6 to 69 which give a true and fair view of the separate interim financial position of the Company as at 30 June 2021, and of the separate interim results of its operations and its separate interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate interim financial statements.

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Company and its subsidiaries (“the Group”) for the six-month period ended 30 June 2021 in order to obtain full information of the consolidated interim financial position and consolidated interim results of operations and consolidated interim cash flows of the Group.

On behalf of the Board of Management

Signed

Nguyen Thi Phuong Thao
Chief Executive Officer

Ho Chi Minh City, SR Vietnam
17 September 2021



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

We have reviewed the accompanying separate interim financial statements of VietJet Aviation Joint Stock Company (“the Company”) which were prepared on 30 June 2021, and approved by the Board of Management of the Company on 17 September 2021. The separate interim financial statements comprise the separate interim balance sheet as at 30 June 2021, the separate interim income statement and the separate interim cash flow statement for the six-month period then ended, and explanatory notes to the separate interim financial statements including significant accounting policies, as set out on pages 6 to 69.

Responsibility of the Board of Management

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

Auditor’s Responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the separate interim financial position of the Company as at 30 June 2021, its separate interim financial performance and separate interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate interim financial statements.

Emphasis of Matter

We draw attention to Note 2.2 in the separate interim financial statements, which indicates the impact of the COVID-19 pandemic on the Company's operations. The Company's ability to continue as a going concern depends on the Company's ability to generate sufficient 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 Company'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 separate interim financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM11215
Ho Chi Minh City, 17 September 2021

SEPARATE INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND
100	CURRENT ASSETS		20,266,799,097,493	20,367,334,525,997
110	Cash and cash equivalents	3	1,486,068,776,000	2,895,810,907,792
111	Cash		995,600,124,723	1,220,342,256,515
112	Cash equivalents		490,468,651,277	1,675,468,651,277
120	Short-term investments		760,000,000,000	600,000,000,000
121	Trading securities	4(a)	990,000,000,000	990,000,000,000
122	Provision for diminution in value of trading securities	4(a)	(230,000,000,000)	(390,000,000,000)
130	Short-term receivables		17,079,022,821,540	15,918,339,540,755
131	Short-term trade accounts receivable	5	4,448,630,933,709	3,939,122,650,851
132	Short-term prepayments to suppliers	6	294,836,280,602	166,958,598,910
136	Other short-term receivables	7(a)	12,335,555,607,229	11,812,258,290,994
140	Inventories	8	845,551,080,154	712,093,262,127
141	Inventories		845,551,080,154	712,093,262,127
150	Other current assets		96,156,419,799	241,090,815,323
151	Short-term prepaid expenses	9(a)	77,595,799,735	212,726,834,066
153	Tax and other receivables from the State	14(a)	18,560,620,064	28,363,981,257

The notes on pages 12 to 69 are an integral part of these separate interim financial statements.

SEPARATE INTERIM BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			30.6.2021 VND	31.12.2020 VND
200	LONG-TERM ASSETS		23,803,529,171,911	19,258,240,295,143
210	Long-term receivables		16,506,958,167,646	12,468,380,233,254
216	Other long-term receivables	7(b)	16,506,958,167,646	12,468,380,233,254
220	Fixed assets		817,161,926,959	849,517,153,152
221	Tangible fixed assets	10(a)	816,286,722,442	848,484,656,852
222	Historical cost		1,125,117,442,364	1,122,615,532,564
223	Accumulated depreciation		(308,830,719,922)	(274,130,875,712)
227	Intangible fixed assets	10(b)	875,204,517	1,032,496,300
228	Historical cost		30,112,152,155	29,907,717,155
229	Accumulated amortisation		(29,236,947,638)	(28,875,220,855)
240	Long-term assets in progress		752,283,966,245	693,772,535,906
242	Construction in progress	11	752,283,966,245	693,772,535,906
250	Long-term investments		273,187,884,108	257,244,065,926
251	Investments in subsidiaries	4(b)	81,500,000,000	59,000,000,000
252	Investments in associates	4(b)	60,000,000,000	60,000,000,000
253	Investment in other entity	4(b)	149,417,024,400	149,417,024,400
254	Provision for long-term investments	4(b)	(17,729,140,292)	(17,729,140,292)
255	Investments held to maturity		-	6,556,181,818
260	Other long-term assets		5,453,937,226,953	4,989,326,306,905
261	Long-term prepaid expenses	9(b)	5,453,937,226,953	4,989,326,306,905
270	TOTAL ASSETS		44,070,328,269,404	39,625,574,821,140

The notes on pages 12 to 69 are an integral part of these separate interim financial statements.

SEPARATE INTERIM BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
300	LIABILITIES		37,041,606,631,730	34,599,034,545,092
310	Short-term liabilities		23,520,733,724,642	24,251,142,288,065
311	Short-term trade accounts payable	12	5,063,523,907,977	3,408,029,776,509
312	Short-term advances from customers	13	601,005,952,021	813,996,258,084
313	Tax and other payables to the State	14(b)	240,681,630,186	296,437,889,385
314	Payable to employees		43,739,038,413	62,911,822,426
315	Short-term accrued expenses	15	844,733,281,192	851,938,440,357
318	Short-term unearned revenue	16	215,839,956,739	867,654,596,914
319	Other short-term payables	17	6,631,222,053,452	5,991,200,493,090
320	Short-term borrowings	18(a)	7,741,487,554,022	10,094,815,636,734
321	Provision for short-term liabilities	19	1,804,991,310,826	1,864,157,374,566
322	Bonus and welfare fund	20	333,509,039,814	-
330	Long-term liabilities		13,520,872,907,088	10,347,892,257,027
337	Other long-term payables		5,636,355,880	5,636,355,880
338	Long-term borrowings	18(b)	3,647,272,351,574	1,347,040,509,856
341	Deferred income tax liabilities	21	97,841,190,548	67,824,775,143
342	Provision for long-term liabilities	19	9,770,123,009,086	8,927,390,616,148
400	OWNERS' EQUITY		7,028,721,637,674	5,026,540,276,048
410	Capital and reserves		7,028,721,637,674	5,026,540,276,048
411	Owners' capital	22, 23	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	23	247,483,117,899	245,949,492,805
415	Treasury shares	23	-	(2,347,121,362,620)
421	Undistributed earnings	23	1,365,125,179,775	1,711,598,805,863
421a	- Undistributed post-tax profits of previous years		1,330,922,686,515	3,164,605,883,182
421b	- Post-tax profits/(loss) of current period/year		34,202,493,260	(1,453,007,077,319)
440	TOTAL RESOURCES		44,070,328,269,404	39,625,574,821,140

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

SEPARATE 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		5,022,087,863,406	9,228,301,301,564
10	Net revenue from sales of goods and rendering of services	26	5,022,087,863,406	9,228,301,301,564
11	Cost of goods sold and services rendered	27	(7,988,162,992,341)	(11,228,802,623,604)
20	Gross loss from sales of goods and rendering of services		(2,966,075,128,935)	(2,000,501,322,040)
21	Financial income	28	3,763,002,969,026	1,021,016,481,405
22	Financial expenses	29	(202,402,172,910)	(641,589,018,245)
23	- Including: Interest expense	29	(290,253,736,292)	(232,229,994,878)
25	Selling expenses	30	(363,802,777,321)	(452,305,826,714)
26	General and administration expenses	31	(174,934,798,927)	(193,726,714,949)
30	Net operating profit/(loss)		55,788,090,933	(2,267,106,400,543)
31	Other income		8,718,553,689	810,198,288,960
32	Other expenses		(287,735,957)	-
40	Net other income		8,430,817,732	810,198,288,960
50	Net accounting profit/(loss) before tax		64,218,908,665	(1,456,908,111,583)
51	Business income tax ("BIT) - current	32	-	-
52	BIT - deferred	32	(30,016,415,405)	16,697,947,113
60	Net profit/(loss) after tax		34,202,493,260	(1,440,210,164,470)

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

SEPARATE INTERIM CASH FLOW STATEMENT
(Indirect method)

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit/(loss) before tax	64,218,908,665	(1,456,908,111,583)
	Adjustments for:		
02	Depreciation and amortisation	35,061,570,993	95,033,908,083
03	Provisions	655,417,158,693	5,804,553,003
04	Unrealised foreign exchange losses/(gains)	36,779,051,513	(173,585,564,363)
05	Profits from investing activities	(133,112,574,489)	(1,431,536,423,769)
06	Interest expense	290,253,736,292	232,229,994,878
08	Operating profit/(loss) before changes in working capital	948,617,851,667	(2,728,961,643,751)
09	(Increase)/decrease in receivables	(5,222,489,738,099)	851,160,955,076
10	(Increase)/decrease in inventories	(133,457,818,027)	39,582,876,302
11	Increase in payables	1,309,332,748,408	1,069,406,706,915
12	Increase in prepaid expenses	(329,479,885,717)	(556,006,705,411)
14	Interest paid	(229,677,563,970)	(237,212,461,869)
15	BIT paid	-	(179,350,686,663)
17	Other payments on operating activities	(47,167,079,534)	-
20	Net cash outflows from operating activities	(3,704,321,485,272)	(1,741,380,959,401)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(105,620,854,441)	(64,873,352,231)
24	Collection of debt instruments of other entities	6,556,181,818	709,756,800,000
25	Investments in other entities	(22,500,000,000)	-
27	Interest received	134,380,612,845	144,875,870,344
30	Net cash inflows from investing activities	12,815,940,222	789,759,318,113

The notes on pages 12 to 69 are an integral part of these separate interim financial statements.

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

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
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)
40	Net cash inflows/(outflows) from financing activities	2,295,369,637,437	(2,001,751,483,436)
50	Net decrease in cash and cash equivalents	(1,396,135,907,613)	(2,953,373,124,724)
60	Cash and cash equivalents at beginning of period	2,895,810,907,792	5,355,816,155,352
61	Effect of foreign exchange differences	(13,606,224,179)	2,186,556,049
70	Cash and cash equivalents at end of period	1,486,068,776,000	2,404,629,586,677

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

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

**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 are to provide passenger and cargo transportation services on domestic and international air routes, airline-related support services.

The normal business cycle of the Company is 12 months.

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09a – DN

1 GENERAL INFORMATION (continued)

As at 30 June 2021, the Company had 8 subsidiaries and 2 associates as disclosed in Note 4(b) – Investments in other entities. 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 (%)
Directly-owned subsidiaries							
Vietjet Air IVB No. I Limited	To trade and lease aircraft and aircraft components	No. 1825671 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air IVB No. II Limited	To trade and lease aircraft	No. 1825613 dated 27 May 2014	British Virgin Islands	100	100	100	100
Vietjet Air Singapore Pte. Ltd.	To trade aircraft	No. 201408849N dated 27 March 2014	Singapore	100	100	100	100
Vietjet Air Ireland No. 1 Limited	To trade and lease aircraft	No. 544879 dated 3 June 2014	Ireland	100	100	100	100
Galaxy Pay Company Limited	To provide payment services (online payment, e-wallet)	No. 0316368255 dated 7 July 2020	Vietnam	100	100	100	100
Swift 247 Joint Stock Company	To provide 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
Indirectly-owned subsidiaries							
Skymate Limited	To trade and lease aircraft	No. 327015 dated 15 September 2017	Cayman Islands	100	100	100	100
VietjetAir Cargo Joint Stock Company	To provide cargo transportation and related support services	No. 0312759089 dated 27 August 2014	Vietnam	64	67	-	-
Associates							
Thai Vietjet Air Joint Stock Co., Ltd. (*)	To provide passenger and cargo transportation and related support services	No. 0105556100551 dated 25 June 2013	Thailand	9	9	9	9
Cam Ranh International Terminal Joint Stock Company (*)	To provide direct support services for airline transportation	No. 4201676638 dated 5 February 2016	Vietnam	10	10	10	10

1 GENERAL INFORMATION (continued)

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

As at 30 June 2021, the Company had 5,434 employees (as at 31 December 2020: 5,468 employees).

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

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

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

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

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

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Group for the six-month period ended 30 June 2021 in order to obtain full information of the consolidated interim financial position and consolidated interim results of operations and consolidated interim cash flows of the Group.

2.2 Assessment 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 Company.

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

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 Company's financial performance and cash flows. As a consequence, the Company reported a gross loss from the main aviation business of VND2,966 billion for the six-month period ended 30 June 2021 (six-month period ended 30 June 2020: VND2,000 billion). These conditions indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

In order to cope with the effects of the COVID-19 pandemic, the Company has implemented several measures to weather this challenging time. These efforts are ongoing, as the Company 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:

(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 Company, 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 Company 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 Company 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:

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

- 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.

(ii) Working capital management

The Company has been successful in negotiating with banks and certain lessors regarding the financial resources to restructure the aircraft operating leases and lease terms. The Company 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 Company 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 Company 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 Company completed the sale of 17,772,740 treasury shares in April 2021, in order to strengthen its cash position and liquidity.

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

The Company 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 Company has plans to sell stakes via a private placement, and to raise USD300 million through an international bond issuance, in order to strengthen the Company's financial capacity and ensure the sustainable development of Company's aviation activities.

Considering the aforementioned factors, the Board of Directors and the Board of Management are of the opinion that the Company will be able to generate sufficient working capital to finance its operations and to meet its obligations as and when they fall due in the following 12 months from the date of the separate interim financial statements. Accordingly, the separate 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 Company's fiscal year is from 1 January to 31 December. The separate interim financial statements were prepared for the six-month period from 1 January to 30 June.

2.4 Currency

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

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

2.5 Exchange rates

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

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

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

2.6 Cash and cash equivalents

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

2.7 Receivables

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

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

2.8 Maintenance reserves of leased aircraft

Under the terms of its aircraft operating lease agreements, the Company is legally and contractually responsible for maintenance and repair of the leased aircraft throughout the lease period and is also required to make maintenance reserves with the lessors. Maintenance reserves made to lessors are typically calculated based on a performance measure, such as flight hours or cycles, and are contractually required to be reimbursed to the Company upon the completion of the required maintenance of the leased aircraft including replacement of life limited parts, engine performance restoration, airframe major structural inspection, landing gear overhaul and auxiliary power unit (APU) heavy repair. If there are excess maintenance reserves at the expiration of the leases, the excess amounts are recognised as expenses in the separate 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 separate interim balance sheet date to the estimated time that the Company could reimburse the maintenance expenses from lessors.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Inventories**

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

The Company applies the perpetual system for inventories.

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

2.10 Investments**(a) Trading securities**

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

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

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

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

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

(b) Investments held-to-maturity

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Investments (continued)****(b) Investments held-to-maturity (continued)**

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

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

(c) Investments in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies in order to gain future benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

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

(d) Investments in associates

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

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

(e) Investment in other entity

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Investments (continued)****(f) Provision for investments in subsidiaries, associates and other entities**

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

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.

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

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

2.12 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to 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 separate interim income statement when incurred.

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

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

Aircraft and components	10 - 20 years
Machinery and equipment	3 - 10 years
Office equipment	3 - 5 years
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 separate interim income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised 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.

2.13 Leased assets

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

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

Prepaid expenses include short-term and long-term prepayments on the separate interim balance sheet. 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 over the remaining term of the lease if shorter.

(ii) Rotable parts

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

(iii) Tools and instruments

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

2.15 Payables

Classifications of payables are based on their nature as follows:

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Borrowings**

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

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

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

2.17 Bonds issued - Straight bonds

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

2.18 Accrued expenses

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

2.19 Provisions

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

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)**2.19 Provisions (continued)**

In accordance with the Company'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 2.14(b)(i));
- with respect to other aircraft operating leases, according to the agreements between the Company and its lessors, and the requirements of Vietnam Aviation Authority, the Company 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 separate 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 separate 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.

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

With respect to aircraft operating lease agreements where the Company is required to return the aircraft with adherence to certain maintenance conditions, cost to make good on leased assets is estimated at the inception of the lease based on the present value of the future expected costs at the expiration of the lease in order for the Company to meet the conditions for the return of the aircraft to the lessors, including certain levels of maintenance as well as arranging for final test flights, inspection, custom and deregistration costs, removal of the Company's modifications (if any), 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 separate income statement on a straight-line basis over the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Unearned revenue**

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

2.21 Capital and reserves

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

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

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

2.22 Appropriation of profit

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

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

Revenue from passenger transportation is recognised in the separate interim income statement when the transportation is provided or when the ticket expires. The value of unused passenger tickets and miscellaneous charges is recorded in short-term liabilities as unearned revenue. Non-refundable tickets generally expire on the date of the intended flight, unless the date is extended by notification from the customer on or before the intended flight date. 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.

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

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

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

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

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

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

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

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

(c) Revenue from charter flights

Revenue from charter flights is recognised in the separate 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 separate interim income statement on a straight-line basis over the term of the lease or using another calculation method if it is more appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Revenue recognition (continued)****(e) Revenue from purchase right option**

Revenue from the purchase right option is recognised in the separate 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 separate interim income statement of income 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.

(g) Interest income

Interest income is recognised on an earned basis.

(h) Dividend income

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

2.24 Cost of goods sold and services rendered

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

2.25 Financial expenses

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

2.26 Selling expenses

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

2.27 General and administration expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Current and deferred income tax**

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

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

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

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

2.29 Related parties

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.30 Segment reporting**

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

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

2.31 Accounting estimates

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

The areas involving significant estimates and assumptions are as follows:

- Estimated useful lives of fixed assets (Note 2.12);
- Provision for maintenance cost and cost to make good on leased assets (Note 2.19 and Note 19); and
- Deferred income tax assets (Note 2.28 and Note 21).

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

3 CASH AND CASH EQUIVALENTS

	30.6.2021	31.12.2020
	VND	VND
Cash on hand	9,440,041,942	13,959,607,017
Cash at banks	986,160,032,781	1,206,382,649,498
Cash in transit	50,000	-
Cash equivalents (*)	490,468,651,277	1,675,468,651,277
	<u>1,486,068,776,000</u>	<u>2,895,810,907,792</u>

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

As at 30 June 2021, the Company had current and term deposit accounts with total balance of VND541 billion (as at 31 December 2020: VND1,943 billion) at Ho Chi Minh City Development Joint Stock Commercial Bank, a related party, at normal trading terms.

4 INVESTMENTS**(a) Trading securities**

	As at 30.6.2021			
	Quantity	Cost	Fair value (*)	Provision
		VND	VND	VND
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>
	As at 31.12.2020			
	Quantity	Cost	Fair value (*)	Provision
		VND	VND	VND
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 Company 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.

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09a – DN

4 INVESTMENTS (continued)

(b) Investments in other entities

	As at 30.6.2021			As at 31.12.2020		
	Ownership %	Cost VND	Provision VND	Ownership %	Cost VND	Provision VND
i. Investments in subsidiaries (*)						
Galaxy Pay Company Limited	100	50,000,000,000	-	100	50,000,000,000	-
Swift 247 Joint Stock Company (i)	67	31,500,000,000	-	-	-	-
Vietjet Air Cargo Joint Stock Company (i)	-	-	-	90	9,000,000,000	-
Vietjet Air IVB No. I Limited (ii)	100	-	-	100	-	-
Vietjet Air IVB No. II Limited (ii)	100	-	-	100	-	-
Vietjet Air Singapore Pte.Ltd.(ii)	100	-	-	100	-	-
Vietjet Air Ireland No. 1 Limited (ii)	100	-	-	100	-	-
		<u>81,500,000,000</u>	<u>-</u>		<u>59,000,000,000</u>	<u>-</u>
ii. Investments in associates (*)						
Thai Vietjet Air Joint Stock Co., Ltd. (ii) (iii)	9	-	-	9	-	-
Cam Ranh International Terminal Joint Stock Company	10	60,000,000,000	(17,729,140,292)	10	60,000,000,000	(17,729,140,292)
		<u>60,000,000,000</u>	<u>(17,729,140,292)</u>		<u>60,000,000,000</u>	<u>(17,729,140,292)</u>
iii. Investment in other entity (**)						
Sai Gon Ground Services Joint Stock Company	9.1	149,417,024,400	-	9.1	149,417,024,400	-

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

- (*) As at 30 June 2021 and 31 December 2020, the Company could not determine the fair value of these investments to disclose on the separate interim financial statements since it did not have sufficient information. The fair value of such investments may differ from their book values.
- (**) 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. As at 30 June 2021, the fair value of the investment in Sai Gon Ground Services Joint Stock Company is VND211,196,718,000 (as at 31 December 2020: VND215,787,951,000).
- (i) Pursuant to the Resolution of the Board of Directors dated 28 September 2020, the Board of Directors approved the decision to purchase shares in Swift 247 Company Limited and to structure VietjetAir Cargo Joint Stock Company as a subsidiary of Swift 247 Company Limited. During the six-month period ended 30 June 2021, Swift 247 Company Limited was contributed VND31.5 billion by the Company and other shareholders. As at 30 June 2021, VietjetAir Cargo Joint Stock Company is an indirectly-owned subsidiary of the Company.
- (ii) As at 30 June 2021, the Company has not yet contributed capital in these subsidiaries and associates. These companies' operations are mainly financed by the Company.
- (iii) On 25 September 2018, the Company 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 separate interim financial statements, the involved parties have been negotiating to increase the Company's ownership to 38% in 2022, or when the aviation market recovers after COVID-19.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2021 VND	31.12.2020 VND
Third parties		
Zhejiang Lixi International Travel Co., Ltd. (*)	1,102,291,560,000	1,216,220,105,000
Hangzhou BaoLi Co., Ltd. (*)	540,974,399,700	520,653,712,788
Others	252,978,235,624	210,797,454,506
	<u>1,896,244,195,324</u>	<u>1,947,671,272,294</u>
Related parties (Note 36(b))	2,552,386,738,385	1,991,451,378,557
	<u>4,448,630,933,709</u>	<u>3,939,122,650,851</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 Company and these customers, the Board of Management assesses that the outstanding receivables are collectible when the aviation market recovers.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2021 VND	31.12.2020 VND
Third parties		
Aergen Aircraft Thirty One Limited	85,952,100,452	4,617,481,949
Others	178,995,000,201	162,341,116,961
	<u>264,947,100,653</u>	<u>166,958,598,910</u>
Related parties (Note 36(b))	29,889,179,949	-
	<u>294,836,280,602</u>	<u>166,958,598,910</u>

7 OTHER RECEIVABLES

(a) Short-term

	As at 30.6.2021		As at 31.12.2020	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties				
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	-
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	476,617,055,562	-	626,573,166,696	-
	<u>6,712,395,792,898</u>	<u>-</u>	<u>7,562,571,071,940</u>	<u>-</u>
Related parties (Note 36(b))	5,623,159,814,331	-	4,249,687,219,054	-
	<u>12,335,555,607,229</u>	<u>-</u>	<u>11,812,258,290,994</u>	<u>-</u>

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

7 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
Third parties				
Maintenance reserves of leased aircraft	7,091,063,716,327	-	6,805,551,842,000	-
Deposit for aircraft purchases after next 12 months (ii)	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	232,739,821,674	-	49,814,214,970	-
	<u>12,228,147,907,147</u>	<u>-</u>	<u>11,742,416,045,548</u>	<u>-</u>
Related parties (Note 36(b))	4,278,810,260,499	-	725,964,187,706	-
	<u>16,506,958,167,646</u>	<u>-</u>	<u>12,468,380,233,254</u>	<u>-</u>

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

8 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>

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09a – DN

9 PREPAID EXPENSES

(a) Short-term

	30.6.2021	31.12.2020
	VND	VND
Prepayments for aircraft leases	39,743,632,357	195,438,728,811
Prepayments for maintenance	34,486,945,677	15,481,112,314
Others	3,365,221,701	1,806,992,941
	<u>77,595,799,735</u>	<u>212,726,834,066</u>

(b) Long-term

	30.6.2021	31.12.2020
	VND	VND
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	179,062,951,055	123,550,583,976
Major inspection and overhaul expenditure	104,132,704,603	83,980,251,729
Others	34,602,918,986	38,792,040,942
	<u>5,453,937,226,953</u>	<u>4,989,326,306,905</u>

9 PREPAID EXPENSES (continued)**(b) Long-term (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	-	6,591,074,767,201
Increase	808,937,001,247	56,655,038,270	73,016,118,530	129,802,638,425	42,931,219,564	1,111,342,016,036
Allocation	(424,331,739,105)	(83,014,775,913)	(92,191,982,357)	(121,106,442,765)	(4,139,178,622)	(724,784,118,762)
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	123,550,583,976	38,792,040,942	4,989,326,306,905
Increase	555,057,176,578	22,953,326,057	58,096,820,392	121,934,780,765	-	758,042,103,792
Allocation	(151,248,360,128)	(33,626,920,456)	(37,944,367,518)	(66,422,413,686)	(4,189,121,956)	(293,431,183,744)
As at 30 June 2021	4,669,352,668,318	466,785,983,991	104,132,704,603	179,062,951,055	34,602,918,986	5,453,937,226,953

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

10 FIXED ASSETS**(a) Tangible fixed assets**

	Aircraft and components VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
As at 1 January 2021	896,813,994,227	102,504,743,597	67,293,981,762	56,002,812,978	1,122,615,532,564
New purchases	-	-	1,806,090,000	695,819,800	2,501,909,800
As at 30 June 2021	<u>896,813,994,227</u>	<u>102,504,743,597</u>	<u>69,100,071,762</u>	<u>56,698,632,778</u>	<u>1,125,117,442,364</u>
Accumulated depreciation					
As at 1 January 2021	204,945,749,364	27,821,530,936	19,754,157,459	21,609,437,953	274,130,875,712
Charge for the period	22,438,970,106	6,267,617,632	3,711,888,151	2,281,368,321	34,699,844,210
As at 30 June 2021	<u>227,384,719,470</u>	<u>34,089,148,568</u>	<u>23,466,045,610</u>	<u>23,890,806,274</u>	<u>308,830,719,922</u>
Net book value					
As at 1 January 2021	<u>691,868,244,863</u>	<u>74,683,212,661</u>	<u>47,539,824,303</u>	<u>34,393,375,025</u>	<u>848,484,656,852</u>
As at 30 June 2021	<u><u>669,429,274,757</u></u>	<u><u>68,415,595,029</u></u>	<u><u>45,634,026,152</u></u>	<u><u>32,807,826,504</u></u>	<u><u>816,286,722,442</u></u>

10 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 Company (Note 18(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

	Software VND
Historical cost	
As at 1 January 2021	29,907,717,155
New purchases	204,435,000
	<hr/>
As at 30 June 2021	30,112,152,155
	<hr/>
Accumulated amortisation	
As at 1 January 2021	28,875,220,855
Charge for the period	361,726,783
	<hr/>
As at 30 June 2021	29,236,947,638
	<hr/>
Net book value	
As at 1 January 2021	1,032,496,300
	<hr/> <hr/>
As at 30 June 2021	875,204,517
	<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).

11 LONG-TERM CONSTRUCTION IN PROGRESS

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

	30.6.2021 VND	31.12.2020 VND
Costs relating to aircraft and components	126,426,984,046	130,931,026,091
Aviation Technology Research and Training Centre	616,559,650,596	561,430,982,449
Ground Services Operation Center	6,406,717,359	-
Others	2,890,614,244	1,410,527,366
	<u>752,283,966,245</u>	<u>693,772,535,906</u>

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

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	693,772,535,906	1,258,338,717,091
Purchases	102,914,509,641	293,743,925,297
Transfers to tangible fixed assets	-	(778,062,904,128)
Other	(44,403,079,302)	(80,247,202,354)
	<u>752,283,966,245</u>	<u>693,772,535,906</u>

12 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
Third parties				
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	3,659,207,684,874	3,659,207,684,874	2,173,470,273,568	2,173,470,273,568
	<u>4,769,593,312,101</u>	<u>4,769,593,312,101</u>	<u>3,087,449,237,263</u>	<u>3,087,449,237,263</u>
Related parties (Note 36(b))	<u>293,930,595,876</u>	<u>293,930,595,876</u>	<u>320,580,539,246</u>	<u>320,580,539,246</u>
	<u><u>5,063,523,907,977</u></u>	<u><u>5,063,523,907,977</u></u>	<u><u>3,408,029,776,509</u></u>	<u><u>3,408,029,776,509</u></u>

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

13 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2021 VND	31.12.2020 VND
Third parties		
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	224,931,014,193	413,511,849,875
	<u>501,309,734,110</u>	<u>732,699,391,305</u>
Related parties (Note 36(b))	99,696,217,911	81,296,866,779
	<u>601,005,952,021</u>	<u>813,996,258,084</u>

14 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1.1.2021 VND	(Receivable)/payable during the period VND	Payment/net-off during the period VND	Reclassification VND	As at 30.6.2021 VND
a) Tax receivables					
Foreign contractor tax	28,363,981,257	-	-	(9,803,361,193)	18,560,620,064
b) Tax payables					
BIT	138,784,864,775	-	-	-	138,784,864,775
Value Added Tax	103,888,422,189	278,145,257,854	(322,169,787,792)	-	59,863,892,251
Personal income tax	53,764,602,421	18,422,479,739	(30,154,209,000)	-	42,032,873,160
Foreign contractor tax	-	9,803,361,193	-	(9,803,361,193)	-
Other tax	-	18,327,956	(18,327,956)	-	-
	<u>296,437,889,385</u>	<u>306,389,426,742</u>	<u>(352,342,324,748)</u>	<u>(9,803,361,193)</u>	<u>240,681,630,186</u>

15 SHORT-TERM ACCRUED EXPENSES

	30.6.2021 VND	31.12.2020 VND
Aircraft related expenses	466,959,686,731	551,730,986,548
Maintenance expenses	129,892,194,898	156,345,907,814
Interest expense	118,266,511,158	57,690,338,836
Others	129,614,888,405	86,171,207,159
	<u>844,733,281,192</u>	<u>851,938,440,357</u>

16 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>

17 OTHER SHORT-TERM PAYABLES

	30.6.2021 VND	31.12.2020 VND
Third parties		
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	135,496,006,634	81,274,009,737
	<u>2,341,304,580,874</u>	<u>778,623,756,769</u>
Related parties (Note 36(b))	<u>4,289,917,472,578</u>	<u>5,212,576,736,321</u>
	<u>6,631,222,053,452</u>	<u>5,991,200,493,090</u>

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

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09a – DN

18 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 18(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 36(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>

18 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
Secured loans			
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	-
Unsecured loans			
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
		<u>5,702,978,274,022</u>	<u>6,471,260,726,734</u>

(*) As at 30 June 2021, these borrowings were secured by the estimated receivables arising from the Company'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.

VIETJET AVIATION JOINT STOCK COMPANY

Form B 09a – DN

18 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>

18 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 borrowing'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 (year ended 31 December 2020: 3.29% per annum) and is secured by the Company's tangible fixed assets with the carrying amount as follows:

	30.6.2021	31.12.2020
	VND	VND
Aircraft No. A320 MSN7167, VNA675 (Note 10(a))	669,429,274,757	691,868,244,863

(ii) Straight bonds

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

	Currency	Annual interest	Year of maturity	30.6.2021	31.12.2020
				VND	VND
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>

18 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 9.5% per annum for the first 2 semi-annual periods from the date of issuance, and a floating interest rate equal to 3% per annum plus the average interest rates on the 12-month corporate deposits in VND in the following semi-annual periods until the maturity date.

(**) This bond is unsecured. Interest is payable in each semi-annual period, with a fixed interest rate of 9% 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.

19 PROVISION FOR LIABILITIES

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

	Provision for maintenance expenses VND	Provision to make good on leased assets VND	Total VND
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.

20 BONUS AND WELFARE FUND

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

	30.6.2021 VND	31.12.2020 VND
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 of Board of Directors dated 1 March 2021, the Company appropriated 10% of the 2019 profit after tax to Bonus and welfare fund.

21 DEFERRED INCOME TAX

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

	30.6.2021 VND	31.12.2020 VND
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>
	30.6.2021 VND	31.12.2020 VND
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>

21 DEFERRED INCOME TAX (continued)

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

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	67,824,775,143	394,444,939,970
Income statement charge/(credit) (Note 32)	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 Company 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 Company's tax losses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in the separate interim financial statements. The estimated amount of tax losses available for offset against the Company's future taxable income is:

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

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

23 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2020	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	3,164,605,883,182	6,479,547,353,367
Loss for the year	-	-	-	(1,453,007,077,319)	(1,453,007,077,319)
As at 31 December 2020	5,416,113,340,000	245,949,492,805	(2,347,121,362,620)	1,711,598,805,863	5,026,540,276,048
Profit for the period	-	-	-	34,202,493,260	34,202,493,260
Appropriation to Bonus and welfare fund (Note 20)	-	-	-	(380,676,119,348)	(380,676,119,348)
Sale of treasury shares	-	1,533,625,094	2,347,121,362,620	-	2,348,654,987,714
As at 30 June 2021	<u>5,416,113,340,000</u>	<u>247,483,117,899</u>	<u>-</u>	<u>1,365,125,179,775</u>	<u>7,028,721,637,674</u>

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

24 DIVIDENDS

	30.6.2021 VND	31.12.2020 VND
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>

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

	30.6.2021	31.12.2020
USD	5,707,588	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	<u>2,864,650</u>	<u>2,864,650</u>

(b) Operating lease assets

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

26 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
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	2,293,022,418,307	3,387,027,407,551
- Non-regular charter flights and aircrafts wet leases	170,248,414,275	94,917,680,791
	<u>4,370,765,530,709</u>	<u>8,442,630,798,042</u>
Aircraft dry leases	628,573,747,296	483,814,123,917
Assignment fees for purchase right option	-	174,750,000,000
Other revenue	22,748,585,401	127,106,379,605
	<u>5,022,087,863,406</u>	<u>9,228,301,301,564</u>

27 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Flight operation expenses	6,569,126,707,619	10,236,768,636,536
Technical expenses	780,902,857,506	1,080,552,332,629
Ground operation expenses	377,219,588,228	804,140,661,334
Safety, security, quality and assurance expenses	20,450,266,733	17,304,801,727
Cargo expenses	9,665,572,000	54,227,081,990
Reversal of provision for liabilities (*)	-	(1,186,285,976,434)
Others	230,798,000,255	222,095,085,822
	<u>7,988,162,992,341</u>	<u>11,228,802,623,604</u>

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

28 FINANCIAL INCOME

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Income from shares transfer (*)	3,584,000,000,000	-
Interest income from deposits and lendings	133,112,574,489	138,376,423,769
Realised foreign exchange gains	45,793,733,619	205,088,341,276
Income from purchase right of shares	-	500,000,000,000
Net gain from foreign currency translation at period-end	-	173,585,564,363
Others	96,660,918	3,966,151,997
	<u>3,763,002,969,026</u>	<u>1,021,016,481,405</u>

(*) The income is related to the transfer of the Company's shares in Pacific Star Investment and Development Company to related parties (Note 36(a)(vii)).

29 FINANCIAL EXPENSES

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Interest expense	290,253,736,292	232,229,994,878
Net loss from foreign currency translation at period-end	36,779,051,513	-
Realised foreign exchange losses	11,670,409,500	335,641,352,529
Unwinding discount of provisions (Reversal of provision)/provision for diminution in value of trading securities and long-term investment	(160,000,000,000)	35,000,000,000
Others	1,893,400,619	-
	<u>202,402,172,910</u>	<u>641,589,018,245</u>

30 SELLING EXPENSES

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Advertising and marketing expenses	233,093,719,047	161,159,337,688
Sale commissions	95,095,899,370	228,614,299,766
Staff costs	30,298,594,125	57,154,470,446
Depreciation and amortisation	99,374,054	118,708,007
Others	5,215,190,725	5,259,010,807
	<u>363,802,777,321</u>	<u>452,305,826,714</u>

31 GENERAL AND ADMINISTRATION EXPENSES

	<u>For the six-month period ended 30 June</u>	
	2021	2020
	VND	VND
Staff costs	70,292,117,530	93,800,674,723
External service expenses	61,568,892,634	65,486,571,082
Rental	21,313,370,235	13,331,954,490
Depreciation and amortization	2,277,066,330	1,183,960,894
Others	19,483,352,198	19,923,553,760
	<u>174,934,798,927</u>	<u>193,726,714,949</u>

32 BUSINESS INCOME TAX (“BIT”)

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

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

	<u>For the six-month period ended 30 June</u>	
	2021	2020
	VND	VND
Net accounting profit/(loss) before tax	64,218,908,665	(1,456,908,111,583)
Tax calculated at a rate of 20%	12,843,781,733	(291,381,622,317)
Effect of:		
Expenses not deductible for tax purposes	17,172,633,672	20,029,875,159
Tax losses for which no deferred income tax asset was recognised	-	254,653,800,045
BIT charge (*)	<u>30,016,415,405</u>	<u>(16,697,947,113)</u>
Charged/(credited) to income statement:		
BIT – current	-	-
BIT – deferred (Note 21)	30,016,415,405	(16,697,947,113)
	<u>30,016,415,405</u>	<u>(16,697,947,113)</u>

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

33 COSTS OF OPERATION BY FACTOR

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

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Fuel costs	2,345,460,784,323	3,612,442,835,418
Staff costs	966,575,156,373	1,779,420,451,334
Depreciation and amortisation	35,061,570,993	95,033,908,083
External service and other expenses	5,179,803,056,900	6,387,937,970,432
	<u>8,526,900,568,589</u>	<u>11,874,835,165,267</u>

34 SEGMENT REPORTING

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

(a) Business segments

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

Except as indicated above, the Company has no other business segments being aggregated to form a reportable business segment. Segmental information for total revenue and cost of sales is shown in Notes 26 and 27 to the separate interim financial statements. All the Company's assets, liabilities, financial income and financial expenses, selling expenses, general and administration expenses, other income and other expenses are unallocated.

34 SEGMENT REPORTING (continued)**(b) Geographical segments**

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

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
In Vietnam	3,909,263,832,117	4,754,099,185,080
Outside Vietnam	1,112,824,031,289	4,474,202,116,484
	<u>5,022,087,863,406</u>	<u>9,228,301,301,564</u>

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

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

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Reclassify to short-term borrowing for current portion	1,285,045,630,000	32,311,340,000
Appropriation to Bonus and welfare fund	380,676,119,348	-
Net-off of proceeds from disposal of fixed assets and construction in progress with other payables	-	1,135,994,293,548
	<u>-</u>	<u>1,135,994,293,548</u>

36 RELATED PARTY DISCLOSURES

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

Related parties	Relationship
Sovico Holdings Company	Major shareholder
Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank)	Major shareholder
Vietjet Air IVB No. I Limited	Subsidiary
Vietjet Air IVB No. II Limited	Subsidiary
Vietjet Air Ireland No. I Limited	Subsidiary
Vietjet Air Singapore Pte. Ltd.	Subsidiary
Vietjet Air Cargo Joint Stock Company	Subsidiary
Galaxy Pay Company Limited	Subsidiary
Swift 247 Joint Stock Company	Subsidiary
Thai Vietjet Air Joint Stock Co., Ltd.	Associate
Cam Ranh International Terminal Joint Stock Company	Associate
Sai Gon Ground Services Joint Stock Company	Other related party
Truong Son Plaza Joint Stock Company (formerly known as Vietjet Plaza Joint Stock Company)	Other related party
Cong Hoa Commercial Investment Joint Stock Company (formerly known as Thuy Duong - Duc Binh Commercial Joint Stock Company)	Other related party
Sovico Energy Holdings Company	Other related party
Sovico Group Joint Stock Company	Other related party
Phu Long Real Estate Corporation	Other related party
Menas Company Limited	Other related party
Angelica Holding Limited	Other related party
Angelica Aircraft Assets Limited	Other related party
Apricot Aircraft Company (Ireland) 8577 Limited	Other related party
Apricot Aircraft Company (Ireland) 8592 Limited	Other related party
Apricot Aircraft Company (Ireland) 8605 Limited	Other related party
Apricot Aircraft Company (Ireland) 8670 Limited	Other related party
Apricot Aircraft Company (Ireland) 8676 Limited	Other related party
Apricot Aircraft Assets Limited	Other related party
Apricot Aircraft Assets No.1 Limited	Other related party
AAA Aircraft Asset Company Limited	Other related party
AAA Golden Aircraft Star No. 1 Limited	Other related party
AAA Golden Aircraft Star No. 5 Limited	Other related party
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

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions

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

	<u>For the six-month period ended 30 June</u>	
	2021	2020
	VND	VND
i) Revenue from aircraft leasing		
Subsidiary	464,466,759,696	449,421,847,917
Associate	28,028,894,400	34,392,276,000
Other related party	136,078,093,200	-
	<u>628,573,747,296</u>	<u>483,814,123,917</u>
ii) Aircraft operating lease expenses		
Other related party	587,582,000,000	593,283,358,830
	<u>587,582,000,000</u>	<u>593,283,358,830</u>
iii) Assignment fees for purchase right option		
Subsidiary	-	174,750,000,000
	<u>-</u>	<u>174,750,000,000</u>
iv) Cargo activity		
Subsidiary:		
- Revenue	439,029,844,090	322,711,447,093
- Commission expenses	34,688,257,435	57,647,972,188
	<u>473,718,101,525</u>	<u>380,359,419,281</u>
v) Revenue from other services		
Associate	14,469,093,464	16,730,952,543
Other related party	-	69,947,253,740
	<u>14,469,093,464</u>	<u>86,678,206,283</u>

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	<u>For the six-month period ended 30 June</u>	
	2021	2020
	VND	VND
vi) Financing activities		
<i>Interest income</i>		
Major shareholder - HDBank	15,780,592,956	15,410,285,326
Associate	111,920,089,349	81,305,286,846
Other related party	770,506,849	31,460,986,301
	<u>128,471,189,154</u>	<u>128,176,558,473</u>
<i>Interest expense</i>		
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>
<i>Proceeds from borrowings</i>		
Major shareholder - HDBank	1,924,284,538,314	2,950,244,256,998
	<u>1,924,284,538,314</u>	<u>2,950,244,256,998</u>
<i>Term deposits and certificate of deposits</i>		
Major shareholder - HDBank	3,600,000,000,000	1,910,000,000,000
	<u>3,600,000,000,000</u>	<u>1,910,000,000,000</u>
vii) Investment activities		
<i>Shares transfer (*)</i>		
Other related parties	5,184,000,000,000	-
	<u>5,184,000,000,000</u>	<u>-</u>
(*) During the six-month period ended 30 June 2021, the Company 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 separate interim financial statements, VND1,598,289,600,000 had been collected.		
<i>Income from sale of purchase right option of trading securities</i>		
Income from sale of purchase right option	-	500,000,000,000
Payments received	-	300,000,000,000
	<u>-</u>	<u>800,000,000,000</u>

35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30 June	
	2021 VND	2020 VND
vii) Investment activities (continued)		
<i>Purchase of corporate bonds</i>		
Deposit for purchase of corporate bonds	-	800,000,000,000
	-	800,000,000,000
<i>Transfer of the commercial right</i>		
Income from transfer of the commercial right	-	793,160,000,000
Payments received	290,000,000,000	400,000,000,000
	290,000,000,000	400,000,000,000
<i>Disposal of right and obligation of a real estate project</i>		
Reclassification from long-term lendings to short-term receivables due to of disposal of business cooperation contract	-	701,500,000,000
Receivable from interest income from business cooperation contract	-	252,754,849,315
	-	252,754,849,315
<i>Capital contribution</i>		
Subsidiary	22,500,000,000	-
	22,500,000,000	-
<i>Income from disposal of assets</i>		
Subsidiary	-	1,091,497,912,701
	-	1,091,497,912,701
<i>Investment in projects with other related parties</i>		
Deposit received	1,200,000,000,000	800,000,000,000
Deposit repaid	1,995,000,000,000	-
	1,200,000,000,000	800,000,000,000
<i>Investment in project with subsidiary</i>		
Deposit received	15,000,000,000	-
	15,000,000,000	-

35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended	
	30.6.2021	30.6.2020
	VND	VND
viii) Other transactions		
<i>Prepayment for office rental</i>		
Major shareholder	-	21,504,159,376
<i>Office rental expenses</i>		
Other related party	14,057,926,456	16,312,572,305
<i>Payments and (receipts) on behalf, net cashflows</i>		
Subsidiary	(176,556,699,213)	1,327,048,301,108
Associate	81,935,769,215	557,675,589,773
ix) Compensation of key management		
Gross salaries and other benefits	10,532,649,937	9,451,851,618

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

	30.6.2021	31.12.2020
	VND	VND
Cash and cash equivalents		
Major shareholder - HDBank	541,718,556,008	1,943,626,832,738
Short-term trade accounts receivable (Note 5)		
Subsidiary (i)	2,392,504,531,423	1,967,058,736,238
Other related party	159,882,206,962	24,392,642,319
	2,552,386,738,385	1,991,451,378,557
(i) Receivables from aircraft dry leases.		
Short-term prepayments to suppliers (Note 6)		
Associate	29,889,179,949	-

35 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2021 VND	31.12.2020 VND
Other short-term receivables (Note 7(a))		
Subsidiaries	21,717,078,740	25,364,781,322
Associates (ii)	1,677,640,833,714	1,444,016,352,715
Other related parties (iii)	3,923,801,901,877	2,780,306,085,017
	<u>5,623,159,814,331</u>	<u>4,249,687,219,054</u>

(ii) 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).

(iii) 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 separate 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.

Other long-term receivables (Note 7(b))

Associate (iv)	468,344,946,987	468,344,946,987
Other related parties (v)	3,810,465,313,512	257,619,240,719
	<u>4,278,810,260,499</u>	<u>725,964,187,706</u>

(iv) The receivable balance mainly includes payment on behalf, is unsecured and interest free.

(v) 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.

Short-term trade accounts payable (Note 12)

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>

35 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2021 VND	31.12.2020 VND
Short-term advances from customers (Note 13)		
Major shareholder	400,251,461	131,582,161
Subsidiary	94,107,978,099	75,032,177,912
Associate	4,764,016,665	5,298,624,920
Other related parties	423,971,686	834,481,786
	<u>99,696,217,911</u>	<u>81,296,866,779</u>
Short-term accrued expenses		
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>
Other short-term payables (Note 17)		
Major shareholders	69,912,705,260	68,941,671,872
Subsidiaries (vi)	4,220,004,767,318	4,408,078,064,449
Other related parties	-	735,557,000,000
	<u>4,289,917,472,578</u>	<u>5,212,576,736,321</u>
 (vi) The payable balance mainly includes receipt on behalf.		
Short-term borrowings (Note 18(a))		
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>
Other long-term payables		
Subsidiary	<u>5,450,000,000</u>	<u>5,450,000,000</u>

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

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

	30.6.2021 VND	31.12.2020 VND
Within one year	8,840,142,427,178	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>76,301,555,744,452</u>	<u>60,105,041,726,714</u>

(ii) The Company as a lessor

The Company 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>

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

The Company signed an agreement and related amendments with Airbus S.A.S to purchase 186 aircraft. As at 30 June 2021, the Company has received 66 of the aircraft, with the remaining aircraft being scheduled to be delivered to the Company up to 2026. To power these aircraft, the Company also ordered 106 aircraft engines from CFM International S.A and 90 aircraft engines from United Technologies Corporation (Pratt & Whitney Division), including maintenance service agreements. Pursuant to the aircraft purchase agreement, as at 30 June 2021, the Company'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 Company 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 Company 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 Company'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 separate interim financial statements, the Company and Boeing Company were in the process of negotiating the implementation of certain terms in this agreement.

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

On 3 August 2021 and 6 September 2021, the Company 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 separate interim financial statements were approved by the Board of Management on 17 September 2021.

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